

# CRIME PREVENTION MODEL



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## **I** MESSAGE

*In order to continue advancing in the effective management of a corporate culture based on ethics, integrity and transparency, we have developed the **Integrity & Compliance Program**, which seeks to systematize efforts in prevention, detection and response to acts or behaviors that are contrary to the Company's principles and values, its internal rules and current laws, all with a view to achieve optimal business performance.*

*As part of this initiative, and as part of the continuous improvement of our internal processes, we have updated the Crime Prevention Model of our Chilean subsidiaries, taking into account not only the legal requirements but also the best international practices and standards in this field.*

*I invite you to become an active part of our **Crime Prevention Model**, considering it as an essential tool for the development of our daily tasks, complying at all times with its provisions, and requesting guidance from the relevant divisions if you have any doubts or concerns.*

**Francisco Ruiz-Tagle E.**

CEO – Empresas CMPC

## II APPLICATION AND SCOPE

Consistently with the provisions of Law No. 20,393 ("the Law"), CMPC has designed, adopted and implemented a **Crime Prevention Model** ("the Model"), which is a part of its Integrity & Compliance Program, applicable to Empresas CMPC S.A. and its Chilean subsidiaries, including the CMPC Foundation ("the Company", "Empresas CMPC" or "CMPC"). Compliance with the Model is mandatory for all persons working in these entities, without distinction, including directors, executives and employees in general ("the employees").

Compliance with the Model is extensive, as appropriate, to customers, suppliers and other third parties that have a relationship with the Company.

## III LAW No. 20,393 – CRIMINAL LIABILITY OF LEGAL ENTITIES

### **Attribution of criminal liability and the crime prevention model**

Law No. 20,393 assigns criminal liability to legal entities for the crimes listed therein ("the crimes"), to the extent that they are perpetrated directly and immediately in the interest of such persons, or for their benefit, by their employees and other persons to which the law refers, provided that the perpetration of the crime was a consequence of the company's failure to comply with its **duties of direction and supervision**.

The law adds that the duties of direction and supervision are considered fulfilled when, prior to the perpetration of the crime, the legal person has implemented models of organization, administration and supervision ("crime prevention models") to prevent the perpetration of the crimes indicated in the law.

### **Penalties and sanctions**

Companies that commit the offenses provided in the law are subject to various penalties, including the dissolution of the legal person; prohibition to enter into acts and contracts with the State; loss of tax benefits; and fines. The foregoing is without prejudice to the liability of natural person or persons who took part in the crime.

## IV GENERAL POLICY AND MAIN ELEMENTS OF THE CRIME PREVENTION MODEL

**The Company expressly, absolutely and strictly rejects and forbids any act or conduct contrary to Law No. 20,393, as well as other laws and regulations in force.**

In light of the above, and in order to prevent the perpetration of the crimes stated in said legal body, the Board and management of Empresas CMPC, discharging and fulfilling their management and supervisory duties, have decided to **design, adopt and implement a Crime Prevention Model** applicable both to said parent company and all its local subsidiaries, including the CMPC Foundation, pursuant to the requirements established by law, the main elements of which are described below:

### IV.1 Appointment of a crime prevention officer

The Board of Directors of Empresas CMPC has appointed a crime prevention officer ("the Officer"), who will remain in office for a term of up to three years, which may be extended for periods of the same duration. The official has autonomy with respect to the Company's management.

### IV.2 Definition of the means and powers of the crime prevention officer

**IV.2.1.** The Company's management provides the Officer with sufficient means and powers for the proper performance of his/her duties including, among others:

- a.** The resources and material means necessary to properly perform their duties.
- b.** Direct access to the Company's management in order to inform them in a timely manner, via suitable means, of the measures and plans implemented in the fulfilment of their duties, including management accountability.
- c.** Access to information from other areas of the Company related to his/her scope of action.

**IV.2.2.** CMPC's Corporate Legal Department, through the Compliance Department, is responsible for providing support to the Officer in the exercise of his or her functions.

### **IV.3 Implementation of a crime prevention system**

**IV.3.1.** The Officer, together with the Board of Directors and the management of CMPC, have implemented a crime prevention system, which contemplates:

- a.** The identification of the Company's activities or processes, whether habitual or sporadic, in the context of which the risk of committing crimes is generated or increased.
- b.** The establishment of protocols, rules and specific procedures with respect to the aforementioned activities or processes in order to prevent the commission of crimes.
- c.** The identification of procedures for the administration and auditing of financial resources that allow the entity to prevent their use in crimes.

**IV.3.2.** The Officer ensures that the people responsible for the execution of risk activities and processes are trained on the protocols, rules and procedures they must observe in order to prevent the commission of crimes.

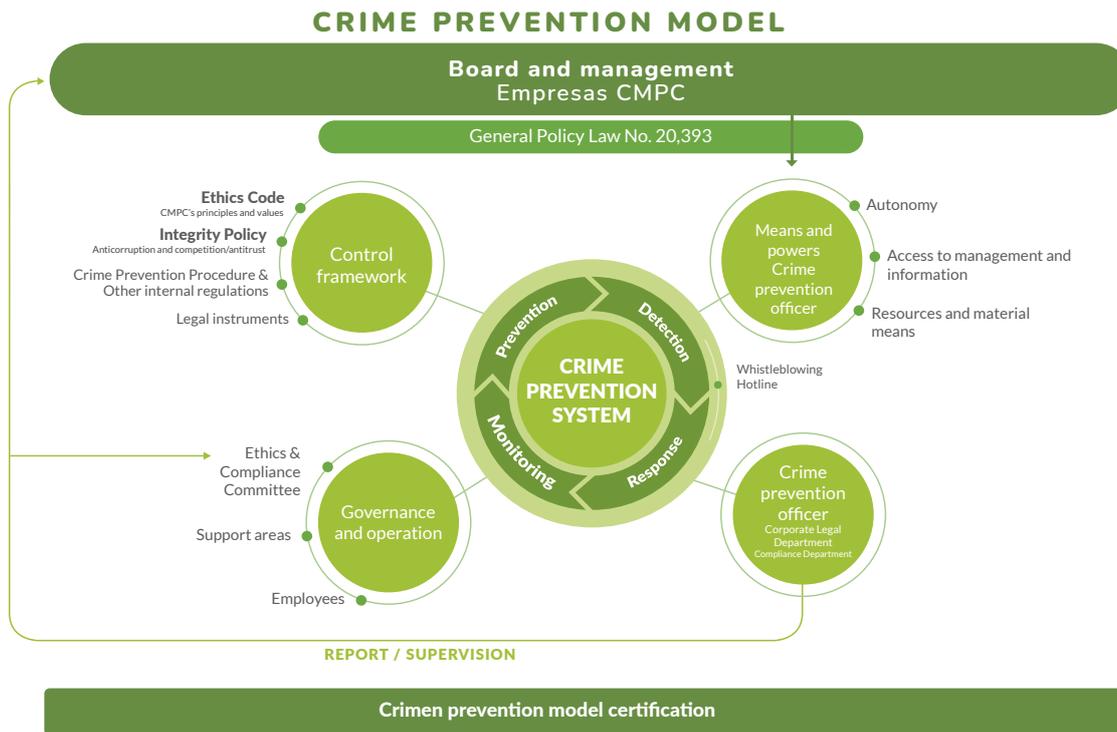
**IV.3.3.** Finally, the Officer keeps employees informed of the procedures and whistle-blower hotline that have been established for reporting and investigating acts or conduct contrary to the Model.

### **IV.4 Supervision and certification of the crime prevention system**

**IV.4.1.** The Officer, together with the Company's management, carries out periodic monitoring and verification activities of the effective application and supervision of the Model, detecting and correcting eventual deviations as well as keeping it updated as appropriate.

**IV.4.2.** The foregoing shall be understood without prejudice to the revisions to which the Model is subject as determined by the Company's Internal Audit Department.

IV.4.3. The adoption and implementation of the Model may be certified in accordance with the provisions of the law.



## V ROLES AND RESPONSIBILITIES

The following are the main divisions and/or areas of the Company that participate in the governance and operation of the Model, which perform different functions, thus allowing for its proper management and oversight.

### V.1 Company's upper management

#### Board of Directors - Empresas CMPC

- a. Appoints the Company's Crime Prevention Officer, providing for the means and powers for the proper performance of his/her duties.
- b. Approves the Crime Prevention Model and its amendments.
- c. Supervises the implementation and effective application of the Model.

**d.** Takes notice of the reporting by the Officer on the implementation, management and operation of the Model.

## V.2 Crime Prevention Officer

- a.** Perform his/her functions in accordance with the terms provided for by law, with the support of the Compliance Department.
- b.** Identifies the Company's activities or processes in the context of which the risk of committing the crimes indicated in the law is generated or increased, designing and implementing protocols, rules and specific procedures in order to prevent the commission of crimes.
- c.** Carries out periodic monitoring and verification activities regarding the effective application and supervision of the Model, detecting and correcting eventual deviations as well as keeping it updated as appropriate.
- d.** Communicates and trains employees about the elements that comprise the Model, including the protocols, rules and procedures that they must observe in order to prevent the commission of crimes, as well as the whistle-blower hotline and the procedures established for the reporting and investigation of acts or conduct that are contrary to the Model.
- e.** Reporting before the Board of Directors of Empresas CMPC in connection with the implementation, management, and functioning of the Model, notwithstanding the reports filed from time to time before the Ethics & Compliance Committee.
- f.** Coordinating the Model's certification process, as applicable.

## V.3 Ethics & Compliance Committee

En lo referido al Modelo de Prevención de Delitos, esta instancia detenta las siguientes funciones:

- a.** Supporting the Board of Directors of Empresas CMPC in the supervision of the Model.
- b.** Reviewing, validating and proposing to the Board of Directors of Empresas CMPC, for the latter's approval, the main rules of the Model.

- c. Reviewing any reports or complaints and the findings of any investigations conducted in connection with potential infringements of the Model, including the decision pertaining to any disciplinary and/or corrective measures that must be applied, as the case may be.
- d. Reviewing the report filed by the Officer regarding the implementation, management and functioning of the Model.

#### V.4 Compliance Department

The Compliance Department provides support to the Officer, regarding the performance of the latter's duties..

#### V.5 Main departments which provide support to the Crime Prevention Model

- Legal, Compliance and Risk Departments
- Administration and Finance
- Internal Audit
- Persons and Organization (HR)
- Environmental
- Corporate Affairs & Sustainability

#### V.6 Employees

Employees must comply with the law and perform their duties strictly abiding by the terms set forth in the Crime Prevention Model and its rules.

## VI CONTROL ENVIRONMENT – GENERAL FRAMEWORK

<b>Code of Ethics</b>	Contains the Company's principles and values, which must guide the conduct of all of its employees.
<b>Integrity Policy</b>	Contains the Company's commitment and establishes the minimum behavioral standards that the Company expects and demands from its employees, for the purpose of facing the prospective risks of corruption and anticompetitive practices to which the firm may be exposed during the conduction and operation of its businesses.
<b>Crime Prevention Model</b>	Contains the main elements that make up the Model adopted by Empresas CMPC and its local subsidiaries (Chile), consistently with the provisions of Law No. 20,393.
<b>Crime Prevention Procedure and other internal regulations</b>	Establishes specific control activities that must be carried out during the execution of the risk processes, in order to prevent the perpetration of crimes.
<b>Legal instruments</b>	Legal documentation that governs the Company's relations with its employees, clients, suppliers and any other third-parties that have any relation with the firm.

## VII DISCIPLINARY MEASURES

Any employees who fail to comply with the provisions of the Crime Prevention Model, the Code of Ethics, the Integrity Policy, any other internal regulations and applicable laws, shall face the disciplinary measures and sanctions set out under the local laws, the respective employment agreements, and the Company's internal regulations, which may range from admonishments to the termination of the employment relationship, without prejudice to any other prospective civil and criminal actions.

Regarding suppliers, clients or any other counterparties, the measurements and sanctions set forth in the relevant applicable contracts, agreements or instruments governing the respective relation shall apply. Said measurements and sanctions could include the immediate termination of the respective relation, without prejudice to any other applicable civil and criminal actions.

## QUERIES AND REPORTS

If any doubts exist regarding the content, scope and application of the Crime Prevention Model, as well as regarding any other internal rules and the applicable laws, particularly in connection with the rules that must be observed in a specific case, employees must refrain from acting and seek counsel by immediately contacting CMPC's Corporate Legal Department, via the Compliance Department.

Employees must immediately report any suspicion or knowledge of any conduct, event or circumstance that constitutes or could constitute a breach of the Crime Prevention Model, as well as of the Code of Ethics, the Integrity Policy, other internal regulations and other applicable laws. Any such reports or complaints must be filed through the **"Whistleblowing Hotline"** system ([lineadenuncia.cmpc.cl](mailto:lineadenuncia.cmpc.cl)), which can be accessed through the Company's corporate website and through the "Personas CMPC" intranet site.

Reports and complaints may be filed anonymously and the proper required confidentiality will be preserved throughout the entire investigation process, which shall be led by CMPC's Corporate Legal Department. CMPC shall not adopt nor tolerate any retaliation against any whistleblowers who file reports in good faith.



# CRIME PREVENTION MODEL

