CREATING NATURAL VALUE



Integrated Report

2020

cmpc

(102-1; 102-3; 102-5)

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Corporate website: www.cmpc.com
Incorporation: A publicly traded corporation controlled by the Matte Group which owns 55.83% of the share capital. incorporated on February 5, 1920, at the Notary Public's office in Santiago of Mr. Manuel Gaete Fagalde. Decree N° 589, as Compañía Manufacturera de Papeles y Cartones.

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Learn more about the Desafío Agua Chile, an example of commitment and relationship with local communities.

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CMPC Beyond, together planning the future





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Protection programs species by CMPC

1. CMPC



DANIELA DE AZEVEDO FIGUEIREDO, TECHNICAL ASSISTANT, GUAÍBA PLANT (BRAZIL).

CHAPTER HIGHLIGHTS:

- *Message from the Chairman of the Board.*
- *100 years developing solutions from renewable resources that meet people's needs.*
- *Our business units are: CMPC Celulosa, CMPC Biopackaging, and Softys.*
- *Our 100 years of history.*
- *Year 2020 in milestones, figures, and recognitions.*
- *CMPC's corporate strategy.*

1.1

Message from the Chairman of the Board

It's time to get involved

[102-14]

DEAR SHAREHOLDERS:

I am pleased to greet you and present to you the Integrated Report of Empresas CMPC, which includes the Annual Report, Balance Sheet and Financial Statements for 2020, as well as the Sustainability Report, prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and the International Integrated Reporting Council.

This Integrated Report is also a Communication on Progress (CoP) for the United Nations Global Compact, a network that we joined in March 2018.

As in previous years, I would also like to take this opportunity to share some reflections on our company's performance, as well as on local and global events, in the context of a year that will surely be remembered as one of the most complex, unexpected and challenging in the history of mankind.

For this reason, **I believe it is essential to begin this report with a sincere and profound recognition of the entire CMPC team, including our direct and indirect collaborators.** Because just as we set ourselves the mission of taking care of them, establishing protocols, and making the necessary adjustments for their best performance, we are also witnesses to the conscientiousness, dedication, and professionalism with which each one of them responded to this situation in the different countries where we are present.

As I reported in the 2019 Integrated Report letter, we established the first pandemic preparedness measures shortly after the start of 2020, suspending travel and establishing protocols that, over the weeks, were strengthened with specialized advice, recommendations from health authorities, and the incorporation of international best practices.

By mid-March, the implementation of these care protocols had already resulted in more than 5,000 direct employees teleworking, as well as a thorough reorganization of plant shifts to reduce staffing levels to a minimum and thus reduce the risk of contagion without jeopardizing our operational capacity.

Because we understood early on-and this was ratified by both the authorities and public opinion itself according to different surveys-that our products were a substantial part of a supply chain that could not fail in the face of adversity. As a result, the permanent challenge of developing our activities under all circumstances acquired new vigor and was assumed by each of the members of this team.

The pandemic, in this sense, confirmed that the forest industry, with all its derived products, is absolutely fundamental for the normal functioning of people and constitutes an essential supply - in addition to being environmentally friendly - in areas as relevant as food, pharmaceuticals or personal care and hygiene. This is why, as this report confirms, we have invested our utmost efforts in implementing and promoting an industry that is capable of responding to these unavoidable needs under the highest standards of responsibility and sustainability to ensure its continuity in the long term.

This has been recognized by the market, as reflected in the Dow Jones Sustainability Index, which ranked CMPC as the second most sustainable forest company in the world. Also, for the sixth consecutive year, the company was selected to form part of the Dow Jones Sustainability Index Chile; for the fourth year, in the MILA Pacific Alliance and for the second, in the Emerging Markets index. For its part, CDP placed the company on its exclusive A List for water use and combating deforestation.

However, I must confess that none of these recognitions and none of the lessons we were able to learn in the pandemic, as valuable as they are, could compensate for the sad losses of some of our collaborators, family members, and friends as a result of Covid-19.

I extend my most sincere condolences, as well as those of the entire Board of Directors, to those who saw the loss of loved ones during these difficult times. We trust that greater medical knowledge about the behavior of the virus, as well as the gradual mass vaccination, will allow us to recover the confidence and normality that we all long for.

For our part, we have chosen to project and budget for the 2021 fiscal year under cautious criteria, always prioritizing the care of direct and indirect collaborators for the necessary operational continuity. This does not prevent us from looking to the future with optimism and making our best efforts to make permanent the changes and achievements made during this state of emergency, as well as to visualize and prepare ourselves for the fundamental transformations demanded by tomorrow.



***Luis Felipe Gazitúa**, signing the agreement for the donation of mechanical ventilators to the Edgardo Rebagliati Martins National Hospital in Lima (Peru).*

*I extend my most **sincere condolences**, as well as those **of the entire Board of Directors**, to those who saw the loss of loved ones during these difficult times. We trust that greater medical knowledge about the behavior of the virus, as well as the gradual mass vaccination, will allow **us to recover the confidence and normality** that we all long for.*

In line with the above, the company's management has launched the Beyond program. This inclusive and participatory initiative looks to the sustainable consumer of the future, led by the Innovation Management, which seeks to recognize our activity's transformational axes, detect opportunities, and adapt to these changes.

RESULTS

From the point of view of our businesses, the implementation of the aforementioned strict work protocols, together with the commitment of our employees, allowed us to compensate for the lower global economic activity and the resulting drop in demand, with record production levels at the Laja and Guaiba pulp plants and also at the Maule boxboard plant.

Nevertheless, this was not enough to offset the impact on the results of lower pulp prices, which averaged USD 563 / ton for long fiber and USD 463 / ton for short fiber, the latter being the lowest in nominal terms in the last 15 years, and on the other hand, the deferred tax charge of USD 126 million resulting from the depreciation of the Brazilian real. It is important to highlight the improvements in the results of Softys and Biopackaging in the period, which achieved operating results 38% and 60% higher than the previous year, respectively.

As a consequence of the impacts already indicated, the company closed fiscal year 2020 with lower sales of USD 383 million compared to 2019 and with a loss of USD 28 million for the year.

I would like to highlight the company's solid financial position, with a debt ratio (Net Debt/Ebitda) of 3.13x, which has allowed us to face uncertainty on solid grounds and strengthen investor confidence. The markets' support for Empresas CMPC's development plan was also reflected in the record rate obtained for the USD 500 million bond we placed internationally at the beginning of the year.

The efficiency and production increases that we observe in our forest, wood, pulp, packaging, and personal care operations are also the result of operational excellence programs implemented in the different business areas, as well as innovation initiatives that have resulted, for example, in new digital intelligence applications to improve processes.

We understand innovation as a permanent process, but in our case it must be reinforced as a fundamental pillar for long-term development. Accordingly, **in 2020 we launched goals in this regard, such as that 30% of the improvements in our operational processes by 2025 should come from innovation, digitalization, and use of data. Or that 20% of compliance with the goals of sustainable development commitments come from new and innovative technologies**. In 2020, **CMPC Ventures** was established, a vehicle through which we are connecting with global technological entrepreneurship and with which we want to significantly enhance the most disruptive innovation that contributes to the development of CMPC's sustainable strategy.

This innovative effort has translated into new products, such as value-added materials in the case of wood and award-winning Biopackaging sacks for their contribution and innovation. It is also reflected in renewed spaces for sales and exchange, such as the Club Softys digital channel, as well as the B2B platform for Maderas.

Softys' entry into the production and sales of surgical face masks deserves special mention for its agility in decision making, innovation, demonstration of technical capacity, and deep commitment to the community. Empresas CMPC donated more than 15 million Elite masks to public institutions in Chile, Brazil, Argentina, Peru, and Mexico, in addition to a series of other social initiatives to help care for people in times of pandemic.

As I mentioned, projecting an exercise with a cautious and realistic vision is completely coherent with the objective of remaining vigilant to development opportunities and projecting ourselves with a long-term vision. This explains why in 2020 the new Softys production line was inaugurated in Zarate, Argentina, and the acquisition of the paper sack manufacturer Samcarsa in Irapuato, Mexico, was agreed upon.

Also, our representative office in Shanghai began operating in May, in addition to those in Atlanta, and Hamburg. Also in our forest and pulp business, during the year we continued to develop our plan for growth in forest mass in Brazil. In this regard, I must point out that we remain confident that the authorities of that country will move forward with their proposal to reinstate the purchase of land by international companies with industrial operations in that country, facilitating and promoting an activity that has proven to be a contribution to growth.

CONNECTED

This respectful invitation to generate regulations that promote open and competitive markets is not made from a comfortable or selfish position of spectators waiting for better conditions for their investments, but from the role that we consider corresponds to companies as relevant players in the development of the countries and societies in which they are inserted.

Assigning to the different players in society those tasks for which they have the best capabilities and which contribute to the common good is, after all, an exercise in participation and, therefore, in democracy.

And just as we have a responsibility to minimize the environmental impacts of our operations, a task for which we set ourselves demanding sustainability goals in 2019 that are in full progress, **we must also be able to respond to the requirements of a public opinion that claims greater involvement of the private sector in common issues.**

This is achieved in an environment of mutual respect and responsibility. In our case,



***Luis Felipe Gazitúa**, starting the delivery of masks to Cenabast in Chile, which were produced by Softys.*



Inauguration of the Fibra Local space in the Maule, Biobío and Araucanía regions.

just as we have shown in the past that we are a company that accepts its faults and makes restitution to those affected, we have also set ourselves objectives that ensure greater and better coexistence with the different stakeholders, such as communities and suppliers. In this regard, I will mention just one example, such as the reduction from 19 to 7 days on average in the payment of small and medium-sized enterprises.

Likewise, we have publicly stated our permanent willingness to dialogue and seek associative and joint solutions for the different requirements that may exist in the societies where we are inserted, as is the case with the problematic situation that the Araucania Region and the Province of Arauco have been going through for a long time.

That is why we have demanded a State vision and a more decisive commitment from Chilean society as a whole to address the painful events that are shaking the south of Chile. Because it is unacceptable for a civilized society to coexist with repeated attacks, the violation of citizens' rights, and, in the end, with the fear and permanent insecurity generated by a violent minority group that is proven to be linked to criminal activities, such as industrial wood theft or drug trafficking, on the local population.

The damage and harm does not fall solely on the large forest companies, as some would like to convey, but on the peaceful communities, farmers, small and medium-sized entrepreneurs, and the entire population that seeks to live in peace, harmony, and tranquility.

The situation described above should not be confused with the demands of Mapuche communities that have been waiting for a long time for an answer to unfulfilled commitments on the part of the State and for a well-deserved process of recognition and cultural valuation. In this case, also urgent and necessary, we are facing a demand for dignity, as a prominent Mapuche representative pointed out to me a few months ago.

I am convinced that violence, which is always condemnable, often represents a symptom of the problem, which must of course be addressed, but it is not the root of the problem.

However, our spirit as a company is far from a critical and spectator position. We have stated it in different forums, and we repeat it: rather than going deeper into the problem, we want to contribute to the solution, and this is achieved by establishing spaces for dialogue, working together, promoting points of consensus, and, in our case, generating the conditions so that the forest industry can coexist and become a true factor of development in the territories where it has a presence.

This is the attitude that public opinion expects from companies: active and involved, seeking to contribute to the necessary reactivation of the economy and employment, contributing to a better quality of life and cooperating in the solution of pending problems in our society. The above, without detracting merit or renouncing to profitability and efficiency as basic pillars of their existence and sustainability.

At CMPC, we understand it as a call to get involved and we responded in this way during the most complex months of the pandemic, contributing to organizations and municipalities with masks, sanitation campaigns, mobile clinics, solidarity lunches for older adults, support for entrepreneurs and the fitting-out of our former offices in Los Angeles - in the south of Chile - as an emergency hospital.

We even contributed to the electoral processes in Chile in 2020, providing masks and hygiene items for the voting tables, because we understand that these are social processes that, in the particular case of the constitutional plebiscite, meant a relevant effort to provide a democratic and institutional response to the crisis that was manifested in the country in the last quarter of 2019.

With the same commitment, we want to be propositional players in the future constitutional debate, always from our sphere, experience, and commitment, without interfering in the political decisions, but exposing what we consider to be transcendental changes for our future, such as the decentralization of the country and the necessary balance between productive activity and the protection of biodiversity. The constituents have the challenge of responding to the great majority of Chileans who voted for an institutional solution with a serious and responsible performance that favors the common good and a long-term vision.

We must be aware that we are laying the foundations for the coexistence and development of our country for many years to come.

Our contributions also extended to the community of Guaiba, Brazil. In addition to the aforementioned support in masks and hygiene products, I mention two initiatives in particular, such as the modernization and implementation of the Berço Farroupilha Hospital and the improvement of parks and beaches near Alvorada and Alegria.

We are also continuing our efforts to prevent and combat wildfires, both in Brazil and Chile. As you know, this is a problem that has its unfortunate origin in human intentionality and which we face with high technical and human capacity and the support of a prevention network with communities that are duly trained and supported by our teams.

For the 2020-2021 season, we added for the first time a specialized brigade based in the Metropolitan Region, which developed an important prevention work in areas mainly in the mountains, to protect vegetation already very weakened by the prolonged drought.

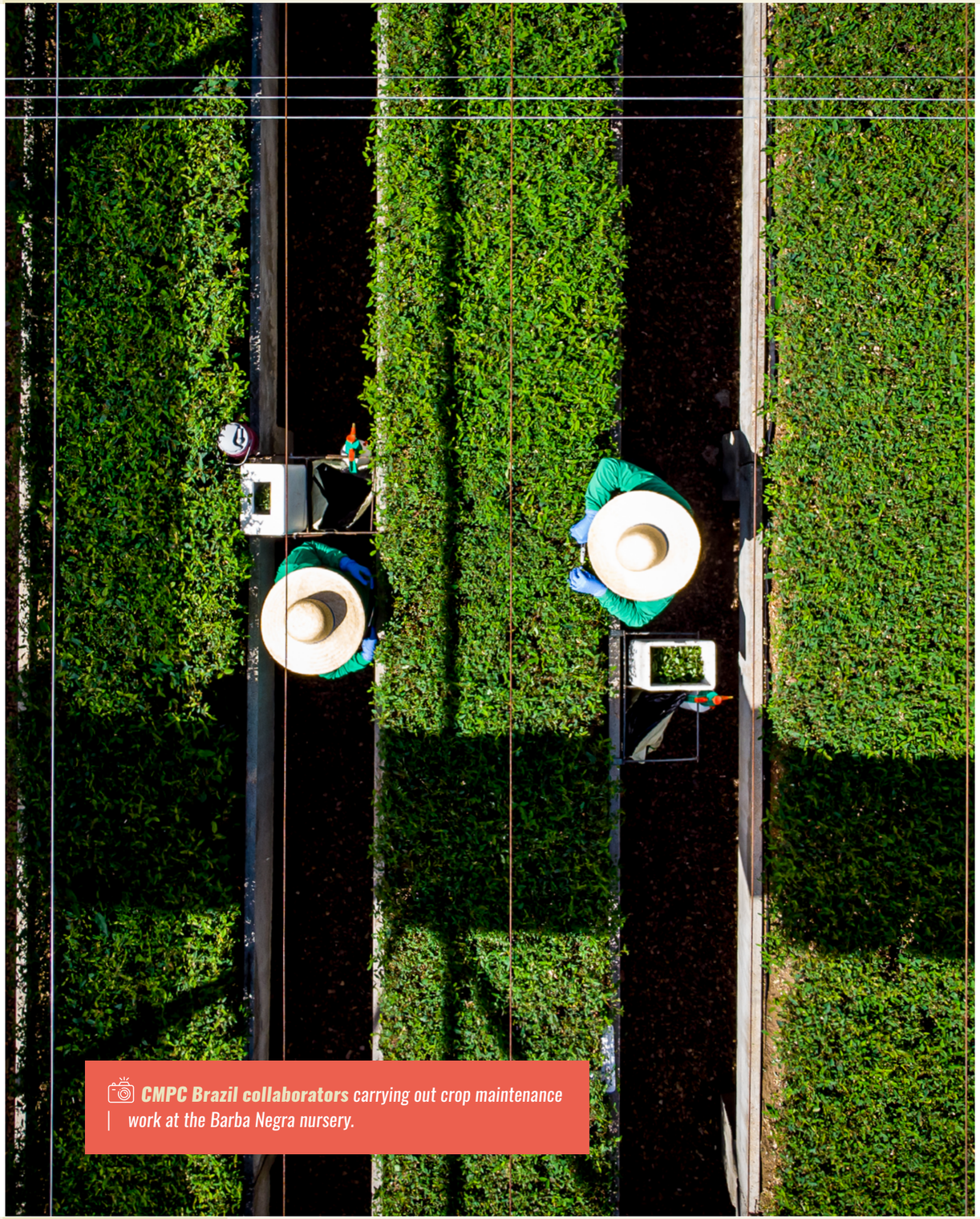
Aware that the task does not end with the extinction of the fires alone, in 2020 we continued with the processes of restoring damaged forests, in partnership with Fundación Reforestemos, and inaugurated the Urban Park in Santa Olga, a 1.5-hectare project that complements previous initiatives, such as the school and social center, which have benefited from CMPC's contribution to the recovery of this location affected by the serious fires of 2017.

I would also like to highlight the work carried out in 2020 by the CMPC Foundation, on its twentieth anniversary, an institution that had to adapt most of its programs, focused on supporting municipal schools and early childhood stimulation, to a reality as different as the one imposed by the pandemic. The successful results achieved, measured by both participation and educational achievements, have motivated new challenges, including significant increases in coverage and the launch in 2021 of the first CMPC Institute projects in Brazil.

In short, this is further proof of the enormous commitment of CMPC's employees in these complex times, including the members of our Board of Directors, senior management, union leaders, heads of area, supervisors, engineers, technicians, and operators, to whom I reiterate our sincere thanks.

I would like to end these words with a heartfelt tribute to our former **People and Organization Manager, Mr. Rodrigo Hetz,** who passed away very surprisingly at the end of January 2021. With his concern for people, inclusion, and diversity, Rodrigo left us a legacy that constitutes a guide for the development of our competencies.

Thank you very much.
Luis Felipe Gazitúa A.
Chairman of the Board
of Directors of Empresas CMPC



***CMPC Brazil collaborators** carrying out crop maintenance work at the Barba Negra nursery.*

1.1.1 Statement of responsibility

(102-32)

The Directors and the Chief Executive Officer of Empresas CMPC S.A., hereinafter, and individually under oath, declare themselves responsible for the veracity of all the information in this 2020 Integrated Report, which complies with the standards required by the **Financial Market Commission** (CMF, for its acronym in Spanish), the Global Reporting Initiative (GRI, for its acronym in English), and the principles of the International Integrated Reporting Council (IIRC, for its acronym in English).

Financial Market Commission

https://www.cmfchile.cl/portal/principal/605/w3-channel.html

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1.2 Our business areas

We are Empresas CMPC

(102-11; 102-16)

Empresas CMPC is a multinational company with more than 100 years of history, which seeks to satisfy the most genuine needs of people through the ***delivery of solutions from renewable resources.*** *Its business is the production and marketing of wood, pulp, packaging products, paper, tissue, and personal care products from certified plantations under sustainable forest management.*

As part of its operations, it works in seven key areas to project its positive impact on the environment:

1. Recognize the importance of strong business relationships with global and diversified clients, building a comprehensive logistics network and a client-oriented service culture.

2. Promote practices that favor free competition, benefit consumers, allowing the efficient allocation of resources, while encouraging innovation.

3. Strictly comply with the laws and regulations in the countries where it operates, through a corporate culture based on keeping our pledged word, a job well done, and personal effort.

4. Develop its collaborators integrally, generating identity, commitment, and high performance in their work teams.

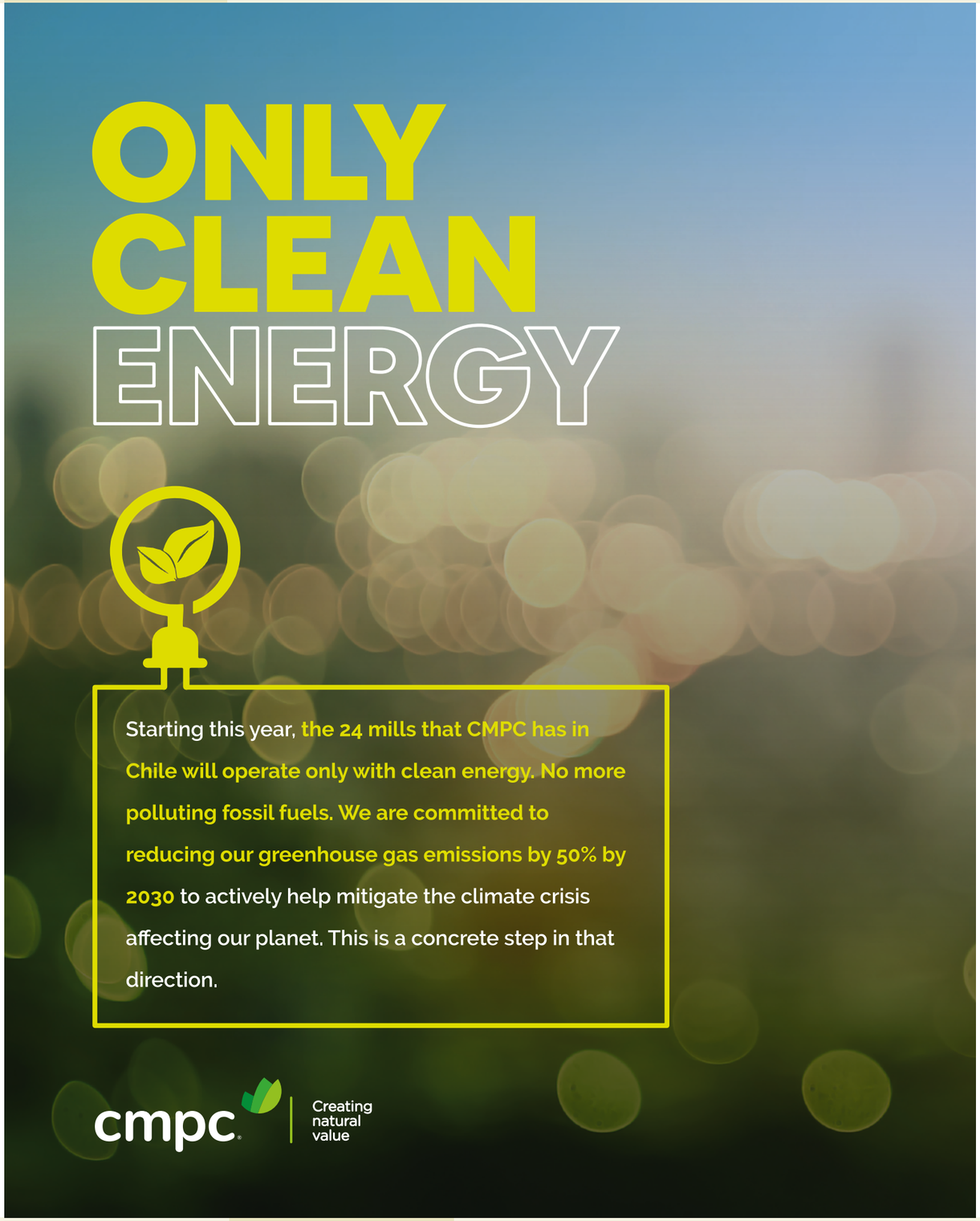
5. Use state-of-the-art technology in its processes to maintain quality standards, safety, and protection of people and the environment.

6. Reject child labor, forced labor, and any type of discrimination.

7. Progress toward meeting its sustainability targets.



Francisco Ruiz-Tagle *at the inauguration of the Santa Olga park, the last milestone in the reconstruction of the town which was devastated by the fires of 2017.*



1.2.1 Mission and values

Our mission

To produce and market -from plantations developed by man- wood, pulp, packaging products, paper, tissue, and personal care products in a sustainable manner over time, with superior and competitive quality, adding value to shareholders and clients, creating development opportunities for workers and local communities. We seek to be sustainable over time to achieve good economic performance through respect for stakeholders and care for the environment.

CORPORATE VALUES

RESPECT FOR PEOPLE

We respect all people with whom we interact, as human beings with dignity. In all operations we value good treatment, openness, loyalty, trust, and good faith. We care for people's integrity and health.

CARE FOR THE ENVIRONMENT

We adhere to sustainable development, promoting care for the environment and natural resources so as not to affect future generations.

STRICT COMPLIANCE WITH LEGAL REGULATIONS

We respect the legal regulations that govern our activities. All directors, officers, and employees are committed to strict compliance with current legislation in all aspects involved in the development of the business.

COMPETE FAIRLY

We value free competition as the essence of the market economy since it favors the development of more and better products and services at lower prices for consumers.

CONSIDERATION FOR THE NEEDS OF NEIGHBORS

We build a relationship of collaboration and trust with the neighbors to contribute to the local development of the areas of influence, having an attentive and open attitude, identifying their needs and possibilities for collaboration.

CMPC Celulosa

(102-2; 102-4; 102-6; 102-10)

Is the business unit ***responsible for forest assets and the production and marketing of wood and pulp products.*** *It has industrial operations in Argentina, Brazil, and Chile.*

It is present in almost **50 countries around the world** through commercial offices and agents in 16 countries in the Americas, nine in Asia, ten in Europe, five in the Middle East, and two in Oceania, in addition to providing supplies and products to Africa and nearly 15 other countries. To this end, it has customer service offices in the cities of Los Angeles and Santiago (Chile), Guaiba (Brazil), and Atlanta (United States). It also has commercial representation in Shanghai (China) and Hamburg (Germany), under the name of CMPC Europe GmbH & Co. KG, an alliance that began operations in January 2020.

CEO:
Raimundo Varela Labbé[1].
BOARD OF DIRECTORS:
Luis Felipe Gazitúa A. (chairman), Bernardo Matte I., Francisco Ruiz-Tagle E., Osvaldo Burgos S., Jorge Larraín M. and Patricio de Solminihac T.

CMPC Celulosa does not have clients that represent more than 10% of its revenues, nor suppliers that account for more than 10% of its total purchases. Among its main competitors are APP, APRIL, Arauco, Eldorado, Klabin, Ilim, Stora Enso, Suzano, and UPM.

What are CMPC Celulosa's business lines?

CMPC BOSQUES

It safeguards the Company's forest assets through conservation areas and productive forests in Argentina, Brazil, and Chile. It also carries out proactive management of plantations, thinning and harvesting, and preventive control of rural fires.

Its subsidiaries are: Bosques del Plata (Argentina), CMPC Brazil, and Forestal Mininco (Chile).

CMPC MADERAS

Its mission is to add value to the forest assets through the production and marketing of wood products.

It has three sawmills (Bucalemu, Mulchen, and Nacimiento); two remanufacturing plants (Coronel and Los Angeles); and a plywood plant (Collipulli). All located in Chile.

CMPC PULP

Responsible for producing and marketing pulp and its by-products.

It has four mills: Laja, Pacifico and Santa Fe (Chile), and Guaiba (Brazil).

PRODUCTS

Pulpwood logs, sawn logs, peeler logs or ply logs (pruned and knotty), fuel logs, wood chips, and biomass.

Green and kiln dried sawn lumber, plywood, mouldings, and edge-glued panels.

Bleached radiata pine kraft pulp (BSKP), unbleached kraft pulp (UKP), bleached eucalyptus kraft pulp (BEKP), sack kraft paper, and printing and writing papers (P&W).

[1]Mr. Raimundo Varela took over as General Manager of this business unit on September 15, 2020.

MAIN INDUSTRIES

1. **Wood:** construction, furniture, packaging.
2. **Pulp:** cardboard and boxboard, tissue, printing and writing papers (P&W), and specialties (production of sales receipts, self-adhesive labels for bottles, papers for electric condensers, among others).

What is CMPC Celulosa's production capacity?

Country	CMPC Bosques (Mm³)	CMPC Maderas (Mm³)	CMPC Pulp (Mt)
Argentina	1,006	-	-
Brazil	6,710	-	1,950
Chile	9,733	1,520	2,381
Total	17,449	1,520	4,331

Source: CMPC Celulosa.

2020 HIGHLIGHTS

- During the year, the **BEST Model cultural** change program was further developed, based on the robust "lean" methodology of excellence in operations and work in general, which began to be implemented in 2016 to make the business more sustainable in a competitive environment, allowing it to adequately and timely face the demands of the markets.

BEST is composed of a set of systems and practices for strategic **alignment** and the search for **continuous improvement**, led by holistically **trained people.**

- Also, in October 2020, CMPC, through CMPC Brazil, entered into a purchase and sale agreement with Florestas do Sul Agroflorestal Ltda. for approximately 5.3 million m³ of eucalyptus planted in the State of Rio Grande do Sul, Brazil. The transaction was closed in December 2020, for USD 62 million.

BEST Model

To learn more about the Best Model, review chapter 3 Create.
p. 87

"From the forest, we obtain many products that human beings need and that today are mainly of fossil origin. At CMPC Celulosa, we have the opportunity to go much further, ***contributing to the generation of resilience in ecosystems,*** *through the use of materials from natural fibers".*

Raimundo Varela L.*, CEO.*



Forest plantation in CMPC Brazil.

CMPC Biopackaging

(102-2; 102-4; 102-6; 102-10)

Is the business unit ***in charge of manufacturing sustainable packaging solutions for the transportation of products, thanks to the use of virgin and recycled fibers.*** *It has operations in Argentina, Chile, Mexico, and Peru.*

Globally, it is present with its brands in **71 countries in Africa, America, Asia, Europe, and Oceania**, through a network of sales representatives.

It does not have clients that represent more than 10% of its revenues, nor suppliers that account for more than 10% of its purchases. Its main supplier is Metrogas S.A., which concentrates 10% of the payment to suppliers in the complex located in the municipality of Puente Alto (Chile), which includes plants of CMPC Corrugados and Softys Chile, and International Paper Cartones S.A. with 10% of the payment to suppliers of Edipac's subsidiary.

Among its main competitors are: IP, Mondi, Stora Enso, and in some subsidiaries it is important to mention Klabin and Smurfit Kappa.

CEO:
Jorge Navarrete
BOARD OF DIRECTORS:
Luis Felipe Gazitúa A. (chairman), Francisco Ruiz-Tagle E., Vivianne Blanlot S., Andrés Echeverría S., Jorge Matte C., Bernardo Matte I. and Washington Williamson L.

What are CMPC Biopackaging's business lines?

CMPC CORRUGADOS	CMPC BOXBOARD	CMPC SACK KRAFT	CMPC EDIPAC
Responsible for the manufacturing of corrugated paper, through the collection, recovery, handling and disposal of waste, and the conversion of paper, boxes and trays for the fruit and vegetable, and industrial sectors. Currently, it has a productive presence only in Chile. This business unit includes the subsidiary Fibras.	In charge of the manufacturing of virgin fiber-based boxboard with an optimum weight/rigidity ratio. It has a line of boxboard specially designed for the graphic, publishing, and cases areas. Its industrial operations are located in Chile.	Develops packaging products based on products made from radiata pine fiber. It has industrial plants in: Argentina, Chile, Mexico, and Peru, which are complemented by a sales network that includes an office in the United States and a logistics platform that allows it to serve more than 25 countries in the region.	Distribution area of printing and writing papers and boxboards. It is responsible for marketing products manufactured by CMPC subsidiaries and imported products manufactured by third parties. It is present only in Chile.
PRODUCTS			
Corrugated cardboard boxes and corner boards, molded pulp trays and cases, corrugated and construction papers, as well as the recovery of paper and cardboard for recycling.	Boxboard of higher and lower weights.	Multiwall sacks and industrial paper bags and tubes.	Distributor of products such as boxboard, packaging papers, corrugated cardboard boxes, sacks, bags, cut size, bond paper, coated paper, special papers and paper bags.

MAIN INDUSTRIES

1. **Corrugated:** industrial, fruit and vegetable, meat, and fish.
2. **Boxboard:** mass consumption, food and food products, pharmaceuticals.
3. **Sack Kraft:** construction materials, mining, chemicals and minerals, agricultural products, and food products.
4. **Edipac:** wholesale supermarkets and retail sector, commercial stores.

2020 HIGHLIGHTS

This year we completed the acquisition of Samcarsa, a subsidiary of Grupo Calidra in Irapuato (Mexico) for the manufacture of paper sacks. It has a total production capacity of 60 million sacks per year. The operation involved an investment of MUSD 12,438 and was integrated into CMPC during the second quarter of 2020. It also completed the purchase of three sack manufacturing lines, which will support Sack Kraft's production capacity in Argentina, Mexico, and Peru.

Also, Edipac installed three FSC® (FSC-C154832) and PEFCTM-certified double handle paper bag manufacturing lines for the retail sector.

What is CMPC Biopackaging's production capacity?

Country	CMPC Corrugados (Mt)	CMPC Boxboard (Mt)	CMPC Sack Kraft (Mt)	CMPC Edipac (Mt)
Argentina	--	--	9	--
Chile	602	497	22	100
Mexico	--	--	39	--
Peru	--	--	42	--
Total	602	497	111	100

Source: CMPC Biopackaging.
Note 1: CMPC Sack Kraft Mexico's production capacity includes the Irapuato plant.

"At CMPC Biopackaging we look to the future with expectation and confidence. Through fiber as the raw material, ***we manufacture products that allow us to be in contact with millions of households around the world:*** *medicine boxes, egg trays, sacks, and paper bags, where* ***we have a tremendous opportunity in the replacement of plastic*** *applications in various markets and products".*

Jorge Navarrete, *CEO.*



***Collaborator of CMPC Corrugados**, in the printed packaging plant, responsible for the production and marketing of corrugated cardboard packaging, in Buin (Chile).*

Softys

(102-2; 102-4; 102-6; 102-10)

*This subsidiary is dedicated to the **manufacturing and sales of tissue paper products for personal care and away from home,** made mainly from virgin and recycled cellulose fibers, recycled materials, and others.*

Present in more than 20 markets through its commercial offices, it has industrial operations in eight Latin American countries, **reaching more than 500 million consumers around the world** with its eight regional brands and local brands.

Walmart and Cencosud are clients that individually account for more than 10% of Softys' revenues and there are no suppliers that account for more than 10% of total purchases. The main competitors for the business are Kimberly-Clark (Mexico) and Essity.

CEO:
Gonzalo Darraidou D.
BOARD OF DIRECTORS:
Luis Felipe Gazitúa A. (chairman), Francisco Ruiz-Tagle E., Verónica Edwards G., Jorge Larraín M., Jorge Matte C., Bernardo Matte I. and Pablo Turner G.

What are Softys' business units?

CONSUMER TISSUE

This corresponds to the manufacturing of tissue products for mass consumption, which stands out for their high quality, softness, and performance in hygiene and cleaning tasks.

PERSONAL CARE

Develops products related to the care, protection, and autonomy of people at different stages of their lives.

AWAY FROM HOME

Provides professional hygiene and cleaning solutions to customers, companies, and institutions, who rely daily on products with attributes of high quality, innovation, and efficiency.

REGIONAL PRODUCTS AND BRANDS

Through the Elite, Higienol, Nova, and Noble brands, it offers toilet paper, napkins, facial tissues, paper towels, alcohol gel, liquid, and bar soap.

With the Babysec, Ladysoft, and Cotidian brands, it markets products in the categories of infant care, adult care, feminine protection, and pet care.

Under the Elite Professional brand, it offers toilet paper, paper towels, medical bed sheets, napkins, soaps, dispensers, alcohol gel, cleaning line, and, as of 2020, masks (face masks).

MAIN CHANNELS

1. **Consumer Tissue y Personal Care:** wholesale supermarkets, retailers, distributors, pharmaceutical companies, and different e-commerce channels.
2. **Away From Home:** tourism, lodging, education, gastronomy, industries, offices, and health institutions.

2020 HIGHLIGHTS

- In line with CMPC's sustainability strategy and targets **Softys published its 2020-2023, Sustainability Strategy, based on the promise to deliver "the best care, for a better tomorrow"**. This plan connects with its corporate purpose of care and reflects its contribution to six United Nations Sustainable Development Goals (SDGs), through four pillars with concrete actions: facilitating a better life for everyone, enhancing the development of local communities, co-creating a sustainable economic environment, and protecting our common home. The latter is materialized in three ambitious environmental targets that leverage CMPC's commitments: to be a zero industrial waste-to-landfill company by 2025, to reduce industrial water use by 40% by 2025, and to reduce greenhouse gas emissions by 50% in Scopes 1 and 2 by 2030.
- Also, it launched its first **2019 Sustainability Report** at an event with the participation of Paul Polman, former CEO of Unilever and director of IMAGINE.



*"We want to deliver **the best care**, through recognized and valued brands with a high presence in the region, contributing to **a better tomorrow**. We make this commitment a reality through products that accompany people in their daily lives and at every stage of their lives".*

Gonzalo Darraidou D., CEO.

2020-2023 Sustainability Strategy

https://www.softys.com/sostenibilidad

Sustainability Report

https://cmpc-wp-assets.s3.amazonaws.com/Public/REPORTE+SOFTYS+2019.pdf



***Claudia Aguirre**, auxiliary line operator of mask production at the Puente Alto plant.*

1.3

100 years together

A history of decisions in pursuit of sustainable development

*In **1920**, Chile was enjoying a solid industrial push, while the paper industry was less developed. Intrigued by the abundance of raw material in central and southern Chile, **Luis Matte Larraín** set about convincing 44 investors - among family, friends, and partners - to bet on a national paper project with **a capital of USD 2,500: Compañía Manufacturera de Papeles y Cartones (CMPC).***

1920: CMPC is established in Chile, with production of paper and cardboard made from wheat straw.
1938: Newsprint paper production begins in Chile.
1940: Acquisition of Fundo Pinares and first radiata pine plantations in the current Biobío Region (Chile).
1951: Start of paper mill operations in the city of Valdivia (Chile). Initially with production of newsprint and kraft paper.
1957: Opening of the Biobío newsprint paper mill in San Pedro de la Paz (today's Biobío Region, Chile).
1959: Start of the Laja plant operations, the first pulp producer in what is now the Biobío Region (Chile).
1960: CMPC exports the first Chilean pulp to South American clients.
1970: Pulp production reaches 220 thousand tons per year and paper production reaches 150 thousand tons. Exports reach almost USD 30 million.
1972: The modern Propa multiwall sack processing plant in Chillan, Chile, begins operations with a production capacity of 90 million sacks per year.
1977: Large fire in the municipality of Puente Alto (Chile), which destroys the industrial facilities for the manufacturing of corrugated cardboard boxes, paper, sacks, and small paper sacks.
1978: Despite the incident of the previous year, 1978 closes with 218,534 tons in sales of paper products, compared to 198,556 tons in the previous period.
1979: Establishment of Sorepa, a subsidiary that recycles paper and cardboard in Chile.
1983: Establishment of Prosan, a sanitary products subsidiary, and entry into the diapers market.
1990: Start of eucalyptus plantation program in Chile.
1991: Acquisition of the diaper producer Química Estrella San Luis S.A. in Argentina, first investment outside Chile. Start of operations of Santa Fe plant in Chile.

In March 1920, after the merger of the companies "Fábrica de Cartón Maipo" and "La Esperanza", CMPC was formed.

A few months later, a warehouse was built in the then rural village of Puente Alto, which had the advantage of being located next to the waters of the Maipo River canal.

Hand in hand with this municipality, the Company begins to develop in its first years.

In the 1930s and 1940s, it built for its workers the Poblacion Papelera and Poblacion Granjas, consisting of more than 500 houses in the municipality. Along with this, a vocational school was created, attended by women and men motivated to learn to read and write, as well as other trades.

The following decades saw the consolidation of CMPC in Chile through the diversification of its products, entering the pulp, sacks, and diapers markets, among others.

After years in the Chilean market and with a solid level of competitiveness, in the 1990s it began its period of internationalization in Latin America. It enters the markets of Argentina, Uruguay, Peru, Mexico, Colombia, Ecuador, and the demanding Brazilian market. In 2019, it celebrated a decade of presence in the latter country.

On this basis, CMPC Brazil has worked on its strategy of deepening and growing in the region.

Thanks to this rapid growth and solid market positioning, the company is shaping its next 20 years with a vision of sustainability in its way of doing business.

To this end, it has developed several actions -in environmental, social, and governance areas- that allowed it to enter the list of companies of the prestigious DJSI in 2014, a stock market portfolio that brings together companies that demonstrate the most remarkable leadership and management in sustainability.

These actions have been strengthened over the years, which is also reflected in the search for sustainable financing through the issuance of the first green bond in the United States in 2017, the placements in Peru in 2018 and Chile in 2019, and the recent syndicated line; actions that consolidate a new way of operating and understanding the future of its investments.

The strategy is supplemental to a concrete contribution to the SDGs of the 2030 Agenda, through the announcement of its sustainability goals in 2019, which also show CMPC's roadmap, the commitment and contribution of a company with 100 years of history that looks to the future with flexibility, dynamism, connected to social and environmental causes and open to the world.

1992: Opening of the Celulosa del Pacifico mill, a joint subsidiary with Simpson Paper, and an investment of more than USD 517 million in a greenfield pulp mill.
1994: Acquisition of the tissue companies IPUSA and FABI in Uruguay and Argentina, respectively.
1995: Adoption of a holding company structure, with a parent company and five business areas. Acquisition of 20% of the Santa Fe pulp mill in the Biobío Region (Chile).
1996: Start of tissue products operations in Peru.
1998: Completes its organizational restructuring process. As a result, the integration of the Pacifico and Santa Fe pulp plants and the acquisition of Simpson Paper are completed.
1999: Installation of a second paper machine in Argentina. CMPC becomes one of the leading tissue product manufacturers in Latin America.
2000: Establishment of the CMPC Foundation in Chile.
2003: Acquisition of Forestal Monte Aguila in Chile.
2004: Obtained PEFC CERTFOR certification for eucalyptus and pine plantations in Chile.
2006: Acquisition of tissue and diaper producer Absormex to enter the Mexican market.
2007: Entry into the Colombian market with the acquisition of Drypers Andina, a company engaged in the manufacture and marketing of baby diapers.
2009: Acquisition of Melhoramentos Papeis, a manufacturer of tissue products, with industrial plants in Sao Paulo (Brazil).
2009: Acquisition of the Guaiba pulp mill from Aracruz Celulose, in the state of Rio Grande do Sul, Brazil.
2012: FSC® certification of forest assets in Chile (FSC-C006246) and Brazil (FSC-C109350).
2013: Construction begins on the Guaiba II pulp mill in the state of Rio Grande do Sul, Brazil.
2014: Reorganization of the corrugated cardboard box business in Chile through the merger of the subsidiaries Envases Impresos and Envases Roble Alto.
2014: CMPC is listed for the first time in the Dow Jones Sustainability Index.
2015: Start-up of the second pulp line in Guaiba (Brazil).
2015: First natural gas-fired cogeneration plant at the Altamira plant (Mexico).
2016: Integration of the pulp and forestry businesses.
2017: Modern CMPC tissue products plant is inaugurated in Peru, in the town of Cañete, south of Lima.
2017: CMPC issues its first green bond.
2017: Obtained the first Gold Energy Efficiency seal, awarded by the Chilean Ministry of Energy for the Laja, Pacifico, and Santa Fe plants of CMPC's pulp and paper business.
2019: Acquisition of the company Papelera Panamericana e Activar (Peru), and the company Serrados e Pasta e Celulose Ltda. (Sepac), in Brazil, through the subsidiary Softys.
2019: Signing of a joint agreement with GUSCO Handel G. Schürfeld + Co. GmbH, a strategic partner in Germany, to strengthen business in Europe.
2019: Announcement of corporate sustainability goals.



***CMPC collaborators** in the 1920s, producing paper, along with machinery of the time.*

1.4 A look at 2020
Our work of the year

*Globally, **2020 was marked by the Covid-19 pandemic, which caused the global economy and GDP to shrink by -3,5% as a result of the restrictions that countries implemented to control the spread of the virus,** such as limitations on the movement of people and the closure of non-essential industries.*

1.4.1 Environmental scanning

The sanitary measures led governments to respond with extraordinary fiscal spending policies (higher spending and redistribution) to avoid, as far as possible, a further increase in unemployment. For their part, central banks supported with expansionary monetary policies, lowering rates to historic lows and incorporating unconventional measures such as the purchase of financial assets, to maintain liquidity in world financial markets.

Although the recovery in China has been faster than expected, the recovery of the world economy to pre-pandemic levels of activity remains susceptible to the virus's evolution. The development of infection waves and the implementation of vaccines worldwide will be the factors that will set the recovery pace.

SOME RELEVANT FIGURES

	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay
2020 GDP	-10.00%	-4.10%	-5.80%	-6.80%	-11.00%	-8.20%	-11.00%	-4.50%
Population	45,196	212,559	19,116	50,883	17,643	128,933	32,972	3,474
Inflation	36.10%	3.20%	3.10%	2.50%	0.90%	3.40%	1.80%	10.00%
Unemployment	11.70%	13.50%	10.60%	15.90%	8.10%	4.40%	12.80%	11.70%

Source: Investor Relations.

PULP AND PAPER MARKET

The pulp and paper industry was affected under this scenario. Short and long fiber prices reached historically low levels, which even meant being below marginal cost for some pulp producers. At the same time, there was a fall in demand, which recovered in the last months of the year.

At a market level, the recovery in China was much faster than in other markets, such as Europe, which were hit hard by the pandemic.

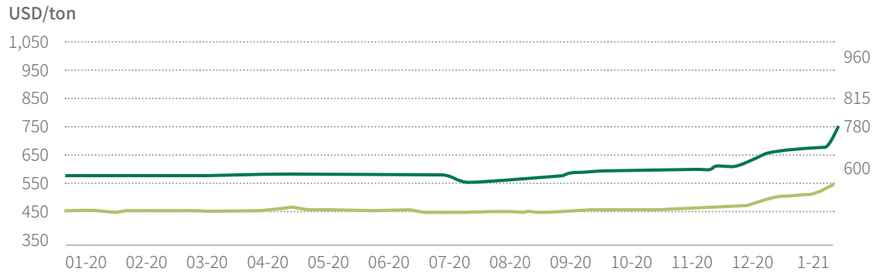
In terms of end markets, the most affected segment was printing & writing (P&W). Accelerated digitalization proved to be a relevant factor in the fall of this segment. Its drop affected pulp demand by around 21%.

On the Tissue segment side, the initial increase in demand caused by "scarcity panic buying", and at the same time, increased use of hygiene and care products led to an 8% growth in 2020.

With respect to supply, there was a decrease in softwood pulp (SW or BSKP) and an increase in hardwood pulp (HW or BEKP), due to higher Brazilian production. Much of the loss in BSKP is due to unplanned maintenance.

Pulp producers were more resilient than in previous crises. This is mainly due to: 1) low interest rates, 2) current prices still allow some producers (mostly South American) to cover fixed costs, and 3) better market expectations.

FOEX PULP PRICE



Source: Investor Relations based on the FOEX PIX price Index.

1.4.2 Main milestones

Covid 19

For more details on the actions developed by CMPC, see the Covid-19 special in this report.

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January

100 TREES FOR 100 YEARS: CMPC UNDERTAKES PARTICIPATORY PLANNING IN THE USA

As part of the CMPC centennial celebration, collaborators from the Atlanta commercial office along with family members and clients came together to carry out a participatory planting of 18 native species in Whittier Mill Park, located in Georgia.

The purpose of the activity was to commemorate the 100 years of the Company together with different interest groups, promoting conservation and reforestation.

In addition, it was coordinated by the NGO Trees Atlanta, who developed training for tree planting.

January

SUMMER CAMPS FOR CHILDREN FROM PUENTE ALTO

As part of the alliance with the Club Deportivo UC (UC Sports Club), through the Ucelandia program, a summer camp for the children of neighbors and collaborators was held in the Puente Alto municipality (Chile).

The objective of this initiative was to provide recreational and entertainment spaces for 140 children of the municipality, through sports activities at the Papelero stadium facilities, which took place throughout January, from Monday to Friday.

For the Company, the project is a reflection of the relationship with the community that it wishes to build with the neighbors of the localities near its plants.

March

100 YEARS OF HISTORY, CELEBRATION AT CMPC

On March 12, the official celebration of the Company's 100th anniversary was held at the Talagante plant in Chile.

This activity was attended by members of the Board of Directors, representatives of the three business areas, and workers from both Talagante and Puente Alto, the latter being the origin of CMPC.

Together with this commemoration, an album of illustrations was produced for the collaborators, which covers some of its main milestones.

April

ANNOUNCEMENT: MASK MANUFACTURING

Given the high demand for masks, face masks or chinstraps, as a result of the Covid-19 pandemic, CMPC - through its subsidiary Softys - announced the purchase of six machines for the manufacture of this product to operate in Argentina (1), Brazil (2), Chile (1), Mexico (1) and Peru (1), which were transported to their respective destinations by air to accelerate the process and start the production of masks in a period not exceeding 30 days.

The production capacity of the machines totals 19 million per month for the region.

The masks were distributed free of charge through public health and education services, local organizations, and communities, among others.

May

COVID-19 IMPACTS ON RESULTS OF THE QUARTER TRIMESTER

CMPC's first quarter results were marked by low pulp prices and the favorable operating results of its subsidiary Softys. The Company reported losses in the millions of dollars during the first quarter due to the coronavirus pandemic.

During the first three months of the year, consolidated sales reached USD 1,348 million, down 2% compared to the last quarter of 2019 and down 7% compared to the same period of 2019.

June

CMPC CARRIES OUT SEVERAL PANDEMIC RELIEF ACTIONS

The Company carried out many actions to confront the pandemic: donation of almost 20 million masks, setting up mobile clinics in Chile, fitting out former offices for the installation of a field hospital in Los Angeles (Chile), and remodeling the medical center in Guaiba (Brazil), in addition to the CMPC Solidaria (CMPC Solidary) program that provided lunches to vulnerable older adults in the municipality of Puente Alto (Chile) and in municipalities in the south of Chile.

Also, it donated masks and alcohol gel for the election clerks of the plebiscite that took place in Chile in October.

In addition, it is worth highlighting the delivery of food baskets and the manufacture of masks by the group of seamstresses at CMPC Brazil, which also contributed to income generation.



***Delivery of care products** for Covid-19 in the October plebiscite held in Chile.*

Sustainability Strategy

For more details on the Sustainability Srategy b, see chapter 2 Value Creation.

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Committed financing line

For more details on the committed financing line, see chapte 6 Sustainability Culture.

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Fundación CMPC

https://www.fundacioncmpc.cl

HIPPY Chile

https://www.hippychile.cl

July
LAUNCH OF THE 2019 INTEGRATED REPORT

In a virtual ceremony, broadcast in Spanish, English, and Portuguese, CMPC launched its fourth integrated report *Somos la fibra del futuro* (We are the fiber of the future), corresponding to its 2019 management.

This event was attended by more than 1,000 people, including collaborators, suppliers, clients, and strategic partners from more than 11 countries.

The activity was attended by Peter Bakker, president of the World Business Council for Sustainable Development (WBCSD, for its acronym in English) and the CEO of CMPC, who emphasized the progress made in this matter and its **sustainability strategy**, which was reinforced with the environmental goals announced in 2019. **To these were added the diversity and inclusion and innovation goals.**



Aerial view of the Guaíba plant at CMPC Brasil.

August
FIRST COMMITTED FINANCING LINE FOR USD 100 MILLION ASSOCIATED WITH SUSTAINABILITY COMPLIANCE IN CHILE

The transaction was a two-year, USD 100 million **syndicated committed facility** structured as a sustainability-linked loan (SLL, for its acronym in English). BNP Paribas, acted as sustainability coordinator and administrative agent while MUFG Bank, Sumitomo Mitsui Banking Corporation, and Export Development Canada acted as *joint lead arrangers.*

SLLs incorporate a pricing mechanism associated with a company's environmental, social or governance (ESG) performance.

These objectives are in line with CMPC's corporate environmental goals, generating financial incentives for compliance.

September
FUNDACIÓN CMPC ("CMPC FOUNDATION"): 20 YEARS COMMITTED TO EARLY EDUCATION

Since 2000, **Fundación CMPC**, which began with three collaborators in a school in Nacimiento (Biobío Region, Chile), has been committed to the development of the early-level of children's teaching, the promotion of environmental care and outdoor life, and the culture of CMPC's neighboring communities.

It has three programs developed by 50 professionals: Acompañamiento a Escuelas (Accompanying Schools), Criando y Creciendo (Raising and Growing), and **HIPPY Chile**.

Thanks to its growth, it now supports 34 schools, 24 kindergartens and nursery schools, and more than six thousand children in Chile.

In the context of the Covid-19 emergency, the foundation has transformed its programs to make them accessible virtually and publicly available so that other families can also work from home on their children's early education.

October
CMPC GROWS IN BRAZIL

During October, CMPC announced its new bet in Brazil: the purchase agreement of a forest plantation firm.

The wood acquired will serve as input for the operation of CMPC Brasil's pulp mill in Guaíba.

November
DESAFÍO AGUA PARA CHILE (WATER CHALLENGE FOR CHILE): DRINKING WATER TO RURAL COMMUNES OF THE SOUTH

The initiative, led by Desafío Levantemos Chile ("Let's Raise Chile") and CMPC, seeks to provide access to this basic resource to four municipalities in the Araucania Region and one in the Biobío Region. With more than 20 projects, it is estimated that more than 200 families will benefit.

The first of these is "Abasto Santa Aurelia", in the community of Marileo, in the municipality of Lautaro (La Araucania Region, Chile). For the first time, the 40 families in the area will have direct access to drinking water. To execute this project, two water supplies collected from natural springs were accumulated and stored in 6 containers that later distribute the resource through a pipeline route of more than 5 km.

November
PROGRAM CALIDAD DE VIDA ("QUALITY OF LIFE PROGRAM") FOR ALEGRIA'S NEIGHBORS

The joint initiative between CMPC, the State Prosecutor's Office, and the Guaiba municipality, in November 2020, carried out the implementation of a plan to improve the quality of life of 30 families living in the Alegria neighborhood, in the area known as Marco Farroupilha. After completing all the planned stages of the project, about 80 people received their houses equipped and structured with basic sanitation and electricity.

December
CMPC BEYOND

Along with the announcement of the corporate goals in innovation and the board of directors and senior management's support, CMPC implemented during the second half of the year **CMPC Beyond** , This long-term macro-project seeks to take the Company into the next 100 years.

With the support of a future in innovation team and a group of more than 200 ambassadors, discussions were held around questions to identify initiatives and projects to be implemented in the short, medium, and long term.

CMPC Beyond works with thematic and proposals related to the circular economy, understanding of the future consumer, efficient use of water, among others.

Desafío Agua para Chile

For more details on the Desafío Agua (Water Challenge for Chile) see the chapter 4: Coexit.

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CMPC Beyond

For more details on the CMPC Beyond see the chapter 3 Create.

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1.4.3 Highlights

(102-7)

46 industrial plants

11 countries with industrial and commercial presence

19,641 direct collaborators

385,726 hectares of conservation and restoration

17% of extracted water consumed

90.1% of certified forest assets

100% of NCRE in Chile

24,233 suppliers

31% of MiPymes' (My SME) suppliers

19.7% of GHG emissions corresponding to Scope 1 and Scope 2

4 green financings and a commited credit line related to sustainability goals

MMUSD **7,866** in equity

MMUSD **990** of Ebitda

MMUSD **5,287** of sales to third parties

28,540 contractors

19,349 clients

Investment grade
- Moody's
- Standard & Poor's
- Fitch

1.4.4 Recognitions and seals

CMPC is the second most sustainable forest company in the world according to DJSI

DJSI is a group of stock market indexes comprised of companies with high performance in the social, environmental, economic, and governance areas.

CMPC has been recognized as one of the companies listed in the Dow Jones Sustainability Index (DJSI, in the DJSI Chile, MILA Pacific Alliance index, and for the second consecutive year in the Emerging Markets index.

This year, and increasing six points over 2019, it was positioned as the second most sustainable forest company globally* according to its score in the Corporate Sustainability Assessment (CSA, for its acronym in English), which determines the companies that make up the indexes.

This rating allowed it to enter the Sustainability Yearbook 2020.

Pet Food 100% made of paper: innovation award

CMPC Sack Kraft won first place in the Packaging Innovation Awards 2020, granted by Plataforma de Innovación de Envases y Embalajes Co-Inventa (Co-Inventa Packaging Innovation Platform) and Laben Chile, E+E Innovation Center of the University of Santiago. The recognition distinguishes the most innovative and sustainable packaging that has been distributed in Chile between 2019 and 2020.

CMPC was distinguished **for the creation of the pet food sack, "Pet Food"**. It consists of a pet food container, 100% paper-based and in a three-kilogram format, which allows it to be a recyclable and biodegradable alternative to traditional plastic packaging that is difficult to recycle due to its multilayer structure. Also, it has a food dosing valve that allows the container to be resealed, protecting its contents, for example, from insects.

Leading in water management and combating deforestation

Once again, CMPC obtained an A score, the highest grade awarded by CDP. This result, which places it on the select "A List", was obtained both for its performance in protecting water security and combating deforestation. Additionally, regarding climate change, it achieved an A- rating, which is also within the leadership range.

With these ratings, CMPC outperforms the Latin American regional average, the global average, and that of its sector.

CDP promotes disclosure and transparency of information by companies to help reduce their greenhouse gas emissions, safeguard water and protect forests. Based on its disclosure platforms, it evaluates companies by awarding them scores according to the scale: A (leadership), B (management), C (awareness), and D (disclosure). This year, more than 9,600 companies from around the world participated, 14% more than in 2019.

* During February 2021, following the update of the Media Stakeholder Analysis (MSA), S&P informed CMPC of a recalculation of its overall score. From this, the company ranks 3rd in the forestry sector at CSA 2020.

Recognition of leading companies in energy efficiency and clean energy

With the presence of the Chilean Minister of Energy, Juan Carlos Jobet, and the executive director of the Energy Sustainability Agency, Ignacio Santelices, a new version of the Energy Efficiency Seal was developed, which this year awarded 32 companies that have implemented measures, initiatives, goals, and indicators aimed at the objective of Carbon Neutrality by 2050 in Chile.

CMPC was recognized, along with other companies, in the Gold category as a global leader in energy management. The recognition distinguishes organizations certified to the ISO 50001 standard with at least two energy efficiency measures. CMPC was recognized for the measures implemented at the Santa Fe, Pacifico, Laja, and Sack Kraft plants.

In the Silver category, which refers to the implementation of an energy efficiency project or initiative and an **Energy Management System**, the company was awarded for its work at the Softys Puente Alto, Softys Talagante, Aserradero Bucalemu, Remanufactura Coronel, and Aserradero Mulchen plants.

Multiple recognitions in CMPC Brazil

CMPC Brazil received two important awards from the Brazilian Association of Business Communication (Aberje), positioning it as **the number one company among all companies in the southern region of Brazil.**

The awards went to the work developed in the categories Crisis Management, due to the solid internal and external performance during the pandemic, and Best Multi-stakeholder Initiative, due to the activities developed in the celebration of CMPC's 10 years in Brazil. It was also named **the best company in the pulp and paper sector by the Premio Valor 1,000 (Value 1,000 Award).**

It also received:
- 1st place in the People Management category.
- 2nd place in Financial Performance.
- 4th place in Sustainability in the Epoca Negocios 360° Yearbook.

Finally, it was awarded **1st place as the company most remembered and preferred** by the gauchos in the Environmental Brand category of the XXII Marcas de Quem Decide Award, promoted by Jornal do Comercio.

Connect 2020: driving forward the 2030 Agenda

In an event attended by the Chilean Minister of Social Development and Family, Karla Rubilar, the Global Compact awards ceremony was held for companies that have committed, through outstanding practices, to the 2030 Agenda and the SDGs.

For this purpose, seven categories were established: 1) People, 2) Prosperity, 3) Planet, 4) Partnerships, 5) Peace, 6) SDG Interconnection, the company that had the best performance in impacting several SDGs, and 7) Human Rights.

CMPC was recognized in the SDG Interconnection category, for the practices and initiatives it develops annually to **prevent and combat rural fires**. The impact of this program contributes mainly to the Sustainable Cities and Communities, Climate Action, and Life on Land SDGs.

CMPC recognized among the top 10 companies in the Informe Reporta (Reporta Report) ranking

The Company ranked ninth in the general ranking of Informe Reporta -prepared by the communications and sustainability agency Deva - among Chilean companies belonging to the Selective Stock Price Index (IPSA, for its acronym in Spanish) of the Santiago Stock Exchange. In the category of accessibility to reported information, it ranked first.

Informe Reporta is a study on the quality of the non-financial information that IPSA companies make available to shareholders and stakeholders through their reporting documents in four dimensions: transparency, relevance, commitment, and accessibility.

CMPC was the company that moved up the most positions, from 17th to 9th place.

Energy Management System

For more details on the SGEn see the chapter 5 Conserve.

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Prevent and combat rural fires

For more details on the Prevent and combat rural fires see chapter 5 Conserve.

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1.5

Our Corporate Strategy

Our roadmap for the future

*To move confidently into the future, CMPC presents its Corporate Strategy, based on **five work focuses**, through which the Company's guidelines are managed. These focuses will be reviewed throughout the Integrated Report.*

1. Productivity and efficiency

- To be leaders in customer service and brand value
- Be recognized in the industry in terms of productivity and efficiency
- To excel in purchasing

2. Efficient growth

- Expand our business with capital efficiency
- Improve CAPEX execution performance

3. People

- Adopt a dynamic culture that allows us to attract and develop the best talent

4. Innovation

- To become leaders in the delivery of innovative solutions and products **through new** technologies and digitalization

5. Sustainability

- To be the best in sustainability and an active player in the communities in which we participate

Because these 100 years have only been the beginning, the following years will bring challenges and opportunities in which we will be key players.

As a century-old company, we have understood that our role is to be part of the discussion, dialogue, and solution, creating spaces with a positive impact from our framework of action; and putting our accumulated experience at the service of collaborators, communities, suppliers, strategic partners, customers, clients, consumers, and shareholders.

We find ourselves in a constant transformation scenario, where we believe that sustainability, innovation, and talent are essential for the resilience of the companies of the future

Welcome to CMPC.

2. VALUE CREATION



CHAPTER HIGHLIGHTS:

- *3C Corporate Purpose: Create, Coexist and Conserve.*
- *Prioritization of 13 Sustainable Development Goals connected to the 3Cs.*
- *Strategic Sustainability Approach aligned with material issues.*
- *Systematic progress in the establishment of corporate goals.*
- *Presentation of the Value Creation Model.*
- *Sustainability Committee at Board of Directors level.*

2.1

Corporate Purpose

Learn about CMPC's long-term vision

After 100 years of delivering solutions based on renewable resources, CMPC is working to consolidate its vision of sustainability, which seeks to create long-term value, with its corporate purpose statement as its core.

The corporate purpose - create, coexist, and conserve - called the 3Cs, is integral to the Company's way of doing business and guides its corporate function toward a sustainable future.

3C WHICH TRANSLATE INTO:

CREATE

Solutions for the most genuine needs of people. Because we are present in everyday life with products derived from pulp, wood or recycled paper.

COEXIST

With our stakeholders, creating opportunities for mutual development. Because we know that we hold a privileged position to contribute to the positive transformation of the ecosystems of which we are a part, we strongly and resolutely promote ways of being and doing that allow us to achieve better living conditions, both for current and future generations.

CONSERVE

Our environment, because we understand that our work depends on natural resources. We are fully aware that today we are a global company, part of a new era that challenges companies and citizens to renew their patterns of production, consumption, and coexistence, moving from a linear economy to a circular one.

Through the 3Cs, the company generates a **sustainable culture** which, in the short, medium, and long term, contributes to the creation of shared value.



***Barba Negra Nursery**, where the trees are grown for the Company's operation. Located in the state of Rio Grande do Sul in Brazil.*

UNITED NATIONS GLOBAL COMPACT

The 3Cs reflect CMPC's commitment to integrating sustainability into its corporate strategy through the implementation, performance, and recognition of the **Ten Principles of the Global Compact**, which are focused on the areas of human rights, labor relations, environment, and anti-corruption. All of them, basic principles of its actions with all its stakeholders.

Ten Principles of the Global Compact

https://unglobalcompact.org/

2.2

Sustainable Development Goals

13 SDGs that guide our management

Sustainable Development Goals

https://www.un.org/sustainabledevelopment/

Corporate sustainability goals

Check out our other sustainability goals in this chapter.

p. 58

In line with its 3C corporate purpose, in 2018, CMPC prioritized its contribution to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. To this end, in an internal work and aligned with the determination of its material issues, development of its strategic approach to sustainability, and its value creation model, the company conducted a prioritization exercise of the SDGs and, together with its three business areas, reviewed each of the 17 goals and 169 targets, determining the main impacts and also opportunities for the entire value chain of the company.

This exercise identified a relationship with 13 SDGs, in which the company has the greatest potential for action and contribution.

Also, and with the establishment of the **corporate sustainability goals** announced in 2019, CMPC determined its contribution to the SDG goals identified as priorities for the forestry and paper industry.



SUSTAINABLE DEVELOPMENT GOALS

*The SDGs are **a universal call** to incorporate, adopt, and implement measures that contribute to basic **global causes:** ending poverty, ensuring people enjoy peace, rights, and prosperity, combating inequality and addressing climate change.*

SUSTAINABLE DEVELOPMENT GOALS ROADMAP

In 2019, the CEO of CMPC presented the **Forest Sector Sustainable Development Goals Roadmap**, developed by the **Forest Solutions Group (FSG)** of the WBCSD.



The initiative identifies risks and opportunities for the sector and provides solutions based on eight impact opportunities: two strategic (sustainable forest management and bioeconomy), three environmental (circularity, water, and climate), and three social (communities, people, and procurement), which contain 22 lines of action that mobilize efforts to 2030. Besides, it identifies six core SDGs for the sector, recognizes the current impact and contribution to those SDGs, and determines the ambition of the positive impact that the Roadmap will have through the implementation of the action lines.

In December 2020, the FSG presented the first **Roadmap Implementation Report**, which noted progress to date in the forest sector and in which CMPC presented two practices related to sustainable forest management and the bioeconomy.

In 2020, the Company conducted an analysis for the next 10 years, which involved developing the impact opportunities of the Roadmap. To this end, it systematized practices, identified gaps, and, determined key strategic partnerships to close them, and set the enabling conditions for each of the current and future projects to be oriented towards the lines of action and contribute to the SDG goals.

This reflection provided a clear guide to its next steps for the scope and achievement of the Roadmap.

OUTSTANDING PROJECTS CONTRIBUTING TO THE ROADMAP

SUSTAINABLE FOREST MANAGEMENT CERTIFICATION

At CMPC, sustainable forest management is promoted and guaranteed by obtaining worldwide certifications, which entails compliance with demanding principles and criteria.

IMPLEMENTATION OF SUSTAINABILITY AND INNOVATION GOALS

Environmental sustainability goals were established that address opportunities for impact on productive forests, climate, water and circularity, and social goals, which are directly related to collaborators, as well as innovation goals that aim to create value for clients, for productive operations through efficiency and to contribute to making CMPC more environmentally sustainable.

SUPPLY CHAIN APPROACH

CMPC generates value in the long term by considering its supply chain from the production and purchase of raw materials to the collection and recovery of pulp material. In 2020, the Company develops its first approaches to defining critical suppliers and adheres to the **CDP Supply Chain program.**

Forest Sector Sustainable Development Goals Roadmap

https://www.wbcsd.org/Sector-Projects/Forest-Solutions-Group/Forest-Sector-SDG-Roadmap

Roadmap Implementation Report

https://www.wbcsd.org/Sector-Projects/Forest-Solutions-Group/Resources/Forest-Sector-SDG-Roadmap-Implementation-Report

2.3

Strategic sustainability approach

Our vision

CMPC's Strategic Sustainability Approach *is composed of its corporate purpose (3C), clear governance, management of material issues, and identification of business risks. Also, it is complemented by sustainability goals, as well as by its Value Creation Model, which summarizes the integration of its businesses and subsidiaries around sustainable development.*



2.3.1 Methodology and scope

[102-21, 102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47]

Organization for Economic Cooperation and Development (OECD)

https://www.oecd.org

In 2018, the Company conducted a materiality process that integrated a global look at the relevant and material aspects of its sector along the value chain. For this, it used the Due Diligence framework, recommended by the **Organization for Economic Cooperation and Development (OECD)**, and the Socially Responsible Business Principles as a basis.

This process sought to ***determine the actual and potential negative impacts****, caused by its operations and projects, as well as to identify* ***positive impacts and opportunities for contribution and value generation.***

Materiality was developed in three stages. First, a survey of information that included secondary sources and comparisons of best practices for each business. Then, a contextual analysis by country, both at the regulatory level and in terms of institutional governance and political, social, and environmental context. For the context analysis, information on critical risks, geographical aspects, interviews with local experts and meetings with authorities, clients, and representatives of local communities in each country were identified.

Finally, it was complemented with 40 interviews with the main executives and operational leaders of the Company and its subsidiaries, analyzing and validating the issues identified in each of the areas and business units, which allowed concluding the process with 30 relevant issues in the environmental, social and governance (ESG) areas.

During the development of this process, the main stakeholders with which the Company is permanently linked and those in which it generates an impact -positive or negative- due to its operation were identified.

Along with the above, **in 2019 it conducted a diagnosis of the top 20 risks**, which included an analysis of the environment, the industry and the market, with a top-down approach, from the Chairman of the Board to individual interviews with key executives and their businesses.

With these elements, the **Strategic Sustainability Approach** is formed, which brings together the Company's long-term vision, its future-oriented corporate purpose, the material issues grouped and organized, and the corporate goals for the coming years.

2020 MATERIAL ISSUES

Annually, CMPC updates the materiality by incorporating relevant topics according to the reporting year and the global context, through: press review, benchmarking analysis of best practices, and more than 45 interviews with those in charge of these topics, to identify annual progress. **In 2020, 9 level 1 or first order material issues and 13 level 2 or second order material issues were identified. Level 1 material topics are associated with goals, with years and clear metrics and progress reports.**

In 2021, the Company plans to develop a new materiality process, as or more exhaustive than the study prepared in 2018, to reveal its stakeholders' vision and identify new topics for its strategic vision, such as the Covid-19 pandemic and social demands worldwide.



***Hugo Olivares**, director of the Enrique Mac-Iver Polyvalent High School, at the Santa Olga Educational Center, which houses the Personitas Kindergarten and the Enrique Mac-Iver Polyvalent High School, one of the iconic works of the reconstruction of the town. The center was built entirely of wood by Desafío Levantemos Chile and CMPC.*

CMPC'S STRATEGIC APPROACH TO SUSTAINABILITY AND MATERIALITY

FOCUS OF THE 3Cs	VALUE CREATION AREAS	STAKEHOLDER	MAT LEVEL 1 9 TOPICS	MAT LEVEL 2 13 TOPICS
CREATE	Innovating to solve genuine needs	• Clients • Consummers • Service companies	• Innovation and digitalization	• Product quality and safety • Procurement and logistics
	Direct communication with clients			• Customer satisfaction • Brand value
COEXIST	To contribute to the development of the territories	• Communities • Indigenous peoples • Local suppliers	• Community engagement • Relations with indigenous peoples	• Local development • Corporate citizenship • Work life cycle
	Positively transforming environments	• Collaborators • Service companies • Society	• Diversity and inclusion • Occupational health and safety of employees and contractors	
CONSERVE	Active conservation of natural forests		• Ecosystem conservation • Water management • Waste recovery • Climate change and Greenhouse gas	• Forest management • Rural fire fighting • Energy efficiency • Environmental impacts
	Climate emergency response			
SUSTAINABLE CULTURE	Sustainable economic performance	• Collaborators • Clients • Consumers • Investors • Shareholders • Service companies • Unions / Associations • Academia • NGOs		• Green financing
	Leaders in ethics and compliance			• Ethics and compliance

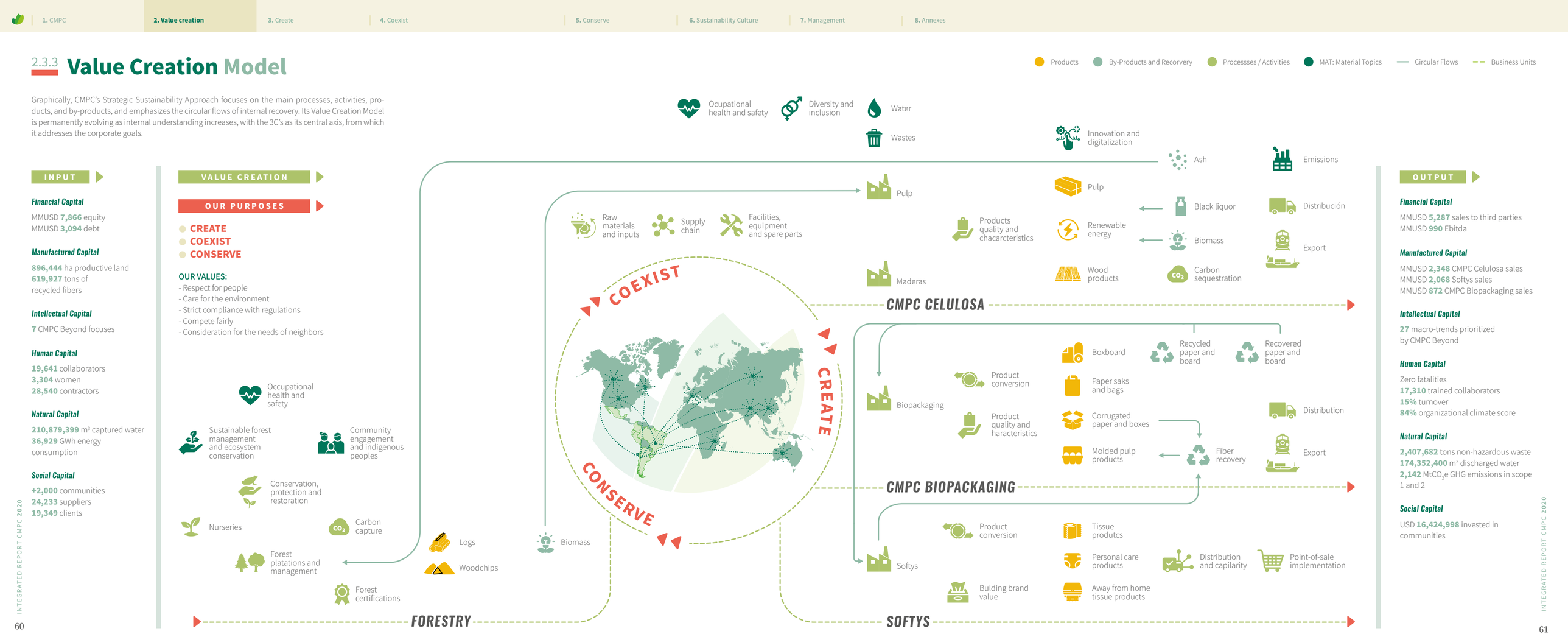
2.3.2 Corporate Goals

3C	MAT 1	CORPORATE GOALS	BASELINE	PERFORMANCE 2020	COMPLETION %	GOAL	SDG AND SDG GOAL
CREATE	Innovation and digitalization	A 30% of process improvements by 2025 should come from digital innovation and the use of data.	(2020)	-	-	-	8.2
		A 20% of the specific sustainable development goals must be achieved through innovative technology.	(2020)	-	-	-	9.4
		A percentage of the sales of the three business areas by 2025 must come from new products, businesses or business models that the areas did not offer as of January 1, 2020.	(2020)	-	-	-	
COEXIST	Diversity	Increase the number of women in the organization by 50% by 2025.	2,750 woman (2019)	3,304	40.2%	4,125	5.5
		Increase the number of women in leadership positions by 50% by 2025.	230 woman (2019)	266	31.3%	345	
	Inclusion	Achieve 2.5% of the workforce with people with disabilities by 2025.	1.0% (2019)	1.1%	6.6%	2.5%	10.2
	Health and safety	0 fatalities in operations, both in direct collaborators and in service companies, whether in industrial plants or in forest operations.	(annual)	0	100%	Zero	8.8
CONSERVE	Water	Reduce industrial water use per ton of product by 25% by 2025.	30.84 m^3/t (2018)	30.00	10.9%	23.13	6.4
	Emissions	Reduce absolute greenhouse gas emissions (direct and indirect) by 50% by 2030.	2,396 $MtCO_2e$ (2018)	2,142	21.2%	1,198	13.3
	Waste	Achieve zero waste to final disposal by 2025, through the reduction of waste generation, the recovery of by-products, and the strengthening of circular models.	714,299 t (2018)	509,843	28.6%	Zero	12.4 - 12.5
	Conservation	Add 100,000 hectares of conservation or protection by 2030, to the more than 320,000 hectares that the Company already has for these purposes.	321,529.0 ha (2018)	385,725.6	64.2%	421,529	13.1 - 13.3 15.1

Note: Due to the incorporation of the new Softys plants, Sepac in Brazil and Panamericana in Peru, CMPC carried out a recalculation for 2018 and 2019. This adjustment is not contemplated in the presentation of the quarterly balances to the goals in the Reasoned Analysis, presented in the annexes of this report.

2.3.3 Value Creation Model

Graphically, CMPC's Strategic Sustainability Approach focuses on the main processes, activities, products, and by-products, and emphasizes the circular flows of internal recovery. Its Value Creation Model is permanently evolving as internal understanding increases, with the 3C's as its central axis, from which it addresses the corporate goals.



2.4

Governance for sustainability

Who manages and monitors CMPC's sustainability?

In 2019, CMPC created the Sustainability Committee in the Board of Directors, with the main purpose of directly supervising the implementation of the Company's value creation strategy in its ESG areas, as well as verifying effective compliance with the objectives and goals set annually. Also, the Committee reviews and proposes the adoption of best practices to strengthen CMPC's long-term commitment to sustainable development.

The Committee meets bimonthly, with a total of six meetings per year, in January, March, May, July, July, September, and November. **During 2020, there was 100% attendance by its members.**

SUSTAINABILITY GOVERNANCE

HOW DOES SUSTAINABILITY COME DOWN TO CMPC'S OPERATIONS?



Participating in this committee are the Chairman of the Board, Luis Felipe Gazitúa A.; Director Vivianne Blanlot; Bernardo Matte Izquierdo, member of the boards of directors of the three business areas; the Chief Executive Officer of Empresas CMPC, Francisco Ruiz-Tagle; the Corporate Affairs Manager, Guillermo Turner; and the Sustainability and Environment Manager, Nicolás Gordon.

The Sustainability and Environment Manager, Nicolás Gordon, coordinates, monitors and oversees the Company's sustainability progress for the three business areas and countries, in addition to corporate sustainability goals.

In 2020, Softys created two Sustainability Committees to materialize its 2020-2023 Sustainability Strategy. This committee is led directly by Gonzalo Darraidou D. and Softys' Regional Committee, which includes the eight countries where it has industrial operations.

ACTIVITIES OF THE SUSTAINABILITY COMMITTEE

The Sustainability Committee is responsible for monitoring the Company's performance and progress with respect to sustainability targets. During the year, the business areas presented their sustainability strategies, environmental and social risks, team organization, and internal objectives to the Committee for evaluation and approval of next steps.

As part of the 2020 activities, the Sustainability Committee:

- Approved **CMPC's Climate Change policy.**
- Reviewed and validated the roadmap of each business for its contribution to the achievement of sustainability goals, which involved the review of initiatives and projects, deadlines, costs, and impact.
- Also, the Committee discusses progress in: community engagement, green finance, indirect greenhouse gas emissions in the value chain (scope 3), environmental performance of new plants, responsible supply chain, forest management, and native forest conservation.

CMPC's Climate Change policy

https://www.cmpc.com/en/sustentabilidad/climate-change-policy/

Our main purpose of directly ***supervising the implementation of the Company's value creation strategy in its ESG areas, as well as verifying effective compliance with the objectives and goals set annually.***



2.5 Networking

Participation in sustainable development organizations

[102-12; 102-13]

CMPC participates in associations that amplify its efforts, facilitate the transfer of best practices and maximize its contribution to sustainable development by generating business group partnerships with the same concerns and goals.

Member of **Global Compact** Chile since 2018, and from 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. Also, CMPC Brazil is a member of the Global Compact in that country.

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.

Member of the Board of Directors of **CLG Chile** since 2018. This organization, formed under the umbrella of The Corporate Leaders Group for Climate Change in the United Kingdom, is the business group in Chile for the climate discussion. It permanently collaborates with those responsible for climate policy in the country and in other international bodies, consolidating its position as the counterpart of the business world before the public sector on these issues.

Member of **Acción Empresas** since 2018. This organization, the representative in Chile of the WBCSD, seeks to position through various thematic lines corporate sustainability as a business vision necessary for the building of a more inclusive and equal society. CMPC participates in two of its executive committees.

Co-chairs the Sustainability Committee of the **American Chamber of Commerce AmCham Chile**. This committee promotes a culture of collaboration between different actors of civil society with a focus on environmental care, ensuring the correct and comprehensive implementation of best practices and contributing to the creation of a sustainable future for both society and companies. Also, CMPC Brazil participates in the AMCHAM Brazil working group.

Member of the Sustainability Committee of the **Committee of the Cámara Chileno-Británica de Comercio (British Chamber of Commerce in Chile)**. The Chamber supports the interests of its member companies by making available the required information, providing practical training and strengthening their corporate image. Also, for the past decade, it has been organizing the Environmental Innovation Management Award, to highlight the private sector's plans for a sustainable future.

Global Compact
https://www.unglobalcompact.org

World Business Council for Sustainable Development
https://www.wbcsd.org

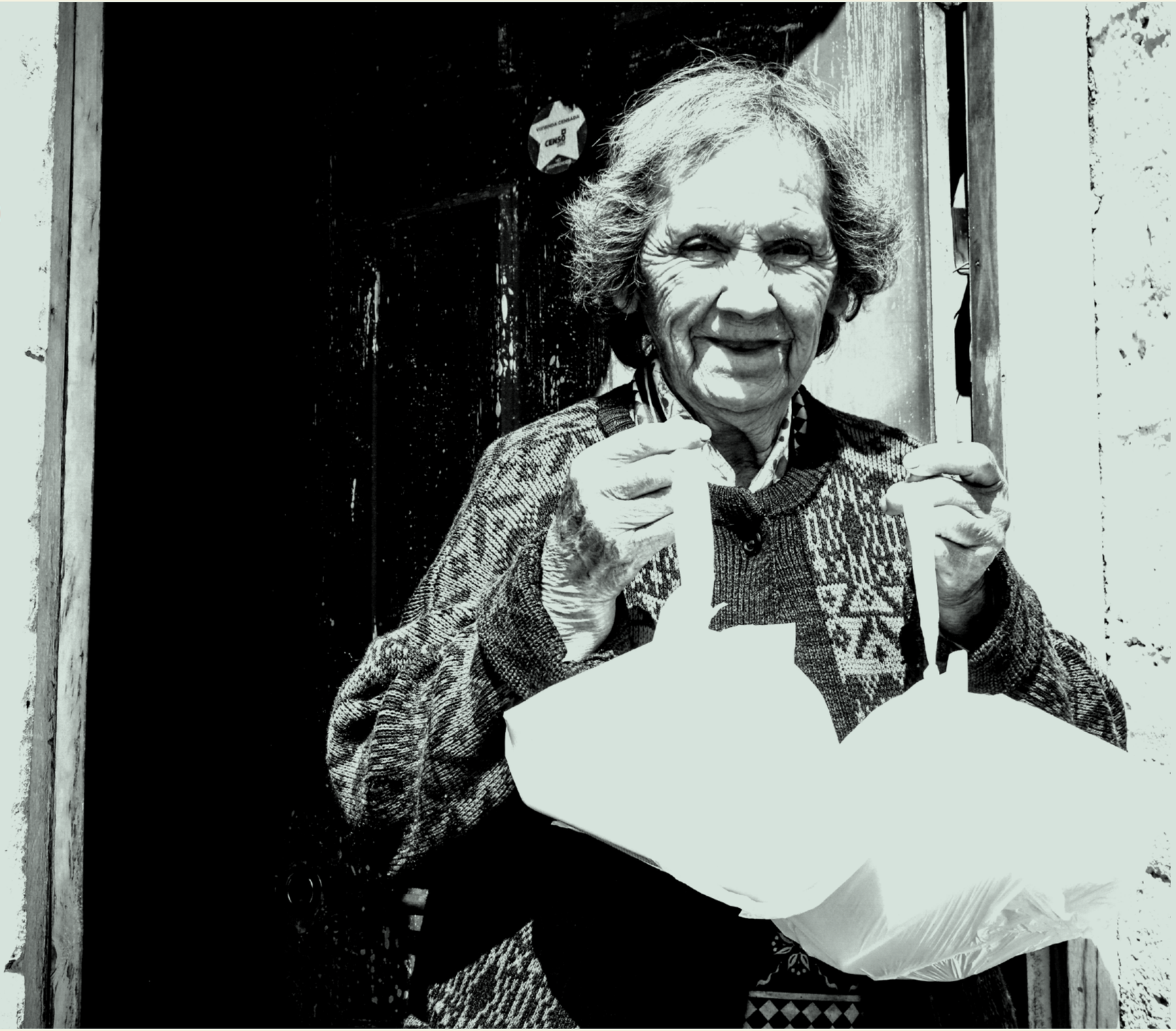
CLG Chile
http://clgchile.cl

Acción Empresas
https://accionempresas.cl

American Chamber of Commerce
https://www.amchamchile.cl

British Chamber of Commerce in Chile
https://www.britcham.cl

SPECIAL COVID 19



Covid-19 emergency response

It’s time to get involved

In the context of the declaration of a worldwide pandemic and since the first cases of Covid-19 appeared in Latin America, ***Empresas CMPC defined three key objectives to be met: to ensure the care, health, and well-being of its collaborators, employees of contractors, and service companies; to facilitate operational continuity, providing essential products for people; and finally, to collaborate at a social level to help reduce the spread of the virus.***

From the beginning

December 31, 2019
First Covid-19 case identified in Wuhan, China

January 2020
First cases in Europe and the United States.

February 26, 2020
Brazil confirms first case of coronavirus in Latin America.

March 11
World Health Organization (WHO) declares Covid-19 pandemic.

April
Exceptional measures and quarantines in various Latin American countries.

April
Shortage of masks in different markets.

July
Peak of infections in Latin America.

December
Approval of the first vaccine against Covid-19.

The following actions contribute directly to the SDGs:



3.d 8.8 17.17

March 15

CMPC announced the **start of teleworking** for more than 5,000 employees at CMPC and reorganization of shifts for employees in plants.

CMPC is considered one of the **essential industries**, which is why its plants must continue to operate.

A **Crisis Committe**e was formed, led by the CEO and composed of the nine senior executives, as well as some strategic positions for the supply and distribution of products, which met twice a day during 2020. Its purpose was to ensure the care, health and well-being of employees and to facilitate the operational continuity of the business.



In the imagen, workers plant Puente Alto in Softys Chile together with the second delivered of masks to the Central Nacional de Abastecimiento, Cenabast (National Procurement Office).

WHAT DID WE DO TO TAKE CARE OF OUR COLLABORATORS AND THEIR FAMILIES?

After determining as a first preventive measure teleworking for all people who could perform their work in a non-face-to-face manner ***the need arose to implement care and well-being measures to ensure that all collaborators remained protected*** *and free from Covid-19 while performing their duties.*

CMPC Team, Greetings in times of pandemic:

https://www.youtube.com/watch?-v=9OJN1zuBpQM

In response, the following initiatives were developed:

1. Protection, health, and care protocol

It defined the actions to be incorporated in workplaces to minimize the risk of contagion. This document, which was distributed virtually and physically, brought together all the regulations of the relevant health authorities and presented updates according to the progress of the pandemic, the measures taken by the authorities, and the WHO recommendations.

- **Virus information:** symptoms and modes of transmission and identification of suspected or close contact cases and action plans.
- **Conditions within the operation:** access control to plants and facilities, mandatory use of personal protective equipment, in addition to frequent hand washing and the use of alcohol gel, instructions regarding distance and contact between people, adjusting procedures to minimize entry to the plants.
- **Transportation and shuttle buses:** greater availability of means of transportation to avoid contact and risk of contagion when going to the plants.
- **Relevant supplies:** list of key supplies to keep health care, which were given to each person present in the operation.

Also, a ***Cuidado en Casa*** **(Home Care) protocol**, was developed, which brought together a set of good practices for maintaining the virus outside the home. It should be noted that this guide was inclusive and provided particular advice for the care of people with disabilities, and on the importance of co-responsibility in the context of confinement and teleworking; it also provided self-administered tools for the identification of domestic violence.

In terms of compliance with Covid-19 protocols, 100% of the plants and production sites were audited by external companies, which was also recognized by the *Asociación Chilena de Seguridad*, ACHS (Chilean Safety Association).

Despite all these precautions, some collaborators were infected, and the death of **13** collaborators due to the virus was also regretted.

COVID-19 STATISTICS ▶

No. of collaborators infected by Covid-19	No. of fatalities caused by Covid-19
2,079	13

Source: Health and safety areas.

2. *El Doctor Responde* ("The Doctor Responds") Assistance

Given the feeling of uncertainty and lack of knowledge about the virus, it was necessary to have an expert opinion on the concepts and care required to face the pandemic. **Dr. Carlos Pérez**, an infectious disease physician, provided concrete information to guide employees and their families.

"***El doctor responde***", continues to be held weekly, with at least 50 people connected in each talk, which has contributed to improving care measures, but above all to reduce uncertainty.

As a result of these talks, two products were developed:

- **Magazine:** included the most frequently asked questions and answers about the virus and its care, in Spanish, Portuguese, Mapudungun, Creole, and English, as a way to bring it closer to employees, their families, the local community, and stakeholders.

- **Covid-19 Video:** Dr. Perez's explanations of the topics addressed in each lecture, which were subtitled in the five languages mentioned above and interpreted by a Chilean sign language interpreter.

3. Mental health

A support plan for individuals and their families, which consisted of two services:

- **Free psychological support:** With the support of *Fundación Chile Unido*, a telephone channel was implemented so that employees and their families could contact mental health professionals.
- **Mental Health Webinar Series:** series of eight lectures on mental health and care, managing feelings, accompanying the various members of a family, among other topics, allowing for new tools in times of uncertainty. This material is available on the Mi Fibra (My Fiber) platform.

4. Permanent communication

The collaborators kept information and communication daily using:

- **Daily messages** of the CEO, Francisco Ruiz-Tagle.
- **Discussions** led by the CEO and top executives at different plants and also remotely.
- **Communication channels.** Two new channels were set up to receive queries from employees and their families - e-mail and a WhatsApp number - available 24 hours a day. Also, an open web page was created to house information related to the care of people.
- **Remote talks** with different external specialists to explain the scope and effects of the pandemic not only at the sanitary but also at the social, economic, cultural, and psychological levels.

RELEVANT STATEMENTS

In face of the uncertainty caused by the travel restrictions, quarantines in different countries, trade closures, salary reductions and the rise in unemployment, which reached around 15% according to INE (National Institute of Statistics), CMPC made important announcements to reassure its more than 19 thousand collaborators, the following:

1. CMPC ***will not terminate the employment of any collaborator*** *as a result of the pandemic.*

2. The Company ***will not make any salary reductions,*** *and in the case of Chile will not make use of the employment protection law.*

3. Payments will be made ***in the shortest amount of time*** *to suppliers and service companies.*

4. It is important to generate a ***jobs pact****.*

5. ***There will be no price increases in hygiene and personal care products****, which are considered essential at this time.*



EL MERCURIO | DOMINGO 12 DE JULIO DE 2020 — ECONOMÍA Y NEGOCIOS DOMINGO | B5

El directivo está preocupado por la situación que vive el país y por los efectos de la pandemia en el empleo, que en su opinión ya alcanza el 20%. Cree que en este escenario el mundo empresarial debe cumplir un rol. "Tenemos una oportunidad para que seamos vistos como un valioso eslabón en la cadena que mueve al país". • JOSÉ TOMÁS SANTA MARÍA

Presidente de Empresas CMPC

LUIS FELIPE GAZITÚA: "Es momento de comprometernos... algo así como un pacto por el empleo, sin recorte en las dotaciones, sin bajar los sueldos"

En la crisis hemos visto transformaciones que nos podrían hacer pensar en nuevas oportunidades de eficiencia. El caso del teletrabajo o de plantas que se encuentran operando con dotaciones más bajas de lo normal. Pero no creo que sea el momento. Para quienes podemos, debemos asumir que vivimos tiempos de retribuir decididamente a los trabajadores".

Source: Press release, El Mercurio newspaper, July 12, 2020.

https://www.cmpc.com/wp-content/uploads/2020/07/Cmpc_12072020.pdf

WHAT DID WE DO TO SUPPORT OUR COMMUNITY?

Within the first few days of the pandemic declaration, another of the Company's concerns was to make itself available to local authorities and communities.

To this end, and given the shortage of masks produced, in less than 60 days, and without having any experience and knowledge of their manufacture, CMPC decided to import six of these machines from China, install them in Argentina, Brazil, Chile, Mexico, and Peru, train its employees and deliver the first production totally free of charge to the corresponding authorities in each country and institutions, who distributed them among the most vulnerable population, delivering more than 15 million masks together with kits of hygiene products.

This quick decision and conviction from the Board of Directors is nothing more than the response of a centenary company, committed to the territories, whose understanding of its role in society is to be part of the solutions, becoming a driving force for development in the localities where it operates.

In Chile, masks were delivered to the *Servicio Nacional de Menores*, SENAME (National Service for Minors), S*ervicio Nacional del Adulto Mayor*, SENAMA (National Service for the Older Adult), Firefighters of Chile, *Gendarmería de Chile* (Chilean Gendarmerie), *Hogar de Cristo, Fundación Las Rosas*, among other institutions. More than 100 thousand masks, alcohol gel, among other supplies, were also delivered to CMPC's neighboring communities in the regions of Biobio, Araucania, and the municipality of Puente Alto. A donation of 400 thousand masks and 42 thousand bottles of alcohol gel was made for a safe plebiscite during October, delivered through the *Central Nacional de Abastecimiento*, Cenabast (National Procurement Office).

Additionally, through Softys Peru, 10 mechanical ventilators - manufactured and developed 100% in Chile - were donated to the Hospital Nacional Edgardo Rebagliati Martins in Lima. The equipment, called Neyün, which means "to breathe" in Mapudungun, was delivered under the public-private initiative *Un respiro para Chile* (A Breath for Chile), promoted by Sofofa Hub, Socialab, the Inter-American Development Bank (IDB), and supported by the Ministries of Science and Economy in Chile.

CMPC Brazil also strengthened its assistance to local governments by being proactive in the delivery of health kits to several organizations to combat the pandemic. One of the most important was the delivery of 4,500,000 masks to public health professionals in Rio Grande do Sul, as well as boxes of food to the local community and vulnerable families in Guaiba. Along with this, it modernized the Medical Center in the city of Guaiba, which was transformed into a new hospital with 40 new spaces for the intensive care unit (ICU), which meant an investment of more than USD 365,000. It also delivered 10 thousand masks made by seamstresses, which contributed to its income generation.

In partnership with other companies in Rio Grande do Sul and the Instituto Cultural Floresta, ICF (Floresta Cultural Institute), it also purchased thousands of equipment to deal with the pandemic, such as masks, respirators, and personal protective equipment (PPE).

More outstanding actions carried out in Chile

While the purchase and production of the masks was being carried out in the different countries, the company also developed multiple other initiatives and programs to support and contribute during the pandemic. Among the most outstanding ones:

- **Street disinfection:** carried out disinfection of streets and public spaces in Puente Alto together with several municipalities in the Biobio and Araucania Regions.

Review more about face mask machines:

https://www.youtube.com/watch?v=G66vejD8t2E

- **Fitting-out of Los Angeles hospital:** CMPC offered the authorities of the province of Biobio its former offices located in the city of Los Angeles, which were transformed into a field hospital for the inhabitants of the region, helping to decompress the health network. More than 300 people have been treated at the field hospital. Along with this **in Puente Alto, in particular, a residence for non-valent older adults infected by the virus has been set up.**

- **Clínicas Móviles (Mobile Clinics):** six mobile clinics were set up for three months to provide medical care in isolated areas of the Araucania and Biobio Regions and the municipality of Puente Alto, giving priority to the older adults as the most at-risk population. In total, more than 40,000 medical attentions were provided. Currently, Clínicas Móviles (Mobile Clinics) is contributing to the second phase of the pandemic with support for inoculation work to reach the greatest number of people in the shortest possible time.

- **CMPC Solidaria (CMPC Solidarity):** For four months, CMPC provided lunches to older adults in vulnerable situations and with limited resources, both in Puente Alto and in the regions of Biobio and Araucania. In total, CMPC Solidaria delivered a total of 42,000 lunches.

The lunches were prepared by local restaurants that had closed their doors due to the pandemic and were delivered by school buses, whose drivers had also been paralyzed, generating an activation chain and shared benefits.

- **Arriba Todos Juntos (Let's Get Up All Together):** This program aims to deal with the economic impacts of the pandemic on entrepreneurs in the Biobio and Araucania Regions, as well as in the municipality of Puente Alto, in the hotel, gastronomic, tourism, and retail sectors, by providing them with the necessary elements to reopen their businesses when the health authorities allow them to do so. The goal is to be prepared to receive their clients in the safest possible way.

The program was developed in three stages:
1. Build a network of entrepreneurs, who were supported with the development of health and safety protocols. In addition to training in this area.
2. Delivery of 500 sanitary kits with items such as alcohol gel, masks, liquid soap, paper towels, wet wipes, and disinfecting wipes. Also, they were provided with signage with messages of social distancing, proper hand washing, installation of alcohol gel dispensers, non-contact sinks, to prevent contagion.
3. Taking advantage of CMPC's communication platforms to promote these places, making them visible again from a local and national perspective.

Arriba Todos Juntos will continue to operate during 2021.

Fundación Chile's Covid, Colaboración y Vida ("Covid, Collaboration and Life") Open Innovation Call

Under the call "Covid, Colaboración y Vida", CMPC together with Fundación Chile, Sociedad de Fomento Fabril, Sofofa (Manufacturing Promotion Association), Corporación de Fomento de la Producción, Corfo (Production Development Agency), and other companies developed a call for entrepreneurs with innovative solutions to face the health and economic crises, with the conviction that the current scenario demands quick responses and that the collaborative work of different players from the private, public and entrepreneurial world has positive effects.

This short call attracted a total of 560 projects from 23 different countries, identifying four categories of awards and innovation: **health, economy and employment, education, and community.**

CMPC Conecta Foundation

During the first months of the sanitary emergency in Chile, **CMPC Fundation** made an effort to migrate its programs to a virtual format, understanding the change in people's needs. Maintaining the connection with the beneficiaries was paramount, making the union of technology and learning at the service of the communities.

Under the CMPC Conecta Foundation, many programs were carried out to bring people closer to virtual learning, taking into account the context and connectivity limitations of some locations. The material was distributed, advice was published, 300 activities and talks were held, and hundreds of videos were created to promote the learning and development of children during the pandemic. The content was made available to all parents in Chile facing the challenge of educating their children at home, thus contributing to the country in this area.

In 2020, the Desafío Conexión (Connection Challenge) was carried out in conjunction with the Universidad de Concepcion (University of Concepcion), whose goals were to generate a platform to make available all the educational content developed over the years by the Foundation and to develop an augmented reality application on environmental education topics. More than 300 activities were generated and materialized in 20 booklets with 15 weekly activities, and the content was made available on social networks.

*"Rather than a return to the '**new normal**', we will return to a '**new reality**'. And in this new reality, the spaces for growth, efficiency, integration, and recognition are not mapped out, but are yet to be mapped out. And that will be achieved by those who are ahead of the facts."*

Francisco Ruiz-Tagle
CEO CMPC.

"It is time to get involved and play a leading role in the future".











*1. **Initiative of the Street Disinfection** in the municipality of Puente Alto in the Metropolitan region, in Chile.*

*2. **One of the six mobile clinics** enabled by CMPC for the care of neighbors in Puente Alto, Chile.*

*3. **Francisco Torrealba, Public Affairs Manager of CMPC** in the delivery of masks and alcohol gel to Firefighters of Chile.*

*4. **Student of the CMPC program Formando Chile**, Puente Alto, who gave computers to students in the commune.*

*5. **Francisco Torrealba**, Public Affairs Assistant Manager of CMPC, in delivery of masks to Cenabast.*

*6. **Luis Felipe Gazitúa with Jorge Navarrete,** CEO of CMPC Biopackaging in the delivery of lunches in Puente Alto in CMPC Solidaria program.*

*7. **Luis Felipe Gazitúa, Francisco Ruiz-Tagle, Jorge Navarrete and Guillermo Turner** in the delivery of lunches in Puente Alto in CMPC Solidaria program.*

*8. **A neighbor of Puente Alto** in Santiago receives lunches from the CMPC Solidaria program.*

*9 /10. **CMPC produces Ollas Comunes** together with neighbors from Bajos de Mena in Puente Alto in Chile.*













11

***11. Beneficiary** of the Arriba Todos Juntos program in southern Chile.*

***12. Collaborator of Envases Impresos** with the Arriba Todos Juntos program kit.*

***13. Beneficiary** of the Arriba Todos Juntos Program in southern Chile.*

***14. Products delivered in the kit** to merchants of the Arriba Todos Juntos Program.*

***15. Hand washing machine** delivered by the Arriba Todos Juntos Program.*

***16. Residencial Jimena 2,** beneficiary of the Arriba Todos Juntos program. Receive support material and protocol implementation training.*



12



13



14



15



16

3. CREATE

MATERIAL ISSUES MAT

- Innovation

SDG



HIGHLIGHTS FROM THIS CHAPTER:

- Launch of CMPC Beyond.
- Product innovation for the future.
- Certified quality products.
- Procurement and logistics process.
- Progress in customer satisfaction.

YENY RIVERA Y MIGUEL POVEDA, RESEARCHERS AT THE LOS ANGELES LAB (CHILE).

MANAGEMENT APPROACH TO MATERIAL ISSUES

(103-1, 103-2, 103-3)

According to the UN, through SDG 12, the increase in global production as a result of economic progress continues to maintain negative effects on ecosystems. However, consumer awareness of limited natural resources and environmental impacts has increased.

The evolution in consumer preferences and the growing demand for renewable, recyclable products and biomaterials, deepens the importance of anticipating market trends. CMPC is making progress in delivering sustainable solutions for customers and consumers, typical of a company of the future, as well as adapting to the context of uncertainty due to the pandemic.

Material issues level 1

● Innovation MAT

Satisfying the most genuine needs of people is for CMPC a permanent challenge and also a constant opportunity to innovate processes and products that generate value for its clients and consumers, contributing to improving their quality of life.

With the leadership of its Innovation areas, the Company as a whole focuses on addressing current and future global challenges, for which it has a governance system that ensures that projects progress systemically until they are implemented.

Innovation targets

- A 30% of process improvements by 2025 should come from digital innovation and the use of data.
- A 20% of the specific sustainable development goals must be achieved through innovative technology.
- A percentage of the sales of the three business areas by 2025 must come from new products, businesses or business models that the areas did not offer as of January 1, 2020.

Material issues level 2

● Customer satisfaction MAT
● Brand value MAT

Identify and understand the interests and expectations of clients and consumers to improve products and services. This requires ongoing monitoring and assessment of processes and products to achieve customer satisfaction. This allows us to generate mutually beneficial long-term relationships.

● Product quality and safety MAT
● Procurement and logistics MAT

For a product to be sustainable, the entire value chain must be considered in its manufacture, from the choice of materials to its distribution and sale.
The global view of the processes allows CMPC to deliver safe and quality products, satisfying the needs of clients and consumers.

3.1 CMPC Beyond
Building the next 100 years together

*CMPC Beyond was created to **prepare the company for its next 100 years.** To this end, it seeks **to respond to the sustainable consumer of the future.** The collaborative process is fundamental to achieve this objective and the collaborators are the protagonists. Through their ideas, experiences, and knowledge, a roadmap is generated that projects CMPC to be a leading company in innovation.*

WHY WAS CMPC BEYOND CREATED?

Several months after WHO declared Covid-19 a pandemic, its human, social and economic impacts have become clear. At the same time of experiencing the loss of human lives, mobility restrictions, changes in health, greater technological absorption, to mention a few, a setback in the quality of life of millions of people has been identified.

This has led to a new configuration of reality, making it different, complex, and challenging. Faced with this, companies and entrepreneurs are analyzing these changes, evaluating their next steps and taking action and a position in this new scenario.

With this background, and considering the moment of its centenary, the Company creates **CMPC Beyond**, a transformational initiative developed internally with the support of Kairos Future, a Swedish company specialized in future analysis.

HOW DID THIS PROJECT START?

CMPC Beyond was created in August 2020, with the support of the Board of Directors and Senior Executives, through the **Encuesta de Oportunidades de Futuro (Future Opportunities Survey)**, an online tool in which more than 2,039 collaborators participated, who were asked about the main lessons learned after Covid-19 and the opportunities they identified for the future in this context. For those collaborators who do not have e-mail, face-to-face discussions were held to obtain and gather everyone's opinions.

BEYOND by cmpc

FUTURE AND INNOVATION SURVEY RESULTS

The results showed two types of analysis. On one hand, the collaborators valued:

1. **Communication** is a key element.

2. **People is our priority.** CMPC showed deep care for its employees, their families and communities.

3. The **ability to reorganize quickly** in crisis situations and can adapt and innovate rapidly to unfavorable situations.

On the other hand, it showed the respondents' expectations in the short, medium, and long term:

1. **A company that puts people at the core** and maintains respect for the environment and communities.

2. **Global leader in sustainable solutions.**

3. **An innovative company** that redefines the market with its new technology and products.

HOW IS CMPC BEYOND STRUCTURED?

As an initial milestone, the results of the survey were presented by CMPC's CEO. The next step was to form the Futuro Innovación (Future is Innovation) Team (EFI, for its acronym in Spanish), a driving force that is made up of more than 60 committed professionals from all areas and countries of the Company. They worked on trends that will affect the sustainable consumer in the year 2050, with time horizons for the next 3 months, 3 years, 10 years, 30 years, and 100 years. Thanks to this work, more than 140 trends were identified and prioritized to build the CMPC Trends Map, of which 27 were selected, grouped into four macro-trends: "Consumer and Lifestyle Expressions," "Climate Change," "Economic Power" and "Intelligent Technological Revolution."

Through workshops and expert support, EFI selected innovation focuses and designed the first portfolio of initiatives that will help build the company of the future, 10 of which are already under development.

EFI is composed of:

60% men



40% women

- Of different age ranges from 25 years and older.
- Located in different countries such as Argentina, Brazil, Chile, China, USA, and Peru.
- From diverse professions: engineers, chemists, sociologists, biologists, lawyers.

Also, the Future and Innovation Committee (CFI, for its acronym in Spanish) was formed, made up of the Chief Executive Officer and senior executives. The purpose of this committee is to make the necessary decisions for CMPC to be and become a world reference in innovation.

In the last quarter, both the EFI and the CFI were deployed in all countries where CMPC has a presence, and discussions were held -online and in-person- on different topics related to the future sustainable consumer of 2050 and how to incorporate the ideas and contributions of all CMPC employees. Among the topics addressed were the efficient use of water, circular economy and new, more agile ways of working. In all, close to 1,500 employees participated in a total of 150 discussions.

Besides the EFI, another important group is the group of **Beyond Ambassadors**, which is composed of 250 employees who are the visible face of the project among their co-workers, contributing to the deployment of the program in plants and offices.

To be a Beyond Ambassador, you don't need to be an expert in innovation, nor do you need to have a long career at CMPC. ***You need to have the desire to contribute, collaborate and learn****, regardless of your position or previous training.*

CMPC BEYOND STRUCTURE

Future Innovation Committee (CFI)

Champion of Beyond
Felipe Alcalde, Innovation Manager

Future Innovation Team | **Beyond Ambassadors**



Let's face the challenges and opportunities that the future holds for us as a team. Because at CMPC we are 100 years old and we have the capabilities and experience to continue growing and developing our company for another 100 years. Follow our information platforms and participate in the different initiatives.

In the Beyond project we count on you.

Furthermore, CMPC Beyond includes a training module for collaborators and workshops for massive groups to gather initiatives and incorporate innovation at all levels, which will be carried out during 2021.

Once a month and to update on CMPC Beyond's progress, CMPC's CEO conducts an online discussion in all the countries where the Company has operations to inform about significant advances.

Beyond coexists with **Best Operational Excellence program** which, together with the organizational culture, make up a comprehensive development model that drives the Company into the future, connecting and feeding back into each other.

CMPC COMPREHENSIVE DEVELOPMENT MODEL



WHAT ARE BEYOND'S INNOVATION FOCUSES?

The following **7 Beyond innovation focuses** were identified on which initiatives are being developed:
Some examples of the program are:

- **FUTURE MANAGEMENT OF FOREST ASSETS:**
Holistically develop the forest industry of the future by considering different angles, such as securing fiber supply, reducing emissions, conserving, and protecting biodiversity.

- **SUSTAINABLE AND SMART PACKAGING:**
Develop sustainable packaging solutions, replace single-use plastics with natural fibers and use and develop new materials with attributes that add value for clients and consumers.

- **WATER: AN ESSENTIAL ELEMENT FOR EVERYONE:**
Seek more efficient and disruptive ways to use this natural resource.

- **DEEP SUSTAINABILITY:**
CMPC's values are aligned with the values of society. Therefore, it seeks to capitalize on this concept to show the world that the Company's purpose contributes to solutions to environmental and community problems.

- **CMPC' S CLIENT-CENTRIC:**
Develop and retain the clients and consumers of the future. Capture the opportunities of more fragmented markets, generate fast, quality, and customized solutions to satisfy the needs of clients and consumers, contributing to sustainability.

- **DATA, THE PATH TO SUSTAINABLE SUCCESS:**
Transform CMPC into an efficiency benchmark organization with a special focus on the transformation to a data-centric organization.

- **NEW AGILE WAYS OF WORKING:**
Develop new ways of working that put agility at the core, always at stakeholder's service.



Beyond Ambassadors.

3.2 Innovating for people MAT

Solving needs

***CMPC seeks to be a leader in customer service and brand value**, an objective established in its corporate strategy. To this end, it is working on processes, products, and new business models for its consumers. This was created in response to the new needs and sustainability requirements of the markets, with a special focus on three strategic areas.*



3.2.1 Circular bioeconomy

CMPC develops innovative products to achieve a circular bioeconomy that generates value and delivers concrete alternatives to consumers and clients. It has four work areas.

A. Sustainable packaging: Packaging plays a fundamental role in bioeconomy, which is why CMPC is working on the substitution of plastic through some examples such as the following:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target: 12.5

MOLDED PULP SEEDLINGS TRAYS

In the forest industry, there is wide use of plastic seedlings trays to develop plants in the nursery, which, when removed for planting, generate a high percentage of root breakage and the plants themselves.

At CMPC Corrugados, seedlings trays made from molded pulp are being developed and tested to replace plastic ones.

Among its benefits is the degradation of the product in only months, as opposed to the 300 years that plastic takes. In addition to avoiding the cleaning process of reused plastic seedlings trays, thus reducing the use of water and seedling losses due to handling.

This project is currently in the testing phase in Brazil and Chile with 5,000 seedling trays prototypes.

CMPC BIOPACKAGING DELIVERY PRODUCTS

Due to the growth of the *e-commerce* channel, CMPC developed a sealed and secure sack for the food delivery segment. It has a paper band at the top with a self-adhesive tape that allows it to remain sealed once the contents have been placed inside.

This avoids any type of handling between the restaurant and the end consumer, providing a greater guarantee of the innocuousness of the contents.

Also, the Company developed a barrier boxboard for products used in the transportation of prepared foods. This development makes it possible to store products with fat content, preserving the structure of the food and ensuring that the packaging does not leak fat. This initiative is currently in the initial marketing stage with customers.

These products were certified by the U.S. Food and Drug Administration (FDA), which allows entering new segments to replace single-use plastic products.

PET FOOD

The challenge consisted of developing a new sustainable paper-based packaging for the pet food segment, thus replacing the plastic ones, which are very difficult to recycle.

For the development of this solution, a study of the needs of manufacturers and users was carried out. Together with the startup Circular Pet, an environmentally friendly, recyclable and biodegradable solution was developed, with a proper barrier against grease, as well as functionalities that help its emptying and resealing.

ELITE ECO

In 2020 Softys developed a 100% recyclable and biodegradable primary packaging for its Elite toilet paper line. This packaging replaces plastic and is a completely environmentally friendly product.

It was launched to the market in January 2021 and had an ideation and formulation process of approximately 18 months.



B. Sustainable construction: enhances the construction sector, through products that meet current needs with alternatives to traditional materials.

Target: 9.1

G AND G WOOD PROFILES

CMPC Maderas developed a new plywood panel with high quality and improved appearance for the construction area, easy handling, and high resistance.
This is the change of the joint between profiles, tongue and groove, for panels both with groove profiles, where a plastic tongue replaces the joint of these panels. The goal of this development is to achieve a more stable joint between the panels and less degradation of the plywood.
Also, it is suitable for indoor and controlled outdoor use with high thermal insulation.





EASY WALL WOOD PANELS (EASY WALL)

A half-size panel for the construction of floors, walls, and ceilings.
Its size and volume allow better handling and easy installation, even by one single person. Each panel has an overlapping edge for installation, which guarantees the joint.
In 2020, prototypes of this panel were made and its structural use was certified for the European community.

THERMO SOLUTIONS

A thermally modified wood that has been treated at high temperatures to improve its appearance and durability. Also, it is resin-free, chemical-free, and offers more excellent dimensional stability compared to untreated wood, achieving effective resistance to fungi.
Different thermally treated products were used in the pedestrian walkway in a park and the community halls in Santa Olga, Chile.

PLYWOOD AND SAWN WOOD WITH MICRONIZED COPPER (MCA)

MCA is a micronized copper impregnation process, sustainable and resistant to humidity, fungus, and termite attack. This treatment is applied by vacuum pressure. The use of impregnated wood is mandatory in Chilean construction.

CONSTRUCTION PAPERS

During 2020, successful progress was made in the development and industrial testing of paper for use in gypsum boards for the domestic and export markets.

C. Biomaterials: development and use of new materials for the future.

TALL OIL PRODUCTION

CMPC is exploring the diversification of its products to participate in the pine chemicals market, including Tall Oil, a natural component that can be used as a raw material in medicines, resins, paints, food, adhesives, detergents, biofuels, among others.

HYDROGEN

CMPC is working on the development of a portfolio of projects that consider the use of hydrogen in its operations. These initiatives allow the Company to move towards a cleaner energy matrix and to have renewable inputs.

LIGNIN

It is the second most abundant polymer in the world after cellulose and accounts for 25% of the tree's composition. This component is used today in the process of plant energy generation; however, applications are being developed to make better use of this bioproduct.

PULP VARIETIES

CMPC Celulosa made progress in the production and marketing of pulp varieties with different whitenesses. As a result, completely new categories of pulp were produced in 2020.
These products are characterized by being more environmentally friendly due to a lower impact in their production chain.

SOFTYS AND LOWER-WHITENESS PULP

Softys developed a plan to use lower-whiteness pulp to improve costs.
This change estimates annual savings of USD600 thousand to be implemented during 2021 in Chile, Peru, and Argentina.

MICROFIBRILLATED PULP

Starting in 2020, CMPC offers the opportunity to develop tailor-made strategies to produce MFC (Microfibrillated Pulp) on-site for selected customers. This technology allows cost reductions while maintaining product quality mainly due to the reduction or elimination of long fiber usage, as well as other savings through improved efficiencies.

3.2.2 Enhanced digital transformation

Development of a **permanent organizational change that contributes to the closeness with customers and consumers** and seeks to make CMPC a company where **decisions are made based on data**. To this end, work is being done in the following areas:

1. Creation of Data Management
In 2020, the Data Management Department was created to lead the development and implementation of a corporate strategy that transforms data into a strategic asset and develops better ways for business decision making.

Data Management will support the implementation of CMPC's digitalization strategy to 2025.

2. Advanced analytics program in industrial operations
The program seeks to develop a distinctive capability at CMPC that will generate efficiencies in the company's production operations. A large amount of data, the use of cloud technology, and artificial intelligence algorithms are the ingredients that make it possible to implement a program like this.

Some examples of the program are:

a) Use of advanced analytics in the CMPC Celulosa business: seeks to reduce chemical consumption in the bleaching and delignification areas. For this purpose, the different production scenarios of a plant are characterized through historical operational conditions and an operational adjustment is recommended that provides better results in costs and consumption, complying with production standards.

b) Paper machine modeling at the Maule plant: Thanks to machine learning models, the aim is to maintain the final product within the quality standards defined by clients. To this end, it is integrated into the manufacturing experience, continuous improvement, and advanced analytics.

c) Artificial Intelligence as a tool for reducing the impact on communities: To predict odor events that may impact communities, the company worked with the Universidad de Concepción on an analysis -using machine learning techniques- of process variables that generate manufacturing gases.

d) Improve wood yields: To reduce the cost of the main raw material for pulp production, CMPC has proposed modeling the first stage of the manufacturing process with data to improve wood yield. To this end, artificial intelligence is being used to search for performance patterns that will increase the rate of production.

3. Best 4.0 Academy between CMPC and Universidad de Concepción
In 2020, the **Academia Best 4.0 project** was launched, which seeks, through training carried out in conjunction with the Universidad de Concepción de Chile, to strengthen the analytical capabilities of employees in operational areas for Industry 4.0.

4. Automation: Track Digital Automation
In 2020, concrete advances were made in digital process automation, using RPA (robotic process automation) technology.

Thanks to this, collaborators considerably reduce the time spent in these processes. At the same time, it helps to eliminate human errors, increase the frequency and timeliness of information, among others. To support this technology, data visualization panels have been implemented.

Processes for obtaining information and calculating logistics indexes have been automated for CMPC Celulosa (containers and *breakbulk*) and CMPC Biopackaging, and also in the Administration area, such as the processing of *factoring* documents.

3.2.3 Engage and collaboration to innovate

Target: 17.7

1. PARTNERSHIP THE UNIVERSIDAD DE CONCEPCIÓN

PROGRAM WITH UDEC

At the end of 2019, CMPC signed a strategic collaboration partnership with the Universidad de Concepción de Chile. The objective was to promote the development of studies, initiatives, and projects in different areas: (1) development of the industry of the future, (2) development and acceleration of talent, and (3) creation and acceleration of entrepreneurship and innovation.

Within the framework of this partnership, CMPC generated links with more than 200 students and close to 20 researchers during the year, and more than 40 Company employees have worked in nine programs and more than 50 projects. These projects were related to digital transformation initiatives focused on fire management and modeling, analytics in pulp processes, reduction of environmental liabilities, installation of innovation and digital transformation capabilities, linkage and promotion of SMEs close to our operations, among others.

A) THE MENTORS PROGRAM

Its objective is to promote the growth of the technology industry with the support of CMPC collaborators. This allows the Company to observe and learn about incipient technology developed in the region with a potential impact on the forest industry.

Thanks to the university's support, six startups were identified during 2020 and connected with seven mentors. Both parties met regularly to explore the challenges they faced and seek solutions.

B) TECHNOLOGY EXPLORATION PROGRAM

It is a program that sought companies and startups worldwide with technological solutions related to: (1) greenhouse gas reduction from industrial fixed sources, (2) hydrogen storage or use, (3) industrial waste heat use, (4) reduction and recovery of solid waste from operations, and (5) reduction of industrial water consumption.

To solve these challenges, 62 technological solutions from different parts of the world were identified and evaluated by CMPC collaborators. Finally, five solutions were identified that will be included in the innovation portfolios of each of the Company's business areas.

C) LINKAGE WITH THE ENVIRONMENT/WORLD IN BRAZIL

Project developed with the Escola Superior de Agricultura Luiz de Queiroz (ESALQ), linked to the Universidad de Sao Paulo. Studies were carried out to optimize the industrial process through business intelligence. Also, new dashboards were created with data from forest programming and wood characteristics to support adjustments to the industrial process.

2. RELATIONSHIP WITH STARTUPS

A) CMPC VENTURES

In 2020, CMPC's first Corporate Venture Capital was created, which seeks to bring the Company closer to the world of startups through the acquisition and financing of entrepreneurships in the formation stage with disruptive projects that generate value.

In this way, CMPC hopes to connect more deeply with innovation and the development of new technologies.

B) STARTUP DAY 2020

In January, the final of the Desafío Innovación CMPC was held, an instance that sought to find the best startups in the world to deliver solutions to two challenges: digital transformation and circular economy. The purpose of the event was to choose three winners to test their innovative technology at CMPC.

This challenge began in 2019 when 189 startups from 19 countries submitted their solutions. Finally, the winners were:

- **AltumLab:** Chilean startup that designed and developed BOSS, an intelligent blending platform and production coach applicable in the fishing, oil, and mining industries. BOSS provides intelligent management suggestions for raw materials, production processes, and business actions.
- **AQUAE Technology:** Colombian company that develops water purification technology for industrial processes through research and engineering.
- **Bloom Biorenewables:** Swiss startup that manufactures products from wood-based chemicals, to produce more sustainable and renewable inputs to production processes.

cmpc | 100

STARTUP DAY II CMPC

*For CMPC **it is imperative to promote innovation** through startups focused on digital transformation and circular economy, relevant challenges to advance in the commitments assumed in **the efficient use of resources.***



3.3

Customer and consumer satisfaction MAT

Improving your experience

*By the end of December 2020, CMPC reached a **total of 19,349 clientss**. The Company has permanent measurements and monitoring that help to understand the service experience and plan actions for continuous improvement. Also, it has fluid and direct communication, enabling close cooperation and detection of opportunities to improve product quality and strengthen brand value.*

The sales offices in Germany, China, and the United States reinforce this work through customer proximity by providing a quality, agile and useful service.

3.3.1 Customer experience and digital businesses

Designed to deliver a unique customer experience and explore new digital businesses.

CMPC Connect

In 2020, the CMPC Maderas application, called CMPC Connect, was improved. This is a second stage for obtaining phytosanitary and traceability information on requests and orders, accessible from any cell phone and providing technical information on products, certifications, production dates and time in port, among other data.

Improvements included interface enhancements and improved information delivery.

CMPC Maderas Digitalization

In 2020 CMPC Maderas began the renewal of its digital channels for B2B clients, collaborators and suppliers, through a pilot project, generating a more agile proposal aimed at a better experience for users in the different markets where it participates.

Along with the launch of a new customer service platform, an e-commerce platform was launched, offering products such as sawn wood, plywood, moldings, and panels. Given the excellent results, during 2021 the company expects to launch the platform to more clients in Chile and offer more products on the platform. The customer service platform provides online information related to the status of orders, shipments and invoicing, and also provides the documentation associated with their orders.

This project positions the Company as a pioneer in the industry to serve the various clients of the wood business.

It also launched the **Selex channel**, a platform to provide information, inspiration, and ideas to product end users.

Softys Club and e-commerce sites

As part of the **Softys Club**, since 2019 Softys has online sales sites for its products for a direct deal and greater proximity to consumers in Chile.

Thanks to the excellent results, the **Loja Softys** platform was launched in 2020 and rapidly expanded in Brazil.

In 2021, the e-commerce sites are expected to be expanded to other Latin American countries.

CMPC Celulosa digitalizes processes with Salesforce

CMPC announced a digital transformation project involving the implementation of the Salesforce platform. The project improves the experience of internal and external clients, as well as operational efficiency, by standardizing processes, centralizing customer management on a single platform, and detecting their needs early.

This platform unifies the handling of claims following a standardized process with responsible parties and deadlines, maintaining the traceability of processes, and providing metrics and statistics for better decision-making.

Softys Club

https://www.clubsoftys.cl

Loja Softys

https://www.lojasoftys.com.br

Selex

https://www.selex.cl/Canal-Selex



Club Softys, the company's first e-commerce site, launched in 2019.

3.3.2 Customer satisfaction and measurement

CMPC CELULOSA

CMPC PULP

Methodology: Implementation of the Stakeholder Sustainability Index (SSIndex, for its acronym in English) survey to 151 clients. This survey records ESG variables, analyzing the information reported by stakeholders, including clients.
Measurement: It considers 12 questions, six of which are associated with the measurement of customer commitment and another six complement the assessment of risk and sustainability.
Results: With the results obtained, CMPC Pulp received the SSIndex Customer Certification, as it did in 2019.

NET PROMOTER SCORE (NPS) MEASUREMENT

2018	2019	2020
87%	88%	86%

Source: CMPC Celulosa.

Progress: The main achievements are observed in the environmental culture dimension, where 11 points have increased in two years, while in the community engagement dimension clients approve of its work by 74%, resulting in an increase of 20 points since 2018. The Loyalty dimension (NPS) owes its reduction exclusively to the evaluation of customers in the "Other Asia" market.

CMPC MADERAS

Methodology: It also uses the SSIndex survey, which is applied to 111 clients covering the plywood plant, sawmills, and remanufactures.
Measurement: The measurement considers 12 general questions: nine specific to the business and this year three associated with Covid-19 were incorporated.
Results: The measurement considers 12 general questions: nine specific to the business and this year three associated with Covid-19 were incorporated.

NET PROMOTER SCORE (NPS) MEASUREMENT

2018	2019	2020
n/a	82%	88%

Source: CMPC Celulosa.

Progress: Considering the gaps detected during the 2019 fiscal year, in 2020 a work plan was carried out that addressed communication areas on sustainability issues, developing quarterly newsletters for clients. This plan managed to increase the result by 6 points, also incorporating logistical aspects, level of service, and handling of complaints.

CMPC BIOPACKAGING

Methodology: Implementation of a positioning and image study of the brand and its competitors, which seeks to understand the service experience and customer loyalty.
Measurement: Structured questionnaire applied by telephone, online and in-person, including clients and non-clients of the subsidiaries. It measures customer satisfaction on a scale of 1 to 7 for Chile and 1 to 10 for other countries.
Results: In general, CMPC brands have a positive image and positioning in the markets in which they participate.

Progress: The pandemic impacted the logistics and shipping dimensions at Boxboard mainly due to problems in the supply chain, while this same dimension improved at Corrugados, as a result of greater availability of paper. At Sack Kraft in Peru, there was a significant increase in the recommendation dimension, since the commercial offer was better adjusted to customer expectations.

NET PROMOTER SCORE (NPS) MEASUREMENT

Business	2019	2020
CMPC Boxboard	79%	69%
CMPC Sack Kraft	53%	56%
CMPC Corrugados	84%	85%
CMPC Edipac	84%	-

Source: CMPC Biopackaging.
Note 1: Due to the Covid-19 pandemic during 2020, this study was not applied in the Edipac subsidiary.
Note 2: The CMPC Corrugados measurement does not consider the Fibers division.



Boxboard Products, a subsidiary of CMPC Biopackaging.

SOFTYS

As CMPC's mass consumer business, it has both client and consumer evaluations.

CLIENTS

B2C BUSINESS

Methodology: It uses the Advantage methodology, which measures customer satisfaction with respect to the commercial service delivered and their perception of customer service.
Measurement: Implementation of annual surveys to senior management of the main retail chains (supermarkets), to determine how strong the relationship with the Company is, the strategic alignment, the level of service and the most critical aspects to be improved. This results in a ranking of corporate position within all the companies of the 25 most important suppliers in each country.
Results:

B2C Clients

Country	2019 Position	2020 Position
Argentina	14	8
Brazil	9	9
Chile	4	2
Mexico	15	16
Peru	3	4

Source: Advantage Survey 2020 and 2019, Softys.
Note 1: The rest of the countries do not perform this measurement.

Progress: mainly in the business relationship through client meetings and process strengthening, improvements in the supply chain, and the delivery of key information on product categories.

B2B BUSINESS

Methodology: It uses the "TRIM-Customer Satisfaction" evaluation to measure the level of corporate image and reputation, the purchasing process, shipments, and after-sales service.
Measurement: The study consists of biannual surveys of the current client base in the eight countries of operation to find out where Elite Professional needs to improve with its main clients.

The last survey was conducted in 2018. The one for 2020 was suspended due to the pandemic.

CONSUMERS

Methodology: A quantitative study was conducted on the main categories of the Consumer Tissue and Personal Care businesses to identify positioning and brand power indicators.
Measurement: Quantitative online study that measures brand power.
Results:

Toilet Paper

Country	2019 Ranking	2020 Ranking
Argentina	1	1
Brazil	3	4
Chile	1	1
Colombia	n/a	n/a
Ecuador	n/a	n/a
Mexico	5	5
Peru	2	2
Uruguay	1	1

Diapers

Country	2019 Ranking	2020 Ranking
Argentina	3	3
Brazil	n/a	4
Chile	3	1
Colombia	n/a	n/a
Ecuador	n/a	n/a
Mexico	n/a	n/a
Peru	2	2
Uruguay	1	1

Source: Softys.

Progress: During 2020, given the pandemic, according to several Incontinence studies, Kantar 2020 Barometer, and a brand tracking study, consumer behavior shifted towards brands with higher performance and better price/quality ratio, preferring less expensive brands.
Given this context, Softys works to position each of its brands and generate value to its consumers through them, brands that accompany people in their daily lives, through care, contributing positively to their quality of life, addressing the full range of segments, economic and superior quality products.
Also, during the second half of the year, the company began to generate and/or update the purpose for each of its regional brands.





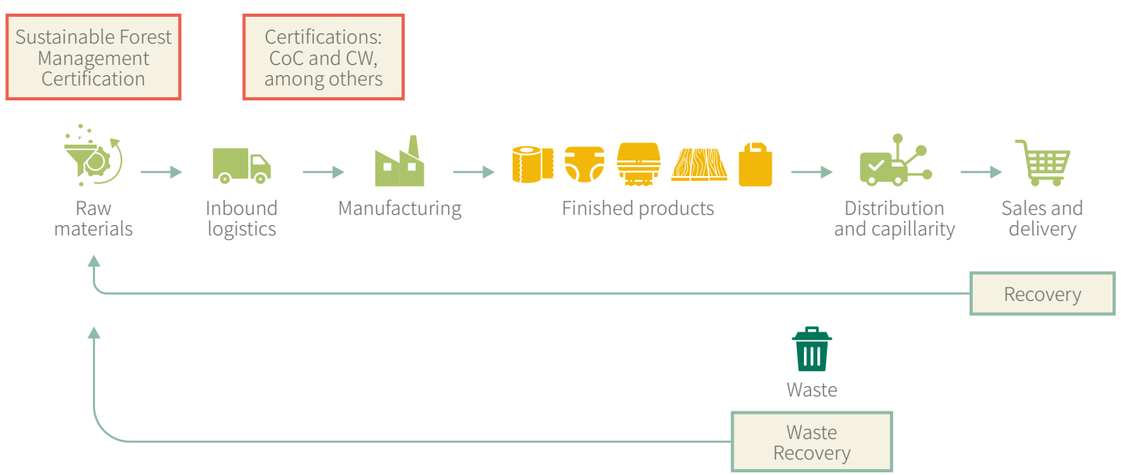
Truck loading process with certified wood, *freshly harvested in the CMPC Brazil forest estates. The load is directed to the Guaíba plant to produce pulp, or directly to ships to be marketed around the world.*

3.4

Product life cycle

Achieving efficiency throughout the value chain

(102-9)



The procurement processes begin with the planning and purchase of raw materials, related to the capacity of the operations, which comply with demanding Chain of Custody and Wood Control certifications.

3.4.1 Procurement and logistics MAT

At CMPC, the logistics process involves coordinating transportation - land, air, and sea - and storage of both raw materials and finished products, depending on the operation and the location.

CMPC has a total of 24,233 suppliers. To work with them, the Company has a purchasing policy that establishes corporate guidelines for the supply of goods and services in all countries of operation. This policy regulates the purchasing stages, ensuring **that the bidding processes are responsible, competitive, and mutually beneficial** for both the supplier and the company.

TOTAL SUPPLIERS BY CATEGORY AND EXPENDITURE (MILLIONS OF USD) (204-1)

Category	2019	2020
Total CMPC suppliers	25,339	24,233
Local suppliers	24,466	23,175
MIPYMES Suppliers	6,815	7,563
Total expenditure on suppliers	4,629	4,583
Expenditure on local suppliers	3,837	3,852
Expenditure on MIPYMES	873	837

Source: Administration Projects.
Note 1: Local suppliers correspond to domestic suppliers.
Note 2: MIPYMES is an acronym for micro, small and medium-sized enterprises.
Note 3: The trimming suppliers correspond to natural persons who are suppliers of Sorepa and in 2020 amounted to 4,776.

AVERAGE DAYS OF PAYMENT TO SUPPLIERS

Category	2019	2020
Average days of payment to suppliers	34	32
Average days of payment to MIPYMES	25	19

Source: Administration Projects.

*In the context of the Covid-19 pandemic, the Company generated **measures to support suppliers** that, due to their size, saw their operations affected.*

SUPPLIER PORTAL

The payment web portal is a fluid and a bidirectional communication channel between CMPC and its suppliers, whose functionalities allow them, among other things, to know the processing status of their invoices, payment dates, and the possibility of repairing their supporting documents within a specified period of time.

Through self-service, this tool improves response times, reduces invoice registration times, and reduces the volume of rejected documents, thus enabling timely payment of financial commitments. This portal was launched in 2020 in Chile and is expected to be extended to all subsidiaries in all countries of operation.

SUPPLIER SERVICE AREA

Its main objective is to provide timely responses to supplier queries in Chile, promote the use of the payment portal and reduce the number of documents rejected due to issuance errors. In addition, automatic invoice registration is expected to be increased and extended to other countries of operation.

PROMPT PAYMENT TO SMES IN 7 DAYS IN CHILE

The initiative generated payments to suppliers of micro, small and medium-sized enterprises in no more than seven days. This initiative reinforces CMPC's commitment to protect and develop small and medium-sized enterprises, employment, and the family economy.

DIGITIZATION AND SAFETY IN WOOD TRANSPORTATION

To ensure that loads remain in good condition from the point of origin to their destination, CMPC Maderas, through its Procurement area, launched a web platform to be more connected with its suppliers.

The platform provides product information, such as traceability documentation and the coordinates of the forest lands associated with its supply. It also has geo-referencing systems that ensure the traceability of the load, preventing theft and losses.

Control measures at the origin:
- Development of a supplier web portal, with digital entry of orders and background information.
- Installation of origin validation software.
- Control of origin with georeference of each plot, loading, and arrival at the plant.

Monitoring measures at destination:
- Complete review of documentation and transportation of the load in relation to what was presented at the origin.
- Training plan for checkweighing staff (plant reception) and yard chiefs.

Also, the platform allows direct communication between suppliers and CMPC, including through cell phones, which allows them to have information on purchase order requests, payments received, details of their receptions, route tracking, times and transfers, daily and in a single place.

Also, the Company has chain-of-custody and wood control certifications for its own and third-party forest raw materials, which ensure the origin of the material.

Sustainability is playing an increasingly important role in procurement and logistics processes.

CDP

https://www.cdp.net/es

For more details on CDP, see Chapter 1: CMPC

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This is demonstrated in the application of CDP's Supply Chain program, which evaluates supplier management on issues such as climate change, forests, and water security, as appropriate for each supplier company.

The evaluation covered a total of 98 suppliers, distinguishing between the three topics addressed:

(308-1)

Topic	No. of participants	CMPC's average response rate	World average response rate
Water security	51 suppliers	67%	69%
Forests	48 suppliers	52%	58%
Climate change	52 suppliers	75%	70%

Source: Administration Area.

HERE ARE SOME SUSTAINABLE INITIATIVES

IMO 2020

On January 1, 2020, the new International Maritime Organization (IMO) regulation came into force, requiring ships to reduce to 0.5% (from 3.5%) the sulfur content in their fuels, a substance that contributes to environmental pollution and the destruction of the ozone layer.

Because of this new regulation, CMPC quickly agreed with its shipping companies to reduce the use of this type of fuel. This will contribute quickly and effectively to reducing the shipping companies' emissions. It is estimated that sulfur dioxide emissions will be reduced by approximately 15 million tons per year.

ELECTRIC FORKLIFTS

Since June 2020, in the Guaiba and Rio Grande (Brazil) warehouses, after a collaborative work with a supplier, the renewal of the fleet of fossil-fuel forklifts for electric forklifts began.

This action reduces environmental pollution through the use of fuels from renewable sources, such as electricity.

3.4.2 Product quality and safety MAT

The certifications help to maintain and monitor compliance with quality and safety standards in its products. With this, CMPC can support the performance of sustainable forest management, as well as the chain of custody and control of wood, and also, all management Systems, which include: Quality, Environmental, Energy, Health and Safety, and Food Safety.

OUR CERTIFICATIONS RELATE TO THE VALUE CHAIN

RAW MATERIAL:

- SUSTAINABLE FOREST MANAGEMENT
- CHAIN OF CUSTODY AND CONTROLLED WOODS

LOGISTICS AND MANUFACTURING:

- Quality Management System, ISO 9001
- Environmental Management System, ISO 14001
- Food Safety, ISEGA and ISO 22001
- Environmental excellence in the production cycle, Ecolabel and Nordic Eco Label

Certifications

For more details of the certifications and their validity with which CMPC has, check their website:

https://www.cmpc.com/en/certifications/

The certification corresponding to the OHSAS 18000 standard can be found in chapter 4: Coexist.

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Quality Management System, ISO 9001

It supports environmental, labor, and responsible procurement in the manufacturing of products. To obtain it, a series of requirements must be met that consider administration elements to effectively manage and improve the efficiency of internal processes. CMPC Biopackaging works with this certification.

Environmental Management System, ISO 14001

It environmentally certifies each stage of the production process, from the entry of raw materials to the product distribution warehouses. To comply with environmental legislation and the requirements of the authorities in each country, CMPC Bosques in Argentina, Biopackaging, and Softys adhere to this standard.

Environmental excellence in the production cycle, Ecolabel, and Nordic Eco Label

It guarantees quality and environmental excellence throughout the production cycle by complying with management criteria for products and services established by the European Union and Scandinavian countries. The standard includes waste management, quality control of air emissions and effluents, efficient use of fuel and electricity, and the use of certified wood and chemicals in concentrations that do not harm health or the environment. CMPC Pulp achieved this important certification in 2020.

Food Safety, ISEGA, and ISO 22001

Both schemes specify the requirements that pulp and paper production must meet to ensure the safety and innocuousness of food consumption throughout the sanitary and food chain. CMPC Pulp and CMPC Biopackaging are certified in this respect.

3.4.3 Circularity

CMPC achieves the reincorporation, through recycling, of third-party waste or secondary raw materials -corresponding to post-consumer paper and cardboard waste- into its production processes.

Fibras (Sorepa), a subsidiary of CMPC Corrugados of the CMPC Biopackaging business, is a waste manager whose objective is to develop the market for the collection and recovery of paper and cardboard.

The waste recovered by this subsidiary represents 62% of the total paper and cardboard that CMPC recycles; the remaining 38% comes directly from other CMPC plants and from purchases from third parties.

RECYCLED MATERIAL, ACCORDING TO ORIGIN (TONS)

Origin	2019	2020
Fibras in Chile, Peru, and Argentina (sales)	360,782	305,797
Third parties	279,208	284,793
Between facilities (between subsidiaries)	29,063	29,337
Total	**669,053**	**619,927**

Source: Fibras.
Note 1: Fibras is present in Chile, Argentina, and Peru. In Chile, the company belongs to the CMPC Biopackaging business and in Argentina and Peru, it belongs to the Softys business.
Note 2: Additionally, two plants whose values were not available in 2019 were integrated (Altamira and Sack Kraft Chile in the third party category).

During 2020, the sources of supply of recycled fiber changed drastically: white paper decreased and cardboard increased, mainly due to home deliveries. This led Fibras to change its collection model, which had already been in development since the end of 2019, by strengthening the work with municipalities for fiber collection at clean points, which brought very good results in 2020.

A highlight was the work with the Santiago Sur Metropolitan Association of Municipalities (Msur, for its acronym in Spanish) for environmental and waste management, which groups the fibers in collection centers where they are removed by CMPC. The Company currently works with the municipalities of La Granja, La Cisterna, El Monte, San Joaquin, La Reina, Curacavi, San Bernardo, Santiago, Cerrillos, San Miguel, and Macul in the Chilean capital.

Also, together with the Municipality of Los Angeles, in the Biobio Region of southern Chile, the Company committed to the **Chile Sin Basura (Chile Without Garbage)** initiative. To this end, it installed clean points in conjunction with the Kyklos Foundation, as well as giving talks to the community on recycling.

Certifications

The certification corresponding to the OHSAS 18000 standard can be found in chapter 4: Coexist.

https://www.cmpc.com/en/certifications/

Chile Sin Basura Check out more details about CMPC's participation in this program in Chapter 4 Coexit.

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FIBERS RECOVERED PER YEAR (TONS)

2019	2020
118	1,210

Source: Fibras.
Note: The differences in tons of fiber recovered are because this project started at the end of 2019, while it operated throughout 2020.

GRASSROOTS RECYCLERS: STRATEGIC BUSINESS ALLIES

CMPC has a total of **476 micro-suppliers**, in Chile, natural persons who, thanks to their daily work, help in the process of recovering paper and cardboard, elements that act as raw material for many of the Company's subsidiaries, thus playing a vital role in promoting the circular economy.

As a result of the social outburst at the end of 2019 in Chile and the Covid-19 pandemic of 2020, which led to mobility restrictions, grassroots recyclers had great difficulty going out to work.

In this context, Fibras carried out a campaign to support 250 recyclers in the municipality of Santiago in Chile. In a ceremony attended by the mayor of the municipality, Felipe Alessandri, they were given sanitary kits, food boxes, masks, and other personal care elements to prevent the spread of the virus.

Grassroots recyclers in Chile	2019	2020
Number of grassroots recyclers	697	476
Fiber recovered by grassroots recyclers (t)	84,161	48,553

Note: The decrease in recyclers in 2020 is due to the Covid-19 pandemic.

4. COEXIST

MATERIAL ISSUES MAT

- Diversity and inclusion
- Health and safety
- Community engagement
- Local development
- Indigenous communities

SDG

5 GENDER EQUALITY
10 REDUCED INEQUALITIES
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS
1 NO POVERTY

HIGHLIGHTS FROM THIS CHAPTER:

- 19,641 employees of 30 nationalities.
- 16.8% women by 2020.
- Presentation of the new Mi Fibra (My Fiber) platform.
- Presentation of social investment.
- Local development programs, sustainability in operations.
- Social donations.



ISMAEL SALAZAR AND LUCILA GÓMEZ, BENEFICIARIES OF PROGRAM DESAFÍO AGUA IN MARILEO (CHILE).

MANAGEMENT APPROACH TO MATERIAL ISSUES

(103-1, 103-2, 103-3)

The forest sector makes a significant contribution to employment and economic growth in the localities in which it operates. Although it formally employs almost 14 million people worldwide, the International Labor Organization (ILO) estimates that its indirect and induced impact is much higher, involving around 45 million jobs, adding, also, the entire value chain for the production of its products (WBCSD, 2019)[2].

Material issues level 1

- Diversity and inclusion MAT
- Occupational health and safety of collaborators and contractors MAT
- Community engagement MAT
- Relationship with indigenous peoples MAT

The Company declares Diversity & Inclusion as fundamental principles for sustainable development. The vision on diversity is multidimensional; to achieve high performance teams it is fundamental to recognize the best talents, valuing their differences.
Providing a healthy and safe working environment, as well as respecting human and labor rights, is essential to promote sustainability and drive new opportunities in terms of skills and competencies, thus retaining and attracting talent.
Additionally, CMPC establishes partnerships with institutions to promote the development of communities in its area of influence and invests throughout its supply chain in both small businesses and local communities.

Diversity and inclusion targets

• Increase the number of women in the organization by 50% by 2025
• Increase the number of women in leadership positions by 50% by 2025
• Achieve 2.5% of staff with disabilities by 2025

Occupational health and safety targets for employees and contractors

• Zero fatalities, applicable to direct employees and service providers in industrial plants and forest operations

Commitment to community engagement

• Authorization of 55 new local suppliers for CMPC during 2020

Relationship commitment with indigenous peoples

• Design and implement projects that focus on supporting the productive development of the communities, respecting their own conception, and seeking to privilege spaces of shared value with activities.

Material issues level 2

Worklife cycle MAT

CMPC incorporates robust processes to accompany the career path of employees at different stages.

Local development MAT

CMPC's forest and industrial operations coexist with the communities neighboring the areas of influence, with which it intends to contribute to the development of the territories.

Corporate citizenship MAT

As a good corporate neighbor, CMPC generates links and contributions to social organizations in pursuit of sustainable development of society.

[2]Forest sector SDG roadmap, World Business Council for Sustainable Development, 2019.

4.1 Diversity and inclusion MAT

Respect is in our fiber

DIVERSITY & INCLUSION

*CMPC has a **Diversity and Inclusion Program** that applies to all its subsidiaries and considers diversity as a way to strengthen values, promote innovation, attract and retain talented people and **build a more equitable society** based on **the promotion of respect and equal opportunities.***

POLICIES AND REGULATIONS

Diversity and Inclusion Policy

- We do not tolerate racism or discrimination of any kind
- We value the differences of each person, respecting their individual choices and allowing them to be who they really are
- We do not allow any kind of violence or harassment within our Company

Diversity and Inclusion Policy

https://www.cmpc.com/wp-content/uploads/2020/01/Poli%C-C%81tica_de_Diversida-d_e_Inclusio%CC%81n_Ing.pdf

DIVERSITY AND INCLUSION GOVERNANCE

- Board of Directors Empresas CMPC
  - Chief Executive Officer of CMPC
  - Corporate People Management
  - D&I Leadership
  - D&I Committee with business units' supervisors

Program focuses

- People with Disabilities
- Interculturalism
- Sexual Diversity
- Gender Equality
- Generational Diversity





4.1.1 Interculturality

[102-8]

*As of December 31, 2020, the number of collaborators reached **19,641**. Contractors, on the other hand, averaged **28,540** people, of whom **72%** worked at CMPC Celulosa, 14% at Softys, and 13% at CMPC Biopackaging.*

Interculturalism

Nationalities

To know more details of the CMPC nationalities, check the Annexes of this integrated report.

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*The Company has **30 nationalities** within its workplaces. This corresponds to employees working in a country other than that of their birth.*

NUMBER OF COLLABORATORS PER COUNTRY[3]

Country	2019	2020
Argentina	1,526	1,659
Brazil	2,387	3,445
Chile	9,634	9,729
Colombia	518	543
Ecuador	262	229
Mexico	1,738	2,125
Peru	1,435	1,554
Uruguay	345	340
United States	14	17
Total	**17,859**	**19,641**

Source: Corporate People Management.
Note: Employees in the United States work in the Company's commercial office in the country.

CMPC worked in 2020 with the ***Servicio Jesuita a Migrantes*. SJM (Jesuit Migrant Service)**, being part of its Guide of Good Practices for Intercultural Management in companies. The company participated in the launch with a presentation on the promotion of diverse, inclusive, and intercultural work spaces within the Company, an action that was recognized by the Jesuit institution.

Servicio Jesuita a Migrantes. SJM

https://sjmchile.org

[3]The data presented in this chapter correspond to CMPC's headcount. It does not include its commercial offices in Germany and China, nor Softys Peru's Panamericana plant.

4.1.2 Gender equity

Gender Equality

(405-1)

*One of CMPC's commitments is **to increase the number of women** in positions where they have historically been underrepresented.*

This commitment involves increasing the number of women in the organization by 50% with a baseline of 2019, i.e., increase from 2,750 women to 4,125 in 2025. In 2020, the Company had 3,304 women.

PERCENTAGE OF WOMEN IN THE ORGANIZATION

Year	%
2014	13.3%
2015	13.4%
2016	13.6%
2017	13.7%
2018	14.3%
2019	15.4%
2020	16.8%

Source: Corporate People Management.

WE WILL INCREASE THE NUMBER OF WOMEN BY 50% by 2025.

PERFORMANCE TARGET INCREASE IN THE PROPORTION OF WOMEN

	Baseline 2019	2020	Goal 2025
Women in the organization	2,750	3,304	4,125 (50%)
Annual variation of (n°)		554	1,375
% of progress to target		40.2%	100%

5 GENDER EQUALITY

Target: 5.5

Source: Corporate People Management.
Note: The increase in the number of female employees is explained by the new employees joining the organization and by the acquisitions made in 2020 (Softys Sepac and Irapuato in CMPC Biopackaging).

WE WILL INCREASE THE AMOUNT OF WOMEN in leadership positions by 2025.

PERFORMANCE TARGET INCREASE IN THE PROPORTION OF WOMEN IN LEADERSHIP POSITIONS

	Baseline 2019	2020	Goal 2025
Women in leadership positions	230	266	345 (50%)
Annual variation of (n°)		36	115
% of progress to target		31.3%	100%

5 GENDER EQUALITY

Target: 5.5

Source: Corporate People Management.

Also, the Company has proposed to increase by 50% the number of women in leadership positions (senior executives, managers, assistant managers, and leaders with and without personnel in charge), for which it is working on development programs, resulting in the **promotion to leadership positions of 47 women in 2020.**

[4] At CMPC, this corresponds to the following labor platforms or categories: AD, A, B, C and CD.

The challenge requires both recruitment and career development efforts, and networking will be essential. As a result of the partnership in Chile with the Universidad de Concepción, training workshops and work with traditionally male university degrees were carried out to promote and strengthen women's participation.

Through the ***Mi Fibra*** platform, courses were given on this subject. The eight-module Diversity and Inclusion course includes topics such as dissemination of the diversity and inclusion policy; unconscious biases; gender equity; generational diversity; sexual diversity; migration, interculturality, ethnicity and race; disability; and inclusive communication, with a total of 751 collaborators completing 100% of the course.

CMPC is a member of the Gender Parity Initiative (GPI, for its acronym in Spanish).



Gender Parity Initiative

https://iniciativaparidad-generochile.minmujeryeg.gob.cl

WAGE GAP

(405-2)

As committed in the 2019 integrated report, the Company developed a wage gap identification exercise that considered 100% of the people who joined in 2020, in addition to including the total number of people who joined the previous year. This expanded the pilot exercise developed in 2019, which considered a sample of 78 employees.

In 2020, 2,528 people joined, of whom 23% were women and 77% men. The result of this exercise was:

AVERAGE WAGE GAP BY CATEGORY AS A PERCENTAGE

Category	2019	2020
Managers and senior executives	76.71%	109.94%
Professionals and technicians	60.21%	81.42%
Operators	76.27%	81.83%

Source: Compensation CMPC.
Note: In 2019, 2,878 people joined the organization.

In conclusion, in the 2020 hires, a wage gap is identified in the categories of professionals and technicians and operators in which women receive 19% less than men.

Finally, it is identified that women have a better remuneration in the category managers and senior executives with 9.9% over men.

FINANCIAL MARKET COMMISSION

Pursuant General Rule No. 386 of the CMF in Chile, CMPC reports that the average wage gap between men and women, according to labor category, considering all employees in force as of December 2020 and without considering other scopes or variables of analysis is:

AVERAGE WAGE GAP BY CATEGORY

Category	Percentage
Managers and senior executives	77.71%
Professionals and technicians	94.25%
Operators	82.66%

Source: Compensation CMPC.
Note: The wage differences presented in this chart are related to the use of simple averages for their calculation, which does not take into account other characteristics (such as seniority, level of education, etc.), which are not determined by the gender of the collaborators.

4.1.3 People with disabilities

People with Disabilities

The inclusion of people with disabilities implied for CMPC the development of a diagnosis by position, competencies, and needs of the collaborators.

In turn, the D&I Policy and its program contributed to determine a clear north when defining hiring in countries where there is no legislation on this issue and to ensure that the teams are a true reflection of the societies, carrying out positive actions and necessary adjustments to attract the best talent and have diverse perspectives in each of the teams.

***In 2020 5 people with disabilities were hired**, joining the **more than 200** people that CMPC already has.*

PERCENTAGE OF PEOPLE WITH DISABILITIES

Country	2019	2020
Argentina	0.0%	0.0%
Brazil	2.5%	3.2%
Chile	1.1%	1.0%
Colombia	0.0%	0.2%
Ecuador	2.3%	4.4%
Mexico	0.0%	0.0%
Peru	0.0%	0.0%
Uruguay	0.3%	0.6%
United States	0.0%	0.0%
Total	**1.0%**	**1.1%**

In 2020, a training **tworkshop was held with the organization Aha Inclusion for the Company's Talent Attraction teams,** who were trained in inclusive recruitment processes.

In October 2020, the Company participated in the Expo inclusión (Expo Inclusion) in Chile, a platform that seeks to promote employability and relationships between companies and recruiting organizations for people with disabilities.

Source: Corporate People Management.
Note: The countries where CMPC is present have different legislation regarding the employment quota for people with disabilities in the private sector. Brazil has a quota of 5% of the staffing in companies with more than 1,001 people, in Chile, it is 1% of the staffing in companies with more than 100 people, in Ecuador it is 4% of the staffing in companies with more than 25 people and in Peru, it is 3%.

EXPO INCLUSIÓN

WE WANT TO REACH 2,5% of the endowment, with people with disabilities by the year 2025

PERFORMANCE TARGET INCREASE IN THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

	Baseline 2019	2020	Goal 2025
People with disabilities	1.0%	1.1%	2.5% (100%)
Annual variation of		0.1%	1.5%
% of progress to target		6.6%	100%

10 REDUCED INEQUALITIES

Target: 10.2

Source: Corporate People Management.
Note: The percentage of progress towards the goal has been calculated on the progress in percentage points, that is, from 0.1% over the remaining 1.5%.

4.1.4 Sexual diversity

Sexual Diversity

During 2020, the focus in terms of sexual **diversity was on educating our collaborators** which is why one of the modules of the Diversity & Inclusion course was on sexual diversity, in which different concepts and implications in the workplace, among others, were reviewed. This particular content was 100% taken by 1,404 employees.

Also, and within the framework of its D&I Policy, **CMPC is working on the development of a gender transition protocol to accompany employees in this process** and to guide the actions to be taken if an employee requires it.

4.1.5 Generational diversity

Generational Diversity

Generational diversity integrates young people -and their new ideas and greater knowledge of new technology- with people who have a long work history and expert knowledge of the job. This integration generates creativity and innovation spaces that allow the development of high-performance teams.

Although the Company is inclined to allow its employees to begin their retirement at the appropriate time, it also allows those who wish to continue their work - or join CMPC at an advanced age - to do so.

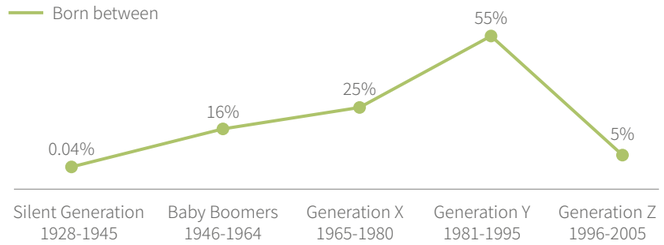
Generational diversity

For more details on generational diversity, please see the Annexes of this integrated report.

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CMPC has 11 employees over 70 years of age. In 2020, two senior citizens joined the company

COLLABORATORS BY GENERATION



Additionally, during the second semester of the year, a social security education talk was held with the Principal Financial Group company.

Source: Corporate People Management.

4.2 Worklife cycle MAT

The fiber that unites us

*In 2020 **Mi Fibra**, was launched, a new portal for all employees, whose aim is to integrate people management processes, driven by the pandemic and people's need for online connection.*

This platform seeks to optimize and streamline the management processes of all the group's companies.

Therefore, it will be improved and updated according to the needs and requirements of its collaborators. ***Mi Fibra*** includes the entire work cycle: from attracting people to their various exit processes.

WORKLIFE CYCLE

Attraction and recruitment → **Development and training** → **Development and training** → **Talent retention**

Mi Papel en CMPC (My Role at CMPC)

https://cmpc.csod.com/ux/ats/careersite/4/home?c=cmpc

1. ATTRACTION AND RECRUITMENT

CMPC seeks **to consolidate its position as an employing brand that attracts new talent.** To this end, it has several mechanisms for dissemination and attraction. The ***Mi Papel en CMPC*** **(My Role at CMPC)** portal contains information and selection processes for applicants in all the countries in which it operates, while Mi Fibra provides information on the opportunities available for internal mobility.

It also has a profile on the LinkedIn, platform, which seeks to reach a larger number of professionals.

NUMBER OF EMPLOYEES WHO JOINED THE ORGANIZATION

2018		2019		2020	
Women	Men	Women	Men	Women	Men
715	3,109	689	2,583	469	1,865

Source: Corporate People Management.
Note: The increase in the headcount is explained by the people joining the organization and by the acquisitions made in 2020 (Softys Sepac and Irapuato at CMPC Biopackaging).

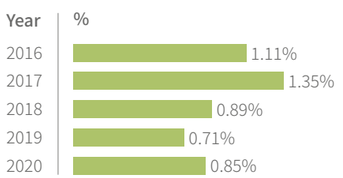
2. DEVELOPMENT AND TRAINING (404-1)

The ***Mi Fibra*** platform is also designed for the development and training of collaborators, generating growth opportunities within and outside the organization. Also, it allows a detailed record of the processes, improving the available data.

During the year, training was mainly focused on pandemic care. However, online courses are available to employees on different topics, such as sign language, personal finance, talent attraction process guides, sales modules, among others.

In 2020, 17,310 people were trained including executives, operators, professionals, and technicians, representing more than 85% of the staffing, with a total of 374,476 hours invested in training. Of the 100% of hours worked, employees spent an average of less than 1% on training, below the recommendations of international standards that suggest at least 45 hours per year, which translates into approximately 2%.

PORCENTAGE OF TRAINING HOURS OUT OF TOTAL HOURS WORKED



Source: Corporate People Management.
Note: Hours worked is a theoretical calculation relative to the number of operating hours for shift and non-shift workers in the countries of operation.

3. PERFORMANCE EVALUATION (404-3)

Mi Fibra, also allows the development of performance evaluations for managers, executives, professionals, and technicians. In the case of operators, this process is carried out at each plant through other platforms. The Corporate People Management, in coordination with each subsidiary, is working on the systematization of these tools to increase the number of people evaluated in the coming years.

The evaluation is carried out annually and considers individual objectives, through the measurement of corporate competencies such as management skills, achievement-oriented and excellence, sustainable management and CMPC values, networking, openness to change and continuous improvement, as well as leadership and empowerment.

This evaluation model is composed of five stages:

- Setting of objectives
- Follow-up
- Self-evaluation
- Evaluation/validation
- Performance conversation

Performance evaluation

For more details on the performance evaluations, please see the Annexes of this integrated report.

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COLLABORATORS WITH PERFORMANCE EVALUATION

	2019			2020		
	Women	Men	Total	Women	Men	Total
No. of collaborators evaluated	1,725	5,386	**7,111**	2,018	6,323	**8,341**
% of total employees	62.8%	35.6%	**39.8%**	61.2%	38.7%	**42.5%**

Source: Corporate People Management.
Note 1: For executives, professionals, and technicians the evaluation is done through Mi Fibra. In the case of operators, it is done through the telephone operator or google drive form, depending on the subsidiary.

4. TALENT RETENTION

(401-2)

CMPC has multiple benefits for its employees, both transversal and specific, which depend on each plant. Among these benefits are the following:

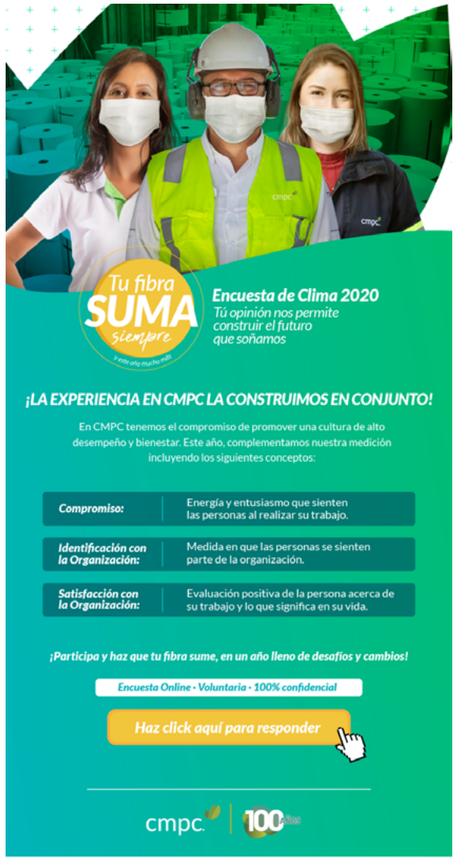
Educational	Financial contributions	Sports
Outreach programs	Celebrations	Health
Exclusive to operational personnel	Insurance	Benefits for parents



Among some new benefits in 2020, the extension of parental leave to 10 days for men was implemented, which is supplementary to the legal days in countries where the postnatal period is less than this figure. This benefit is focused on **enhancing parental co-responsibility and work-life balance**, which at the same time is a reflection of the actions developed around gender equity

Additionally, and as a result of the teleworking experience acquired during the pandemic, the **Flex program** was updated, incorporating a flexible schedule.

Starting in 2021, depending on the nature of the position, total or partial telework and flexible schedule may be defined.



TU FIBRA ALWAYS ADDS UP

Since 2011, the Company has been evaluating the organizational environment through the Great Place to Work (GPTW) survey, to know the perception of its employees about the work environment. This measurement, which was conducted once a year, reached a 79% positive rating in 2019, which exceeds the GPTW standard for a good work environment by four points.

Starting in 2020, and motivated by the new labor situation generated by the pandemic, teleworking, and shift changes, CMPC initiated a **new internal measurement,** to obtain faster information and more regular follow-up.

The percentage of organizational environment that resulted from this measurement was **84% of positive evaluations of the work environment.** This value is measured based on a three-axis model: commitment to the workplace, attitude towards the organization, and identification with the Company. To the extent that these behaviors are worked on, a good organizational climate is also promoted.

The measurement was carried out through an online survey, in which 87% of the total staffing participated.

WORK ENVIRONMENT MODEL

Commitment to the workplace: corresponds to the energy and enthusiasm that people feel when performing their work. It is directly related to high performance.

Identification with the Company: refers to the degree of belonging that the person perceives about the organization, similar to the sense of family. Its impact can be seen in aspects such as quality-oriented and a job well done.

Attitude towards the organization: is defined as the employee's positive evaluation of the job and what it means in his life. Positive results correlate with employee permanence within the organization and negative results correlate with increased turnover.

Conditions of the work environment under which the employees perform their duties:

- Individual: own work environment
- Team: social environment with a working group
- Organization: global environment

TURNOVER EVOLUTION BY CATEGORY

(401-1)

		2018		2019		2020	
		N°	%	N°	%	N°	%
Sex	Women	715	20.4%	640	23.3%	498	15.1%
	Men	3,109	18.6%	2,767	18.3%	2,441	14.9%
Ages	Under 30	1,900	32.4%	1,259	31.6%	1,180	30.5%
	Between 30 and 50	1,913	39.6%	2,046	15.4%	1,671	11.1%
	Over 50	11	50.7%	102	17.6%	88	11.7%
Total		**3,824**	**18.8%**	**3,407**	**19.1%**	**2,939**	**15.0%**

Source: Corporate People Management.

LABOR RELATIONS

(102-41, 407-1)

- CMPC recognizes the value of workplace relationships based on respect and communication, which is stipulated in the organization's policies and code of conduct.
- Each subsidiary has freedom of association to form groups and collective bargaining agreements, which also applies to its contractor companies, which have their own associations and unionization groups.
- Collective bargaining is conducted independently and in environments where the search for agreements is favored.
- In 2020, there were no episodes of strikes and/or shutdowns of activities in any of the locations where unions are present.

UNIONIZED WORKERS

Has 11,448 unionized workers representing 58,3% of the total, distributed in 58 union organizations, which increase compared to 2019 due to the incorporation of the union organizations of the Sepac plant, from Softys Brazil.

NON-UNIONIZED WORKERS WITH EXTENSION OF BENEFITS

1,305 non-affiliated workers are covered by collective bargaining agreements, representing 6,5% of the staffing.

TOTAL PERCENTAGE OF COLLABORATORS COVERED BY COLLECTIVE BARGAINING

- 64.8% of the total staffing

cmpc Creating Natural Value

IT'S TIME TO TAKE CARE OF OURSELVES



That is why at **CMPC**, through our hygiene and personal care products subsidiary **Softys**, we are bringing to Chile and Brazil the first machines for producing face masks that reduce the spread of viral diseases.

For us, it is not a business. It is an obligation as a company committed to innovating for the care of people.

That is why, in the current context, we will distribute the face masks free of charge by public healthcare services.

From the **Softys** plant in Puente Alto, Chileans will have an innovative, safe and reliable supply of face masks.

Softys
INNOVATING FOR YOUR CARE

4.3 Health and safety MAT

Today we take care of ourselves more than ever

(403-1, 403-2, 403-5, 403-8, 403-9, 403-10)

Certified

https://www.cmpc.com/en/certifications/

Health and Safety

To delve into the health and safety data, review the Annexes to this integrated report.

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Healthy and safe working conditions are recognized as a human right by numerous intergovernmental organizations, such as the ILO, OECD, and WHO.

Committed to the safety of its workers, **CMPC has a corporate goal of zero fatalities in its operations**, both direct employees and service providers in the plants and forest operations. **In 2020, no fatalities were recorded.**

Businesses maintain different **Health and Safety Management Systems**, each of which establishes the requirements for implementing an occupational health and safety culture.

These systems are audited and, in some cases, **certified**. They allow the recognition of the risks to which each operation and, above all, the people are exposed. In this way, 100% of direct employees and contractors are protected. At the same time, it enables the Company to systematically manage policies, plans, and objectives to prevent and control risks that may occur in the work area, ensuring that continuous improvement processes minimize them.

Zero fatalities

8 DECENT WORK AND ECONOMIC GROWTH

Target: 8.8

MAIN OCCUPATIONAL HEALTH AND SAFETY FIGURES BY BUSINESS IN 2020

Category	CMPC Pulp		CMPC Maderas		CMPC Bosques		CMPC Biopackaging		Softys	
	Collaborators	Contractors	Collaborators	Contractors	Collaborators	Contractors	Collaborators	Contractors	Collaborators	Contractors
Occupational diseases	3	0	0	0	0	0	1	0	3	0
Number of fatalities	0	0	0	0	0	0	0	0	0	0
Accident rate	0.56	0.12	0.76	0.74	0	0.28	1.3	1.00	0.9	0.9
Lost work rate	24.68	9.39	22.0	23.6	0	21.5	28.1	28.6	30.4	19.9
Frequency rate	2.46	0.93	3.60	3.77	0	1.3	5.7	7.70	3.8	3.6
Severity rate	107.38	73.55	104.03	120.90	0	106.1	126.1	220.5	126.6	81.9

Source: CMPC Celulosa, CMPC Biopackaging, Softys.
Note 1: Occupational diseases confirmed by the corresponding health agency in each country of operation (workers' compensation insurance company, insurance companies or other).
Note 2: Only the data corresponding to CMPC Pulp, CMPC Maderas, and CMPC Bosques corresponding to the CMPC Celulosa business was verified.

4.3.1 Preventive health and safety management

Each business promotes the participation of its workers in the development and implementation of safety procedures and the timely reporting of incidents, to generate a preventive health and safety culture.

CMPC CELULOSA

It has a Health and Safety Management System based on the OHSAS 18001, standard, with a constant auditing process.

In terms of occupational health, **the most common risk is noise exposure**, therefore, we have worked on engineering improvements to protect and improve working conditions and workplaces. This business unit has an occupational health program based on ergonomics, focused on **risk activities with musculoskeletal pathologies** and a program that consists of medical follow-up of critical positions.

PREVENTIVE HEALTH AND SAFETY INDICATORS

Category	CMPC Pulp	CMPC Maderas	CMPC Bosques
Number of people trained in safety	2,129	10,157	327
Percentage of staffing trained in safety training	95.4%	126%	100%
Average hours of training per person	10.12	1.3	2.6
Number of safety standards	48	56	-
Number of preventive observations	28,770	13,501	298

Source: Occupational Health and Safety areas.
Note 1: The percentage of staffing trained is in comparison with the planned staffing to be trained.
Note 2: At CMPC Maderas (Argentina): Preventive observations correspond to visits by the BdPs health and safety advisor to offices, camps, nurseries, and site fronts where risk surveys, training and safety compliance controls are carried out.

CMPC PULP

In December 2020, the second stage of the **safety improvement plan** was completed. Eleven critical procedures were implemented and line responsibility was strengthened.

As part of the future challenges in the short and medium term is the strengthening of Operational Discipline, that is, to assimilate a culture of risk perception in all employees. Also, the ***"Seguridad Total"* (Total Safety) project was initiated, whose objective is to implement the Lockout - Tag out (LOTO)** methodology in Pulp mills in Chile and Brazil to identify, block, tag, test and verify energy sources, including the neutralization of residual energies and the reinforcement of current procedures.

Another relevant aspect was the implementation of the Safe Practices Index (IPS, for its acronym in Spanish), reaching levels of 89% on a monthly average. Also, the **Preventive Safety Observations (OPS, for its acronym in Spanish) were implemented.**



Softys trolley used for health and safety and prevention inside the Talagante plant, of Softys Chile.

CMPC BIOPACKAGING

It maintains a Health and Safety Management System for all its plants, two of which are certified under OHSAS 18001 and three under ISO 45001. It has a safety standard that considers 10 critical risks for its operations.

In 2020, this business unit focused on **behavioral change and leadership programs.** 74,556 preventive observations were made, 40% more than in 2019, reflecting the behavioral change work that all collaborators have had, very important to face the pandemic. In addition to the engineering improvement plan that is being implemented in the protection of moving parts and blocking, total accidents were reduced by 31% compared to 2019. In line with the above, the total frequency rate decreased by 30% compared to 2019, dropping from 8.17 to 5.72 at the end of 2020.

CMPC Biopackaging is also implementing the LOTO program that contributes to the health and safety of employees

CRITICAL RISKS IDENTIFIED BY CMPC BIOPACKAGING

- Work at height
- Lifting operation and suspended load
- Blocking and isolation
- Hot work
- Machine trapping protection
- Electrical contact
- Operation of rolling equipment
- Passenger transportation
- Load transportation
- Fire and explosion

SOFTYS

In 2020, a renewal of the Softys Care Management System (SIGECUS, for its acronym in Spanish), based on ISO 14001 and 45001 standards, was initiated, which includes an update of the structural and operational safety standards, classified in main, critical processes and safe work system. These standards are mandatory for all operations and compliance with the requirements is audited at the corporate level.

Also, Softys has four application focuses for a preventive culture:
1) Leadership, generate training for active leadership in health and safety.
2) Risk detection and management, supported by the TPM methodology, systematic search for the detection of inconveniences that result in accidents.
3) Behavior, to detect deviations in employee behavior to correct them in time.
4) Processes, generate known processes and improve their conditions through continuous improvement of management processes.

Nine of Softys' 20 plants have their health and safety management system certified under OHSAS 18001, and during 2021 work will be carried out to implement the ISO 45001 standard.

CRITICAL RISKS IDENTIFIED BY SOFTYS

- Trapping by parts and pieces of moving equipment
- Fall from height
- Asphyxiation by confined space entry
- Hit by self-propelled loading equipment
- Crushing by lifting operations
- Electrocution
- Fire

4.4 To contribute to the development of territories
hand in hand with communities

*CMPC generates close relationships with its **neighboring communities through permanent community engagement and the search for local development opportunities**, which produces economic, social, and environmental value in the territories where it operates.*

The Company is part of different territories, urban and rural, in which each community has a diversity of interests, needs, histories, and identities. They are the ones who directly receive both the positive and negative impacts of the operation.

The local community corresponds to natural people, formal and informal groups, leaders, local and regional authorities, representatives of the political-territorial and functional sphere, organizations, corporations, and companies that are related to or have common interests in their areas of influence.

4.4.1 Community engagement MAT

(413-1)

To focus its engagement with these priority groups in its actions, the Company develops a community engagement process through 3 stages:



DIAGNOSIS AND IDENTIFICATION

SOCIAL INVESTMENT

MONITORING AND EVALUATION

Diagnosis and identification:
Associative process defined by CMPC and the community, to resolve disputes, contributing to development, generating local growth, and maintaining fluid and direct communication between both parties.
It is divided into two sub-stages: (1) information gathering and expectations diagnosis, and (2) mapping of its key stakeholders. Also, local needs and collaborative work focuses are determined.

Social investment:
Identification of joint work opportunities, critical points derived from the interaction (or not) between the company, the community, and local and/or national authority, to manage potential impacts that could affect the wellbeing of the communities. Therefore, participatory projects and activities are developed around three areas: **education and culture, entrepreneurship and local development, and outdoor life and environment.**

Monitoring and evaluation:
Definition of metrics to understand the contribution of the initiatives deployed, facilitating future decision-making regarding the social investment strategy based on CMPC's objectives and purpose.

1. DIAGNOSIS AND IDENTIFICATION

TERRITORIAL DISPERSION

Chile



Forest area
- 1,300 community organizations
- 150,000 direct neighbors
- 133 municipalities
- 6 regions

Industrial area
- 150 urban community organizations
- 45,000 direct neighbors to the industry
- 2 cities
- 1 village

Scope of work with communities
- 195,000 direct neighbors
- 1,450 community organizations
- 425 Mapuche communities
- 133 municipalities
- 6 regions

Indigenous area
- 120,000 ha. of bordering surface area
- 425 Mapuche communities
- 47,000 Mapuche people
- 35 municipalities
- 4 regions

Brazil



- 60,000 direct neighbors in Guaiba
- 284 communities near operations

Industrial area
- 20,000 neighbors
- 5 neighborhoods near the plant

Forest area (rural y traditional)
- 40,000 residents
- 277 communities near the forest lands

During 2020, Softys generated a Diagnosis of community engagement and local development, which consisted of gathering information and creating maps of key stakeholders for nine of its 20 industrial plants. This diagnosis considers the geographic, social, economic, demographic, and political realities, among others, of its area of influence, which allows it to analyze the following points:
- Issues of local interest
- Local perception of the plant and its community engagement
- Social players

This is in addition to the diagnosis of the status of community management conducted by Softys in 18 of its 20 industrial plants by the end of 2019, a survey that will allow them, during 2021, to publish their Community Engagement and Local Development Policy, a document that sets a standard in this area for all of their plants.

Diagnosis of community

For more information on Softys' community assessment, please review its 2020 Sustainability Report, available at

www.softys.com

2. SOCIAL INVESTMENT[5]

(CMPC 7)

CMPC maintains open and permanent working groups with the communities, thus generating high-value emblematic projects.

To define investment actions, prioritization processes are carried out that take into account the level of proximity, the intensity of operations (potential impact), and the concentration of people, in addition to the characteristics of social vulnerability of each community.

The result of this process determines three key areas for community engagement actions:

1. Entrepreneurship

2. Outdoor life and environment

3. Education and culture

Entrepreneurship

1. ENTREPRENEURSHIP

Generation of economic development through the promotion of entrepreneurship among the inhabitants of the communities, directly benefiting the neighbors of the territories

Discover more Entrepreneurship and local development initiatives by reviewing the Annexes of this integrated report.

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Outstanding entrepreneurship programs

Fibra Local

https://www.fibralocal.cl

FIBRA LOCAL (LOCAL FIBER): A SPACE FOR CULTURAL EXCHANGE

It is a space created to make visible and promote the work of entrepreneurs and artisans from the Maule, Biobio, and Araucania Regions in Chile. It contributes to the exchange, visualization, and sales of products.

Fibra Local **operates under the international fair**, trade principles of the World Fair Trade Organization and has no intermediaries between producers and consumers, to make them more accessible and to cover minimum operating costs. There is no profit margin for the store or CMPC.

For its implementation, four steps are carried out:
1. Survey of entrepreneurs and producers in the territory.
2. Training and formalization of producers.
3. Support in adding value to products (innovation and design).
4. Sales of products through the Emprende Local (Local Entrepreneurship) fund.

8 DECENT WORK AND ECONOMIC GROWTH

Target: 8.3

Through the Emprende Local Fund, the products made by the entrepreneurs are purchased by Fibra Local at prices set by the producers themselves, reflecting their value, and then marketed under the principles of fair trade. The products are sold at a 20% surcharge on the purchase price in the Espacios Fibra Local (Fibra Local Stores). Finally, the funds obtained from sales are reinvested in the purchase of more products made by local entrepreneurs.

This program seeks to become a center of activities, through the development of contests and workshops informed to the community through which it seeks to disseminate the value of local crafts present in the territory.

ESPACIO FIBRA LOCAL

40 beneficiaries **USD 209,000** investment



Estela Astorga from Ñocha Malen (Cañete) and Insolina Huenulao from Viña Wuampuhue (Carahue) at the inauguration of Fibra Local. Its products are exhibited in the Espacio Fibra Local and online catalog.

[5] The data on beneficiaries and social investment of the projects correspond to estimated values and are not part of the scope of verification.

Outdoor life and environment

Discover more Outdoor Life and Environment initiatives by reviewing the Annexes of this integrated report.

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OUTDOOR LIFE AND ENVIRONMENT

This dimension seeks to contribute, through projects and programs, to the generation of spaces in which all people can enjoy a moment of recreation and thus improve their quality of life.

Outstanding outdoor life programs

PARQUE SANTA OLGA (SANTA OLGA PARK): NEW OUTDOOR MEETING PLACE

As a result of the mega wildfires that occurred in 2017, the Maule Region in Chile - an area that is largely dedicated to the wood industry - was one of the most affected. Santa Olga is one of the localities that was completely destroyed by the fire.

CMPC committed to the reconstruction of the town, building two neighborhood centers, housing, the Enrique Mac Iver Multipurpose School, streets and roads, always favoring the use of wood.

Thus, during 2020, the construction of the Santa Olga Park was completed with a total investment of USD 1,004,386 since 2017, on a 1.5-hectare site that creates a place for recreation, meeting, and outdoor life for all its inhabitants.

The park has a central square that connects the public with trails, playgrounds, exercise areas, rest areas, and viewpoints. It stands out for its landscape, urban integration and architecture, in addition to native forest reforestation.

The park also has a large wooden walkway 5 meters wide and 80 meters long, as well as a 40-meter-high overhang overlooking the Purapel River.

11 SUSTAINABLE CITIES AND COMMUNITIES

Target: 11.7

2,612 beneficiaries **USD 374,255** of investment in 2020



Luis Felipe Gazitúa with Mónica Sepúlveda, *President of the Santa Olga Neighborhood Council, at the ribbon cutting of the inauguration of the Park in the same town, a milestone in the reconstruction after the mega-fires of 2017 in Chile.*

CHILE SIN BASURA (CHILE WITHOUT WASTE)

In line with its corporate goal of being a zero waste company, and motivated to contribute to reversing the figures for this country, CMPC joined the Chile Sin Basura 2040 challenge, under an agreement in which it commits to creating internal projects and with the communities near the plants.

The Company is working on two fronts: 1) implementation of recycling and circularity improvements and 2) making visible and educating the community, through social networks, campaigns on materials, characteristics, and their recyclability. During 2020, CMPC carried out:

- House-to-house data collection pilots, whose purpose is to collect information and indicators to expand the experience during 2021.
- Household recycling collection program in the municipalities of Los Angeles, Nacimiento, Laja, and Villa Mininco in Collipulli.
- Design of the graphic dissemination campaign.
- Design of collection centers.
- Advice on infrastructure for the "*Turismo Sin Basura*" (Tourism Without Litter) campaign in Collipulli.

Chile Sin Basura 2040 is an initiative promoted by the company Kyklos that seeks to recycle, reduce and reuse 100% of the waste produced in Chile by the year 2040, in addition to promoting better ways of recycling and raising awareness of the environmental impact this has on people.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Meta: 12.5

41,540 beneficiaries **USD 187,050** investment



Ernesto Barrera, José Leiva, Francisco Ruiz-Tagle, Jaime Ramos and Bernardino Vidal *at the signing of the agreement that unites CMPC with the Chile Sin Basura initiative that was held on March 9, 2020, at the Fibras facilities (ex Sorepa), largest recycler of paper and cardboard in Chile.*

Education and culture

Discover more Education and Culture initiatives by reviewing the Annexes of this integrated report.

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3. EDUCATION AND CULTURE

The purpose of this project area is to promote educational actions aimed at the community.

Outstanding education and culture program

FUNDACIÓN | cmpc

Fundación CMPC (CMPC Foundation)
20 years supporting the community

***Since 2000** CMPC —through its foundation— **has supported the early education of children belonging to families in neighboring communities in its area of influence**, to contribute to improving the quality of public education at the early levels, benefiting tens of thousands of children. Today, after 20 years, it works in 21 municipalities and 58 schools in Chile.*

4 QUALITY EDUCATION

Target: 4.1 - 4.2

The Foundation has two lines of action through educational and cultural programs.

EDUCATIONAL PROGRAMS 2020 FIGURES	*ACOMPAÑAMIENTO A ESCUELAS* (SCHOOL ACCOMPANIMENT)	*CRIANDO CRECIENDO* (RAISING AND GROWING)	HIPPY
No. of children benefited	3,704	1,111	661
Other beneficiaries	34 schools, 70 principals, 134 teachers 3,704 parents	24 establishments 39 early years teachers 100 early years technicians 1,111 parents	21 tutors 507 parents and/or caregivers
No. of telephone calls for guidance and support	204	86	520
No. of books distributed to families	20,654	110	4,676

ACOMPAÑAMIENTO ESCUELAS PROGRAM

Seeks to improve learning in language and mathematics from pre-kindergarten to 2nd grade, reinforcing tools and practices for children as well as for mediators: teachers, educators, parents, principals, and sponsors. It is based on a comprehensive training and counseling model that promotes the installation of learning in the classroom, the school, and the community.

After the pandemic was declared, the project was adapted to a 100% virtual format. As a result of this, sponsors, principals and teachers met online, facilitating their processes of reflection and coordination. A total of 572 videos were created and sent to stimulate their children's learning and a growth mindset talk was held.

CRIANDO Y CRECIENDO PROGRAM

Seeks to **promote language development in children from 0 to 6 years** of age through the reinforcement of effective early stimulation practices in families and educational centers.

It is based on interactive workshops attended by parents and children, aimed at promoting the development of parenting skills and facilitating the socioemotional development of children through play-based experiences. Likewise, in educational centers we seek to have a positive impact through challenging interactions between teachers and children, thus promoting more and better learning.

This year, due to the pandemic, activities were adapted to a 100% virtual modality. A total of 140 videos were sent to parents and caregivers through school teachers, and a cycle of four workshops on how to support the development of children in quarantine and virtual workshops with parents were conducted. The Foundation conducted an impact evaluation of this program, which resulted in an increase in parenting skills in those attending the workshops.

HIPPY PROGRAM

Fundación CMPC brought to Chile the **HIPPY (Home Instruction for Parents of Preschool Youngsters) program**, which seeks to promote the comprehensive development of children from 2 to 4 years of age through the empowerment of their parents as the first educators.

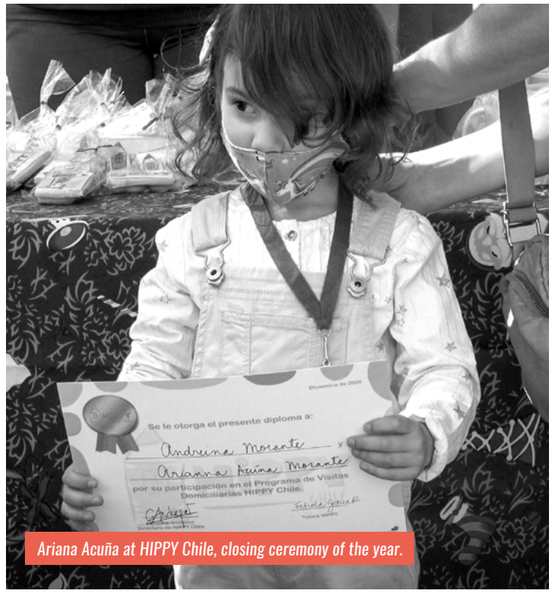
The methodology consists of training community tutors (parents) to make home visits to other caregivers in the community so that they can apply in their homes development activities with their children, educating and developing skills through play.

In 2020, the first families to complete the 60-week program in two years graduated. Due to the sanitary crisis, the program was adapted to a virtual modality in eight implementation steps:

- Donation of tablets to community tutors and training in technological issues.
- International training provided from the United States through the Zoom platform.
- Weekly curriculum training for coordinators and tutors.
- Recruitment, retention, and dissemination through mass media and social networks (including a massive campaign on open national television for parents to stimulate their children during quarantine).
- Weekly home visits in the form of individual or group video calls, and instructive phone calls (in cases of poor connectivity), for the role-play of the curriculum.
- Recording and availability of videos of more than 150 curriculum activities on HIPPY Chile's YouTube channel (for families without connectivity).

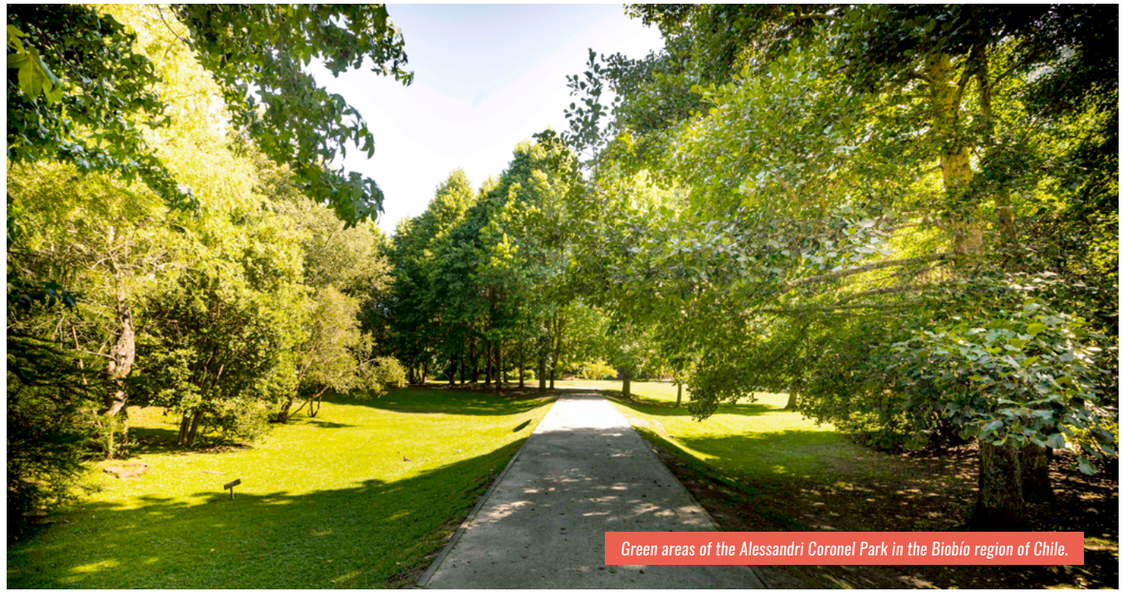
• Workshops and talks for parents and caregivers in massive virtual format.
• Delivery of material to each family, sent to their homes or distributed with sanitary measures in municipal community centers (depending on the phase of each commune).

Also, in 2020, an **international meeting was held to exchange experiences among Spanish-speaking tutors**, with the participation of 84 tutors from Argentina, Paraguay, the United States, and Chile. Chile was invited to speak at HIPPY Canada and HIPPY International Symposium, sharing its experience of assessment and implementation. Fundación CMPC conducted an assessment of this program which resulted in an increase in parenting skills, self-confidence in their support of children's development, increase in learning activities with their children, etc.



Ariana Acuña at HIPPY Chile, closing ceremony of the year.


HIPPY Chile closing ceremony of the year in Parque Almagro de Santiago.


Green areas of the Alessandri Coronel Park in the Biobío region of Chile.

CULTURAL PROGRAMS			
	ALESSANDRI PARK CORONEL	ARTEQUIN MUSEUM LOS ANGELES	ALESSANDRI PARK NACIMIENTO
No. of visitors	46,742	2,249	0
Attendance or online views	10 online workshops 45,073 views	9 online workshops 16.941 views	Not yet open to the public

ALESSANDRI PARK, CORONEL

It is an **11-hectare park open to the community and free of charge** with educational spaces for visits by the general public and students, including children and young people with disabilities, for which it has guides. In general, there are workshops on environmental education and art, as well as artistic performances. There is an annual program of activities, including cultural Saturdays, astronomical observation nights, night walks, school and family art contests.

The park was closed due to the pandemic, but during the period it was open it received 46,742 people. While it was closed, it maintained links with the public through online environmental education workshops.

In 2020, the park became part of the Network of Environmental Education Centers organized by the Chilean Ministry of the Environment.

Parque Alessandri CORONEL

ARTEQUIN MUSEUM, LOS ÁNGELES

A space dedicated to learning art through experience. It has art exhibitions and space for workshops for students and/or families.

In 2020, its activities were carried out in virtual format from March 15 for the general public and schools. During the period it was open to the public, before the pandemic, the Arte en Verano (Art in Summer) program was held, with the participation of 2,249 people. There was also a family art contest with the participation of 54 families, and the exhibition "Aves, Pincel y Plumas" (Birds, brush and feathers) dedicated to watercolor paintings of birds.

ALESSANDRI PARK, NACIMIENTO

The planting of species, especially ground cover species, has been completed. Not yet available to the public.

USD 4,545,136 investment

CEPI

https://cepinfancia.cl

Fundación CMPC

https://www.fundacioncmpc.cl/

DESAFÍO CARTÓN (CARDBOARD CHALLENGE)

CMPC, together with the **Centro de Estudios en Primera Infancia (CEPI) (Center for Early Childhood Studies)** of Chile, promoted **"*Desafío Cartón*"**, an initiative of **3D creations with cardboard and other recyclable materials**, to raise awareness about recycling and highlight how noble this material is, as well as encouraging creativity and teamwork.

More than 100 proposals were received and in 2021 the book Desafío Cartón 2020 will be published with the 50 best creations, which will be chosen by a jury with the representation of adults and children.

INSTITUTO CMPC BRASIL (CMPC BRAZIL INSTITUTE)

At the end of 2019, the Instituto CMPC Brazil was created in Brazil, inspired by the experiences and learning of Fundación CMPC. In 2020, five workshops on art and the use of paper in a video for children were held. The total investment was USD 36,563.

As in Chile, CMPC Brazil inaugurated the FibraLab space in its corporate offices, where visitors can tour and play, learning more about the forest world, science, technology, and nature.

4.4.2 Relationship with indigenous and traditional people MAT

*In its 100 years of history, CMPC has been in constant transformation and today, with a **strategy aligned to sustainability**, enhances communication and transparency as key elements to generate closeness and joint work.*

Target: 1.4

Today, its demanding certification standards include **recognition and support of the customary rights, customs, and culture of indigenous peoples.**

The forest operations are close to Mapuche communities, with whom a permanent relationship based on mutual respect, trust, and communication is maintained.

The close community relationship between CMPC and the Mapuche people has led it to understand the legitimate demands for land, derived from a deficient state policy. However, **it rejects any action that seeks to echo these demands through violence, as they do not represent the vast majority of the communities.**

With these elements as background information, the Company is fully aware of the importance of dialogue and active listening to the different positions on any subject, without excluding any contact person: lonkos, leaders, working men, and women.

CMPC has a **Policy of Engagement with Indigenous Communities** within its Social Plan, which aims to express absolute respect for the ethnicity, traditions, and development options of different cultures. This concern results in efforts to resolve local issues and address historical injustices.

SURVEY OF NEIGHBORING INDIGENOUS COMMUNITIES

Chile
- 4 regions
- 35 municipalities
- 425 Mapuche communities
- 11,800 families
- 47,000 people

Brazil
- 14 municipalities
- 46 indigenous communities
- 23 quilombola communities

The strategy for relations with the Mapuche people has five main lines of work:

FIVE LINES OF WORK

Productive development | **Culture** | **Land** | **Infraestruture** | **Water**

Within this framework, the Company develops:
- Survey of all neighboring Mapuche communities.
- Engagement policy with native communities.
- Relationship protocol with ancestral authorities of the Mapuche culture.
- Survey and engagement activities with machis, lonkos, ngenpines, werkenes and lawentuchefes.
- Survey of native plant collection sites on company property.
- Engagement with hospitals or rural health centers in the intercultural field.
- Training courses and seminars on Mapuche culture.
- 27 sites declared as areas of high socio-cultural conservation value, linked to Mapuche culture, which are safeguarded and monitored.

CMPC BRAZIL

In Brazil, 69 indigenous and quilombola communities have been identified near forest operations. However, the legislation prohibits direct contact with indigenous communities; only the federal agency has this responsibility and there are no operations close to these communities during the year that could request contact with these agencies.

SOME PROJECTS DEVELOPED WITH THE MAPUCHE PEOPLE AND QUILOMBOLA COMMUNITIES

(CMPC 8)

Name	Description	No. of beneficiaries	Investment in USD
Lleu Lleu community nurseries	Program for the generation of community nurseries for the production of native species. 90% of which is female em-ployment.	150	2,930,000
Community agricultural pro-jects	Community agricultural projects in the municipalities of Col-lipulli, Victoria, and Tirua, which give rise to cooperatives to reinforce their technical, productive, and commercial capaci-ty.	120	450,461
Taiñ Folil tourist route	Ethnotourism route in the municipality of Collipulli that groups together different enterprises to strengthen the im-age, the story, and the infrastructure of the area.	40	112,731
Piutril potters	Training program for a group of women dedicated to tradi-tional Mapuche pottery.	12	15,310
Comprehensive scholarships for higher education	Comprehensive scholarships for higher education students from 13 indigenous communities near Lake Lleu Lleu, providing them with professional support during their studies and economic resources through the Portas Foundation.	189	765,000
Eco-sustainable bus stops	Fitting-up of public transportation stops, equipped with solar energy lighting, for communities on the route that connects Victoria with Curacautin.	300	116,000
Coal makers Cooperative of Lumaco "Kuyulche".	Support for the Lumaco "Kuyulche" Coal makers Coopera-tive for technical and administrative training, equipment and supplies, and marketing.	40	111,244
Cayucupil Valley tourist route	Ethnotourism route in the municipality of Cañete that groups together different enterprises to strengthen the image, the story, and the infrastructure of the area.	60	107,333
Recovery of water sources	Contribution and support with other institutions for training and the search for improvements in the quality of life and access to drinking water of the quilombola communities in Sao Gabriel.	40	1,523
Total		951	4,609,602

Note: Data on beneficiaries and social investment are approximate.

WATERWAYS OF THE ARAUCANIA: THE SPLENDOR OF NAVIGABLE RIVERS

The Imperial and Tolten rivers are the most important water basins in the Araucania Region. In 2017, five municipalities located in the basins of these rivers were declared lagging areas given their social and economic reality.

Rutas Fluviales (Waterways) is a project that revalues and recovers cultural attractions of these rivers, rescuing and strengthening the cultural, heritage and historical value of three municipalities: Teodoro Schmidt, Carahue, and Tolten, the latter two of which stand out for having a percentage of native population over 40%, almost four times the national average (INE 2017).

The Waterways of the Tolten and Imperial Rivers were formerly used by the Mapuche people to move around and trade goods and services.

The project seeks to build and recondition safe spaces for different activities in its streams, such as sport fishing, bird watching and wetlands, historical trails, and knowledge of the local flora and fauna. It also promotes tourism development in the area by supporting tourism entrepreneurs who work to recover the cultural and heritage value of the Araucanía Region, providing them with equipment that will enable them to deliver better products or services; thus improving the infrastructure of their facilities and providing them with training in matters that will enable them to enhance their enterprises.

The project is developed in collaboration with the municipalities and the Department of Social Action of the Bishopric of Temuco (DAS, for its acronym in Spanish).

50 beneficiaries **321,940** investment



Navigable rivers.

Desafío Agua

https://www.cmpc.com/en/150-families-now-enjoy-a-better-quality-of-life-and-increased-community-development-thanks-to-desafio-agua-para-chile/

Softys Water Challenge

https://www.softyswaterchallenge.com/es/

Committed to water

Target: 6.1

Target: 17.17

DESAFÍO AGUA PARA CHILE

According to World Bank data, water scarcity affects more than 40 % of the world's population. By 2025, approximately 1.8 billion people will live in regions or countries with absolute water scarcity.

Seeking to provide a sustainable solution to the social problem of lack of access to water, Desafío Levantemos Chile and CMPC launched the initiative ***Desafío Agua Para Chile*** **(Challenge Water for Chile)**, which aims to provide this basic service to one community in the Biobio Region and four in the Araucania Region, through 20 water projects for access to water, either for consumption or for productive activities.

The first project, Abasto Santa Aurelia, was inaugurated in the town of Marileo, municipality of Lautaro, where for the first time 40 families had direct access to drinking water. Previously they obtained it from wells and water trucks.

Two water supplies collected from natural springs were accumulated and stored in six containers, which were then connected to a piped distribution network that involved the excavation of more than five kilometers. The water is supplied through this network to each of the households in the area, which have access to it through a faucet.

Another initiative focuses on **water for irrigation in the communities adjacent to Route R-22**, near the locality of Villa Mininco, in the municipality of Collipulli. The project has helped agricultural production in the locality, improving the economic development of 150 families who, as of this season, will have technified irrigation.

Among the communities that already have drinking water are: Marileo, in Lautaro; Saltos de Chancagua, Chanquin-Millaray, Lolcura, Ignacio Levio, and the neighborhood council of Lolcura, in Collipulli; Jose Cayuman community and Liucura Bajo sector, in Lumaco; and the Peleco neighborhood council, in the municipality of Cañete, reaching **more than 150 beneficiaries and an investment of USD 944,743.**

WATER CHALLENGE

This commitment is complemented by **Softys Water Challenge**, an innovation initiative to promote the development of local communities through access to drinking water in areas where it does not exist. This contest sought entrepreneurs and startups dedicated to water innovation that improve access to this resource in the most vulnerable communities in Latin America.

Softys Water Challenge received more than 500 applications from all over the world, where 85 projects met all the requirements, from which 19 semi-finalists from 14 countries were selected, which received support, networking with institutions and key players in the industry, to accelerate their innovations, for 2 months.

The three winning initiatives were awarded during 2020, with a total of USD 45,000 to be distributed among the winners.

The projects will be implemented in 2021 in several vulnerable localities in the region.



***Nayarett Paillao with his son Tomás Sandoval** from the Marileo community in the Lautaro region of Araucanía, enjoying drinking water at their fingertips for the first time.*

4.5

Local development MAT
Operational sustainability

CMPC defines local development as actions that take advantage of the community's resources and potential to generate development at the community level.

PRINCIPLES FOR OPERATIONAL SUSTAINABILITY

This implies **developing a new way of operating**. It is about leading a transformation process that generates value for all people -collaborators, suppliers, local communities, and clients, among others- and guarantees the development of its areas of influence, as well as the promotion of process excellence through innovation and continuous improvement.

The purpose is to integrate the communities into the forest operation value chain, generating more value in the territories.



3 STRATEGIC FOUSES

Operational impact prevention	**Zero faults**	Prevention	Mitigation	SUSTAINABILITY
Promote local development	**From and with the community**	Improving the quality of life of our neighbors	Strengthening a presence and relationship with neighbors	
Comprehensive culture	**Empathy**	Generate an internal culture with respect to communities	Adjusting processes and budget to the new way of operating	

OUTSTANDING OPERATIONAL SUSTAINABILITY PROJECTS

Line of work	Project name	Basis	No. of beneficiaries	Investment in USD
Impact prevention	Impact management systems	Implementation of a process management system to anticipate the impacts of forest operations on neighbors and reduce work shutdowns. Thanks to this project, CMPC has managed to decrease from 35 plant shutdowns in 2019 to 12 in 2020.	20,000	25,000
Local development	Creation of local service companies	Incorporation of communities, especial-ly Mapuche communities, into the for-est industry as a driver of economic development in the territories.	14	1,500,000
Local development	Generate employment in the territories	The creation of local service companies generates new sources of direct and indirect employment associated with forest processes.	504	51,169
Culture	Mapuche cultural rescue in forest operations.	Carrying out significant cultural activities such as the celebration of ***We tripantu*** (Mapuche New Year), Mapuche language and culture courses for forest employees, to value the culture and promote dialogue.	280	20,000
Totales			**20,798**	**1,596,169**

Note: Data on beneficiaries and social investment are approximate.

LOCAL DEVELOPMENT: SMALL SUPPLIERS AND LONG-TERM RELATIONSHIPS

CMPC favors long-term relationships with those suppliers that have workers from Mapuche communities that live in areas of influence of the Company, even though sometimes they may be more costly given their manual operations. This indirectly contributes to the generation of local labor with neighbors in the area. Also, training opportunities are developed that contribute to strengthening its companies and obtaining FSC® certification.

Given the territorial coverage; an average of 30% of the suppliers in force each month have local labor and work with small landowners. At the same time, two suppliers have contracts with members of the Mapuche community: Semofec and Forestal Cerda.

CMPC Brazil has also developed a forest development program, which allows small rural producers to have forest activities and wood production in the Company's territories. Also, support is provided for silviculture and harvesting, generating shared value by including them in the value chain.

4.6 Corporate citizenship MAT

Alliance contribution

(415-1)

*As a good corporate neighbor, CMPC keeps links with organizations, social institutions, startups, and entrepreneurs, with whom it works together to carry out actions that contribute to the social environment. These partnerships and links are established to **achieve an improvement in the quality of life of people** people through innovation, research, and development of solutions to social problems.*

TOTAL DONATIONS

The Company makes donations in cash, time, and in-kind, depending on the needs of the beneficiaries. In 2020, due to pandemic restrictions, no corporate volunteering was carried out. The total amount of these donations was USD 18,878,295.

Through partnerships, memberships, sponsorships, donations, and corporate volunteering, CMPC manages social contributions divided into:

CMPC does not make donations to political campaigns, political parties, political candidates, authorities or lobbying organizations.

TOTAL DONATIONS (USD)

Category	2019	2020
Cash	8,991,242	18,039,123
Time	4,816	0
In-kind	134,819	839,172
Total	**9,130,877**	**18,878,295**

Source: Multiple areas.
Note 1: The amount of social donations and contributions does not include the investment in the CMPC Foundation, which is disclosed in the social investment category.
Note 2: Data for 2019 are corrected according to a methodological change for the determination of categorizations.
Note 3: Information includes operations in Chile.
Note 4: In-kind products consider donations of wood and Softys products.

CONTRIBUTIONS TO INSTITUTIONS (USD)

Category	2019	2020
Donations and social contributions	6,322,467	13,204,856
Contributions to trade associations, memberships or tax-exempt groups	2,252,503	1,638,764
Contributions to universities and education in general	416,272	3,195,503
Total	**8,991,242**	**18,039,123**

Source: Tax Management.
Note: Information includes Chile.

The increase between 2019 and 2020 is related to the contributions made by CMPC to various organizations due to the Covid-19 pandemic.

*The increase in total donations corresponds mainly to a contribution of **USD 3,560,071** made to Duoc UC, Teleton, and Portas.*

Organizations

To review the list of organizations with which CMPC has relationships, please review the Annexes of this integrated report.

p.276

The three highest contributions made to trade associations and public policy promoters were:

- Corporación Chilena de la Madera, Corma (Chilean Wood Corporation): **USD 891,179**
- World Business Council for Sustainable Development (WBCSD): **USD 222,630**
- Centro de Estudios Públicos, CEP (Center for Public Studies): **USD 138,347**

In total, they accounted for 6.9% of total cash donations.

Likewise, the three highest contributions to social organizations were:

- DUOC UC Professional Institute Foundation: **USD 1,769,357**
- Desafío Levantemos Chile Foundation: **USD 1,574,342**
- Teletón Foundation: **USD 996,039**

In total, they represented 24.1% of total cash donations.

CMPC'S SOCIAL INVESTMENT AND TOTAL DONATIONS (USD)

Category	2020
Community engagement	**8,952,544**
Entrepreneurship	1,084,540
Education and culture (including investment in CMPC Foundation programs)	5,773,781
Outdoor life and environment	2,094,223
Indigenous communities	**5,876,285**
Local development	**1,596,169**
Corporate citizenship	**20,696,295**
Donations and social contributions	13,204,856
Contributions to trade associations, memberships or tax-exempt groups	1,638,764
Contributions to universities and education in general	3,195,503
In-Kind	839,172
Donations CMPC Brazil	1,818,000
Total	**37,121,293**

Source: Multiple areas.

5. CONSERVE

ARAUCARIA, NATIVE SPECIES IN IUCN RED LIST OF THREATENED SPECIES, PROTECTED BY CMPC.

MATERIAL ISSUES	MAT	SDG
Ecosystem conservation		15 LIFE ON LAND
Climate change		13 CLIMATE ACTION; 7 AFFORDABLE AND CLEAN ENERGY
Water management		6 CLEAN WATER AND SANITATION
Waste recovery		12 RESPONSIBLE CONSUMPTION AND PRODUCTION

HIGHLIGHTS FROM THIS CHAPTER:

- 90.1% of the forest assets are certified under sustainable forest management.
- 64.2% progress in the conservation and protection goal.
- Investment of more than USD 40 million in fire prevention and firefighting in 2019-2020.
- 10.9% progress on water target.
- 19 plants have completed their energy efficiency management system.
- 21.2% progress on GHG emissions target.
- 28.6% progress on zero waste target.

MANAGEMENT APPROACH TO MATERIAL ISSUES

(103-1, 103-2, 103-3)

The forest sector is key to transitioning to a circular, low-carbon future based on renewable natural resources, also known as the bioeconomy (WBCSD, 2019).
Because of their ability to store carbon, renewable fiber-based materials are incorporated into a wide range of products that can replace non-renewable fossil fuel-based materials. Forests, which meet this need, are under pressure from the demand for renewable products, and at the same time are essential to mitigate the scarcity of water resources and climate change.

Material issues level 1

- Ecosystem conservation MAT
- Climate change MAT
- Water management MAT
- Waste recovery MAT

The climate emergency is a current reality. From 1880 to 2012, the global average temperature increased by 0.85°C (UN, 2018). All players - governments, companies, and individuals - are called upon to reduce their emissions and make a transition to a net-zero emissions world aligned with the Paris Agreement, to halt and reverse the degradation of the natural environment. Successful companies will be those capable of adapting and incorporating these areas of transformation.
CMPC announces its environmental goals, which address critical issues to mitigate its impacts, conserve ecosystems, and combat climate change.

Environmental sustainability goals[8]

- Reduce absolute greenhouse gas emissions (Scope 1 and 2) by 50% by 2030
- Reduce industrial water use per ton of product by 25% by 2025
- Achieve zero waste to final disposal by 2025
- 100,000 hectares of conservation and/or protection by 2030

Material issues level 2

- Forest management MAT
- Fire prevention and firefighting MAT

CMPC certifies its forest assets in compliance with international sustainable forest management certifications. Its work in preventing and fighting wildfires combined with thorough protection and restoration work is key to contribute to the capture of CO_2 and mitigation of climate change.

- Energy efficiency MAT

CMPC's operations are energy-intensive, generating carbon and other air emissions. The Company develops energy management systems that contribute to the identification of gaps, thanks to which the necessary adjustments can be made to reduce consumption and, in turn, GHG emissions.

[6] Forest Sector SDG Roadmap, WBCSD, 2019.
[7] IPCC 2018 Special Report. https://www.un.org/es/sections/issues-depth/climate-change/index.html
[8] The environmental sustainability goals have as a baseline the performance during 2018.

5.1 Forest assets
Forest life cycle

1. Forest plantation and native forest

Forest production begins in the nurseries, starting with pine and eucalyptus plantations. The plants are genetically selected to provide ideal characteristics for the generation of quality raw material and to be able to withstand the climatic conditions of the places of operation.
In addition, native plantations are restored in the nurseries according to each territory. They also produce native plants used, among other things, in the restoration areas.


Barba Negra Nursery (Brazil).

4 NURSERIES

- El Pindo, located in the city of Posadas, province of Misiones (Argentina).
- Barba Negra, in the state of Rio Grande do Sul (Brazil).
- Carlos Douglas, in the Biobio Region (Chile).
- Mañihuales, in the region of Aysen (Chile).

Its main function is to supply plants in adequate quantity, quality and timeliness to meet the Company's operational forestation and reforestation programs, becoming a fundamental part of the process that generates high conservation value plantations and forest plantations.

2. Forest management: thinning and pruning

Once the species reach a certain size, they are transplanted to forest properties, where, after optimal growth, sustainable forest management begins, consisting of thinning and pruning, making it possible to obtain wood for industrial use, which is certified and also determines the areas of high conservation value, basins, protection areas, among others.
In thinning, tree density is reduced. By creating more space for the residual trees, they have more space and light, which allows them to increase their development and concentrate resources in a smaller number of trees per hectare.
Pruning removes lower branches, ensuring knot-free wood.



Forest plantation, Barba Negra (Brazil).

3. Harvests

After thinning and pruning, and after the necessary growth time has elapsed, the plantation is harvested and the wood is transferred to storage yards. Subsequently, the same land is reforested, thus giving birth to a new forest cycle.



Storage yard Nacimiento (Chile).

5.1.1 Forest assets

*The Company's forest assets amount to **1,287,115 hectares**, of which approximately **70% corresponds to productive land** for the production of pulpwood, wood products, and other products made from wood fiber. The remaining area corresponds to **areas for protection, conservation** and other non-forest uses.*

Conaf 2020

Climate Change: Forest, key in carbone capture. Check in:

https://www.conaf.cl/cms/editorweb/chifo/CHIFO390.pdf

ANNUAL FOREST ASSETS (HECTARES)



Source: CMPC Celulosa.

The increase in hectares is due to the incorporation of eucalyptus plantations in the state of Rio Grande do Sul in Brazil in December 2020. The acquired wood contributes to supplying the Guaiba plant's operations.

PRODUCTIVE AREA OF THE FOREST ASSETS (HECTARES)

Condition	2019	2020
Plantations	696,862	652,166
Area to be planted	71,897	65,692
Plantations on third party land	42,096	105,765
Area to be planted on third party land	3,495	14,934
Other administrative uses	61,030	57,887
Total forest assets	**875,380**	**896,444**

Source: CMPC Celulosa.

Forests, both native and plantation forests, play a key role in CO_2 sequestration in the atmosphere. They store large amounts of carbon in the biomass and the soil, so the growth factor of forest plantations, their age and yield, are determinant in the CO_2 sequestration capacity of the forests (**Conaf: 2020**).

Therefore, the annual availability of fiber is relevant and is related to the productivity of the plantations, their age structure, process losses, and forest protection. During 2020 there was a decrease in the amount of fiber produced from own forest plantations, which responds to the internal demand of the production plants, wood purchases, and inventories. On the other hand, there was an increase in the average volume per tree at the time of harvest, which is related to silviculture, harvest age, and plantation productivity.

FIBER PRODUCTION

Category	2019			2020		
	Argentina	Brazil	Chile	Argentina	Brazil	Chile
Amount of fiber produced (mm^3) Total annual growth of wood (stem) of forest plantations	0.79	7.60	10.31	1.1	7.20	9.80
Total number of trees planted (millions)	1.68	19.22	34.44	1.67	19.54	34.60
Average fiber volume per tree at current age (m^3/tree)	0.44	0.30	0.29	0.66	0.30	0.26
Average fiber volume per tree at harvest age (m^3/tree)	0.94	0.40	0.83	0.97	0.43	0.84
Fiber yield produced (m^3/ha) Amount of fiber produced per hectare in the year	-	-	-	397	445	453

Source: CMPC Celulosa.
Note 1: The indicator for the amount of fiber produced in Argentina presented a methodological change due to what was published in the 2019 report.
Note 2: Regarding the average volume of fiber per tree at the current age, the 2019-2020 increase is due to a change in the calculation methodology which considers permanent plots that cover all the assets and planting ages, which was not considered in 2019. This change will be maintained for future years.



***Aerial view of forest plantation harvest.** Subsequently, the land is reforested, while the wood is transported to the storage fields. The wood produced by CMPC Brasil (photo) has the appropriate certifications that ensure sustainable forest management.*

5.1.2 Forest management MAT
Certification for sustainable forest management

Forest management certifications ensure responsible management of plantations and forests. These certifications have social, environmental, and economic requirements established in principles and criteria of a forestry nature, which are voluntary, and the fact of managing them obliges to undergo annual audits that accredit -quantitatively and qualitatively- the compliance with these requirements. (FSC, 2019).

ENVIRONMENTAL

Within the environmental requirements, appropriate forest management ensures how wood and non-wood products are harvested contributes to maintaining the forest's biodiversity, productivity, and ecological processes.

SOCIAL

From a social point of view, it contributes to the generation of community engagement in the operation sites, providing incentives for the communities to manage their resources and incorporate sustainable forest management practices in the long term.

ECONOMIC

Finally, from an economic perspective, it implies that forest operations are structured and managed in such a way that they are sufficiently profitable, without generating economic gains at the expense of the forest resource, the ecosystem or the affected communities.

FSC 2019

Strategy for FSC Mixed products and controlled wood April 29, 2019. Available at:

https://fsc.org/en/forest-management-certification

Markets increasingly require and demand products obtained from responsible, non-controversial sources, and certifications safeguard and ensure sustainable and responsible forest management.

CMPC has FSC and PEFC forest management certifications for its assets in Brazil and Chile, which accounts for 90.1% under these certifications.

For its part, Argentina has been certified under ISO 14001, the Environmental Management System adopted by CMPC, for 15 years.

By the end of 2020, the process to certify Argentina's forest assets began, which will allow it to have almost 100% of its own assets certified.

OWN CERTIFIED FOREST ASSETS IN 2020 (HECTARES) (CMPC 5)

	Argentina	Brazil	Chile	Total
Own forest assets	94,297	282,341	704,832	1,081,470
Certified forest assets	0	279,915	694,524	974,439
Certified forest assets (%)	**0**	**99.1**	**98.5**	**90.1**

Source: CMPC Celulosa.

The Company also has forest operations on third-party property, which is also certified to ensure sustainable fiber sourcing. All 2020 audits for forest certifications were conducted on a virtual mode as a result of the pandemic.

THIRD-PARTY FOREST ASSETS CERTIFIED IN 2020 (HECTARES)

	Argentina	Brazil	Chile	Total
Third-party forest assets	0	180,605	25,038	205,643
Certified third-party forest assets	0	100,678	25,038	125,716
Certified forest assets (%)	**0**	**55.7%**	**100%**	**61.1%**

Source: CMPC Celulosa.

5.1.3 Chain of custody and controlled wood certification

To ensure that products come from a sustainably managed forest, the entire supply chain must be certified, ensuring the traceability of the fiber. This implies that it is not mixed with others from controversial sources. CMPC certifies the Chain of Custody of all its business areas, to ensure that the fiber is produced and marketed under this criterion.

On the other hand, it also uses fiber from external suppliers -also certified-, although a small proportion comes from non-certified suppliers.

To guarantee the desired traceability, CMPC generates instances that promote certification through a Responsible Sourcing Program in which 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 authorities, and compliance with product safety and quality protocols.

RAW MATERIAL PRODUCED BY A THIRD PARTY AND COVERED BY A CERTIFICATION IN 2020 (MILLION M³)

	Argentina	Brazil	Chile	Total
Raw material produced in-house	1,007	6,567	9,835	17,409
Certified raw material produced in-house	0	6,567	9,820	16,387
Raw material produced by third parties	0	490	3,190	3,680
Certified raw material produced by third parties	0	490	3,190	3,680
Total raw material	1,007	7,056	13,025	21,088
Total certified raw material	0	7,056	13,010	20,066
Certified raw material with respect to total consumption (%)	**0**	**100%**	**100%**	**95%**

Source: CMPC Celulosa. Note: In the pre-harvest contract a price is defined for the "purchased forest" given by the estimate of the amount of m3 to be harvested, however, more can be harvested for the same price.

(CMPC 6)

COVERAGE OF OWN CHAIN-OF-CUSTODY CERTIFIED RAW MATERIAL AND CONTROLLED WOOD.

99.8%
CMPC Bosques

100%
CMPC Pulp

100%
CMPC Maderas

Note: Virgin fiber, short and long, certified CoC and CW of the total consumed in

5.2

Active ecosystem conservation MAT

Conservation, protection, and restoration areas

(304-1, 304-3, 304-4)

*Within CMPC's forest assets there are **High Conservation Value Areas (HCVAs)** that present relevant, unique, and significant attributes for the natural environment.*

HCVA

CMPC works on the guidelines and recommendations for the conservation of its HCVA, which are described on the website.

https://www.cmpc.com/en/sustainability/environmental-dimension/ecosystem-and-biodiversity-conservation/

HCVAs are home to protected species and particular natural ecosystems, where the Company maintains conservation programs. Their identification and adequate protection corresponds to a commitment associated with sustainable forest management certifications.

There are three types of HCVAs:

Biological	● Areas where the vulnerable flora and fauna of the territories are protected (e.g. endemic, threatened or significantly endangered species)
Services	● Natural areas that provide basic services in critical situations and meet the needs of local communities (e.g., water catchment or supply areas)
Sociocultural	● Critical areas to the cultural identity of communities (e.g., areas of religious or cultural significance)

***47%** of the surface area of the Latin American and Caribbean Region is covered by **forest**, which constitute **the largest repository of terrestrial biodiversity in the world**[9].*

[9] Food and Agriculture Organization of the United Nations (2016), Exemplary cases of sustainable forest management in Chile, Costa Rica, Guatemala and Uruguay, Santiago, Chile, FAO.

NUMBER AND AREA OF HCVAS (HECTARES)

Type of area	2018		2019		2020	
	Number	Area	Number	Area	Number	Area
Biological	26	22,589	26	24,482	26	24,481
Services	364	3,662	378	3,621	392	3,595
Sociocultural	28	211	28	215	28	215
Total	**418**	**26,462**	**432**	**28,318**	**446**	**28,291**

Source: CMPC Forestal.

Within the HCVAs there is a great variety of ecosystems rich in biodiversity inhabited by species of flora and fauna that, in some cases, may be at risk according to the parameters of the **Red List of the International Union for Conservation of Nature (IUCN).**

IUCN Red List

https://www.iucn.org/

WHAT DOES IUCN SAY?

According to the IUCN Red List, an organism is at risk when all members of that species are in danger of disappearing. This can be due either to direct predation or to the disappearance of a resource on which its life depends (due to human action, changes in its habitat or climate, or repercussions of natural disasters).



Fauna in Barba Negra, Brazil.

The following protected species are identified within CMPC's forest assets:

WHAT SPECIES ARE AT RISK?

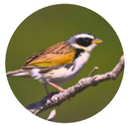
ARGENTINA



MISIONES

Yellow headed Blackbirds
- Critically Endangered (CR)
- 2 areas containing these species





Black-masked Finch
- Endangered (EN)



Green-barred Woodpecker
- Endangered (EN)



Black-and-white monjita
- Endangered (EN)



Strange-tailed tyrant
- Endangered (EN)



Stephanoaetus coronatus
- Endangered (EN)



Sporophila palustris
- Endangered (EN)



Ozotoceros bezoarticus
- Endangered (EN)



Pipile jacutinga
- Endangered (EN)

BRAZIL



RÍO GRANDE DO SUL



Gymnocalycium cf. denudatum
- Endangered (EN)



Liolaemus arambarensis
- Endangered (EN)



Aristolochia curviflora
- Endangered (EN)

CHILE



BIOBÍO

ARAUCANÍA



Araucaria araucana
- Endangered (EN)



Sophora cassioides
- Critically Endangered (CR)

15 Species are critically endangered and endangered according to the IUCN Red List and coexist in the CMPC forest heritage.

SPECIES BY RISK LEVEL

Category	Argentina	Brazil	Chile	Total species
Critically Endangered (CR)	1	0	1	2
Endangered (EN)	8	4	1	13
Vulnerable (VU)	12	15	7	34
Nea Threatened (NT)	7	4	1	12
Least Concern (LC)	9	0	2	11
Total	37	23	12	72

Source: CMPC Forestal.

Programs developed for the restoration of critically endangered and endangered species according to the IUCN list.

RESTORED AREAS:



Nothofagus glauca

625.8 ha



Oak



Citronella mucronata



Sophora cassioides

13.8 ha



Araucaria araucana

38.7 ha



Nothofagus alessandrii[10]

200.8 ha

[10] The Southern beeches (Nothofagus alessandrii) is an endemic tree of Chile, close relative of the Patagonian Oak, Rauli beech (Nothofagus alpina), Coigue (Nothofagus dombeyi) and Lenga beech (Nothofagus pumilio). This species has also been declared a natural monument in 1995 and is listed as an endangered and rare species by the Ministry General Secretariat of the Presidency of Chile. CMPC **will double its protection area.**

WE WILL ADD 100,000 HECTARES OF CONSERVATION, and/or protection by 2030, to the more than 320 thousand hectares that the Company already has in Argentina, Chile and Brazil.* (CMPC 1)

CONSERVATION TARGET

	Baseline 2018	2019	2020	Goal 2030
Performance (ha)	321,529.0	325,995.0	385,725.6	421,529.0 (100%)
Annual variation (ha)		4,466.0	64,196.6	100,000
% progress to goal		4.5%	64.2%	100%

Source: Sustainability and Environmental Management.

13 CLIMATE ACTION — **Target:** 13.1 - 13.3

15 LIFE ON LAND — **Target:** 15.1

Conservation and protection

Review all of our corporate goals in the chapter 2.
p. 58

In 2020, CMPC achieved a total of 64,197 hectares of additional conservation and/or protection compared to the baseline, advancement of more than 64% towards meeting the corporate goal. This is mainly due to a fund through which wood is purchased and the forest is managed in Brazil and restoration projects in Chile.

Thanks to the work done towards achieving the conservation goal, new initiatives have been identified for 2021, such as the **creation of biological corridors, areas of connection between areas of native forest or endemic shrubland that allow the movement of species and the protection of springs, areas at the headwaters of watercourses, which are critical for the hydrological cycle.**

*Currently, there are plans to use **100% of the Mañihuales nursery** –in southern Chile– for the **restoration of native species.***

* This corporate goal is complementary to the Commitment to Restore degraded sites established by Brazil and Chile in 2010. To date, 60,824 hectares have been restored, which is equivalent to 82% of the goal by 2026.



***Flora recovery** in Santa Olga park (Chile). It was possible to create a place of recreation, meeting, and life in the open air for all its inhabitants.*

5.3 Climate emergency response

Action against climate change

The work of natural and productive forests and forest products is widely recognized in mitigating and adapting to climate change by maintaining and increasing carbon sinks. ***Forestation, reforestation, and restoration of natural ecosystems are key components in removing carbon dioxide from the atmosphere****, as well as drivers of biodiversity enhancement, soil quality, and local food security (WBCSD, 2019[11]).*

5.3.1 Generating mitigation and adaptation plans MAT

NDC Chile 2020

https://mma.gob.cl/wp-content/uploads/2020/04/NDC_Chile_2020_espan%C-C%83ol-1.pdf

The carbon sequestration capacity of terrestrial ecosystems plays a key role in containing the increase in the planet's average temperature. Just as important as reducing emissions released into the atmosphere is the removal of those previously emitted. Only when the capture of greenhouse gases begins to exceed emissions in the same period, and these emissions are sequestered (permanently), will the process of reversing the conditions that increase climate change and its impacts begin (**NDC Chile, 2020**).

Forests capture and fix carbon, which is then stored in forest products and soil throughout their life cycle, contributing to climate change mitigation.

- **Capture** CO_2 from the atmosphere. At CMPC this happens in forest plantations and native forests.
- **Storing** CO_2 out of the atmosphere. Many CMPC products sequester carbon during their lives, especially wood used for construction.

[11] *Forest sector SDG roadmap*, WBCSD, 2019.

MITIGATION

CMPC maintains and increases the contribution of its forests to climate change mitigation through sustainable forest management, restoration, and reforestation for productive and/or conservation purposes, elements also consolidated in its corporate goal of:

WE WILL REDUCE OUR absolute greenhouse gas EMISSIONS (direct and indirect from energy) by 50% by 2030.

PERFORMANCE GOAL REDUCTION OF EMISSIONS

	Baseline 2018	2019	2020	Goal 2030
Performance ($MtCO_2e$)	2,396.0	2,450.0	2,142.0	1,198.0 (-50%)
Annual variation ($MtCO_2e$)		54.0	-254,0	-1,198.0
% progress to goal		-4.5%	21.2%	100%

Source: Sustainability and Environmental Management.

13 CLIMATE ACTION

Target: 13.3

CMPC achieved a 21.2% progress towards the target mainly due to the purchase of NCRE attributes in all CMPC's industrial operations in Chile, which implies mitigation of 247,353 tons of CO_2 equivalent in Scope 2 during 2020.

ADAPTATION

Due to the consequences of climate change, droughts, increase in average temperature, variations in rainfall, among others, CMPC's activities could be affected, both negatively and positively in its production processes and supply chain. CMPC is currently working on two lines of adaptation to climate change in its forest operations.

Genetic

Focus on the development of genetic materials with greater capacity to adapt to the most likely climatic conditions for the regions where CMPC operates, for example, with greater resistance to frost, drought and even greater resistance to attack by insects and fungi that may proliferate due to changing environmental conditions.

Silvicultural development

Revise silvicultural establishment and management prescriptions to respond to changes in environmental conditions. A study has been carried out to estimate new productivity curves that consider the effects of climate change, mainly temperature increase, precipitation decrease, and CO_2 increase.

Also, it has begun to evaluate climate scenarios and their potential impact, under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to generate adaptation plans for these new scenarios and ensure its future operational continuity.

To this end, CMPC formed a working group with the participation of the Risk, Finance and Sustainability areas, which carried out **an initial assessment of the main risks - transitional and physical - and opportunities related to climate change**, scenarios and possible impact magnitudes, alignment with the internal risk management model and sustainability goals.

PHYSICAL RISKS	TRANSITION RISKS
Related to changes in climate patterns. Some of them are: changes in the availability of natural resources, water quality and supply, extreme temperature changes, among others, which could be acute or chronic.	Associated with the transition to a low-carbon economy, such as: political, legal, technological, and market changes.

The risks identified include certain activities that could be affected at different stages, such as its production processes and plant operations, forest operations, supply chain stability, client and consumer demands, demand for new products, among others.

2020 PROJECTS

1. CMPC carries out the scenario modeling exercise recommended by the Intergovernmental Panel on Climate Change (IPCC) for the central-southern macro-zone of Chile, estimating the gap due to changes in the relevant bioclimatic variables. CO_2 emission scenarios RCP 8.5 and RCP 2.6 were used, which implies an increase in temperatures and changes in precipitation, in four lines of work:

Wildfires: Calibration and correction of the National Forest Corporation (Conaf, for its acronym in Spanish) models, according to the scenarios.

Phytosanitary scenario: Development of risk maps of the main phytosanitary pests.

Water availability: Estimation of new water balances in assets basins to determine possible restricted zones.

Productivity: Estimation of future growth curves to estimate plantation yields in this new scenario.

2. It is also developing a three-year project with the Corporación de Fomento de la Producción, Corfo (Production Development Corporation), to provide information that calibrates current simulation modeling to future climate change conditions. In this way, it is possible to estimate the gaps in environmental resources and plantation productivity to propose mitigation and adaptation actions, which can be economically evaluated. This project has seven lines of work:

- Site productivity
- Water safeguard
- Phytosanitary risk
- Adaptive silvicultural actions
- Genotype development
- Forest fires
- Economic evaluation

Each of these lines of research is applied in a specific way in the territories, according to the conditions of climatic and geographic vulnerability and spatial planning.

3. Together with Universidad Austral de Chile and other members, a project called “Adaptation to climate change in forest activities, productivity, and reduction of impacts” was initiated as part of the “Public Goods: call for adaptation to climate change” contest organized by InnovaChile of Corfo. The objective of the project is to develop a system for the evaluation of adaptive management actions in the intensive and extensive margins of forest plantations, to reduce the negative impacts and take advantage of the expected opportunities of climate change in forest activities.

5.3.2 Prevention and combat of wildfires MAT

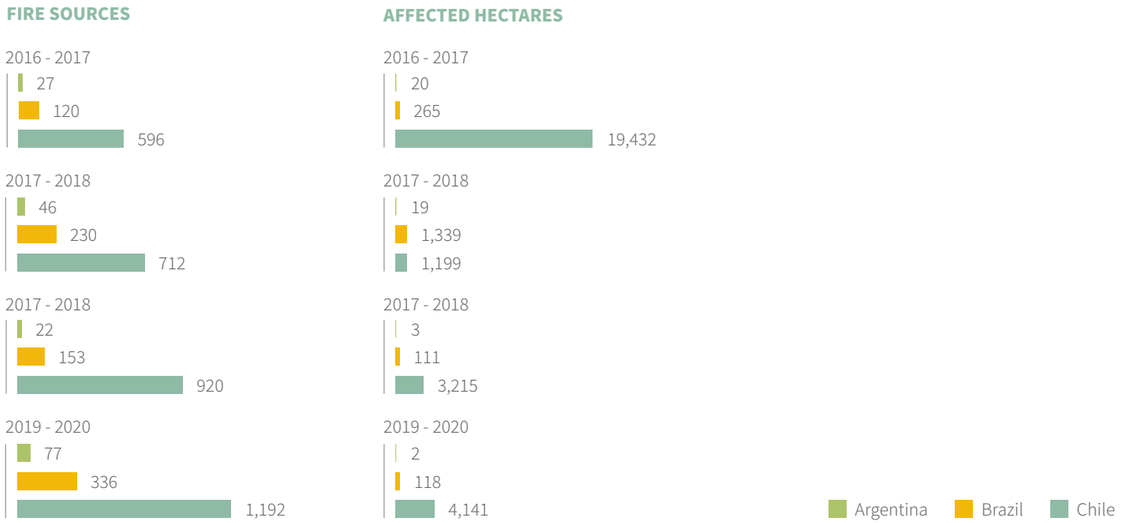
Sustainably managed forests play a key role in addressing the environmental impacts of droughts, floods, storms, and wildfires. All of these are expected to intensify as the weather changes. In particular, ***wildfires contribute to climate change and pose a risk to the sector’s ability to secure its wood fiber supply*** *(WBCSD, 2019[12]).*

15 LIFE ON LAND

Target: 15.3

In Argentina, Brazil, and Chile, where CMPC has forest operations, prevention and firefighting plans and programs have been reinforced to protect people and the forest assets of CMPC and third parties, considering the increase in the intensity of wildfires.

[12]Forest sector SDG roadmap, WBCSD, 2019.



CMPC is committed to human life and ecosystems; therefore, it works to prevent, educate and combat wildfires, and **invested more than USD 40 million in the 2020 season -which runs from July 2019 to June 2020- in three lines of work: preventive silviculture, prevention, and combat.**

CMPC invested USD 5.5 million in wildfire prevention and USD 35.5 million in firefighting.

PREVENTIVE SILVICULTURE

Activities to reduce the spread of forest plantation fires. Depending on the context, three defensive levels are applied in Argentina, Brazil, and Chile:
1) perimeter firebreaks using physical and chemical mechanisms,
2) fuel reduction areas to contain the spread of fire, and
3) preventive silvicultural management rings (thinning or pruning). In addition to the above, more resistant species such as *Eucalyptus* nitens are planted in those areas more prone to fires.

In Argentina, controlled perimeter burns are also carried out with neighboring cattle ranchers and joint work with other forest companies in the region.

PREVENTION

During 2020, CMPC trained 2,127 employees to acquire knowledge about the behavior of fires and fire prevention and firefighting measures. Also, training was provided to members of the communities neighboring the forest lands.

COMMUNITY TRAINING IN 2020

COUNTRY	NO. OF PEOPLE TRAINED	ACTIONS CARRIED OUT
Argentina	52	Educational campaigns in rural schools and informative campaigns for the community in general, as well as training in the use of fire for neighboring rural producers.
Brazil	312	Firefighting campaign in communities near the ranches.
Chile	12,900	Fire prevention training for Community Prevention Network committees and support for neighborhood watch committees. Financial support to 17 fire companies for the purchase of equipment with an investment of USD 29,548.



***Main Brigade with hockey athletes** from the Universidad Católica de Chile in a prevention day in the Metropolitan region.*

COMMUNITY PREVENTION NETWORK

CMPC participates in prevention campaigns and operations in conjunction with the Community Prevention Network. The network develops three lines of action:

1. **Preventive actions:** construction and maintenance of preventive rings, road preparation and cleaning, preparation of water sources, clearing of power lines, installation of preventive signage, removal of waste from ranches, among others
2. **Educaction:** training and campaigns at local, community, provincial, and regional levels. In 2020, the #todosvamosalimpiar (let's all clean up) campaign was carried out to clear 5,000 houses and leave them free of fuels that could spread a fire
3. **Coordinated reaction:** fire drills
4. At CMPC Brazil, a **communications campaign** was carried out for the communities with materials to promote risk awareness and the dissemination of channels for reporting this type of event

MAIN BRIGADE

In November 2020, the forest brigade was officially presented at the Metropolitan Park, composed of eight highly experienced brigade members, whose main objective is to contribute to the care of the forests of the hills and parks of the Metropolitan and Valparaíso Regions. Also, it will work with the community to educate and raise awareness of the importance of prevention and responsible environmental behavior.



Luis Felipe Gazitúa and Francisco Ruiz-Tagle with the Main Brigade in the Metropolitan Park of Santiago (Chile).

NEIGHBORHOOD WATCH COMMITTEES

Rural organizations that were originally created to protect against the increase in animal theft, but now coordinate to prevent rural fires. CMPC provides these committees with protection and prevention training, firefighting tools, and legal advice on how to deal with situations of theft and burning. This program has benefited 9,215 neighbors to the forest assets.

***99.7%** of these fires are caused by human action and, in a significant number of cases, by simple carelessness.*

HOW IS A PREVENTION DAY AT CMPC?

Regular day: regular operation of 80 motorized forest rangers. This year, 114 neighbors have joined the program to get involved in fire prevention and support local employment generation. Their basic function is to carry out patrols along predefined routes to support the detection and checking of fire sources and to detect risk situations and manage their control to prevent the occurrence of fires.

Yellow Alert Day: variable operation on alert days. Up to 250 people from CMPC, both direct collaborators and service companies, can be added, which are coordinated (Conaf, neighborhood watch committees, prevention committees, Carabineros (Chilean national police force), other companies in the area) in the critical areas and routes. Its objective is to increase preventive patrols, visit recreational centers and dissuade the occurrence of fires with its presence.

COMBAT

Spending on firefighting is allocated to three items: a higher proportion of aerial and ground vehicles, brigades, and other operational expenses, such as protection equipment and tools.

ARGENTINA

- 2 aircraft (airplanes)
- 6 ground vehicles
- 3 brigades
- Establishment and management personnel support (70 people)
- 17 monitoring towers

BRAZIL

- 4 aircraft (helicopters)
- 35 ground vehicles
- 5 brigades
- Support from the brigades of the Irani and Ambar companies.
- 26 monitoring towers

CHILE

- 21 aircraft (10 helicopters, 11 airplanes)
- 41 brigades
- Additional variable support brigades with 25 units of 1,300 people
- 8 detection cameras
- 57 detection towers

In Chile, CMPC has 2 heavy mega helicopters (Chinook) for firefighting.

MAIN BRIGADE cmpc

two
CHINOOK
MEGAHELICOPTERS

This season at **CMPC** we are prepared to fight the fires that threaten our country's forests. That is why we have made available to the most affected areas **two Chinook Megahelicopters capable of dropping 10,000 liters of water each**. In this way, we can continue to reinforce our commitment to protecting our communities and forests.

FUNDACION REFORESTEMOS

cmpc Creating natural value



Brigadier carrying out rural fire fighting tasks.

POST-FIRE WORK

Conservation work also involves the recovery of hectares that have been affected by wildfires. For the recovery of these hectares, the burned area is used immediately so as not to lose growth.

RECONSTRUCTION AFTER A DESTRUCTIVE WILDFIRE

El Almendro, municipality of Renaico (Chile)

The October 2020 fire in the El Almendro community neighboring the Company's facilities affected the population and their homes. CMPC invested USD525 thousand in the construction of a drinking water supply system and basic infrastructure (15 warehouses and eight chicken coops), in addition to the reconstruction of six equipped houses, which benefited 63 families in the sector.

5.4 Environmental care and Operational efficiency

CMPC's operations are intensive in the use of water and energy, in addition to generating emissions and waste in production. Improving operational efficiency and minimizing impacts is a priority, which is reflected in its sustainability goals.

5.4.1 Water management MAT
Commitment to a vital element for life

(303-1; 303-2)

Water is vitally important for social and economic development and the health of natural ecosystems. It is also a key resource for the manufacture, delivery, and use of products and services (WBCSD, 2018).[13]

As water demand continues to increase and the impacts of climate change become more evident, **companies face physical and transitional risks related to this resource, where water scarcity is one of the highest priorities for CMPC, since the manufacture of its products is highly dependent on water.**

Faced with this scenario, CMPC invests and implements water management measures to make its processes more efficient and improve its operating yield. To this end, to reinforce the above and to give high priority to water management, in 2019 the Company announced a water management goal, for which it has identified and assessed the existing water risks at the level of the basins from which its production plants extract water.

[13] CEO guide to water: Building resilient business, World Business Council for Sustainable Development, 2018.

WATER STRESS CONTEXT

Using the ***Aqueduct Water Risk Atlas, del World Resource Intitute*** (**WRI**), CMPC mapped its exposure to water risks in all its production plants that use industrial water. This exercise made it possible to identify and update its exposure to water-related risks, such as: risks of stress, drought, depletion, annual and seasonal variability of water, as well as risks related to water quality and exposure to legislative and reputational risks, among others.

The tool, by recording the geographic location of the plants, indicates a level of exposure to each type of risk, which can range from "low" to "extremely high". Based on this analysis, CMPC presents eight plants that are located in areas of "extremely high" risk of water stress.

Also, particularly in Chile, the Ministry of Public Works (MOP, for its acronym in Spanish) has decreed water scarcity in municipalities where the Company has operations, including the Metropolitan Region: Talagante, Puente Alto, Buin, and Til Til, as well as the entire Maule Region. These decrees coincide with the results of the WRI Water Risk Atlas.

The following map shows the water situation in the territories where CMPC operates:

WRI

https://www.wri.org/resources/maps/aqueduct-water-risk-atlas

OPERATIONS IN WATER STRESS AREAS

- CMPC Celulosa's operations are not located in water scarcity zones according to the MOP's DS in Chile and the use of the Water Risk Atlas.
- According to the use of the Water Risk Atlas, the following operations are in water stress zones: Corrugados Pulpa Moldeada, Corrugados Cordillera, Boxboard Maule, Corrugados Buin, Til Til, Sackraft Mexico, and the Talagante and Puente Alto plants of Softys Chile.
- The basins identified as risk areas are the Maipo and Maule basins in Chile and the Santiago Guadalajara basin in Mexico.



WATER WITHDRAWALS

(303-3)

EULA-Chile

http://www.eula.cl

CMPC withdraws water for its production plants from different basins in the eight countries where it operates.

The Biobio basin in Chile is one of the most important for the Company since it is the source of more than 50% of the water required for its industrial processes, which is used in six CMPC Pulp mills: Laja, Pacifico and Santa Fe, mainly, and to a lesser extent by the Mulchen, Bucalemu and Nacimiento plants.

For this reason, since 1994 it has participated, together with other companies using the basin, in a monitoring program carried out by the Environmental Science Center **EULA-Chile of the Universidad de Concepción**. The purpose of this program is to learn about the effects and changes that have occurred over time in the water quality of the Biobío River and, in the case of CMPC, to learn about its impact on water quality and its comparison with the secondary discharge standard.

Also, in 2020, a study began to generate a model to predict the water flows of the Biobio River at the catchment points of the plants, especially during the low water season. The purpose of this is to take precautions in times of scarcity and not compromise the operational continuity of the plants.

WATER WITHDRAWALS, BY TYPE OF SOURCE AND WATER STRESS AREA 2020 (M³)

Type of source	Without water stress	With water stress
Surface water	186,983,159	4,196,928
Groundwater	6,312,559	10,549,827
Provided by third parties	600,399	2,236,527
Total	**193,896,117**	**16,983,282**

Source: Sustainability and Environmental Management.
Note: Provided by third parties corresponds to external industrial networks, which in turn also withdraws from surface or groundwater sources.

Overall, the pandemic did not impact water performance. Although there were laboratories that had their operations paralyzed, which generated partial sampling in some months, the Company's plants did not have any shutdowns or other effects.

25% LESS IN INDUSTRIAL WATER USE!

To address the environmental water goal, CMPC makes investments and improvements in its plants to make processes more efficient to reduce industrial water withdrawal, which represents a major challenge for the three business units and the manufacture of its products.

Despite the overall increase in industrial withdrawal, there is a significant improvement in the corporate goal indicator, mainly due to the decrease in withdrawal per ton of Softys product compared to the baseline. This business unit closed 2020 at 20.89 m³/t, as a result of the implementation of operational efficiency projects and investment in several of its plants, confirming greater efficiency, and approaching the global goal.

At CMPC Celulosa there was an increase in the indicator in general. However, at the Laja plant, there was a 22% decrease, thanks to the installation of new flow meters - which allow daily monitoring of process control -, the creation of a water management committee and a water unit chief dedicated to the efficiency and quality of water use.

Finally, CMPC Biopackaging showed a decrease in the intensity indicator, although there was an increase in water withdrawal as a result of increased production at the Corrugados Cordillera plant and the Boxboard Maule and Valdivia plant.

WE WILL DECREASE BY 25% INDUSTRIAL WATER USE per ton of product by 2025

PERFORMANCE TARGET WATER USE DECREASE

	Baseline 2018	2019	2020	Goal 2025
Performance (m³/t)	30.84	31.17	30.00	23.13 (-25%)
Annual variation		0.33	-0.84	-7.71
% progress to goal		-4.3%	10.9%	100%

6 CLEAN WATER AND SANITATION

Target: 6.4

Source: Sustainability and Environmental Management.
Note 1: Due to the acquisition at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, they are retroactively included from the data for 2018 and 2019, so that they are comparable with 2020.
Note 2: This incorporation of the new Softys plants generated a recalculation of the 2018 baseline for the water target, which decreased from 30.96 m³/t to 30.84 m³/t, leaving the 2025 goal at 23.13 m³/t.

WATER WITHDRAWALS PER BUSINESS UNIT BY TYPE OF SOURCE (M²)



Source: Sustainability and Environmental Management.

- Of the three business areas, 84% of water withdrawals corresponds to **CMPC Celulosa, where all of its water withdrawal is carried out in areas not currently declared water scarce**, and is mainly withdrawn from the Biobio basin in Chile and the Laguna de Los Patos in Brazil.
- On the other hand **85% of CMPC Biopackaging's water withdrawal is carried out in areas with these characteristics according to the Aqueduct tool and MOP (Ministerio de Obras Públicas in Chile) decrees.**
- For its part, 80% of the water for Softys' operations is withdrawn from areas not declared water-stressed.

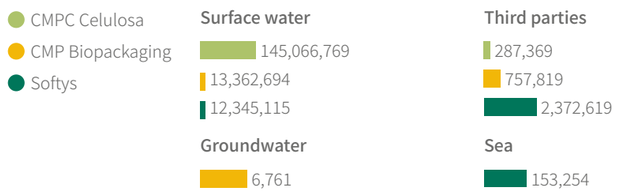
Softys has achieved significant reductions due to investment plans to meet its own goal of a ***40% reduction in water*** *withdrawals per ton produced.*

DISCHARGE AND EFFLUENT QUALITY[14]

(303-4)

All production plants that use industrial water report water discharges, except in the case of the CMPC Maderas plants, where the water extracted is recirculated to boilers or wood yards. Forsac Peru does not have effluent treatment plants; therefore, it manages its liquid industrial waste as solid waste and sends it to final disposal.

TOTAL DISCHARGES PER BUSINESS UNIT IN 2020 (M³)



Source: Sustainability and Environmental Management.

At CMPC Biopackaging, discharge increased proportionally to the increase in withdrawal, due to the year's production. Meanwhile, at Softys, water discharge decreased as a result of lower withdrawal.

Of CMPC's 45 plants, 31 use water in their manufacturing processes; the remaining plants are conversion plants and therefore do not generate industrial effluents.

EVOLUTION OF DISCHAGES (M³)

Discharge by destination	2018	2019	2020
Surface water	174,586,665	170,927,800	170,774,578
Groundwater	26,153	6,619	6,761
Third parties	4,154,022	4,089,475	3,417,807
Sea	188,661	301,567	153,254
Total	**178,955,501**	**175,325,461**	**174,352,400**

Source: Sustainability and Environmental Management.
Note 1: Three plants discharge to third parties, which in turn are discharged to surface sources. The receiver is another CMPC plant that treats effluents.
Note 2: Softys Peru's Cañete plant is the only one that discharges into the sea.
Note 3: Due to the acquisition at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, they are retroactively included from the data for 2018 and 2019, so that they are comparable with 2020.

Water quality parameters in effluents vary according to the regulations of each country and locality, respecting discharge levels. To comply with these regulations, CMPC permanently monitors the quality of its effluents through external laboratories.

Regarding effluent water quality:

- 21 industrial plants have their own effluent treatment plants (ETP).
- 3 plants treat their effluents at another CMPC plant (Corrugados Pulpa Moldeada, Softys Puente Alto, and Plywood).
- 3 plants discharge to the sewage system without the need to treat their effluents (Sack Kraft Argentina, Chile, and CMPC Biopackaging Mexico), as this process is carried out by the water service companies afterward.
- CMPC Biopackaging's Sack Kraft Peru plant is the only plant with industrial effluents that does not measure the quality of its discharge, as it goes to landfill.

The increase in Chemical Oxygen Demand (COD) is explained by the deficient washing in the fiber line of CMPC Celulosa Pacifico plant. This deficiency in the process contributes to an increase in its concentration in the effluents. As for Total Suspended Solids (TSS), the value remains similar to 2019; however, it increases slightly with the incorporation of the Sepac plant in Brazil and the Panamericana plant in Peru.

Finally, the decrease in Biological Oxygen Demand (BOD) is mainly due to the modernization of the effluent treatment plant at CMPC Celulosa Laja plant, considerably improving its discharge parameters.

[14] Due to the Covid-19 pandemic, some laboratories that measure effluent parameters did not operate for several months. Because of this, in some cases monthly measurements are not available, so an average was used for this calculation.

WATER QUALITY PARAMETER (TONS)

Parameter	2018	2019	2020
Chemical oxygen demand (COD)	41,799	35,699	39,014
Biological oxygen demand (BOD)	5,024	3,578	2,562
Adsorbable organic halogenated compounds (AO_X)	389	400	444
Total Suspended Solids (TSS)	4,833	2,958	2,981

Source: Sustainability and Environmental Management.
Note 1: AO_X measurement only corresponds to CMPC Pulp plants: Guaiba, Santa Fe, Pacifico and Laja, since they are compounds derived from pulp bleaching.
Note 2: Values for COD, BOD, and TSS for 2019 are corrected because the total discharge of the Puente Alto complex in Chile was not considered.
Note 3: Due to the acquisition at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, they are retroactively included from the data for 2018 and 2019, so that they are comparable with 2020.

3 INITIATIVES THAT CONTRIBUTE TO IMPROVING WATER QUALITY

CMPC CELULOSA

Modernization of the effluent treatment plant at the Laja mill to improve its operational efficiency and control of its effluent parameters.

CMPC BIOPACKAGING

New reverse osmosis equipment at the plant located in Tiltil (Chile). This plant contributes to the improvement of effluent parameters and allows water recirculation.

SOFTYS

New aerators in effluent ponds and water recirculation system at the Zarate plant in Argentina.

WATER CONSUMPTION

(303-5)

Industrial consumption is understood as water used by the organization that is no longer available for use by the ecosystem or the community (GRI and CDP). Consumption at CMPC, which corresponds to 17% of water extracted, is due to losses and evaporation in manufacturing processes and a very low percentage that remains in the products, considering the difference between withdrawal and discharge. This means that 83% of the water extracted is returned to the ecosystem.

CMPC's commitment to caring for and access to quality water also translates into concrete projects with its local communities, for more details see ***Desafío Agua Chile*** **(Water Challenge Chile) and Softys Water Challenge**.

WATER CONSUMPTION IN M³ PER YEAR



Source: Sustainability and Environmental Management.
Note: Due to the acquisition at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, they are retroactively included from the data for 2018 and 2019, so that they are comparable with 2020.

Desafío Agua Chile

For more detail, review Chapter 4 of this Integrated Report.

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Softys Water Challenge

For more detail, review Chapter 4 of this Integrated Report.

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5.4.2 Energy efficiency MAT
CMPC's leadership in energy

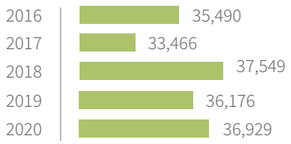
(302-1; 302-4)

While the forest sector is an energy-intensive industry, it is also an important producer of renewable and affordable energy (WBCSD, 2019).[15]

The energy intensity of the sector, which is a relevant factor in terms of costs and operational continuity, drives the improvement of efficiency and energy performance in production processes and the use of renewable energies, especially biomass.

ENERGY MANAGEMENT

ENERGY CONSUMPTION (GWH)



Source: Bioenergías Forestales SpA.
Note: Energy data correspond to all CMPC plants.

The energy consumption of its 46 plants is directly proportional to production. At CMPC, 85% corresponds to CMPC Celulosa, 6% to CMPC Biopackaging, and 9% to Softys.

Renewable energies account for 84% of the total energy consumed by operations, and this proportion is expected to continue to increase.

Despite the increase in energy consumption, CMPC has favorable energy efficiency indexes, due to the projects it carries out and the energy generation systems (SGEn, for its acronym in Spanish).

ENERGY CONSUMPTION BY TYPE OF SOURCE (GWH) IN 2020

Source	Type of fuel	Total
Renewable energy	Black liquor	22,378
	Biomass	5,180
	Electricity (purchased)	2,175
	Steam (purchased)	1,032
	Methanol	185
Non-renewable energy	LPG	128
	Natural Gas	3,156
	Oil #6	1,584
	Coal	1,064
	Diesel	47
Total		36,929

Source: Bioenergías Forestales SpA.

7 AFFORDABLE AND CLEAN ENERGY

Target: 7.2 - 7.3

*It should be noted that in 2020 **100%** of black liquor consumption corresponds to CMPC Celulosa.*

[15] Forest Sector SDG Roadmap, World Business Council for Sustainable Development, 2019.

ENERGY EFFICIENCY INITIATIVES

As a result of various energy efficiency (EE) projects and initiatives, the Company has achieved significant reductions in power, steam, natural gas, and liquefied petroleum gas (LPG), among other sources.

These initiatives include: shutdown of irrigation in wood yards, efficient use of compressed air, implementation of electrical controls, efficiency improvements in kiln dryers, optimization of the operation point of the effluent pump, efficient lighting by changing to LED technology, replacing motors with high-performance alternatives, improvement of the steam and condensate system, among other actions.

The energy efficiency initiatives implemented during 2020 reduced a total of 16.9 GWh. This is in addition to savings of 6,465 GWh and USD 83.8 million from 2013 to date in CMPC Celulosa, the business unit with the greatest energy impact.

Along with the above, **CMPC is working on a wind project in the town of El Almendro**, located on the border of the regions of Biobio and La Araucania, with a capacity of 120 MW, which has been under development since 2019. In 2020, technical and environmental studies began to be submitted to the SEIA in Chile and its schedule is planned until 2025.

Also, in November, the acquisition of NCRE attributes for consumption from the National Electricity System (SEN, for its acronym in Spanish) of all production plants in Chile, was tendered, a process that also incorporated power consumption for the year 2020. In this way, green attributes are purchased for approximately 1,100 GWh per year for the period 2020-2027, covering.



CMPC collaborators receiving The Energy Excellence Award granted by the Ministry of Energy of Chile.

In this way, 1,100 GWh per year are purchased for the period 2020-2027, acquiring 100% renewable electricity.

ELECTROMOBILITY

In 2020 the Company worked on the development of a roadmap for the year 2030 for the development of electromobility in CMPC. This was complemented with the acquisition of new electric cranes in different production facilities. To date, 105 electric forklifts are in operation.

ISO 50001:2018

https://www.guiaiso50001.cl

Energy Sustainability Agency

https://www.agenciase.org/

ENERGY MANAGEMENT SYSTEM

To achieve a systematic improvement in the energy performance of all its facilities, CMPC implements and maintains Energy Management Systems (SGEn).

The SGEn are based on the **ISO 50001:2018 standard** and are a set of standards, procedures, and actions that make it possible to efficiently manage energy in plants, optimizing its consumption, generating savings, and establishing performance indicators. This involves standardizing and clearly identifying the energy performance of each plant, its different types of fuels, and their significant uses.

Currently, CMPC has 18 plants certified under the latest version of the standard (2018) and 1 certified under its 2011 version and has medium-term plans to expand the coverage of the SGEn in the rest of the plants.

In summary:

- CMPC Celulosa certified its 4 Pulp mills and 6 Wood plants: Bucalemu, Mulchen, and Nacimiento sawmills, Remanufacturing in Coronel and Los Angeles, Plywood in Collipulli, Pulp in Laja, Santa Fe, Pacifico and Guiba, the latter in Brazil.
- CMPC Biopackaging certified 4 plants in Chile: Sack Kraft Chillan, Corrugados Cordillera, and Boxboard Maule and Valdivia.
- Softys certified 4 plants: Caieiras and Mogi (Brazil), Puente Alto and Talagante (Chile). The Zarate (Argentina), Altamira (Mexico), Cañete (Peru), and Gachancipa (Colombia) plants started the SGEn implementation process, while Santa Anita (Peru) and Pando (Uruguay) started a recertification process of their SGEn to the 2018 version.

Thus, in 2020, CMPC became the company in Chile with the largest number of plants certified in SGEn ISO 50001, reaching 15 plants, which puts it ahead of compliance with Law 21,305 on energy efficiency. At the same time, it completed 19 plants in total with certified SGEn among the countries of industrial operation.

This has allowed the company to make a significant contribution to savings in both purchased energy and greenhouse gas emissions.

This strong operational commitment has led CMPC to obtain the Energy Efficiency Seal (EE Seal), the highest recognition awarded by the **Ministry of Energy in Chile** and the **Energy Sustainability Agency.**

*CMPC has **7 Gold and 5 Silver seals of energy excellence** awarded at the beginning of 2020 by the Ministry of Energy of Chile.*



INTEGRATION OF THE BEST OPERATIONAL EXCELLENCE MODEL AND ENERGY MANAGEMENT SYSTEM

The BEST model considers three dimensions: performance system, management system, and mindsets and behaviors. In particular, the BEST Management System includes a direct link with the Energy Management System. In 2019-2020, it was defined to incorporate the experience of its Best change agents, to take energy performance improvement to a higher level, taking advantage of the resources already existing in the organization, without additional investment in infrastructure.

To implement the integration, the energy management teams were restructured by incorporating change agents. Also, based on BEST's causal analysis tools, significant non-conformities and deviations in energy performance were identified, which has allowed us to achieve significant benefits through cultural change by incorporating standardization methodologies, visual management, and problem solving in a disciplined and timely manner.

The overall energy savings achieved through Best integration is 64,338 MWh in 2020, equivalent to USD 885,041.

5.4.3 GHG emissions management
Carbon footprint

(305-1; 305-2; 305-3)

The carbon footprint measures the amount of greenhouse gas (GHG) emissions produced and released into the atmosphere directly or indirectly by an organization, product or activity, which is expressed in units of CO_2 equivalent (GHG Protocol).

GHG Protocol

https://ghgprotocol.org

CMPC measures its carbon footprint, including the gases carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) in the calculation. For its measurement, it uses the **GHG Protocol**, methodology, which defines three scopes: scope 1 (direct emissions), scope 2 (indirect emissions from energy purchases), and scope 3 (other indirect emissions in the supply chain).

Regarding emissions from corporate offices, a 48% decrease is identified in Scope 2, mainly due to teleworking within the framework of the Pandemic. The same happens in Scope 3, where a reduction of 54.6% of emissions is identified, mainly due to the decrease in corporate air travel.

EMISSIONS FROM CORPORATE OFFICES ($MtCO_2e$)

Category	2018	2019	2020
Scope 1	0.33	0.53	0.74
Scope 2	1.84	2.18	1.13
Scope 3	4.66	6.91	3.14
Total emissions	6.83	9.62	5.00

Source: Sustainability and Environmental Management.
Note 1: This year CMPC's Shanghai and Hamburg offices are included in the measurement.

Corporate emissions reduction goal

To identify progress toward the corporate goal, review section 5.2.1 of this chapter.
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CARBON FOOTPRINT OF INDUSTRIAL OPERATIONS

In the carbon footprint for CMPC's industrial operations, an advance of 21.2% is identified in 2020 towards the corporate emissions reduction goal, due to the purchase of green attributes for industrial operations in Chile. This implies new contracts for the supply of 100% non-conventional renewable electric power, reducing Scope 2 by 60.5%, which translates into mitigation of approximately 400 thousand tCO_2e, considering the emission factor of Chile's energy matrix.

EMISSIONS IN INDUSTRIAL OPERATIONS ($MtCO_2e$)

Category	2018	2019	2020
Scope 1	1,954	2,002	1,965
Scope 2	442	448	177
Scope 3	4,213	8,544	8,708
Total emissions	6,609	11,004	10,850

Source: Sustainability and Environmental Management.
Note: Due to the acquisition at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, they are retroactively included from the data for 2018 and 2019, so that they are comparable with 2020.

*Scope 3 represents **80.3%** of the carbon footprint of CMPC's industrial operations.*

In 2020, CMPC conducted an unprecedented Scope 3 study to analyze 15 categories established by the GHG Protocol.

This analysis involved adjusting the calculation for 2019 with the inclusion of the new categories, so the increase between 2018-2019 responds to the inclusion of these and not to a real increase in emissions.

As for 2019-2020, the 3% increase in this scope is due to increased production, sales, and purchase of inputs to have adequate stock during the pandemic due to uncertain supply conditions. This leads to an increase in the upstream and downstream transportation, end-of-life of sold products, and processing of sold products categories.

SCOPE 3

In 2020 CMPC conducted a study to measure the 15 categories of analysis recommended by the GHG Protocol for Scope 3. This study provided an overview of its emissions in this scope, ensuring that there are no relevant exclusions.

Of the new categories, the most relevant is category 10, processing of sold products. This corresponds to the emissions generated to process the intermediate products sold by CMPC to its clients, where these require fuel and energy to transform them into final products. This is the case of pulp, boxboard, corrugated cardboard, and logs.

Another relevant category corresponds to category 12, end-of-life of sold products, i.e. the emissions generated to treat the final products sold by CMPC once they have been discarded. For example, the emissions generated by Softys products when they end up in landfills during their decomposition or the emissions generated to recycle paper products, among the diversity of treatments that products receive at the end of their life.

SCOPE 3 CATEGORIES RECOMMENDED BY THE GHG PROTOCOL

Category	$MtCO_2e$	% of scope 3
1. Purchased goods and services	1,451	16.66%
2. Capital goods*	287	3.29%
3. Fuel- and energy-related activities	393	4.52%
4. Upstream transportation and distribution	1,291	14.83%
5. Waste generated in operations	57	0.65%
6. Business travel	0.53	0.01%
7. Employee commuting	18	0.21%
8. Upstream leased assets*	Not relevant	Not relevant
9. Downstream transportation and distribution	1,299	14.91%
10. Processing of sold products*	2,104	24.16%
11. Use of sold products*	0	0.00%
12. End-of-life treatment of sold products*	1,808	20.76%
13. Downstream leased assets*	Not relevant	Not relevant
14. Franchises*	N/A	N/A
15. Investments*	N/A	N/A
Total	**8,708**	**100%**

Source: Sustainability and Environmental Management.
Note 1: (*) correspond to the new categories included in the scope 3 analysis.
Note 2: "Not applicable" categories: 14 (Franchises) as CMPC does not have franchises, and 15 (Investments) as CMPC does not have financial interests in other companies.
Note 3: Not relevant" categories: 8 (Upstream leased assets) and 13 (Downstream leased assets), since an estimate was made and they represent less than 1% of emissions, and asset leasing is not part of CMPC's business model.
Note 4: Category 11 (Use of sold products) corresponds to zero since the products sold to end clients do not generate emissions in their use phase, as they do not require the burning of fuels or electricity to be used.

OTHER ATMOSPHERIC EMISSIONS

(305-7)

Regarding the emission of pollutants into the air and their limits for each source, CMPC is governed by the regulations in force in each country of operation.

OTHER AIR EMISSIONS (TONS)

Gases	2018	2019	2020
Nitrogen oxides (NO_x)	8,235	8,743	9,177
Sulfur dioxide (SO_2)	1,508	2,248	1,915
Particulate matter (PM)	1,556	1,236	1,672

Source: Sustainability and Environmental Management.
Note 1: The 2019 values for Sack Kraft Peru and Embalajes Tiltil were corrected. In Guaiba, the 2019 parameters were modified since its coal-fired boiler was not considered.

OTHER EMISSIONS TO AIR BY BUSINESS UNIT (TONS)



Source: Sustainability and Environmental Management.
Note 1: The plants included in this calculation correspond to CMPC Celulosa: Guaiba, Santa Fe, Pacifico, Nacimiento, Mulchen and Collipulli; in CMPC Biopackaging to Sack Kraft Argentina, Sack Kraft Chile, Sack Kraft Peru, Boxboard Valdivia, Boxboard Maule, Embalajes Buin, Embalajes Tiltil, Embalajes Osorno y Papeles; and in Softys: Zarate, Naschel, Mogi, Talagante, Puente Alto, Altamira, Garcia, Cañete, Pando and Sepac.
Note 2: The remaining plants do not have fixed sources, so they do not measure emissions, except for Sack Kraft Mexico, which does not carry out this measurement because by legislation and given its process and fuel consumption, it does not apply; Panamericana, Recife and Softys Guaiba do not monitor these emissions by legislation, while the Cali plant does not measure emissions given its process.

The increase in NO_x in 2020 is mainly explained in Softys, due to the incorporation of Sepac and the operation of paper machine 4 in Softys Argentina at the Zarate plant.

At CMPC Biopackaging, the Boxboard Maule and Valdivia plants had higher use of fuel oil by the backup boilers to meet energy demand, which also led to an increase in NO_x and PM pollutant emissions.
- In the case of **Maule** it began to operate with this fuel because there was an increase in the demand for steam, for which it began to use fuel oil backup boilers to satisfy it.
- On the other hand, in the case of **Valdivia** the biomass boiler failed and to meet the energy demand, fuel oil backup boilers were also used.

The decrease in SO_2 is mainly due to the fact that Softys at its Pando plant in Uruguay stopped operating one of the paper machines, starting in September, and therefore stopped operating the machine's hood, which was one of the main sources of SO_2 emissions.

Also, the emission of this pollutant at CMPC Celulosa Laja plant depends on the conditions for burning complementary fuels to biomass. Methanol is used for a maximum of 20% of the boiler's operating time, which increases the emission of this pollutant, while the rest of the time the machine operates on biomass and therefore SO_2 production decreases.

This contributed to the decrease in SO_2 that was presented at the overall CMPC level from 2019 to 2020.
The increase in PM is due to the use of the Softys Uruguay biomass boiler, and the incorporation of Sepac contributes to the increase of this.

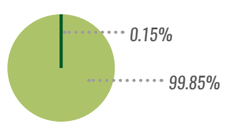
Guiaba also contributed to this increase because of problems in the electrostatic precipitators of recovery boiler 1, which caused an increase in emissions. The Laja plant had an increase in PM emissions due to a decrease in the capture capacity of a precipitator, which was solved during a plant shutdown.

5.4.4 Waste management MAT
Take-back and recovery of materials

(306-1, 306-2, 306-3, 306-4, 306-5)

*99,8% of the waste generated in CMPC's operations is **non-hazardous waste**. All waste generated is **regulated according to the regulations of each country.** However, they require different treatments depending on the type and material.*

WASTE



Source: Sustainability and Environmental Management.

WASTE (TONS)

Type of waste	2018	2019	2020
Hazardous	3,638	3,424	3,765
Non-hazardous	2,302,513	2,396,819	2,407,682
Total	**2,306,151**	**2,400,243**	**2,411,447**

Source: Sustainability and Environmental Management.
Note: Due to the incorporation at the end of 2019 of the Sepac plants in Brazil and Panamericana in Peru, the waste data is adjusted retroactively from 2018 and 2019 to be comparable.

Non-hazardous waste variations from previous years are partly explained by the pandemic, since due to the lower availability of recycled fiber, a greater amount of cellulose is used, and therefore the generation of waste is lower.

WE WILL BE A ZERO WASTE COMPANY at final disposal by 2025

PERFORMANCE GOAL ZERO WASTE

	Baseline 2018	2019	2020	Goal 2025
Performance (t)	714,299.0	622,245.0	509,843.0	Zero (-100%)
Annual variation (t)		-92,054.0	-204,456.0	-714,299.0
% progress to goal		12.9%	28.6%	100%

Source: Sustainability and Environmental Management.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target:
12.4 – 12.5

CMPC is committed to waste reduction, expressed in its corporate goal of zero non-hazardous waste to final disposal. Therefore, it focuses its management on the recovery of these wastes, preventing them from ending up in landfills.

NON-HAZARDOUS WASTE TREATMENT METHOD (TONS)

	Treatment method	2018	2019	2020
Recovery	Reuse	797	9,796	16,055
	Recycling	190,227	162,073	160,909
	Composting and biological degradation	549,399	636,091	727,661
	Energy recovery	847,791	966,613	993,215
	Subtotal	1,588,214	1,774,573	1,897,839
Disposal	**Final disposal**	**714,299**	**622,245**	**509,843**
	Total	**2,302,513**	**2,396,819**	**2,407,682**

Source: Sustainability and Environmental Management.
Note: Due to the incorporation at the end of 2019 of the Sepac plant in Brazil and the Panamericana plant in Peru, the data is corrected retrospectively. Sepac generates on average 36,300 t annually.

WASTE TREATMENT METHOD (TONS)



Source: Sustainability and Environmental Management.

During 2020, progress was made in waste recovery at CMPC Celulosa Laja plant; at CMPC Biopackaging plants, for the Clean Production Agreement (CPA) certifications in Chile; and at Softys Colombia's Gachancipa and Santander plants.

CMPC Celulosa has implemented a plan to reduce solid waste to final disposal, based on the use of by-products from the operation for the improvement of agricultural and forest soils, or for energy use. Significant progress has been made, mainly at the Pacifico and Laja plants (Chile).

On the other hand, the Santa Fe plant (Chile) had an increase in waste to final disposal, during certain months, due to shutdowns of the biomass boiler preventing the incineration of sludge from the process. Even so, the plant generated similar amounts of waste as in 2019.

The reduction in solid waste at CMPC Biopackaging is mainly due to an improvement in the efficiency of Corrugados Cordillera's paper machine and changes in the configuration of its boilers. On the other hand, Boxboard Valdivia prioritized recovery destinations (sludge from the effluent treatment plant and wood waste from defibrators), in addition to the reduction of biomass ashes as a result of changes in the configuration of the boilers and the contingency of the biomass boiler.

At Softys, the Altamira (Mexico), Santa Anita (Peru), and Zarate (Argentina) plants, the decrease in waste was mainly due to an increase in the use of cellulose - replacing recycled fibers - and production shutdowns.

PROJECTS CONTRIBUTING TO THE COMMITMENT TO WASTE MANAGEMENT

GUAIBA PLANT

Of the total solid waste generated in pulp production, resulting from leftover materials such as wood fibers and hemicellulose, 99.8% is recycled. In total, 600 thousand tons of pulp production are generated annually, which are treated in the CMPC Circular Economy Hub and subsequently transformed into more than 15 new by-products, such as compost and organic fertilizers for soil, MDF wood sheets, raw material for cement production, shoe insoles, egg cartons, among others.

WASTE RECOVERY AT CMPC CELULOSA

CMPC Celulosa's strategy has been to recover its waste by selling it to third parties for use in agriculture (ash, dreg, lime sludge), to use coarse ash (sand) from the biomass boiler as a firebreak on forest land, and to burn the effluent sludge in the biomass boiler.

Its 2020 goal was to send less than 82,400 wet tons to the controlled disposal areas, a goal that was achieved by sending 70,145 wet tons. With this, **the Laja plant achieved 100% recovery of its solid by-products**; the Santa Fe plant, 94%; and the Pacifico plant, 65%, mainly due to the high humidity of dregs and lime sludge, which prevented them from being sent to third parties.

The total recovery of 85% in 2020 exceeded 76% in 2019, giving it high-quality uses. Among these stands out:
- Use of ash generated in plants as a source of nutrients in forest plantations.
- Sale to third parties of lime sludge, dregs, and gravel for the manufacture of soil improvers.
- Exchange of lime sludge between plants with and without bottlenecks for processing.

By 2021, it is expected to increase the use of by-products in its own forests.

CMPC Maderas generates wood product rejects, including wood bark from the chipping process (fines and chips), which is incinerated in the biomass boiler to generate steam and power.



Plant Santa Fe (Chile) chip collection, CMPC Celulosa.

CLEAN PRODUCTION AGREEMENTS (CPAS)

CPAs are voluntary agreements that aim to implement cleaner production through specific, auditable, and time-bound goals and actions. They correspond to a Chilean mechanism internationally validated by the UN as a National Mitigation Action.

For CMPC, the signed CPAs are management tools that, through their implementation, contribute to progress in achieving sustainability goals, improve plant management in environmental and operational efficiency aspects, and move towards a low-carbon economy. In particular, these CPAs have a strong focus on circular economy, which is a very relevant and priority issue to develop in the Company.

During 2020 CMPC was involved in four APLs through the participation of 12 plants and forest operations:

Zero waste to disposal	Coordinated by Acción Empresas (Companies' Action), it aims to reduce the amount of solid waste disposed of through circular economy practices.	• Sack Kraft Chile • Corrugados Molded Pulp
Ecolabeling of packaging	Coordinated by the Sociedad de Fomento Fabril, Sofofa (Manufacturing Promotional Association), its purpose is to implement an eco-label that differentiates products with recyclability properties and influences consumers' purchasing preferences, as well as their education and information.	• Softys Talagante • Softys Puente Alto **• Fibras (joins as a recoverer of post-consumer paper and cardboard waste, playing a fundamental role by issuing a document so that facilities adhering to this CPA can comply with the criteria and have access to the recyclability seal).**
Packaging industry on the road to circular economy	Coordinated by the Packaging Center (Cenem, for its acronym in Spanish), its objective is to incorporate environmental analysis and improvement tools throughout the packaging value chain to advance in the incorporation of circular economy principles.	• Fibras (Pudahuel branch) • Boxboard Valdivia • Sack Kraft Chile • Corrugados Buin, Tiltil y Osorno.
Sectoral diagnosis of the transition to a circular economy	This diagnosis, coordinated by Accion Empresas, is part of the ideation and concept phase of a CPA and its purpose is to guide the creation of strategies and actions for companies to begin a transition to the circular economy.	• Fibras (Pudahuel branch) • Boxboard Maule • Softys Talagante • Nacimiento Sawmill • Forestal Mininco (participated in the quantitative assessment, with an interview, to understand the origin of the materials manufactured by CMPC).

Note: Detailed information on the ecolabeling CPA can be found in the Softys 2020 Sustainability Report.

ZERO WASTE CERTIFICATION AT SOFTYS COLOMBIA

Softys was able to certify its Gachancipa and Santander plants with the zero waste seal, after an application and audit process with Basura Cero Global (Global Zero Waste), an organization that responds to the need to create a culture of responsible consumption in society and seek new alternatives for sustainable waste management.

This certification is a tool for the analysis and evaluation of life cycles and risk reduction, through standards aimed at strengthening integral waste management

Currently, **both plants are certified with the highest percentages in the methodology categories due to their waste recovery - Gachancipa, with 99.4%, and Santander de Quilichao, with 96.5% - managing to recover 34,256 tons of the 34,564 tons generated.**



Scrap yard storage, Softys Colombia.

USE OF SOFTYS' FIBROUS WASTE STREAMS IN PRODUCT MANUFACTURING

Newsprint fiber is one of the main inputs in the manufacture of molded pulp products.
Given its scarcity, a consequence of the increasing digitalization of mass media, the reduced availability of recycled fiber during the pandemic, the closure of offices and other institutions due to teleworking measures, the Molding area of CMPC Biopackaging has identified the use of residual alternative fibers to replace newsprint in its production recipes.

In this context, this team is working with Softys Chile's Talagante plant **to validate which waste from its paper production process can be used as a replacement for newsprint fiber, which generates a double benefit.**

To date, the tests have been successful. Recipes for egg and apple trays were validated and it is projected that starting in the second half of 2021, these fibers will begin to be used regularly.

5.4.5 Management of socio-environmental impacts MAT

(413-2)

CMPC submits its projects for assessment as appropriate, either through an Environmental Impact Statement (EIS) or Environmental Impact Assessment (EIA), before the Chilean Environmental Impact Assessment System (SEIA). This is to comply with current regulations on assessment, statement, and mitigation of socio-environmental impacts that a project may generate.

CMPC is currently developing four projects that will soon be submitted for environmental assessment.

Forestal Mininco	Conducted 418 consultations for neighboring forest operations, in which 4,276 respondents participated.
Modernization of the Los Angeles remanufacturing plant (CMPC Maderas)	Preparation of the EIS: generation of the Human Environment Baseline (2020). Primary information on the human groups present in the area of influence of the project was identified. The characterization was done through telephone interviews due to the pandemic.
Updating and production increase at the Mulchen plant (CMPC Maderas)	Preparation of the EIS: generation of the Human Environment Baseline (2020). The community near the area of influence was surveyed through in-person interviews.
Wind energy project (Bioenergías Forestales)	Preparation of the EIA: for the wind power infrastructure construction project for energy generation. In 2020, a Human Environment Baseline survey was conducted through in-person interviews of nearby communities. Early Citizen Participation (PACA, for its acronym in Spanish) will begin in 2021.
Liquid Waste Treatment Plant, Forsac Chillan	Preparation of the EIS: for the construction and operation of an industrial liquid waste treatment plant, coming from the washing rooms generated by the plant to ensure the quality of the water disposed of in the sewage system. The Human Environment Baseline survey served as an input to determine the area of influence of the project and to rule out significant impacts.

ODOR EMISSION MANAGEMENT

CMPC Celulosa plants are working to reduce the impact of odors resulting from the operation. During 2020, the Santa Fe plant focused its management on three fronts that allow it to have a robust strategy in the mitigation and reduction of odors evaluated as the concentration of pollutants at ground level:

1. Reduction of odor generation in situ by encapsulating and capturing diffuse emission sources, in addition to improvements in areas more susceptible to odor generation. Specifically, in the effluent area, odor perception was reduced by 80% compared to the previous year, and by 50% in the causticizing area.
2. Reinforcement of environmental monitoring with the installation of 15 “electronic noses” for the early warning of odors, installation of critical variable meters that allow predicting the rupture of seals/ventilations and with the implementation of a permanent environmental monitoring room.
3. Risk management and analysis tools, through continuous improvement methodologies and environmental risk assessment of operations, allowing the implementation of measures that enhance control and operational continuity.

In 2020, the Superintendency for the Environment (SMA for its acronym in Spanish) initiated a sanctioning procedure against the Santa Fe plant for two odor events.

COMPLIANCE PROGRAM

Given the above, the Company presented a Compliance Program, which was approved on September 24, 2020, whose objective is to comply with the environmental obligations, including those related to the need to take care of the effects generated by the violation. During the last part of 2020, the committed actions were implemented and the SMA was informed of the progress in implementing the actions and commitments through quarterly reports. The program will continue until July 2021, when its execution and achievement of goals will be evaluated.

The entire sanctioning procedure is public and the file can be reviewed on the web page of the National System of Environmental Compliance Information (SNIFA, for its acronym in Spanish), where access to the documents submitted by CMPC and the SMA can be obtained.



Production lines with molded pulp trays. *One of the CMPC Biopackaging products present in millions of homes.*

6. SUSTAINABILITY CULTURE

MATERIAL ISSUES MAT

- Ethics and compliance
- Green financing

SDG

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SUMMARY OF THIS CHAPTER:

- Compliance Strategy.
- Risk Management Program.
- Committed credit facility related to sustainability.
- Corporate tax approach.



BRIGADISTS CONDUCTING PREVENTIVE FORESTRY.

MANAGEMENT APPROACH TO MATERIAL ISSUES

(103-1, 103-2, 103-3)

WHY IS IT RELEVANT?

Material issues level 2

- Ethics and compliance MAT
- Green financing MAT

• Ethics, integrity, and compliance are key elements in the daily actions of its collaborators and are embodied in corporate values, policies, and conduct manuals.
• Its view of financing considers not only economic factors but also the concern for people and the environment, resulting in a way of doing business that is built and shaped as sustainable over time.
• Green financing is part of the management scope of Sustainability and Finance Management.
• Both material issues support a sustainable culture, which is at the core of the corporate purpose.

6.1

Ethics and Compliance MAT

Culture of integrity

***The culture of integrity must be part of the daily work of each of its employees**, who must always and at all times act in total consistency with its corporate values. This conduct is promoted through policies, training activities, communication, monitoring, and constant assessment, to outline the Company's seal.*

2009
- Creation of the reporting hotline
- Creation of a code of ethics

2011
- Training on free competition

2013
- Training on corruption issues

2016
- Reinforcement on corruption issues

2017
- Structural changes
- Creation of the Ethics and Compliance Committee
- Development of the Compliance diagnosis for CMPC

2018
- Creation of Compliance Management
- Design and approval of the Compliance Strategy for CMPC, with the advice of national and international experts.
- Design and implementation of the Integrity and Compliance Program whose objective is to articulate and systematize efforts in matters of prevention, detection, and response to acts or conducts contrary to the Company's values, its internal policies, and current laws.
- Approval by the Board of Directors of the integrity policy (corporate probity and free competition) applicable in all countries where the Company operates and has business relations.

2019
- Training and dissemination activities to all business units on compliance matters, with particular focus on the crime prevention model and free competition in the subsidiaries in Chile.
- Updating of the Crime Prevention Model according to the latest legal reforms.

2020
- Continue the implementation plan of the Integrity and Compliance Program, with particular emphasis on subsidiaries located abroad.
- Conducting training activities for all business units, both local and foreign, taking into account the particularities of each business and country.
- Introduction of improvements in the operation of the "CMPC Reporting Line" system.
- Continue the process of updating the Crime Prevention Model, particularly regarding the assessment of potential water contamination risks and their mitigating controls.

6.1.1 Compliance Strategy

(102-17, 206-1)

To promote a corporate culture based on ethics and integrity, the Company has a Compliance Strategy that translates into the design and implementation of the "Integrity and Compliance Program", which aims to articulate and systematize efforts in matters of prevention, detection and response to acts or conduct contrary to its values, internal policies, and current laws. This allows for effective management of its corporate culture, all to achieve maximum performance.

INTEGRITY & COMPLIANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target: 16.5

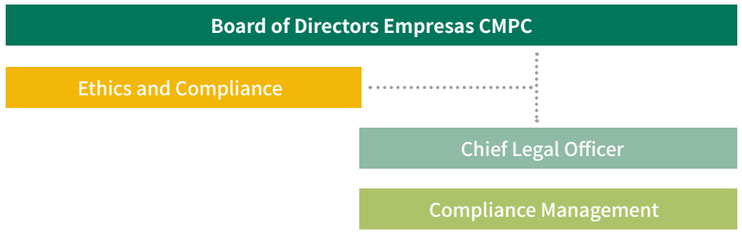
Corporate policies

https://www.cmpc.com/en/nosotros/gobierno-corporativo/

MAIN CORPORATE POLICIES

- Code of Ethics - Integrity Policy (Corporate Probity and Free Competition) -
Crime prevention model - Free Competition Manual
Corporate governance Handbook - Compendium of corporate governance policies and procedures -
Handbook on information handling – Regularity Policy

COMPLIANCE GOVERNANCE



COMPLIANCE MANAGEMENT (MPD, FOR ITS ACRONYM IN SPANISH)

The crime prevention model (MPD, for its acronym in Spanish) is one of the lines of action of the Integrity and Compliance Program, contributing to manage and monitor, through different control activities, the processes and conducts exposed to the crimes set forth in Chilean Law No. 20,393, which establishes criminal liability for legal entities. These crimes include money laundering, financing of terrorism, bribery of domestic or foreign public officials, receiving, incompatible negotiation, corruption between private parties, misappropriation, unfair administration, and water pollution.

ETHICS AND COMPLIANCE COMMITTEE

This body is made up of members of the Board of Directors and Senior Executives, responsible for supervising the implementation of the Compliance Strategy, as well as being aware of the internal investigation processes and deciding on the adoption of corrective measures, as appropriate.

Ethics and compliance committee

https://www.cmpc.com/en/nosotros/gobierno-corporativo/

CORPORATE LEGAL DEPARTMENT

This area, among other functions, provides support to employees in ethical and legal matters. **The responsibility for the Crime Prevention Model (MPD) lies with Rafael Cox Montt, CMPC's Chief Legal Officer,** who performs this function under the terms described in Chilean Law No. 20,393, with the support of the Compliance Management, headed by Carlos Villagrán Muñoz.

Learn more about the Committee in Chapter 7.
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REPORTING LINE

It is a tool developed and managed by CMPC that is available so that any person, ensuring confidentiality and anonymity (if desired), can report facts or conducts that constitute or may constitute a violation of the values and corporate policies or laws in force.

The investigation of claims is coordinated by the Corporate Legal Department, with a report to the Ethics and Compliance Committee. As established in the Integrity Policy, the Company does not take or tolerate retaliation against people who report in good faith.

Although a perception survey on the use and knowledge of the reporting line has not been carried out, **during 2020 the system and the role of employees were permanently disseminated through the different and multiple training activities carried out by the Compliance Management.** Compared to the previous year, there was a 76% increase in the number of claims received, a trend that has been sustained over the last few years, which shows that dissemination has had a positive impact.

Reporting line

https://lineadenuncia.cmpc.cl/Denuncias

NUMBER OF CLAIMS RECEIVED PER YEAR

	2018	2019	2020
Total No. of claims received	**151**	**202**	**356**
Anonymous	83	108	215
Not anonymous	69	94	141
Open (under investigation)	**0**	**0**	**13**
Closed	**151**	**202**	**343**
Not admissible (the subject matter does not correspond to the reporting line; insufficient background information to investigate).	85	110	213
Resolved (investigated)	66	92	130

Source: Compliance Management.
Note: Information as of December 31, 2020.

NUMBER OF CLAIMS RECEIVED BY CATEGORY IN 2020

	Total claims	No admissible	Admissible not proven	Admissible resolved
Workplace or sexual harassment	45	20	10	15
Affecting neighbors and/or communities	18	9	5	4
Conflict of interest / incompatible negotiation	39	24	4	11
Corruption	11	6	3	2
Damage to the environment / violation of environmental regulations	2	0	1	1
Discrimination / threats, mistreatment, violence or retaliation / inappropriate behavior	97	65	17	15
Fraud	37	20	7	10
Money laundering / financing of terrorism / receiving of stolen goods	2	2	0	0
Anti-competitive practices	6	3	3	0
Risk to health and/or safety	49	32	9	8
Misuse and/or unauthorized disclosure of confidential or privileged information	9	4	1	4
Other (not reporting line)	28	28	0	0
Total	343	213	60	70

Source: Compliance Management.
Note 1: A claim is considered "resolved" when all or part of the facts reported have been proven; or when irregular situations corresponding to other issues have been identified.
Note 2: The nature of the claims is selected by the complainant. During the investigative processes, it has been possible to identify claims that do not correspond to the chosen category.
Note 3: Information only considers claims closed as of December 31, 2020.
Note 4: Claims in the "other" category correspond to claims made through this channel that do not correspond to issues specific to the line. These issues are referred to the competent area.

205-1, 205-3

The two resolved claims related to corruption correspond to subsidiaries in Chile. In one of the cases, preferential treatment of a certain supplier was identified which, although not constituting corruption in the strict sense, did require corrective actions in processes and controls. In the other case, irregular conduct was identified and the Company adopted corrective measures that included, among others, the termination of employment contracts, improvements in procedures, and the initiation of legal actions for the competent authorities to investigate and eventually punish those who participated in these events.

INTEGRITY AND COMPLIANCE TRAINING AND EDUCATION

Active dissemination to collaborators is carried out through different actions that include, among others, the sending of internal corporate communications, the use of web platforms, the delivery of material and guides, classroom courses, e-learning, workshops, and talks.

Due to the coronavirus pandemic, the workshops - initially planned to be held in-person - were held virtually in all countries of operation and commercial presence. Evidence of all of them is obtained and stored, both of the activity carried out and of the contents delivered and collaborators attending.

Consistent with CMPC's Compliance Strategy, in 2020 we continued with the implementation plan of the Integrity and Compliance Program, with particular emphasis on the dissemination and training of its Integrity Policy (Corporate Probity and Free Competition) and its Crime Prevention Model (subsidiaries in Chile), which includes e-learning courses and virtual workshops. These activities considered both local and foreign subsidiaries, taking into account the particularities of each business and country.

The annual training plan considered two types of activities:

General training
E-learning courses presenting the Company's commitment in this area, the corporate guidelines, and the minimum rules of conduct that collaborators must observe. It is aimed at employees of the AD and E platforms.

Specific training
Practical workshops for exposed positions and risk areas where the contents are deepened with particular emphasis on their practical application.

Both types of activities include the delivery of the material used and practical support guides, in addition to the application of knowledge tests, assessment of the activity, and compliance statement. The training was conducted in three areas:

1. Crime Prevention Model (only for Chile)
An e-learning course for general training and 77 sessions of the practical workshop for specific training were carried out.

(205-2)

NUMBER OF EMPLOYEES TRAINED

	General training course		Specific training workshop	
	No. of attendees	%	No. of attendees	%
Employees undergoing training	2,336	100%	1,134	100%
Collaborators who passed	2,331	99.8%	985	87%
Pending collaborators	5	0.2%	149	13%

Source: Corporate Legal Department - Compliance Management.
Note 1: All pending collaborators of the e-learning course are justified.
Note 2: 114 pending collaborators of the workshop are justified.

2. Free competition

A general training e-learning course was conducted for all subsidiaries, 27 sessions of the general training workshop in Chile and 30 sessions in other CMPC subsidiaries.

NUMBER OF EMPLOYEES TRAINED

	General training course		Specific training workshop Chile		Specific training workshop in other subsidiaries	
	No. of attendees	%	No. of attendees	%	No. of attendees	%
Employees undergoing training	4,055	100%	555	100%	747	100%
Collaborators who passed	3,922	96.7%	532	96%	652	87%
Pending collaborators	133	3.3%	23	4%	95	13%

Source: Corporate Legal Department - Compliance Management.
Note 1: The e-learning general training course considers the AD-E platforms.
Note 2: 131 pending collaborators of the e-learning course are justified.
Note 3: 24 pending collaborators of the specific training workshops in Chile and other subsidiaries are justified.

3. Corporate Probity (anti-corruption)

73 sessions of the practical training workshop were held in all CMPC subsidiaries, except for Chile.

NUMBER OF EMPLOYEES TRAINED

	Specific training workshop	
	No. of attendees	%
Employees undergoing training	1,387	100%
Collaborators who passed	1,356	98%
Pending collaborators	31	2%

Source: Corporate Legal Department - Compliance Management.
Note: 9 pending collaborators of the workshop are justified.

The pending collaborators will be considered as a priority for the 2021 training plan.

6.1.2 Regulatory compliance

(307-1, 417-3, 419-1; CMPC 3)

During the last three years, CMPC has not incurred any fines related to free competition. However, in February 2020, the payment was made for the collusion case executed in January 2020.

Currently, there are no lawsuits or matters subject to arbitration. However, there are 11 ongoing sanction proceedings before different authorities in Chile.

Regulatory compliance

To know more details environmental compliance, check out chapter 5

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TYPES OF FINES BY AMOUNT (IN USD) AND PERCENTAGE

Type of fine	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Free competition	13,698,720	88.0%	0	-	0	-	16,392,197	93.0%
Tax	1,795,336	11.6%	327,046	99.2%	589,767	88.0%	1,184,979	6.7%
Environmental	-	-	-	-	57,871	8.6%	16,870	0.1%
Labor	-	-	-	-	23,746	3.5%	30,000	0.2%
Other	12,766	0.4%	25,993	0.8%	-	-	-	-
Total	**15,506,822**	**100%**	**353,039**	**100%**	**671,384**	**100%**	**17,624,046**	**100%**

Source: Corporate Legal Department.
Note 1: The fines reported are those paid during the period and which had an amount greater than USD 10 thousand. Fines of less than USD 10 thousand, in total, do not exceed USD 285,551.
Note 2: Tax fines were issued in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru. Tax and labor fines were issued in Chile.

SUPPLIER AND CLIENT COMPLIANCE

One of the relevant topics in the 2018 materiality study corresponds to the regulatory compliance of suppliers and contractors. CMPC, to identify material risks, present in the value chain, conducts periodic reviews of suppliers and clients through the use of a technological due diligence system which considers, among others, information on restrictive or sanction lists, information on criminal activity, and other risk factors. The above supplements the control and review activities that are carried out at the beginning of business relationships with such counterparties. All alerts are reviewed and managed according to the Company's internal regulations.



6.2

Risk management
Concrete plans and actions

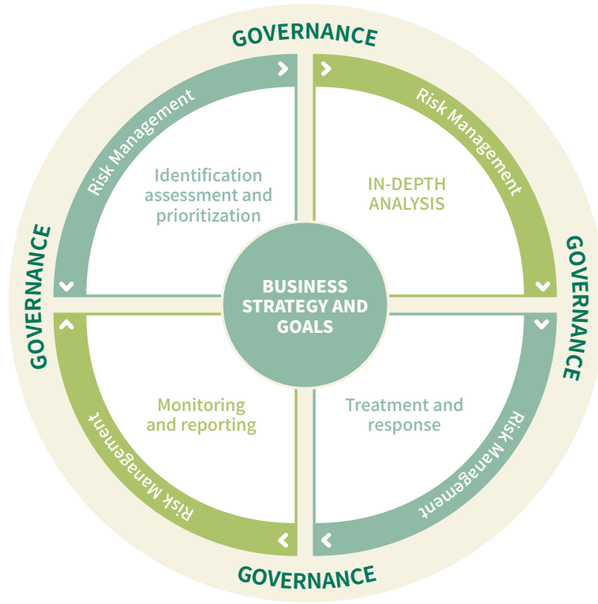
(102-15, 102-29, 102-30, 102-34)

*A sustainable culture implies **implies identifying, analyzing, and monitoring risks**, so that action and contingency plans can be generated to help anticipate, prevent or mitigate them.*

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 that may impact sustainability and are associated with the Company's material issues. Also, this model has a corporate risk policy and procedure, both applicable to all business units and their subsidiaries.

From a robust diagnosis based on a review of the environment and the industry, together with a series of interviews with all areas of the Company and other stakeholders, a prioritized list of risks was identified. In January 2020, the Board of Directors decided to accelerate the 20 that it deemed to be priorities.

CMPC's Risk Management Program keeps the business strategy and objectives at the core and has two fundamental pillars: governance and methodology.



CMPC'S RISK MANAGEMENT PROGRAM

Identification, assessment and prioritization

Risk identification is carried out at two levels:
1) Main risk level or macro-risk, which can be assimilated to a risk category and has the objective of prioritizing the main risks.
2) Specific risk level or risk event, for which a maximum loss scenario is established and has the objective of determining the residual risk level, the result of which is relevant information to determine treatment and response measures.

In-depth analysis

The in-depth analysis of the main risks makes it possible to identify specific risks. These are analyzed in detail, including their causes and consequences, to identify critical controls and measures - both preventive and mitigating - and the modeling of a maximum loss scenario, which is evaluated according to severity and probability levels. With this, the residual risk exposure is obtained, which gives a position on the heat map and becomes a key input in determining treatment and response measures.

Monitoring and reporting

Monitoring consists mainly of following up on indicators associated with risk management, which must be made visible at least to those accountable for and the owners.

Treatment and response

Treatment and response measures are applied to reduce the level of residual risk, using a prioritization scheme, and should consider risk and return criteria, together with risk appetite (amount of risk the Company is willing to assume to achieve its strategic goals).

To move towards better governance, during 2020, 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, together with performance indicators and 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 and 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.

NEXT STEPS

The risk program will focus 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.



***Launch of the CMPC** Central Brigade with visitors to the Santiago Forest Park, in Chile.*

6.2.1 Main risks

WHAT ARE EMERGING RISKS?

These are strategic risks for the organization, specific to the industry, whose effects may increase over the next three to five years and which have a potential for significant impact.

The risks marked with this color correspond to the emerging risks identified by CMPC.

STRATEGIC RISKS

Risks	Description	Potential impact	Management
Water availability for industrial processes	Water is a key strategic supply for the Company's industrial operations.	Climate change could have an impact on the availability of this resource due to a prolonged decrease in precipitation and a lower accumulation of water in the basins, which could lead to a situation of chronic drought.	CMPC develops diagnoses of the availability and evolution of water resources and studies new technologies and processes to reduce industrial water consumption in its operations. The Company has a specific goal to reduce water consumption in its industrial processes by 25% by 2025, which is monitored according to annual progress.
Wildfires	In recent years, the conditions for the emergence and spread of wildfires have increased.	This can directly impact forest plantations and thus affect the availability of fiber, neighboring communities or the environment.	The Company has annual wildfire prevention and firefighting plan to reduce the impact of forest fires. Each year the Company invests a significant budget in prevention, firefighting, and training. Community engagement plans are particularly relevant in this area, as they generate a virtuous association in terms of prevention and early detection.
Fiber availability	Lower rainfall can affect fiber availability since it is a fundamental climatic condition for plantation growth and yield. Other natural events that impact availability can be strong winds or pests. Additionally, fires and wood theft can affect fiber availability.	Depending on the intensity of these events, a loss of forest assets can be generated that could impact the availability of wood fiber for operations and sales.	The Company, through management and genetic improvements, has been able to increase plantation yields but is not free from risks due to significant changes in environmental conditions. Also, it implements permanent preventive actions against exogenous factors such as fire or wood theft. Some of these potential events have partial insurance coverage, with limitations on deductibles and maximum indemnifiable amounts, determined in accordance with historical losses and the established levels of prevention and protection.
Community engagement and social license to operate	Community engagement and social license to operate	The Company needs to maintain good relations with the communities. For this reason, it considers their deterioration to be a risk, due to a possible loss of the social license to operate.	Given these situations, CMPC has a community engagement policy that aims to contribute to the environmental and social sustainability of its surroundings based on three elements: outdoor life, education, and entrepreneurship, including support for local micro-enterprise initiatives, among other actions. The initiatives developed with the more than 385 communities of the Mapuche people in Chile also stand out.

Water availability

For more details on managing CMPC in water, see Chapter 5: Conserve.

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Wildfires

For more details on CMPC's work in preventing and fighting rural fires, check out Chapter 5: Conserve

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Fiber availability

For more details on CMPC's work on fiber availability, check out Chapter 5: Conserve.

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Community engagement

To know more details of community relations from CMPC, check out Chapter 4: Coexit.

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STRATEGIC RISKS

Risks	Description	Potential impact	Management
Geopolitical and economic conditions	Changes in political or economic conditions in the countries where CMPC has industrial operations could affect its financial results as well as the development of its business plan.	CMPC has operations in 11 countries. Those located in Chile account for 57% of total assets and 51% of sales. Operations in Brazil account for approximately 31% of CMPC's total assets.	The Company periodically analyzes changes in economic and political conditions that could affect it, establishing action plans to address new conditions.
Positioning of the forest industry	The company identifies the risk of not positioning the importance of the forest, the use of biofuels, and the generation of bioproducts in society, as well as the opportunities to develop a better positioning with respect to the current condition.	This can impact society's perception of the industry, including consumer perception.	The maintenance of sustainable forest management certifications helps to manage this risk, which should be accompanied by communication campaigns that help to convey the benefits of forests for the environment, such as their role in carbon sequestration or soil erosion control. Also, there is the importance of developing innovative products, derived from natural fiber, to replace alternatives such as plastic.
Acquisitions and investment projects	CMPC has an important investment plan and carries out projects that involve significant disbursements. Additionally, it bases its growth not only on organic growth, but also evaluates, and may carry out, acquisitions of businesses or companies.	All these investments have a risk of not being correctly evaluated or that the assumptions and scenarios considered in their evaluations do not occur as budgeted.	CMPC has defined an investment project evaluation methodology that identifies different levels of review and approval of projects and acquisitions.
Product innovation for the market	Generation of new ways of working, new products, and businesses in which CMPC is not present today, incorporating efficiency and effectiveness.	CMPC identifies as critical the risk associated with not innovating in relation to the competition, not anticipating market needs on time or the appearance of substitutes that offer a better or more sustainable alternative to its products.	CMPC identifies as critical the risk associated with not innovating in relation to the competition, not anticipating market needs on time or the appearance of substitutes that offer a better or more sustainable alternative to its products.
Knowledge and talent management	Part of the company's competitive advantages and its future prospects depend on knowledge management and talent retention and attraction.	CMPC identifies knowledge and talent management as fundamental and strategic. Its proper management not only avoids the risk of knowledge loss and the inability to retain or attract talent but also allows us to be proactive and capture the different associated opportunities.	The company is implementing a series of initiatives led by People Management to attract, retain and develop talent in the organization.

Certifications

For more details on CMPC's work on forest management certifications, check out Chapter 5: Conserve.

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Acquisitions and investment projects

For more details on investment projects, review section 6.3 of this chapter.

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Innovation

For more details on CMPC's work in innovation, check out the chapter 3: Create.

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Knowledge and talent management

To know more details Check out Chapter 4: Coexit

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STRATEGIC RISKS

Risks	Description	Potential impact	Management
Cyber risk	The use of technological solutions (software, hardware, and connectivity) that support different organizational and productive processes, coupled with constant attacks on private and governmental networks, means being more exposed to this risk.	If these risks materialize, they may have a significant impact on the continuity of operations, in addition to problems in the internal (employees) and external (suppliers) payment chain. On the other hand, it could affect relations with clients by not complying with their business requirements.	CMPC and its main IT service providers have contingency plans and have adopted measures to prevent or mitigate the impact of events such as interruptions, failures or non-compliance due to causes such as security breaches, computer viruses or cybersecurity attacks. Part of these plans and contingencies has been to reinforce and decentralize data centers and to have a 24/7 security operations center (SOC), among others. On the other hand, CMPC has been working with its collaborators to provide them with constant training to inform and reinforce how to act in the event of situations related to this risk.
Occupational accidents or diseases	Any situation that could imply a risk to the health and safety of CMPC employees, both direct and indirect, represents a very important concern for the Company and is therefore considered one of the main risks.	The health and safety of all collaborators is essential for CMPC. Accidents can cause irreparable damage to the health of workers, so it is an extremely important issue for the Company.	Of extreme importance are models focused on preventing accidents or diseases that could mean irreversible damage or a fatality. The Company has methods to identify situations or potential events that could result in accidents or diseases among collaborators and implements measures to prevent them, by occupational health and safety specialists in the different production plants and forest operations.
Industrial fires or explosions	In the operation of industrial plants, incidents related to fires and/or explosions could occur if operating parameters and/or safety measures are not managed.	If this risk materializes, it could have negative consequences for workers and the operational continuity of the damaged assets, generating shutdowns that affect production goals and the capacity to meet the needs of clients, in addition to unscheduled disbursements to attend to the emergency and repair assets, which could impact financial results. It could also affect the company's reputation, the environment, and the relationship with neighboring communities.	The Company must identify the causes and scenarios that may cause fires or explosions with high impact consequences, regardless of the probability of occurrence, analyzing and determining the critical preventive controls to eliminate or reduce them. The company has contracted insurance coverage through which a substantial part of the economic impact of this risk is transferred.

Occupational accidents or diseases

For more details on CMPC's management in health and safety, review Chapter 4: Coexit.

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STRATEGIC RISKS

Risks	Description	Potential impact	Management
Natural disasters and pandemics	Natural disasters and pandemics are events whose causes are not manageable by companies. Global warming should imply a greater frequency and/or intensity of acute natural events, and globalization could facilitate the spread of viral outbreaks, turning epidemics into pandemics.	If they materialize, they can have a significant impact on the continuity of operations, generating shutdowns, affecting production goals, and the ability to meet client needs. Also, they may force unscheduled maintenance and asset recovery expenditures, all of which may adversely affect CMPC's financial results.	The management of this risk is consequence-oriented, through controls and mitigating measures, including emergency plans to protect people, operational continuity plans to mitigate the effects on operations, and occupational health and safety plans to deal with possible epidemics or pandemics. The company has contracted insurance coverage through which a substantial part of the economic impact of this risk is transferred.
Environmental incidents	The operation of industrial plants could produce an environmental incident if the operating parameters go out of the established ranges.	The potential occurrence of environmental incidents or accidents can affect people and the environment, as well as implying possible sanctions, the shutdown of operations, and damage to the company's reputation.	CMPC continuously manages people, processes, and facilities to prevent the occurrence of environmental incidents and identify improvement opportunities. In turn, it has methods that, in the event of a possible occurrence of an event, make it possible to deal with an emergency situation in a timely and effective manner, and with processes to track the causes to their origin and implement corrective actions to minimize the impact. Also, CMPC's guidelines are aimed at ensuring the proper use and care of renewable natural resources: water, air, soil, and other components to prevent environmental impacts resulting from the operation. The company has contracted insurance coverage through which a substantial part of its civil and environmental liability risks are transferred.
Critical equipment failures	There are certain equipment that are essential for the production of the Company's goods, and if they fail, they could affect the operational continuity of industrial plants and thus compromise the supply of products to clients.	Under certain conditions, the failure of critical equipment could even affect the health and safety of workers and/or the environment. A critical equipment could fail due to causes associated with natural phenomena or other exogenous causes.	CMPC has planned maintenance standards and goals to avoid equipment obsolescence to manage the risk of failure. Additionally, the management of this risk considers the implementation of operational continuity plans to mitigate the impact if the risk materializes, whether due to endogenous or exogenous causes. The company has contracted insurance coverage through which a substantial part of its industrial risk is transferred.
Attacks on physical assets	In Chile, the occurrence of attacks against forest sites and other industries is a reality, mainly against physical assets, but also sometimes physically and/or psychologically affecting workers, both direct and contractors.	There is a risk that situations such as these may become more frequent and severe, even affecting operational continuity and supply to clients and people, but there is also the opportunity for exposure to this risk to decrease over time.	Companies are not responsible for combating attacks, however, to prevent and mitigate any damage to workers, direct and indirect, and to the Company's assets, the Company has conducted analyses to determine the risk profile of all industrial plants, facilities, and forest assets, and to maintain an updated register of their level of exposure. The company defines alert criteria to be monitored and safety measures that contribute to protecting people and assets. The company has contracted insurance coverage through which a substantial part of the economic impacts of this risk could be transferred.

Environmental incidents

For more details see the chapter 5: Conserve

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Ethics and compliance

For more details on investment projects, review section 6.1 of this chapter.

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STRATEGIC RISKS

Risks	Description	Potential impact	Management
Corruption and impact on free competition	These risks are associated with the Company's ability to comply with legal, regulatory, contractual obligations, and self-imposed standards.	Any situation that may affect compliance with anti-corruption or free competition protection laws is considered to be of high impact.	CMPC's corporate governance bodies periodically review its operating and management processes to ensure adequate compliance with applicable laws and regulations in each country of operation. A permanent work has been developed to implement actions aimed at strengthening control processes and systems to prevent the occurrence of acts of corruption, both internal and public, in addition to protecting free competition. As part of this constant concern, international best practices have been adopted and corporate governance structures have been modified to improve efficiency and deepen the efforts described above. Along with the existence of Board of Directors committees, which supervise the correct identification and mitigation of these risks, there are corporate areas with a high level of independence, which interact transversally in these processes to make the controls and preventive actions defined more effective.
Environmental regulatory changes	CMPC's operations are regulated by environmental standards in all countries where it operates and these standards may change over time affecting the Company's obligations.	Any future changes to environmental regulations may have an impact on the Company's operations, as they could imply modifying production processes or require new investments to comply with possible new regulations.	CMPC has been characterized by operating under a sustainable development framework in its business management, which has meant the voluntary adoption of compliance standards that are generally more demanding than those established in local legal regulations. This has allowed it to adapt and comply with changes in environmental legislation. In 2019, the Company announced medium and long-term sustainability goals. With these efforts, it seeks to contribute to the mitigation of the effects of climate change and anticipate regulatory environmental changes that could have adverse consequences on business and corporate finances, as well as to identify and take advantage of opportunities that may arise.

STRATEGIC RISKS

Risks	Description	Potential impact	Management
Commodity prices	A significant percentage of CMPC's sales come from products whose prices depend on the prevailing conditions in international markets, in which the Company has no significant influence or control over the factors that affect them. Among these factors are: fluctuations in world demand (mainly determined by the economic conditions of the main economies relevant to CMPC: China, America, and Europe); variations in the industry's installed capacity and actual production; inventory levels; the business strategies and competitive advantages of the major players in the forest industry; along with the availability of substitutes products and the stage in the life cycle of the products.	The impact of a possible decrease in pulp prices is partially offset by a reduction in the cost of more processed products, especially tissue and boxboard, which use pulp as a raw material.	CMPC benefits partially from business diversification and vertical integration of its operations, having some flexibility to manage its exposure to variations in pulp prices.
Exchange rate	CMPC is affected by fluctuations in foreign currencies.	Currency fluctuation risk is expressed as follows: 1) Revenues, costs, and expenses of the Company, which are directly or indirectly denominated in currencies other than the functional currency. 2) Exchange differences arising from a possible accounting mismatch between assets and liabilities denominated in currencies other than the functional currency of the respective subsidiary. 3) Provision for deferred taxes, mainly in Brazil, for those companies that use a functional currency other than the tax currency. On the other hand, it is estimated that revenues in U.S. dollars or indexed to this currency reach a percentage of approximately 59% of the Company's total sales. On the expenditure side, raw materials, materials, and spare parts required for production processes, as well as investments in property, plant, and equipment, are mostly denominated in dollars or indexed to that currency.	To mitigate currency-related risks, hedging transactions are carried out through derivatives to fix the exchange rates involved. At year-end 2020, a proportion of the estimated sales of paperboard and wood in Europe for 2021 was hedged in both euros and British pounds. Considering that CMPC's revenue structure is highly indexed to the U.S. dollar, liabilities have been incurred mainly in this currency. In the case of Softys' subsidiaries, since they receive revenues in local currency, part of their debt has been structured in the same currency, to reduce economic and accounting mismatches. Other mechanisms used to mitigate foreign exchange risk are: managing the currency denomination of the financial investment portfolio, the occasional contracting of short-term forward transactions, and, in some cases, subscribing to option structures subject to limits previously authorized by the Board of Directors, which, in any case, represent a very minor amount compared to the Company's total sales.

Commodity prices

For more details, check https://s23.q4cdn.com/927837516/files/doc_financials/quarterly/2020/q4/Earnings-Release-4Q20.pdf

Earnings Release

For more details, check https://s23.q4cdn.com/927837516/files/doc_financials/quarterly/2020/q4/Earnings-Release-4Q20.pdf

6.3 Green financing MAT
Sustainable economic performance

CMPC consolidates a sustainable culture that identifies, in addition to its ethical behavior, the search for financing that contributes to increasing its base of shareholders and investors interested in socially and environmentally conscious actions.

6.3.1 Committed credit facility related to sustainability

Target: 9.4

In line with CMPC's environmental sustainability goals, **in August 2020, CMPC closed a two-year, US$100 million sustainability-related committed credit facility or sustainability linked loan** (SLL, for its acronym in English), together with MUFG Bank, Sumitomo Mitsui Banking Corporation, Export Development Canada, and BNP Paribas acting as administrative agent and sustainability coordinator.

WHAT IS A SUSTAINABILITY LINKED LOAN (SLL)?

A sustainability-related committed credit facility or sustainability-linked loan, is any type of debt instrument that provides an incentive for the borrower to achieve ambitious sustainability performance goals. Sustainability performance is measured using pre-agreed performance indicators, which determine the pricing level of the instrument.
Unlike green financing, the use of SLL funds is not limited to environmental categories and is generally used for general corporate purposes.

This credit line is closely related to the sustainability goals announced in 2019, as the annual interest rate is adjusted according to the results of the four environmental goals.

6.3.2 Green bonds and loans

They are a type of financing whose funds are used exclusively to finance or refinance, in part or in full, projects with environmental benefits, whether new and/or existing, according to the International Capital Markets Association's green bond principles.

Through these, CMPC contributes to increasing its base of shareholders and investors interested in acting in a conscious, socially, and environmentally responsible manner.

GREEN BONDS AND LOANS IN RECENT YEARS

Issuance year	2017	2018	2019	
Country of issuance	USA	Peru	Chile	Japan
Type	Green bond	Green bond	Green bond	Green loan
Payment term	10 years	6 years	10 years	5 years
Amount in USD	500 million	30 million	93 million	100 million

Source: Investor Relations Management.

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 and biodiversity conservation in southern Chile, and the improvement of the effluent treatment plant in Caieiras, Brazil.

INVESTMENTS IN ENVIRONMENTAL PROJECTS (USD)

2017	2018	2019	2020
358,708,347	159,363,416	102,983,864	101,213,279

Source: Investor Relations Management.



Flora in the Cordillera Park in Santiago in Chile. One of the parks protected by the CMPC Central Brigade.

INVESTMENTS ASSOCIATED WITH GREEN FINANCING (USD)

Category	Actions	Cumulative investment prior to 2019	USD investment 2019	USD investment 2020	SDG to which it contributes
Sustainable forest management	• Sustainable forest management for eucalyptus and radiata pine plantations certified by FSC, CERTFOR (PEFC) or other equivalent certification. • Acquisition, planting, and maintenance of seedlings until harvest. • Development of hybrids without genetic manipulation to improve plantation productivity, while reducing water consumption and increasing CO_2 capture and sequestration.	-	68,473,944	75,694,454	13 CLIMATE ACTION; 15 LIFE ON LAND
Sustainable water management	• Reduction of water consumption in industrial processes. • Systems that facilitate water reuse in industrial processes. • Development and installation of technologies and systems that improve the quality of treated water. • Reduction of organic content and volume of effluents.	6,991,454	21,668,762	10,846,553	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Biodiversity preservation and forest conservation	• Restoration and conservation of existing native forests. • Protection and identification of threatened flora and fauna. • Preservation and restoration of High Conservation Value Areas (HCVAs).	-	679,900	2,055,539	15 LIFE ON LAND
Pollution prevention	• Liquid and solid waste prevention and control projects. • Gas capture and incineration in production facilities.	11,060,333	4,231,539	641,895	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy efficiency	• Projects that increase energy efficiency, such as those that replace land transportation of wood with more energy-efficient barges.	9,291,316	2,496,157	305,833	7 AFFORDABLE AN CLEAN ENERGY; 13 CLIMATE ACTION
Eco-efficient products or products adapted to the circular economy	• Projects for the development and introduction of sustainable products, with eco-label or environmental certification. • More efficient and sustainable packaging and transportation.	456,351	2,882,315	311,001	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Green buildings	• Energy-efficient buildings that meet international standards such as LEED (Leadership in Energy and Environmental Design) certification.	31,048,785	2,551,247	-	7 AFFORDABLE AN CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION
	Total	58,848,239	102,983,864	87,424,874	

6.4 Investment projects that contribute to sustainability

The following projects correspond to investments that CMPC will make in the coming years that contribute to sustainable development:

PROJECT	DESCRIPTION	INVESTMENT IN USD
Noise mitigation	Project under development at the Santa Fe plant in Chile, which aims to ensure an additional standard in the execution of the plant's operation within noise limits, for which a series of acoustic barriers will be installed at different points of the plant. **Implementation period:** 2020 - 2021.	16,400,000
Odor prevention	The project's goal is to eliminate -at the Santa Fe plant in Chile- eventual vulnerabilities in the collection and combustion system of odor generating gases (DNCG, CNCG, methanol). From a technical point of view, this project will improve burner technology, critical equipment backup, and improve gas circuit control logic. **Implementation period:** 2020 - 2023.	12,200,000
Improved dregs management[16]	The project's goal is to eliminate -at the Santa Fe plant in Chile- eventual vulnerabilities in the collection and combustion system of odor generating gases (DNCG, CNCG, methanol). From a technical point of view, this project will improve burner technology, critical equipment backup, and improve gas circuit control logic. **Implementation period:** 2020 - 2021.	5,300,000
Loto (lock out - tag out)	This project is transversal to Pulp's industrial units and aims to implement the LOTO methodology, which consists of blocking, labeling, testing, and verifying energy sources, including the neutralization of residual energy. These actions ensure correct de-energization of equipment before maintenance, which contributes to the health and safety of employees. **Implementation period:** 2020 - 2021.	1,300,000

[16]The unitary process of digestion of wood in the production of kraft pulp generates solid waste called dregs and grits. These are inorganic and are generated during the reagents' recovery to recirculate them to the process (Universidad de Concepción de Chile).

Additionally, it will develop other investments for the modernization of its plants, considering sustainability criteria.

PROJECT	DESCRIPTION	INVESTMENT IN USD
Purchasing and installation of 3 used sack lines	Purchase of 3 lines from Stora Enso for the production of paper sacks. The project includes the purchasing of equipment, installation in plants (Mexico, Peru, and Argentina), and subsequent technological improvements. The lines are expected to generate an increase in production of approximately 80 million sacks per year. **Implementation period:** 2020 - 2021.	19,500,000
New corrugator	Purchase and installation of a new 2.8-meter-wide corrugator to replace the current one at the Buin Norte plant in Chile. **Implementation period:** 2020 - 2022.	13,000,000
New high graphic converter	Purchase of a high graphics converting machine and installation in the Buin Norte plant in Chile. **Implementation period:** 2020 - 2022.	8,500,000
Modernization of Mulchen plant, Chile	The first stage of this project is expected to increase production capacity, lower fiber costs, and reduce energy costs by being more efficient. **Implementation period:** 2021.	5,500,000
Change of effects in evaporators	Improve the performance of the evaporator area of the Pacifico plant, through the replacement of critical equipment for this area. The project will be developed during a general shutdown of the plant. **Implementation period:** 2021.	5,100,000
Reman plant modernization Los Angeles, Chile	Increase finished product quality and improve production yield through the implementation of the Gesso System for defect correction. **Implementation period:** 2021.	4,800,000
New die-cutting converter	Purchase and installation of a new die-cutting converter at the Tiltil plant in Chile to increase converting capacity. The machine will be installed in the space currently occupied by a non-operational converter. **Implementation period:** 2021.	3,900,000
Upgrade corrugator	Modernization of the corrugator at the Tiltil plant in Chile, to replace equipment in the wet zone and other obsolete parts in the stacker. **Implementation period:** 2021.	3,400,000

In 2020, CMPC developed its own methodology to prioritize and rank investment projects with the most remarkable social and environmental impact. In this way, a score is assigned to each project according to its scope (social and environmental benefits, impacts, and opportunities), which can impact their evaluation and prioritization, from which a project is selected.

This model assigns 20% of the total evaluation to social and environmental aspects. This is a major milestone for CMPC since from this model projects are not only prioritized based on traditional financial indicators, but also incorporating their contribution to sustainability.

6.5 Financial results
Consolidated results analysis

Corporate business strategy

Review more details in Chapter 1: CMPC.
p.46

At CMPC, profitability is one of the focuses of the corporate business strategy. Not only from the point of view of quantitative growth but also from the point of view of productive, competitive, and efficient development that generates positive results with a clear focus on sustainability.

To this end, the Company makes the best use of its available resources and takes care of scarce resources to meet its strategic goals and maintain a social, economic, and environmental balance.

6.5.1 Consolidated results

CONSOLIDATED RESULTS IN MILLIONS OF USD

	2016	2017	2018	2019	2020
Sales to third parties	4,866	5,143	6,274	5,670	5,287
Ebitda	970	1,078	1,816	1,169	990
Income	-18	103	502	84	-27.7
Net debt	3,573	3,198	2,853	3,283	3,094
Free cash flow	39	384	341	-417	225

Source: Investor Relations Management.

FINANCIAL RATIOS

	2016	2017	2018	2019	2020
Net debt/ Ebitda	3.7x	3.0x	1.6x	2.81x	3.13x
Financial debt/ Tangible equity	0.53x	0.51x	0.47x	0.50x	0.53x
Liquidity ratio	2.47x	1.1x	2.17x	1.29x	1.16x
Net interest coverage	4.60x	4.98x	8.50x	6.09x	4.98x

Source: Investor Relations Management.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(201-1)

82.12% of income is used for operating costs

11.33% goes to collaborators' salaries and benefits payments

3.88% goes to investors

0.33% in community investment

Categories	2019		2020	
	Thousands of USD	%	Thousands of USD	%
Operating income	5,670,277	100.00%	5,286,927	99.81%
Financial income	20,703	0.37%	10,270	0.19%
Income from sales of non-current assets	243	0.00%	-	0.00%
Economic Value Generated	**5,670,277**	**100%**	**5,297,197**	**100%**
Operating costs	4,233,153	74.38%	4,053,540	82.12%
Salaries and employee benefits	591,225	10.39%	559,482	11.33%
Payments to capital providers	368,967	6.48%	191,616	3.88%
Payments to government	340,496	5.98%	114,953	2.33%
Community Investments *	14,322	0.25%	16,425	0.33%
Economic Value Distributed	**5,548,163**	**97%**	**4,936,016**	**93%**
Economic Value Retained	**143,060**	**3%**	**361,181**	**7%**

Source: Investor Relations Management.
Note: Community investment does not include corporate citizenship.

6.5.2 Tax payments

(207-1; 207-4)

The tax approach defines how companies balance compliance, business activities and ethical, social, and sustainable development expectations. It ensures consistent tax management across all operations and mitigates the risk of tax non-compliance.

To comply with local regulations, as well as Organization for Economic Cooperation and Development (OECD) regulations, CMPC is constantly facing increasingly continuous tax changes and reforms in each country of operation. The Company prepares for this by analyzing and identifying risks and opportunities.

TAX APPROACH

CMPC has a Tax Compliance Committee[17], a body that coordinates and monitors tax compliance throughout the Company, in addition to reviewing changes in current legislation and strategies to deal with them efficiently. It meets monthly and the Finance Manager participates.

As a multinational group, CMPC has a series of permanent audits. Thanks to this and to its corporate operating model, which allows it to reasonably ensure tax compliance, the number of judicial proceedings in tax cases has decreased.

Although tax payments are monitored at the corporate level, in each country the Company has the support of a tax advisor to file its taxes. In 2020, CMPC worked on a plan to close tax gaps.

TAX COMPLIANCE GOVERNANCE



CONSOLIDATED FINANCIAL INFORMATION IN THOUSANDS OF USD

	2018	2019	2020
Sales to third parties	6,274,472	5,670,277	5,286,927
Income before taxes	880,197	221,262	51,656
Income taxes paid during the year	-115,043	-340,496	-114,953
Taxes assessed	-361,195	-100,187	-114,483
Effective tax rate	43%	62%	154%
Rate reconciliation	-107,748	-62,315	-62,322

Source: Tax Department.
Note: This information is detailed in notes 14, 29, and 33 to the Financial Statements.

FINANCIAL INFORMATION BY COUNTRY IN THOUSANDS OF USD

	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	USA
Income	373,167	1,181,771	4,265,071	102,235	30,946	439,857	382,717	80,535	380,904
Operating profit	-21,538	184,618	-8,783	-1,166	-1,262	21,640	45,405	6,061	7,609
Taxes paid	-235	-42,593	-60,933	-219	0	-1,416	-6,780	-691	-2,086

Source: Tax Department.
Note: The total sum of income and operating profit by country does not correspond to the totals reported in the Financial Statements, since this chart shows the values before the elimination of transactions between related companies.

[17] The Tax Compliance Committee is currently in the process of transformation.

GREEN TAX

Since 2017, Chile's Law No. 20,780 on the green tax on emissions from fixed sources began to be applied. The law determines an annual tax benefit charge for air emissions of particulate matter (PM), nitrogen oxide (NOx), sulfur dioxide (SO_2), and carbon dioxide (CO_2), produced by facilities whose fixed sources, made up of boilers or turbines, individually or as a whole, add up to a power greater than or equal to 50 MWt.

In 2020 the Company paid an amount of USD 2,938,947, 20% less than in the previous period.

GREEN TAX (USD) (CMPC 4)

	2018	2019	2020
Amount paid in Chile	3,735,979	3,685,784	2,938,947

Source: Corporate Tax Department.
Note: The values correspond to cash flows.

Also, CMPC paid -in Mexico- an environmental tax of USD 1,166 for the use or exploitation of property in the public domain of the Nation as receiving bodies for wastewater discharges (articles 276 to 286-A of the LFD).



Energy cogeneration plant in Talagante, Softys Chile.

6.5.3 Summarized financial statements

SUMMARIZED STATEMENTS OF FINANCIAL POSITION

	Inversiones CMPC S.A. and Subsidiaries		CMPC Celulosa S.A. and Subsidiaries		CMPC Papeles S.A. and Subsidiaries		CMPC Tissue S.A. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Assets								
Current Assets	3,565,480	3,622,871	1,584,156	2,460,687	669,127	614,495	855,931	812,607
Property, Plant and Equipment	7,245,392	7,593,439	5,145,167	5,373,150	816,766	827,020	1,240,990	1,342,743
Non-current Biological Assets	3,041,699	3,041,258	3,041,699	3,041,258	-	-	-	-
Intangible assets and other	938,236	944,218	257,493	268,418	63,920	61,682	475,280	481,043
Non-current assets	11,225,327	11,578,915	8,444,359	8,682,826	880,686	889,528	1,716,270	1,825,522
Total de Assets	14,790,807	15,201,786	10,028,515	11,143,513	1,549,813	1,504,023	2,572,201	2,638,129
Liabilities and Shareholders' Equity								
Current liabilities	1,192,597	1,501,709	1,312,537	1,454,056	233,718	192,757	983,073	877,241
Non-current liabilities	5,666,753	5,294,787	3,121,039	3,706,757	247,696	266,420	532,391	743,535
Shareholders' Equity attributable to owners of the parent company	5,156,881	5,435,137	5,065,844	5,421,069	1,048,630	1,024,485	1,056,165	1,016,782
Non-controlling interests	2,774,576	2,970,153	529,095	561,631	19,769	20,361	572	571
Shareholders' equity	7,931,457	8,405,290	5,594,939	5,982,700	1,068,399	1,044,846	1,056,737	1,017,353
Total Shareholders' Equity and Liabilities	14,790,807	15,201,786	10,028,515	11,143,513	1,549,813	1,504,023	2,572,201	2,638,129

	Inmobiliaria Pinares SPA		CMPC Ventures SPA		CMPC Papeles Forestal S.A.		CMPC Papeles Tissue S.A.		Inversiones CMPC Cayman LTD. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Assets										
Current Assets	1,477	1,477	10,217	-	-	-	-	-	113	229
Property, Plant and Equipment	277	277	-	-	-	-	-	-	-	-
Non-current Biological Assets	-	-	-	-	-	-	-	-	-	-
Intangible assets and other	3,228	2,779	-	-	7,891	8,125	12,853	14,367	497,659	497,659
Non-current assets	3,505	3,056	-	-	7,891	8,125	12,853	14,367	497,659	497,659
Total de Assets	4,982	4,533	10,217	-	7,891	8,125	12,853	14,367	497,772	497,888
Liabilities and Shareholders' Equity										
Current liabilities	1,380	1,302	-	-	-	-	-	-	1,082	1,197
Non-current liabilities	1,654	1,616	-	-	-	-	-	-	-	-
Shareholders' Equity attributable to owners of the parent company	1,948	1,615	10,217	-	7,891	8,125	12,853	14,367	496,690	496,691
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Shareholders' equity	1,948	1,615	10,217	-	7,891	8,125	12,853	14,367	496,690	496,691
Total Shareholders' Equity and Liabilities	4,982	4,533	10,217	-	7,891	8,125	12,853	14,367	497,772	497,888

SUMMARIZED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Inversiones CMPC S.A. and Subsidiaries		CMPC Celulosa S.A. and Subsidiaries		CMPC Papeles S.A. and Subsidiaries		CMPC Tissue S.A. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Issued capital	399,272	399,272	1,883,299	1,883,299	274,840	274,840	1,480,404	1,298,046
Currency translation differences reserve	(1,020,694)	(786,218)	103	64	(13,590)	(13,590)	(407,441)	(133,134)
Reserve for cash flow hedges	8,100	24,748	35,215	35,798	2,877	3,375	269	788
Reserve for actuarial gains or losses on defined benefit plans	(24,538)	(25,110)	(2,695)	(2,607)	(4,345)	(4,202)	(11,777)	(11,838)
Other miscellaneous reserves	294,998	294,780	3,001,597	3,001,809	3,264	3,264	(3,451)	(3,277)
Retained earnings (losses)	5,499,743	5,527,665	148,325	502,706	785,584	760,798	(1,839)	(133,803)
Equity attributable to owners of the parent company	**5,156,881**	**5,435,137**	**5,065,844**	**5,421,069**	**1,048,630**	**1,024,485**	**1,056,165**	**1,016,782**
Non-controlling interests	2,774,576	2,970,153	529,095	561,631	19,769	20,361	572	571
Total equity	**7,931,457**	**8,405,290**	**5,594,939**	**5,982,700**	**1,068,399**	**1,044,846**	**1,056,737**	**1,017,353**

	Inmobiliaria Pinares SPA		CMPC Ventures SPA		CMPC Papeles Forestal S.A.		CMPC Papeles Tissue S.A.		Inversiones CMPC Cayman LTD. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
	1,558	1,558	10,217	-	8,518	8,518	16,100	16,100	574,265	574,265
	37	124	-	-	-	-	(2,241)	686	(36)	(36)
	-	-	-	-	-	-	(32)	(21)	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(1)	(3)	(494)	(139)	(46,933)	(46,933)
	353	(67)	-	-	(626)	(390)	(480)	(2,259)	(30,606)	(30,605)
	1,948	**1,615**	**10,217**	**-**	**7,891**	**8,125**	**12,853**	**14,367**	**496,690**	**496,691**
	-	-	-	-	-	-	-	-	-	-
	1,948	**1,615**	**10,217**	**-**	**7,891**	**8,125**	**12,853**	**14,367**	**496,690**	**496,691**

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

	Inversiones CMPC S.A. and Subsidiaries		CMPC Celulosa S.A. and Subsidiaries		CMPC Papeles S.A. and Subsidiaries		CMPC Tissue S.A. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Gross Profit	863,200	1,109,152	156,499	469,631	129,858	96,279	596,080	549,354
Other income (loss)	(771,229)	(837,401)	(186,599)	(252,671)	(93,006)	(91,299)	(496,076)	(551,290)
Profit (loss), Before Taxes	**91,971**	**271,751**	**(30,100)**	**216,960**	**36,852**	**4,980**	**100,004**	**(1,936)**
Income tax expense	(89,728)	(149,040)	(131,652)	(121,890)	(12,653)	(2,184)	45,995	(19,143)
Profit (Loss)	**2,243**	**122,711**	**(161,752)**	**95,070**	**24,199**	**2,796**	**145,999**	**(21,079)**
Profit (loss), attributable to owners of the controlling company	80,278	67,789	(146,004)	95,677	24,786	3,577	145,964	(21,113)
Profit (loss), attributable to non-controlling interests	(78,035)	54,922	(15,748)	(607)	(587)	(781)	35	34
Profit (Loss)	**2,243**	**122,711**	**(161,752)**	**95,070**	**24,199**	**2,796**	**145,999**	**(21,079)**
Comprehensive Income Statement								
Profit (loss)	2,243	122,711	(161,752)	95,070	24,199	2,796	145,999	(21,079)
Other comprehensive income (loss)	(250,840)	(105,414)	(844)	(4,131)	(641)	(2,996)	(206,553)	(9,628)
Comprehensive Income (Loss)	**(248,597)**	**17,297**	**(162,596)**	**90,939**	**23,558**	**(200)**	**(60,554)**	**(30,707)**
Comprehensive income (loss) attributable to owners of the parent company	(170,056)	(35,500)	(146,848)	91,546	24,145	581	(60,589)	(30,741)
Comprehensive income (loss) attributable to non-controlling interests	(78,541)	52,797	(15,748)	(607)	(587)	(781)	35	34
Comprehensive Income (Loss)	**(248,597)**	**17,297**	**(162,596)**	**90,939**	**23,558**	**(200)**	**(60,554)**	**(30,707)**

	Inmobiliaria Pinares SPA		CMPC Ventures SPA		CMPC Papeles Forestal S.A.		CMPC Papeles Tissue S.A.		Inversiones CMPC Cayman LTD. and Subsidiaries	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
-	-	-	-	-	-	-	-	-	-
374	126	-	-	(236)	(274)	1,779	(443)	(1)	(29)
374	**126**	**-**	**-**	**(236)**	**(274)**	**1,779**	**(443)**	**(1)**	**(29)**
46	(56)	-	-	-	-	-	-	-	-
420	**70**	**-**	**-**	**(236)**	**(274)**	**1,779**	**(443)**	**(1)**	**(29)**
420	70	-	-	(236)	(274)	1,779	(443)	(1)	(29)
-	-	-	-	-	-	-	-	-	-
420	**70**	**-**	**-**	**(236)**	**(274)**	**1,779**	**(443)**	**(1)**	**(29)**
420	70	-	-	(236)	(274)	1,779	(443)	(1)	(29)
(87)	(4)	-	-	2	1	(3,293)	(452)	-	-
333	**66**	**-**	**-**	**(234)**	**(273)**	**(1,514)**	**(895)**	**(1)**	**(29)**
333	66	-	-	(234)	(273)	(1,514)	(895)	(1)	(29)
-	-	-	-	-	-	-	-	-	-
333	**66**	**-**	**-**	**(234)**	**(273)**	**(1,514)**	**(895)**	**(1)**	**(29)**

SUMMARIZED STATEMENTS OF CASH FLOWS

	Inversiones CMPC S.A. and Subsidiaries		CMPC Celulosa S.A. and Subsidiaries		CMPC Papeles S.A. and Subsidiaries		CMPC Tissue S.A. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Net cash flows provided by (used in) operating activities	766,868	700,841	558,753	603,154	76,886	77,828	136,066	40,962
Net cash flows provided by (used in) investing activities	(137,612)	(746,967)	(317,888)	(302,950)	(103,388)	(63,662)	(63,596)	(408,324)
Net cash flows provided by (used in) financing activities	(357,067)	(299,445)	(269,362)	(266,936)	31,494	(13,003)	(37,735)	417,811
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	**272,189**	**(345,571)**	**(28,497)**	**33,268**	**4,992**	**1,163**	**34,735**	**50,449**
Effect of changes in the exchange rate on cash and cash equivalents	3,805	(6,898)	(3,058)	(8,024)	(752)	(322)	(7,243)	3,720
Cash and cash equivalents at the beginning of the period	615,033	967,502	44,681	19,437	6,854	6,013	106,418	52,249
Cash and cash equivalents at the end of the period	**891,027**	**615,033**	**13,126**	**44,681**	**11,094**	**6,854**	**133,910**	**106,418**

	Inmobiliaria Pinares SPA		CMPC Ventures SPA		CMPC Papeles Forestal S.A.		CMPC Papeles Tissue S.A.		Inversiones CMPC Cayman LTD. and Subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD	MUSD
Net cash flows provided by (used in) operating activities	(82)	(33)	-	-	-	-	-	-	(1)	(27)
Net cash flows provided by (used in) investing activities	20	1	-	-	-	-	-	-	-	-
Net cash flows provided by (used in) financing activities	62	38	-	-	-	-	-	-	(115)	-
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	**-**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**(116)**	**(27)**
Effect of changes in the exchange rate on cash and cash equivalents	-	(6)	-	-	-	-	-	-	-	1
Cash and cash equivalents at the beginning of the period	-	-	-	-	-	-	-	-	116	142
Cash and cash equivalents at the end of the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**116**

7. MANAGEMENT



CELEBRATION OF THE 100 YEARS OF CMPC.

CHAPTER HIGHLIGHTS:

- *CMPC has nine directors, two of whom are independent.*
- *It has five Board of Directors committees.*
- *12 Senior Executives.*
- *Six Committees of Senior Executives.*
- *At the end of 2020, it had 20,362 shareholders.*
- *Investor Relations.*
- *6th version of Investor Day.*

7.1

Board of Directors
Long-term permanent monitoring

(102-18)

*Since 2016, CMPC's Board of Directors has been composed of **nine Directors –two independent and seven related to the controlling company–** appointed by the Ordinary Shareholders' Meeting and who may be reelected in accordance with the provisions of Chilean Law No. 18,046 on Corporations.*

The Directors remain in office for three years, hold ordinary meetings once a month and extraordinary meetings when appropriate, as called in accordance with the law, applicable regulations, and the bylaws. **On April 26, 2019, the election of the Board of Directors was held, and the nine members who had held that position since the previous election were elected.**

An independent director does not have any of the ties or relationships with the controlling shareholder described in Article 50 Bis of Law No. 18,046 on Corporations.

HOW IS THE BOARD OF DIRECTORS NOMINATED AND SELECTED?

(102-24)

At CMPC, a Director may be any natural person who meets the requirements set forth in the bylaws:

1. That is a free administrator of its assets and is not included in any of the cases expressly indicated in Articles Nº 35 and Nº 36 of Chilean Law Nº 18,046.

2. Additionally, must own a minimum of 500 shares of the Company.

3. To be an independent director, the conditions set forth in Article 50 bis of Chilean Law No. 18,046 must also be met.

They are elected at the General Shareholders' Meeting, which seeks a combination of directors appointed by the controlling company and independent directors, whether or not they are appointed with the voting power of the controlling company.

The holders of shares registered in the Shareholders' Registry may participate in the election by exercising the right to speak and vote. This is provided that they have registered their shares five business days before the General Shareholders' Meeting.

At these meetings, the Chief Executive Officer makes available to the shareholders and the general public, at least two days in advance, the information of the persons applying for the position of directors, nominees, and independent directors, through CMPC's website.

WHAT IS THE ROLE OF THE BOARD OF DIRECTORS?

(102-25; 102-26; 102-31; 102-32)

The Board of Directors manages the company, being responsible for strategic planning, including the review, correction, validation, and monitoring of its execution, as well as the annual business plan, the budget, and the general management of the Company.

Also, the Board of Directors must:

- Outline the company's strategy
- Approve business goals
- Establish management policies
- Evaluating the performance of executives
- Defining the development or cessation of activities
- Decide on making relevant investments or divestments
- Monitor the Company's progress regarding the achievement of business, economic, social, and environmental objectives
- Maintain and study systems for talent selection and adequate succession of executive functions
- Approve the risk matrix, its policies, and its administration
- Review and approve the integrated report corresponding to each year of management
- Propose to the Shareholders' Meeting an independent auditing firm
- Development of internal audits through the Audit Committee.

According to Chilean Law No. 18,046 and its regulations, if a director has a conflict of interest by himself or as representative of another person in a specific agreement, act or contract, such agreement must be previously approved by the Directors' Committee, composed of independent directors. Only in the event of such authorization may the agreement be executed.

SUSTAINABILITY REVIEW OF THE BOARD OF DIRECTORS

(102-19; 102-20; 102-33; 102-34)

For the proper monitoring and management of environmental, social, and governance (ESG) issues, the Board of Directors appoints CMPC's Senior Executives, who follow up on these issues on an annual basis and report on their progress. The identification and management of ESG matters, in addition to the Company's critical concerns, are carried out through **three committees** –Sustainability Committee, Financial Risk Committee, and Ethics and Compliance Committee–, in which members of the Board of Directors, the Chief Executive Officer and the main executives of the areas related to these areas participate.

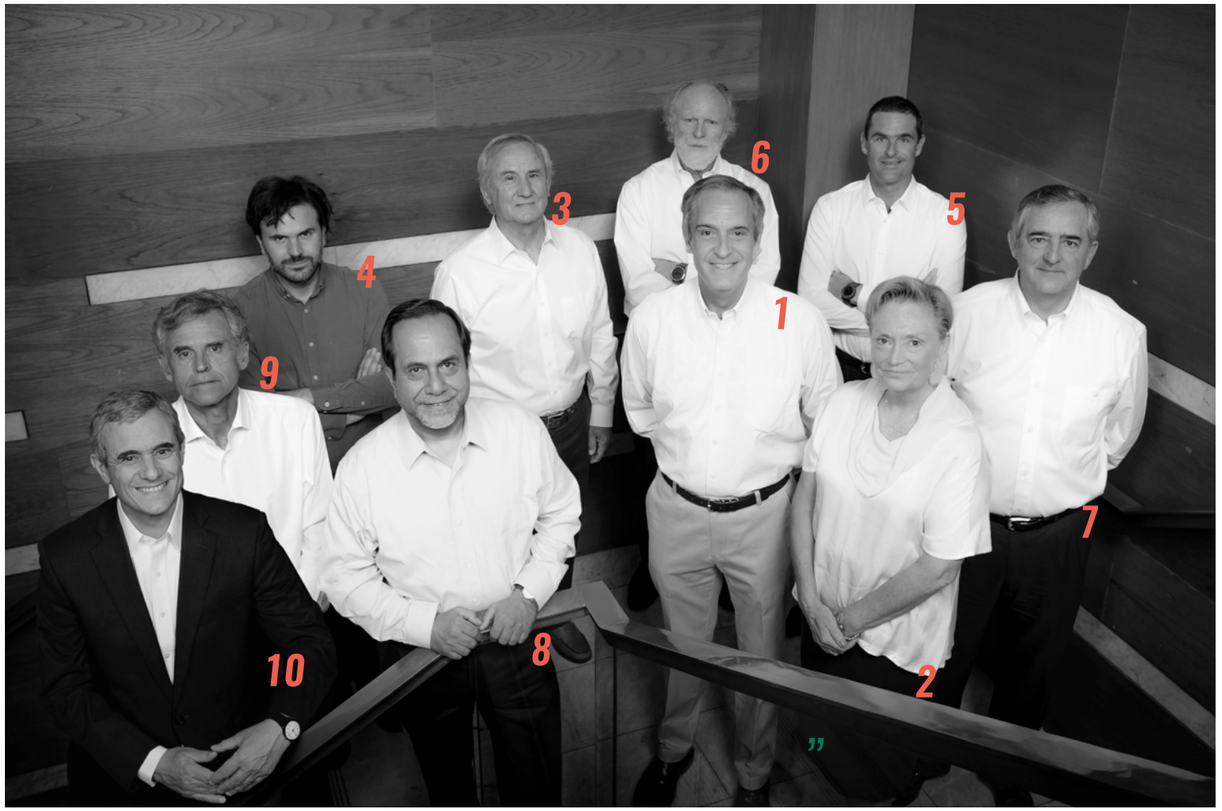
Committees

For more details on committees on ESG issues check here.

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MEMBERS OF THE BOARD OF DIRECTORS

(102-22; 102-23)



Biographies

https://ir.cmpc.com/English/sustainability-and-governance/corporate-governance/board-of-directors/default.aspx

*"We seek to **build a company capable of lasting for another hundred years and more**, which implies improving profitability, efficiencies, financial capabilities, attraction and retention of customers and consumers, adding talent and quality in our operations".*

***Francisco Ruiz-Tagle**, CEO CMPC (10)*

Luis Felipe Gazitúa A. 1

Chairman 2016
Business Administration, Universidad de Chile
Rut: 6.069.087-1
Also Chairman of CMPC Celulosa, CMPC Biopackaging and Softys. Chairman of Almendral S.A., Vice-Chairman of Entel S.A., Director of Minera Valparaiso S.A. and Elective Director of Sociedad de Fomento Fabril.

Vivianne Blanlot S. 2

Director 2016
Economist, Pontificia Universidad Católica de Chile
Rut: 6.964.638-7
From 1995 to 1997 Executive Director of the Conama, in 2000 she became Executive Secretary of the National Energy Commission (CNE for its acronym in Spanish) and Defense Minister between 2006-2007. Since 2007 she has been President of the Chilean Chapter of the Regional Commission for Energy Integration.

Rafael Fernández M. 3

Independent Director 2016
Industrial Civil Engineer, Pontificia Universidad Católica de Chile
Rut: 6.429.250-1
Between 2002 and 2006 was Director and Chief Executive Officer of Gas and Energy Businesses, Petrobras Energia-Argentina, chairman of Edesur, Transener, Transba, and TGS, among others. From 2006 to 2010 was Director of Petrobras Chile Petrolera Ltda. and Director of Enersis.

Jorge Larraín M. 4

Director 2016
Business Administration, Pontificia Universidad Católica de Chile
Rut: 10.031.620-K
He holds a master's degree in Sociology from the London School of Economics. Coordinator of public policies at the National Council for Culture and the Arts. Currently Director of CMPC Celulosa and Softys.

Jorge Matte C. 5

Director 2016
Business Administration, Universidad de los Andes
Rut: 14.169.037-K
Director of CMPC Celulosa, CMPC Biopackaging, Softys and Inversiones Portoseguro S.P.A., as well as Chairman of the Amulen Foundation.

Bernardo Matte L. 6

Director 1985
Business Administration, Universidad de Chile
Rut: 6.598.728-7
Chairman of the Board of Banco Bice S.A.. Director of Entel Chile S.A., Bicecorp S.A. and Compañía Industrial El Volcán S.A.. In addition, Director of Holding Forestal O'Higgins.

Jorge Marín C. 7

Independent Director 1996
Business Administration, IPEVE
Rut: 7.639.707-4
Vice Chairman of Detroit Chile S.A. and Director of Grupo Security S.A. and Banco Security S.A. Member of the Advisory Committee of Universidad del Desarrollo, Universidad de los Andes Business School and Centro de Estudios Públicos.

Ramiro Mendoza Z. 8

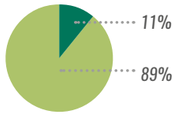
Director 2016
Lawyer, Universidad de Chile
Rut: 7.578.740-5
Member of the Master Program in Public Law program at Universidad Católica de Chile since 1992. Between 2007 and 2015 served as Comptroller General of the Republic of Chile. Since 2015 Dean of the School of Law of Universidad Adolfo Ibáñez. Also, member of the board of directors of the Centro de Estudios Públicos.

Pablo Turner G. 9

Director 2016
Business Administration, Pontificia Universidad Católica de Chile
Rut: 7.056.349-5
Former Chief Executive Officer of Falabella, Almacenes Paris and Viña San Pedro, between 2000 and 2007. Currently, Director of AD Retail, Director of Watts S.A., Moneda S.A. Administradora General de Fondos, Holding Gastronomía y Negocios, Grupo Interbank in Peru and the companies of the Intercorp Retail group in that country and Softys.

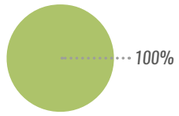
DIVERSITY ON THE BOARD OF DIRECTORS

GENDER



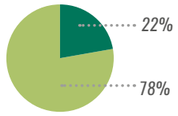
- Women
- Men

NACIONALITY



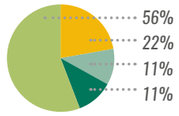
- Chileans

SENIORITY



- Between 3 y 6 years
- More than 12 years

AGE RANGE



- Under 40
- Between 41 and 50
- Between 51 and 60
- Between 61 and 70

OUR BOARD OF DIRECTORS COMMITTEES

Sustainability Committee

Learn more about the Committee of Sustainability at the board level in chapter 2. Creation of Value.

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DIRECTORS COMMITTEES

It performs its duties in accordance with the provisions of Article 50 Bis of Law No. 18,046 of Chile and those entrusted by the Board of Directors. It is responsible for reviewing background information on transactions with related parties; reviewing reports prepared by external and internal auditors; and reviewing employee compensation systems and plans, among other matters.

It meets at least three times a year with an external auditing company -without the presence of the CEO- to report any findings, relevant facts or adverse situations detected, among other functions.

MEMBERS:
• Vivianne Blanlot S. • Rafael Fernández M. (independent) • Jorge Marín C. (independent)

Ethics and Compliance Committee

This is an instance in which the Company's progress in matters of ethics and compliance with regulations and internal policies is monitored.

MEMBERS:
Luis Felipe Gazitúa A.
Ramiro Mendoza Z.
Francisco Ruiz-Tagle E.
Rafael Cox M.

Audit Committee

It supervises and coordinates actions aimed at identifying, reporting, and preventing risks inherent to the Company's business.
The committee meets monthly.

MEMBERS:
Luis Felipe Gazitúa A.
Vivianne Blanlot S.
Ramiro Mendoza Z.
Rafael Cox M.
María Inés Garrido S.

Financial Risk Committee

It analyzes the Company's risks in this area, with special attention to the contracting of derivatives and other financial operations.
The committee meets quarterly.

MEMBERS:
Luis Felipe Gazitúa A.
Bernardo Matte L.
Jorge Marín C.
Francisco Ruiz-Tagle E.
Ignacio Goldsack T.
An external advisor appointed by the Board of Directors

Sustainability Committee

Oversees the implementation of the Company's sustainability strategy in the economic, social, and environmental areas, and verifies effective compliance with the objectives and goals set.

MEMBERS:
Luis Felipe Gazitúa A.
Vivianne Blanlot S.
Bernardo Matte I. (member of the board of directors of the three business areas)
Francisco Ruiz-Tagle E.
Guillermo Turner O.
Nicolás Gordon A.

BOARD OF DIRECTORS MEETINGS ATTENDANCE

The compendium of corporate governance policies and procedures does not state a minimum attendance requirement for Board or Directors' Committee meetings. However, during 2020 **12 meetings were held, which were attended by 100% of all Directors**. Likewise **12 meetings of the Directors' Committee were held, which also had 100% attendance.**

Directors '100% attendance at board sessions and the Directors' Committee.

REMUNERATION OF THE BOARD OF DIRECTORS

(102-35; 102-36)

During 2020, the members of the Board of Directors received compensation consisting of the higher of the following amounts:

a) 1.5% of the interim and final dividends to be distributed out of fiscal year 2020 earnings, duly adjusted, divided equally for each Director; or
b) A fixed monthly remuneration at all events of 5 million Chilean pesos, which amount was imputed to the amount that each Director was entitled to receive.

As for the Chairman of the Board of Directors, he received double the amount ultimately paid to the directors. While the members of the Directors' Committee received a remuneration equivalent to 1/3 of that received by a Director.

REMUNERATION OF THE BOARD OF DIRECTORS (THOUSANDS OF USD)[18]

Name	2019	2020	2019 Directors' Committee	2020 Directors' Committee
Luis Felipe Gazitúa A.	660	150		
Vivianne Blanlot S.	330	75	110	25
Rafael Fernández M.	330	75	110	25
Jorge Larraín M.	330	75		
Jorge Matte C.	330	75		
Bernardo Matte L.	330	75		
Jorge Marín C.	330	75	110	25
Ramiro Mendoza Z.	330	75		
Pablo Turner G.	330	75		

In compliance with the final paragraph of Article 39 of the Chilean Corporations Law, it was reported that during 2020 the Board of Directors did not incur in other expenses, such as advisories, consultancies, and others.

Source: Corporate Legal Department.
Note: The differences between the amounts of remuneration to the Board of Directors and the expense indicated in the Financial Statements are due to the exchange rate since the remuneration is paid in Chilean pesos and not in US dollars.

BOARD OF DIRECTORS' EXPENSE AS OF DECEMBER 31 (THOUSANDS OF USD)

	2018	2019	2020
Board of Directors	997	3,375	756
Directors' Committee	100	399	75

Source: Corporate Legal Department.
Note: Expenses include the remuneration of the Board of Directors and other administrative expenses.

DIVIDENDS PER SHARE IN CLP PAID IN EACH YEAR

Year	CLP / Share
2016	10.00
2017	1.26
2018	31.00
2019	5.00
2020	5.50

Source: Public information, provided by the Stock Department.

The dividend policy proposed by the Board of Directors and approved at the 2020 Shareholders' Meeting, consisted of distributing as dividends 30% of the distributable net income for the year ended December 31, 2020, through the distribution of a final dividend payable on the date to be defined by the Shareholders' Meeting.

[18] The Board of Directors' allowance was approved at the Ordinary Shareholders' Meeting held on April 26, 2020.

TRAINING AND PERFORMANCE ASSESSMENT OF DIRECTORS

(102-27; 102-28)

Corporate Governance Policies and Procedures

https://www.cmpc.com/en/nosotros/gobierno-corporativo/documentos-y-politicas-corporativas/

The **Compendium of Corporate Governance Policies and Procedures** establishes guidelines - approved by the Board of Directors - for the implementation of good corporate practices. This document includes a procedure for continuous improvement of the Board of Directors, which monitors and assesses the performance of the highest corporate governance body.

Directors must annually complete a self-administered questionnaire that allows them to identify opportunities for improvement in each of their duties. The results are analyzed by the Board of Directors as a whole, to identify gaps and apply appropriate and timely corrective actions.

*At the beginning of 2020, CMPC's Board of Directors underwent an **annual self-assessment**, process regarding the performance of the previous fiscal year.*

BOARD OF DIRECTORS TRAINING

The Board of Directors receives training on the best corporate governance practices adopted by companies of a similar nature, as well as on advances in sustainability and risk management issues.

During the 2020 period, it was not possible to carry out these trainings because most of the Board of Directors' meetings were dedicated to following up on the sanitary crisis, the care and protection actions adopted for the collaborators, as well as the continuity of operations.

ACTIVITIES OF THE DIRECTORS' COMMITTEE

The Committee's activities are detailed in its Annual Management Report, which states the following:

The Committee reviewed the reports of the external auditors, the balance sheet, and other financial statements presented by the Company's management before the Board meetings at which the approval of such reports was discussed, giving its opinion thereon.

The Committee analyzed the Consolidated Statement of Financial Position of the Company and its affiliated companies as of December 31, 2019. Also, it reviewed the report on these financial statements prepared by KPMG, an External Audit Firm appointed by the shareholders for the fiscal year 2019, which did not present any observations. All of the above was reported at the Ordinary Shareholders' Meeting held on April 30, 2020.

The Committee also reviewed the consolidated interim financial statements of the Company and its subsidiaries as of March 31, 2020, June 30, 2020, and September 30, 2020, before the Board meetings at which these financial statements were reviewed and approved.

The Committee was also responsible for proposing to the Board of Directors names for the appointment of the External Auditing Firm and private risk classifiers. For this purpose, the Directors' Committee supervised the progress of the bidding process for both services for CMPC.

The Directors' Committee began the process of selecting the Company's external audit firm in January 2020. For this purpose, it invited bids from E&Y, KPMG, BDO, Deloitte, and PwC. The selection of external audit firms involved, among other activities, the presentation of proposals and getting to know the professional teams potentially involved. The evaluation process considered several criteria, among which we can mention the qualification and structure of the audit team; the total audit hours considered and their distribution by professional level category; the presence and knowledge of local realities; the work experience in the industry and large corporations; and the transition plan and experience of the firm in previous work with CMPC.

After conducting the corresponding analysis, the Committee considered that the most convenient proposals for the Company were those made by KPMG and EY, which stood out not only for their experience in the industry, in addition to the qualifications and experience of the proposed teams and the partners in charge, but also for their ability to provide a global service to CMPC due to their presence in all the countries where the Company operates. Therefore, the Directors' Committee agreed to propose these firms to the Board of Directors as options to be suggested to the shareholders, giving priority to KPMG, in consideration of the positive evaluation of its work and the convenience of continuing with the review process started in the previous year. The Board of Directors accepted the recommendation and presented these options to the shareholders, who elected KPMG as the External Audit Firm for the 2020 fiscal year at the Ordinary Shareholders' Meeting on April 30.

Regarding the monitoring of the work of the Company's external auditors, the Committee held meetings with the External Auditing Firm, which were held in March, July, August, and December 2020. The audit plan for the year was reviewed, including the scope of the annual services, the work team, the audit approach, the analysis of internal control, considerations on fraud risk factors, and the activity program of the audit plan for the year. Also, the key reporting dates and considerations regarding independence and compliance with Chilean law 20,382 were presented. Also, during the meetings described above, the progress of the audit and compliance with the plan presented were reviewed, as well as the internal control recommendations report prepared by the auditor.

The Committee also complied with its obligation to analyze and inform the Board of Directors regarding the convenience of hiring or not the External Auditing Firm appointed for the fiscal year, for the eventual rendering of services that are not part of said audit, provided that they are not prohibited in accordance with the provisions of Article 242 of Chilean Law No. 18,045, considering whether the nature of such services could generate a risk of loss of independence of the auditor in accordance with the aforementioned standards.

In the September meeting, the risk rating company Fitch Clasificadores de Riesgo made a presentation to the Committee, which reviewed the rating procedures of this company; the vision it has of CMPC and the rationale for granting the rating and the basis for the same. In the October meeting, a similar presentation was made to Humphreys Clasificadores de Riesgo, addressing the issues mentioned above, with a special focus on the Company's payment capacity, a fundamental element on which its rating is based.

Regarding transactions with related parties, at all the meetings held during the year, the Committee analyzed the transactions referred to in Title XVI of Law No. 18,046 of the Corporations Law.

With respect to the transactions of the subsidiaries of Empresas CMPC that are exempt because they are customary and ordinary to the Company's line of business, as established in the regularity policy approved by the Company's Board of Directors, the Committee took note of the approval and annual budget made by each of these subsidiaries, verifying that they comply with the defined parameters and recommending their approval to the Board of Directors. During the year, the aforementioned transactions were reviewed periodically by the Committee in accordance with the above mentioned annual budget.

Likewise, the Committee took notice of, verified, and recommended approval to the Board of Directors of all other related party transactions that were presented to them and were exempt from the ordinary approval procedure in accordance with the provisions of the aforementioned legal regulations.

Regarding transactions with related parties that must be submitted to the ordinary approval procedure established in the aforementioned Title XVI, the Committee reviewed and recommended the execution of the following transactions:

At the July meeting, management was authorized to make a binding offer in the process of selling forest land that was put out to bid as part of the liquidation process of the Cooperativa El Proboste, which was deemed to be in the company's best interest because the land has a good growth rate and contributes to Boxboard's Maule plant.

In the September meeting, it was approved to hire the executive search firm Digital Talent, specialized in the search of positions for digital areas, analytics and related topics, for the hiring of an executive of those characteristics for the innovation area, being convenient to the company's interest the experience of the consulting firm and the similar price to the market for this type of services.

In the October session, the contract with Entel was approved as part of the bidding process for the national data network platform service to connect CMPC's subsidiaries in Chile. Also, the contracting of this company was authorized for the certification service, issuance, and validation of electronic tax documents for all CMPC subsidiaries in Chile before the Chilean Internal Revenue Service. For both contracts, the economic offer presented by Entel was more convenient than that of the rest of the bidders and added to the quality of the service offered, founded the decision of the Committee to consider that the indicated contracting was beneficial for the social interest.

In the November meeting, the contracting of the company Efizity was reviewed and validated, for the rendering of advisory service in the review of the LPG consumption matrix in Chile, the search for efficiencies, and its possible optimization. Of the bids received from companies with similar experience, Efizity's was the most convenient, which, together with their knowledge of CMPC and the work they have done with them in the past, led the Committee to authorize their contract.

At the December meeting, a donation to the Sociedad de Instrucción Primaria was reviewed and approved, equivalent to the amount of 1 UF for each student effectively enrolled in that institution, which was reported to be equivalent to UF 21,785. A donation of UF 3,960 was also approved for the Centro de Estudios Públicos. Both donations were made within the framework of a commitment undertaken by the Board of Directors of CMPC several years ago, and it is considered beneficial to the company's social interest to support the work of these institutions, also considering the prestige of the beneficiary institutions.

Details of the transactions referred to in this report are presented in the Company's consolidated financial statements.

With respect to compensation and remuneration systems, the Committee reviewed the remuneration systems and compensation plans for the Company's managers, executives, and employees. In particular, during the March meeting, the Committee learned in detail about the plans, systems and changes in assessment, salary structure, talent attraction and development, which are being promoted by the Corporate People Management. In this instance, it reviewed the fundamental characteristics of the design of the variable remuneration system for executives and supervisors, whose objective is to achieve a greater alignment of personal objectives with those of the business, together with simplifying the current scheme and making it compatible with the performance assessment methodologies implemented by CMPC. The Committee analyzed and made recommendations on the aforementioned structures for their correct alignment with the Company's long-term objectives.

During the 2020 fiscal year, the Committee did not make any recommendations to the shareholders. The approved expense budget for the Committee of USD 100,000 was not used.



2020 MATERIAL FACTS

Material Facts

https://www.cmpc.com/en/publications/material-facts/

On 6 january, pursuant to the provisions of Article 9 and the second paragraph of Article 10 of the Securities Market Law, it is communicated as material information that the Company was notified of the judgment of the Supreme Court, by which the judgment of the Court of Defense of Free Competition of December 28, 2017, was partially reversed, providing that the subsidiary CMPC Tissue S. A. must pay a fine equivalent to 20,000 Annual Tax Units, in relation to the facts contained in the injunction that the National Economic Prosecutor's Office filed in October 2015, against it and SCA Chile S.A. for infringement of Article 3 letter a), of Decree Law 211 in the tissue business.

On 8 january, by virtue of the provisions of Articles 9 and 10 of the Securities Market Law and General Rule No. 30 of the Financial Market Commission, it is hereby notified as material information that Empresas CMPC S.A. has become a guarantor and joint and several codebtor of its subsidiary "Inversiones CMPC S.A." in connection with the issuance of a bond that the latter has made in the United States of America today.

The issue was made under Rule 144A, Regulation S, of the United States Securities Act of 1993, and amounted to USD 500 billion. The term of the bond is 10 years. The bond will pay a nominal interest rate of 3.85%. The effective placement rate is 3.87% per annum, with a spread over the 10-year U.S. Treasury bond of 2.00%. Interest is payable semiannually and the principal is amortized in one installment at maturity. J.P. Morgan Securities LLC, Scotia Capital (USA) Inc., MUFG Securities Americas Inc., and Santander Investment Securities Inc. acted as placement banks.

The proceeds will be used for general corporate purposes.

On 2 april, by virtue of the provisions of Article 9 and the second paragraph of Article 10 of the Securities Market Law, in accordance with the provisions of Article 63 of the Corporations Law and the instructions contained in General Rule No. 30, being duly authorized, hereby communicates to you the following as material information:

On the same date, the Board of Directors of Empresas CMPC S.A. (the "Company") adopted, among others, the following resolutions:

1. To call an Ordinary Shareholders' Meeting (the "Meeting"), to be held on April 30, 2020, at 1:00 p.m., at Calle Agustinas N° 1343, city and municipality of Santiago, Chile, to submit the following matters to the consideration of the Company's shareholders:
a. To decide on the Integrated Report, Annual Financial Statements, and Report of the External Auditing Firm, all corresponding to the fiscal year ended December 31, 2019;
b. To decide on the distribution of dividends;
c. Report on the resolutions of the Board of Directors related to the operations referred to in Title XVI of Law 18,046;
d. Appoint the External Auditing Firm and Risk Classifiers;
e. To determine the remuneration of the Board of Directors, together with the remuneration and budget of the Directors' Committee for the 2020 fiscal year;
f. To report policies and procedures on dividends; and
g. To hear and resolve on any other matter within the competence of the Ordinary Shareholders' Meeting, in accordance with the Law and the Company's Bylaws.

2. At the same meeting, the Board of Directors agreed to propose to the Ordinary Shareholders' Meeting the payment of a final dividend out of the distributable net income for the fiscal year ended December 31, 2019, in the amount of 5.5 Chilean pesos per share. The payment of this dividend, subject to the approval of the Shareholders' Meeting, will be made as of May 13, 2020. Shareholders registered in the Shareholders' Register at midnight on May 7, 2020, will be entitled to this dividend.

Pursuant to Article 76 of Law 18,046, I hereby inform you that the **Company's Consolidated Financial Statements** and the corresponding report of the External Auditing Firm are published on the Company's website.

Consolidated Financial Statements

https://s23.q4cdn.com/927837516/files/doc_financials/quarterly/2020/q4/Financial-Statements-CMPC-December-2020.pdf

Form of participation in the Board

Considering the situation caused by the "Covid-19" pandemic and because of the restrictions imposed to date by the national authorities regarding the movement of people and the holding of meetings, the Company's Board of Directors has determined to implement mechanisms that allow shareholders to attend and participate in the Meeting by remote means. Said mechanisms, which must comply with the requirements established by the applicable regulations, will be informed to the shareholders using the corresponding notices and letters of summons to the Meeting. If due to limitations imposed by the authorities or because the necessary technological means are not available, it is impossible to hold the Meeting in due and timely manner, the Meeting may be suspended, which will be duly informed.

On 30 april, in compliance with the provisions of Articles 9 and 10 of the Securities Market Law and Section II of General Rule No. 30 of this Commission, I hereby inform you as a Material Fact regarding Empresas CMPC S.A. that at the 101st Ordinary Shareholders' Meeting of this Company, held today, the following resolutions, among others, were adopted:

1. Approve the Balance Sheet, Financial Statements, and Integrated Report for 2019.

2. To distribute a final dividend No. 272, out of the Distributable Net Income for the fiscal year 2019, amounting to 5.5 (five point five Chilean pesos) per share, which will be paid as of May 13, 2020, to the holders of shares registered in the Shareholders' Register at midnight on May 7, 2020.

3. To take note of the dividend policy set by the Board of Directors for the fiscal year 2019, which consists of distributing 30% of the Distributable Net Income for the fiscal year ending December 31, 2020, through the distribution of a dividend, which must be agreed by the Ordinary Shareholders' Meeting that decides on these financial statements, payable on the date that said meeting designates.

4. To appoint the external auditing firm KPMG Auditores Consultores Limitada as the Company's auditors for the fiscal year 2020.

7.2

Senior Executives
The leadership of Empresas CMPC

Francisco Ruiz-Tagle Edwards

Chief Executive Officer | Age: 57| **Business Administration** | **Rut:** 7.052.877-0 | **Date of appointment:** 01/08/2018
He joined CMPC in 1991 and has served as Chief Executive Officer of Celulosa Pacifico, Chief Financial Operations Officer of Empresas CMPC, and Chief Executive Officer of Papelera del Plata. In 2007 he was appointed CEO of CMPC Productos de Papel, now merged with CMPC Biopackaging. In 2011, he was appointed Chief Executive Officer of CMPC Forestal, a position he held until January 2016 when he assumed as CEO in the merger period of the Forest/Pulp business units, until 2018 when he assumed as Chief Executive Officer of CMPC.

Raimundo Varela Labbé

CEO CMPC Celulosa
Age: 47 | Industrial Civil Engineer
Rut: 12.454.686-9
Date of appointment: 15/09/2020

Jorge Navarrete García

CEO CMPC Biopackaging
Age: 61 | Industrial Civil Engineer
Rut: 7.013.024-6
Date of appointment: 01/02/2020

Gonzalo Darraidou Díaz

CEO Softys
Age: 59 | Business Administration
Rut: 8.808.724-0
Date of appointment: 01/12/2015

Rafael Cox Montt

Chief Legal Officer
Age: 46| Lawyer
Rut: 12.797.047-5
Date of appointment: 01/01/2010

Ignacio Goldsack Trebilcock

Finance Manager
Age: 45 | Business Administration
Rut: 12.722.226-6
Date of appointment: 01/02/2016

Guillermo Turner Olea

Corporate Affairs Manager
Age: 50 | Journalist
Rut: 10.800.982-9
Date of appointment: 02/05/2016

José Antonio Correa García

Corporate Development Manager
Age: 40 | Business Administration
Rut: 13.882.533-7
Date of appointment: 01/12/2018

Rodrigo Hetz Pincheira[19]

Corporate People Manager
Age: 46 | Industrial Civil Engineer
Rut: 12.016.317-5
Date of appointment: 04/03/2019

Felipe Alcalde Arrau

Innovation Manager
Age: 36 | Lawyer
Rut: 15.644.559-2
Date of appointment: 04/03/2019

María Inés Garrido

Internal Audit Manager
Age: 57 | Business Administration | Rut: 9.277.163-6
Date of appointment: 01/02/2016

Sandra Riquelme Polanco

Environmental Manager
Age: 54 | Geographer | Rut: 10.407.913-K
Date of appointment: 18/01/2021

[19] On January 30, 2021, Mr. Rodrigo Hetz Pincheira, Corporate People Manager, passed away surprisingly and sadly.



***Executives of Empresas CMPC** in celebration of the 100 years of the Company.*

IN MEMORIAM

Rodrigo Hetz joined CMPC in March 2019 with the mission of creating the Corporate People Management and transforming the employee experience within the Company.

With 20 years of experience in business, strategy and human resources, his strength was working in multicultural and complex environments, which allowed him to lead internal changes, empowering the corporate area of CMPC and each of its business areas.

Industrial Engineer from the Universidad de Chile, with an MBA from the Haas School of Business at the University of California, Berkeley. He worked in many organizations such as Citigroup, Deloitte Consulting, McKinsey & Company, and Cencosud, where he led the people team for more than 7 years.

On January 30, 2021, Mr. Rodrigo Hetz passed away surprisingly and sadly. Through this integrated report, condolences are extended to his family, especially to his wife and children, and to the different work teams with whom he shared.

The Company recognizes and appreciates the commitment and work done by Rodrigo Hetz. The changes he made are the foundation for the transformation to a company of the future.

Executive Biographies

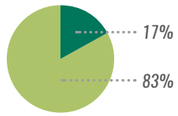
https://ir.cmpc.com/English/sustainability-and-governance/corporate-governance/senior-management/default.aspx



Francisco Ruiz-Tagle and Luis Felipe Gazitúa with firefighters from the Central Brigade in the Metropolitan Park of Santiago (Chile).

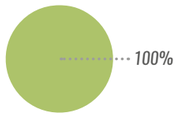
DIVERSITY IN SENIOR EXECUTIVES

GENDER



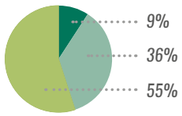
- Women
- Men

NACIONALITY



- Chileans

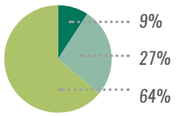
SENIORITY



Years

- Less than 3
- Between 9 and 12
- Between 3 and 6

AGE RANGE



- Under 50
- Over 61
- Between 51 and 60

EXECUTIVES' COMMITTEES

EXECUTIVES' COORDINATION COMMITTEE

This committee is held every month and the ten senior executives of CMPC participate. The main purpose of this committee is to act as a general coordination body among the senior executives.

Credit Committee	Tax Compliance Committee	Administration Committee	Strategic Risk Committee	IT Committee
It is carried out every week between the Finance Manager and the executives of the business area.	It is held every month and the Finance Manager participates.	The Finance Manager and the Administration Managers of each business unit (CMPC Celulosa, CMPC Biopackaging, and Softys) participate in this monthly meeting.	It is carried out every quarter and the ten CMPC Senior Executives and the Corporate Risk Manager participate.	It is carried out in May, August, and November to define and follow up on the technology and cybersecurity strategy. The Chairman of the Board, the Chief Executive Officer, the Finance Manager, and the Innovation Manager participate.

EXECUTIVES REMUNERATION

(102-35)

The Company has a **compensation policy**[20], which establishes compensation and incentives for the Chief Executive Officer and senior executives. This document is available on the website.

Also, an incentive plan is established for senior executives, based on the achievement of strategic goals and compliance with business profitability targets, consisting of an annual variable bonus and other annual incentives.

COMPENSATION OF KEY EXECUTIVES (THOUSANDS OF USD)

2018	2019	2020
4,893	5,835	6,687

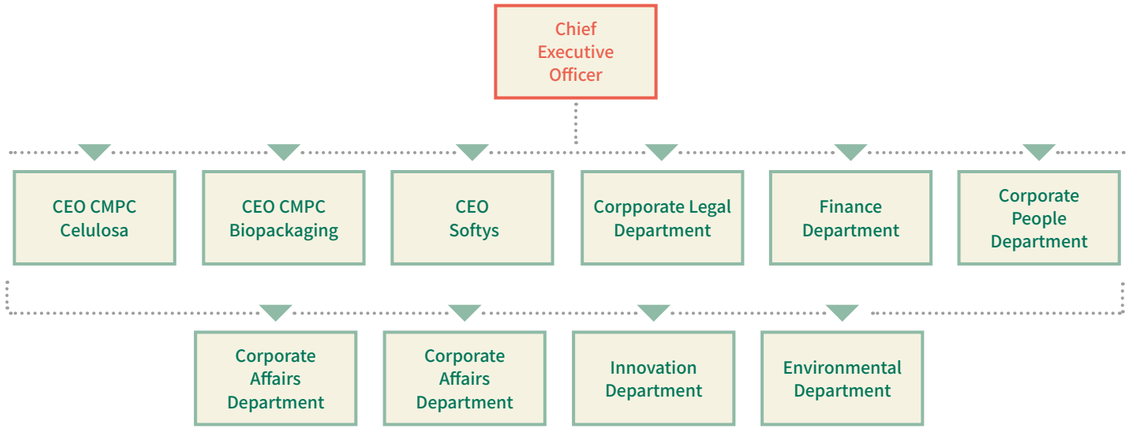
Source: Administration Department.

Compensation policy

https://www.cmpc.com/en/nosotros/gobierno-corporativo/

[20] The remuneration information of each of CMPC's executives is confidential.

ORGANIZATIONAL CHART



Note: In January 2021, Environmental Management was created under the direction of Sandra Riquelme.



Luis Felipe Gazitúa, Chairman of Empresas CMPC; Francisco Ruiz-Tagle, CEO of CMPC; *Marcelo Pacheco, Administrator Victoria Area Heritage y Augusto Robert, Public Affairs Manager and Environment (CMPC Celulosa) in the Lautaro community (Chile).*

7.3 Ownership structure

Shareholders and controllers

Control of the Company is exercised by virtue of control and joint action agreement formalized with respect to Forestal O'Higgins S.A. and other companies. It is expressly stated for the record that the aforementioned control and joint action agreement contemplates limitations on the free disposition of the shares. Behind the controller are the following members of the Larraín Matte, Matte Capdevila, and Matte Izquierdo families, in the form and proportions indicated below:

CMPC CONTROLLING FAMILY

Name	RUT	%
Patricia Matte Larraín and children	**4.333.299-6**	**6.49**
María Patricia Larraín Matte	9.000.338-0	2.56
María Magdalena Larraín Matte	6.376.977-0	2.56
Jorge Bernardo Larraín Matte	7.025.583-9	2.56
Jorge Gabriel Larraín Matte	10.031.620-K	2.56
Eliodoro Matte Larraín and children	**4.436.502-2**	**7.22**
Eliodoro Matte Capdevila	13.921.597-4	3.26
Jorge Matte Capdevila	14.169.037-K	3.26
María del Pilar Matte Capdevila	15.959.356-8	3.26
Bernardo Matte Larraín and children	**6.598.728-7**	**8.05**
Bernardo Matte Izquierdo	15.637.711-2	3.35
Sofía Matte Izquierdo	16.095.796-4	3.35
Francisco Matte Izquierdo	16.612.252-K	3.35

Note: The individuals identified above are related to the same corporate group.
Source: Register of Shareholders of Empresas CMPC.

*CMPC is a **publicly traded**, privately held corporation, which as of December 31, 2020, has 2,500,000,000 shares and 20,362 shareholders.*

CONTROLLING SHAREHOLDERS OF EMPRESAS CMPC S.A.

	Name	RUT	No. of shares 2019	No. of shares 2020
1	Forestal Cominco S.A.	79.621.850-9	487,492,057	487,492,057
2	Forestal, Const. y Com. del Pacífico Sur S.A.	91.553.000-1	478,715,048	478,715,048
3	Forestal O'Higgins S.A.	95.980.000-6	229,954,793	229,954,793
4	Forestal Bureo S.A.	87.014.900 -K	106,457,955	106,457,955
5	Inmobiliaria Nague S.A.	94.645.000-6	2,504,340	2,504,340
6	Coindustria LTDA.	80.231.700-K	46,575,370	46,575,370
7	Forestal y Minera Ebro LTDA.	77.868.100-5	14,408,280	14,408,280
8	Forestal y Minera Volga LTDA.	77.868.050-5	8,823,060	8,823,060
9	Viecal S.A.	81.280.300-K	6,501,641	6,501,641
10	Forestal Peumo S.A.	87.014.500-4	5,141,294	5,141,294
11	Forestal Calle Las Agustinas S.A.	87.014.600-0	3,863,334	3,863,334
12	Forestal Choapa S.A.	87.014.700-7	2,332,209	2,332,209
13	Matte Larraín Eliodoro	4.436.502-2	1,187,078	1,187,078
14	Matte de Larraín Patricia	4.333.299-6	961,342	961,342
15	Agrícola e Inmobiliaria Rapel LTDA.	87.014.800-3	617,993	617,993
16	Larraín Bunster Jorge Gabriel	4.102.581-6	134,844	134,844
Total controlling group shares			1,395,670,638	1,395,670,638
% of ownership			55.83%	55.83%

Source: Empresas CMPC Shareholders' Register.

TWELVE MAIN SHAREHOLDERS OF CMPC

	Name	RUT	No. of shares
1	Forestal Cominco S.A.	79.621.850-9	487,492,057
2	Forestal Const. y Com. del Pacifico Sur S.A.	91.553.000-1	478,715,048
3	Forestal O'Higgins S.A.	95.980.000-6	229,954,793
4	Banco de Chile on behalf of third parties	97.004.000-5	188,718,279
5	Forestal Bureo S.A.	87.014.900-K	106,457,955
6	Banco Santander–JP Morgan	33.003.217-0	91,950,249
7	A.F.P. Habitat S.A. for pension funds	98.000.100-8	78,776,553
8	A.F.P. Provida S.A. for pension funds	76.265.736-8	65,818,845
9	A.F.P. Cuprum S.A. for pension funds	76.240.079-0	60,342,268
10	A.F.P. Capital S.A. for pension funds	98.000.000-K	51,752,292
11	Coindustria LTDA.	80.231.700-K	46,575,370
12	Rentas Santa Marta Limitada	86.911.800-1	41,531,124
			1,928,084,833
			77.12%

Source: Empresas CMPC Shareholders' Register.

SHARES RELATED TO STATE ENTITIES OR STATE-OWNED COMPANIES

Shareholders	No. of shares 2019	No. of shares 2020
School of Legal Sciences of the Universidad de Chile	713,940	713,940
Chilean Treasury	20,500	20,500

Source: Empresas CMPC Shareholders' Register.
Note 1: The shares of the School of Legal Sciences of the Universidad de Chile were acquired in 1942.
Note 2: The shares of the Chilean Treasury correspond to vacant inheritances and transitory balances.

SHARES HELD BY DIRECTORS AND SENIOR EXECUTIVES

Name	Position	December 2019	December 2020
Luis Felipe Gazitúa Achondo	Chairman	500	500
Jorge Matte Capdevila	Director	-	-
Jorge Larraín Matte	Director	148,688	148,688
Bernardo Matte Larraín	Director	-	-
Vivianne Blanlot Soza	Director	500	500
Jorge Marín Correa	Director	5,631	5,631
Ramiro Mendoza Zúñiga	Director	500	500
Pablo Turner González	Director	-	-
Rafael Fernández Morandé	Director	-	-
Francisco Ruiz-Tagle Edwards	CEO	-	-
Raimundo Varela Labbé	Senior Executive	-	-
Jorge Navarrete García	Senior Executive	-	-
Gonzalo Hernán Darraidou Díaz	Senior Executive	-	-
Ignacio Goldsack Trebilcock	Senior Executive	-	-
José Antonio Correa García	Senior Executive	-	-
Rafael Ignacio Cox Montt	Senior Executive	-	-
María Inés Garrido Sepúlveda	Senior Executive	-	-
Guillermo José Turner Olea	Senior Executive	-	-
Rodrigo Andrés Hetz Pincheira	Senior Executive	110	110
Felipe Alcalde Arrau	Senior Executive	-	-

Source: Empresas CMPC Shareholders' Register.
Note 1: By the Company's bylaws, Directors must hold at least 500 shares; notwithstanding that some may hold Company shares in brokerage firms or other similar external registries.
Note 2: In the case of Senior Executives who hold shares, these may be registered in the portfolios of external brokers, and therefore are not presented in the records of the issuer (CMPC).

TRANSACTION OF SHARES (CLP) ACCORDING TO ARTICLE 20 OF CHILEAN LAW NO. 18,045 (NCG 269, 2009)

RUT	Company name	Relation	Transaction date	Date of communication of the transaction to the Corporation	Type of transaction	Security type	Series
78547560-7	Rentas Camino Mirasol LTDA.	EDI	19/3/2020	20/3/2020	A	SHARE	Sole
78547560-7	Rentas Camino Mirasol LTDA.	EDI	29/1/2020	31/1/2020	E	SHARE	Sole

RUT	Company name	No. shares traded	Unit price (CLP)	Transaction amount (CLP)	Transaction on stock exchange
78547560-7	Rentas Camino Mirasol LTDA.	10,588	1,319.8	13,974,043	Yes
78547560-7	Rentas Camino Mirasol LTDA.	10,588	1,895.0	20,064,260	Yes

Source: Data reported by CMPC to the FMC during 2020.
Note: All transactions correspond to legal entities carried out on the stock exchange and the entire series corresponds to CMPC.

QUARTERLY STATISTICS OF SHARE TRANSACTIONS IN CLP

Q	Year	Number of Shares	Traded Amount (CLP)	Average Price (CLP/share)	Market Presence (%)	Stock Exchange Trading
1st	2017	99,171,433	147,535,308,210	1,487.6795	100%	BCS; BECH
2nd	2017	91,867,785	147,696,473,980	1,607.7069	100%	BCS; BECH;BC
3rd	2017	95,451,523	155,009,124,500	1,623.9565	100%	BCS; BECH
4th	2017	144,206,068	280,056,823,353	1,942.0599	100%	BCS; BECH; BC
1st	2018	111,582,133	254,059,544,955	2,276.8837	100%	BCS; BECH
2nd	2018	107,705,995	261,103,102,977	2,424.2207	100%	BCS; BECH; BC
3rd	2018	90,757,426	235,533,936,050	2,595.2029	100%	BCS; BECH; BC
4th	2018	101,780,769	244,833,261,165	2,405.4963	100%	BCS; BECH
1st	2019	95,624,399	220,592,464,326	2,306.8638	100%	BCS; BECH
2nd	2019	158,142,923	310,874,191,338	1,965.7800	100%	BCS; BECH
3rd	2019	179,662,992	306,101,024,103	1,703.7511	100%	BCS; BECH
4th	2019	156,219,250	282,581,705,265	1,808.8789	100%	BCS; BECH
1st	2020	168,866,226	290,691,543,100	1,721.4309	100%	BCS; BECH
2nd	2020	176,200,353	302,880,343,809	1,718.9542	100%	BCS; BECH
3rd	2020	121,035,725	200,569,199,518	1,657.1074	100%	BCS; BECH
4th	2020	136,614,732	234,573,151,038	1,717.0414	100%	BCS; BECH

Source: Santiago Stock Exchange, Chilean Electronic Stock Exchange y Valparaiso Stock Exchange.

7.4 Investor Relations
Delivering timely, transparent, and relevant information

*In line with **building long-term relationships**, CMPC generates a **direct and transparent channel** for shareholders, lenders, analysts or market agents in general, to respond promptly to their concerns.*

To **maintain a transparent relationship with investors**, the Company provides information periodically through various channels, to keep them updated on changes and developments in the business, the company, and the industry. Investors can review the public information on the **investor relations website** and/or consult the specialized area dedicated exclusively to this matter.

On the other hand, the Investor Relations Department has a **complete and timely relationship model that keeps its investors regularly updated.** To this end, it prepares and publishes relevant and necessary information every quarter, including financial statements, results for the fiscal year and impacts on each business area, bond prospectuses, share price, news and relevant facts, corporate presentations, among others.

Investor relations

https://ir.cmpc.com/English/home/default.aspx

In 2020, 386 meetings were held via telephone, conference, in-person and online meetings with investors, a promotional tour for the issuance of a bond in the U.S. market, and **"Investor Day"**.

DISTRIBUTION BY REGION OF MEETINGS HELD WITH INVESTORS

	2018	2019	2020
Africa	1%	1%	0%
Asia	2%	4%	2%
Europe	10%	5%	8%
North America	20%	11%	21%
Latin America	67%	79%	69%
• Chile	14%	22%	19%

Source: Investor Relations Department.
Note: Latin America data includes Chile.

INVESTOR DAY

Since 2015, CMPC has held an "Investor Day" once a year to present the Company's progress, business prospects, and strategy to shareholders and investors.

In 2020, in its sixth version, the event was held virtually and brought together 91 attendees from different parts of the world. The meeting presented the year's management of each CMPC business unit, showing the future perspectives and strategy in each of the markets and the different business areas. Also, progress in sustainability and corporate goals were presented.

8. ANNEXES



CMPC CELULOSA LABORATORY, LOS ANGELES.

CHAPTER HIGHLIGHTS:

- *Segment information Empresas CMPC.*
- *Forest sector SDG roadmap.*
- *Global Compact.*
- *GRI Index.*
- *Equity chart.*
- *Ownership chart.*
- *Assurance letters.*
- *Financial statements 2020.*

8.1

Segment information
Empresas CMPC

Chapter 3

Number of MIPYMES providers and average days of payment, by country.

Suppliers	Number of MIPYMES		Average days to pay MIPYMES		Average days to pay suppliers	
Country	2019	2020	2019	2020	2019	2020
Argentina	767	670	40	30	45	43
Brazil	NI	458	NI	28	31	33
Chile	4,593	4,689	15	10	31	25
Colombia	115	764	13	59	46	70
Ecuador	47	65	55	49	63	46
Mexico	424	367	44	41	50	53
Peru	552	302	39	33	50	53
Uruguay	317	248	43	45	40	42
United States	NI	NI	NI	NI	33	22
Total	**6,815**	**7,563**	**25**	**19**	**34**	**32**

Number of MIPYMES providers and average days of payment, by business.

Suppliers	Number of MIPYMES		Average days to pay MIPYMES		Average days to pay suppliers	
Business	2019	2020	2019	2020	2019	2020
CMPC Celulosa	2,354	2,934	13	10	20	18
CMPC Biopackaging	2,399	2,131	24	13	54	41
Softys	2,790	3,105	37	31	50	50
Corporate offices	478	448	20	16	30	27
Total	**6,815**	**7,563**	**25**	**19**	**34**	**32**

Note: CMPC's total suppliers are counted at the aggregate level, regardless of whether the supplier provided services in more than one business unit.

Chapter 4

(102-8)

STAFFING

NUMBER OF COLLABORATORS

		2018	2019	2020
Country	Argentina	1,498	1,526	1,659
	Brazil	2,391	2,387	3,445
	Chile	9,352	9,634	9,729
	Colombia	448	518	543
	Ecuador	250	262	229
	Mexico	1,556	1,738	2,125
	Peru	1,388	1,435	1,554
	Uruguay	364	345	340
	United States	n/a	14	17
	Total	**17,247**	**17,859**	**19,641**
Business	CMPC Celulosa	5,019	5,070	5,105
	CMPC Biopackaging	3,417	3,387	3,653
	Softys	8,402	8,960	10,470
	Corporate offices	409	442	413
	Total	**17,247**	**17,859**	**19,641**
Position	Executives	1,001	1,088	1,310
	Professionals and technicians	5,933	5,517	5,715
	Operators	10,313	11,254	12,616
	Total	**17,247**	**17,859**	**19,641**
Gender	Women	2,473	2,740	3,304
	Men	14,774	15,119	16,337
	Total	**17,247**	**17,859**	**19,641**
Age range	Under 30 years old	3,935	3,922	3,867
	Between 30 and 60 years old	12,784	13,176	15,020
	Over 60 years old	528	761	754
	Total	**17,247**	**17,859**	**19,641**
Employment contract	Indefinite	NI	16,458	18,205
	Part-time	NI	1,401	1,436
	Total	**17,247**	**17,859**	**19,641**
Working hours	Indefinite	NI	17,850	19,595
	Part-time	NI	9	46
	Total	**17,247**	**17,859**	**19,641**

WOMEN IN THE ORGANIZATION

		2018	2019	2020
Country	Argentina	185	184	215
	Brazil	335	335	670
	Chile	1,194	1,330	1,420
	Colombia	129	147	151
	Ecuador	75	75	67
	Mexico	355	413	502
	Peru	155	195	214
	Uruguay	45	55	57
	United States	n/a	6	8
	Total	**2,473**	**2,740**	**3,304**
Business	CMPC Celulosa	545	590	624
	CMPC Biopackaging	403	428	513
	Softys	1,344	1,529	1,998
	Corporate offices	181	193	169
	Total	**2,473**	**2,740**	**3,304**
Position	Executives	181	228	266
	Professionals and technicians	1,512	1,499	1,670
	Operators	780	1,013	1,368
Total		**2,473**	**2,740**	**3,304**
Percentage of women in the organization		14.3%	15.4%	16.8%
*Percentage of women in leadership positions		NI	20.0%	20.3%
*Women promoted to leadership positions		35	54	47

* These data were not part of the verification.

NATIONALITIES

		2018	2019	2020
Staffing by nationality	Chile	NI	9,388	9,434
	Brazil	NI	2,387	3,450
	Mexico	NI	1,741	2,127
	Argentina	NI	1,534	1,659
	Peru	NI	1,457	1,579
	Colombia	NI	542	568
	Uruguay	NI	340	336
	Ecuador	NI	253	222
	Venezuela	NI	165	209
	Haiti	NI	20	20
	Bolivia	NI	6	6
	United States	NI	5	5
	Dominican Republic	NI	2	3
	Spain	NI	3	2
	Paraguay	NI	2	2
	Nepal	NI	2	2
	Germany	NI	1	2
	France	NI	1	2
	Cuba	NI	1	2
	Others	NI	9	11
Total		**17,247**	**17,859**	**19,641**

Note: Other countries include: Portugal, Japan, Cambodia, Belgium, Estonia, Finland, Costa Rica, Netherlands Antilles, Bulgaria, Honduras, China, and Italy.

PERCENTAGE OF EMPLOYEES WITH DISABILITIES

		2018	2019	2020
Country	Argentina	0.0%	0.0%	0.0%
	Brazil	2.9%	2.5%	3.2%
	Chile	1.1%	1.1%	1.0%
	Colombia	0.0%	0.0%	0.2%
	Ecuador	2.4%	2.3%	4.4%
	Mexico	0.2%	0.0%	0.0%
	Peru	0.0%	0.0%	0.0%
	Uruguay	0.6%	0.3%	0.6%
	United States	N/A	0.0%	0.0%
Total		**1.1%**	**1.0%**	**1.1%**
Position	Executives	0.1%	0.6%	0.5%
	Professionals and technicians	1.0%	0.6%	0.7%
	Operators	1.2%	1.2%	1.4%
Total		**1.1%**	**1.0%**	**1.1%**
Business areas	CMPC Celulosa	1.9%	1.9%	1.8%
	CMPC Biopackaging	1.1%	0.8%	0.7%
	Softys	0.6%	0.5%	0.9%
	Corporate offices	0.5%	0.7%	0.7%
Total		**1.1%**	**1.0%**	**1.1%**

TURNOVER

(404-1)

		2018	2019	2020
Income by gender	Women	715	640	498
	Men	3,109	2,767	2,441
Total		**3,824**	**3,407**	**2,939**
Turnover by gender	Women	20.4%	23.3%	15.1%
	Men	18.6%	18.3%	14.9%
Total		**18.8%**	**19.1%**	**15.0%**
Income by age range	Under 30	1,900	1,259	1,180
	Between 30 and 60	1,913	2,046	1,671
	Over 60	11	102	88
Total		**3,824**	**3,407**	**2,939**
Turnover by age range	Under 30	32.4%	31.6%	30.5%
	Between 30 and 60	39.6%	15.4%	11.1%
	Over 60	50.7%	17.6%	11.7%
Total		**18.8%**	**19.1%**	**15.0%**

TRAINING

(404-1)

		2018	2019	2020
Number of people trained by gender	Men	NI	13,507	14,281
	Women	NI	2,589	3,029
Total		**14,749**	**16,096**	**17,310**
Total training hours by gender	Men	NI	235,130	311,765
	Women	NI	42,083	62,712
Total		**319,946**	**277,213**	**374,476**
Percentage of training hours out of total hours worked	Men	NI	0.71%	0.85%
	Women	NI	0.71%	0.84%
Total		**0.89%**	**0.71%**	**0.85%**
Number of people trained by level	Executives	733	912	838
	Professionals and technicians	4,949	4,659	6,684
	Operators	9,067	10,525	9,788
Total		**14,749**	**16,096**	**17,310**
Total training hours by level	Executives	21,025	19,392	17,702
	Professionals and technicians	124,530	85,329	184,963
	Operators	174,392	172,492	171,811
Total		**319,946**	**277,213**	**374,476**
Percentage of training hours out of total hours worked	Executives	1.05%	0.83%	0.60%
	Professionals and technicians	1.02%	0.71%	1.43%
	Operators	0.79%	0.70%	0.61%
Total		**0.89%**	**0.71%**	**0.85%**

PERFORMANCE EVALUATION

(404-3)

		2018	2019	2020
N° of evaluated by gender	Women	NI	1,725	2,018
	Men	NI	5,386	6,323
Total		**10,441**	**7,111**	**8,341**
% of evaluated by gender	Women	NI	62.75%	61.15%
	Men	NI	35.65%	38.69%
Total		**59.0%**	**39.82%**	**42.47%**
No. of evaluated by level	Executives, professionals, and technicians	4,745	5,280	5,869
	Operators	5,696	1,831	2,472
Total		**10,441**	**7,111**	**8,341**
% of evaluated by level	Executives, professionals, and technicians	70.0%	79.93%	83.54%
	Operators	53.0%	16.27%	19.59%
Total		**59.0%**	**52.83%**	**42.47%**

WORK ENVIRONMENT

	2018	2019	2020
Percentage of work environment	79%	79%	84%

Note: Since 2020, a new methodology not comparable to that of GPTW is used.

LABOR RELATIONS

(102-41, 407-1)

		2018	2019	2020
No. of unionized workers		10,206	10,887	11,448
Percentage of unionized workers		58.0%	60.4%	58.29%
No. of employees covered by unions		12,004	11,436	12,753
Percentage of total employees covered by collective bargaining		66.0%	63.4%	64.80%
Number of unions		53	55	58
No. of unions by country	Argentina	3	4	3
	Brazil	6	5	7
	Chile	39	38	39
	Colombia	1	1	1
	Ecuador	0	0	0
	Mexico	2	3	4
	Peru	3	3	3
	Uruguay	1	1	1
	United States	n/a	0	0
	Total	**53**	**55**	**58**

HEALTH AND SAFETY INDICATOR BY BUSINESS, DIRECT COLLABORATORS

(403-9)

Indicators	CMPC Pulp		CMPC Maderas		CMPC Bosques		CMPC Biopackaging		Softys	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Occupational diseases	5	3	2	0	0	0	6	1	0	3
Number of fatalities	1	0	0	0	0	0	0	0	0	0
Number of lost time accidents	11	12	7	15	1	0	63	46	84	85
Lost days due to accidents	488	524	415	434	51	0	1,484	997	3,783	2,803
Lost days due to accidents plus charge	6,488	0	0	0	51	0	1,821	1,015	NI	1,400
Accident rate	0.54	0.56	0.36	0.76	0.23	0	1.8	1.3	0.93	0.90
Lost work rate	316.33	24.68	21.4	22.0	11.6	0	53.1	28.1	42.0	30.4
Frequency rate	2.49	2.46	1.74	3.60	1.10	0	8.2	5.7	3.97	3.80
Severity rate	2,036.79	107.38	103.24	104.03	57.1	0	237.9	126.1	NI	126.6
Hours worked	4,485,844	4,879,843	4,019,726	4,172,020	892,301	931,464	7,655,129	8,048,855	21,137,490	22,109,452
Average staffing	2,051	2,123	1,943	1,970	438	446	3,429	3,606	8,995	9,218

Note: Only the data corresponding to CMPC Celulosa was verified.

FORMULAS

- Accident rate: Number of lost time accidents *100 / Average staffing level
- Lost work rate: Days lost due to accidents / Average staffing level x 100
- Frequency rate: Number of lost time accidents *1,000,000 / effective hours worked
- Severity rate: Lost days due to accidents 1,000,000)/ effective hours worked

HEALTH AND SAFETY INDICATOR BY BUSINESS, CONTRACTORS

Indicators	CMPC Pulp		CMPC Maderas		CMPC Bosques		CMPC Biopackaging		Softys	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Occupational diseases	0	0	0	0	0	0	0	0	NI	0
Number of fatalities	0	0	0	0	0	0	0	0	1	0
Number of lost time accidents	17	9	17	15	33	30	40	39	31	16
Lost days due to accidents	456	711	387	481	2,622	2,402	1,095	1,112	443	368
Lost days due to accidents plus charge	0	0	0	0	0	0	1,095	1,112	NI	0
Accident rate	0.20	0.12	0.88	0.74	0.29	0.28	1.10	1.00	1.8	0.9
Lost work rate	5.32	9.39	20.1	23.6	23.3	21.5	29.1	28.6	25.1	19.9
Frequency rate	1.54	0.93	4.26	3.77	1.30	1.3	8.80	7.70	7.4	3.6
Severity rate	41.25	73.55	96.90	120.90	104.4	106.1	232	220.5	NI	81.9
Hours worked	11,055,432	9,666,513	3,993,817	3,978,351	25,102,112	22,637,160	4,725,757	5,042,956	4,172,024	4,490,389
Average staffing	8,571	7,571	1,921	2,039	11,233	10,715	3,768	3,885	1,760	1,851

Note: Only the data corresponding to CMPC Celulosa was verified.

COMMUNITIES

(CMPC 7)

ENTREPRENEURSHIP

Country	Name	Description	No. of beneficiaries	Investment in USD
Brazil	Favos do Sul	Support for beekeepers to produce honey on CMPC properties and to allocate a portion of their production to social NGOs that work with children with disabilities so that they can use and sell the honey and maintain their activities.	2,487	11,393
Brazil	Sofa na Rua	Training for entrepreneurs to adapt their sales strategies to e-commerce.	140	5,802
Chile	Collipulli roofed market	Recovery of the space in conjunction with the municipality of Collipulli, installing commercial stands.	71	373,000
Chile	Reactiva Tu Pyme (Reactivate Your SME)	CMPC, together with Incuba of the Universidad de Concepción (UdeC), is developing a program through its business incubator that provides support to visualize innovation opportunities for local entrepreneurs.	86	43,470
Chile	Desafío High Tech (High Tech Challenge)	A competition that seeks to support young developers of technological ventures in conjunction with Incuba UdeC.	475	4,375
Chile	CMPC Fund	To implement innovative projects created by social organizations that are of common interest. In 2020, the focus was specifically on tackling and preventing Covid-19.	464	437,500
		Total	3,723	875,540

Note: Beneficiary and community investment values are approximate and beyond the scope of verification.

OUTDOOR LIFE AND ENVIRONMENT ACTIONS

Country	Name	Description	No. of beneficiaries	Investment in USD
Brazil	Recovery of fountains	Actions for the protection of water in traditional communities through installations and vegetation recovery, with the involvement of universities and other local organizations.	40	1,523
Brazil	Recovery of community centers	Improvements to community facilities used for training, sports, and social activities. During the pandemic, it was not possible to make progress in the construction, suspending the activities, which will be resumed in 2021.	150	2,578
Brazil	Access to drinking water	Project to expand water storage in the community by building a new reservoir.	720	4,428
Brazil	Cultural traditions center	Recovery of space to enhance local cultural traditions and experiences.	100	938
Brazil	Quality of life in Alegria	Relocation of 30 families who were living without basic sanitation and decent conditions, part of the Conecta project for urban requalification of Barrio Alegria in Guaiba. Now each family has a new house, with the necessary resources to live with dignity.	89	671,650
Chile	*UCelandia	Summer camp for vulnerable children from the Puente Alto municipality in the facilities of the CMPC Papelero stadium.	140	47,499
Chile	Community squares	Creation of community spaces through three squares in the localities of Lautaro Barrio Estación, La Esperanza, and Lolcura.	1,200	183,765
Chile	Río Vergara Park	Install a walkway to the Río Vergara that allows access to the view of the river, providing a recreational space for the nearby community.	5,000	26,250
Chile	Laja Park	Park open to the community in the Facela sector, in front of the Laja Industrial Plant, to contribute to the quality of life of the neighbors.	22,288	389,621
Chile	*Los Angeles Sign	Lettering for the community of Los Angeles based on FSC-certified wood. The sign is expected to become a tourist landmark for the town, reflecting its woodworking identity. The project was developed in conjunction with the neighbors of the municipality.	128,993	204,666
		Total	158,720	1,532,918

* These projects were not part of the verification.
Note: Beneficiary and community investment values are approximate and beyond the scope of verification.

EDUCATION AND CULTURE ACTIONS

Country	Name	Description	No. of beneficiaries	Investment in USD
Argentina	*ArcercaRSE	Provides teaching materials on ecological issues to public elementary school students and implements training for their teachers.	300	1,412
Brazil	Green School Project	Improvements to the schoolyard with the community, using permaculture concepts and techniques.	450	1,891
Brazil	Pipers Factory	Training school for musicians that uses a traditional instrument of the local culture and promotes its cultural rescue and development of the children.	500	100,000
Brazil	Helio D' Angola Institute Social Actions	Educational actions for vulnerable children and sports activities for their families, along with development and health strategies.	487	18,981
Chile	Digital literacy	Digital literacy support program for leaders and entrepreneurs.	34	52,052
Chile	Employability in the forest industry	Training program to support people who wish to develop employability in the forest industry.	143	50,792
Chile	Transportation scholarships	School transportation scholarships for school-age children in Villa Mininco.	37	5,550
Chile	*Higher education scholarships	Financial support for the professional education of children of neighbors near industrial plants, with vulnerable conditions and excellent performance in high school.	6	11,733
Chile	San Jorge School, Laja	Support for the reconstruction and physical adaptation of the school to apply for free education.	350	750,000
Chile	DUOC UC Training Plan	Promote the transfer of techniques and knowledge that contribute to the growth of individuals and their communities, through training organizations.	220	55,671
Chile	*Formando Chile (Training Chile) Puente Alto	Free pre-university (an educational institution that provides preparation courses for the University Selection Test (PSU)) for vulnerable young people in the municipality of Puente Alto.	105	64,000
Peru	*Education for success	Promotion of school retention and dissemination of information on children's basic rights.	212	80,000
		Total	2,559	1,192,082

* These projects were not part of the verification.
Note: Beneficiary and community investment values are approximate and beyond the scope of verification.

PARTNER ORGANIZATIONS AND INSTITUTIONS

(102-12, 102-13)

- Aberje
- Ageflor
- Acigua
- ABTCP
- Acccsa
- Americas Society
- Company Contribution Sports Club
- Northern Zone Industrial Association
- Salmon Industry Association
- Trade Association of Manufacturers of Malleco and Cautin
- Trade Association of Egg Producers of Chile
- Association of Energy Consumers AG
- Canal Association of the Bio Bio South Canal
- Río Maipo Canal Association
- Asicent Maule Center Industrial Association
- Graphic Industrial Association A.G.
- Trade Association of Industrial Suppliers
- Trade Association PYMG
- Pulp and Paper Technical Association
- Santiago Stock Exchange
- Stock Brokers Board
- Chilean Electronic Stock Exchange; Stock Exchange
- Chilean - Argentinean Chamber of Commerce
- Chilean - Brazilian Chamber of Commerce
- Chilean - British Chamber of Commerce
- Chilean - Chinese Chamber of Commerce
- Chilean - Mexican Chamber of Commerce
- Chilean - North American Chamber of Commerce
- Chilean-Peruvian Chamber of Commerce
- Santiago Chamber of Commerce
- Lima Chamber of Commerce, Peru
- National Chamber of Paper and Cardboard Industries
- Chilean Chapter of the Interamerican Association
- CENEM (National Packaging Center)
- CIEPLAN
- Cidere
- Club La Unión (La Unión Club)
- Codeproval
- Association of Forestry Engineers A.G.
- Consejo de Química (Chemistry Council)
- Santa Olga Construction
- Coparmex Jalisco (Mexico)
- Industrial Corp. for the Regional Development of Biobio
- La Araucania Productive Development Corporation
- Chilean Wood Corporation
- Del Maipo Businessmen's Corporation
- Valdivia Region Development Corporation
- Council Of The Americas
- Nacimiento Fire Department
- Cañete Fire Department
- Carahue Fire Department
- Collipulli Fire Department
- Ercilla Fire Department
- Loncoche Fire Department
- Los Sauces Fire Department
- Tirua Fire Department
- GPM Social Contribution
- National Forest Dialogue
- International Forest Dialogue
- Drewry Shipping Consultants Ltd
- Eurosac
- FIERGS/CIERGS
- Corporate Social Responsibility Action Foundation
- Chilean Pacific Foundation
- Social Development Foundation
- Leading Entrepreneurship Foundation
- Pehuen Foundation
- ICARE
- Irade
- Brazilian Tree Industry
- Regional Business Administration Institute
- IRADE (Regional Institute of Administration)
- Junta De Adelanto De Maule (Maule Development Board)
- LIDE RS
- MT Consulting Services
- New Generation Plantations
- North Carolina State
- PNUD
- Produce Marketing Association
- Red To Green S.A.
- Innovation Networks Ltd.
- Risi Membership
- Sedex Information Exchange Ltd. (Membership)
- Sofofa (Manufacturing Promotion Association)
- National Agriculture Society
- National Industry Society, Peru
- Sustinendo OY
- Social Union of Christian Entrepreneurs
- University of Toronto
- WBCSD
- World Market Pulp

SOFTYS ASSOCIATIONS BY COUNTRY

Argentina	• ACIA (Argentine Industrial Credit Association). • ADIM (Brand Industry Association) • AFCP (Pulp and Paper Manufacturers Association) • CADIC (Chamber of Information and Credit Leaders) • Unión Industrial de Zarate (Zarate Industrial Union) • Argentinean-Chilean Chamber of Commerce • Chamber of Corporations • Grupo AcercaRSE (AcercaRSE Group)
Brazil	• ABIHPEC (Brazilian Association of Personal Hygiene, Perfume and Cosmetics Industries) • IBA (Brazilian Tree Industries) • ABTCP (Brazilian Pulp and Paper Technical Association)
Chile	• AGIP (Trade Association of Supply Industries) • ANDA (Chilean National Association of Advertisers)
Colombia	• Asoenergia • Northern Savannah Development Corporation • ACRIP (Colombian Federation of Human Management) • Colombian-Chilean Chamber
Ecuador	• Guayaquil Chamber of Commerce • Fedexpor
Mexico	• National Chamber of the Pulp and Paper Industry • Industry Association of South Tamaulipas, A.C. • CANACAR (National Chamber of Cargo Transportation) • Industrial Associates of Parque Mitras, A.C. • CAINTRA (Chamber of the Transformation Industry) • Mexican - Chilean Chamber of Commerce and Investment, A.C.
Peru	• Lima Chamber of Commerce • National Industries Association • ANDA (National Association of Advertisers) • COES (Economic Operation Committee of the National Interconnected System) • Peruvian - Chilean Chamber of Commerce • ABE (Association of Good Employers) • APERHU (Peruvian HR Association)
Uruguay	• AFP (Association of Paper Manufacturers) • Uruguay Chamber of Industries • CERES (Center for the Study of Economic and Social Reality) • CCIAP (Pando Industrial Agrarian Chamber of Commerce)

Chapter 5

CERTIFIED ASSETS IN HA AND %

		2018	2019	2020
Own certified forest assets by country	Argentina	0 (0%)	0 (0%)	0 (0%)
	Brazil	278,757 (98.7%)	279,813 (99.1%)	279,915 (99.1%)
	Chile	698,173 (98.8%)	696,836 (98.8%)	694,524 (98.5%)
Total		**976,930 (90.2%)**	**976,649 (90.3%)**	**974,439 (90.1%)**

Note: the percentages represent the certified proportion in relation to the forest assets of each country in the respective year.

Third-party certified forest assets by country	Argentina	0 (0%)	0 (0%)	0 (0%)
	Brazil	40,996 (100%)	40,768 (30%)	100,678 (55.7%)
	Chile	23,724 (100%)	25,117 (100%)	25,038 (100%)
Total		**64,720 (100%)**	**65,885 (41%)**	**125,716 (61.1%)**

Note: the percentages represent the certified proportion in relation to the forest assets of each country in the respective year.

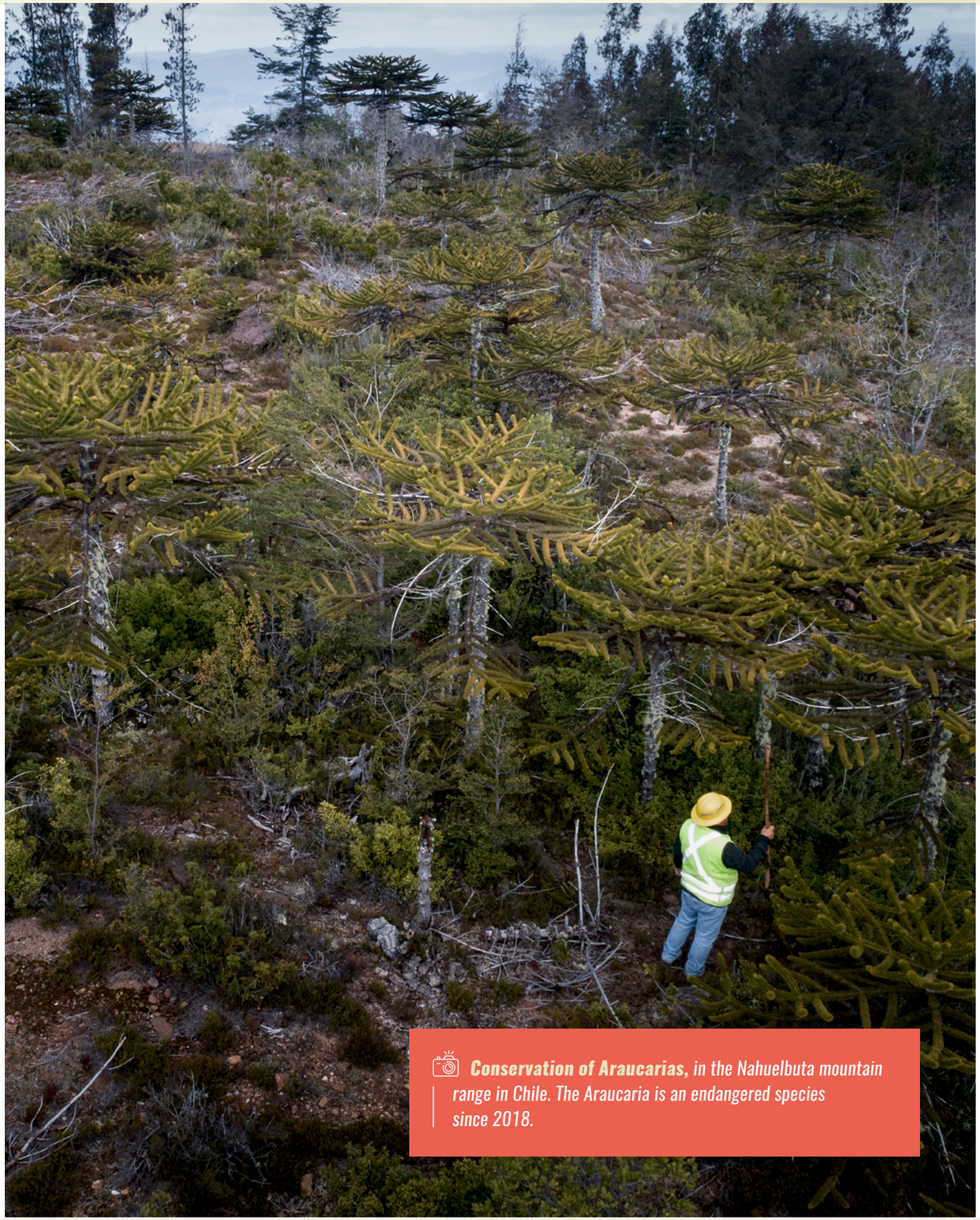
CERTIFIED RAW MATERIAL IN MILLIONS OF M³ AND %

		2018	2019	2020
Certified raw material by country	Argentina	0 (0%)	0 (0%)	0 (0%)
	Brazil	7,311 (100%)	6,955 (100%)	7,056 (100%)
	Chile	12,906 (100%)	13,883 (100%)	13,010 (100%)
Total		**20,217 (97%)**	**20,838 (97%)**	**20,066 (95%)**

Note: the percentages represent the certified proportion in relation to the forest assets of each country in the respective year.

RESTORATION COMMITMENT TO 2026 (HA)

Country	Accumulated 2010-2018	2019	2020	Progress	Commitment 2026
Brazil	31,648	12,466	13,594	88.7%	65,086
Chile	1,890	398	430	31.1%	8,738
Total	**33,538**	**12,864**	**14,024**	**81.9%**	**73,824**



Conservation of Araucarias, *in the Nahuelbuta mountain range in Chile. The Araucaria is an endangered species since 2018.*

AREA UNDER PROTECTION, CONSERVATION AND RESTORATION IN HA

(CMPC 1)

Country	Classification	2018	2019	2020
Argentina	Protection	14,451	14,451	14,387
	Conservation	4,386	4,389	4,617
	Restoration	24	24	53
	Total	**18,861**	**18,865**	**19,057**
Brazil	Protection	61,764	39,075	56,769
	Conservation	74,893	54,191	120,233
	Restoration	33,867	46,333	20,463
	Total	**136,657**	**139,599**	**197,465**
Chile	Protection	96,655	96,506	97,398
	Conservation	67,471	68,743	71,806
	Restoration	1,884	2,282	2,712
	Total	**166,010**	**167,531**	**169,204**
Total	Protection	172,870	150,032	168,554
	Conservation	146,750	127,323	196,656
	Restoration	35,776	48,639	20,516
	Total	**321,529**	**325,995**	**385,726**

Note: in Chile, restoration hectares are included in the protection and conservation hectares.
For fiscal years 2018 and 2019 a percentage separation was made.

NUMBER OF HCVAS

		2018	2019	2020
Number of HCVAs	Argentina	6	6	6
	Brazil	14	14	18
	Chile	398	412	422
	Total	**418**	**432**	**446**

NUMBER OF HCVAS

		2018	2019	2020
HCVAs by country	Argentina	9,430	9,430	9,430
	Brazil	3,128	4,272	4,273
	Chile	13,904	14,616	14,588
	Total	**26,462**	**28,318**	**28,291**

WATER QUALITY IN TONS

		2018	2019	2020
COD by business	CMPC Celulosa	34,524	27,853	31,483
	CMPC Biopackaging	2,774	2,380	2,367
	Softys	4,501	5,466	5,164
	Total	**41,799**	**35,699**	**39,014**
BOD by business	CMPC Celulosa	3,735	1,895	1,238
	CMPC Biopackaging	456	622	461
	Softys	833	1,061	863
	Total	**5,024**	**3,578**	**2,562**
TSS by business	CMPC Celulosa	4,235	2,413	2,360
	CMPC Biopackaging	359	235	244
	Softys	239	310	377
	Total	**4,833**	**2,958**	**2,981**
AO_x by business	CMPC Celulosa	389	400	444
	Total	**389**	**400**	**444**

WATER IN M³

(303-3, 303-4, 303-5)

		2018	2019	2020
Extraction by business	CMPC Celulosa	171,881,537	173,184,916	177,041,664
	CMPC Biopackaging	14,346,408	14,655,464	15,487,567
	Softys	22,753,595	21,856,119	18,350,168
	Total	**208,981,540**	**209,696,499**	**210,879,399**
Discharge by business	CMPC Celulosa	145,038,693	143,591,597	145,354,138
	CMPC Biopackaging	13,415,391	13,341,182	14,127,274
	Softys	20,501,417	18,392,682	14,870,988
	Total	**178,955,501**	**175,325,461**	**174,352,400**
Consumption by business	CMPC Celulosa	26,842,844	29,593,319	31,687,526
	CMPC Biopackaging	931,018	1,314,282	1,360,293
	Softys	2,252,178	3,463,437	3,479,181
	Total	**30,026,040**	**34,371,038**	**36,527,000**

ENERGY IN GWh

		2018	2019	2020
Energy consumption by business	CMPC Celulosa	32,083	30,431	31,331
	CMPC Biopackaging	2,308	2,127	2,173
	Softys	3,156	3,616	3,424
	Corporate	NI	2	1
Total		**37,547**	**36,176**	**36,929**

CARBON EMISSIONS IN $MtCO_2e$

		2018	2019	2020
Scope 1 by business	CMPC Celulosa	1,316	1,437	1,377
	CMPC Biopackaging	232	169	192
	Softys	406	396	396
Total		**1,954**	**2,002**	**1,965**
Scope 2 by business	CMPC Celulosa	80	89	6
	CMPC Biopackaging	124	167	12
	Softys	238	192	160
Total		**442**	**448**	**177**
Scope 3 by business	CMPC Celulosa	2,327	5,446	5,571
	CMPC Biopackaging	666	892	975
	Softys	1,221	2.215	2,162
Total		**4,213**	**8,554**	**8,708**
Total emissions by business	CMPC Celulosa	3,723	6,972	6,954
	CMPC Biopackaging	1,021	1,228	1,179
	Softys	1,866	2,803	2,717
Total		**6,610**	**11,004**	**10,850**

OTHER EMISSIONS IN TONS

		2018	2019	2020
NO_x by business	CMPC Celulosa	7,821	7,691	8,141
	CMPC Biopackaging	293	284	497
	Softys	121	159	539
	Total	**8,235**	**8,134**	**9,177**
SO_2 by business	CMPC Celulosa	871	1,044	897
	CMPC Biopackaging	628	737	1,004
	Softys	8.7	0.1	14
	Total	**1,508**	**1,781**	**1,915**
MP by business	CMPC Celulosa	1,209	898	1,160
	CMPC Biopackaging	172	100	128
	Softys	175	215	384
	Total	**1,556**	**1,213**	**1,672**

Note: During 2020, Caieiras had a deviation in its discharge parameters, so an investment project for a new effluent treatment plant is planned for 2021, which aims to bring its discharge parameters well below those established by local legislation.

WASTE IN TONS

(306-2)

		2018	2019	2020
Non-hazardous by business	CMPC Celulosa	1,647,177	1,668,966	1,746,602
	CMPC Biopackaging	196,021	186,443	184,063
	Softys	459,315	541,410	477,017
	Total	**2,302,513**	**2,396,819**	**2,407,682**
Hazardous by business	CMPC Celulosa	2,359	2,048	2,387
	CMPC Biopackaging	516	315	370
	Softys	764	1,061	1,008
	Total	**3,638**	**3,424**	**3,765**
Recovery by business	CMPC Celulosa	1,409,484	1,561,572	1,663,004
	CMPC Biopackaging	116,174	127,118	143,008
	Softys	62,557	85,883	91,828
	Total	**1,588,214**	**1,774,573**	**1,897,839**
Disposal by business	CMPC Celulosa	237,694	107,394	83,598
	CMPC Biopackaging	79,848	59,325	41,055
	Softys	396,758	455,526	385,189
	Total	**714,299**	**622,245**	**509,843**
Total waste by business	CMPC Celulosa	1,649,536	1,671,015	1,748,989
	CMPC Biopackaging	196,537	186,758	184,433
	Softys	460,078	542,470	478,025
	Total	**2,306,152**	**2,400,242**	**2,411,447**

Chapter 6

RESULTS BY BUSINESS

CMPC Celulosa	2016	2017	2018	2019	2020
Short Fiber Pulp Average Prices (USD/t CIF)	499	596	746	574	463
Long-fiber pulp average prices (USD/t CIF)	577	652	838	603	563
Pulp production (thousands of t)	3,688	3,339	4,115	3,979	4,076
Wood products (thousands of m3)	4,248	3,402	3,343	3,631	4,081
Market pulp (thousands of t)	3,188	3,005	3,558	3,641	3,667
Sales (millions of USD)	2,226	2,406	3,377	2,686	2,348
Ebitda (millions of USD)	634	798	1,616	929	640

CMPC Biopackaging	2016	2017	2018	2019	2020
Volume (thousands of t)	789	780	839	843	884
Sales (millions of USD)	836	814	924	890	872
Ebitda (millions of USD)	111	86	81	70	112

Softys	2016	2017	2018	2019	2020
Tissue paper (thousands of tons)	645	671	682	726	820
Sanitary products (millions of units)	5,318	5,241	5,497	6,337	7,303
Sales (millions of USD)	1,803	1,923	1,974	2,094	2,068
Ebitda (millions of USD)	243	215	153	201	277

8.2 Principles and standards

GLOBAL COMPACT

United Nations Global Compact

	Human Rights	Section
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	1.2.1
Principle 2	Businesses should make sure that their partners and employees are not complicit in Human Rights abuses.	1.2.1
	Labor Relations	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	4.2
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	1.2
Principle 5	Businesses should uphold the abolition of child labor.	1.2
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	1.2.1 4.1
	Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges.	1.2.1 5.4
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	5.4
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	3.2 5.4 6.4
	Anti-corruption	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	1.2.1 6.1

FOREST SECTOR SDG ROADMAP: CMPC CONTRIBUTION INDEX

Forest Solutions Group

I. Working forests	Section
1. Implement and promote sustainable forest management practices and expand sustainable working forests, while protecting and enhancing biodiversity and ecosystem services.	5.1 5.2
2. Counter the forces that drive deforestation and forest degradation by demonstrating and promoting successful models for sustainable forest management and wood fiber procurement.	5.1 5.3
3. Promote and engage in context-based landscape management approaches, including around forest fire prevention and watershed stewardship with the aims to enhance ecosystem services, improve resilience and help sustain forest production systems at local, regional and global levels.	5.3
II. Bioeconomy	
1. Invest in innovation and the widespread adoption of low-carbon and circular wood fiber products that store carbon and substitute non-renewable and fossil-based materials, particularly in the packaging, construction, energy, chemical, and textile sectors.	3.2.1
2. Accelerate research and science to better understand the carbon impacts of forests and wood fiber products to build a clear, consistent and sciencebased narrative to inform customer procurement decisions, raise consumer awareness of the carbon storage and end of life benefits of wood fiber products over fossil-based and non-renewable alternatives.	3.2.1
III. Climate	
1. Support and invest in forestation, reforestation, wider land restoration and conservation efforts, especially of unique forest values, in order to advance carbon dioxide removals to meet global climate goals and enhance resilience to a changing climate.	5.2
2. Reduce Scope 1 and 2 GHG emissions across operations, for example, by improving manufacturing technology or increasing production and efficient use of renewable energy resources.	5.4.3
3. Achieve Scope 3 GHG emissions reductions across the supply chain, by working with suppliers and contractors.	5.4.3
4. Support the development and implementation of new approaches and to measure, value and manage GHG emission avoidance through the substitution of fossil-based and other non-renewable materials with wood fiber products.	3.2.1
IV. Water	
1. Identify and implement water use reductions, wastewater treatment and circular water management practices in manufacturing operations, with a particular focus on water stressed regions.	5.4.1
2. Contribute to water management and stewardship science and research where forests are a key land use, and scale-up collaborative action through local multi-stakeholder initiatives, e.g., around watershed management.	5.4.1
3. Support the development and implementation of effective tools to value and manage water risks, impacts and dependencies along the entire spectrum of the forest products value chain.	5.4.1
V. Circularity	
1. Innovate to enable effective and efficient recycling of waste streams and processing residues within the value chain for energy generation and as feedstock for other industries, such as the chemical and cement sectors.	3.2.1 5.4.4
2. Further increase the global recovery rate of wood fiber products.	3.4.3
3. Improve and innovate business models and product design to provide end-of-life solutions for single-use fiber products such as composite packaging, diapers, personal care and sanitary products.	3.2.1
VI. Communities	
1. Scale shared value business models that provide services, infrastructure, business support, skill development opportunities and other livelihood benefits to communities and enable improved governance.	4.4
2. Respect access and tenure rights of Indigenous Peoples and communities directly affected by forest operations.	4.4.2
VII. People	
1. Enhance the quality and integrity of jobs through continuous improvements in health, safety (including road safety), and well-being of employees and contractors.	4.3.1
2. Invest in human and social capital to attract and retain talent and improve workforce diversity.	4.1 4.2
VIII. Procurement	
1. Scale the use of best practices to increase the percentage of wood fiber products from legal, controlled and environmentally and socially responsible sources (which includes respecting the rights of affected communities and indigenous peoples) by implementing a risk-based approach addressing traceability, and supply chain risk-based assessment.	3.4
2. Enhance sustainable and responsible procurement practices globally for key non wood fiber raw materials and services such as chemicals and minerals through supplier collaboration, promotion and enforcement of supplier codes and other measures.	3.4

CMPC Contribution Index
to the Sustainable Development Goals

Objective	Goal	Section
1 NO POVERTY	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	4.4.2
3 GOOD HEALTH AND WELL-BEING	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.	Covid-19
4 QUALITY EDUCATION	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes.	4.4.1
	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and preprimary education so that they are ready for primary education.	4.4.1
5 GENDER EQUALITY	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.	4.1.2
6 CLEAN WATER AND SANITATION	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.	4.4.2
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	5.4.1
7 AFFORDABLE AND CLEAN ENERGY	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	5.4.2
	7.3 By 2030, double the global rate of improvement in energy efficiency.	
8 DECENT WORK AND ECONOMIC GROWTH	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	2.3.2
	8.3 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	4.4.1
	8.8 Proteger los derechos laborales y promover un entorno de trabajo seguro y sin riesgos para todos los trabajadores, incluidos los trabajadores migrantes, en particular las mujeres migrantes y las personas con empleos precarios.	4.3
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	3.2.1
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	2.3.2
10 REDUCED INEQUALITIES	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	4.1.3
11 SUSTAINABLE CITIES AND COMMUNITIES	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.	4.4.1
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	5.4.4
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	3.2.1 4.4.1 5.4.4
13 CLIMATE ACTION	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	5.3
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	
15 LIFE ON LAND	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	5.2
	15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.	5.3.2
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms .	6.1.1
17 PARTNERSHIPS FOR THE GOALS	17.17 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.	3.2.3 4.4.2

GRI INDEX

The Integrated Report is prepared in accordance with the GRI standards (Essential option), the guidelines of the International Integrated Reporting Council (IIRC), the recommendations of the Dow Jones Sustainability Index (DJSI), and the mandatory criteria of the regulations in force in Chile regarding annual reports issued by the Financial Market Commission (CMF, for its acronym in Spanish), specifically General Rules No. 30, No. 386 and No. 385 for the disclosure of good corporate governance practices.

This document, which is prepared annually, is the fifth Integrated Report and includes information from January 1 to December 31, 2020, for the Celulosa, Biopackaging, and Softys business areas in the eight countries where the company operates.

The report was assured by external auditors KPMG, who reviewed 20 sustainability indicators, in addition to the audit of the financial statements in Deuman. The carbon footprint data for 2020 were assessed by the external audit firm Deloitte. Any restatement of information or change in methodology is duly indicated for a better understanding of the information.

It is worth mentioning that CMPC has configured its sustainability goals in line with the Sustainable Development Goals (SDGs). Additionally, this document is a Communication on Progress (CoP) for the United Nations Compact, an organization of which CMPC has been a member since 2018.

(102-48, 102-49, 102-50, 102-51, 102-52, 102-54)

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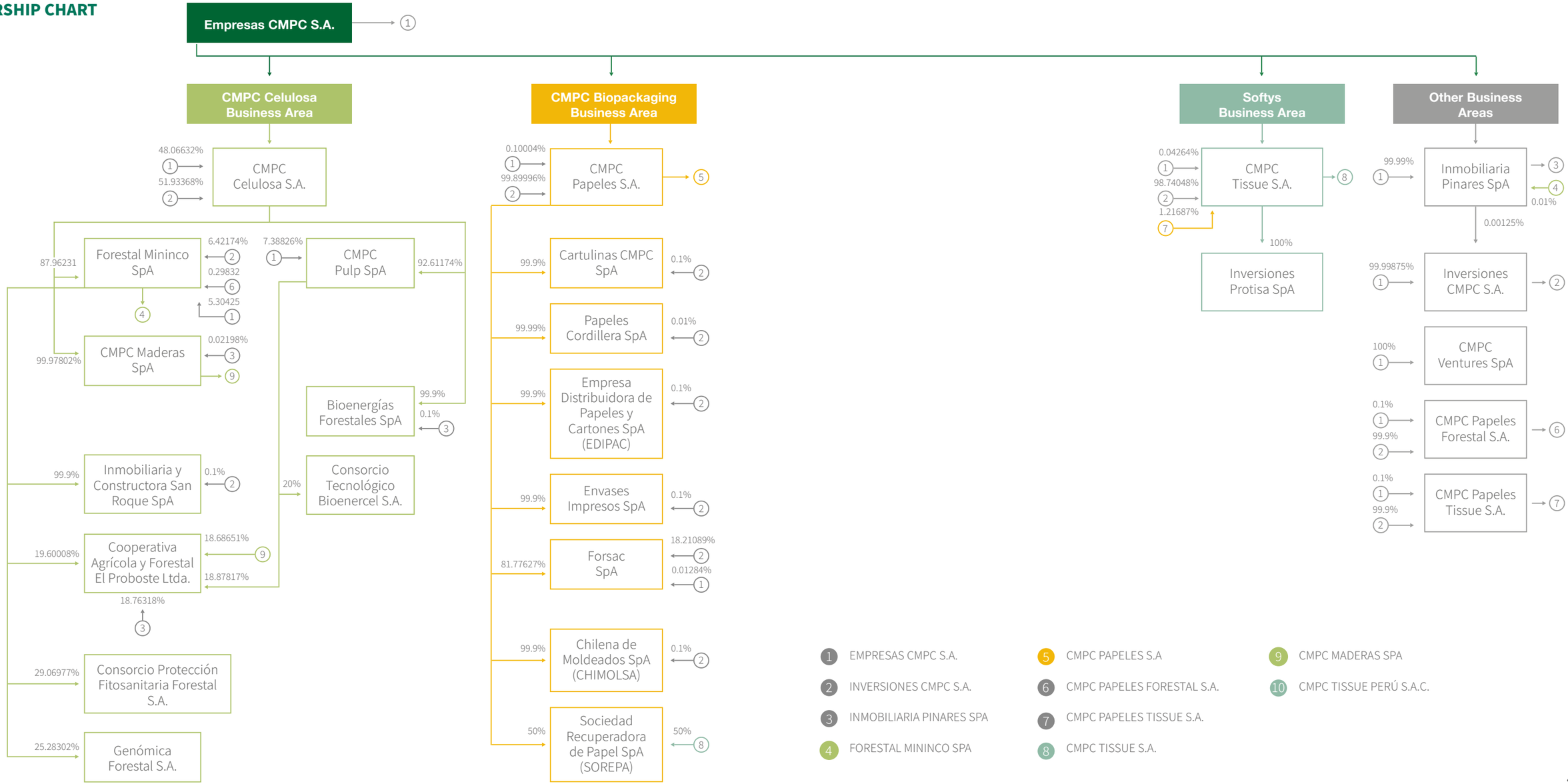
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● Note 1: The marked contents correspond to the indicators verified by the KPMG External Auditor. Review your verification letter in section 8.4
Note 2: Contents 305-1, 305-2, and 305-3 were verified by Deuman. Review your verification letter in section 8.4

8.3 Ownership and equity

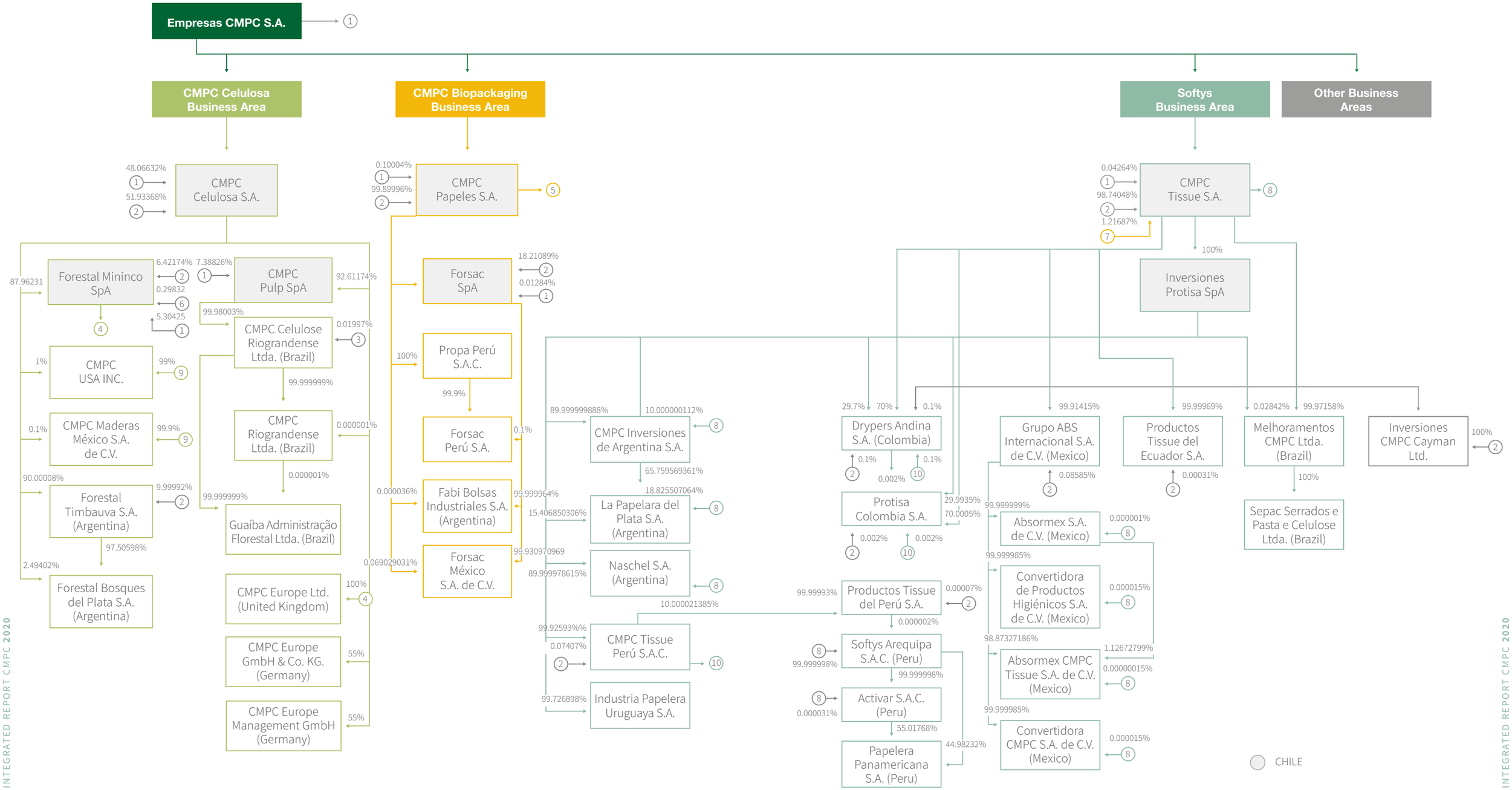
OWNERSHIP CHART

CHILE



1 EMPRESAS CMPC S.A.
2 INVERSIONES CMPC S.A.
3 INMOBILIARIA PINARES SPA
4 FORESTAL MININCO SPA
5 CMPC PAPELES S.A
6 CMPC PAPELES FORESTAL S.A.
7 CMPC PAPELES TISSUE S.A.
8 CMPC TISSUE S.A.
9 CMPC MADERAS SPA
10 CMPC TISSUE PERÚ S.A.C.

GLOBAL


Empresas CMPC S.A.
CMPC Celulosa Business Area
CMPC Biopackaging Business Area
Softys Business Area
Other Business Areas
48.06632%
51.93368%
CMPC Celulosa S.A.
0.10004%
99.89996%
CMPC Papeles S.A.
0.04264%
98.74048%
1.21687%
CMPC Tissue S.A.
100%
Inversiones Protisa SpA
87.96231
Forestal Mininco SpA
6.42174%
7.38826%
CMPC Pulp SpA
92.61174%
0.29832
5.30425
99.98003%
CMPC Celulose Riograndense Ltda. (Brazil)
0.01997%
99.999999%
0.000001%
CMPC Riograndense Ltda. (Brazil)
0.000001%
Guaíba Administração Florestal Ltda. (Brazil)
1%
99%
CMPC USA INC.
0.1%
99.9%
CMPC Maderas México S.A. de C.V.
90.00008%
9.99992%
Forestal Timbauva S.A. (Argentina)
97.50598%
2.49402%
Forestal Bosques del Plata S.A. (Argentina)
100%
CMPC Europe Ltd. (United Kingdom)
55%
CMPC Europe GmbH & Co. KG. (Germany)
55%
CMPC Europe Management GmbH (Germany)
18.21089%
0.01284%
Forsac SpA
100%
Propa Perú S.A.C.
99.9%
Forsac Perú S.A.
0.1%
0.000036%
Fabi Bolsas Industriales S.A. (Argentina)
99.999964%
0.069029031%
Forsac México S.A. de C.V.
99.930970969
89.999999888%
10.000000112%
CMPC Inversiones de Argentina S.A.
65.759569361%
15.406850306%
18.825507064%
La Papelara del Plata S.A. (Argentina)
89.9999978615%
Naschel S.A. (Argentina)
10.000021385%
99.92593%%
0.07407%
CMPC Tissue Perú S.A.C.
99.726898%
Industria Papelera Uruguaya S.A.
29.7%
70%
0.1%
Drypers Andina S.A. (Colombia)
0.1%
0.002%
0.1%
Protisa Colombia S.A.
29.9335%
70.0005%
0.002%
0.002%
99.99993%
0.00007%
Productos Tissue del Perú S.A.
0.000002%
99.999998%
Softys Arequipa S.A.C. (Peru)
99.999998%
0.0000031%
Activar S.A.C. (Peru)
55.01768%
44.98232%
Papelera Panamericana S.A. (Peru)
99.91415%
Grupo ABS Internacional S.A. de C.V. (Mexico)
0.08585%
99.999969%
Productos Tissue del Ecuador S.A.
0.00031%
0.02842%
99.97158%
Melhoramentos CMPC Ltda. (Brazil)
100%
Sepac Serrados e Pasta e Celulose Ltda. (Brazil)
100%
Inversiones CMPC Cayman Ltd.
99.999999%
Absormex S.A. de C.V. (Mexico)
0.000001%
99.999985%
Convertidora de Productos Higiénicos S.A. de C.V. (Mexico)
0.000015%
98.87327186%
Absormex CMPC Tissue S.A. de C.V. (Mexico)
1.126727999%
0.000000015%
99.999985%
Convertidora CMPC S.A. de C.V. (Mexico)
0.000015%
CHILE

Equity chart

SUBSIDIARY COMPANIES OF CMPC, IN CHILE

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
Inversiones CMPC S.A.	The investment in the country and abroad of all kinds of movable intangible assets and, in particular, its participation as shareholder of any type of company and the investment within the country or abroad in immovable property.	"Closed Stock Company. Registered in the Securities Registry under No. 672. Incorporated by public deed dated January 2, 1991, before Santiago Rubén Galecio G notary public of Santiago. Chilean Tax ID Number (R.U.T.) 96.596.540-8"	5,156,881	80,278	100.00	Ignacio Goldsack Trebilcock	Francisco Ruiz-Tagle Edwards	Rafael Cox Montt Guillermo Turner Olea José Antonio Correa García Rodrigo Hetz Pincheira
Inmobiliaria Pinares SpA	The acquisition of land, its subdivision, lot division and urbanization, the construction of social housing, for its own account or for the account of others, and the sale thereof.	"Joint-Stock Company. Incorporated by public deed as a limited liability company on April 23, 1990, before Humberto Faúndez R., notary public of Concepcion. It was transformed into a closed stock company by public deed dated December 20, 2000 before the alternate notary public of Concepción, Mr. Waldo Otarola A., whose extract was registered on January 24, 2001. This company was transformed into a Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to a public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 21, 2019. R.U.T 78.000.190-9"	1,948	420	100.00	Alejandro Araya Yañez	Has no board of directors	Has no board of directors
CMPC Celulosa S.A.	i) The making of all kinds of investments in all types of assets, whether tangible or intangible, real or personal, securities or commercial paper, including shares, bonds and debentures, rights, shares in mutual funds or participations in any type of company or association, being able to enter into all kinds of acts and contracts in Chile or abroad that lead to the fulfillment of this purpose, and may even purchase or acquire other companies or their assets, participate as a partner or shareholder of other companies of any nature, whether currently existing or to be formed in the future, or participate in the incorporation of such companies, manage them and receive the profits thereof; and ii) the provision of all kinds of services, advisory and consulting services, for a fee, in the areas of management, logistics and other support services.	"Closed Stock Company. Incorporated by public deed dated May 16, 2016, before Mr. Eduardo Diez Morello, notary public of Santiago, as CMPC Sur S.A. On August 29, 2016, the minutes of the Extraordinary Shareholders' Meeting were reduced to a public deed before Eduardo Diez Morello, notary public of Santiago, where it was agreed to change the company's name to ""CMPC Celulosa S.A."". The extract of said deed was published in the Official Gazette on September 22, 2016. R.U.T. 76.600.628-0 "	5,065,844	(146,004)	100.00	Raimundo Varela Labbé	Luis Felipe Gazitúa Achondo	Francisco Ruiz-Tagle Edwards Osvaldo Burgos Schirmer Bernardo Matte Izquierdo Jorge Matte Capdevila Jorge Larraín Matte Patricio de Solminihac Tampier
CMPC Papeles S.A.	The production, import, export and general commercialization of paper, in its different forms.	"Closed Stock Company. Incorporated by public deed dated April 20, 1988, before the notary Enrique Morgan T. The extract was published in the Official Gazette on May 4, 1988, under the name of CMPC Capital de Riesgo S.A. On July 7, 1998, the Extraordinary General Shareholders' Meeting was reduced to public deed before the notary Raúl I. Perry P., where it was agreed to change the company's name to ""CMPC Papeles S.A."". The extract of this deed was published in the Official Gazette on July 14, 1998. R.U.T. 79.818.600-0"	1,048,630	24,786	100.00	Jorge Navarrete García	Luis Felipe Gazitúa Achondo	Washington Williamson Benaprés Bernardo Matte Izquierdo Francisco Ruiz-Tagle Edwards Jorge Matte Capdevila Vivianne Blanlot Soza Andrés Echeverría Salas

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
CMPC Tissue S.A.	The manufacture and/or conversion of hygiene products, diapers, towels, napkins, handkerchiefs and facial tissues, and other tissue or similar products, processed or semi-manufactured.	Closed Stock Company. Incorporated by public deed dated February 24, 1988, before Mr. Sergio Rodríguez G., notary public of Santiago, under the name "Forestal e Industrial Santa Fe S.A.". On January 6, 1998, the Seventh Extraordinary General Shareholders' Meeting of the Company agreed to change the corporate name to "CMPC Tissue S.A.", which was reduced to public deed on January 27, 1998 before the Santiago notary public Mr. Raúl I. Perry P.	1,056,164	145,965	100.00	Gonzalo Hernán Darraidou Diaz	Luis Felipe Gazitúa Achondo	Francisco Ruiz-Tagle Edwards Bernardo Matte Izquierdo Jorge Larraín Matte Pablo Turner González Jorge Matte Capdevila Verónica Edwards Guzmán
CMPC Pulp SpA	a) The production, commercialization, import and export of pulp, paper and derivatives thereof, in their various forms, as well as all other operations related to this purpose; b) the purchase and sale of wood in any state, including standing forests; c) the participation or investment in companies whose purpose includes the aforementioned activities; d) the purchase and sale of power and electric energy.	"Joint-Stock Company. Incorporated by public deed dated March 31, 1988, before Mr. Enrique Morgan T., notary public of Santiago, under the name of ""Celulosa del Pacifico S.A.""". On December 31, 1998, the minutes of the Extraordinary General Shareholders' Meeting of the company were reduced to a public deed before the notary Iván Torrealba Acevedo, where it was agreed to change the company's name to ""CMPC Celulosa S.A.""". An extract of this deed was published in the Official Gazette on January 22, 1999. On August 29, 2016, the minutes of the Extraordinary Shareholders' Meeting were reduced to a public deed before the notary Eduardo Diez Morello, where it was agreed to change the company's name to ""CMPC Pulp S.A.""". The extract of said deed was published in the Official Gazette on September 22, 2016. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 21, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 96.532.330-9"	2,605,727	(67,720)	100.00	Raimundo Varela Labbé	Has no board of directors	Has no board of directors
Forestal Mininco SpA	Forestation and reforestation, on its own and other people's land; the purchase, sale and marketing of land, forests, wood, seeds, plants and other related products; the marketing, export and import of wood products or their derivatives; and the provision of forest, management and other services.	"Joint-Stock Company. Incorporated by public deed dated July 22, 1949, before the notary public of Valparaíso Mr. Ernesto Cuadra M., modified by deed executed on September 20, 1949, before the same notary public. Authorized by Treasury Decree No. 8044, dated October 20, 1949. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 21, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette dated January 26, 2019. R.U.T. 91.440.000-7"	2,645,430	(78,952)	99.99	Eduardo Hernández Fernández	Has no board of directors	Has no board of directors
CMPC Maderas SpA	The exploitation of the sawmill industry, the commercialization, export and import of forest products, also being able to carry out any operation related to forests; the provision of forestry, management and other services; to give, take and deliver in lease or sublease all kinds of assets, whether real estate or movable.	"Joint-Stock Company. Incorporated by public deed dated October 28, 1983, before the Notary Public of Santiago Mr. Enrique Morgan T. as Aserraderos Mininco S.A. On November 27, 2000, the Extraordinary Shareholders' Meeting that agreed to change the corporate name to ""CMPC Maderas S.A."" was reduced to public deed. An extract of this deed was published in the Official Gazette on December 2, 2000. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 21, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette dated January 26, 2019. R.U.T. 95.304.000-K"	352,120	10,861	100.00	Eduardo Hernández Fernández	Has no board of directors	Has no board of directors

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
Cooperativa Agrícola y Forestal El Proboste Ltda.	To carry out on behalf of its associates the administration, management and maintenance of the Proboste and Galumavida ranches located in the municipalities of Empedrado, Chanco and Constitucion, especially with regard to works related to the care, forestation and pine forests or other forest species located on these properties.	"Limited Liability Company. Authorized by Supreme Decree No. 971 of October 17, 1958, of the Ministry of Agriculture. The bylaws in force since April 28, 1990, were amended and approved at the General Shareholders' Meeting, whose minutes were reduced to public deed on April 6, 2004 at the Santiago Notary Office of Mr. René Benavente Cash, reduced to public deed on April 6, 2004 at the Santiago Notary Office of Mr. René Benavente Cash, extract of this deed was recorded in the Commercial Registry, year 2004, of the Santiago Real Estate Registry and was published in the Official Gazette of April 17, 2004. The Department of Cooperatives of the Ministry of Economy, Development and Reconstruction issued certificate No. 529, dated March 31, 2004, in which it certifies the incorporation Minutes of the General Shareholders' Meeting, constitutive, as well as the minutes modifying the bylaws. R.U.T 70.029.300-9"	9,738	2,903	75.92	Currently in the liquidation process. Its administration falls on a liquidation board made up of Víctor Fuentes, Hernán Fournies and Fernando Quezada.		
Bioenergías Forestales SpA	a) Production, transportation, distribution, supply and distribution of energy, b) Management and operation of power generation plants, c) Provision of services and performance of any activity related to the energy industry, d) Develop projects under the Kyoto agreement or other agreements; e) Buy and sell certified greenhouse gas emission reductions; and f) Participate in companies.	"Joint-Stock Company. Company incorporated by public deed dated November 22, 2011 before Raúl Iván Pérez P., notary public of Santiago. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 76.188.197-3"	4,807	2,827	100.00	Enrique Edgardo Donoso Moscoso	Has no board of directors	Has no board of directors
Inmobiliaria y Constructora San Roque SpA	a) The purchase, sale, lease, temporary assignment and, in general, the exploitation of all kinds of urban or rural real estate; b) The construction, either directly or by order of third parties, of all kinds of real estate, and c) in general, the execution of all kinds of acts and entering into all contracts that may be necessary for the fulfillment of the company's purpose or the development of its business.	"Joint-Stock Company. Company incorporated by public deed dated November 4, 2014 before the Notary Public of Santiago Mr. Eduardo Diez Morello. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 76.395.604-0"	4,269	(3,109)	99.99	Pablo Smith Torres	Has no board of directors	Has no board of directors
Cartulinas CMPC SpA	The production, import, export and, in general, the commercialization of paper in its different forms and its derivatives, the forest activity, the exploitation of forests, the acquisition or alienation in any title of agricultural real estate and the commercialization of wood, for which purpose it may carry out all acts, make all investments or businesses and enter into all necessary contracts.	"Joint-Stock Company. Incorporated by public deed dated April 27, 1995, before the Notary Public of Santiago Mr. Raúl Perry P. The extract was published in the Official Gazette on May 16, 1995 and registered in the Commercial Registry of Puente Alto on May 22, 1995 at page 41 No. 41 under the name of ""CMPC PAPELES S.A."". On June 24, 1998, the Extraordinary General Shareholders' Meeting that agreed to change the corporate name to ""CARTULINAS CMPC S.A."" was reduced to a public deed before the same notary. An extract of this public deed was published in the Official Gazette on June 30, 1998. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T 96.731.890-6"	617,326	21,490	100.00	Francisco García-Huidobro Morandé	Has no board of directors	Has no board of directors

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
Papeles Cordillera SpA	The production, export, import and commercialization of paper or paper products and their derivatives, forest activities in any of its forms and the investment of resources in companies related to some of the aforementioned activities.	"Joint-Stock Company. Incorporated by public deed dated March 9, 1998, before Gonzalo de la Cuadra F., notary public of Santiago. Registered in the Commercial Registry of the Real Estate Registry of Santiago on March 13, 1998 at page 5993 No. 4812. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T 96.853.150 - 6"	205,038	8,590	100.00	Carlos Eduardo Cepeda Oettinger	Has no board of directors	Has no board of directors
Forsac SpA	The manufacture of paper products or other materials for packaging, packing or other purposes, and paper-related items, as well as the purchase, sale, marketing, distribution, import or export of such products or other similar or related products.	"Joint-Stock Company. Incorporated by public deed dated October 4, 1989, executed before the notary public of Santiago, Mr. Aliro Veloso M., under the name of Forestal Angol Ltda. The extract of said deed was published in the Official Gazette on October 10 of the same year. On April 3, 1998, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to a public deed before the Notary Public of Santiago, Mr. Jaime Morandé O., which establishes the change of the Company's name to ""Papeles Angol S.A."". The extract of said deed was published in the Official Gazette on April 20, 1998. On May 15, 1998, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to a public deed before the Notary Office of Mr. Raúl Perry P., in which the name of the Company was changed to ""Propa S.A."". The extract of said deed was published in the Official Gazette on May 20, 1998. On March 10, 2010, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to public deed at the Santiago Notary Office of Mr. Raúl Iván Perry P., in which the name of the Company was changed to ""Forsac S.A."". The extract of said deed was published in the Official Gazette on March 26, 2010. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 79.943.600-0"	51,931	978	100.00	Fernando José Hasenberg Larios	Has no board of directors	Has no board of directors
Empresa Distribuidora de Papeles y Cartones SpA (EDIPAC)	The purchase, sale, consignment, marketing and distribution, either for its own account or for the account of others, of paper, cardboard and other products derived from pulp and paper.	"Joint-Stock Company. Incorporated by public deed dated December 24, 1981, before the notary public of Santiago Mr. Jorge Zañartu S. as a limited liability company. On October 25, 1993, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to public deed, in which the transformation to Closed Stock Company was recorded. The extract of said deed was published in the Official Gazette on November 8, 1993. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 21, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 88.566.900-K."	16,652	617	100.00	Nicolás Sergio Moreno López	Has no board of directors	Has no board of directors

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
Envases Impresos SpA	The production of printed and die-cut corrugated cardboard packaging.	"Joint-Stock Company. Incorporated by public deed dated December 28, 1982, before the notary public of Santiago Mr. Patricio Zaldivar Mackenna as a limited liability company. On October 25, 1993, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to a public deed at the Santiago Notary Office of Mr. Raúl Perry Pefaur, in which the transformation of the Company into a Stock Corporation was recorded. The extract of said deed was published in the Official Gazette on November 8, 1993. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 21, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 89.201.400-0."	94,453	(2,441)	100.00	Carlos Eduardo Cepeda Oettinger	Has no board of directors	Has no board of directors
Chilena de Moldeados SpA (CHIMOLSA)	The manufacture and wholesale and retail sale of export fruit trays, trays and cases for eggs and other products; in general, molded containers of different types, sizes and styles; the import, export, purchase and sale of these same items.	"Joint-Stock Company. Incorporated by public deed dated March 31, 1976, before the Notary Public of Santiago, Mr. Enrique Zaldívar D. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 24, 2019. R.U.T. 93.658.000-9"	36,559	524	100.00	Carlos Eduardo Cepeda Oettinger	Has no board of directors	Has no board of directors
Sociedad Recuperadora de Papel SpA (SOREPA)	The recovery of paper and cardboard and the purchase and sale of new or used paper, the export and import of the same and the recovery of metals, aluminum and bottles.	"Joint-Stock Company. Incorporated by public deed dated October 1, 1979, before the notary public of Santiago Mr. Patricio Zaldívar M. as a limited liability company. On June 30, 1993, the resolutions adopted at the Extraordinary Shareholders' Meeting were reduced to a public deed before the Notary Public of Santiago, Mr. Raúl Perry Pefaur, in which the transformation of the Company to a Stock Corporation was recorded. The extract of said deed was published in the Official Gazette on July 8, 1993. This company was transformed to Joint-Stock Company in accordance with the resolutions adopted at the Extraordinary Shareholders' Meeting held on December 19, 2018, which was reduced to public deed at the Santiago Notary Office of Mr. Raúl Undurraga Laso on December 28, 2018. The extract of said deed was published in the Official Gazette on January 25, 2019. R.U.T. 86.359.300-K."	19,040	(1,192)	100.00	Bernardo José Serrano Reyes	Has no board of directors	Has no board of directors

CMPC PARTNER COMPANIES, IN CHILE

Company Name	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
Inversiones Protisa SpA	To make all kinds of investments, especially the purchase and sale of shares or debt securities, carry out operations in the capital market and apply its resources in all kinds of financial business proper to the company's line of business.	"Joint-Stock Company. Incorporated by public deed dated March 4, 1998, before Gonzalo de la Cuadra F., notary public of Santiago. R.U.T 96.859.760-5"	320,880	17,069	100.00	Gonzalo Hernán Darraidou Diaz	Has no board of directors	Has no board of directors
CMPC Papeles Tissue S.A.	The making of all kinds of investments in all types of assets, being able to enter into all kinds of acts and contracts in Chile or abroad, leading to the fulfillment of this purpose.	Closed Stock Company. Incorporated by public deed dated November 26, 2018.	12,852	1,779	100.00			Francisco Ruiz-Tagle Edwards Rafael Cox Montt Ignacio Goldsack Trebilcock
CMPC Papeles Forestal S.A.	The making of all kinds of investments in all types of assets, being able to enter into all kinds of acts and contracts in Chile or abroad, leading to the fulfillment of this purpose.	Closed Stock Company. Incorporated by public deed dated November 26, 2018.	7,892	(236)	100.00			Francisco Ruiz-Tagle Edwards Rafael Cox Montt Ignacio Goldsack Trebilcock
CMPC Ventures SpA	The making of all kinds of investments in all types of assets, tangible or intangible, movable or immovable, shares, rights, securities, fees, and in all types of commercial or financial instruments. The purpose of the company also includes the rendering of services or consultancy related to its objectives.	Stock Corporation. Incorporated by public deed dated March 5, 2020, executed before the notary public Mr. Roberto Antonio Cifuentes Allel.	10,217	-	100.00	Bernardita Moya	Has no board of directors	Has no board of directors
Consorcio Protección Fitosanitaria Forestal S.A.	The production, purchase and sale of elements, and the provision of services, aimed at protecting and improving the cultivation and development of tree species of any kind; the production, research and training in forest resources, and activities related to the above, being able to carry out all acts that directly or indirectly lead to the fulfillment of such purpose.	"Closed Stock Company. Incorporated by public deed on November 12, 1992 before notary public Mr. Enrique Morgan T. R.U.T. 96.657.900-5. (*) Year 2014, the Third Extraordinary General Shareholders' Meeting was held on April 29, 2014, where it was decided to change the company name CPF S.A., being constituted as: Consorcio Protección Fitosanitaria Forestal S.A."	486	30	29.01	Claudio Goycoolea Prado	Jorge Serón Ferré	Carlos Ramírez de Arellano Luis De Ferrari Fontecilla Pedro Villar Aliste James Smith Bloom
Genómica Forestal S.A.	The performance of all kinds of services and activities aimed at the development of forest genomics, through the use of biotechnological, molecular and bioinformatics tools; the provision of technology, engineering, biotechnology and bioinformatics services; the purchase, sale and marketing of seeds, tools and all kinds of tangible and intangible assets necessary for the fulfillment of the business; the management and implementation of projects in Forest Genomics.	"Closed Stock Company. Incorporated by public deed dated October 26, 2006, at the Santiago Notary Office of Mr. Iván Torrealba Acevedo. Extract registered on page 2039 v. N°1705 of the 2006 Commercial Registry of the Concepción Real Estate Registry and published in the Official Gazette in the edition dated November 16, 2006. R.U.T 76.743.130-9"	31	-	25.28		Eduardo Rodriguez Treskow	Jean Pierre Lasserre Andrea Rodríguez Sofía Grez Felipe Leiva
Consorcio Tecnológico Bioenercel S.A.	To develop, understand and obtain technologies that allow the implementation in Chile of a biofuel industry obtained from lignocellulosic materials. In addition to developing scientific and technological research for bioprocesses aimed at converting lignocellulosic biomass into biofuel.	"Consorcio Tecnológico Bioenercel SA" was incorporated on August 21, 2009, through a public deed granted by the Santiago notary Mr. Félix Jara Cadot, whose extract was registered on page 1,560, No. 1572, of the Commercial Registry of the Concepción Real Estate Registry, 2009, and published in the Official Gazette of September 15, 2009. R.U.T. 76.077.468-5	7	-	20.00		Fernando Rioseco Schmidt	Eckart Eitner Delgado Eduardo Rodriguez Treskow Jorge Correa Iván Rubio Huerta David Contreras Pérez Germán Aroca Arcaya Andrés Pesce Aron

SUBSIDIARY COMPANIES OF CMPC, ABROAD

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	CMPC Inversiones de Argentina S.A.	Financial activities on its own account or on behalf of third parties or associated with third parties.	"Close Stock Company. Incorporated by deed dated June 29, 1992, Argentina. Single Taxpayer Identification Number (CUIT, for its acronym in Spanish) 30-65451689-4"	81,639	(19,716)	100.00	Juan La Selva De Lisio	Juan La Selva De Lisio	Paula Jimena Cecchini
	Forestal Bosques del Plata S.A.	Agricultural and livestock forest exploitation of the real estate it owns. Purchase and sale of urban or rural real estate. Industrial exploitation of wood, its splitting, sawing, conditioning and preservation.	Close Stock Company. Incorporated by public deed dated August 30, 1993 and registered with the Inspección General de Justicia, IGJ (Public Registry of Commerce) on September 23, 1993, under the name of Proyectos Australes S.A. Changed its company name to Forestal Bosques del Plata S.A. by decision of the Extraordinary General Shareholders' Meeting of January 2, 2001, which was recorded in public deed dated May 9, 2001, registered with the Inspección General de Justicia on May 22, 2001, Argentina.	137,320	(25,451)	99.99	Raúl Vicente Pezzutti	Juan La Selva De Lisio	Paula Jimena Cecchini
	Forestal Timbauva S.A.	Financial and investment activities for its own account or for the account of third parties or associated with third parties.	Stock Corporation. Incorporated by public deed dated August 5, 2011 and registered with the Inspección General de Justicia on August 17, 2011. CUIT in process before the Administración Federal de Ingresos Públicos, AFIP (Federal Administration of Public Income)	133,828	(24,827)	99.99	Raúl Vicente Pezzutti	Juan La Selva De Lisio	Paula Jimena Cecchini
	Naschel S.A.	Printing of paper, polyethylene and polypropylene rolls.	"Stock Corporation. The bylaws were approved by decree of the National Executive Power dated November 24, 1955, granting legal status, transcribed in the public deed of incorporation dated January 23, 1956, executed before the notary public Mr. Weinich Waisman, Buenos Aires, Argentina, and later modified by spin-off and reduction of capital by deed dated January 2, 1996, before the notary public Mr. Raúl Félix Vega Olmos, Buenos Aires, Argentina. CUIT 30-50164543-1"	384	31	100.00	Juan La Selva De Lisio	Juan La Selva De Lisio	Paula Jimena Cecchini
	Fabi Bolsas Industriales S.A.	Manufacture of paper and cardboard bags.	Stock Corporation. Incorporated by public deed dated January 2, 1996, before the notary public Mr. Raúl Félix Vega O., Buenos Aires, Argentina.	7,556	(463)	100.00	Adrian Saj	Juan La Selva De Lisio	Paula Jimena Cecchini
	La Papelera del Plata S.A.	"Manufacture, industrialization, processing and marketing of all types of paper, cardboard, boxboard, products and by-products thereof in all its branches and forms. Forest and wood exploitation, industrialization and commercialization of its products."	"Stock Corporation. Approved by the Executive Power of the Province of Buenos Aires on September 2, 1929, Argentina. CUIT 30-50103667-2"	124,228	(29,754)	99.99	Juan La Selva De Lisio	Juan La Selva De Lisio	Alfredo Bustos Azócar Paula Jimena Cecchini
	Melhoramentos CMPC Ltda.	The manufacture and/or conversion of hygiene products, diapers, towels, napkins, handkerchiefs and facial tissues and other tissue and similar products, processed or semi-manufactured. The purchase and sale, import, export, consignment, distribution, representation and commercialization, either on its own account and/or on behalf of third parties, of the aforementioned products, as well as spare parts, raw materials and materials. The manufacture, production, transformation and commercialization in any form of pulp and its derivatives.	Limited liability company incorporated and registered on August 29, 1974 under No. 35.200.929.860 with the Commercial Board of the State of Sao Paulo, Brazil; under the name of K.C. do Brazil Ltda. The name of the company was changed on September 22, 1994, to Melhoramientos Papéis Ltda. On June 1, 2009, the control of the company was transferred to CMPC Participações Ltda., which was incorporated to Melhoramientos Papeis in March 2010. In October 2019, the capital was increased by R$ 360,000.00. CNPJ (National Registry of Legal Entities) 44.145.845/ 0001-40	434,565	3,652	100.00	Luis Delfim de Oliveira	Gonzalo Darraidou Díaz	Felipe Arancibia Silva Cristóbal Somarriva Quezada

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	CMPC Celulose Riograndense Ltda.	Forestation and reforestation; industrialization and commercialization of forest products, pulp, paper and their by-products; exploration of renewable energy sources; industrial, commercial and agricultural activities in general; the production, purchase, sale, import, export and commercialization of products made and derived from paper, cosmetic and hygiene products for adults and children, utensils and containers for daily use; the operation of the port terminal. Participation in other companies and enterprises as a partner, shareholder or member of the consortium, including investments in industry, trade and other areas of the economy.	Company incorporated on 10/15/2009 with its articles of incorporation filed at the Commercial Board of Rio Grande do Sul under number 43.206.502.899, in the session of 10/19/2009 under the name of CMPC Celulose do Brazil Ltda. The company name was changed on 06/12/2010 to CMPC Celulose Riograndense Ltda., being the minutes filed at the Commercial Board of Rio Grande do Sul under number 3332804 on 07/20/2010. After consecutive alterations to the capital stock, amendment number 4754659 dated 05/21/2018 changed the General Director and the Administrative Board of Directors. The last amendment to the Articles of Incorporation was filed under number 5233077 dated 12/20/2019.	2,446,004	(19,607)	100.00		Mauricio Harger	Juan Pablo Damián Errázuriz Guzmán
	CMPC Riograndense Ltda.	The production, purchase, sale, import, export and marketing of products made and derived from paper, cosmetic and hygiene products for adults and children, utensils and containers for daily use; forestation and reforestation; industrialization and marketing of forestry and pulp products; exploration of renewable energy sources; the exercise of industrial, commercial and agricultural activities in general; participation in other companies and enterprises as a partner, shareholder or member of the consortium, including investments in industry, trade and other areas of the economy.	Company incorporated on 05/03/1999 with its articles of incorporation filed at the Commercial Board of Sao Paulo under number 35.215.672.118, in session of 05/11/1999 under the name Boise Cascade do Brazil Ltda. The company's head office was changed on 09/01/2000 to Rio Grande do Sul, in session of 10/17/2000 under number 43.204.523.520. The company name was changed on 07/23/2008 to Aracruz Riograndense Ltda., and the minutes were filed at the Commercial Board of Rio Grande do Sul under number 3005323. Finally, the company name was changed to CMPC Riograndense Ltda. at a meeting held on January 20, 2010 under number 352959. The last amendment to the Articles of Incorporation was filed under number 4823934 on 08/20/2018.	20,052	(4,274)	100.00		Mauricio Harger	Juan Pablo Damián Errázuriz Guzmán
	Guaíba Administração Florestal Ltda.	Management company with a single objective of activity: research and management.	"Company incorporated on 10/22/2009, with articles of incorporation registered at the State of Commerce of Rio Grande do Sul - JUCERGS (Board of Commerce) under number 43206511251, on 10/29/2009 and the last amendment to the Articles of Incorporation filed under number 4827456 on 08/23/2018. CNPJ: 11.308.600/0001-38"	57,756	(6,410)	100.00		Mauricio Harger	Juan Pablo Damián Errázuriz Guzmán
	Sepac - Serrados e Pasta e Celulose Ltda.	Forestation and reforestation; industrialization and commercialization of forest products, pulp, paper and their by-products; exploration of renewable energy sources; industrial, commercial and agricultural activities in general; the production, purchase, sale, import, export and commercialization of products made and derived from paper, cosmetic and hygiene products for adults and children, utensils and containers for daily use; the operation of the port terminal. Participation in other companies and enterprises as a partner, shareholder or member of the consortium, including investments in industry, trade and other areas of the economy.	Limited liability company incorporated and registered on October 10, 1974 under No. 41201663639 with the Commercial Board of the State of Parana, Brazil. The capital is R$ 360,845,000.00 million. CNPJ 75.655.720/0001-94.	89,807	20,192	100.00	Renato Tyski Zapszalka	Gonzalo Darraidou Díaz	Felipe Arancibia Silva Cristóbal Somarriva Quezada
	CMPC Investments Ltd.	Financial investment activities of the holding company and subsidiaries.	Limited Liability Company. Incorporated in Guernsey, Channel Island, England, on May 28, 1991. Registry Office P.O. Box 58, St. Julian Court St. Peter Port.	-	1	0.00	In April 2020, the last resolution of liquidation of the company CMPC Investments Ltd. was sent to be registered at the Commercial Registry in Guernsey. To date, the voluntary liquidation process has effectively given way to the dissolution of the company.		
	Drypers Andina S.A.	The production, import, marketing, advertising, sale and export of disposable baby diapers and other related consumer products.	"Close Stock Company. Incorporated by public deed number 0000374 of the forty-ninth notary office of Bogota on February 16, 1999. The legal entity Drypers Andina &Cias S.C.A. was incorporated. It was agreed to change from Limited Partnership by shares to Stock Corporation by public deed No. 0001598 of the fifteenth notary office of Cali on September 7, 2001. RUT 817.002.753-0"	21,535	474	100.00	Andrés Ortega		Gonzalo Darraidou Díaz Felipe Arancibia Silva Cristóbal Somarriva Quezada

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	Protisa Colombia S.A.	The production, import, marketing, advertising, sale and export of disposable baby diapers, paper products, as well as sanitary products, including but not limited to diapers, toilet paper, paper towels, napkins, sanitary ware in general (adult diapers, feminine pads, wet wipes, pads, etc.) and other related consumer products.	"Close Stock Company. Incorporated by public deed number 0002539 of notary office 16 of Bogota on October 28, 2008. The legal entity Protisa Colombia S.A. was incorporated. RUT 900.251.415-4"	59,184	(2,414)	100.00	Andrés Ortega		Gonzalo Darraidou Díaz Felipe Arancibia Silva Cristóbal Somarriva Quezada
	Productos Tissue del Ecuador S.A.	The manufacture, processing, sale, marketing in any form of all kinds of paper, including but not limited to: napkins, paper towels, paper tablecloths, disposable paper towels, and in general any kind, type or form of paper products or materials derived from paper or in which paper is a primary or secondary material.	"Close Stock Company. Incorporated by public deed dated April 24, 2007, before the Fortieth Notary Public of the Metropolitan District of Quito. RUC 1792083354001"	20,209	(2,407)	100.00	Eduardo Arcos		Gonzalo Darraidou Díaz Felipe Arancibia Silva Cristóbal Somarriva Quezada
	CMPC USA Inc.	Marketing and distribution of forest products, wood products, pulp, boxboard and multi-ply paper sacks; as well as any operation approved by the Board of Directors involving forest products, included in the Georgia Business Corporation Code.	Corporation incorporated on January 9, 2002, pursuant to the Georgia Business Corporation Code, under the laws of the State of Georgia, USA.	24,021	5,708	100.00	Ryan Wolters	Juan Francisco Mizgier Rojas	Juan Pablo Pereira Sutil Ignacio Goldsack Trebilcock Francisco García-Huidobro Morandé Eduardo Hernández Fernández José Antonio Correa García Raimundo Varela Labbé Pablo Navarrete Saffie Vinicius Balogh Tanaka
	CMPC Europe Ltd.	Promotion and distribution of pulp and wood products.	Incorporated on January 7, 1991 under registration No. 2568391 of London, England. Currently in Voluntary Liquidation process..	104	(3)	99.99	Guillermo Mullins Lagos		
	Inversiones CMPC Cayman Ltd.	Making all kinds of commercial and financial investments and, in particular, its participation as a shareholder in any type of company.	Company incorporated under the laws of the Cayman Islands, pursuant to registration No. 77890 dated November 21, 1997, before the Cayman Islands Registrar of Companies.	496,690	(1)	100.00		Ignacio Goldsack Trebilcock	Rafael Cox Montt Andrés Parker Parada
	Grupo ABS Internacional S.A. de C.V.	Participate in the incorporation or investment in other commercial or civil companies, whether domestic or foreign. The acquisition, import, export and commercialization of all kinds of raw materials, parts and components to comply with its corporate purpose.	Stock Corporation of Variable Capital. Incorporated by public deed with policy number 1,802, on October 31, 1997, before Mr. Francisco Javier Lozano Medina, Notary Public No. 19, in the city of Monterrey, Nuevo Leon, Mexico. RFC. (Federal Taxpayer Registry) - GAI971031RD7	240,483	9,790	100.00	François Xavier Bouyra	Gonzalo Darraidou Díaz	Alfredo Bustos Azócar (Member - in process of change) Hernán Rodríguez Wilson (Member - in process of change) Rafael Cox Montt (Secretary - in process of change) Rafael Schmidt (Miembro - en proceso de cambio)
	Absormex S.A. de C.V.	"Manufacture of absorbent sanitary articles. The acquisition, sale, import and export of all kinds of equipment and materials related to its line of business. Representation in Mexico or abroad as agent, commission agent, intermediary, factor, representative and consignee or agent of all kinds of companies or persons."	"Stock Corporation of Variable Capital. Incorporated in public deed with policy number 3,532, on November 19, 1981 before Mr. Mario Leija Arzave, Notary Public No. 25, in the city of Monterrey, Nuevo Leon, Mexico. Change of Stock Corporation to Stock Corporation of Variable Capital by public deed 1,582 dated May 12, 1982 before Mr. Abelardo Benito Rdz de Leon, Notary Public No. 13 RFC.- ABS811125L52"	4,088	143	100.00	François Xavier Bouyra	Gonzalo Darraidou Díaz	Rafael Schmidt (Miembro - en proceso de cambio) Hernán Rodríguez Wilson (Member - in process of change) Rafael Cox Montt (Secretary - in process of change)
	Convertidora de Productos Higiénicos S.A. de C.V.	The manufacture of all kinds of hygienic products, as well as the import, export and commercialization of all kinds of products, on its own behalf or on behalf of third parties.	Stock Corporation of Variable Capital. Incorporated by public deed with policy number 4,131, on December 1, 1992 before Mr. Fernando Treviño Lozano, Notary Public No. 55, in the city of Monterrey, Nuevo Leon, Mexico, RFC: CPH921201LE6.	(2,117)	(54)	100.00	François Xavier Bouyra	Humberto Narro Flores ((Member - in process of change)	Rafael Schmidt ((Member - in process of change) Alfredo Bustos Azócar (Member - in process of change) Rafael Cox Montt (Secretary - in process of change)

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	Convertidora CMPC México S.A. de C.V.	The manufacture of all kinds of hygienic products, as well as the import, export and commercialization of all kinds of products, on its own behalf or on behalf of third parties.	Stock Corporation of Variable Capital. Incorporated in public deed with policy number 12,568 on December 28, 2012, before Carlos Montano Pedraza, Notary Public N° 130, in the city of Monterrey, Nuevo Leon, Mexico. RFCCM1212191KA.	2,412	7	100.00	François Xavier Bouyra	Humberto Narro Flores (Member in change processes)	Rafael Schmidt (Member - in process of change) Alfredo Bustos Azócar ((Member - in process of change) Rafael Cox Montt (Secretary - in process of change)
	Absormex CMPC Tissue S.A. de C.V.	"Manufacturing, converting, exporting, importing and commercializing hygienic products. Import, export and commercialize all types of raw materials, parts and components required to comply with the corporate purpose. Representing or acting as agent of all types of commercial and industrial companies and intervening in the sale and marketing of their products and services."	"Stock Corporation of Variable Capital. Incorporated by public deed with policy number 1,552, on July 17, 1997 before Mr. Francisco Javier Lozano Medina, Notary Public No. 19, in the city of Monterrey, Nuevo Leon, Mexico. RFC.- IPG970717QU9"	240,811	9,793	100.00	François Xavier Bouyra	Gonzalo Darraidou Díaz	Rafael Cox Montt (Secretario - en proceso de cambio) Alfredo Bustos Azócar (Member - in process of change) Hernán Rodríguez Wilson (Member - in process of change)
	Forsac México S.A. de C.V.	Purchase, sale, production and marketing of goods and products, including those related to the paper, wood and others in the forestry industry.	Commercial corporation, incorporated on January 10, 2008, under the laws of Mexico.	46,705	1,114	100.00	Francisco Javier Barrera González	Jorge Navarrete García	Cristian Barrera Almazán Fernando José Hasenberg Larios
	CMPC Maderas México S.A. de C.V.	The purpose of the company is "the purchase, sale, production, exchange, distribution, promotion and marketing of all kinds of goods and products, including, but not limited to, all goods and products related to the forest industry".	CMPC Maderas Mexico was incorporated on November 22, 2016, at Notary Public Office Vallarta and associates.	1,207	(201)	100.00		Fernando José Hasenberg Larios	Juan Pablo Pereira Sutil Raimundo Varela Labbé José Ignacio Goldsack Trebilcock Rafael Cox Montt
	CMPC Tissue Perú S.A.C.	Making all kinds of commercial and financial investments and, in particular, its participation as a shareholder in any type of company.	Company incorporated under the laws of the Cayman Islands, pursuant to registration No. 92448 dated September 9, 1999, with the Cayman Islands Registrar of Companies.	230,218	18,304	100.00	Ricardo Venegas	Gonzalo Darraidou Díaz	Felipe Arancibia Silva Cristóbal Somarriva Quezada
	Propa Perú S.A.C.	Making all kinds of commercial and financial investments and, in particular, its participation as a shareholder in any type of company.	Company incorporated under the laws of the Cayman Islands, pursuant to registration No. 92447 dated September 9, 1999, with the Cayman Islands Registrar of Companies.	42,025	1,630	100.00	Eduardo Nicolas Patow Nerny	Has no board of directors	Has no board of directors
	Productos Tissue del Perú S.A.	Manufacture, industrialization and processing of all types of paper, cardboard, boxboard, products and by-products thereof in all its branches and forms. Forest and wood exploitation, industrialization and commercialization of its products.	Close Stock Company. Incorporated by deed dated July 21, 1995, before the notary public Mr. Gustavo Correa M., Lima -Peru. Division of a patrimonial block of Forsac Peru S.A. by deed dated October 1, 2002. Single Taxpayer Registry (RUC) 20266352337	187,511	20,995	100.00	Ricardo Venegas		
	Forsac Perú S.A.	Manufacture and provision of services for the manufacture of multi-ply paper sacks.	"Stock Corporation. Incorporated by public deed dated June 5, 1996, under the name of Fabi Peru S.A., before the notary public Mr. Gustavo Correa M., Lima, Peru. This company merged with Forsac Peru S.A., the latter being absorbed, and Fabi Peru S.A. changed its name to ""Forsac Peru S.A."". This merger was constituted by public deed dated December 1, 2000, before the notary public Mr. Gustavo Correa M., Lima, Peru. A patrimonial block of Forsac Peru S.A. was divided according to the minutes of October 1, 2002. On April 17, 2019, the resolutions adopted at the General Shareholders' Meeting held on March 14, 2019 were reduced to public deed before the Notary Public of Lima, Mr. Eduardo Laos de Lama, in which the transformation of the Company to a Close Stock Company without a Board of Directors was recorded. "	37,010	1,632	100.00	Eduardo Nicolas Patow Nerny	Has no board of directors	Has no board of directors

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	Softys Arequipa S.A.C.	Manufacture, industrialization, processing and in general any form of commercialization of all types of paper, cardboard, boxboard, products and by-products thereof in all its branches and forms. Purchase, acquisition, transportation, collection, segregation, separation, processing, treatment, recycling, reuse and/or commercialization of all types of solid waste. Also, consulting, advising and rendering of senior management services to third parties engaged in the manufacture and/or marketing of paper products.	Close Stock Company. Incorporated by public deed dated February 9, 2019, before notary public Eduardo Laos de Lama. RUC 20604381011.	13,862	487	100.00	Pedro Alberto Muñoz Najar	Has no board of directors	
	Activar S.A.C.	Purchase and sale of movable and immovable property, shares, participations, securities, credit documents, trademarks and patents, and deposit of movable property; its corporate purpose includes all acts that contribute to the realization of its purposes, even if not expressly indicated.	Close Stock Company. Incorporated by public deed dated July 10, 2000, before Carlos Gómez de la Torre Rivera, notary public of Arequipa. RUC 20497199221	5,402	227	100.00	Pedro Alberto Muñoz Najar	Has no board of directors	
	Papelera Panamericana S.A.	Manufacture and sale of paper, cardboard, related products and/or derivatives. Likewise, the purchase and sale of goods and/or services related to the aforementioned activities, personal hygiene and any other industrial activity or lawful business agreed upon by the General Shareholders' Meeting.	Stock Corporation. Incorporated by public deed dated February 28, 1980 before Carlos Gomez de la Torre, notary public of Arequipa. RUC 20100189942.	9,818	414	100.00	Pedro Alberto Muñoz Najar	Has no board of directors	
	Industria Papelera Uruguaya S.A. (IPUSA)	Manufacture, industrialization and commercialization in all its forms of papers and derivatives, as well as those related to graphic arts.	Close Stock Company. Incorporated by public deed dated January 14, 1937, Montevideo, Uruguay. On April 29, 1937 its by-laws were approved by the Executive Power, being registered in the Registry of Contracts on May 14, 1937. RUT 21 006645 0012	51,198	5,331	99.73	Mariano Paz		Gonzalo Darraidou Díaz Felipe Arancibia Silva Cristóbal Somarriva Quezada

CMPC JOINT BUSINESSES, ABROAD

Country	Company Name and Legal Nature	Corporate Purpose	General Information	Equity MUSD	Profit (Loss) MUSD	% of direct and indirect shareholdings	Chief Executive Officer	Chairman of the Board	Directors
	CMPC Europe GmbH & Co. KG	Marketing and sales promotion of forest products.	Joint Venture formed between CMPC Celulosa S.A. and Gusco Handel G. Schürfeld + Co. GmbH. Dated July 11, 2019, registered and recorded in the Commercial Registry of Hamburg, Germany.	2,376	1,519	55.00	Hendrik Schürfeld (Gusco Handel G. Schürfeld + Co. GmbH.) - Raimundo Varela Labbé (CMPC Celulosa S.A.)		
	CMPC Europe Management GmbH	Management of the company CMPC Europe Gmbh. KG, whose object is the marketing and sales promotion of forest products.	Joint Venture formed between CMPC Celulosa S.A. and Gusco Handel G. Schürfeld + Co. GmbH. Dated July 11, 2019, registered and recorded in the Commercial Registry of Hamburg, Germany.	27	(3)	55.00	Hendrik Schürfeld (Gusco Handel G. Schürfeld + Co. GmbH.) - Raimundo Varela Labbé (CMPC Celulosa S.A.)		

8.4 External assurance

(102-56)

KPMG ASSURANCE LETTER

Independent Assurance Report
"Integrated Report CMPC 2020"

To the President and Directors of
Empresas CMPC S.A.:

We have conducted a limited review of the content and data related to the GRI indicators 102-8, 102-41, 204-1, 205-2, 205-3, 303-3, 303-4, 303-5, 306-2, 307-1, 401-1, 403-9 (for all employees of CMPC Celulosa), 404-3, 405-2, 407-1, 419-1, indicators CMPC 1, CMPC 3, CMPC 4, CMPC 5, CMPC 6, CMPC 7 y CMPC 8 (hereinafter "indicators to be reviewed") disclosed in the integrated Report 2020 of Empresas CMPC for the year ended December 31, 2020.

Empresas CMPC's management is responsible for the preparation of the Integrated Report. Additionally, Empresas CMPC's management is responsible for the contents, affirmations, scope definition and the management and control of information systems which provided the information reported.

Our review was conducted in accordance with attestation engagement standards established by the Colegio de Contadores de Chile A.G. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion over the "Integrated Report CMPC 2020". Accordingly, we do not express such an opinion.

Contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020 of Empresas CMPC were also reviewed considering the criteria established in the Global Reporting Initiative (GRI) Integrated Reporting Standard as well as Empresas CMPC's internal guidelines, which are summarized as follows:

- Determine that contents and data related to the "indicators to be reviewed" disclosed in " Integrated Report CMPC 2020" are duly supported with sufficient evidence.
- Determine that Empresas CMPC has prepared the contents and data related to the "indicators to be reviewed", disclosed in its Integrated Report 2020, in accordance with the Principles on Content and Quality as established by the GRI Standard and its internal guidelines.
- Confirm the essential option stated by Empresas CMPC in its Integrated Report 2020, in accordance with the GRI Standard.

Our procedures considered conducting inquiries with Empresas CMPC's management, Business Units and personnel responsible for the preparation of the Report, as well as performing other analytical procedures and tests, that included:

- Interviews with Empresas CMPC's key personnel, in order to assess the preparation process of the contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020, content definition and information systems used.
- Verification of contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020 through supporting documentation provided by Empresas CMPC.
- Analysis of the collection process and the quality control of contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020 of Empresas CMPC.
- Verification of data reliability using analytical procedures, testing on a sample basis and the review of recalculations.
- Interviews by videoconference with those responsible for the elaboration process of the Integrated Report 2020 of Empresas CMPC.

Based on our review, nothing came to our attention that caused us to believe that:

- Contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020 are not duly supported with sufficient evidence.
- Contents and data related to the "indicators to be reviewed" disclosed in the Integrated Report 2020 has not been prepared in accordance with the Principles on Content and Quality as established by the GRI Standard and Empresas CMPC's internal guidelines.
- The Integrated Report 2020 of Empresas CMPC's does not comply with the essential option stated in accordance with the GRI Standard.

This document is a translation of the Spanish version.

KPMG, Auditores y Consultores SpA

Tamara Agnic M.
Partner

Santiago, April 5, 2021

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CARBON FOOTPRINT ASSURANCE LETTER

Santiago, April 7, 2021

Mr.
Nicolás Gordon Adam
Sustainability Director
Compañía Manufacturera de Papeles y Cartones

Present

At its request, DEUMAN has conducted a limited independent verification of the 2020 Greenhouse Gas Emissions Inventory of the Compañía Manufacturera de Papeles y Cartones (CMPC).

This inventory has been reported through spreadsheets and the SoFi platform, as well as a final report. DEUMAN's responsibility is to arrive to conclusions about the consistency and reliability of the information received.

Scope of verification

The calculated inventory corresponds to the emissions of the 45 sites and 3 forest operations under the operational control of CMPC, located in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, and Uruguay. Quantification corresponds to the period from January 1 to December 31, 2020.

This verification considers scope 1, scope 2 - calculated by market and location based approaches - and 11 categories of scope 3; Purchased Goods and Services Purchased, Capital Goods, Fuel and Energy Related Activities, Upstream Transportation and Distribution, Waste Generated, Business Travel, Employee Commuting, Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products, and End of Life Treatment of Sold Products. Categories upstream leased assets, downstream leased assets, franchises, and investments are not reported in the 2020 carbon footprint because they were not found to be applicable to CMPC or are not material.

Verification Process

The objective of the process was to verify that the results presented in the final carbon footprint report for the year 2020 of the company CMPC are aligned with the Corporate Standard of Quantification and Reporting of the *GHG Protocol.*

The verification methodology consisted of the following activities:

- Interviews with those responsible for the delivery of the information to six sites.

- Consistency check between activity level data - included in the SoFi platform and the spreadsheets provided - and corresponding backups.
- Review of additional documents such as green attribute purchase contracts.
- Review of the calculation methodology.
- Analysis of the accuracy of the emission factors used.

Conclusions

In accordance with the above-mentioned scopes and limits, and based on the verification process described, no discrepancy has been identified in CMPC's statement that its Greenhouse Gas Inventory, attached to this document, meets the requirements of the GHG Protocol.



Jaime Parada Ibáñez

General Manager and Legal Representative

Engineering Services Deuman Ltda.

Greenhouse Gas Emissions by Scope and Business [t CO2e]

Scopes	Celulosa (Maderas/Pulp)	Forestal	*Biopackaging*	*Softys*
Scope 1	1,111,698	265,385	192,069	395,662
Scope 2 (market-based approach)	5,144	577	11,723	159,804
Scope 2 (location-based approach)	98,384	577	293,736	190,072
Scope 3	5,033,226	538,201	974,848	2,161,918

Total CMPC Greenhouse Gas Emissions by Scope [t CO2e]

Scopes	CMPC
Scope 1	1,964,814
Scope 2 (market-based approach)	177,247
Scope 2 (location-based approach)	582,769
Scope 3	8,708,193

8.5

Reasoned analysis

EARNINGS RELEASE

https://s23.q4cdn.com/927837516/files/doc_financials/quarterly/2020/q4/Earnings-Release-4Q20.pdf

Financial statements

CONSOLIDATED FINANCIAL STATEMENTS

https://s23.q4cdn.com/927837516/files/doc_financials/quarterly/2020/q4/Financial-Statements-CMPC-December-2020.pdf



Cellulose loading process to barge at Guaíba plant, CMPC Brazil.

CONTENT DEVELOPMENT: **KELLUN**
DESIGN: **MANDARINA**





Integrated Report

2020