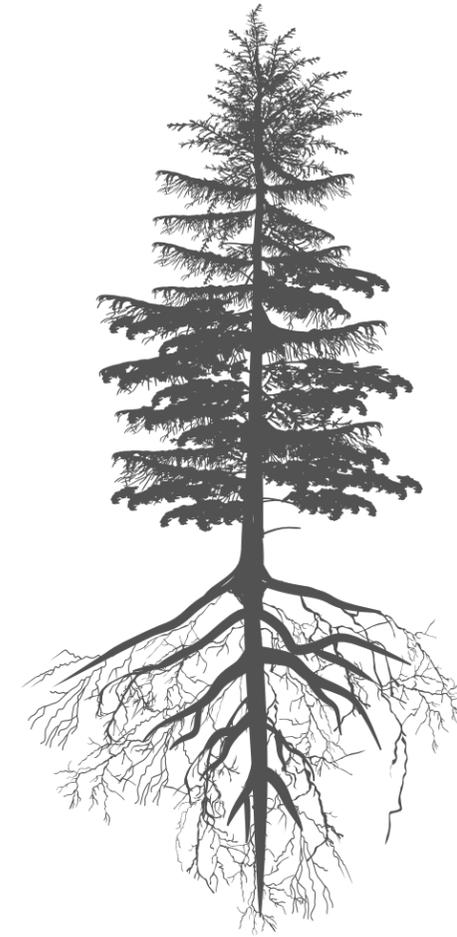


INTEGRATED
REPORT
CMPC 2017





INTEGRATED REPORT
CMPC 2017



Corporate fact sheet

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

Empresas CMPC S.A.

RUT (Tax ID Number): 90.222.000-3.

Company incorporation: Filed before Public Notary Manuel Gaete Fagalde of Santiago on 02/05/1920, Decree N° 589, as *Compañía Manufacturera de Papeles y Cartones*.

Company headquarters: Agustinas 1343, Santiago, Chile.

Contact telephone number: +56 2 2441 2000.

www.cmpc.com

Consultants for content development: **Kellun**

Graphic Design: **Mandarina**

Printing: **Ograma**

CMPC is a publicly traded company controlled by the Matte Group with a 55.5% stake. It is engaged in the production and sale of forestry, pulp, paper and tissue products. Its products are present in over 45 countries and reach nearly 11,000 customers. The Company presently employs more than 17,000 people worldwide.

Contact points

(102-53)

- For questions related to this 2017 Integrated Report, please contact Francisco Torrealba, Public Affairs Manager: francisco.torrealba@cmpc.cl
- For questions about CMPC sustainability information, please contact Nicolás Gordon, Sustainability Manager: nicolas.gordon@cmpc.cl
- For Investor Relations inquiries, please contact Colomba Henríquez, Head of Investor Relations: colomba.henriquez@cmpc.cl
- For information on corporate governance, please contact Rafael Cox, Head of Corporate Legal Affairs: rcox@gerencia.cmpc.cl

Coverage and scope

(102-10; 102-48, 102-49)

This report covers CMPC's three lines of business: Pulp, Paper and Tissue, and their respective 56 subsidiary companies, as detailed in the Ownership Structure table and Financial Statements.

This report does not restate information that appeared in previous reports. However, it does present changes in classification criteria, to align these with Chilean statistics, which will be indicated on a case-by-case basis. Therefore, some indicators are not comparable with those of 2016.

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01

WELCOME
TO CMPC



Pino Radiata pine cone
Pinus radiata

Can grow to a height of 50m, but the average in Chile is 25m. It can be found mainly between the regions of O'Higgins and BioBio in Chile. This species is one of several in the present report that grow in CMPC high conservation value areas.



Luis Felipe Gazitúa
Chairman of the Board of Directors of CMPC

1.1 A FEW WORDS FROM LUIS FELIPE GAZITÚA

(102-14)

To our shareholders:

I am pleased to present the Integrated Report of Empresas CMPC. This includes the Annual Report, Balance Sheet and Financial Statements for the year 2017, and the Sustainability Report prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and the International Integrated Reporting Council.

Despite a complex year for CMPC, the Company's consolidated performance up to 31 December 2017 resulted in a profit of US\$ 103 million, much higher than the loss of US\$ 18 million reported in 2016.

Sales revenue amounted to US\$ 5,143 million, a figure 6% higher than that recorded in 2016. These results were due to the positive performance of the pulpmills in Santa Fe, Nacimiento and Laja, as well as to the availability of stocks that

enabled the Company to offset the impact of the forced stoppage of Guaiba Line II. As a result of this, CMPC Consolidated Operating Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) was US\$ 1,078 million, 11% up on the results of the previous year.

Although Company earnings were boosted by favorable pulp prices on the international market and by greater volumes and higher dollar prices on its tissue products, these results were all the more noteworthy in view of the huge losses generated by forest fires and lower pulp sales caused by the aforementioned stoppage of operations at Guaiba Line II.

Fortunately, both these situations are now in the past. In the case of the former, the Company is pleased to state that although the number of fires has not decreased, it has emerged

from the recent season of fires with a 54% depletion in the areas affected up to March 2018, compared with the average over the past 5 seasons, excluding 2016-2017. This has mainly been due to the fire prevention safeguards in place and the strengthening of Company capabilities in prediction, detection and combating of forest fires, and through closer coordination with CONAF and other forestry enterprises.

I would like to highlight the contribution made by CMPC to the recovery of areas affected by forest fires during the previous season, such as in the area of Santa Olga; CMPC has also been involved in the reforestation efforts with native plants, in partnership with prestigious non-governmental organizations such as the Fundación Desafío Levantemos Chile and the Fundación Reforestemos. CMPC is grateful for their willingness to join forces with the Company in this task. We would also like to express our appreciation for the efforts of several communities to work with the fire brigade on the prevention and fighting of rural fires.

As for the operations of Guaiba Line 2 pulp mill in Brazil, indications are that the repair work was carried out with precision and efficiency. To date, the factory has been operating normally, producing over 110 thousand metric tons per month.

However, CMPC should not become complacent about its improved circumstances, nor should the Company ignore the obstacles still facing the pulp industry. I must refer most specifically to the acts of violence that continue to occur in the south of Chile. The Company is confident that the new authorities will define a policy to bring an end to the innumerable illegal attacks, which not only damage machinery and resources but also endanger the lives and safety of individuals, more especially workers and local people and, in so doing, are detrimental to the aspirations of the indigenous communities.

Simultaneously, the State must define clearly its stance regarding such aspirations, which have nothing to do with the acts of violence. In this regard, CMPC has reiterated its ongoing disposition towards dialogue and the search for common ground and avenues of development favorable to this important region of the country.

This approach, which is nothing new, is one of the axes of the Company's public relations policy. It is the means by which it seeks to contribute to the ecological and social sustainability of its environments, by engendering shared values and opportunities for the development of the lands in which the Company carries out its operations.

Throughout the years, CMPC has visualized the pulp industry as an ongoing challenge to grow, push back frontiers and expand markets, using the comparative advantages bestowed on it by the places where it operates. The Company has certainly never done this at any cost nor by any means. To the contrary, from the start it has understood the necessity to harmonize its growth with the needs of its surroundings, and has adopted demanding international processes and certification, as well as developing pioneering public relations initiatives with neighboring communities.

Nevertheless, this culture of responsible and sustainable growth—one that has even been strengthened by the complex challenges the Company has had to tackle—calls for even more demanding standards if the demographic, environmental and technological changes taking place worldwide are taken into consideration.

For this reason, during 2017 the Company has been reinforcing its policies on responsibility and integrity with the aim of achieving the greatest possible development at CMPC, in strict compliance with the law and applying the highest ethical standards, together with proper risk management. This task, one supported by national and foreign experts, has implied reforms in corporate governance and the adoption of practical improvements.

Some critics predicted a slump in the paper industry as a result of the spread of new technologies and digitalization, whereas the evidence in fact points to the emergence of demand nuclei that few had anticipated. I refer, for example, to the demand derived from online marketing and its requirements for eco-friendly, resistant, efficient, lightweight packaging, characteristics that paper products of course fulfill to the letter.

This is undoubtedly one of the factors that explains the sustained growth of around 2% per year registered by global demand for pulp. Another reason can be found in the emergence of new social segments that increase the demand for products like tissue and sanitary products associated with access to improved lifestyles. However, the Company is aware that the pulp industry depends on a limited natural resource, one with a growth potential that, at first sight, does not harmonize with this growing demand.

For this reason, the Board of Directors and Company management have held a series of strategic meetings during 2017 aimed at dealing with these issues: to become familiar with the best international practices and find out what opportunities are open to the Company.

The tasks are obvious: some of the initiatives include increasing the amount of fiber produced per hectare, reducing the carbon footprint, automating more processes, working on the elimination of solid and liquid waste, promoting sanitization policies in the various countries in which CMPC tissue products are sold, leading the drive to recyclable, sustainable packing materials and greater use of wood in construction.

All of the above must be done without neglecting the Company's main function, to make its investments profitable and constantly seek new growth opportunities. This implies doing business from an integrated perspective, in which each activity forms part of a mechanism that harmonizes sustainability, competitiveness, efficiency, innovation, profitability and growth.

Over the years, CMPC has amassed vast amounts of valuable experience in areas such as clean energy production, recycling, conservation of native habitats, plant reproduction, pest control and the prevention and combating of forest fires in rural areas. Such knowledge must be expanded, shared and valued through the development of new business opportunities and partnerships that both help the Company progress in growth models that answer the mounting demand for pulp and its derivatives in an environmentally sustainable manner, and meet the demands of society.

The issue of the first Green Bond by a Chilean company on the international market in 2017 to the value of US\$ 500 million to finance feasible, efficient eco-friendly projects was tangible proof of the confidence investors have in the capacity of CMPC to implement and lead this evolution in the understanding of the Company's industrial operations.

During the year, CMPC was also able to demonstrate the Company's commitment to proactive public relations with its communities at the start-up of the new Productos Tissue del Perú S.A. subsidiary plant located south of Lima in Cañete. CMPC took the opportunity to thank the community for its warm reception as demonstrated by the many community members attending the inaugural ceremony along with the highest authorities in Peru.

Without a doubt, it represents the support that keeps the Company committed to developing initiatives that provide an overall benefit to the community, just as is expected of the Company in any area in which it operates.

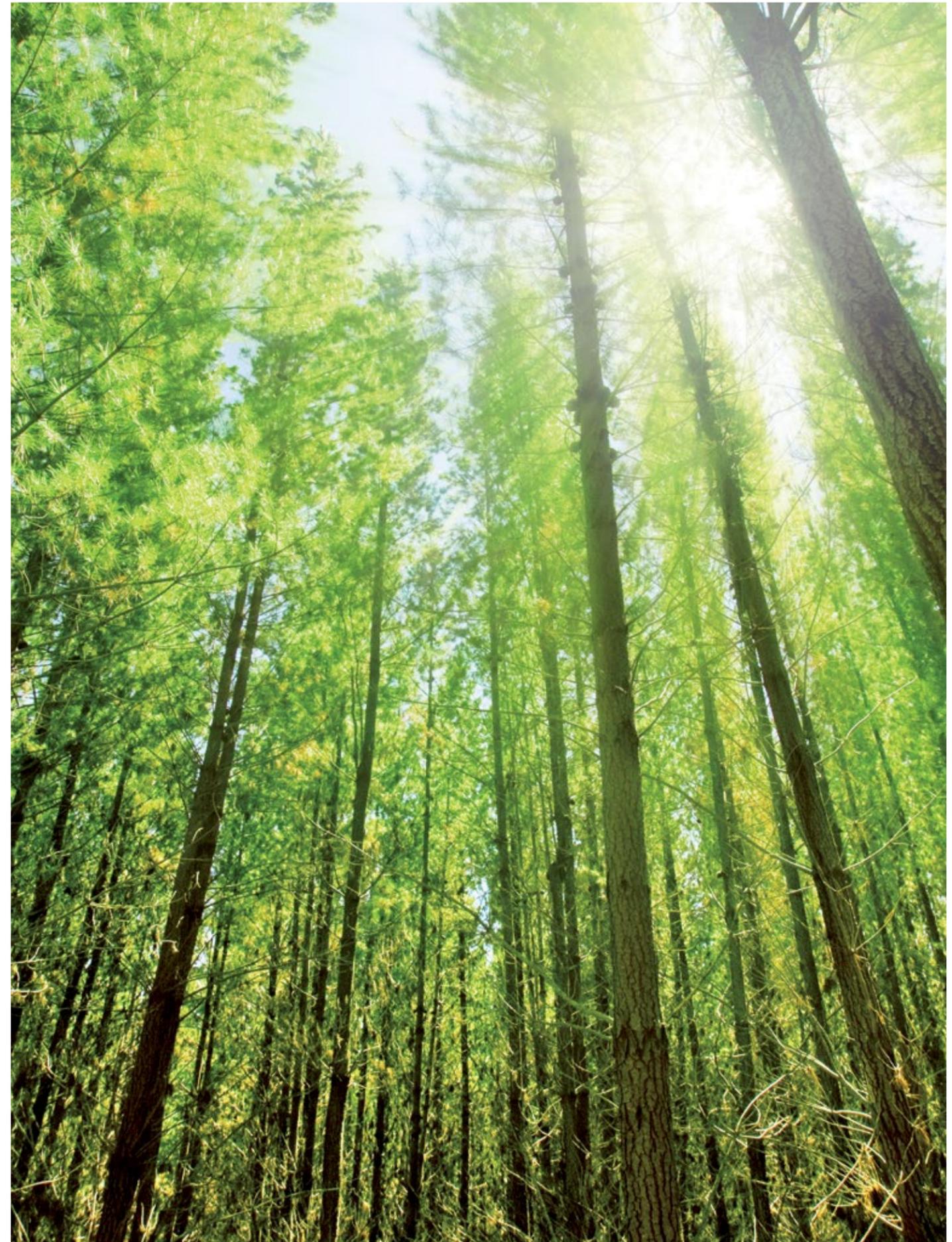
The Company has all the knowledge and the technology needed to meet the new demands of its customers, as confirmed by the recently completed expansion and modern-

ization project carried out at the cardboard plant in Maule. Despite an implementation process not devoid of problems, the initiative positioned the plant as one of the most modern and competitive of its kind in the industry worldwide. Other highlights include the important modernization work carried out at the Cellulose Plant at Laja, the upgrading of the printed packaging plant in Osorno, and the new tissue paper installations in Ecuador.

The Company continues to grow and to seek opportunities to develop its business, and is always conscious of the need to innovate, form partnerships, create new niches and implement new solutions to the challenges arising from the world around us.

CMPC is confident that the new political climate, resulting not only from the change in government in Chile, but also from the incorporation of new Representatives in Parliament, will enable the Company to achieve new areas of consensus for facing the challenges of a country that is optimistic about reaching the status of a developed nation. Added to this, a more favorable global economic outlook will result in better conditions, not only for this country but also for the group of economies in which CMPC manufactures and markets its products.

Thank you



1.2 CMPC BUSINESS

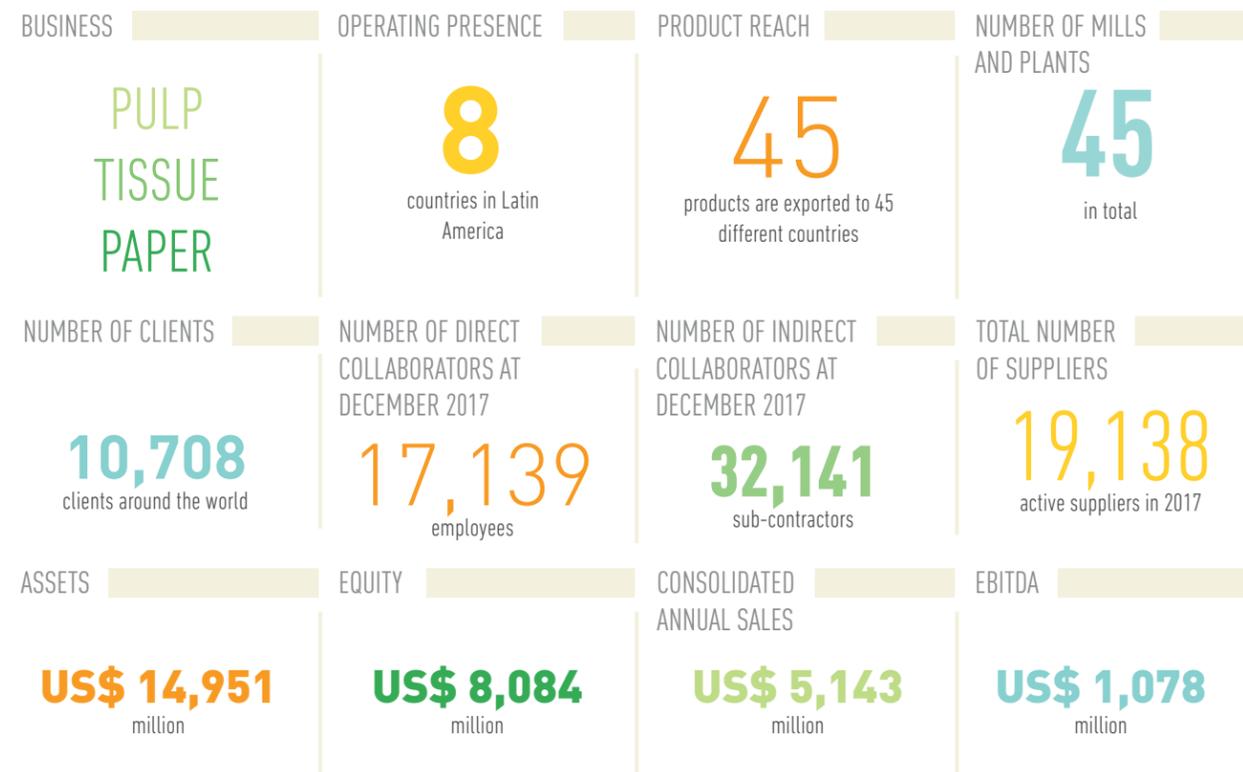
(102-2; 102-6; 102-7; 102-9)

CMPC is a market leader in the production and sale of forestry, pulp, paper and tissue products. With a 97-year history, its production facilities are present in eight Latin American countries.

The Company's products are sold in 45 countries around the world and are widely recognized in each one of these markets. Sustainable growth of its business, through proper care of people and the environment, is key for the Company as it continues to look into the future.

KEY FIGURES

(102-8)



OUR PRODUCTS REACH THE WHOLE WORLD

(102-4; 102-6)

Global coverage of **CMPC Celulosa** products



- Europe
- Asia
- South America
- North America
- Oceania
- Africa

Regional market of **CMPC Tissue** products



- North and South America

International spread of **CMPC Papeles** products



- Europe
- North and South America
- The Middle East
- Oceania
- Africa

MAIN CMPC BRANDS

(102-2; 102-9)

BUSINESS AREA	PRODUCTS	BRANDS
PULP (CELULOSA)	Bleached Softwood Kraft	
	Bleached Hardwood Kraft	
	Plywood	
	Remanufactured Wood	
	Sawn Timber	
TISSUE	Toilet Paper	Elite, Duallete, Confort, Higienol, Premier, Sublime, Noble, Elite Professional
	Paper Towels	Nova, Sussex, Kitchen, Premier, Abolengo, Elite Profesional
	Paper Napkins	Nova, Sussex, Kitchen, Lips, Premier, Abolengo, Noble, Elite Professional
	Disposable Paper Tissues and Facial Tissues	Elite, Duallete, Softys, Elite Professional
	Baby Diapers	Babysec, Softdreams, Bebex
	Sanitary Napkins	Ladysoft
	Urinary Incontinence Products	Cotidian
PAPER (PAPEL)	Photocopy and Printing Paper	Equalit y Premier
	Wrapping Paper	
	Multiwall Paper Bags	
	Wrapping Paper	
	Sack Kraft Paper	
	Edge Boards	
	Molded Pulp Trays	
	Corrugated Cardboard Boxes	
	Sack Kraft Paper	

OUR BUSINESS AREAS

(102-2; 102-7)

CMPC CELULOSA

General Manager: Francisco Ruiz-Tagle

Through its subsidiaries CMPC Pulp, CMPC Maderas and Forestal Mininco, this business unit produces and commercializes pulp and wood products, as well as manages the Company's forest plantations.

and the Brazilian Forest Certification Programme (Cerflor) in Brazil; the Company also has Forest Stewardship Council® (FSC®) certifications in both countries (FSC-C007488 / FSC-C005102 / FSC-C103613 / FSC-C110313). Additionally, CMPC has FSC certifications (FSC-C006246 / FSC-C109350) and Programme for Endorsement of Forest Certification (PEFC) for its forest plantations in both Chile and Brazil.

Principal products include pulp wood, saw logs, sawn lumber, remanufactured wood, plywood, and softwood and hardwood kraft.

The facilities in Chile have Integrated Management Systems, in accordance with ISO14001, ISO 9001, ISO 50001 y OHSAS 18001standards.

The Company has manufacturing facilities in Brazil (through Celulose Riograndense) and Chile with four pulp mills, one plywood plant, three sawmills and two remanufacturing plants. The total area of the Company's own cultivated forest plantations in Chile, Argentina and Brazil reaches 686,623 hectares.

CMPC Celulosa does not have clients representing more than 10% of its revenues, nor suppliers representing 10% or more of total purchases. Its main competitor in the pulp business is Arauco.

The facilities have chain-of-custody Chilean Sustainable Forest Management Certification (CERTFOR-PEFC) in Chile

Directors: Luis Felipe Gazitúa (chairman), Bernardo Matte I., Hernán Rodríguez, Sergio Colvin, Osvaldo Burgos Shirmer, Jorge Larraín and Jorge Matte.

CMPC TISSUE

General Manager: Gonzalo Darraidou

This business unit is involved in the production and sale of toilet paper, paper towels, wet wipes, paper napkins, disposable tissues, diapers for babies and adults, and feminine sanitary protection products.

Walmart is the only individual client that represents more than 10% of CMPC Tissue revenue. There are no suppliers that individually represent more than 10% of total CMPC Tissue purchases. Main competitors are Kimberly-Clark and Essity (formerly SCA) in the tissue business.

It has operations in Chile, Argentina, Uruguay, Peru, Ecuador, Mexico, Colombia, y Brazil.

Directors: Luis Felipe Gazitúa (chairman), Hernán Rodríguez, Verónica Edwards, Jorge Larraín, Jorge Matte, Bernardo Matte I. and Pablo Turner.

CMPC PAPELES

General Manager: Luis Llanos

This business unit has seven subsidiaries, through which it produces and commercializes cardboard, corrugated and industrial paper, corrugated cardboard boxes, industrial sacks and molded pulp trays through Cartulinas CMPC, Papeles Cordillera, Envases Impresos, Forsac and Chimolsa. Additionally, it specializes in the distribution and recycling of paper and cardboard through Edipac and Sorepa. Its plants are located in Chile, Argentina, Peru and Mexico.

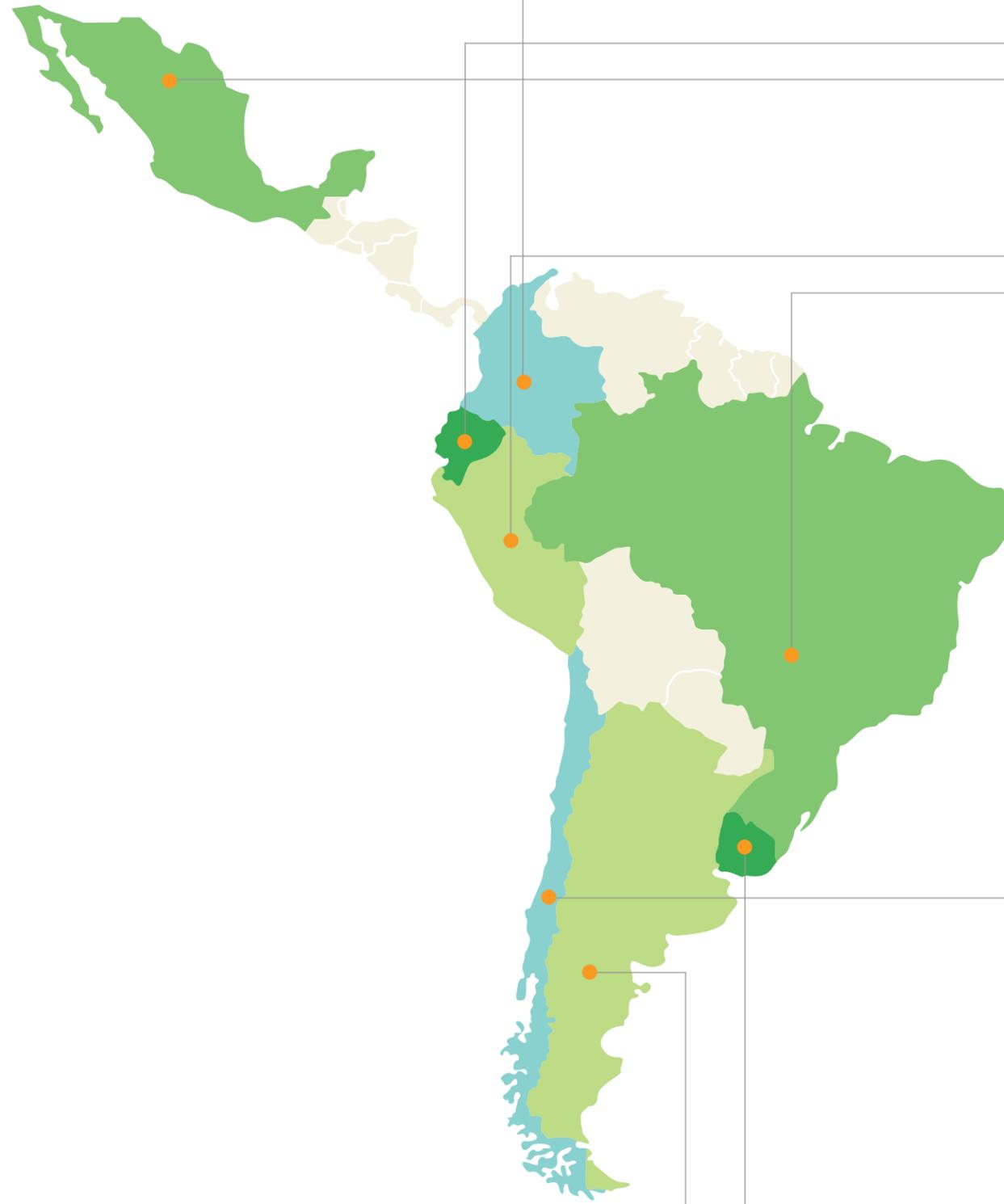
CMPC Papeles does not have clients representing more than 10% of its revenues, nor suppliers representing 10% or more of total purchases.

The exceptions are Papeles Cordillera, whose main supplier Metrogas S.A. accounts for more than 10% of its payments to suppliers; and Edipac, whose supplier International Paper do Brazil Ltda. receives over 10% of supplier payments. CMPC Papeles does not have one single main competitor.

Directors: Luis Felipe Gazitúa (chairman), Hernán Rodríguez, Vivianne Blanlot, Andrés Echeverría, Jorge Matte, Bernardo Matte I. and Washington Williamson.

REGIONAL MARKETS

(102-4)



COLOMBIA

TISSUE 2 Plants
Production capacity:
30,000 metric tons

MEXICO

TISSUE 2 Plants
Production capacity:
137,300 metric tons

PAPER 1 Paper sack plant
Production capacity:
235 million units

BRAZIL

PULP 160,000 hectares planted
Production capacity at Guaiba mill:
1,705 million metric tons

TISSUE 2 Plants
Production capacity:
134,000 metric tons

PAPER 1 Plant
Production capacity:
60,000 metric tons

CHILE

PULP 471 thousand hectares planted
5 Sawmills
Production capacity:
960,000 m³

1 Plywood Plant
Production capacity:
500,000 m³

2 Remanufacturing plants
Production capacity:
190,000 m³

3 Mills
(Laja, Pacífico, Santa Fe)
Production capacity:
2 million 300,000 metric tons

TISSUE 2 Plants
Production capacity:
159,000 metric tons

PAPER 2 Cardboard plants
Production capacity:
430,000 metric tons

1 Corrugated paper plant
Production capacity:
316,000 metric tons

1 Paper distributor
Production capacity:
105,000 metric tons

13 Paper recovery plants
Recovery capacity:
335,000 metric tons

4 Corrugated cardboard plants
Production capacity:
226,000 metric tons

1 Molded products plant
Production capacity:
380 million units

1 Paper sack plant
Production capacity:
210 million units

ECUADOR

TISSUE 1 Plant
Tissue products converter:
28,000 metric tons

PERU

TISSUE 2 Plants
Production capacity:
132,000 metric tons

PAPER 1 Paper sack plant
Production capacity:
224 million units

URUGUAY

TISSUE 1 Plant
Production capacity:
33,000 metric tons

ARGENTINA

PULP 58,000 hectares planted

TISSUE 2 Plants
Production capacity:
98,000 metric tons

PAPER 1 Paper sack plant
Production capacity:
59 million units



1.3 THE COMPANY

OWNERSHIP

(102-5)

CMPC is a publicly traded corporation with share capital divided into 2,500 million shares and 24,254 shareholders as of December 31, 2017.

Control of the Company is exercised through a control and joint action agreement corresponding to Forestal O'Higgins S.A. and other companies. Forming this controlling group are the following members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families, through the holdings detailed below.

OWNERSHIP PROPORTIONS OF FAMILIES

NAME	RUT	%
Patricia Matte Larraín and his 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 his children:	4.436.502-2	7,21%
- Eliodoro Matte Capdevila	13.921.597-4	3,27%
- Jorge Matte Capdevila	14.169.037-K	3,27%
- María del Pilar Matte Capdevila	15.959.356-8	3,27%
Bernardo Matte Larraín and his children:	6.598.728-7	7,79%
- Bernardo Matte Izquierdo	15.637.711-2	3,44%
- Sofía Matte Izquierdo	16.095.796-4	3,44%
- Francisco Matte Izquierdo	16.612.252-K	3,44%

The natural persons identified above belong by kinship to the same business group.

THE 12 MAIN SHAREHOLDERS OF CMPC AS OF DECEMBER 31, 2017 WERE AS FOLLOWS:

NAME	RUT	N° SHARES
Forestal Cominco S.A.	79.621.850-9	486.392.057
Forestal, Const. y Com. del Pacifico Sur.S.A.	91.553.000-1	476.205.596
Forestal O'Higgins S.A.	95.980.000-6	186.526.333
Banco de Chile por Cuenta de Terceros	97.004.000-5	137.326.998
Banco Itau Chile S.A. por Cta. de Invtas. Extjos.	76.645.030-K	108.912.675
Forestal Bureo S.A.	87.014.900-K	106.457.955
AFP Provida S.A. para Fondos de Pensiones	76.265.736 -8	68.596.814
AFP Habitat S.A. para Fondos de Pensiones	98.000.100-8	67.196.779
Banco Santander-JP Morgan	33.003.217-0	52.779.994
AFP Cuprum S.A. para Fondos de Pensiones	76.240.079-0	48.967.538
AFP Capital S.A. para Fondos de Pensiones	98.000.000-1	48.183.327
Coindustria Ltda.	80.231.700-K	46.575.370
		1.834.121.436
		73,36%

BOARD OF DIRECTORS

(102-18; 102-19; 102-20; 102-22; 102-23; 102-24; 102-26; 102-32)

The Company shareholders elect the Board of Directors. Since 2016, it has been made up of nine directors, related to the controller and independent. The directors hold their position for three years. The Board meets once a month for its ordinary meetings and holds extraordinary sessions as required by law, applicable regulations and the Company bylaws.

The Board is responsible for the management of the Company, as established in the Chilean Stock Corporations Law Nº 18,046, which details how the entity should operate and defines the competences, obligations and responsibilities of the directors. The Board is in charge of revising, correcting and validating Company strategic planning, as well as monitoring its correct execution. The Board is also responsible for the annual business plan and the corresponding budget that ensures the plan is achieved.

The Board meets at least every six months with the partners of the external audit firm charged with the audit of the Company's financial statements, in order to analyze the audit plan and other related matters.

The functions of the Board of Directors include the following:

- To approve the business objectives.
- To establish management policies.
- To evaluate the performance of Company executives.
- To recommend developing or ceasing certain business activities.
- To decide about relevant investments and divestments.
- To monitor the progress of the Company in relation to the achievement of objectives.
- To maintain talent selection systems and ensure adequate succession planning for executive positions.
- To approve the risk matrix, its management and the respective policies.
- To review and approve the integrated report for the previous year.

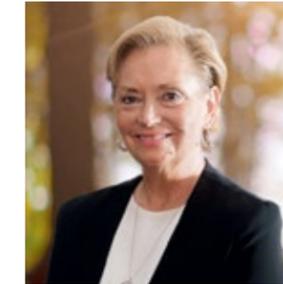
At present, all members of the Board have served as Directors for two years.

MEMBERS OF THE BOARD OF DIRECTORS



LUIS FELIPE GAZITÚA A.

Chairman
Business Management
Rut: 6.069.087-1
Date appointed: 29/04/2016



VIVIANNE BLANLOT S.

Director
Economist
Rut: 6.964.638-7
Date appointed: 29/04/2016



RAFAEL FERNÁNDEZ M.

Director
Industrial Civil Engineer
Rut: 6.429.250-1
Date appointed: 29/04/2016



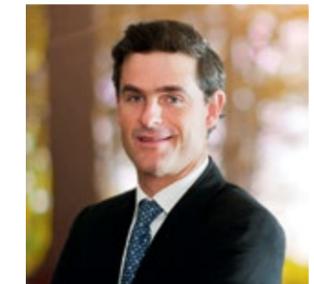
JORGE LARRAÍN M.

Director
Business Management
Rut: 10.031.620-K
Date appointed: 29/04/2016



JORGE MARÍN C.

Director
Business Administration
Rut: 7.639.707-4
Date appointed: 29/04/2016



JORGE MATTE C.

Director
Business Management
Rut: 14.169.037-K
Date appointed: 29/04/2016



BERNARDO MATTE L.

Director
Business Management
Rut: 6.598.728-7
Date appointed: 29/04/2016



RAMIRO MENDOZA Z.

Director
Lawyer
Rut: 7.578.740-5
Date appointed: 29/04/2016



PABLO TURNER G.

Director
Business Management
Rut: 7.056.349-5
Date appointed: 29/04/2016

BOARD OF DIRECTORS' COMMITTEES

Five directors' committees support the Board in the areas most relevant for the exercise of their duties. During 2017, the Board made changes to its corporate governance, adding new committees and a specific compliance area. This was done in order to strengthen and promote a culture of compliance, integrity and transparency within the Company.

COMMITTEE	MEMBERS
<p>Directors' Committee* Carries out the functions established in Article 50 bis of Law ND 18.046 and those requested by the Board of Directors. During 2017 this Committee did not hire any special consulting assistance.</p>	Jorge Marín, Vivianne Blanlot and Rafael Fernández.
<p>Ethics and Compliance Committee The highest Company entity in matters related to ethics and compliance with regulations and internal policies.</p>	Luis Felipe Gazitúa, Ramiro Mendoza, Hernán Rodríguez and Rafael Cox.
<p>Audit Committee Supervises and coordinates activities designed to identify, inform about and prevent risks inherent in the business. Reviews the risk matrix and the risk reports periodically presented by the Risk Manager to the Board. Also approves the annual audit plan and supervises its execution.</p>	Luis Felipe Gazitúa, Ramiro Mendoza, Vivianne Blanlot and Rafael Cox.
<p>Financial Risks Committee Analyzes the financial risks of the Company, with special attention to derivative contracts and other financial operations. operaciones financieras.</p>	Luis Felipe Gazitúa, Jorge Marín, Bernardo MatteL., Hernán Rodríguez, Ignacio Goldsack, Rafael Cox and an external consultant designated by the Board.
<p>Corporate Affairs Committee Defines the objectives and evaluates implementation of CMPC sustainability and community relations programs and care of the environment.</p>	Luis Felipe Gazitúa, Jorge Larraín, Hernán Rodríguez, together with the General Managers of the three business units, Rafael Cox and Guillermo Turner.

*Note: The Directors' Committee meets at least three times a year with the external audit firm. Without the presence of the General Manager and other executives, the firm presents any relevant findings that have been detected and that are related to facts or situations adverse to the Company.



EVALUATION OF BOARD PERFORMANCE

(102-28)

The document entitled "Compendium of Corporate Governance Policies and Procedures"¹ of CMPC establishes guidelines approved by the Board for the implementation of good corporate practices. This provides total compliance with matters detailed in General Regulation No. 385 issued by the Commission for the Financial Market (CMF) of the Chilean Superintendence of Securities and Insurance (SVS).

The Compendium includes a "Procedure for Continual Improvement of the Board," designed to evaluate its performance. Company directors must answer a questionnaire every year to detect areas for improvement in how the Board operates as a whole. The results are analyzed by the Board and the General Manager, in order to identify any weaknesses and apply the actions considered appropriate to resolve these.

¹ The compendium may be accessed via the following link:

<http://www.empresascmpc.cl/wp-content/uploads/2016/03/Compendio-de-Políticas-y-Procedimientos-de-Gobierno-Corporativo-CMPC.pdf>

REMUNERATION

(102-35; 102-36)

For duties performed during 2017 the directors will receive a remuneration consisting of the greater of 1) 1.5% of dividends paid out during the year, duly adjusted for inflation, divided into equal parts for each director, or 2) a fixed monthly remuneration of CLP 5,000,000 payable in any event, to be offset against the amount detailed in number 1). The Chairman of the Board will receive double the final amount paid to each of the directors.

The Shareholders' Meeting approved additional remunerations for the directors corresponding to duties other than those carried out on the Board, in accordance with the terms that may be agreed by the Board.

In compliance with the regulation detailed in the final paragraph of Article 39 of the Chilean Corporations Law, it is hereby confirmed that during 2017 the Board did not incur any expenses.

The shareholders also determined that, for the 2017 fiscal year, remunerations of Directors' Committee members will be equivalent to a third of that of a director.

Remunerations approved for the Board by the CMPC Shareholders' Meeting held on April 28, 2017:

DIRECTOR	2016 BOARD REMUNERATIONS 2016 IN CLP000	2017 BOARD REMUNERATIONS IN CLP000	DIRECTORS' COMMITTEE REMUNERATIONS IN CLP000
Eliodoro Matte L.*	\$51,289	N/A	N/A
Erwin Hahn H.*	\$25,645	N/A	N/A
Jorge Larraín B.*	\$ 25,645	N/A	N/A
Martín Costabal L.*	\$25,645	N/A	N/A
Jorge Marín C.	\$ 65,645	\$60,000	\$20,000
Bernardo Matte L.	\$65,645	\$60,000	N/A
Luis Felipe Gazitúa A.	\$90,000	\$120,000	N/A
Vivianne Blanlot S.	\$40,000	\$60,000	\$20,000
Rafael Fernández M.	\$45,000	\$60,000	\$20,000
Jorge Larraín M.	\$45,000	\$60,000	N/A
Jorge Matte C.	\$45,000	\$60,000	N/A
Ramiro Mendoza Z.	\$45,000	\$60,000	\$38,500
Pablo Turner G.	\$45,000	\$60,000	N/A

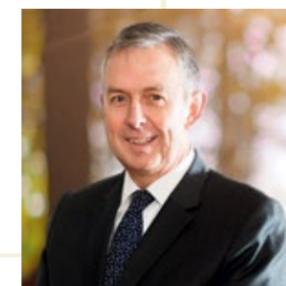
*Members of the Board until April 2016.

Remuneration expenses for the Board totaled US\$ 931,000 at December 31, 2017 (US\$ 600,000 at December 31, 2016), while directors' committees remunerations totaled US\$ 98,000 at December 31, 2017 (US\$ 60,000 at December 31, 2016).

EXECUTIVES

The General Manager is in charge of the principal executives, all of whom are high-level professionals, each responsible for the implementation of Board guidelines.

DIRECTORIO



HERNÁN RODRÍGUEZ WILSON

General Manager
Industrial Civil Engineer
Rut: 7.051.490-7
Date position taken up: 29/04/2011



RAFAEL COX MONTT

Chief Legal Officer
Lawyer
Rut: 12.797.047-5
Date position taken up: 01/01/2010



GONZALO DARRAIDOU DÍAZ

General Manager of CMPC Tissue
Business Administration
Rut: 8.808.724-0
Date position taken up: 01/11/2015



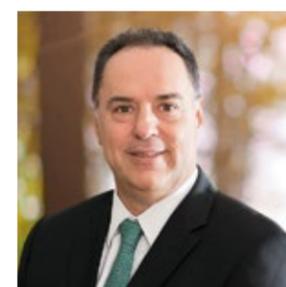
IGNACIO GOLDSACK TREBILCOCK

Finance Manager
Business Administration
Rut: 12.722.226-6
Date position taken up: 01/02/2016



RODRIGO GÓMEZ FUENTES

Risk Manager
Business Administration
Rut: 9.584.951-2
Date position taken up: 06/12/2017



LUIS LLANOS COLLADO

General Manager of CMPC Papeles
Industrial Civil Engineer
Rut: 7.003.064-0
Date position taken up: 01/09/2015



FRANCISCO RUIZ-TAGLE EDWARDS

General Manager of CMPC Celulosa
Business Administration
Rut: 7.052.877-0
Date position taken up: 01/01/2016



JACQUELINE SAQUEL MEDIANO

Corporate Development Manager
Business Administration
Rut: 8.820.053-5
Date position taken up: 29/01/2013



GUILLERMO TURNER OLEA

Corporate Affairs Manager
Journalist
Rut: 10.800.982-9
Date position taken up: 01/05/2016

EXECUTIVE COMMITTEES

Three executive committees provide permanent support to the General Manager:

NAME	MEMBERS	FREQUENCY OF MEETINGS
Coordination Committee	General Manager and principal executives.	Monthly
Credit Committee	Finance Manager and executives from the commercial area.	Weekly
Tax Compliance Committee	Finance Manager, Chief Legal Officer and Corporate Administration Manager.	Monthly
Administration Committee	Finance Manager, Corporate Administration Manager, Administration Managers of business units.	Monthly
Innovation Committee	General Manager, General Manager CMPC Celulosa, General Manager CMPC Tissue, Corporate Affairs Manager, Finance Manager and Corporate Development Manager.	Monthly

REMUNERATION POLICY FOR EXECUTIVES

(102-35)

The CMPC remuneration policy clearly establishes severance and incentive payments for the General Manager and principal executives. This document "Compendium of CMPC Corporate Governance Policies and Procedures" is available on the Company website: <https://www.cmpc.com/gobierno-corporativo/>

Principal executives have an incentive plan consisting of an annual variable bonus depending on the Company's profits and other bonuses in the year, associated with the achievement of strategic objectives and the fulfilment of business profitability goals. Total gross remuneration received by executives, including incentive payments, amounted to US\$ 4,601 million as of December 31, 2017 and to US\$ 4,954 in 2016.

1.4

ETHICS AND INTEGRITY: FUNDAMENTAL VALUES

For CMPC it is essential that each of the Company collaborators should have irreproachable conduct. Therefore, one of the Company's permanent priorities is to provide information to its employees on ethics and integrity, and it regularly schedules activities focused on the effective transmission of the corporate culture.

CRIME PREVENTION SYSTEM

(102-17)

CMPC has a crime prevention system based on 4 pillars:

A Prevention Model: designed to prevent actions involving bribery, asset laundering, the financing of terrorism, acts of corruption, and concealment of crime.

A Code of Ethics: designed to ensure strict compliance with legal regulations and to promote decision making based on good administrative practices. All employees receive the Code of Ethics when they join the organization.

An Anonymous Reporting Hotline: allowing any person to report on actions involving employees that are contrary to Company values or the law.

Ethics Committee: the highest level entity in matters of ethics, whose mission is to apply policies related to integrity across the whole organization.

COMPLIANCE WITH REGULATIONS

(205-1, 205-2, 205-3, 206-1; 307-1)

CMPC considers it vital to ensure that all employees know about its integrity policies. In 2013, it implemented a training program, led by the Corporate Legal Area, aimed at reinforcing corporate values and ethics.

The program includes topics such as how to prevent corruption and bribery, and free competition. It focuses mainly on personnel most exposed to these risks in the various subsidiaries in each of the countries where it operates.

During 2017, the Company continued to run workshops and training sessions for collaborators in matters related to good practices and ethics. Courses were given through an e-learning platform and included an evaluation process of what had been learned.

Courses were focused on the CMPC code of ethics, conflict of interest, information security, corporate policies, risk ma-

nagement, the crime prevention model, free competition, commitment to integrity, personal security, management of people, acquisitions and contract management, and financial and accounting management. These training sessions were aimed at all Company workers with access to the good practices platform, in the three Company business units and at the corporate office. The percentage participation of workers completing the CMPC Ethics and Good Practices courses was over 93% for CMPC Celulosa, 97% in the case of CMPC Papeles, and over 96% for CMPC Tissue. At the CMPC corporate office over 88% of staff participated in the courses.

The Company received 51 fines and sanctions related to non-compliance with regulations, resulting in total payments of US\$ 15,674,046, of which 87% corresponded to a free competition fine in Peru.

Consolidated fines received by CMPC in 2017 by amount

FINES	US\$ 2017	NUMBER OF CASES 2017
Labor issues	120,018	27
Environmental issues	47,204	10
Free competition	13,698,720	1
Tax	1,795,336	6
Sanitary/transport/others	12,766	7
TOTAL	15,674,046	51

This table shows total fines for 2017. Some of the labor and environmental fines are being challenged and could possibly be revoked or reduced in the future.

Ruling of the Free Competition Defense Court of Chile

(205-3, 206-1)

In December 2017, the Free Competition Defense Court of Chile made known its ruling on the legal action taken by the National Economic Prosecutor's Office (FNE) in the collusion case in the local toilet paper and other tissue products market against the company SCA and CMPC Tissue.

CMPC was exonerated from having to pay any fines, since the Company reported itself to the authorities and collaborated actively with the FNE. In this way, the Company was able to benefit from the leniency system program.

This experience was, without doubt, a major lesson learnt by the Company. A series of measures have been taken to avoid the reoccurrence of this type of situation. These include: the strengthening of corporate governance, a modification in the organizational structure, changes in top-level executives, the implementation of new internal controls, and the introduction of permanent training programs on ethics and free competition. These internal actions were submitted to the evaluation of prestigious international bodies in order to obtain help with their implementation.

In addition, CMPC will put into effect in its entirety the compliance program set out by the Free Competition Defense Court, as it has done with the implementation of a Compliance Committee, training on free competition for all employees, and an anonymous reporting hotline.

CMPC's commitment to restitution

CMPC accepted the proposal made by the Chilean National Consumer Service and other consumer organizations to provide voluntary restitution for consumers for excess amounts unduly charged. Following an exhaustive process, compensation was valued at the equivalent of US\$ 150 million. This amount is nearly six times the maximum fine that the Company would have paid, had it not voluntarily taken part in the leniency system.

Payment of the restitution to be made to every Chilean over the age of 18 has been delayed due to legal action taken by civil society organizations. These have filed actions, still presently in process, before the Santiago Court of Appeals and the Supreme Court.

In March 2017, CMPC deposited the agreed compensation amount into an account in the BancoEstado.

1.5 97 YEARS OF HISTORY

1920

The Company is formed to produce paper and cardboard and pulp from wheat straw at the Puente Alto mill, just outside Santiago, in Chile's Metropolitan Region.

1951

Operations begin at a paper mill in the southern city of Valdivia, initially producing newsprint and kraft paper.

1960

The first export of Chilean pulp is made by CMPC to clients in South America.

1986

The newsprint producer Inforsa is purchased and the Papeles Biobío plant is sold.

1992

The Celulosa del Pacífico greenfield pulp mill opens, a joint venture with Simpson Paper involving an investment of over US\$517 million.

1938

The production of newsprint is started.

1957

Opening of a newsprint plant, in San Pedro de la Paz in Chile's Biobío region.

1978

The construction of new molded pulp and tissue plants in Puente Alto, in Chile's Metropolitan Region.

1990

Launch of the eucalyptus plantations program in Chile.

1994

Acquisition of the companies Tissue IP-USA in Uruguay and FABI in Argentina.

1940

Acquisition of the Fundo Pinares property and the first radiata pine plantations in the Biobío region of Chile.

1959

Operations start at the Laja plant, Chile's first pulp mill, in the Biobío region.

1983

The subsidiary Prosan is formed to produce sanitary products and enter the diapers market.

1991

Acquisition of the diaper producer Química Estrella San Luis S.A. in Argentina, the Company's first investment outside Chile.

1995

Restructuring of CMPC as a holding company with five business area subsidiaries. The purchase of 20% of Santa Fe pulp mill.



Straw patio, CMPC, Puente Alto, 1920.



Pinares estate, 1940.



Paper plant, Puente Alto, 1938.



Tissue Argentina, 1999.



CMPC Foundation, 2000.



Guaiba II, Brazil, 2015.



Tissue Colombia, 2007.

1996

Operations begin for tissue products in Peru.

1998

The purchase of 100% of Simpson Paper's holdings in the Celulosa del Pacífico and Santa Fe mills.

1999

Installation of the second paper manufacturing machine in Argentina. CMPC becomes one of the leading tissue product producers in Latin America.

2000

The CMPC Foundation is launched.

2003

Purchase of Forestal Monte Águila.

2004

CERTFOR / PEFC certification is obtained for eucalyptus and pine plantations in Chile.

2006

Acquisition of the tissue and diapers producer Absormex and entry into the Mexican market.

2007

Entry into the Colombian market with the purchase of Drypers Andina, a baby diaper products producer.

2009

Purchase of the company Melhoramentos Papéis, a manufacturer of tissue products, with industrial plants in Sao Paulo, Brazil.

Acquisition of the Guaiba unit from Aracruz Celulose, located in the state of Rio Grande do Sul in Brazil.

2012

FSC certification is obtained for all of the Company's forests in Chile and Brazil.

2013

Construction is started on the Guaiba II pulp unit, in the state of Rio Grande do Sul, Brazil.

2014

Reorganization of the corrugated cardboard boxes business in Chile, merging the subsidiaries Envases Impresos and Envases Roble Alto into a single unit.

2015

Operational start-up of the Guaiba II pulp mill, in Brazil.

Launch of the first natural gas based cogeneration plant at the Altamira plant in Tamaulipas, Mexico.

2016

Integration of the Pulp and Forestry business units.

Eliodoro Matte steps down as Chairman of the Board, a position held from 2002. A new Board is set up with nine members.

CMPC IN 2017

Alessandri Park in Nacimiento starts to come to life

In a joint activity with the Municipality of Nacimiento (Chile), CMPC launched its first participative activity with the local community with the planting of several native species. The park will be fully operative to receive visitors in 2018.



Projection renders of Alessandri Park of Nacimiento.

Green bond launched to finance sustainable projects to life

A bond was issued for a total of US\$500 million, making CMPC the first Chilean company to place a bond that satisfies all of the requirements established in the World Bank's "Green Bond Principles".

State-of-the-art CMPC plant opens in Peru

The tissue plant, which is CMPC's third tissue facility in Peru, required an investment of US\$140 million. It was inaugurated by Peruvian President, Pedro Pablo Kuczynski. Community relations programs with the local communities started four years before the operational start-up. Thanks to this, the plant operates in an especially close and friendly manner with the neighboring communities and the environment, boring communities and the environment.

Restitution payment for consumers deposited

The US\$150 million were deposited in a BancoEstado account, and will be paid out to consumers once legal action taken by third parties has been resolved, in the manner determined by the committee led by the Chilean National Consumers Service.

Ruling by the Chilean Free Competition Defense Court

On December 29, 2017, the Chilean Competition Tribunal ruled on the legal action taken by the National Economic Prosecutor's Office in October 2015 against the company SCA and CMPC Tissue, relating to collusion in the toilet paper and other tissue products market.

Board of Directors makes changes to corporate governance

The CMPC Board decided to make changes to its corporate governance structure after analyzing and reviewing the organizational structure with assistance of national and international experts. Part of the strengthening includes the creation of a specific compliance area. The objective was to strengthen its integrity policy and to continue growing and generating value in a responsible manner, without compromising either Company reputation or operations.



Guaiba II mill.

Stoppage at the Guaiba II mill

Recovery boiler damage brought operations to a halt at the Guaiba II pulp mill, located in the Río Grande do Sul state of Brazil, in mid July, in order to carry out the necessary repair work. Operations restarted in November, a week ahead of schedule.

CMPC donates 500,000 native saplings for national reforestation

A milestone for this reforestation program, organized by Fundación Reforestemos, was marked with the planting of the first tree on the Pantanillo property belonging to Universidad de Chile. This donation of 50,000 native saplings is part of the 500,000 trees that CMPC will donate to support national reforestation.

CMPC one of the most sustainable companies in America

For the third year in a row, CMPC was chosen as part of 21 companies that make up the Dow Jones Sustainability Chile Index. The Company was also included in the DJSI MILA index, which groups together the 42 most sustainable companies in the Pacific Alliance.

CMPC presents a firefighting and fire prevention plan

A fleet of 20 aircraft, including a Chinook mega helicopter, and 1,000 firefighters were presented by CMPC in Chile as part of its plan for preventing and combating forest fires. With this, CMPC now has a firefighting capacity of 2 million liters of water per day.

CMPC recognized for its energy efficiency

The Chilean Association of Energy Efficiency recognized CMPC for a series of notable energy efficiency projects. The award was presented by the Chilean Energy Minister.

Agreement signed with the Housing Ministry for the reconstruction of Santa Olga

The agreement includes contributions from CMPC to the construction of two community centers and the design of the Santa Olga Park. Additionally, wood construction kits will be given out for rebuilding 270 homes.



A visit to Santa Olga with government authorities.

CMPC receives recognition from Rainforest Alliance

Rainforest Alliance, a world leader in the conservation of forests and natural resources, and in the promotion of a sustainable way of life, awards recognitions to companies committed to the protection of the environment, to the implementation of climatic solutions and to the support of local communities around the world.

As part of its thirtieth anniversary celebrations, Rainforest Alliance made an award to CMPC, together with 23 other companies, in the Champions of Corporate Sustainability category. This distinction recognizes companies that have shown exceptional commitment to sustainability, the improvement of ways of life and forestry conservation.

New CMPC App

CMPC has launched a new internal communication channel "CMPC App". This is a mobile phone application available to all collaborators with smartphones in all countries, through which they can find out about what is happening in the Company.

Two principal features are that its contents are published mainly in an audiovisual format, and that it also operates as a social network among workers. The CMPC App is available for download in Google Play and the Apple App Store.



1.6

MEMBERSHIP OF ORGANIZATIONS AND INSTITUTIONS

(102-12; 102-13)

For its daily work, CMPC maintains a permanent dialogue with various institutions, companies and organizations, on the basis that in order to ensure sustainable operations, collaborative efforts are required.

- CMPC participates on an annual basis in the Great Place to Work® survey.
- Institutional member of the World Business Council for Sustainable (WBCSD).
- Institutional member of FSC Chile, in the case of Forestal Mininco S.A. and CMPC Celulosa.
- Institutional member of FSC International, in the case of Forestal Mininco, CMPC and CMPC Celulosa.
- Institutional member of Certfor Chile, in the case of Forestal Mininco.
- Institutional member for the New Generation Plantations (NGP) platform in the case of CMPC Celulosa.
- Institutional member of Chilean Forestry Dialogue, through Forestal Mininco.

Additionally, the Company is a member of the following institutions:

- | | |
|---|--|
| - Asianor | - Club de la Union |
| - Association of Central Industrial Companies | - College of Forestry Engineers, A.G. |
| - Association of Industrial Graphic Companies | - Chilean Peruvian Business Council |
| - Water Canal Association for San Miguel and Biobío | - World Business Council for Sustainable Development |
| - Trade Association for Industrial Suppliers | - Corporation for the Development of Araucanía |
| - Trade Association for Industrial Companies in Malleco and Cautín (ASIMCA) | - Chilean Wood Corporation |
| - The Salmon Industry Association | - Club Concepción Corporation |
| - Santiago Stock Exchange | - Council of the Americas |
| - Chilean Electronic Stock Exchange | - Eurosac |
| - Stockbrokers Stock Exchange | - Hogar de Cristo Foundation |
| - Santiago Chamber of Commerce | - Chilean Institute of Rational Company Management (ICARE) |
| - British Chilean Chamber of Commerce | - Chilean Certification Initiative |
| - Brazilian Chilean Chamber of Commerce | - Engineering Institutes of Chile |
| - Chinese Chilean Chamber of Commerce | - Regional Management Institute IRADE |
| - Argentine Chilean Chamber of Commerce | - Junta de Adelanto del Maule |
| - Chilean Mexican Integration Chamber | - Medium-sized Electricity Generators |
| - Chilean Peruvian Chamber of Commerce | - Pulp and Paper Products Council |
| - Chilean North American Chamber of Commerce | - Risi Membership |
| - National Chamber of Paper and Cardboard Industries | - Natinal Agricultural Society |
| - Production and Commerce Chamber of Concepción | - Sofofa |
| - National Center for Packaging and Packing | - Social Union of Christian Businesses |
| - Center for Public Research | - World Market Pulp |

02

SUSTAINABILITY AT CMPC



Nahuelbuta Frog
Eupsophus nahuelbutensis

Its main habitat is the Nahuelbuta range in the BioBio and Araucania Regions of Chile. This is a medium-sized frog with high color variation. In general, its back is of a darker color with dark brown or reddish patches, whereas its front is of a lighter color. Irregular patches of darker color cover the chest, abdomen and extremities.

2.1 SUSTAINABILITY AT CMPC

(102-16)

MISSION

To produce and sell products, from plantations developed by men, wood, pulp, paper and tissue, in a sustainable manner every time, that are of superior and competitive quality, adding value to shareholders and customers, and creating development opportunities for employees and local communities.

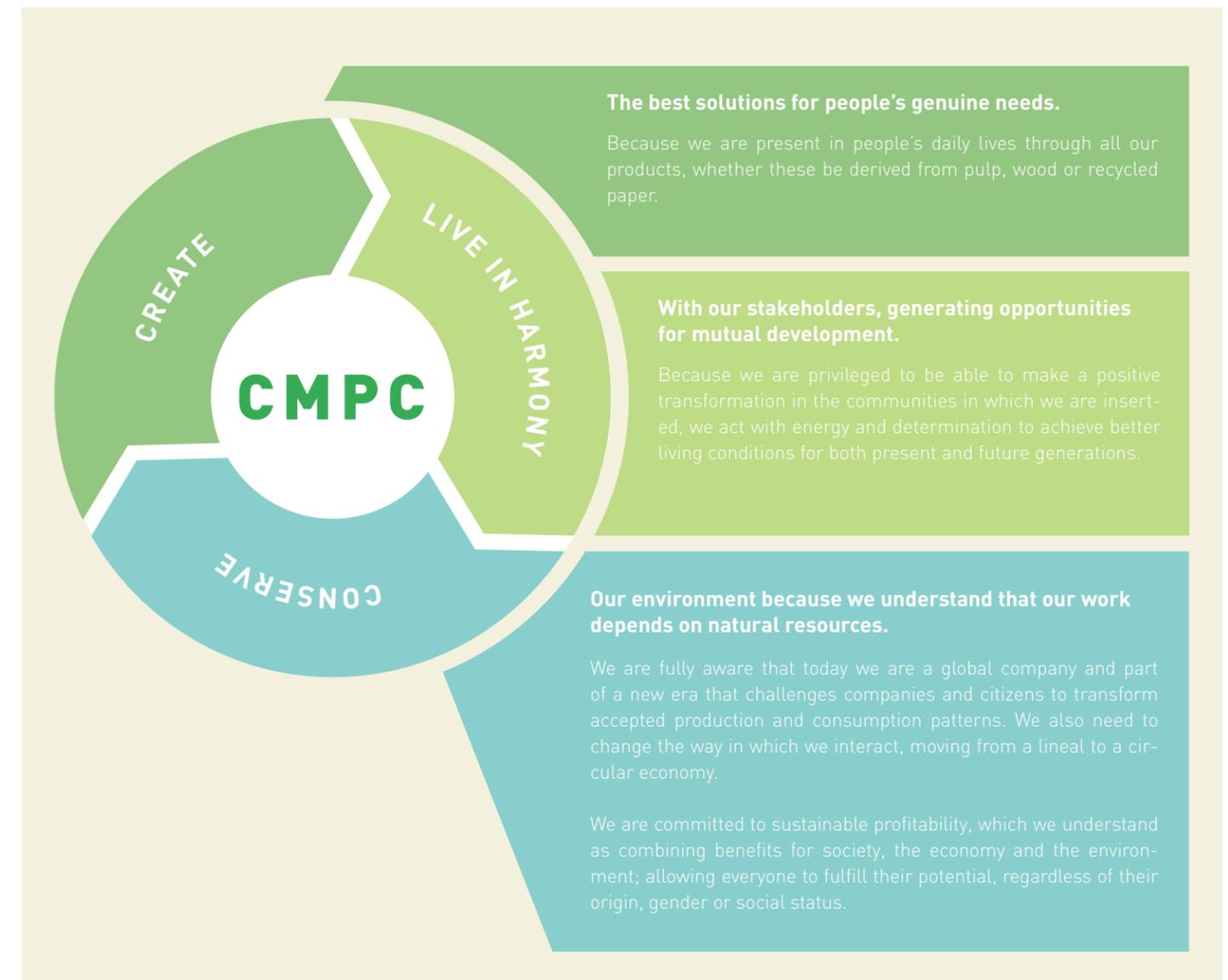
VALUES

CMPC guides its actions through the following corporate values:

- RESPECT for people.
- CARE of the environment.
- LOYALTY when competing.
- Strict COMPLIANCE with legal regulations.
- CONSIDERATION for the needs of local people.

CMPC is inextricably linked with nature, as there lies the origin of the business, and its fruits contribute to the future wellbeing of society. Therefore, in 2017 the Company worked on developing a corporate purpose statement to guide CMPC's sustainability strategy over the coming years. All areas of CMPC participated in the process, which was led by a committee of high level Company executives that gathered information from the organization's various stakeholders.

2.2 CORPORATE PURPOSE: TO CREATE, TO LIVE IN HARMONY, AND TO CONSERVE



2.3 MATERIAL ISSUES IN 2017

(102-21, 102-31, 102-42, 102-43, 102-44, 102-46, 102-47, 102-48, 102-50, 102-51, 102-52, 102-54, 102-56)

CMPC has determined that it will issue integrated annual reports. This second version comprises information between January 1 and December 31, 2017.

International standards were used to determine the material issues in 2017 that influenced decisions made by interest groups, and the social, environmental and financial matters in which CMPC has an impact. This materiality analysis made reference to the principals of the International Integrated Reporting Council (IIRC), to the Global Reporting Initiative (GRI) indicators in its new GRI Standards version, and to the obligatory regulations in force in Chile for annual reports.

As established as a commitment in the 2016 Report, the 2017 Integrated Report was verified by the external audit firm EY, with regard to both sustainability data and the financial statements

CMPC has also decided to align its sustainability strategy and objectives with the Sustainable Development Goals (SDGs) promoted by the United Nations. Consequently, the Company will work on establishing priority areas for making progress in sustainability, including the setting of concrete targets for the year 2030.

In 2016 the Company presented 22 material issues that were prioritized and grouped according to focus areas for the organization's corporate purpose. In accordance with this and based on the context of the organization in 2017, a Materiality Analysis was drawn up for CMPC, with interest group consultation as detailed below.

MATERIALITY ANALYSIS

REVIEW OF SECONDARY INFORMATION

- Review of material issues for 2016
- Analysis of press coverage in 2017
- Benchmarking, using reports and integrated reports for the forestry and tissue industry

CONSULTATIONS WITH INTEREST GROUPS

(102-40)

- Collaborator survey across all countries (4,361 employees)
- Supplier survey in Chile and Brazil (20 suppliers)
- Interviews with those responsible for community relations in Chile, Peru, Argentina and Brazil
- Interviews with all members of the CMPC Board of Directors

INTERNAL CONSULTATIONS

- General Manager
- General Manager of CMPC Celulosa
- General Manager of CMPC Tissue
- General Manager of CMPC Papeles
- Chief Legal Officer
- Risk Manager
- Corporate Development Manager
- Corporate Affairs Manager
- General Manager of Forestal Mininco
- General Manager of Sorepa
- General Manager of Fundación CMPC
- Energy Manager
- Public Affairs Manager

The overlapping and prioritization of information from these sources generated a list of ten key issues for 2017:

Innovation

Client satisfaction

Working conditions

Labor inclusion and diversity

Community relations

Development of local suppliers

Water

Emissions

Biodiversity

Forest management

Each of these material issues plays a role in building CMPC's corporate purpose. They involve ongoing management efforts and measuring the annual progress towards goals and guidelines promoted by the Company in all of its subsidiaries.

03

CORPORATE PURPOSE: TO CREATE

THE BEST SOLUTIONS FOR PEOPLE'S
GENUINE NEEDS



A Ruil branch
Nothofagus alessandrii

This endemic tree is distributed over a limited and fragmented area of the Coastal Range between Talca and Cauquenes in the Maule Region of Chile. It grows to a height of between 10 and 45 m. and its preferred habitat is humid soil rich in organic material. It generally grows in small pure woodland stands.

3.1 TO CREATE

This chapter contains the following strategic and material issues:

- Innovation
- Customer satisfaction

KEY FIGURES IN THIS CHAPTER:

Products present
in over **45** countries

10,708
customers around the world

5th
in ranking of customer
satisfaction perception in Chile

INNOVATION IN 360°

CMPC seeks to develop the best solutions for every stage of consumers' lives. Innovation is therefore relevant within the organization for finding the best ways to resolve problems and meet requirements, while generating returns that make this innovation sustainable.

The Company is implementing a range of initiatives in this area. One of these is a plan being developed jointly with suppliers and specialist companies, designed to incorporate technology and innovation into existing products and to create new ones that provide solutions to the changing needs of consumers and customers.

In the tissue products line, recent innovations launched in the market include DUO toilet paper with a mini four-meter roll inside the product, where the cardboard tube is replaced with more paper, maximizing the amount of product provided

and eliminating waste. Other innovations include the launch in the Chilean market of Evolution paper towels which use a new paper technology to give better absorption with less paper, and in Mexico the new premium toilet paper Elite Gold.

CMPC Maderas has developed a plywood board impregnated with micronized copper, which is used in exterior walls. This product avoids termite and putrid fungi attacks. It also has protection from UV rays.

Furthermore, the Company has developed a genetic improvement program that has resulted in significantly higher yields from pine and eucalyptus plantations. This program has used conventional techniques, without the use of transgenics, that is, without the transfer of genes from one organism to another. However, it has been supported with the latest technology for early selection and propagation, resulting



Sack Kraft paper.



Confort DUO toilet paper.



Eucalyptus Globulus.

in the faster growth of the species. Innovation in the silviculture area has been focused on improving plant quality and soil preparation techniques, as well as controlling weeds to guarantee high productivity and preserve plantation homogeneity. Innovation, through the Eucahydro project, has also been aimed at improving water efficiency in soil use and growth of the species.

In the paper products area, notable innovations include an effort to replace plastic bags with boxes, paper bags, as well as various other types of packaging, some developed a few years ago, that are resistant to moisture and temperature

changes. The new packaging ensures that the products' properties are kept intact during shipping.

In order to continue prioritizing innovation at CMPC, a special group has been formed to focus exclusively on generating new proposals in this area. Group members have been recruited from various business units, backgrounds, roles and countries where CMPC has a presence, and they have started systematic explorations of innovation in processes and operations in all Company subsidiaries. In addition, an Innovation Committee has been formed by several of the principal Company executives.

3.2 MATERIAL ISSUE: INNOVATION

CMPC understands innovation as all changes in the combination of products, processes, services, and business models that resolve a problem or need and that generate returns

which make it sustainable. This definition is a unique concept for all Company business units and areas, and was developed by the innovation group.

Innovation group

This was set up in 2017 with seven professionals from different areas, cities and countries where the group has a presence, who worked for three months to develop a definition of innovation. Following intensive days of research, including 144 meetings with various players from the Company who gave guidance and presentations, the group managed to come up with an innovation project that is linked to sustainability. This will be presented during 2018.

During their research, the members of the group, together with various CMPC collaborators, identified 560 concrete problems across all areas of CMPC that will become 118 potential challenges to be faced from an innovation perspective.



In addition to this venture, during 2017 CMPC has carried out events focused on innovation in Mexico, Peru, Brazil, Chile and Argentina. These include the "CMPC Tissue Innovation Week" and the "First CMPC Innovation Week Seminar: Building the Future Together". Present at this event were the creators of Waze and Zipcar and world-class leaders in innovation, Uri Levin and Robin Chase. A total of more than 1,000 people from all the various countries attended the events.

Furthermore, CMPC is involved in innovation projects in alliance with various other organizations. One of these is the joint work being carried out with the Massachusetts Institute of Technology (MIT) in Cambridge, USA, to develop various innovative projects relating to operational matters, products and logistics. These are aimed at improving user-friendliness.

3.2.1 FORESTRY INNOVATION

CMPC –through its forestry area– has made great progress in research, development and innovation in the following priority areas.

SUSTAINABILITY AND MONITORING

Great developments have been made in innovation to obtain information that gives data about the sustainability of the forestry activity. The application of new technology, such as teledetection and potentially nonsensors, which could improve the measuring capacity for forests and the environment, is being studied in routine applications.

At present, satellite image technology and Light Detection and Ranging²(LIDAR) techniques are being used for a wide variety of applications, including harvest planning and inventory, as well as for applications that evaluate the health and

vigor of the forest. Long-term research on forest hydrology has been permanently focused on learning more about the water cycle in the plantations. Innovation has also been introduced in the protection of forest assets against fire and pests, through the development and application of software for the simulation and analysis of fire propagation, and also through the use of technologies such as remote sensors, which allow a more efficient evaluation and coordination in the deployment of resources.

PRODUCTIVITY IN FORESTRY OPERATIONS

Over the last few years, important innovations have been incorporated into the various stages of the forest cycle, including mechanization of plant production, land and plantation clearance, harvesting and forestry logistics. The continuous modelling, optimization and mechanization of operations process, which involves state-of-the-art equipment and technology, has led to an improvement in cost, productivity and safety ratios.

In addition, together with the Universidad de Concepción de Chile, CMPC has participated in two projects related to water consumption in eucalyptus plantations. The aim is to understand the differences in growth and consumption for different varieties of eucalyptus submitted to conditions of both water stress and optimal water availability. Significant differences in growth have been observed depending on both the different soil humidity levels and the variety of eucalyptus planted.

The pine and eucalyptus improvement program also seeks to increase the productivity and quality of raw material. This program has achieved an increase of 30% in the volume yield

of commercial pine and eucalyptus plantations since 2015. Over the last ten years, the quality of eucalyptus wood has been improved through improvements in basic density and pulpable yield. In fact, from 2016 onwards all of the seed production for *eucalyptus nitens* commercial plantations has shown a substantial 4% improvement in basic wood density when compared to previous harvests.

In the case of eucalyptus hybrids, over the last three years new hybrid clones have been incorporated into commercial plantations. These maximize the production of pulp tons per hectare and have better resistance to frosts and improved tolerance to defoliation caused by pests and new climatic conditions

For the *pino radiata* there is also a characterization project for basic density of young trees. This seeks to increase the density for thinned wood and the final harvest.

² LIDAR: system carried on planes or helicopters, based on a sensor that emits a laser pulse and times how long the pulse takes to get to the ground and return to the emission point.

3.2.2 NATURAL KRAFT

Through its different lines of business, CMPC is working to develop products that minimize the impact on the environment; innovation is one of the means to create products that are more sustainable.

For this reason, the group subsidiary Cartulinas CMPC worked to develop a 'natural cardboard without stucco'. This is a product that maintains the characteristics of conventional cardboard, while eliminating the final stucco. This is the coat of one or several layers with different qualities including weight, surface, reduced ink absorbency and others.

The stucco is generally composed of 78% kaolin and calcium carbonate, and represents on average a little under 10% of the total weight of the cardboard.

When the stucco is eliminated, the use of chemicals in the process also decreases, generating a decrease in the product's carbon footprint.

In this way, CMPC is providing the market with a packaging material, differentiated by its natural look, that uses unbleached fibers without the final stucco layer. This gives customers a new innovative alternative for product packaging.

The characteristics of this product are as follows:

- Very rigid and durable packaging material.
- Less fiber used given the low density, therefore improving yield.
- Natural look and uniform surface that facilitates printing.
- Recyclable, renewable resource and traceable raw materials.
- Unbleached fibers free from chlorine.
- Chain of custody FSC (FSC-C002669) y PEFC certifications.

3.3 MATERIAL ISSUE: CUSTOMER SATISFACTION

The Company engages in permanent monitoring activities to find out about customers' opinions and perceptions of its products so that it can make continuous improvements that satisfy their requirements.

At CMPC Tissue research is carried out on product habits and usability. As well as investigating consumer behavior, it establishes a market position ranking system in the countries in which it operates. The measurement of customer satisfac-

tion is conducted in the area of mass product consumption (i.e. in supermarkets). Regional studies have been carried out since 2016 and in Chile itself since 2014.

In 2017, the following results were obtained compared with 2016:

Market position ranking of CMPC by country of operation

COUNTRY	2016	2017
Argentina	23 (out of 24 companies analyzed)	20 (out of 23 companies analyzed)
Brazil	9 (out of 16 companies analyzed)	9 (out of 16 companies analyzed)
Peru	16 (out of 25 companies analyzed)	12 (out of 23 companies analyzed)
Chile	9 (out of 25 companies analyzed)	5 (out of 25 companies analyzed)
Mexico	10 (out of 17 companies analyzed)	10 (out of 14 companies analyzed)

Market position ranking of CMPC in Chile by country of operation compared over the past four

COUNTRY	2014	2015	2016	2017
Chile	2nd (out of 25 companies analyzed)	5th (out of 25 companies analyzed)	9th (out of 25 companies analyzed)	5th (out of 25 companies analyzed)

At the end of December 2017, CMPC Tissue embarked on a study of product satisfaction outside the household, which was still underway at the time of preparation of the 2017 Integrated Report; the outcome will be reported in the next report in 2018.

(quantity and date), and iii) Level of support, on a scale from 0% to 100%. During 2017 the survey was not carried out, due to changes in the SAP system. However, it will be carried out in October 2018.

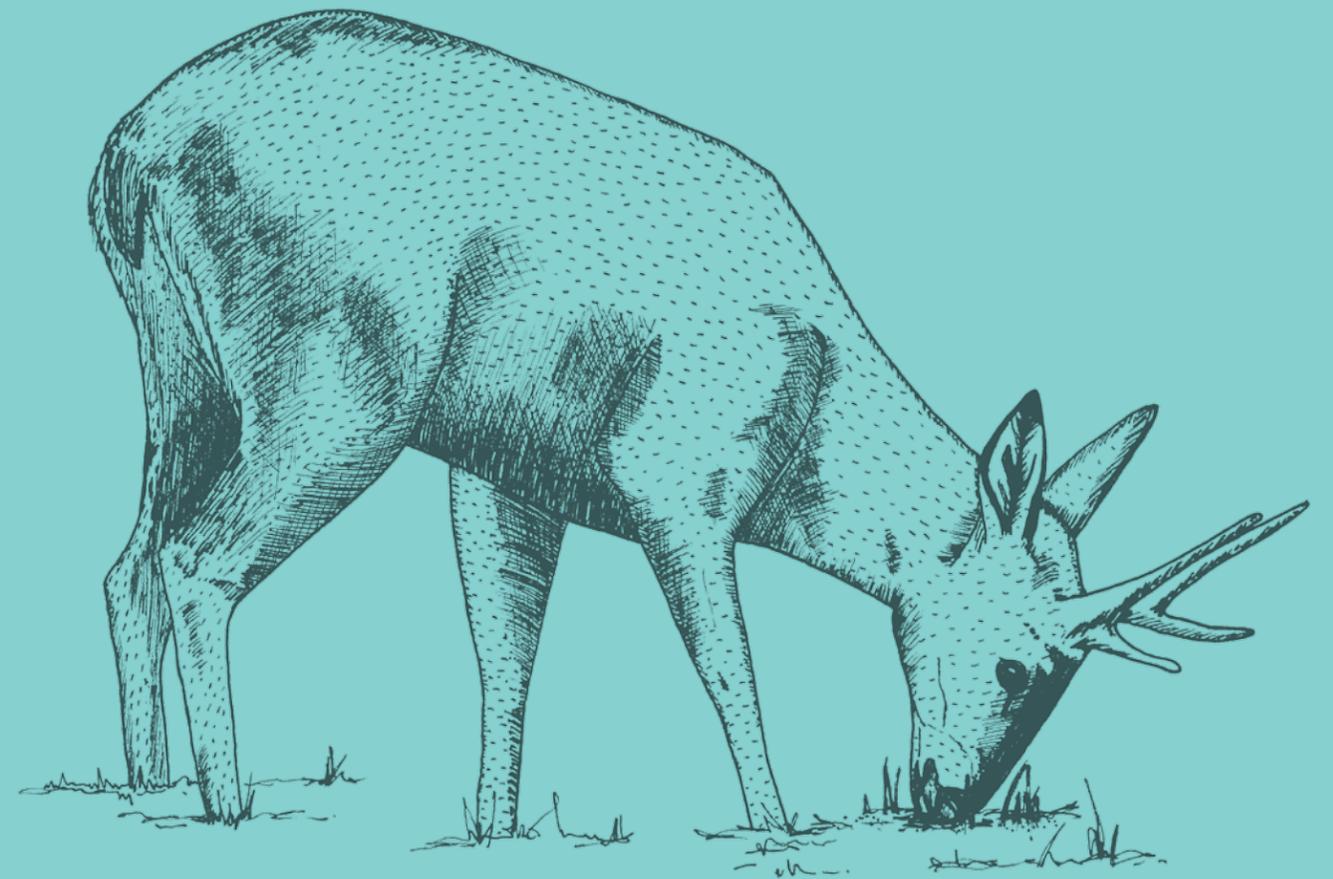
For its part, CMPC Celulosa carries out an annual customer satisfaction survey in the forestry sector. This evaluates Product quality and packing, ii) Product delivery fulfillment

Finally, CMPC Papeles does not measure general customer satisfaction, since each subsidiary in this business unit uses some type of evaluation.

04

CORPORATE PURPOSE: TO LIVE IN HARMONY

WITH OUR STAKEHOLDERS, GENERATING
OPPORTUNITIES FOR MUTUAL DEVELOPMENT



Huemul
Hippocamelus bisulcus

This species of native fauna can be found between the BioBio and Aysen Regions of Chile. Its native habitat is the forests, thickets and Andean valleys, in the temperate rainforests of Chile and Argentina. It averages about 1.5 m in length and has a short tail about 15 cm long.

4.1 TO LIVE IN HARMONY

This chapter covers the following strategic and material issues:

- Working conditions.
- Inclusion and workforce diversity.
- Community relationships.
- Management of local suppliers.

KEY FIGURES IN THIS CHAPTER

79%

score on CMPC workplace culture according to Great Place to Work.

13,7%

of CMPC employees are women.

0,6%

of the total CMPC workforce have some sort of disability .

LABOR INCLUSION AT CMPC

The new Labor Inclusion Law N° 21,015 in Chile , which comes into force in April 2017, encourages the participation of persons with disabilities in the workforce in both public and private organizations employing more than 100 workers.

CMPC is implementing an inclusive labor program for persons with disabilities both in Chile and in each of the other countries in which it operates. In order to comply with the new regulations, a pilot project was implemented in the Printed Packaging plant in the municipality of Buin in the Metropolitan Region of Chile. The initiative sought to provide

the same job opportunities to persons with different kinds of disability.

The plant employed eleven workers listed on the Disability Register and seven more about to be listed before the new law came into force. Subsequently, in November 2017, four more workers joined the workforce in the Recovery area of the plant, where they carried out manual labor such as applying glue to products, separating off boxes, overseeing the trimming and checking the boxes, for example.

These new workers were all from the Nueva Creación School which has links with CMPC thereby allowing the labor insertion initiative for its students with disabilities to be carried out. For some months, a job at which they could work was identified, after which the structural and organizational conditions were validated with Risk Prevention personnel and the Director of the school.

Labor inclusion is of global concern to CMPC. Over 130 workers - 120 men and 10 women - out of more than 17 thousand, have some kind of disability. In Chile alone, 46 of the over 9,000 workers have some kind of disability (45 men and 1 woman).



Workers at the Buin plant, Printed Containers.

CAÑETE, LIVING IN HARMONY FROM THE START

The two corporate values that form the basis and guide the community relations of CMPC are respect for the individual and consideration of the needs of the local communities adjoining its operations.

The new plant in Cañete in Peru that was officially opened on October 13, 2017 was able to establish good community relations through the groundwork of its Social Responsibility Team. It helped identify and contact the most relevant interest groups, such as officials and local leaders, and discover not only their experiences with other enterprises but also the needs, priorities and suggestions of the community. In this manner, a bond based on mutual trust and respect could be created.

The environmental impact study prior to the construction of the plant included a citizen-participation component to offer the community clear, simple information on the main characteristics of the project, including its possible impacts and the measures taken to mitigate them.

In order to do this, once the purchase of the land to build the plant had been confirmed in 2012, the Company allocated human and financial resources towards several initiatives, campaigns and programs to make contact and establish bonds with local communities.

KEY FIGURES

The number of participants³ in each initiative depends on the objectives and characteristics of the bonding activity.

4

obligatory informative workshops in accordance with the citizen participation mechanism of the environmental impact study (EIS): there were about 50 participants in each workshop and no more than 71 attended the fourth and last workshop.

6

production workshops: About 30 women attended each of these.

10

health campaigns: These registered the highest community participation, with free medical services, obstetrics, psychology, dentistry and pharmacy services. An average of 150 persons participated in each campaign, with a total of over 1,500 beneficiaries.

20

20 decentralized workshops held in local communities to provide information on the nature of the construction project, with about 20 to 25 persons attending each one, over 400 participants altogether.

4

Christmas activities: These were open community events for the whole family, with about 200 people at each event.

73

young people from the area were sponsored through financing technical studies through the National Training Service in Industrial Trades (*Servicio Nacional de Adiestramiento en Trabajo Industrial, SENATI*) in Cañete. 31 students have already completed their training and 10 of them now work in the plant in Cañete.

³The province of Cañete has a population of approximately 229,693 inhabitants; estimate provided by INEI Peru in 2014.



Tissue plant in Cañete, Peru.



Healthcare campaign.

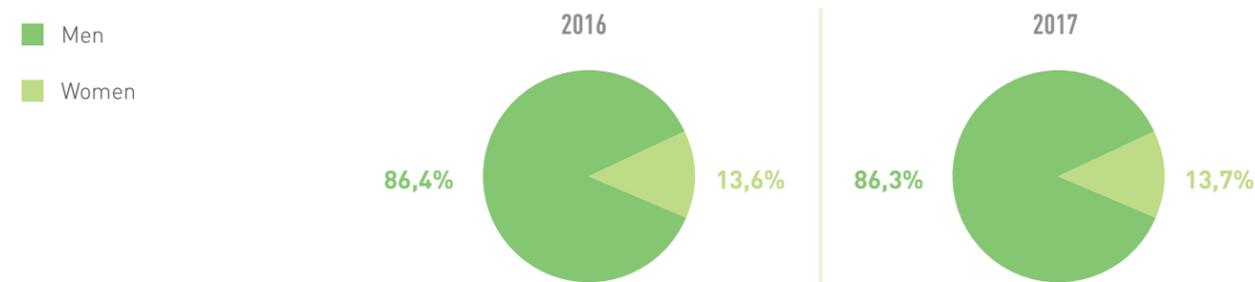
4.2 WORKING CONDITIONS (102-8)

The Company has more than 48,792 direct collaborators and contractors, working in all three Company business units and at the holding company head offices. On average during 2017, CMPC had a workforce of 16,949 collaborators. By the end of December, this figure had risen to 17,139.

Average number of employees by country and gender

	2016		2017	
	WOMAN	MEN	WOMAN	MEN
Chile	1,152	8,404	1,109	8,081
Argentina	157	1,397	154	1,367
Brazil	316	1,971	344	2,071
Colombia	133	325	124	280
Ecuador	60	171	61	177
Mexico	344	1,133	344	1,163
Peru	121	1,057	135	1,149
Uruguay	44	359	45	344
TOTAL	2,328	14,817	2,316	14,633

Percentage of CMPC collaborators by gender



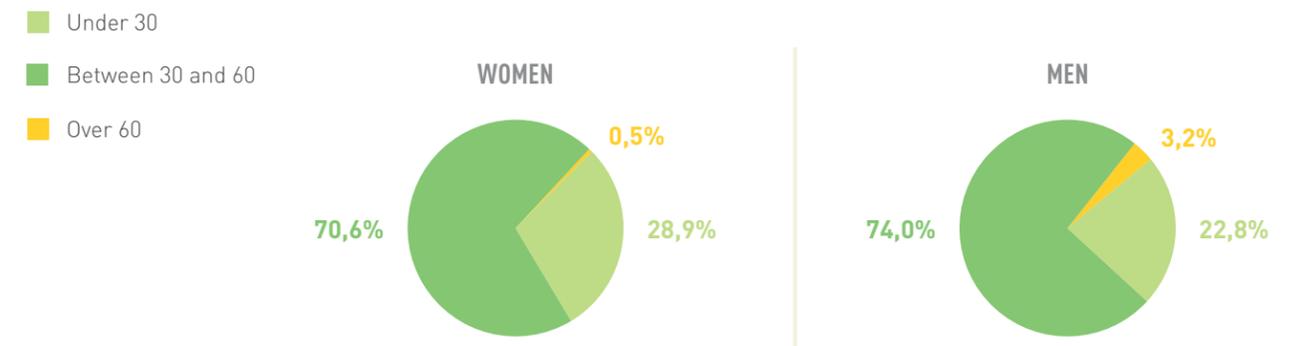
Average number of employees by business unit and gender

	2016		2017	
	WOMAN	MEN	WOMAN	MEN
Pulp	513	4,471	510	4,469
Tissue	1,215	6,913	1,240	6,932
Paper	421	3,170	397	3,003
Head office	114	206	169	229

Number of employees at December 2017, by gender and age group

	WOMEN			MEN		
	Under 30	Between 30 and 60	Over 60	Under 30	Between 30 and 60	Over 60
Executives	12	130	3	17	703	56
Professionals and technical staff Profesionales y técnicos	386	897	7	549	2,707	144
Operational staff	281	703	2	2,806	7,535	271
Total	679	1,660	12	3,372	10,945	471
TOTAL	2,351			14,788		
	17,139					

Percentage of collaborators at december 2017 by age group



Average number of contracted workers, by gender and business unit

	2016			2017		
	WOMAN	MEN	TOTAL	WOMAN	MEN	TOTAL
Pulp*	1,100	14,392	15,492	1,182	15,514	20,819*
Paper	377	3,244	3,621	425	3,319	3,744
Tissue	587	2,702	3,289	2,310	4,718	7,028
Head office	91	208	299	91	161	252
TOTAL	2,155	20,546	22,701	4,008	23,712	31,843

* Note: Celulose Riograndense: 4,123 collaborators. There is no breakdown by gender.

TRADE UNION MEMBERSHIP

(102-41)

In 2017, 59% of the total workforce, that is 10,143 collaborators, were members of one of the 53 company trades unions in the various countries where CMPC operates. Each CMPC subsidiary has unions, totally independent of each other, that enter into separate collective bargaining agreements with the Company.

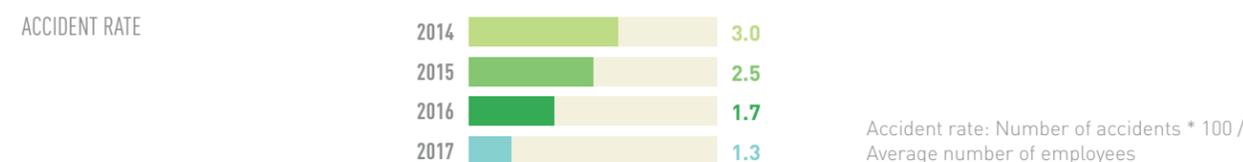
Number of trade unions and unionized workers by country

COUNTRY	NUMBER OF UNIONIZED WORKERS	NUMBER OF WORKERS COVERED BY THE UNION	NUMBER OF COMPANY UNIONS IN THE COUNTRY	PERCENTAGE OF UNION MEMBERSHIP
Chile	6,196	6,080	39	67%
Argentina	734	1,916	3	47%
Brazil	1,479	2,414	6	61%
Colombia	58	58	1	14%
Ecuador	0	0	0	0%
Mexico	1,049	1,049	2	69%
Peru	339	339	3	26%
Uruguay	288	288	1	77%
TOTAL	10,143	12,144	53	59%

SAFETY IS OUR TOP PRIORITY

(403-2)

Preventing all types of work accidents and maintaining a culture of safety within the Company is a permanent priority at CMPC. During 2017 the overall CMPC accident rate was 1.3 lost-time accidents for each 100 workers, a figure that reaffirms the organizational commitment to reducing work accidents year by year.



Consolidated data on health and safety at CMPC

	NUMBER OF ACCIDENTS	WORK-RELATED ILLNESSES	DAYS LOST DUE TO ACCIDENTS	RATE OF ABSENTEEISM	
Country	Chile	121	3	4,053	3%
	Argentina	32	1	994	3%
	Brazil	11	0	684	2%
	Colombia	12	2	157	1%
	Ecuador	1	0	3	1%
	Mexico	14	0	332	0%
	Peru	20	0	311	0%
	Uruguay	8	0	188	3%
	Gender	Woman	17	3	343
Men		202	3	6,379	7%
Business unit	Celulosa	41	2	1,456	9%
	Papeles	55	0	2,051	10%
	Tissue	118	4	3,209	7%
	Head office	5	0	6	4%
TOTAL	219	6	6,722	8%	

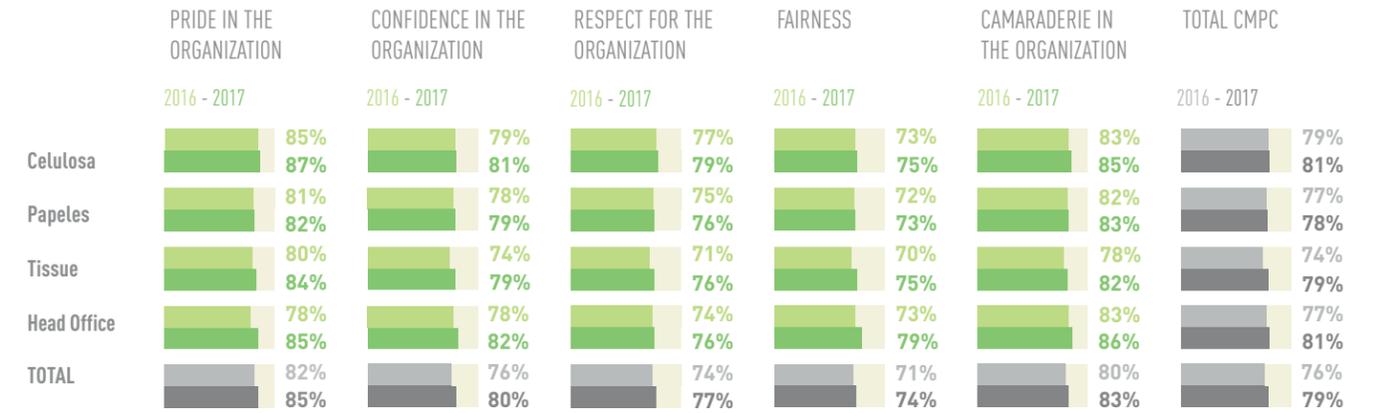
Despite the Company's efforts and communication campaigns promoting safety at work, in 2017 CMPC lost four contractors to fatal accidents at work. This has resulted in permanent reinforcement of safety measures and an increase in training designed to prevent this type of incident.

During 2017, the accident rate for CMPC contractors was 0.79.

Consolidated data on health and safety for CMPC contractors

	NUMBER OF ACCIDENTS	WORK-RELATED ILLNESSES	DAYS LOST DUE TO ACCIDENTS	WORK-RELATED FATALITIES
Country				
Chile	189	6	6,488	3
Argentina	3	0	164	0
Brazil	44	0	1,830	1
Colombia	5	0	17	0
Ecuador	0	0	0	0
Mexico	1	0	10	0
Peru	8	0	119	0
Uruguay	0	0	0	0
Gender				
Woman	24	0	518	0
Men	226	6	8,110	4
Business unit				
Celulosa	172	6	7,202	2
Papeles	39	0	730	1
Tissue	39	0	696	1
Head office	0	0	0	0
TOTAL	250	6	8,628	4

Evaluation of the CMPC work environment



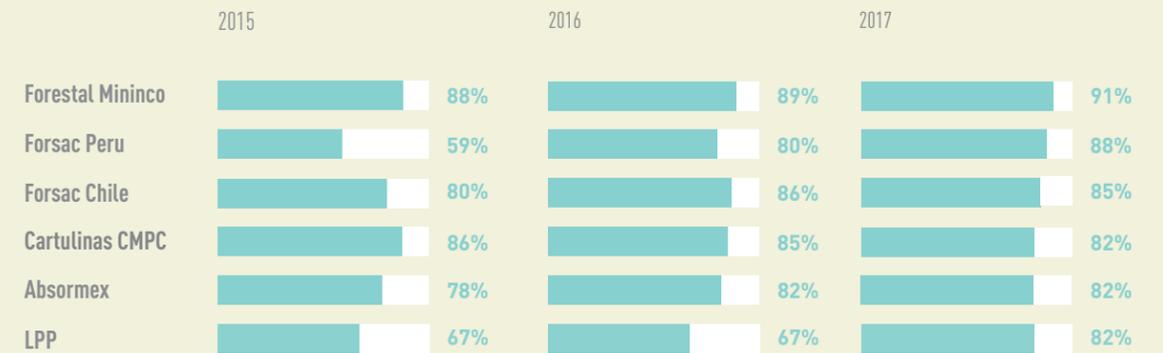
WORK ENVIRONMENT

For monitoring the workplace environment, CMPC uses the Great Place to Work (GPTW) measurement model. From the 1990s the GPTW Institute has drawn up lists of the best companies to work for in the countries where it is present (currently 45 countries).

The GPTW survey seeks the opinion of Company collaborators about their organization's work environment and culture. The survey includes 58 questions grouped into five dimensions: credibility, fairness, respect, camaraderie and pride.

In 2017, CMPC achieved a score of 79% for work environment at a management level, three percentage points higher than in 2016.

Subsidiaries with outstanding results in 2017



Note: Subsidiaries are considered to have outstanding results with scores higher than 80% in 2017.

PERSONAL DEVELOPMENT OF COLLABORATORS

(404-1)

CMPC is well aware of the importance of the continuous personal development of its collaborators. Training programs are defined and developed on an annual basis according to the profiles and needs of employees.

In 2017, a total of 12,508 employees benefited from training courses and accumulated professional development time reached 496,443 hours.

	NUMBER OF EMPLOYEES TRAINED	TOTAL HOURS OF TRAINING	% OF TOTAL HOURS WORKED
Executives	650	20,946	1.22%
Professionals and technical staff	4,371	258,264	2.62%
Operational staff	7,487	217,234	0.86%
TOTAL	12,508	496,443	1.35%



4.3

INCLUSION AND WORKFORCE DIVERSITY*

(405-1; 202-2)

CMPC promotes equal opportunities for all its collaborators and strives to introduce non-discriminatory practices. The selection of new collaborators starts with a recruitment process that ensures that the eligibility of candidates is evaluated solely on the grounds of their experience and skills as relevant to the available post.

*Note: The total of the categories "managers" and "other workers" is 17,139 corresponding to total CMPC employees at December 2017.

Number of employees by gender*

ROLE	MEN	WOMAN	TOTAL
Directors	8	1	9
Managers	8	1	9
Other employees	14,780	2,350	17,130

Number of employees by nationality

ROLE	CHILEAN	FOREIGN	TOTAL
Directors	9	0	9
Managers	9	0	9
Other employees	9,273	7,857	17,130

Number of employees by age category

ROLE	LESS THAN 30	BETWEEN 30 AND 40	BETWEEN 41 AND 50	BETWEEN 51 AND 60	BETWEEN 61 AND 70	MORE THAN 70	TOTAL
Directors	0	1	1	3	4	0	9
Managers	0	0	3	6	0	0	9
Other employees	4,051	6,080	4,071	2,455	472	11	17,130

Number of employees by number of years in the Company

ROLE	LESS THAN 3 YEARS	BETWEEN 3 AND 6	BETWEEN 6 AND 8	BETWEEN 9 AND 12	MORE THAN 12	TOTAL
Directors	7	0	0	0	2	9
Managers	3	0	0	0	6	9
Other employees	5,779	3,758	1,842	1,890	3,861	17,130

With regards to the average salary for Managers and Principal Executives, the salary for women corresponds to 104% of that of men. For professionals and technical staff, the salary for women is 80% that of men, whilst 79% of the salary for operational staff corresponds to the salary earned by women in the same category.

Salary gap by gender⁴

ROLE	PROPORTION WOMEN/MEN
Principal management executives	104%
Professionals and technical staff	80%
Operational staff	79%

The overall average number of women collaborators increased from 13.0% to 13.7% over a period of five years. Although the growth has not been as proportionally high in the last five years, a large number of women join the Company annually to become part of the CMPC team.

Women as a proportion of the total workforce, annual average



SALARY GAP BY GENDER

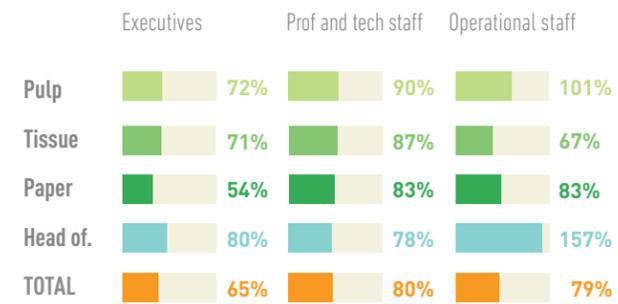
(202-1; 405-2)

Remunerating employees without gender differences is an established policy within CMPC. Salary calculation, therefore, is based only on seniority within the Company and the career development of collaborators. However, given the high proportion of male employees, in many cases with longer periods of seniority in the Company, the overall average salary for men tends to be higher than for women.

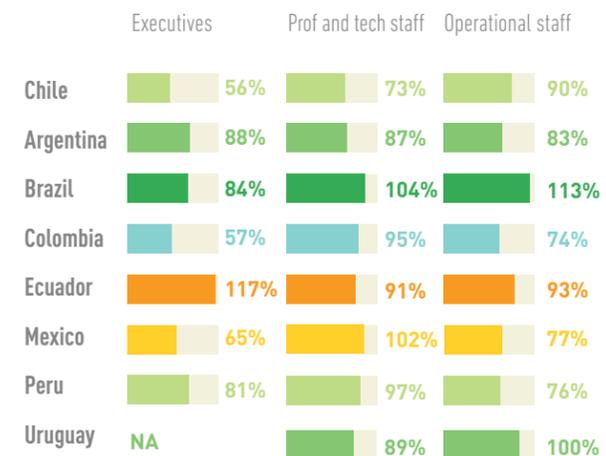
⁴The following groups were considered in accordance with *Plataform* criteria
 - Managers and principal executives: A, AD, B
 - Professionals and technical staff: C, D, E, F
 - Operational staff: G

In general terms, women executives at CMPC earn an average of 65% of the salary earned by men executives, while for professional and technical staff women earn 80% of the average salary for men. In the case of operational staff, women earn 79% of the average salary earned by men. This can be attributed to the fact that the proportion of men workers at the Company is higher than the proportion of women. CMPC does not make distinctions based on gender when fixing salaries.

Salary women/men



Average salary women/men by country



We contribute to gender equality (405-1)

CMPC considers that promoting women to senior positions is fundamental for achieving equality and equal opportunity objectives both for the Company itself and the country.

Thirty-two women were promoted to senior positions during 2017 in four of the eight countries where CMPC is present.

The CMPC Board of Directors has one female member and so does the Company's executive committee.

NO. OF WOMEN PROMOTED TO SENIOR POSITIONS

Chile	25
Argentina	1
Brazil	4
Colombia	0
Ecuador	0
Mexico	2
Peru	0
Uruguay	0
TOTAL	32

In line with its commitment to gender equality, CMPC is part of the Gender Parity Chile movement. This initiative is a public-private alliance, promoted by the Inter-American Development Bank and the World Economic Forum, aimed at reducing the gender gap and increasing the economic participation and progress of women in the Chilean labor market.

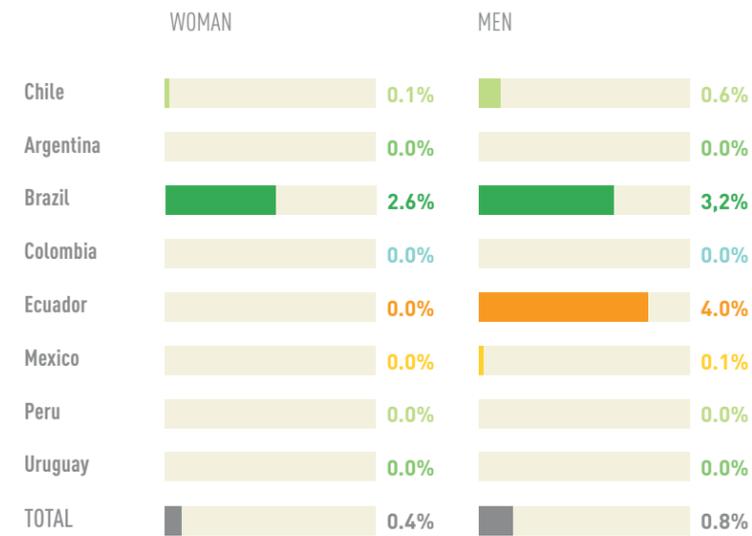
EMPLOYEES WITH A DISABILITY AT CMPC

(405-1)

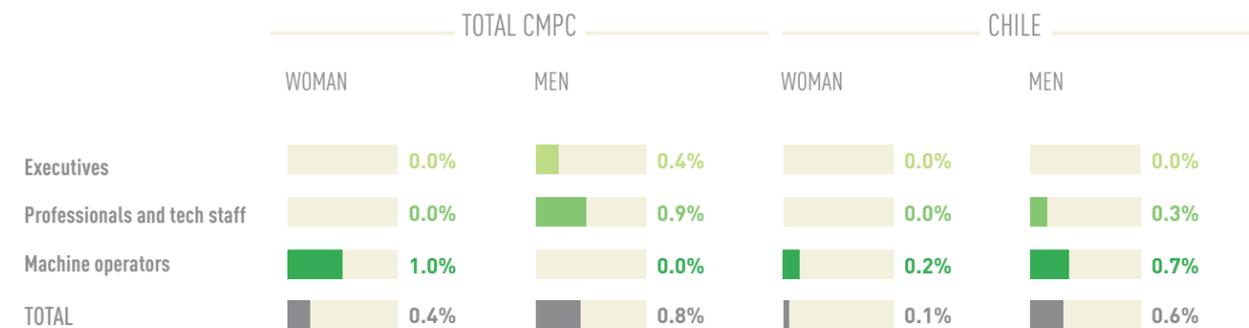
The inclusion law's objective is to promote effective labor inclusion for people with a disability, both in the public and private sphere. The law specifies that for companies with 100 or more employees at least 1% of the workforce must be people with a disability. The deadline for implementation is the year 2020.

CMPC initiated an information gathering process in each of its subsidiaries to identify the number of employees with a disability. It should be noted that a labor inclusion law is not in force in all of the countries where the Company has a presence, but CMPC adopted a definition to allow a base line measurement across the whole organization. The process indicated that 0.6% of Company employees have a disability.

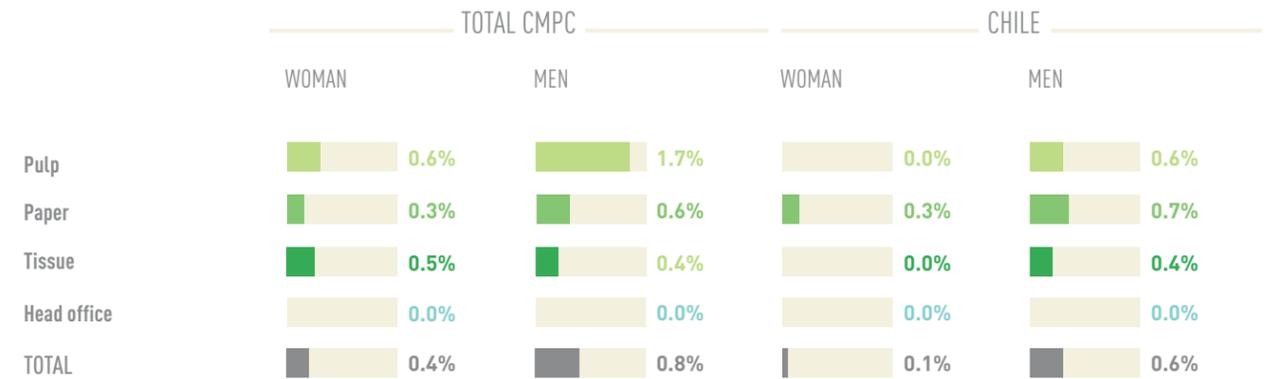
Employees with a disability by country



Employees with a disability by role



Employees with a disability by role

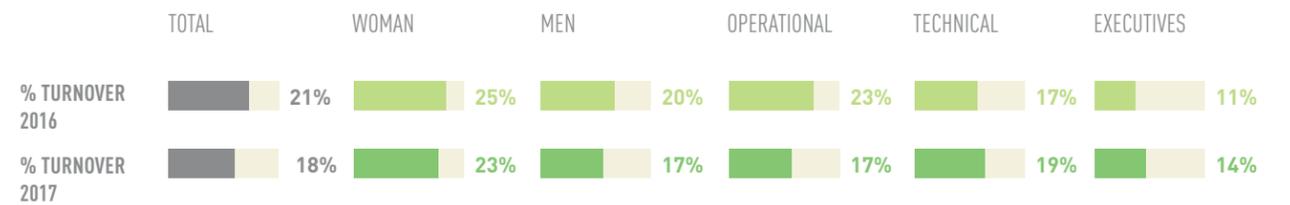


STAFF TURNOVER

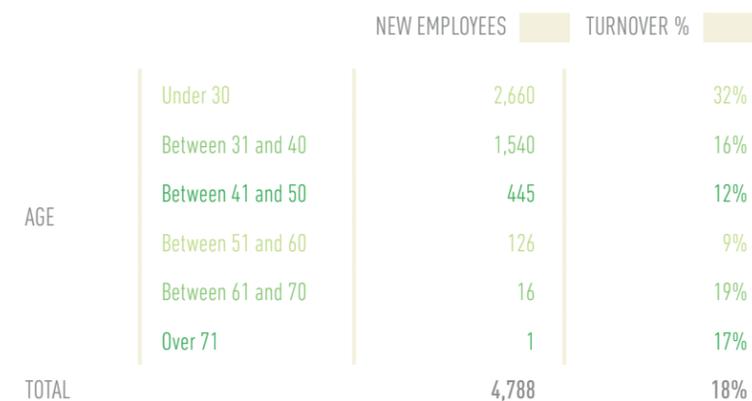
(401-1)

The continuity and stability of its workforce is a permanent concern for CMPC. In 2017 average staff turnover⁵ was 18%.

New employees and staff turnover by employee level of seniority and gender



New employees and staff turnover in 2017 by age



⁵ For the purposes of this integrated report, average staff turnover was calculated as: (personnel who left/average yearly workforce).

4.4 MATERIAL ISSUE: COMMUNITY RELATIONS (417-1)

With the objective of maintaining healthy relationships with all the communities with which it is associated, the Company is developing several campaigns within the framework of its Good Neighbor Policy under the guiding principles of dialogue, transparency and the fulfillment of its commitments, in order to improve the quality of life of the community.

The company is developing working areas for community relations throughout its business operations, mainly focused on: education, sports, culture, promoting the local economy, improving jobs, the environment, and guided visits.

CMPC manages approximately 750 thousand hectares of land between the regions of O'Higgins and Los Lagos in Chile, across 103 local communities and 358 Mapuche communities.

In order to establish communications with these local communities, the Company has set up six programs:

Promoting productivity

Stimulates local entrepreneurship, production and innovation that is sustainable

Social incubator

Supports and finances projects and start-ups that improve the quality of life of neighbors and their communities.

Communication

Keeps stakeholders especially communities, authorities and local media, informed of all program activities.

Community development

Contributes to the psycho-social development of individuals and their communities in the neighborhood, to strengthen the bonds of mutual trust and cooperation.



Culture

To promote cultural development in a harmonious, pluralistic and equitable way, through creating, producing and diffusing various events.

Sports

To create and foster areas for holding sporting and recreational activities.

In Brazil, CMPC manages 224,016 hectares, corresponding to forests and forest reserves. Through Celulose Riograndense the Company is focused on establishing community relations in the 57 localities in which it operates. To do so, it promotes local potential by improving economic activity in each sector. It is also developing socioeconomic projects oriented towards social inclusion and improving quality of life.

There are ten long-standing programs in local communities:

The Forest is Life Campaign

Encourages municipal schools in the area to develop environmental projects. Consists mainly of training workshops in the school yard.

Technical course in pulp and paper

Training course recognized by the Ministry of Education of the State of Rio Grande do Sul held in the Gomes Jardim school and in Celulose Riograndense. The program is taught by professional company staff.



Guaiba clean-up

Develops educational activities about the collection of garbage at Lake Guaiba, together with the Guaiba Canoe Association. The objective is to create awareness about garbage in the lake using student canoeists, carrying on workshops on the issue of garbage on lake shores.

Guided tours of the plant and forest plantations

Celulose Riograndense receives visits from groups coming from various areas of Rio Grande do Sul and Santa Caterina. These groups are made up mainly of students in upper-middle level education, technical and postgraduate studies and specializations and teachers, businesses, politicians and liberal professionals.

The Favos do Sul Program

Makes it viable for beekeepers to install their hives near the eucalyptus plantations. With that, a donation of 8% of all the honey obtained is made to the Special Education Schools in 23 localities. Each year, the project generates income for 50 beekeepers.

Bagpiper factory

This social inclusion project run jointly with the Renato Borghetti Institute targets children between the ages of 7 and 15 years. It teaches student-apprentices how to play the diatonic accordion. To perfect what they have learned in class, students can take their bagpipes home. There are already eight schools set up in seven municipalities with over 250 students.

Music at the factory

This project, oriented to factory neighbors and the community at large, brings the big local names in pop music to the facilities of the Creole Warehouse at the CMPC plant in Guaiba.

Giving back to the community

An educational program for the donation of exercise books. It is a way of bonding with students in local communities and showing them the benefit of Company operations.

Good Neighbor

An activity that provides communication on the forestry operations simultaneously to a large number of neighbors and stakeholders adjoining the properties where forest management activities are carried out. The encounters also serve for divulging other news and aspects about the Company, such as the distribution of material with a telephone number for emergencies and complaints.

The rutas volantes project

The objective is promote the activities carried out by CMPC to municipal leaders. It is a "field day" targeting social stakeholders resident in the urban centers of municipalities in the forest base of the Company.



In Peru, the Company has factories in seven localities in Cañete and Santa Anita. There, it carries out corporate volunteer activities, training for local people, guided tours, and educational projects for children and adolescents and other special events.

Corporate volunteer activities include motivational talks and vocational orientation targeting students in their 3rd, 4th and 5th year of secondary school, as well as charitable donation campaigns and visits to schools at Christmas time.

The guided tours are based on the "Knowing how paper is made" program, where neighboring communities from Lima and Cañete are given a guided tour of the installations of Protisa, along with representatives of the following organizations: the Lima Chamber of Commerce, Genova Institute, National Training Service in Industrial Trades (Servicio Nacional de Adiestramiento en Trabajo Industrial, SENATI)

Cañete, National Engineering University, University of Lima, ADEX, Santa Anita Health Network, National Major University of San Marcos, and the Associations of Recyclers of Santa Anita.

In Argentina, since the plant and factories are located in industrial zones, there is no permanent link with adjoining neighborhoods. However, an opinion poll was carried out during 2017 in the province of Zarate to find out how much residents in the area knew about the paper plant. Thanks to this survey, during 2018 the community activities involving neighbors from this area will be carried out.

There are no forestry operations in the countries of Mexico, Uruguay, Ecuador or Colombia; however, there are factories associated with the business interests of CMPC Tissue and CMPC Papeles in industrial areas where there are no close neighbors or local communities.

CMPC FOUNDATION

The CMPC Foundation (Fundación CMPC) is the institution through which community relations in Chile are conducted, with one clear objective: to educate the children from the communities where the Company has operations.

MISSION

To strengthen educational and cultural growth of the communities in which the Company is inserted, through building capacity in local stakeholders and generating long-term alliances.

WORK PRINCIPLES

1. Public-private partnerships
2. Excellent professional support
3. Rigorous focus and evaluation
4. Long-term vision
5. Transparency and integrity
6. Decentralization.

Fundación CMPC, with 61 professional staff, has been working since 2000 to carry out Company programs in the areas of education and culture in four regions of Chile, and is active in 13 communities around the country.

EDUCATION

EDUCATIONAL TRAINING

A series of training activities, workshops, consultations and evaluations benefited 8,936 children in 2017 in 11 communities where CMPC has operations.

The program involved a total of 6,617 hours of training and support to teachers, administrators, support staff and parents; attendance averaged 94% and satisfaction 95%.

Simultaneously, it applied a total of 69,767 learning evaluations in the subjects of reading skills, reading comprehension and mathematics. In the two latter subjects, there were 30 evaluation instruments that were designed, pilot-tested and validated by Fundación CMPC.

Bimonthly reports of results are issued, including matching skills, learning, progress reports, heatmap and detractors by item.

The program donated a total of 42,420 manuals and exercise books for students that were specially developed and registered as Intellectual Property Rights.

In order to ensure the quality of the program, Educational Training was evaluated externally during 2017 by the Educational Policy and Practice Research Center (Centro de Estudios de Políticas y Prácticas en Educación CEPPE UC), which established strengths and recommended areas for improvement to carry this program forward.

To date, this program works with:

53 schools.

388 teachers and administrators.

8,936 children.

GROWING TOGETHER

This program focuses on the development of skills perfection and advice for educators; workshops, interactive forums and talks for fathers, mothers and caregivers; and evaluations for children and their parents.

Growing Together achieved 695 hours of training and support during the year, with 83% attendance and 95% satisfaction.

A total of 1,541 evaluations were applied, both in child development (through the Child Learning and Development Test - TADI (*Test de Aprendizaje y Desarrollo Infantil*) and in parental skills for their caregivers (through the E2P Positive Parenthood Scale (*Escala de Parentalidad Positiva*)).

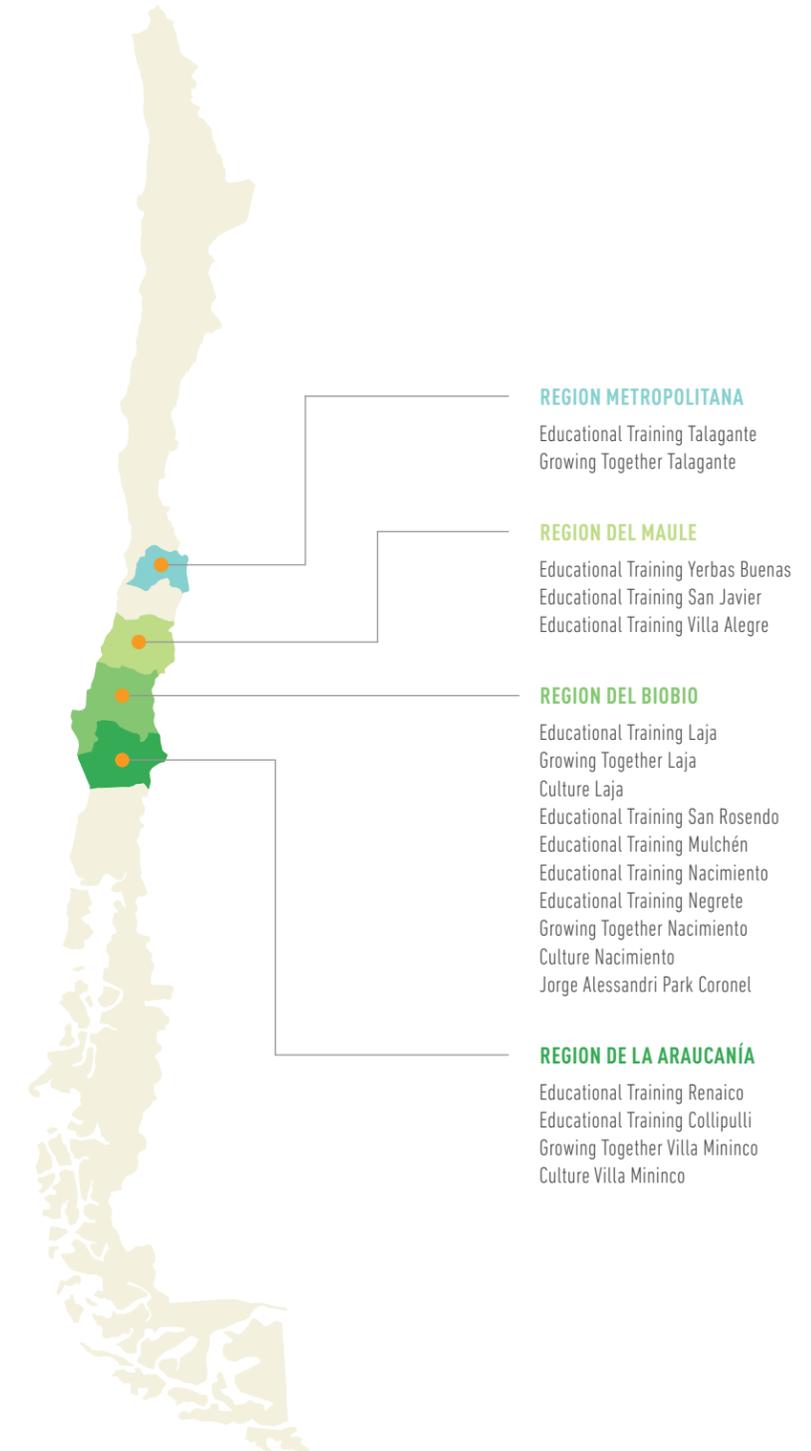
To date, this program works with:

20 educational establishments (nursery schools, day care and pre-primary schools).

153 educators and technicians.

1,128 children

COVERAGE OF CMPC FOUNDATION EDUCATIONAL PROJECTS





CULTURE AND OUTDOOR ACTIVITIES

ALESSANDRI CORONEL PARK

Seeks to approach and create a link between the local community and the activities of Empresas CMPC through free educational, cultural and recreational activities open to the public.

The Park extends over 11 hectares and has several different areas: educational paths and trekking trails, a cultural amphitheatre, a Tree Room, an educational greenhouse, a native forest, the Artequin Museum and a conference room.

There were 153,877 visitors during the year, of which 34,217 were students.

Links with the local community are fostered through a Park Advisory Committee, composed of representatives from the academic community, the private and public sectors, including the Mayor of the town of Coronel, the SEREMI of Education for Biobío and the Regional Director of SERNATUR.

Highlights include: the cultural activities held every Saturday in summer, On Show in the Park, Nursery Week, Environment Month, Night Walks, Artistic Education Week and the Arte Artequin Schools Competition.



During the year, the CMPC Foundation held environmental workshops in 23 schools in 9 heritage areas in ten municipalities in Chile in order to emphasize the importance of forests and create a conscience in children and youth about their conservation, especially the prevention of forest fires.

These involved two sessions per course or level, in which approximately 2,400 students participated.

At the end of the workshop, an evaluation instrument was applied. This was answered by 1,707 primary school children from 1st to 3rd Grade.

ARTEQUIN OF LOS ÁNGELES MUSEUM

The Artequin de los Angeles Museum is a live forum that encourages art appreciation and creativity in its visitors through a museological proposition and an educational and interactive methodology.

The objective is to transmit the values and significance of art in the local community in which it is inserted.

In 2017, there were 29,109 visitors, of which 11,655 were students.

One of the highlights is the itinerant exhibition of "The forest, a natural refuge" and "Ñocha Malen, cestería lafquenche."

Other highlights include activities such as the Schools Art Competition, Artistic Education Month, Heritage Day and Nursery Week.



CONSTRUCTION OF THE ALESSANDRI NACIMIENTO PARK

Progress has been made in construction and landscaping, and the park is expected to be inaugurated in April 2018.

In partnership with the Fundación Mi Parque, a Mural Competition was held to paint the walls of the main constructions in a participative manner.

Participative planting activities were also held with volunteer corporate staff and members of the local community.



4.5 MATERIAL ISSUE: DEALING WITH LOCAL SUPPLIERS

(102-9; 102-10; 204-1)

CMPC and its subsidiaries are in constant interaction with several stakeholders that operate in the same territory and maintain communication with them in relation to their processes, products and services.

Local suppliers are one of priority interest groups for the Company, given their support and the contribution they make to the organization and the communities in which the Company operates, generating a relationship of shared value.

- Purchases over the past year. Considered in the analysis were those suppliers from whom CMPC acquired some kind of product or service during 2017.
- Location relative to the plant. Local suppliers are those that are located in the community in which the service request originates.

Additionally, suppliers were identified who, being considered as local, had links with CMPC that contributed to small- and micro-enterprise development, under the premise that the contribution of the Company fosters the development of its suppliers' businesses.

- Size of the business. Some small- and micro-enterprises are considered suppliers depending on the volume of their CMPC invoices. State institutions and organizations and other public bodies were excluded from the analysis.

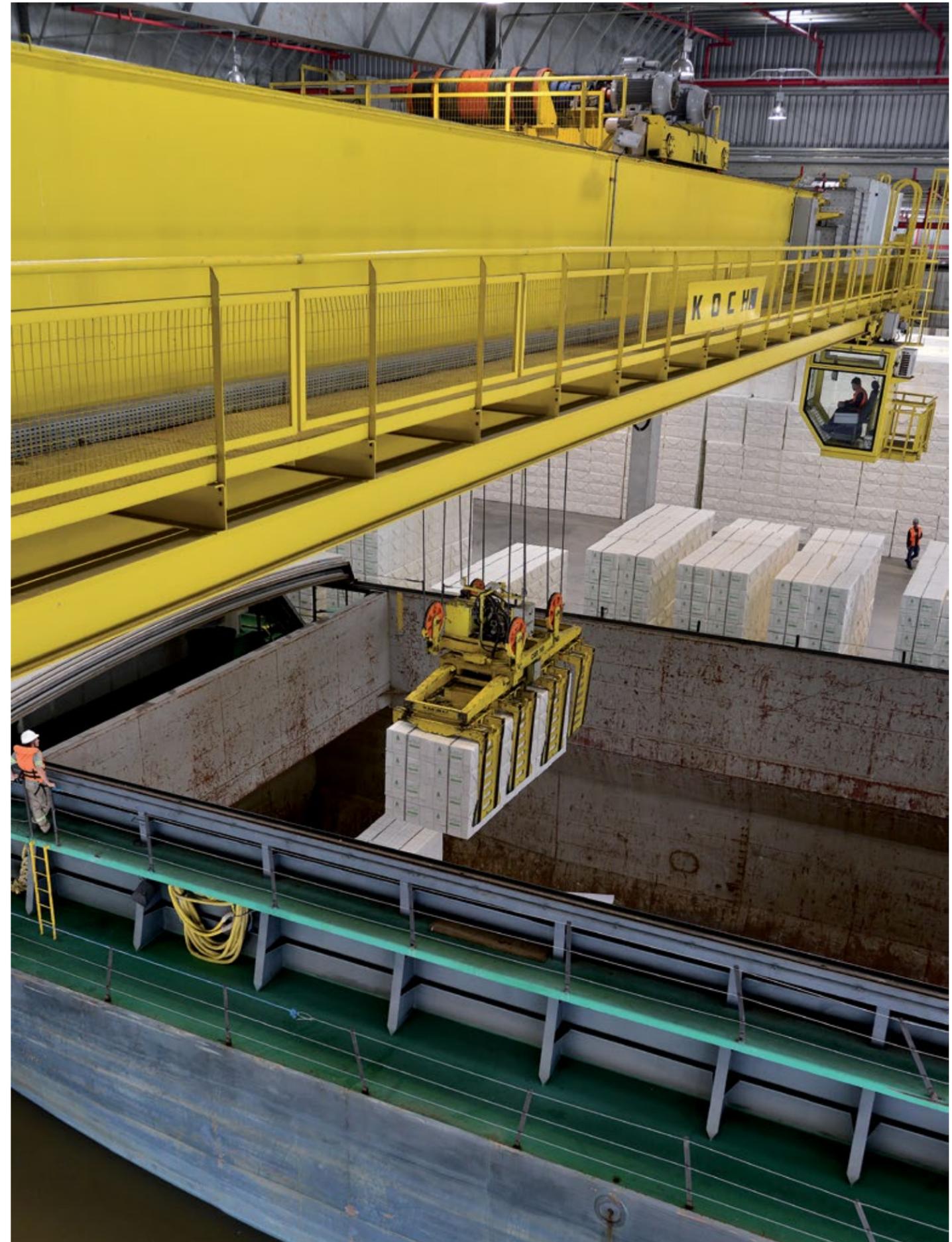
The identification of the criteria and of the local suppliers was a significant step for the Company. Thanks to this effort, the Company will be able to work on a local supplier development plan over the next few years.

Consequently, during 2017, the Company identified the criteria that defined their local suppliers in Chile, based on the conviction that the contribution and empowerment of local businesses improved the local economy and therefore contributed to the quality of life in those areas..

Among the criteria considered by CMPC in this review were:

Out of the total number of suppliers in Chile and of the 19,138 active suppliers in 2017, a total of 1,842 local suppliers were identified, 94% of which were smaller businesses (small- and micro-enterprises). The following table presents the results of the classification for each CMPC business in Chile.

	TOTAL LOCAL SUPPLIERS	MICRO	SMALL	MEDIUM	LARGE
TOTAL CMPC	1,842	1,392	348	75	27
Pulp	1,328	999	237	65	27
Tissue	139	80	53	6	0
Paper	375	313	58	4	0



05

CORPORATE PURPOSE: TO CONSERVE

OUR ENVIRONMENT, FOR WE UNDERSTAND THAT
OUR WORK RELIES ON NATURAL RESOURCES.



Eucalyptus shoot
Eucalyptus

It belongs to the Myrtaceae family of which there are about 700 species in existence, most of them native to Australia. They are now distributed around the world and due to their rapid growth are frequently used for forestry plantations for the paper and wood pulp industry.

5.1 TO CONSERVE

This chapter considers the following strategic and material issues:

- Forest management
- Biodiversity
- Water
- Emissions

KEY STATISTICS IN THIS CHAPTER:

1

CMPC has 1,100,000 hectares of forest assets.

19

Fire consumed 19 thousand hectares of forest plantations in 2017.

500

The reforestation process involved 500,000 native plants

EUCAHYDRO, A SOURCE OF WATER SUSTAINABILITY

Since water sustainability is fundamental to conserving ecosystems, it is essential to establish parameters that would allow proper forest certification based on estimations of water availability for social, economic and/or productive uses.

This is why CMPC is developing its Eucahydro project through the Forestal Mininco Silviculture Technology division. The project uses a model with eco-physiological and genomic tools that allow the early selection of genotypes for *Eucalyptus globulus*, *Eucalyptus nitens* and hybrid eucalyptus varieties that optimize the efficient use and potential consumption of water. It also ensures productivity of the forest plantations in time of drought and allows an effective selection of geno-

types with lower environmental impact so that forests can be planted in sites with water scarcity.

Furthermore, the Eucahydro model provides guidelines for silvicultural activities (density design, thinning and pruning) that help reduce possible hydrological risks in watersheds with greater social sensitivity, where plantations are established with specific genotypes.

It will be possible to apply the results of this project to all genetic material developed in, or introduced into, Chile, so that additional genetic benefits may be gained for future forest plantations. Given Chile's present high energy demand

and the development of wood-based bio-energy plantations (where energy is produced from primary or secondary solid, liquid and gas biofuels derived from forests, trees or other forest land vegetation) to produce biomass, the conclusions of the Eucahydro project will help identify site-specific genotypes that consume less water and thus have a lower environmental impact.

Additionally, the initiative will provide relevant information for watershed hydrologic modeling given possible future legislation governing water use. It will also heighten awareness of

the value of water as a resource provided by the ecosystem.

The Eucahydro Project is financed by the Fondo de Fomento al Desarrollo Científico y Tecnológico - Fondef (Chilean Fund for Scientific and Technological Development), which is being developed by Universidad de Concepción, Forestal Mininco, Forestal Celco, Bioforest and Genómica Forestal and Cooperativa de Mejoramiento Genético (Genetic Improvement Cooperative) at Universidad Austral de Chile.



CMPC: THE FIRST COMPANY IN CHILE TO ISSUE A GREEN BOND

In 2017, CMPC became the first company in Chile to issue the green bond to the value of US\$500,000,000 over a period of 10 years and paying a nominal rate of interest of 4.475%. The effective interest rate upon issuance was 4.42% per annum, with a spread over 10-year United States Treasury Bonds of 2.00%. A green bond is one whose funds are intended exclusively to finance or refinance, partly or completely, new and/or existing eligible projects that produce environmental benefits.

This pioneering milestone in Chile clearly reinforces CMPC commitment to sustainable development, since it also complies with the standards established in the World Bank Green Bond Principles (GBP) that promote market integrity in the market for green bonds through directives that recommend transparency, disclosure and accountability.

On 31 December 2017, CMPC designated the sum of US\$ 358,708,347 to finance eligible green projects in the following categories:

- Sustainable forest management.
- Sustainable water resource management.
- Preservation of biodiversity and restoration of forest cover of high conservation value.
- Prevention and control.
- Energy efficiency.

ELIGIBLE GREEN PROJECTS BY CATEGORY

SUSTAINABLE FOREST MANAGEMENT

- Process of planting/replanting of Radiata pine
- Process of planting/replanting of Eucalyptus
- Process of planting/replanting of other species
- Process of planting/replanting in Guaiba and Losango

Development of Eucalyptus hybrids with better yield as an alternative to Eucalipto Globulus

Development of a genetic improvement strategy for better yields in Radiata pine and Eucalyptus Nitens

SUSTAINABLE WATER RESOURCE MANAGEMENT

Recovery of fiber in Valdivia, Chile

PRESERVATION OF BIODIVERSITY AND RESTORATION OF FOREST COVER OF HIGH CONSERVATION VALUE

Categorization, description and conservation of native forests

Native forest restoration program (in partnership with FSC and Certfor)

Maintenance of high conservation value areas (HCVA)

PREVENTION AND CONTROL OF CONTAMINATION

Modification of the gas system of DTVG Pacific mill / Reduction of Pacific PM CaO Boiler

Capture and burning of TRS gas WLP Pacific mill

Capture of gas and burning fiber lines TRS Laja mill + Reduction of effluents at Laja grinder plant

ENERGY EFFICIENCY

Energy efficiency projects (Plan EE 20/20 + iCel)

Transport of wood for pulping by barge to the Guaiba mill

TOTAL

AMOUNT (US\$)

326,345,607

118,741,944

73,612,108

333,626

129,548,257

2,465,803

1,643,869

2,333,827

2,333,827

1,005,613

272,429

503,339

229,845

14,053,559

4,451,016

4,673,610

4,928,933

14,969,741

5,846,557

9,123,184

358,708,347

ENVIRONMENTAL BENEFITS

Thanks to the issue of the Green Bond, CMPC has been able to finance sustainable projects in the abovementioned categories of eligible green projects, with the following results:

ENERGY SAVINGS⁶

1,674
MWh/year

GENERATION OF RENEWABLE ENERGY⁷

72,149
MWh/year

REDUCED WATER CONSUMPTION⁸

3,235,720
mt3/year

CO2 EMISSIONS SAVED⁹

19,255
metric tons/year

CO2 CAPTURED

1,070,791
metric tons CO2/year (corresponding to the total of the seven forestry projects in Chile and Brazil).

AREA UNDER CULTIVATION IN CHILE

31,002
ha/year (corresponding to the total of the four projects reported by Forestal Mininco)

AREA UNDER CULTIVATION IN BRAZIL

10,131
ha/year (total of two (2) projects reported by Bosques Brazil).

AREA RESTORED IN CHILE

288
ha/year

AREA CONSERVED IN CHILE

27,501
ha/year

⁶ Energy savings are generated by a project in the Energy Efficiency Plan 2020 (Plan EE 20/20) evaluated ex post.

⁷ The generation of renewable energy is the sum of the seven projects in the Energy Efficiency Plan 2020 (Plan EE 20/20) that have been evaluated ex post.

⁸ The best water consumption data were produced by two projects in the Energy Efficiency Plan 2020 (Plan EE 20/20) that have been evaluated ex post.

⁹ The CO2 emissions saved were based on a comparison between the fuel consumed by a barge and the amount of the same fuel that would have been consumed by transporting the same amount of wood by truck.

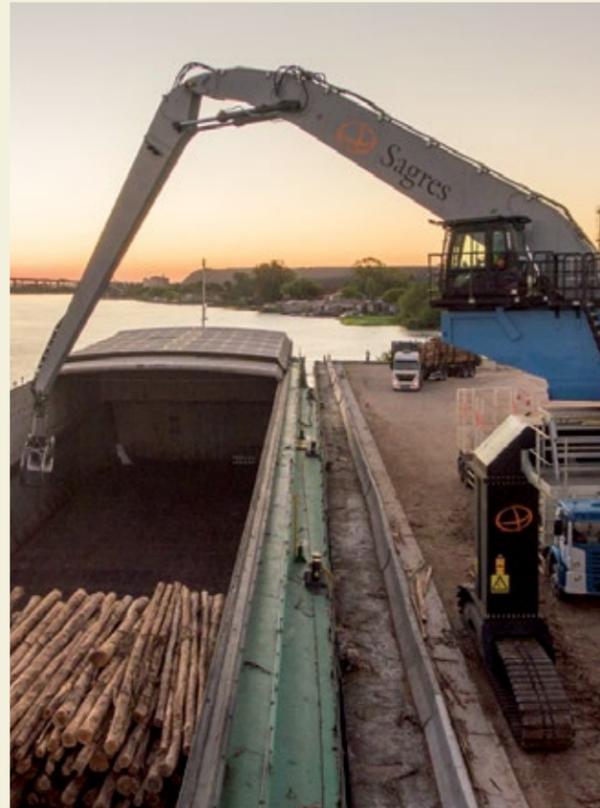
EXAMPLES OF OUTSTANDING CMPC GREEN BOND PROJECTS

Transport of wood by barge, Guaiba, Brazil (1 barge is equivalent to 61 trucks / 1 barge transports 2,577 m³ per trip).

Due to the start up of the new product line (Guaiba II) at the pulp mill and the increase in production at the mill, it became necessary to develop logistical support for the transport of pulpwood to the mill. This project reduced the environmental, social and economic impact produced by transporting wood in trucks from the port of Pelotas to the mill at Guaiba, by preferring to use a lower-impact means of transport via barge that avoided risks caused by damage to roads and noise in the local community.

Impact measurement: The project prevented a total of 19,255 metric tons of CO2/year from being released into the environment by trucks in using barges as an alternative means of transport.

CMPC would need to use more than one barge daily to transport 2,500 m³ per day, the equivalent of approximately 61 trucks.



Radiata Pine planting/replanting process in Chilean forests.

The objective of reforestation is to replant areas that used to be covered by forest plantations which have been harvested or which have lost their forest cover due to fire.

The objective of forestation is to populate areas that in recent years have been used for purposes other than forestry, generally soils that have been exhausted then abandoned by agriculture and livestock.

Planting is usually carried out during the winter season between May and September each year.

Impact measurement: To date, the project has reforested 16,591 hectares and captures 331,820 metric tons of CO2/year.

The development of eucalyptus hybrids as an alternative to E. Globulus for better yields

In order to use water resources and the various species of eucalyptus efficiently, CMPC has developed a program of genetic improvement.

The program consists of the selection of several species of Eucalyptus that, on flowering, are selected as the progenitors to carry out controlled plant breeding. This implies that flowers from a female plant are pollinated by pollen from a male plant of a different species of Eucalyptus, to produce different species of Eucalyptus that are termed hybrids.

There is no need for laboratory genome transformation, since the hybridization process occurs naturally in places like Australia where different species of Eucalyptus grow together.

After the hybridization process, the seeds are sown in a nursery and then planted in one of the Company plantations. After four years, outstanding plants are selected to generate clones through vegetative reproduction stakes.

These clones are tested on the farms, and after four to six years the best are chosen for wood production and are mass produced in the CMPC nurseries.

Finally, the hybrids replace any E. globulus species plantations.

Measurement of impact

Data for 2017:

2,811
hectares under hybrid cultivation.

56,220
metric tons of CO2 captured.

Forestal Mininco Program (in collaboration with FSC and Certfor) for the Restoration of Native Forests

Forestal Mininco obtained a commitment through FSC certification to restore native vegetation cover to those areas replaced with forest plantations after 1994.

By 2016 the first thousand hectares of the restoration plan extending to 2026 had been accomplished over a substitution area of 8,738 hectares.

The areas that have been listed as priority areas for restoration are: substitution areas or other areas that are not considered substitution areas but that possess attributes of great significance to be restored, such as for example High Conservation Value Areas (AAVC), micro-catchments that supply water to nearby populations, species in conservation categories, and so on.

Measurement of impact

Additional progress in 2017:

288 hectares.

2013-2016

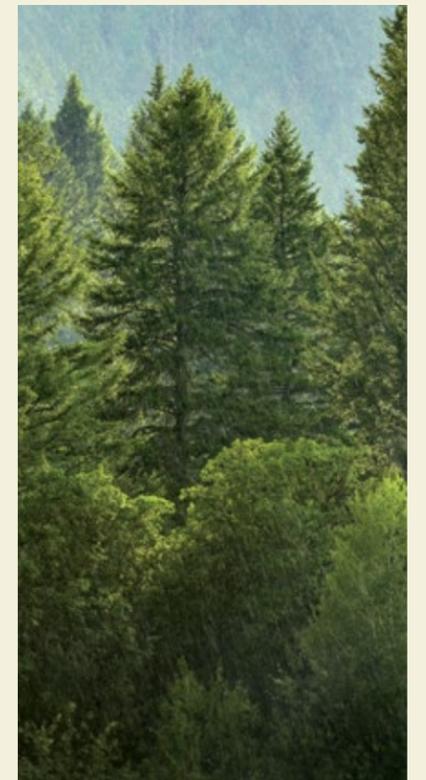
1,000
ha

2017

288
ha

2018-2026

7,450
ha



5.2 MATERIAL ISSUE: FOREST MANAGEMENT

The wood that is used by CMPC, more than 17 million m³ annually, comes from renewable plantations planted mainly on eroded soils, renewing the soil and enabling the conservation of native forests.

All CMPC operations are carried out under the highest forest management standards. The Company plantations are managed, thinned and harvested proactively in conjunction with preventive measures against fires.

5.2.1 CMPC FOREST ASSETS AND PROTECTED FORESTS

PRODUCTIVE SURFACE AREA	CHILE	BRAZIL	ARGENTINA
A. Hectares of renewable forest plantations	487,986	119,412	58,220
B. Hectares of land available for planting	45,293	9,518	7,691
C. Hectares for administrative uses, including roads, firebreaks, easements, areas for agriculture and cattle, areas for testing, nurseries and seed production, land without forestry or agricultural use etc.	40,771	11,807	8,356
HECTARES UNDER PROTECTION AND CONSERVATION			
D. Hectares of native forest and vegetation	64,843	45,167	4,150
E. Hectares of protected watersheds, waterways, flora and fauna, and high value conservation areas.	93,913	38,112	15,880
TOTAL SURFACE AREA	732,806	224,016	94,297

Sustainable management of forest plantations is certified through CERTFOR-PEFC and FSC to ensure the protection of native forest and biodiversity. This ensures that timber for industrial use is obtained exclusively from plantations that are completely traceable from origin to final destination.

Through its certification programs, CMPC ensures harmonious operations between economic, social and environmental domains. All mills and plants must consult neighboring communities and promote long-term agreements in order to improve the integration of productive operations with social support programs, so that forest assets may be preserved.

FORESTAL MININCO:

- FSC Forest Management, Rainforest Alliance certification agency (FSC-C006246).
- FSC Forest Management – Aysén Project, Rainforest Alliance certification agency (FSC-C107775).
- CERTFOR/PEFC Sustainable Forest Management, SGS Chile certification agency.
- FSC Chain of Custody, Rainforest Alliance certification agency (FSC-C107774).
- FSC Controlled Wood for forest owners (FSC-STD-30-010), Rainforest Alliance certification agency (FSC-C120695).
- OHSAS 18001 Management System, SGS Chile certification agency.

CMPC MADERAS:

- FSC Chain of Custody CMPC USA, Rainforest Alliance certification agency (FSC-C119321).
- FSC Chain of Custody Multisite, Rainforest Alliance certification agency (FSC-C110313).
- PEFC Chain of Custody CMPC USA, SGS Chile certification agency.
- CERTFOR Chain of Custody Multisite, SGS Chile certification agency.
- OHSAS 18001 Management System, SGS Chile certification.

CMPC PULP:

- PEFC Chain of Custody Multisite, SGS Chile certification agency.
- CERTFOR/PEFC Forest Management Forest Group, SGS certification agency.
- FSC Chain of Custody and FSC Controlled Wood Multisite, Rainforest Alliance certification agency (FSC-C007488).
- FSC Chain of Custody and Controlled Wood (Trader CMPC Cartulinas), SGS Chile certification agency (FSC-C005102).

In Chile

- Since 2004, Forestal Mininco has been certified through CERTFOR.
- Since 2012, it has been validated through FSC, expanding the certification process in 2013 to include certification for the Coyhaique project.

In Brazil

- Since 2010, Celulose Riograndense has been certified through CERTFOR.
- Since 2012, FSC certification for plantations in Brazil.

In Argentina

- Since 2006, Bosques del Plata has been ISO 14011 certified.

In 2017, CMPC participated in the Forest Stewardship Council (FSC) General Assembly, held in Vancouver, Canada, a global sustainability event. Its members meet every three years to vote on various motions and initiatives presented by each of its three chambers: economic, social and environmental on a local level. The central focus is to strengthen and ensure sustainable management of forests worldwide.



5.2.2 FOREST FIRES IN CHILE

The year 2017 was one of the toughest periods for rural forest fires in Chile. The catastrophe surpassed all odds leaving immense financial losses for the forestry and farming sectors as well as causing severe damage to ecosystems and adjoining communities.

Between January 18 and February 5, 2017, a total of 467 thousand hectares were burned in Chile, five times greater than the previous record for fires in Chile of 126 thousand hectares that occurred in the 2014-2015 season. More than 19 thousand hectares of CMPC plantations were affected. The Company collaborated intensively in the control and ex-

tinguishment of the fires, both on their own properties and on those of others, which were more than half of the fires against which CMPC fought.

To fight the catastrophe, the Company contributed 800 firefighters working round the clock, seven air tractor (AT) airplanes of 3,000 liters' capacity each, and eight helicopters to transport 7,200 liters of water. In addition, CMPC provided emergency support in the form of cistern tankers, bulldozers to create firewalls, motorized and tower lookouts and other human and material resources.

Chinook, the mega-helicopter

In preparation for the 2018 season of forest fires, CMPC imported the mega-helicopter Boeing Vertol 234 Chinook that operated between December 2017 and March 2018.

The Chinook discharges 10 thousand liters of water in just three seconds. It is capable of loading a volume of water equivalent to three fire engines in one minute, is the length of a basketball court in size, and can achieve a maximum speed of 350 km/hr.

In addition, CMPC made available another 19 aircraft, helicopters and planes, more than 1,100 personnel and 40 pieces of mechanical equipment including bulldozers, skidders, and cistern tankers. The Company also developed training programs for the community, with the support of the Chilean Fire Brigade.



In addition to all this and in preparation for the 2017-2018 season of forest fires, CMPC deployed an intensive campaign in the community aimed at creating awareness and knowledge about fire prevention. Thus, in partnership with Fundación CMPC, the Company held educational workshops in neighborhood centers, schools and municipalities; it went door-to-door in neighborhoods and handed out explanatory leaflets. Moreover, there were training courses on preventive forest management with the support of experts within the Company that placed emphasis on safeguarding the interface zones. The project was run between Talca and Loncoche (in the Maule and Araucanía Regions of Chile, respectively).

5.2.3 RESTORATION WITH NATIVE FOREST COVER

(304-3)

Reforestation is one of the permanent commitments of the Company. This implies prevention, replanting and recovery of species, encompassing the following activities:

- Increasing the surface area and forest cover in degraded areas, especially with those species in need of conservation.
- Generate micro-watersheds and waterways that supply drinking water in neighboring communities.
- Create suitable areas for harvesting medicinal plants and non-timber forest products from the forests.
- Create protected areas that facilitate connectivity between fragments of native forest that are vital for the conservation of biodiversity.
- Create and increase high-value conservation areas and priority sites defined by the environmental authorities in Chile.
- Create buffer zones between plantation and native forest zones.
- Recover other forest services such as recreation and landscape.
- Plant about 500 thousand native plants on neighboring properties, the equivalent of 10 thousand m³ of wood.
- Conserve 10 thousand hectares of High Conservation Value Areas (HCVA).
- Manage 300 hectares under conservation of Ruil (*Nothofagus lessandrii*), a tree endemic to Chile.

During 2017, CMPC restored **288** hectares of native forest cover

5.3 MATERIAL ISSUE: BIODIVERSITY

(102-11; 304-1; 304-3)

Good environmental management is a fundamental part of CMPC commitment to its forestry business: implying the proper respect and care for biodiversity in all areas in which it operates. The Company places all its knowledge and experience at the disposition of society, and works hard to determine the presence of endangered species of flora and fauna, and to identify, manage and monitor biological high conservation value areas (HCVAs).

CMPC assets include 114,160 hectares of native forest and vegetation, and 147,905 hectares of protected watersheds,

waterways, flora, fauna and HCVA, corresponding to 25% of total forest equity.

In the case of Chile, the Company maintains 14 biological HCVA. It also keeps a total area under conservation of 10,220 hectares, where it protects vulnerable flora, such as the Pitaos (*Pitavia punctata*) or Canelillo, the Ruil and the Hualo (*Nothofagus glauca*) or Maule Oak, all of which are tree species endemic to Chile, and fauna such as the Huillín (*Lontra provocax*) also known as the Sweet-water Otter.

In addition, Celulose Riograndense in Brazil manages five biological HCVA which are the habitat of vulnerable birds and mammals with a habitat spread over 1,808 hectares of biological HCVA. The most important is Barba Negra where there are 769.4 hectares of Atlantic Coastal Forest (Mata Atlântica) under conservation and which has been designated a Special Heritage Reserve of the State of Rio Grande do Sul.

In Argentina, CMPC has 15 biological HCVA, distributed over 9,430 hectares, the most outstanding of which are the Peninsula heritage habitat (3,320 hectares) and Timbauva (2,056 hectares) north of the province of Corrientes.

CMPC has developed the following guidelines for its 34 biological HCVAs:

- Priority in the fight against forest fire.
- Use of fire is prohibited within its confines and in nearby sectors.
- Fishing, hunting and logging are prohibited within its confines.
- Coordination with scientists and experts to monitor critical conservation attributes..
- Clearing the areas surrounding endemic species to enable their growth and biological reproductive cycle.
- Communication and dissemination of information on biological HCVAs in local communities.
- Training staff on the protection of biological HCVAs.
- Diffusion of information on biological HCVAs through leaflets and brochures.
- Enclosure of access points and signage on the ground.

CMPC biological high conservation value areas (HCVAs)

COUNTRY	NUMBER OF AREAS	TOTAL LAND AREA (HA)
Chile	14	10,220
Brazil	5	1,808
Argentina	15	9,430
TOTAL	34	21,459

CMPC protects 34 biological high conservation value areas (HCVAs) extending over 21,459 hectares

5.4 MATERIAL ISSUE: WATER

(303-1; 303-3)

CMPC understands that water is the element vital to the existence of life on this planet and for the development of its business activities, due to its dependence on natural resources: all the more reason for dedicating tremendous efforts to careful water usage during productive operations. The forest

plantations of CMPC have been awarded the highest standards of international certification regarding their water policy (ISO 14001 and OHSAS 18001) for safeguarding the efficiency of water consumption and its environmental impact. Safeguarding water catchment areas, especially springs, is

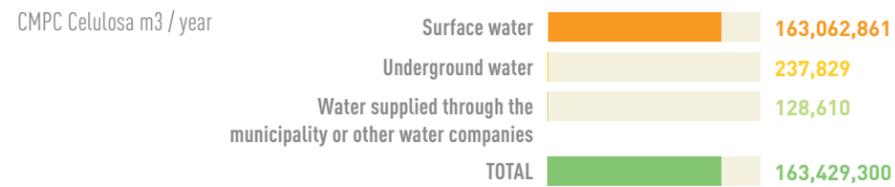
essential to water consumption in local communities. This requires an ongoing effort to reduce water consumption, and promoting the re-use and recycling of water resources.

Permanent waterways are protected by means of strips of land bordered with native vegetation that helps improve the quantity and quality of the water, since it minimizes the drag towards the river beds of sediments generated by the forestry operations.

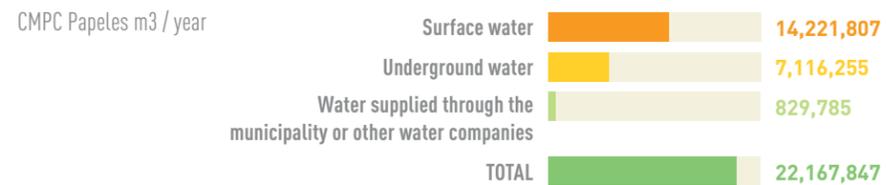
The Company water supply comes from surface water or groundwater, depending on the site of its operations. CMPC investments in this area are focused both on reducing water consumption and on achieving the proper treatment of the resource consumed, achieving continuous progress in both objectives.

The following data refer to the water intake by source taken from data across all the subsidiaries of the Company.

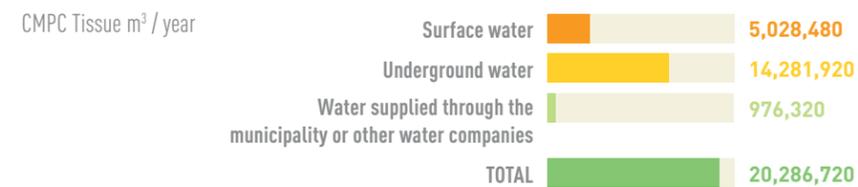
■ Total water intake 2017 by source m3



Note: Data include plants in Chile and Brazil.



Note: Data includes all countries where CMPC Papeles has operations.



Note: Data includes all countries where CMPC Tissue has operations.

CMPC implements processes for the reuse of water intake for its own operations through the recirculation of water inside the plant. In this process, the water discharge is channeled to the effluent treatment plant, then in the final stage, part of the already treated water is reincorporated into the process and the rest is discharged into the receiving body (river, ocean or sewer system).

In the pulp business, the Santa Fe, Laja and Pacifico mills recycle an average of 45.8% due to the pulp conditions and processes. Moreover, Celulose Riograndense recycles a total of 84.7% of total water intake through cooling towers. The wood plants - Mulchén, Nacimiento and Bucalemo in Chile - recycle an average of 77% of its water intake for reuse in its processes.

CMPC Tissue has implemented water reuse processes in its mills in Colombia, Mexico and Peru that recycle 50% of water intake in each of those plants. The remaining plants (in Chile, Argentina, Brazil and Uruguay) do not have water recycling processes.

The only plant in the CMPC Papeles business that has installed processes to recycle water is Papeles Cordillera, which re-circulates an estimated 202.6% of its water intake.

5.5 MATERIAL ISSUE: GREENHOUSE GAS EMISSIONS

(305-1; 305-2; 305-3)

Greenhouse gas emissions are one of the factors partially responsible for climate change. These emissions are governed by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. Consequently, each country has enacted regulations that seek to control the volume of greenhouse gas (GHG) emissions and, in some cases, reward reductions. According to the Economic Commission

for Latin America and the Caribbean (ECLAC), companies that measure and reduce their carbon footprint can unlock opportunities for the adoption of low-carbon business models, improve their energy efficiency, reduce costs and increase their competitiveness.

MEASURING THE COMPANY'S CARBON FOOTPRINT

Taking the first step towards a greater understanding of the Company's carbon footprint, CMPC started a meticulous process in 2017 to measure its GHG emissions in all its subsidiaries in Chile, including its productive operations and the administrative and management activities carried out at the main offices and headquarters.

footprints of some subsidiaries, in order not to make the mistake of double-counting emissions.

In the process of this measurement exercise, it became obvious that, due to its business structure, the scope of CMPC production processes extended across the entire value chain, beginning with the use of natural resources such as soil, water and forests, and ending with a variety of manufactured products available to clients and final consumers. At the same time, there are a large number of products and sub-products that are transferred between subsidiaries of CMPC and third parties that may themselves subsequently undergo various other production processes. It was essential to have a clear understanding of the flow of raw materials, products and residuals in calculations of this magnitude, in case there were to be some linkages between the carbon

The calculations were done using data for 2016, as this was the information available at the start of the almost year-long measurement process. In fact, the results published in the 2016 CMPC Integrated Report demonstrate some differences from the present report, as a result of changes in the methodology used and the expansion in the coverage of the measurement process.

In order to guarantee the quality of the results and to validate the GHG emission measurement process, CMPC decided to have its carbon footprint audited externally. The company Deloitte Chile was selected to carry out a review over several months of the background documents and pay site visits to the operational plants to verify and understand better the various production processes. As a result, CMPC was awarded certificates of verification of its carbon footprint for each of its subsidiaries in Chile.

CARBON FOOTPRINT OF CMPC MANAGEMENT OFFICES

The methodology used to quantify GHG emissions for management offices followed the guidelines set out in ISO 14064-1:2006. The emissions factors were taken from the recommendations of the Intergovernmental Panel on Climate Change (IPCC), validated European databases (Ecoinvent ver.2.2) and the Ministry of Energy of Chile. This measurement took into consideration electricity consumption and the consumption of other fuels for heating used in the 14 installations corresponding to the head office and the headquarters of the various subsidiaries. In addition, it included the emissions of 147 collaborators corresponding to the top levels of managers and deputy managers, in terms of their

transport between home and work and domestic and international air travel. Biogenic emissions (burning of non-fossil fuels) were not measured in this exercise.

Although it was not a strict legal requirement that companies should report other indirect emissions apart from those resulting from the generation of paid energy, CMPC has been willing to make the effort to report voluntarily on the main indirect emissions associated with its management operations, for which purpose the following three areas were considered:

- **Direct emissions:** burning of fossil fuels of fixed and mobile sources.
- **Indirect emissions:** purchase of electricity and steel.
- **Other indirect emissions:** travel to and from work, national and international air travel, and the transport of fuel.

The results associated with the measurement of the management offices' carbon footprint were:

	TOTAL CMPC CORPORATIVE KG CO2E/YEAR 2016
DIRECT EMISSIONS	58,612
Fixed sources	58,612
Mobile sources	0
INDIRECT ENERGY EMISSIONS	1,748,609
Electricity	1,748,609
Steam	0
Heat	0
OTHER INDIRECT EMISSIONS	1,044,557
Fuel transport	13
Personal transport to work	215,121
Business trips	819,558
Fuel production	9,864
TOTAL	2,851,779

The table demonstrates that the indirect emissions associated with energy consumption represent the most significant part of total emissions, some 1,748,609 kg CO2e/year. In contrast, direct emissions represent an insignificant contribution totaling 58,612 kg CO2e/year.

CARBON FOOTPRINT OF PRODUCTION PLANTS

This measurement included 22 productive operations located mainly in the center-south area of Chile, and considered the following products: sawn timber, plywood board, remanufactured wood, pulp, cardboard, sack kraft paper, corrugated paper, printer paper, recycled paper, molded paper, tissue paper, sanitary paper and corrugated cardboard boxes.

The calculations were based on the standardized ISO 14067:2012 methodology that defined the conditions for developing a product carbon footprint. Although this study analyzed the production of each plant, strictly speaking, this is not the carbon footprint of the product, but rather, more of a general revision of the GHG emissions associated with the global production of each processing plant. The same emission factors used for calculating the footprint of the management offices were used. The primary data used were the

inputs of raw materials, process inputs, and fuel consumption in fixed and mobile sources, electricity, and the transport of raw materials, inputs, fuel and products to domestic and international customers, where relevant. In addition, the biogenic emissions were quantified, the carbon captured in the product and the emissions avoided by the non-consumption of electricity.

The following is the total carbon footprint by business for each of the categories considered in the ISO 14067:2006 methodology:

- **Emissions by the upstream module:** this stage considers the emissions associated with those processes that take place before the raw materials arrive at the plant, and are narrowly related with the environmental burden of raw materials, that is, the production and transportation of chemical materials, fuel and electricity generation.
- **Emissions by the central module:** this stage takes into consideration the emissions in the production process that gives rise to the product whose carbon footprint is being calculated.
- **Emissions by the downstream module:** this stage takes into consideration the emissions associated with the phases subsequent to the manufacture of the product or the provision of the service. In this case, transport of the products to domestic and international customers is considered, together with the transport of both toxic and non-toxic residuals to the places of their final disposal.

Total emissions of CMPC operations by business in 2016

	CMPC CELULOSA	CMPC PAPELES	CMPC TISSUE	CMPC PLANT TOTAL
Emissions from the upstream module	1,202,768,255	158,407,244	144,061,190	1,109,831,752
Emissions by the central module	537,640,890	314,525,998	106,584,826	515,524,877
Emissions by the downstream module	31,599,743	65,675,679	26,432,502	290,230,551

■ Total CMPC emissions per metric ton of product by business

		CMPC CELULOSA	CMPC PAPELES	CMPC TISSUE	CMPC PLANT TOTAL
ANNUAL PRODUCTION	TONS/YEAR	14,147,509	1,207,991	171,374	15,526,874
Emissions from the upstream module	kg CO2e/ton	85	864	1,684	163
Purchase of electric power and steam	kg CO2e/ton	-2.4	119.4	413.9	11.6
Consumption of raw materials	kg CO2e/ton	17.6	497.3	499.2	60.2
Consumption of inputs	kg CO2e/ton	25.6	57.2	404.8	32.3
Fuel consumption	kg CO2e/ton	5.0	75.0	200.8	12.6
Transport of raw materials	kg CO2e/ton	30.9	99.8	120.8	37.2
Transport of inputs	kg CO2e/ton	7.9	8.0	9.3	7.9
Transport of fuel	kg CO2e/ton	0.4	7.5	35.6	1.4
Emissions by the central module	kg CO2e/ton	38	260	622	62
Burning of liquefied natural gas (LNG)	kg CO2e/ton	0.2	174.6	613.7	20.5
Burning of diesel	kg CO2e/ton	7.4	83.7	0.0	7
Burning of FO	kg CO2e/ton	25.2	20.1	0.0	25
Burning of liquefied petroleum gas (LPG)	kg CO2e/ton	0.9	12.2	8.3	1.9
Burning of biomass/black liquor	kg CO2e/ton	5.1	0.4	0.0	4.7
Burning of petroleum	kg CO2e/ton	0.0	0.0	0.0	0.0
Energy sold	kg CO2e/ton	-0.8	-31.0	0.0	-3
Emissions by the downstream module	kg CO2e/ton	19	54	154	23
Transport of residues	kg CO2e/ton	0.2	1.4	19.0	0.5
Domestic transport of product	kg CO2e/ton	6.5	44.1	135.2	10.8
International transport of product	kg CO2e/ton	12.5	8.8	0.0	12
Total Emissions	kg CO2e/ton	142	1,179	2,460	248

The upstream emissions are the most significant, with the main contributions coming from raw materials, followed by their transportation. They are followed by emissions from the central module, mainly arising from the burning of fuels

in the plant itself. The smallest contribution is made by the downstream module that is based on the transport of residues and the dispatch of products.

■ CMPC biogenic emissions and immissions per metric ton of product by business

		CMPC CELULOSA	CMPC PAPELES	CMPC TISSUE	PLANTAS DE CMPC
Biogenic carbon emissions	kg CO2e/ton	510.31	213.14	-	481.56
Carbon captured in product	kg CO2e/ton	304.41	398.87	451.10	313.37
Emissions avoided	kg CO2e/ton	49.05	98.89	25.28	52.66

This table demonstrates that more than 70% of biogenic emissions, corresponding to the burning of non-fossil fuels, occur in the Pulp business due to the burning of biomass and black liquor to generate energy for its processes. In contrast, biogenic immissions refer to the capture of carbon in the product and the emissions avoided through the sale of electricity.

■ Total emissions by metric ton of product by GHG Protocol*

		CMPC CELULOSA	CMPC PAPELES	CMPC TISSUE	TOTAL CMPC PLANTS
ANNUAL PRODUCTION	TON/YEAR	14,147,509	1,207,991	171,374	15,526,874
Scope 1	kg CO2e/ton	38	260	622	62
Scope 1	kg CO2e/año	537,640,890	314,525,998	106,584,826	515,524,877
Scope 2	kg CO2e/ton	-2*	119	414	12
Scope 2	kg CO2e/año	-34,598,297*	144,219,525	70,930,619	180,551,847
Scope 3	kg CO2e/ton	107	799	1,425	175
Scope 3	kg CO2e/año	1,549,965,706	79,863,397	99,563,056	1,219,510,456

*The negative values in the case of CMPC Celulosa represent two of its mills (Pacífico and Laja) that generate more electricity than they consume.

The table above shows the previous results organized according to GHG methodology, in which it can be observed that both methodologies are comparable. The results are obtained by taking the total emissions of all the plants belonging to each business and dividing them by the sum of total production of the same plants (the weighted average).

CARBON FOOTPRINT OF THE GUAIBA MILL – BRAZIL

The Guaiba mill belonging to the CMPC subsidiary Celulose Riograndense has been measuring its carbon footprint since 2003 using the GHG Protocol methodology, and since 2015 using the GHG Brazil Protocol. The quantification of GHG emissions are carried out under the three categories considering the following in each one:

- Scope 1:** Combustion in moving sources, combustion in fixed sources, industrial processes, solid and liquid waste, fugitive emissions and agricultural emissions.
- Scope 2:** Purchase of electrical energy.
- Scope 3:** Goods and services purchased, transport and distribution (upstream), business travel and staff transport (home to work and back).

The results for 2016 are as follows:

TOTAL PRODUCTION	TON/YEAR	1,583,556
Scope 1	ton CO2e/year	937,684
Scope 1	ton CO2e/ton	0.59
Scope 2	ton CO2e/year	3,404
Scope 2	ton CO2e/ton	0.0021
Scope 3	ton CO2e/year	386,142
Scope 3	ton CO2e/ton	0.24
TOTAL EMISSIONS	ton CO2e/year	1,327,230
TOTAL BIOGENIC EMISSIONS	ton CO2e/year	2,788,669

This first integrated effort to calculate the Company's carbon footprint - one that with practice will expand in coverage regionally and operationally as CMPC continues to carry out the exercise year by year - will help find areas for improvement and encourage the reduction of emissions all along the value chain of the Company. During 2018, the Company will measure 2017 GHG emissions and will begin measurements for 2018 that will again be revised later.

5.6

THE VALUE OF ENERGY EFFICIENCY

(302-1)

CMPC requires large quantities of thermal and electrical energy for its operations: they represent significant production costs and also have direct consequences in terms of GHG emissions. For this reason, CMPC has undertaken the task of improving energy efficiency as one of its main operational challenges, and is already developing a series of concrete actions.

In the pursuit of energy excellence, and in view of the fact that the pulp operations are major consumers and generators of energy, CMPC, with the support of the Energy Efficiency Agency of Chile, implemented in 2013 an Energy Management System (Sistema de Gestión de Energía [SGEn]) for its pulp operations based on ISO regulation 50001 at three mills in Chile: Santa Fe, Laja and Pacifico. This system achieved certification in October 2014, and was recertified in 2017. In this way, a management tool was put into place that, among other aims, sought the continuous improvement in the efficiency and use of energy.

The positive results in energy management achieved at the three pulp mills in Chile have convinced the Company that it was the correct approach to ensuring standardized, systematic and time consistent processes. Consequently, CMPC established the following corporate objective in 2016: to implement SGEn in its main operations at each business unit: to enable greater efficiency and market competitiveness, while procuring more sustainable activities and processes.

ENERGY CONSUMPTION IN 2017

Energy consumption in 2017 by source, consolidated and by business (TeraJoules)

TYPE OF FUEL	CONSOLIDATED	PULP	TISSUE	PAPER
Biomass	87,778	86,660	685	434
Natural gas & liquefied petroleum gas (lpg)	15,614	3,539	7,487	4,588
Petroleum	7,410	7,026	25	359
Coal	4,081	4,081	0	0
Electricity	3,859	(176)	2,535	1,148
Other	1,730	569	333	828
TOTAL	120,472	102,052	11,064	7,356

The table above shows the total consolidated consumption of energy in 2017 of CMPC to be 120,472 TJ, which is 4.2% lower than in 2016. This can be explained partly by lower production on Line II of the Guaiba pulp mill. Energy from biomass, which is the main fuel, and is a Non-Conventional Renewable Energy (NCRE), represents 73% of total energy consumption.

Summary of energy consumption from primary sources in 2017 and percentage by plant

	PULP		TISSUE		PAPER		TOTAL CMPC*
	Chile	Latin America	Chile	Latin America	Chile	Latin America	
Number of plants	9	1	2	15	8	3	38
Net energy consumption (TJ)	70,403	31,648	2,852	8,212	7,303	53	120,472
Net energy consumption (%)	58	26	2.4	6.8	6.1	0.04	100

*Note: The total number of plants refers to those that have data on the breakdown of energy consumption

The table shows that net energy consumption in the pulp mills in Chile was 70,403 TJ, an increase of 8% over 2016. This can be explained mainly by an increase in pulp production. Production in Latin America reflected a reduction in energy consumption, due to reduced production at the Guaiba II mill.

CONSUMPTION OF ELECTRICAL ENERGY

The consumption of electrical energy by CMPC in 2017 reached a total of 4,671 GWh, mainly reflecting the needs of the Company's pulp mills corresponding to about 65% of total electricity consumption by CMPC. The CMPC Papeles and CMPC Tissue plants consumed the remaining 35% or 1,631 GWh.

CMPC consumption and generation of electrical energy in 2017

	CELULOSA		TISSUE		PAPELES		TOTAL CMPC
	Chile	Latin America	Chile	Latin America	Chile	Latin America	
N° Turbines	9	5	1	1	1	0	17
Electricity consumption (GWh)	2,036	1,004	226	758	640	8	4,671
Nominal capacity (MW)	434	248	22	22	53	0	779
Electricity generation (GWh)	2,129	933	144	135	336	0	3,677
Electricity generation (%)	58	25	4	4	9	0	100
Generation/Consumption (%)	105	93	64	18	53	0	79

CMPC generated a total of 3,677 GWh of electricity, the pulp mills together generating 83% of the total whilst the CMPC Tissue and CMPC Papeles plants generated the remaining 17%. With respect to the relationship between consumption and generation of electrical energy, CMPC can be said to generate 79% of its energy needs.

Consolidated summary of CMPC electric power in 2017

	GWh
CONSUMPTION	4,671
GENERATION	3,677
GENERATION/CONSUMPTION	79%



ENERGY EFFICIENCY PLAN 20/20 - CMPC PULP

(302-4)

Following the definition of the baseline of its Energy Management System during the implementation process between 2013 and 2014, CMPC Pulp established the goal of improving energy performance in its operations: to reduce by 20% the consumption of external energy inputs per unit of pulp produced by 2020 with respect to the year 2013; this gave rise to the so-called Energy Efficiency Plan 20/20. This Plan has gone through several stages: it began initially with an external energy audit focused on identifying opportunities for reducing the use of thermal energy, the use of energy in closed circuits, improvements in the biomass energy content and improvements in the efficiency of equipment.

The Plan has been a great success, surpassing the 2020 goal in 2017 and achieving a 22% reduction in the use of external energy inputs. This reduction was accomplished through an average annual reduction of 4.5 million GJ, totalling 18 million GJ between 2014 and 2017, and resulting in a reduction in emissions of 198 thousand metric tons of CO₂-e. Added to this, the energy savings obtained by reducing external energy inputs was valued at US\$ 40.2 million. These improvements were realized through the implementation of energy efficien-

cy projects, improved operational practices, and the greater stability of the overall process.

In November 2017, each of the pulp mills in Chile was awarded the Gold Seal for Energy Efficiency by the Ministry of Energy of Chile and the Energy Efficiency Agency of Chile, in recognition of their energy performance over the years. In addition, out of all the companies awarded the Gold Seal, a project of the Pacífico Mill received the award for the best energy efficiency project, and a project by the Santa Fe Mill was among the three finalists. These distinctions are proof of the excellent work of the CMPC Pulp Energy Management System. It has motivated the organization to establish new, more ambitious goals that would pave the way to continuous improvements in the Company's energy performance.

06

SUSTAINABLE PROFITABILITY



Maned wolf or Aguara Guazu (Argentina)
Chrysocyon brachyurus

Native canid species found in the regions of thickets and grasslands of the Chaco Province of Argentina and Paraguay. Its preferred habitat is the meadows and grasslands of wetlands, mainly in forested areas.

6.1 ANALYSIS OF FINANCIAL RESULTS

6.1.1 CONSOLIDATED EARNINGS FOR THE YEAR

CMPC consolidated earnings for the year ending December 31, 2017 were US\$ 103 million, US\$ 121 million higher than the previous year.

Consolidated retained earnings for the year were obtained from:

- Operating income:** US\$ 457 million. Comprised of an EBITDA of US\$ 1,078 million, negative net variation of Biological Assets of US\$ 56 million; Depreciation, Amortization and Wood Formation Costs of US\$ 564 million.
- Net financial costs:** US\$ 201 million. Comprised of financial costs US\$ 219 million and financial income of US\$ 18 million.
- Other gains (losses):** A loss of US\$ 127 million, largely from losses sustained due to the effects of forest fires (US\$ 73 million), the loss generated by the INDECOPI (Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual) fine related to the Tissue case in Peru (US\$ 14 million), and loss for deterioration of assets associated with the damage to the recovery boiler at Guaiba Line II (US\$ 27 million).
- Provision for income taxes:** US\$ 17 million, comprised of a provision for income tax, offset in part by a provision for deferred taxes.

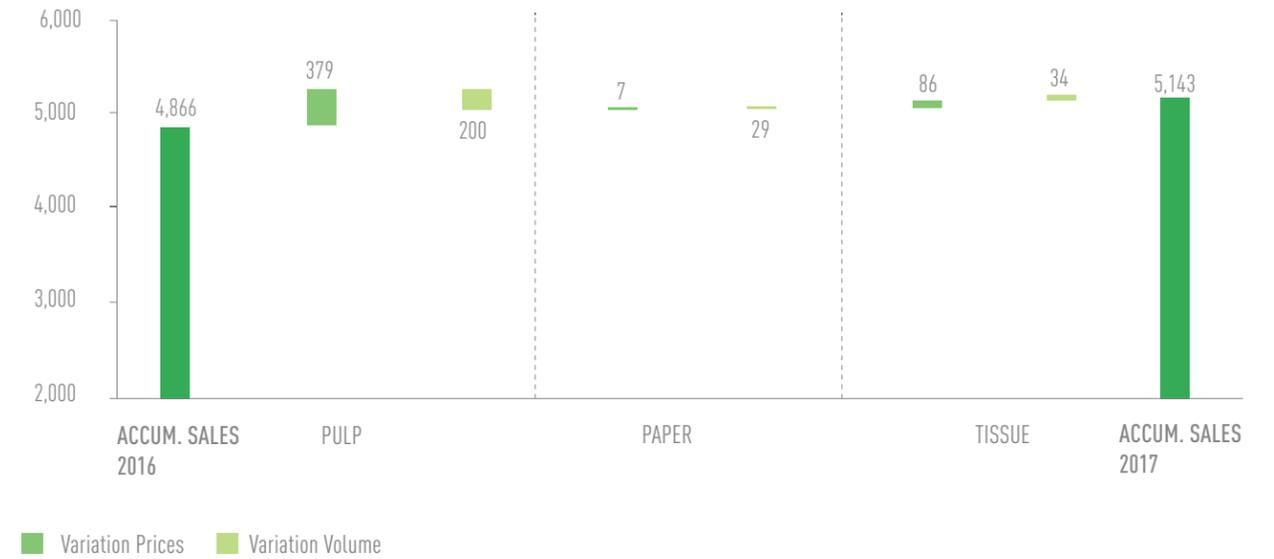
6.1.2 COMPARATIVE ANALYSIS OF RESULTS

SALES

CMPC sales income in 2017 totaled US\$ 5,143 million, an amount 6% greater than income recorded for the previous year. Contributing to this were a higher price and volume for long-fiber pulp (+13% and +9% respectively), a higher price for short-fiber pulp (+19%), and higher volume and prices, as measured in dollars, for tissue products.

The above was offset mainly by a lower sales volume for short-fiber pulp (-9%) given lowered production by Guaiba Line II due to the damage to its recovery boiler, and due, to a lesser degree, to smaller sales volumes for cardboard, sawn timber, boards and paper for corrugation, as compared with 2016.

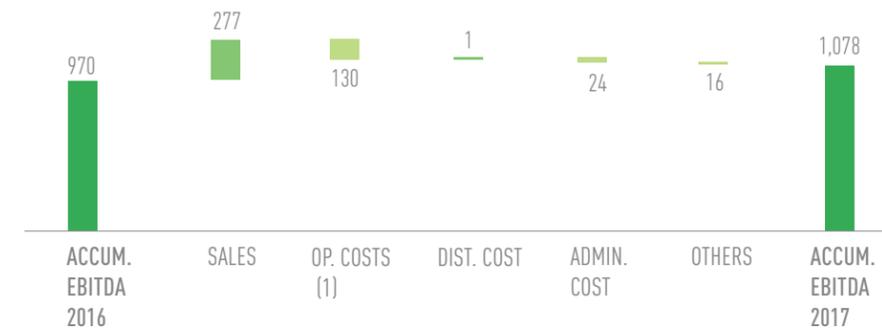
Figure N°1, Sales analysis (US\$ million).



EBITDA

CMPC consolidated EBITDA in 2017 was US\$ 1,078 millions, 11% higher than that recorded in 2016. As can be seen in Figure 2, the higher EBITDA is due mostly to higher sales income, as previously explained, mitigated by higher operating costs, mainly in Pulp and Tissue businesses, associated largely with higher sales volumes and higher manufacturing costs. The EBITDA margin (EBITDA/income) for the year was 21%, higher than the margin recorded for the previous year, which was 20%.

Figure N°2; Variation in consolidated EBITDA (US\$ million).





INCOME

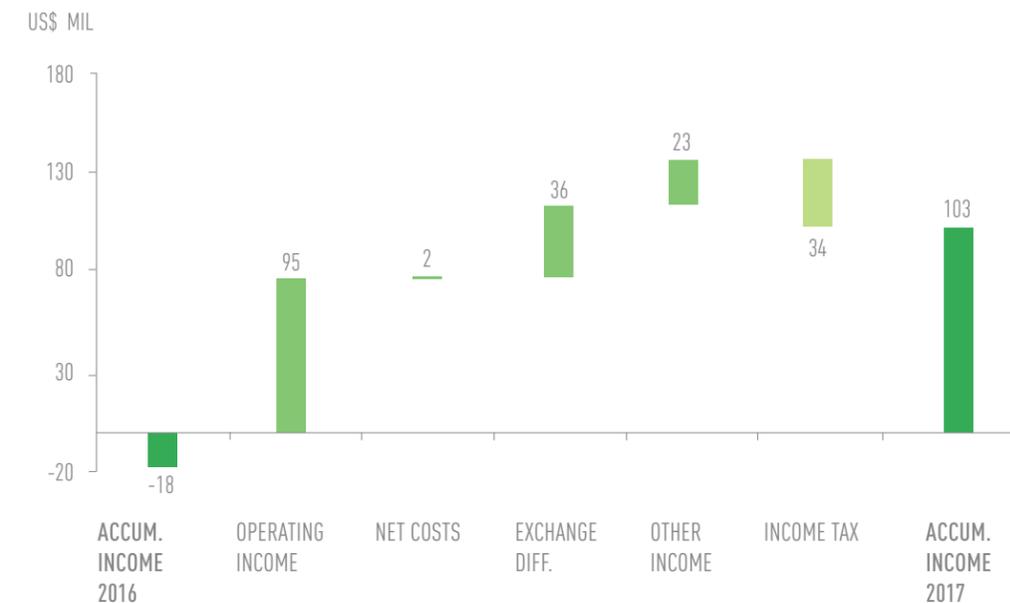
Income of US\$ 103 million was reported, US\$ 121 million higher than the previous year, due to:

- **Increased operating income:** Due largely to higher EBITDA (+US\$ 109 million), as compared to 2016, an outstanding increase in sales, as previously explained.
- **Favorable exchange differences:** Of +US\$ 36 million, for two main reasons: first, the effect of variations in the Brazilian real against the dollar, when both exercises are compared (it depreciated 1.5% during the year, while in 2016 said currency appreciated 16.5%), over liabilities possessed by the Company in this currency. Secondly, due to the execution of a hedging of currencies to mitigate the effects of volatility in currencies
- **Other gains (losses):** While there were specific events registered during 2017 such as: losses due to forest fires, INDECOPI fines charged to Productos Tissue del Perú, and a losses for deterioration of assets related to the damage to the recovery boiler at Guaiba Line II; these were less negative than Other gains (losses) in 2016, which included provisions of US\$ 150 million in December of 2016, the result of an agreement reached in January of 2017 between CMPC, SERNAC and customer organizations discussed later in this report.

The aforementioned effects were offset, in part, by:

- **Greater provisions on income tax:** Largely due to variations in value of the Brazilian real as compared to the tax value of assets, when both exercises are compared. The depreciation of the Brazilian real against the dollar in 2017 negatively impacted deferred taxes. This contrasts with the positive effect generated for the same reason, the appreciation of this currency, in 2016. The aforementioned was offset in part by greater tax losses in 2017. It is worth noting that these concepts have no effect on cash flow.

Figure N°3, CMPC Consolidated income



6.1.3 CAPITAL STRUCTURE

NET FINANCIAL DEBT¹⁰:

As of December 31, 2017, this reached US\$ 3,198 million, 11% less than net debt on the same date in 2016.

- **Cash:** At year-end 2017, it reached US\$ 833 million, which represents an increase by 40% as compared to year-end 2016, favored by active management of working capital in business units.
- **Financial Debt:** At year-end 2017, it reached US\$ 4,031 million, down 3% from year-end 2016.

As of December 31, 2017, the net debt to EBITDA ratio reached 2.97 times, lower than the 3.69 times reached as of December 2016 and within CMPC policy. This is due largely to an increase in EBITDA over 12 rolling months (US\$ 1,078 million as of December 2017 versus US\$ 970 million as of December 2016) and a decrease in net debt.

¹⁰ Net Debt (ND) = Financial Debt – Cash

CMPC FINANCIAL OBJECTIVES POLICY

Figure N°4, Evolution of liquidity

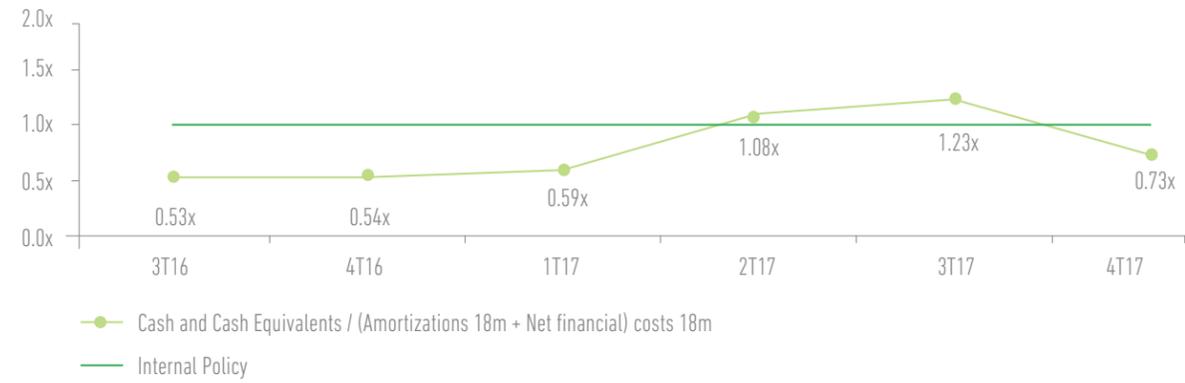
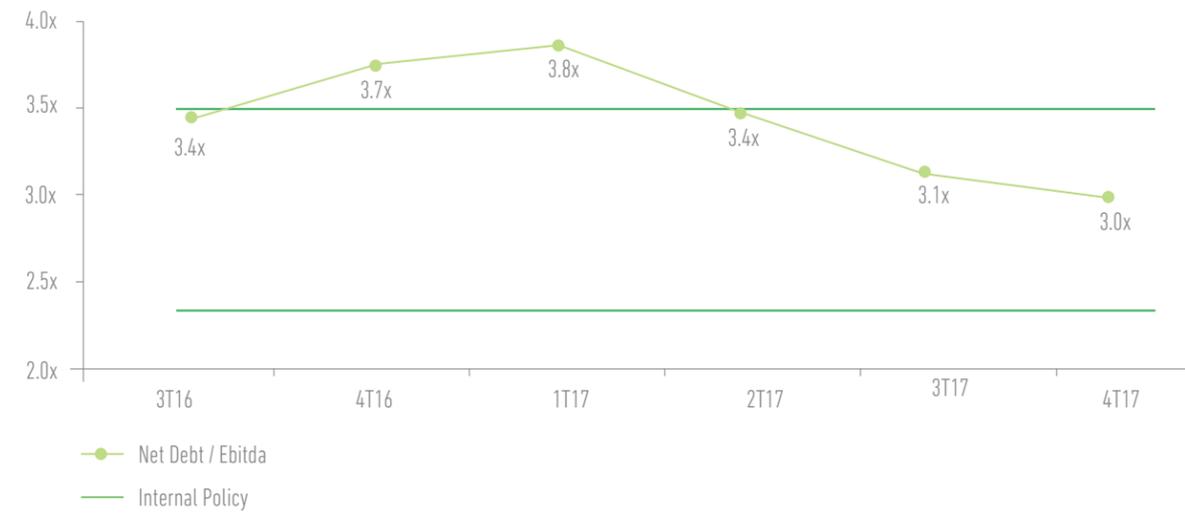


Figure N°5, Evolution of net Financial Debt / EBITDA



CMPC is subject to compliance with certain financial obligations (covenants), as they act as guarantor of debt instruments used by their subsidiaries. Likewise, the Company has a much stricter policy of financial objectives with the aim of ensuring compliance with these obligations. The following commitments are of particular interest:

Figure N°6, Evolution of debt ratio

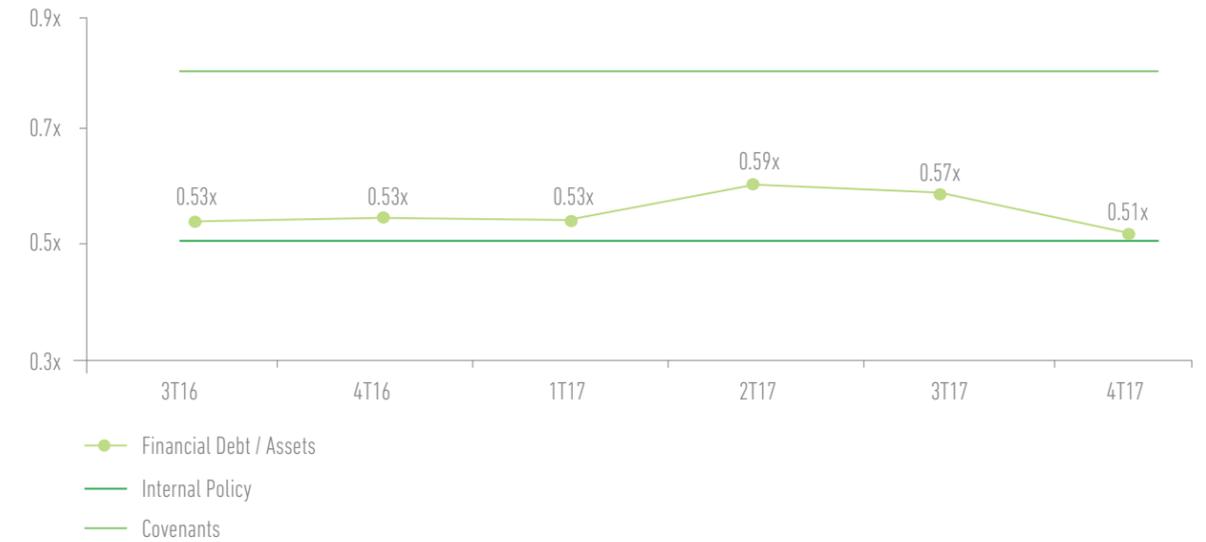
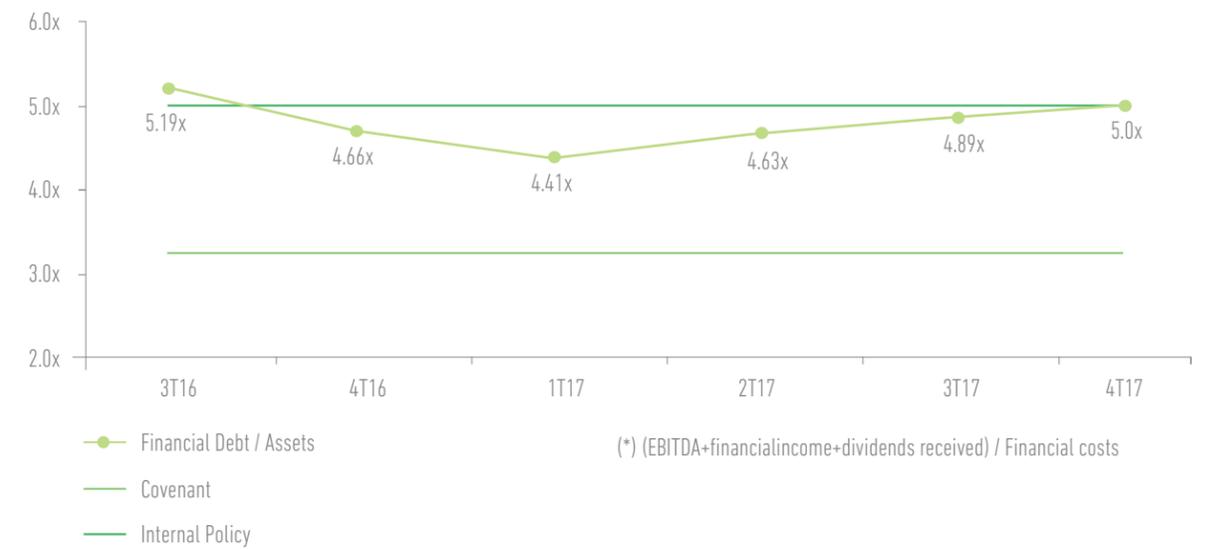


Figure N°7, Evolution of financial costs coverage





6.1.4 FREE CASH FLOW¹¹

In 2017, the free cash flow was positive US\$ 429 million, US\$ 410 million greater than year-end 2016. This is due mainly to:

- A decrease in variation in working capital of US\$ 119 million (decreased by US\$ 116 million in 2017 and increased by US\$ 4 million in 2016).
- A US\$ 109 million increase in EBITDA (US\$ 1,078 million in 2017 and US\$ 970 million at year-end 2016).
- Tax payments lowered by US\$ 105 million (US\$ 69 million in 2017 and US\$ 175 million at year-end 2016).
- Decrease of US\$ 60 million in Capex (US\$ 498 million in 2017 and US\$ 558 million at year-end 2016).

6.1.5 CAPEX

4th quarter Capex in 2017 was US\$ 153 million, a 9% increase in comparison with the same period in 2016. This is mainly attributable to reforestation, maintenance, repairs (especially to Line II recovery boiler at Guaiba) and the execution of projects at the Laja Mill (Pulp), Maule Plant (Cardboard) and Cañete, Peru Plant (Tissue).

¹¹ FCF = EBITDA – Capex total – Dividends – Interest – Income tax +/- Variation in net working capital.

6.2 INCOME

Table N° 1, CMPC Consolidated statement of income. *Figures in thousands of US dollars.*

	CUMULATIVE AS OF DECEMBER 2017	4Q 17	CUMULATIVE AS OF DECEMBER 2016	4Q 16
Total current revenue	5,143,074	1,311,992	4,865,737	1,271,083
Operating cost Cost ⁽¹⁾	(3,357,897)	(873,975)	(3,226,094)	(867,826)
OPERATING MARGIN	1,785,177	438,017	1,639,643	403,257
% Operating margin / Operating revenue	35%	33%	34%	32%
Other costs and operating expenses ⁽²⁾	(706,890)	(181,625)	(670,040)	(180,194)
EBITDA	1,078,287	256,392	969,603	223,063
Ebitda / Operating Income %	21%	20%	20%	18%
Depreciation, Amortization And Stumpage ⁽³⁾	(564,314)	(135,486)	(568,479)	(145,701)
Revenue From Net Biological Asset Growth ⁽⁴⁾	(56,492)	(23,568)	(38,359)	(13,489)
OPERATING INCOME	457,481	97,338	362,765	63,873
Financial Income	18,376	3,186	9,977	2,206
Financial Costs	(219,485)	(54,634)	(212,825)	(55,121)
Share of Profit (Loss) of Associates	(4)	(10)	(64)	(76)
Exchange Differences	(8,780)	(8,327)	(44,493)	(9,555)
Results Perunit of Readjustment	(1,659)	(740)	(4,234)	(242)
Other Gains (Losses)	(126,818)	(19,807)	(146,704)	(133,480)
PROFIT (LOSS) BEFORE TAX	119,111	17,006	(35,578)	(132,395)
Income Tax	(16,528)	(10,880)	17,385	(29,773)
NET PROFIT (GAIN)	102,583	6,126	(18,193)	(162,168)
Net margin ⁽⁵⁾	2%	0%	0%	-13%

⁽¹⁾ Cost of sales less depreciation and amortization, less cost of cultivated plantations, less cost of exploited and sold part of plantations derived from revaluation due to natural growth (see Note N°13, Biological Assets).

⁽²⁾ Cost of Distribution, Administrative Expenses and Other Expenses by segment.

⁽³⁾ Cost of formation of exploited plantations (see Note N° 13, Biological Assets).

⁽⁴⁾ Profit from natural growth of plantations, less greater cost of the part explored and sold (see Note N° 13, Biological Assets).

⁽⁵⁾ Net income (gain) / Ordinary Income, Total.

The consolidated EBITDA of CMPC for 2017 was US\$ 1.078 million, 11% higher than in 2016. Higher EBITDA was due to:

Higher sales income (+6%) due mainly to:

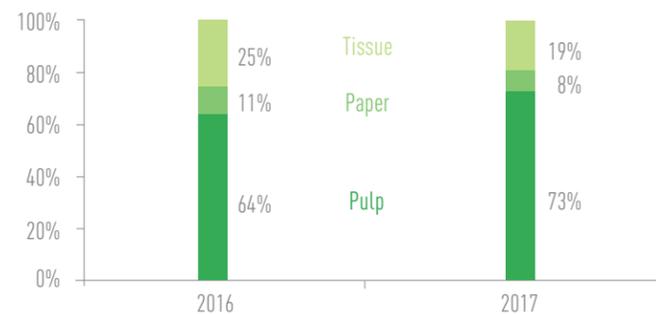
- Higher prices and volume of long-fiber pulp (+13% and +9%, respectively) and higher short-fiber pulp prices (+19%).
- Higher volume and dollar prices for tissue products in the main markets in which CMPC operates.

The aforementioned was partially offset by:

- Lower sales volumes of short-fiber pulp (-9%), due to lower production at Guaiba Line II caused by damage to the recovery boiler.
- Lower volume of sawn timber, boards and paper to be corrugated, as compared with the previous year.
- Higher operating costs, associated with higher sales volume and higher manufacturing costs.

Given the above, the operating margin to sales ratio improved as compared to the previous years (35% vs. 34%). In December of 2017, the EBITDA margin ratio to ordinary income was 21%, 1 point higher than that recorded in 2016. In the fourth quarter of 2017, the EBITDA margin reached 20%, which compares favorably to the same indicator from the fourth semester of 2016 (18%).

■ Figure N° 8, Annual distribution of EBITDA by business area



6.2.1 REVENUE

CMPC is known for its product and market diversity. Revenue in 2017 reached US\$ 5,143 million, 6% higher than the revenue obtained in the previous year.

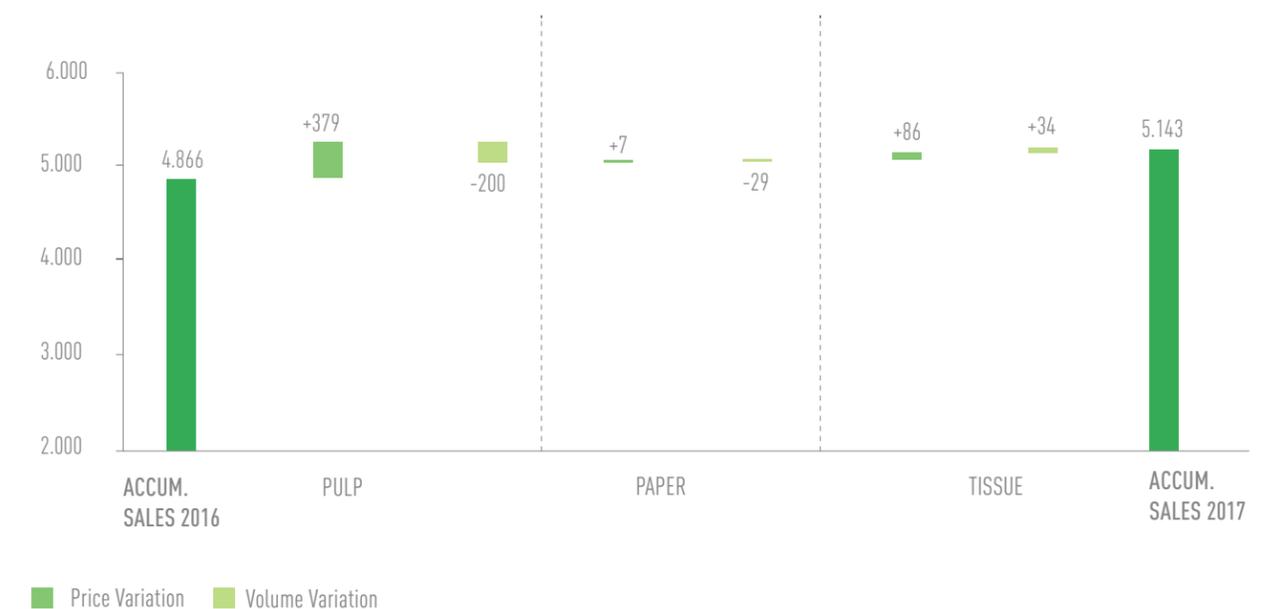
The following contributed to increased revenue:

- Higher prices and volume of long-fiber pulp (+13% and +9% respectively) and higher prices of short-fiber pulp (+19%).
- Higher volume and prices, in dollars, of tissue products.

The aforementioned was offset, in part, by:

- Lower sales of short-fiber pulp (-9% due to lower production generated by Line II of the Guaiba mill caused by damage to the recovery boiler).
- Lower volumes of sawn timber, plywood and paper to corrugate, compared to the same period in 2016

■ Figure N° 9, Analysis of changes in consolidated sales to third parties (price and volume effect).
Millions of dollars



BREAKDOWN OF SALES TO THIRD PARTIES

Figure N° 10, Breakdown of sales by origin (Chile and foreign subsidiaries) / Destination (local or export market).



Figure N° 11, Breakdown of sales by business area

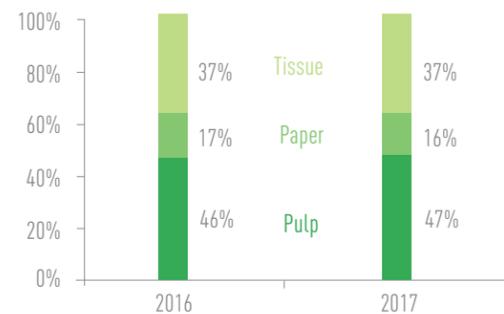
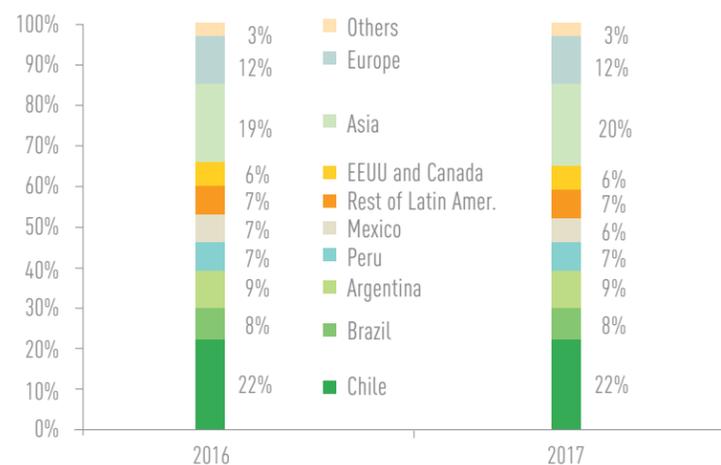


Fig. N° 12, Breakdown of sales by geographical destination



6.3

OTHER LINE ITEMS IN THE INCOME STATEMENT

EXCHANGE DIFFERENCES:

In 2017, the Company registered a loss of US\$ 8.8 million, lower than the US\$ 44.5 million loss in 2016. This US\$ 35.7 million decrease in loss is owed largely to:

- Variations in the Brazilian real, as evidenced by comparison of year-end reports, positively influenced the liability position of the Company in this currency. The Brazilian real depreciated 1.5% at the time of preparation of the report, while in 2016 the same currency appreciated 16.5%.
- Hedging of currencies allowed for the effective reduction of exposure to variations in the Chilean peso and Brazilian real against the dollar.

OTHER PROFITS (LOSSES):

The loss of US\$ 127 million registered in December of 2017, was smaller than that registered for the same period in 2016, of US\$ 147 million. This smaller loss of US\$ 20 million is mainly due to the provision of US\$ 150 million established in 2016, related to a 2017 agreement between CMPC, SERNAC and customer organizations. The main effects on 2017 registered on this line are:

- Expenses resulting from the losses, totaling US\$ 73 million, caused by forest fires that occurred on CMPC lands during the summer of 2017. It is important to note that, as indicated in the March 9, 2017 essential event, these fires occurring in Chile in January and February of 2017 affected approximately 19 thousand hectares of plantations. Compensation by insurance related to these losses was US\$ 17 million during the reporting period.
- The expense generated by the resolution of the Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (INDECOPI) with regards to the Tissue business in Peru, for US\$ 14 million.
- The expense for deterioration of fixed assets of US\$ 27 million associated with damage to the tube system for the recovery boiler at Guaiba Line 2.

INCOME TAXES:

In December 2017 a charge of US\$ 17 million was recorded, lower than the positive tax provision of \$US 17 million recorded in 2016. This increase in the tax provision of US\$ 34 million is owed largely to:

- The effect of variations in the Brazilian real against the tax value of assets in dollars that the Company owns in Brazil, upon comparison of reports, due to the unequal variation experienced by the Brazilian real upon comparison of both exercises.
- Offset, in part, by:
 - Greater provision for tax losses for the year.
 - Lesser provision due to exchange differences.
 - Lesser provision for taxes related to hedging operations.

6.4 BUSINESS AREAS

Table N° 2, Results by business area. Numbers in millions of dollars.

ITEMS	PULP	PAPER	TISSUE	TOTAL SEGMENTS	Others ⁽²⁾	ADJUSTMENTS ⁽³⁾	ENTITY TOTAL
Accumulated as of December 31, 2017							
Revenue from foreign and related customers	2,676.0	842.9	1,923.8	5,442.7	39.1	(338.8)	5,143.1
EBITDA by business area ⁽¹⁾	798.0	86.3	214.9	1,099.1	(13.6)	(7.3)	1,078.3
EBITDA/Operating income	30%	10%	11%	20%			21%
Accumulated as of December 31, 2016							
Revenue from foreign and related customers	2,500.8	867.5	1,805.5	5,173.8	44.6	(352.7)	4,865.7
EBITDA by business area ⁽¹⁾	634.1	110.7	242.6	987.5	(14.0)	(3.9)	969.6
EBITDA/Operating income	25%	13%	13%	19%			20%

⁽¹⁾ Corresponds to Gross Profit plus Depreciation and Amortization, plus Cost of formation of harvested plantations, plus higher cost of exploited and sold part of plantations derived from revaluation due to natural growth (see Note 13: Biological Assets), less Distribution Costs, less Administrative Expenses and less Other Expenses, by segment ⁽²⁾ Corresponds to the operations of CMPC, Inversiones CMPC SA and Shared Services CMPC SA, not included in the main segments. ⁽³⁾ Adjustments and eliminations between operating segments of the same entity.

THE PULP BUSINESS

EBITDA for the pulp business was US\$ 798 million, 26% higher than the previous year due to:

- An increase in sales to third parties of 8% over the previous year, due largely to a higher price and volume for long-fiber pulp (+13% and +9%, respectively) and a higher price for short-fiber pulp (+19%). This was offset by a lower volume in sales of short fiber pulp and sawn timber (-9% and -16%, respectively).

Figure N° 13, Variation in Pulp EBITDA (US\$ million)



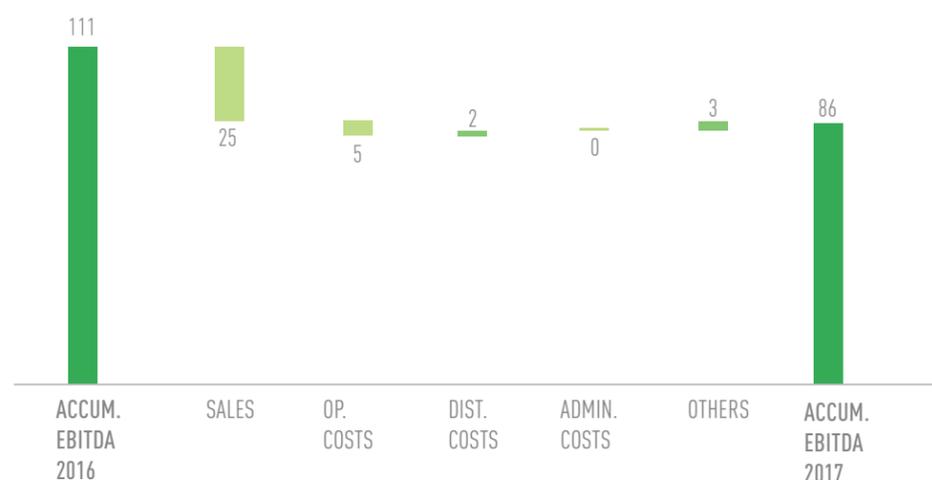
⁽⁵⁾ Operating costs = Sales costs - depreciation and amortization - cost formation of plantations costs - higher cost for the harvested and sold portions of plantations derived from revaluation due to natural growth. (See note 13: Biological assets).

THE PAPER BUSINESS

EBITDA for the paper business was US\$ 86 million, 22% lower than the year before due to:

- 3% lower third-party sales as compared to the previous year, mainly caused by lower volumes of paper for corrugation and cardboards (-11% and -4% respectively), partially compensated for by higher volumes in Other Papers.
- Higher operating costs, due largely to higher manufacturing costs.

Figure N° 14, Variation in Papers EBITDA (US\$ million).



THE TISSUE BUSINESS

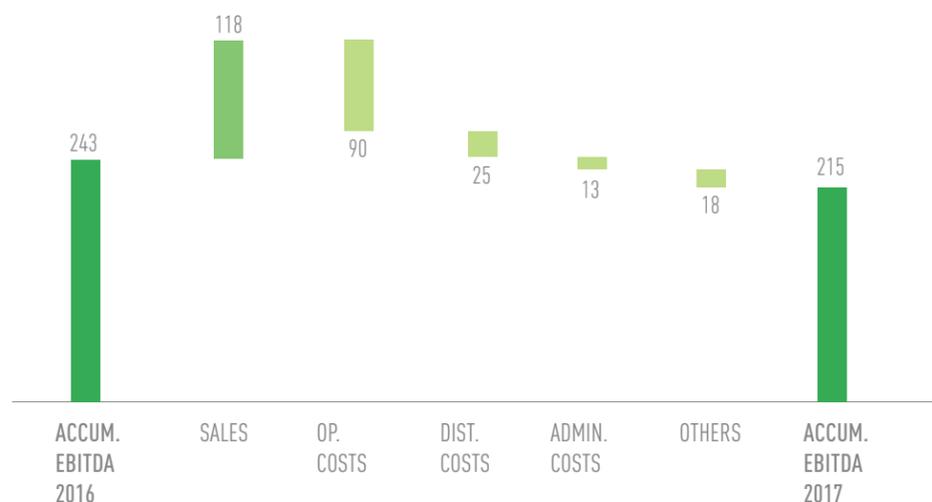
EBITDA for the tissue business was US\$ 215 million, 11% lower than the previous year due to:

Greater operating profit of US\$ 28 million as compared to the previous year, associated with 7% larger third-party sales profits, due mainly to higher sales volumes and prices in US dollars, for tissue and hygiene products in the main countries where CMPC Tissue operates, but offset by higher operating costs (8%), mostly greater manufacturing costs and higher costs associated with direct sales due, in large part, to higher volumes sold and higher raw material costs.

Negatively offset by:

Higher distribution costs and administration expenses, both 17% above those of the last year, an increase primarily associated with the appreciation of local currencies.

Figure N° 15, Variation in Tissue EBITDA (US\$ million).



6.5 CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

The following compares variations in assets and liabilities between the year ended December 31, 2017 and the year ended December 31, 2016:

Table N° 3, Summary of the statement of consolidated financial situation. Numbers in millions of dollars

	DEC 2017	DEC 2016	VARIATION
Current assets	3,380	3,190	191
Non-current assets	11,571	11,670	-100
TOTAL ASSETS	14,951	14,860	91
Current liabilities	1,449	1,289	161
Non-current liabilities	5,417	5,595	-178
TOTAL LIABILITIES	6,866	6,884	-17
TOTAL EQUITY	8,084	7,976	108
TOTAL EQUITY AND LIABILITIES	14,951	14,860	91

Current assets increased by US\$ 191 million. This is comprised of:

- ▲ Cash and cash equivalents of US\$ 237 million, largely due to proactive management of accounts receivable, which in turn had a positive impact on
- ▼ Commercial debtors and other accounts receivable of US\$ 116 million net.
- ▲ Inventories of US\$ 123 million caused mainly by an increase in finished products, raw materials and materials.
- ▼ Biological assets of US\$ 20 million.
- ▼ Current tax assets of US\$ 16 million, largely due to recuperation of the year's tax losses.

Non-current assets decreased by US\$ 100 million, comprised of:

- ▼ Other non-financial assets for US\$ 180 million, mainly for the purchase-sale agreement of Losango, Brazil plantations.
- ▼ Property, plant and equipment for US\$ 24 million net.
- ▲ Biological assets for US\$ 65 million held mainly in Brazil, partially offset by decreased holdings in Chile.
- ▲ Deferred tax assets of US\$ 22 million.
- ▲ Other financial assets of US\$ 21 million.

Current liabilities increased by US\$ 161 million, explained by:

- ▲ Other non-financial liabilities of US\$ 44 million, mainly from dividend provisions.
- ▲ Commercial accounts receivable and other accounts receivable of US\$ 123 million.
- ▼ Other financial liabilities of US\$ 42 million

Non-current liabilities decreased by US\$ 178 million, due to:

- ▼ Other financial liabilities of US\$ 113 million.
- ▼ Deferred tax liabilities of US\$ 75 million.

Equity presents an increase of US\$ 108 million, explained by:

- ▲ Accumulated revenue of US\$ 60 million.
- ▲ Other revenue of US\$ 49 million.

Table N° 4, Indicators – Statement of financial situation

	DEC 2017	DEC 2016
LIQUIDITY (TIMES)		
Current liquidity:		
Current assets / Current liabilities	2.33	2.47
Acid ratio:		
Quick assets / Current liabilities	1.47	1.60
DEBT		
Debt ratio:		
Total debt / Equity	0.85	0.86
Short-term debt ratio:		
Short-term liabilities / Total debt	21.1%	18.7%
Long-term debt ratio:		
Long-term liabilities/Total debt	78.9%	81.3%
Financial costs hedging:	1.54	0.83
Book value per share		
Equity / N° of shares USD	3.23	3.19
ACTIVITY		
Asset turnover		
Operating revenues / Total assets average	0.35	0.33
Inventory turnover		
Sales cost / Average inventory	3.53	3.69
Permanence of inventories		
Average inventory for *360 days / Sales cost	101.9 days	97.6 days

6.6 CASH FLOW

The variations in the main components of consolidated cash flow as of December 31, 2017 as compared to December 31, 2016 are as follows:

Table N° 5: Net cash flow. Numbers in millions of dollars

	DEC 2017	DEC 2016
Net cash flows from (used in)		
Operating Activities	1,073.4	725.9
Investment Activities	(473.8)	(460.2)
Financing Activities	(374.9)	(185.2)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	224.6	80.6
Effect of the change in exchange rates on cash and cash equivalents	12.3	4.9
Net increase (decrease) in cash and cash equivalents	236.9	85.5
Cash and cash equivalents at the beginning of the year	595.8	510.4
Cash and cash equivalents at end of year	832.8	595.8
CASH FLOW AT END OF YEAR	832.8	595.8

Consolidated operating activities generated positive cash flows of US\$ 1,073 million in 2017 (US\$ 726 million in 2016), of which:

■ US\$ 5,776 million corresponded to charges from sales of goods and services (positive US\$ 5,439 million in 2016).

■ US\$ 65 million corresponded to other net charges for operating activities (net payment in 2016 of US\$ 26 million)

Offset by:

■ Payments of US\$ 4,213 million to suppliers for goods and services (US\$ 4,096 million in 2016).

■ US\$ 466 million paid to and on behalf of employees (US\$ 428 million in 2016).

■ US\$ 69 million paid in income taxes (US\$ 175 million in 2016).

Consolidated investment activities for the year ended December 31, 2017 entailed using funds of US\$ 474 million (US\$ 460 million for the year ended December 31, 2016). These flows correspond mainly to:

■ Purchase of property, plant and equipment for US\$ 404 million (US\$ 440 million for the year ended December 31, 2016).

■ Purchase of other long-term assets for US\$ 82 million (US\$ 85 million for the year ended December 31, 2016).

■ Offset largely by interest received of US\$ 16 million (US\$ 12 million for the year ended December 31, 2016).

Consolidated financing activities to December 31, 2017 represented the use of US\$ 375 million (outflow of US\$ 185 million for the year ended December 31, 2016), explained by:

■ Loan reimbursements of US\$ 1,378 million.

■ Paid interest of US\$ 208 million.

■ Offset in part by receivables obtained from loans of US\$ 1,254 million.

Table N° 6, Profitability indicators

	DEC 2017	DEC 2016
RETURN ON REVENUE (ANNUAL):		
Profit/ Current revenue	1.99%	-0.37%
Annual return on equity: Profit / Total average equity for the year	1.26%	-0.23%
Annual return on assets: Profit / Average assets for the year	0.68%	-0.12%
Annual return on operating assets: Operating income ⁽¹⁾ / Average operating assets for the year ⁽²⁾	3.42%	2.70%
Return on dividends: Div. Paid (rolling year) ⁽³⁾ / Share market price ⁽⁴⁾	0.06%	0.74%
Earnings per share (US\$): Net income for the year (profit attributable to parent company) / N° of shares ⁽⁵⁾	0.04	-0.01

⁽¹⁾ Operating income defined in Table N° 1. ⁽²⁾ Operating assets: trade receivables and other accounts receivable + inventories + property, plant and equipment + biological assets. ⁽³⁾ Dividends paid in US\$. ⁽⁴⁾ Stock Price at year-end. ⁽⁵⁾ Considers average number of shares in the year.

6.7 COMPLETED PROJECTS AND PROJECTS UNDERWAY

The main CMPC projects recently completed or underway are:

CMPC Papeles is in the final stage of development of an operational continuity and quality improvement project at the Maule Cardboard Plant. As of year-end, US\$ 134 million had been invested.

CMPC Tissue opened a new Tissue plant in Cañete, Peru. The project included a new paper machine, additional conversion lines, and storage and distribution areas, totaling an approximate investment of US\$ 140 million. This project will allow an increase in paper production in Peru by 54 thousand metric tons per year. The plant is in operation, both for manufacturing and conversion of paper.

CMPC Celulosa developed a renovation project for the lime kiln and causticizing equipment at the Laja Pulp Mill. The total investment is US\$ 112 million.

CMPC Celulosa is building a new corporate office in the city of Los Angeles, in order to centralize operations in southern Chile. This project is expected to be completed by the end of the first semester of 2018.



6.8 RISK ANALYSIS

(102-15; 102-30)

The Company and its subsidiaries are exposed to a combination of market, financial and operating risks inherent to their businesses. The Company seeks to identify and manage such risks in the most adequate manner to minimize potential adverse effects.

The Board of Directors establishes the strategy and the general framework under which the Company's risk manage-

ment operates, and it is implemented on a decentralized basis through the different business units. At a corporate level, finance management, risk management and internal audit coordinate and control the proper execution of prevention and mitigation policies of the main risks identified. In addition, there are Audit and Hedging Committees that analyze the different proposals and activities in their areas of competence.

6.8.1 MARKET RISK

A considerable percentage of CMPC sales come from products whose prices depend on prevailing conditions in international markets over which the Company has no significant influence or control. These factors include fluctuations in global demand (mainly driven by economic conditions in developed economies relevant to CMPC, in China, North America, Europe and Latin America), variations in the installed capacity of the industry, inventory levels, business strategies and competitive advantages of the main players in the forestry industry, availability of substitute products and the stage of the product's life cycle.

CMPC produces bleached kraft pulp, which represents 33% of consolidated sales and is commercialized to approximately 270 customers in 44 countries in Asia, Europe, America

and Oceania. It should be noted that currently, in addition to the expansion project launched in 2015 by CMPC in Guaiba, there are several projects of new pulp production lines recently launched in Brazil and Indonesia, thus anticipating an increase in supply over the coming years and, therefore, a potential adverse effect on market prices.

In this respect, the Company benefits from the diversification of businesses and vertical integration of its operations, having some flexibility to manage its exposure to changes in the price of pulp. The impact caused by a possible decrease in the price of pulp is partially offset by a reduction in costs of high production level products such as tissue and cardboard, in particular.

6.8.2 FINANCIAL RISK

The main financial risks identified by CMPC are: risk of financial market conditions (including foreign exchange risk and interest rate risk), credit risk and liquidity risk

CMPC concentrates a large part of its financial debt and funds placement operations, foreign exchange and derivati-

ves trading in its subsidiary Inversiones CMPC S.A. The purpose of this policy is to optimize resources, achieve economies of scale, and improve operating control.

Access to loans in local or international capital markets may be restricted when financing is needed, which could have adverse

material effects on our flexibility when reacting to various economic and market conditions. Therefore, in the event of possible liquidity restrictions, Inversiones CMPC S.A. has a Committed Line with Banco Santander, Export Development Canada, Scotiabank & Trust (Cayman) Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. This line amounts to US\$ 400 million and has a maximum term of 3 years from March 2017. Apart from this, CMPC maintains an effective cash level, compatible with these risks of liquidity restrictions.

RISK OF FINANCIAL MARKET CONDITIONS

(i) Exchange rate risk: CMPC is affected by currency fluctuations in three ways: A) the Company's income, cost, expenditure and investment expenses, which directly or indirectly are denominated in currencies other than the functional currency; B) exchange rate variations arising from a possible accounting mismatch between assets and liabilities in the Statement of Financial Position (Balance) denominated in currencies other than the functional currency, which in the case of CMPC is the US dollar; and C) the provision of deferred taxes in Brazil, for those companies that use a functional currency different from the tax currency.

CMPC exports and those of its subsidiaries accounted for approximately 48% of the year's sales, the primary destinations being the markets of Asia, Europe, Latin America and the United States for the year ended December 31, 2017. Most of these export sales were made in dollars.

CMPC domestic sales in Chile and those of its subsidiaries in Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay, in their respective countries, represented 52% of the Company's total sales for the year ended December 31, 2017. These sales were primarily made in local currencies.

The income flow in US dollars and those indexed in this currency are estimated to surpass 51% of the Company's total sales. In turn, outflows in terms of raw materials, materials and replacement parts required for processes in addition to investment in fixed assets are also in large part denominated in dollars or indexed to said currency.

Given the nature of business, the Company makes sales and acquires payment commitments in currencies other than the US dollar. In order to avoid the exchange rate risk of currencies other than dollars, derivative hedging transactions are carried out in order to fix the exchange rates in question. As of December 31, 2017, a significant proportion of the estimated sales of cardboard and lumber to Europe in euros and

pounds, in addition to sales in Chilean pesos of the subsidiary Empresa Distribuidora de Papeles y Cartones S.A. (Edipac) in Chile, have been hedged until 2018.

Considering that the structure of CMPC cash flows is highly indexed to the dollar, most liabilities have been incurred in that currency. In the case of foreign subsidiaries in the business of Tissue, which receive revenues in local currency, part of their debt is denominated in the same currency to reduce economic and accounting mismatches. Other mechanisms used to reduce accounting mismatches are: managing the currency denomination of the financial investment portfolio, occasional contracting of short-term future operations and, in certain cases, transactions using options, which are subject to limits previously authorized by the Board and represent a small amount in relation to the Company's total sales.

From an accounting point of view, fluctuations in the exchange rate of local currencies have an impact on the deferred tax provision. This effect is caused by the difference in value of assets and liabilities in the financial accounting as opposed to the value reflected in the tax accounting when the functional currency (US dollar) is different from the tax currency (local currency of the respective business unit). This occurred mainly in the pulp segment in Brazil. Thus, devaluation in the currencies of those countries with respect to the US dollar implies a higher deferred tax provision. As of January 1, 2016, the Internal Revenue Service of Chile (SII) authorized CMPC to keep tax accounting records in US dollar currency in all Chilean subsidiaries of CMPC, with the exception of CMPC Tissue S.A. and Inversiones Protisa SpA, whose functional currency is the Chilean peso.

This change in currency for tax accounting records has reduced the effects on deferred taxes created by fluctuations in exchange rates between the Chilean peso and the US dollar.

Si bien estos ajustes en la provisión no implican flujo, sí introducen volatilidad en los resultados financieros reportados.

(ii) Interest rate risk: The Company's financial investments are preferably remunerated at fixed interest rates, eliminating the risk of fluctuations in the market interest rate. Financial liabilities are mostly at fixed interest rates. For debts with variable interest rates, CMPC minimizes the risk by contracting derivatives, 96% of the debt is at fixed interest rates; it should be noted that the remaining 4% corresponds to 3% debt in Brazilian reals and 1% in Chilean pesos.

CREDIT RISK

Credit risk arises primarily from the potential insolvency of certain customers of CMPC subsidiaries and the consequent inability to collect on outstanding accounts receivable and conclude transactions.

CMPC manages this exposure through continuous review and evaluation of the payment capability of its customers, through a Corporate Credit Risk Committee and risk transfer (using letters of credit and credit insurance) or guarantees, which altogether cover most export sales and domestic sales.

There are also credit risks in the execution of financial operations (counterparty risk). Counterparty risk arises when there is a likelihood that the counterparty to a financial contract will not be able to fulfill the financial obligations to the Company that it has incurred. To reduce this risk in its financial operations, CMPC establishes individual exposure limits according to financial institution, approved periodically by the Board of CMPC.

LIQUIDITY RISK

This risk arises should the Company not be able to fulfill its obligations as a result of insufficient liquidity. CMPC manages this risk through appropriate distribution, extension of due dates and limits on the amount of its debt, as well as by maintaining an adequate liquidity reserve and prudent management of its operating and investment cash flows.

La Compañía, concentra sus deudas financieras con terceros en Inversiones CMPC S.A., la cual a su vez financia a las filiales operativas. Las deudas se contraen a través de créditos bancarios y bonos, colocados tanto en los mercados internacionales como en el mercado local de Chile.

As indicated, the Company concentrates its financial debt in the subsidiary Inversiones CMPC S.A., which finances operating subsidiaries. Debt is incurred through bank loans and bonds placed at international markets and at the local Chilean market.

To maintain an adequate reserve of liquidity, in addition to the effective cash position held by the Company, in March 2017, the subsidiary Inversiones CMPC S.A. obtained a Revolving Line of Credit with Banco Santander, Export Development Canada, Scotiabank & Trust (Cayman) Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting as structurer. This line amounts to US\$400million and has a maximum term of 3 years. As of December 31, 2017, the line is fully available.

The prudent financial policy followed by CMPC, contained in its Financial Objectives Policy (See Note 3 of the Consolidated Financial Statements), along with its strong competitive position and high quality assets, enables EmpresasCMPC S.A. to have an international credit rating of BBB- according to Standard & Poor's (negative outlook), Baa3 according to Moody's (stable outlook) and BBB according to Fitch Ratings (stable outlook), one of the world's highest in the forestry, pulp and paper industry.

6.8.3 OPERATING RISKS

INDUSTRIAL AND FORESTRY OPERATING RISKS

Events resulting in a shutdown of the Company's production facilities could stop us from fulfilling the needs of our customers and reaching production goals and could force unforeseen expenses related to the maintenance of and investment in assets, all of which could adversely affect CMPC financial performance. The most significant events that could generate shutdowns of production facilities include earthquakes, floods, storms and droughts, as well as th-

se situations resulting from fires, machinery breakdowns, supply interruptions, spills, explosions, malicious acts and terrorism, among others. Shutdowns can also be caused by illegal actions of others, such as occupations, blockages and sabotage.

The operating risk management objectives at CMPC are to efficiently and effectively protect employees, the Company's assets, the environment and business operations in general. To achieve this purpose, accident prevention measures

and loss and insurance coverage are managed in a balanced manner. Loss prevention work is systematic and carried out in accordance with pre-established guidelines and periodic inspections by insurance company specialists. In addition, CMPC has a continuous improvement plan for its operating risk conditions in order to prevent and minimize the probability of occurrence and to attenuate the possible effects of losses. Each of the Company's business units manages these plans in accordance with regulations and standards established at the corporate level.

CMPC and its subsidiaries maintain insurance coverage to protect themselves from a substantial part of their main risks. These risk transfers are purchased from high standard local insurance companies, backed up by international insurance companies. The risks associated with the operating activities of the business are periodically reviewed to optimize coverage, according to the insurance market's competitive offers. In general, the conditions on limits and deductibles of insurance policies are established on the basis of maximum estimated losses for each risk category and the coverage conditions offered in the market.

All the Company's infrastructure assets (buildings, installations, machinery, etc.) are covered for operating risks by insurance policies at their replacement value.

In turn, forest plantations can suffer losses due to fire, as occurred at the beginning of 2017 in Chile, and other natural risks, which entail partial insurance coverage, with limitations due to deductibles and maximum indemnities determined in accordance with historical losses and established levels of prevention and protection. Other risks that are not covered, such as biological risks, could adversely affect the plantations.

CONTINUITY AND COSTS OF PROVIDING SUPPLIES AND SERVICES

The development of CMPC businesses involves complex logistics in which timeliness, quality and cost-effective supplies and services are fundamental to maintaining operating continuity and competitiveness.

CMPC seeks to maintain a close long-term relationship with its contractors, with which CMPC works on an ongoing and systematic basis on developing high standards of operation, with an emphasis on employee safety and improving working conditions.

In the last few years, CMPC has increased its own generating capacity through investments in co-generation units. The Company continues to work on the development of an investment plan for new units and assesses the desirability of incorporating additional projects in the future.

Among the many CMPC suppliers of products and services, there are companies that provide specialized support and logistical services for its forestry and industrial operations. If these services are not performed with the required level of quality, or the contractual relationship with those companies is affected by regulations, labor conflicts or other contingencies, the operations of CMPC could be affected.

ENVIRONMENTAL AND CLIMATE CHANGE RISK FACTORS

Las CMPC operations are regulated by environmental standards in Chile and in the other countries where it operates. CMPC is known for adopting best practices in sustainability in its businesses, which has meant the voluntary adoption of and compliance with standards more demanding than those required by local law. This has enabled the Company to adapt to modifications in environmental legislation, so that the impact of its operations duly adjusts to those standards. However, climate change and access to natural resources in addition to future changes in these applicable environmental regulations or in the interpretation of these laws might have an impact on the Company's operations. It is important to point out that non-compliance with these and other environmental regulations imply costs that could affect business profits.

RISKS ASSOCIATED WITH COMMUNITY RELATIONS

CMPC forestry and industrial operations are found in a variety of locations in Latin America.

In Chile, the CMPC forestry and industrial operations include parts of the Bio-Bio and Araucanía regions, where attacks and violent acts have been widely covered by the media and investigated by the corresponding authorities.

The affected areas have low levels of development and various long-standing social problems. Despite the escalation in the number and level of violence of the attacks, so far this situation has been limited to specific areas and the effects on CMPC have been limited

COMPLIANCE RISK

Compliance risk is associated with the Company's ability to comply with legal, regulatory, contractual and their own internal regulations, in addition to the risks already discussed above. Along these lines, every business unit at CMPC regularly reviews its operating and administrative processes in order to ensure proper compliance with the laws and regulations applicable to it. In addition, CMPC is known for maintaining a proactive attitude in matters relating to safety, the environment, labor conditions, market operation and community relations.

The Company is permanently taking actions that continue to strengthen a series of processes, controls and systems to prevent the occurrence of acts of corruption and the crimes of bribery, money laundering and financing of terrorism. These standards and controls were implemented with the support of experts and have been certified by a qualified entity, in addition to the existing processes of the Comptrollership and Internal Audit Departments of the Company

CYBER RISK

The increase in cases of cybersecurity and cybercrime in the world represent a potential risk to the security of CMPC information technology systems, including those of their service providers, as well as the confidentiality, integrity and availability of information, and the data stored in these systems, some of which depend on the services provided by third parties.

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 breaches, due to causes such as natural catastrophes, power outages, security breaches, computer viruses or cybersecurity attacks.

6.8.4 RISK DUE TO POLITICAL AND ECONOMIC CONDITIONS

Changes in the political or economic conditions in countries where CMPC operates could affect the Company's financial and operational performance, as well as the development of its business plan.

The operations located in Chile account for 59% of total assets and originate 58% of sales. In turn, operations in Brazil represent approximately 28% of total CMPC assets.

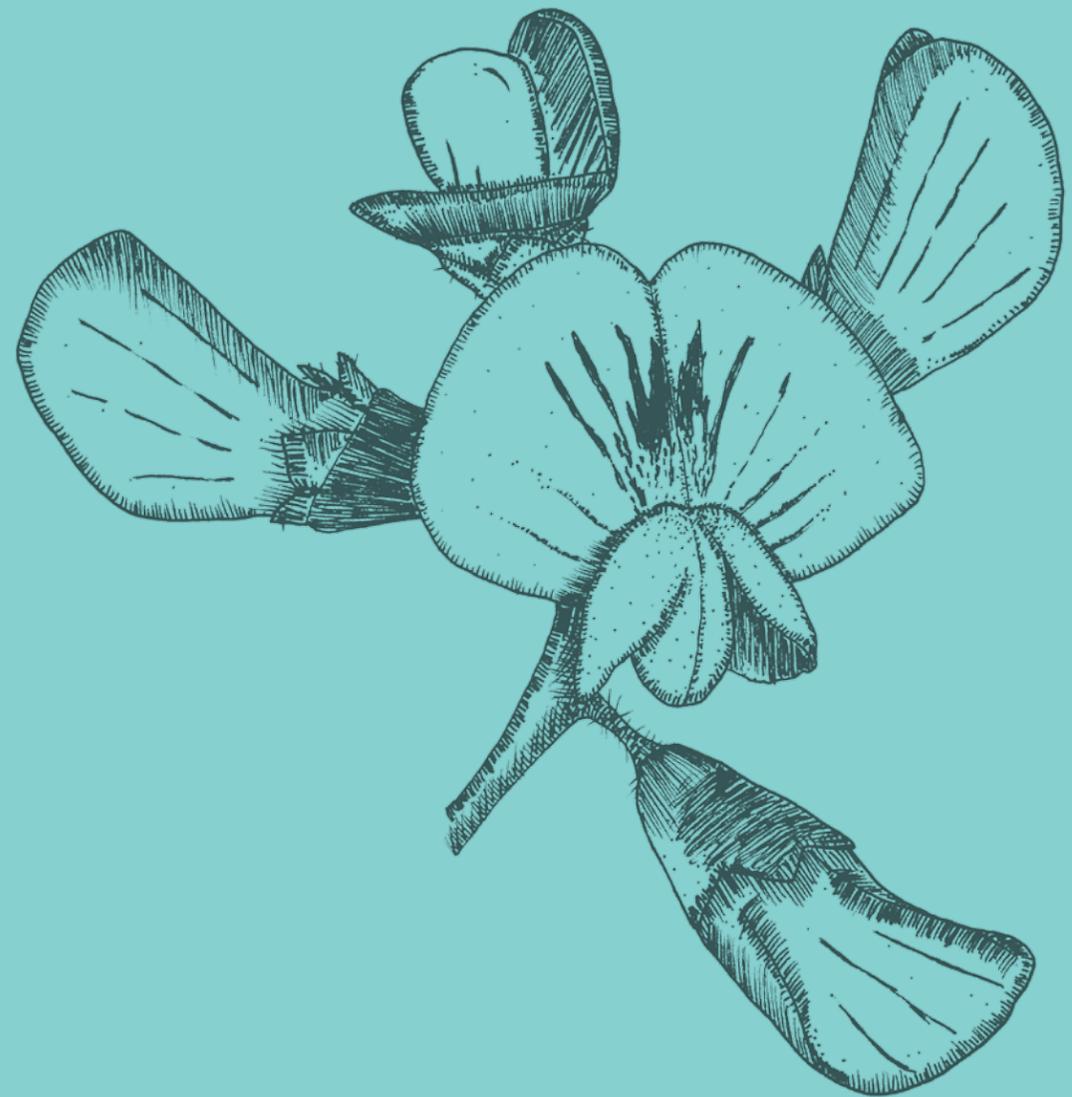
In the countries where CMPC operates, states have substantial influence over many aspects of the private sector,

including changes in tax regulations, monetary policies, the exchange rate and public spending. They also influence regulatory aspects, such as labor and environmental regulations.

In recent years, in countries such as Chile, Mexico, Peru and Colombia, tax reforms have been implemented, while in Brazil there is a discussion of this type, the results of which are uncertain. All these legal modifications impact or will impact the economic performance of the Company by decreasing its flows destined to pay for the investments made there as well as affecting its savings and future investments.

07

GENERAL INFORMATION



Adesmia
Adesmia bijuga

A globally unique species endemic to the Maule Region. This leguminous flowering bush with long, straight branches and a shiny varnish-like bark can grow to over 3.5 metres in height.

7.1 CMPC SHARES

General information about Company shares during 2017 is presented below.

Table A: Details of shares belonging to the Controlling Group companies – Main shareholders of the subsidiaries of CMPC S.A.

	NAME	RUT	DV	31-12-2017
1	Forestal Cominco S.A.	79.621.850	9	486,392,057
2	Forestal, Const. y Com. del Pacífico Sur. S.A.	91.553.000	1	476,205,596
3	Forestal O' Higgins S.A.	95.980.000	6	186,526,333
4	Forestal Bureo S.A.	87.014.900	K	106,457,955
5	Inmobiliaria Nague S.A.	94.645.000	6	39,015,066
6	Coindustria Ltda.	80.231.700	K	46,575,370
7	Forestal y Minera Ebro Ltda.	77.868.100	5	14,408,280
8	Forestal y Minera Volga Ltda.	77.868.050	5	8,823,060
9	Viecal S.A.	81.280.300	K	6,501,641
10	Forestal Peumo S.A.	87.014.500	4	5,141,294
11	Forestal Calle Las Agustinas S.A.	87.014.600	0	3,863,334
12	Forestal Choapa S.A.	87.014.700	7	2,332,209
13	Puertos y Logística S.A.	82.777.100	7	1,475,040
14	Matte Larraín Eliodoro	4.436.502	2	1,187,078
15	Matte Larraín Bernardo	6.598.728	7	961,352
16	Matte de Larraín Patricia	4.333.299	6	961,342
17	Agrícola e Inmobiliaria Rapel Ltda.	87.014.800	3	617,993
18	Larraín Bunster Jorge Gabriel	4.102.581	6	134,844
TOTAL CONTROLLING GROUP SHARES				1,387,579,844
% STAKE				55.50%

Table B: Shares belonging to the Board of Directors and main executives*

NAME	POSITION	SHARES
Luis Felipe Gazitúa Achondo	Chairman	500
Jorge Matte Capdevila	Director	-
Jorge Larraín Matte	Director	148,688
Bernardo Matte Larraín	Director	961,352
Vivianne Blanlot Soza	Director	500
Jorge Marín Correa	Director	5,631
Ramiro Mendoza Zúñiga	Director	500
Pablo Turner González	Director	-
Rafael Fernández Morandé	Director	-
Hernán Rodríguez Wilson	General Manager	-
Francisco Ruiz-Tagle Edwards	Senior Executive	-
Luis Llanos Collado	Senior Executive	22,471
Gonzalo Darraidou Díaz	Senior Executive	-
Jacqueline Saquel Mediano	Senior Executive	-
Rodrigo Gómez Fuentes	Senior Executive	-
Rafael Cox Montt	Senior Executive	-
María Inés Garrido Sepúlveda	Senior Executive	-
Rodrigo Levy Wilson	Senior Executive	-
Guillermo Turner Olea	Senior Executive	-
Ignacio Goldsack Trebilcock	Senior Executive	-

Note*: Information corresponding to shares registered in the CMPC Shareholder Register.

SHARE TRANSACTIONS

Table C shows total share transactions with details of the number of shares traded, the total value and unit price, for each quarter over the last three years.

Table C: Quarterly share transactions statistics

QUARTER	YEAR	NUMBER OF SHARES	TRANSACTION AMOUNT (CLP)	AVERAGE PRICE (CLP/SHARE)	MARKET PRESENCE (%)	STOCK MARKET TRANSACTONS
1st	Quarter 2015	78,464,997	125,447,203,145	1,598.7664	100.00	BCS; BECH;BC
2nd	Quarter 2015	75,556,556	132,606,885,802	1,755.0679	100.00	BCS; BECH;BC
3rd	Quarter 2015	73,251,742	130,596,018,263	1,782.8384	100.00	BCS; BECH
4th	Quarter 2015	99,135,235	161,196,289,241	1,626.0242	100.00	BCS; BECH;BC
1st	Quarter 2016	93,948,926	147,273,917,450	1,567.5955	100.00	BCS; BECH
2nd	Quarter 2016	114,688,427	167,563,937,896	1,461.0362	100.00	BCS; BECH;BC
3rd	Quarter 2016	79,638,700	108,509,811,985	1,362.5262	100.00	BCS; BECH
4th	Quarter 2016	78,179,882	106,116,238,944	1,357.3343	100.00	BCS; BECH;BC
1st	Quarter 2017	99,171,433	147,535,308,210	1,487.6795	100.00	BCS; BECH
2nd	Quarter 2017	91,867,785	147,696,473,980	1,607.7069	100.00	BCS; BECH;BC
3rd	Quarter 2017	95,451,523	155,009,124,500	1,623.9565	100.00	BCS; BECH
4th	Quarter 2017	144,206,068	280,056,823,353	1,942.0599	100.00	BCS; BECH;BC

Note*: Statistics include information from the Santiago Stock Exchange (BCS); the Chilean Electronic Stock Exchange (BECH) and the Valparaíso Stock Exchange (BC).



DIVIDENDS PER SHARE

In accordance with General Regulation No. 30 issued by the Chilean Securities and Insurance Superintendence, Table D shows dividends per share paid over the last five years:

Table D: CMPC dividends per share

	YEAR	CLP/SHARE
CMPC	2013	\$16.00
CMPC	2014	\$14.00
CMPC	2015	\$8.00
CMPC	2016	\$10.00
CMPC	2017	\$1.26

Share transaction details in accordance with Article 20 of Chilean Law 18,045 (N.C.G. No. 269 of 2009)

LEGAL ENTITY/ PRIVATE INDIVIDUAL	TAX ID NO	DV	COMPANY NAME/NAME	RELATION- SHIP	TRANSACTION DATE	DATE COMMUNICATED	TRANSACTION TYPE	TYPE OF SECURITY	SERIES	NO SHARES TRADED	UNIT PRICE	TRANSACTION AMOUNT	STOCK EXCHANGE
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	22/12/2017	22/12/2017	E	Share	Single Series	42,343	\$ 2,078.83	\$88,023,981	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	21/12/2017	22/12/2017	E	Share	Single Series	116,470	\$ 2,073.39	\$241,488,002	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	20/12/2017	22/12/2017	E	Share	Single Series	1,243,376	\$ 2,091.59	\$2,600,636,184	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	20/12/2017	21/12/2017	A	Share	Single Series	943,299	\$ 2,090.00	\$1,971,494,910	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	19/12/2017	21/12/2017	E	Share	Single Series	2,627,285	\$ 2,115.19	\$5,557,205,231	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	19/12/2017	19/12/2017	A	Share	Single Series	1,232,771	\$ 2,117.00	\$2,609,776,207	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	18/12/2017	19/12/2017	E	Share	Single Series	1,684,706	\$ 2,112.75	\$3,559,368,819	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	17/11/2017	20/11/2017	E	Share	Single Series	590,000	\$ 2,044.00	\$1,205,960,000	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	17/11/2017	20/11/2017	A	Share	Single Series	590,000	\$ 2,044.00	\$1,205,960,000	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	16/11/2017	16/11/2017	E	Share	Single Series	1,047,775	\$ 1,980.00	\$2,074,594,500	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	16/11/2017	16/11/2017	E	Share	One Only	2,536,000	\$ 1,980.00	\$5,021,280,000	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	16/11/2017	16/11/2017	A	Share	One Only	1,047,775	\$ 1,980.00	\$2,074,594,500	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	15/11/2017	16/11/2017	A	Share	One Only	2,536,000	\$ 1,980.00	\$5,021,280,000	S
Legal entity	94.645.000	6	Inmobiliaria Nague S.A.	CO	13/11/2017	14/11/2017	E	Share	One Only	3,700,000	\$ 2,060.00	\$7,622,000,000	S
Legal entity	95.980.000	6	Forestal O' Higgins S.A.	CO	13/11/2017	14/11/2017	A	Share	One Only	3,700,000	\$ 2,060.00	\$7,622,000,000	S



7.2 DIRECTORS' COMMITTEE ACTIVITIES

During 2017 the Directors' Committee met formally on 13 occasions to review and discuss the matters indicated in Article No. 50 of the Chilean Stock Corporations Law No. 18,046.

The Committee reviewed the External Auditors' Report, and the Consolidated Financial Statements presented by Company management, prior to the Board Meetings in which these would be approved, in order to give their opinions at these meetings.

The Committee therefore analyzed the Statement of Financial Position for CMPC and its subsidiaries as of December 31, 2016, together with the unqualified report on these financial statements prepared by Ernst & Young (E&Y), the independent auditors designated by the shareholders for 2016. The Committee reported on these matters at the Ordinary Shareholders' Meeting held on April 28, 2017.

Additionally, the Committee reviewed the Interim Consolidated Financial Statements for the Company and its subsidiaries as of March 31, 2017, June 30, 2017 and September 30, 2017, prior to the Board Meetings in which these financial statements would be approved.

The Committee was also responsible for proposing names for the designation of CMPC external auditing firms and risk classification agencies to the Board. In addition, it supervised the tender process for contracting these services.

Having reviewed the various proposals, the Committee decided that the best offers had been presented by E&Y and PricewaterhouseCoopers (PwC), given their presence and experience in the industry, the qualifications and experience of the proposed audit team members and partners in charge, and the capacity of these firms to provide global services to CMPC.

The Committee presented both alternatives to the Board, which then presented these to the shareholders, indicating a preference

for E&Y. The Shareholders' Meeting held on April 28 duly chose this firm as external auditors for the 2017 period. The audit plan for the 2017 period included: a description of the scope of annual services, details of the work team, the focus of the audit, an analysis of internal controls, comments about fraud risk factors, and the schedule of auditing activities for the year.

The Committee also considered and recommended approval of additional services from E&Y, to include other specific matters such as a detailed review of the financial derivatives, as well as the subsidiary CMPC USA, and for the audit and certification process of the Integrated Report which uses the Global Reporting Initiative's (GRI) Standards methodology.

During the year, risk classification agencies ICR and Fitch made presentations to the Committee, which then reviewed the rating procedures, these agencies' opinions of CMPC, and the rationale used to support the ratings issued.

The Committee also reviewed and approved the modification of the contract with Nexos Comunicaciones SpA. It examined the details of the financial proposal for services to be carried out in accordance with the plan presented by the Company's Corporate Affairs unit.

Furthermore, the Committee approved the appointment of Entel to provide consulting services related to the Company's analysis of computer network security. It also approved the hiring of services from CBRE to assist with the sale of offices belonging to the subsidiary Forestal Mininco in Concepción, Los Ángeles and Temuco.

The Committee participated in the tender process held in 2017 for the provision of electric power to the CMPC Chilean subsidiaries. The objective of this process was to reduce uncertainty about the price of electric power, while taking advantage of favorable prices in the electricity market at the time. It included an invitation to 16 bidders to present

their bids for the supply of power totaling 1,235 GWh/year. The Committee analyzed the bids and recommended that the contract should be awarded to Enel Distribución and Colbún.

Another Committee activity was an analysis of the selection process of commercial banks offering letters of credit for pulp exports. After reviewing details of the various offers, including the costs, the commercial conditions and the quality of service, the Committee concluded that the best proposals had been presented by BICE and Santander banks. It approved the hiring of their services since these offered the best options for the Company, together with the appropriate market conditions.

The Committee recommended hiring the Amulén Foundation to design solutions for access to drinking water in rural areas and to support production processes in impoverished

local communities. This foundation was chosen given its considerable experience in the development of these types of solutions.

During the period members of the Directors' Committee learned about the bidding process for selecting port services. After reviewing all the relevant information, the Committee approved entering a contract with the port of Lirquén. Also during the year the Committee reviewed remuneration systems and compensation plans for CMPC managers, executives and other employees. In particular, it examined the modifications being made by the Corporate Executive Development division. These are related to the variable income model for executives and supervisors, designed to better align personal and Company objectives, while simplifying the present scheme and matching model with performance evaluation methodologies already implemented by CMPC.

7.3 ESSENTIAL FACTS FOR 2017

On January 27, CMPC informed the market that CMPC Tissue S.A. had come to an agreement with the negotiating committee, formed by the Chilean National Consumer Service (Sernac), the Chilean National Consumers and Users Corporation (Conadecus), and the Organization of Chilean Consumers and Users (Odecu), to pay CLP 97.647 million as restitution to consumers for the excess amounts charged to them, given the facts reported to the National Economic Prosecutor's Office regarding the local tissue market.

On January 31, while multiple forest fires were blazing, CMPC announced that despite allocating all available resources to actively fight the fires, their number and extension, together with the adverse weather conditions, had made it very difficult to control them adequately. The area of affected plantations reached approximately 19,000 hectares. The Company reported that although it was covered by insurance policies, coverage was limited due to the corresponding deductibles. However, the supply of wood for Company operations was not affected.

On March 31, CMPC informed the market that Inversiones CMPC S.A. had issued bonds in the United States amounting to USD 500 million, at a nominal interest rate of 4.37% and with a ten-year term. The effective placement rate was an annual 4.42% with a 2.0% spread over 10-year US Treasury bonds. Interest is to be paid every six months, with a single bullet repayment of capital at the end of the period. This issuance complied with requirements stipulated in the World Bank's "Green Bond Principles" (GBP) and it therefore qualified as a Green Bond. As such, the corresponding financial resources will be used to finance or refinance projects with sustainable environmental benefits. This is the first bond issuance from a Chilean company to qualify as a Green Bond.

On April 28, CMPC announced that the Ordinary Shareholders' Meeting had agreed on the following: approval of the Company's Integrated Report 2016, including annual financial statements and the external auditors' report; distribution of a final dividend of CLP1.26 per share to be charged against distributable profit for 2016; and designation of E&Y as Company external auditors for 2017. The Shareholders' Meeting had also taken note of the dividend policy set by the Board for 2017.

On August 10, the Company made an announcement regarding the Guaiba II Mill, located in the state of Rio Grande do Sul, Brazil. This had shut down operations for 38 days in February 2017, due to damage in its recovery boiler. Following this, plant operations had restarted and continued until its scheduled maintenance in July. As part of this maintenance, the Company received a technical report prepared by specialists, concluding the recovery boiler had suffered internal damage in several places. Considering the availability of spare parts and the time that would be necessary for repairs to take place, it was estimated, with the information available at that time, that the Guaiba Mill would restart operations on November 11, 2017. This implied a loss in production of approximately 400,000 metric tons of pulp, in addition to the losses incurred in February. Loss of sales from this stoppage was estimated at approximately US\$ 200 million, implying a lower operating margin associated with this decrease in pulp sales of around US\$ 140 million. This was reflected in the financial statements for the period of the stoppage, together with US\$ 60 million in expenses related to the repair of the boiler.

On September 7, it was officially announced that the Board of Directors of Empresas CMPC S.A. had agreed not to distribute the interim dividend planned for September in the Company dividend policy as informed to the Ordinary Shareholders' Meeting in April 2017. The reason was the low profits reported by the Company in the second quarter of 2017.

On December 22, CMPC informed the market that the Board of Directors of Empresas CMPC S.A. had agreed not to distribute the interim dividend planned for December in the Company dividend policy as informed to the Ordinary Shareholders' Meeting in April 2017. The reason for this was that profit shown in the Company's financial results for the third quarter of 2017 had been significantly affected by the fluctuation in the exchange rate for the currencies in which CMPC accounts for an important part of its assets. This variation had also resulted in an increased provision for deferred taxes.



08

FINANCIAL STATEMENTS



Red spectacled Parrot or Loro Charao (Brazil)

Amazona pretrei

This is one of the three species of the Amazona genus that inhabit the south of Brazil. It can be identified easily by its crown, flanks and the large bright red rings around its eyes. It feeds on wild fruits of the (Piñeiriño, Guabiroba and Paraíso) trees and the pines cones of native Araucaria trees. Like most parrots, Charaos assemble in large communal flocks, made up of hundreds and sometimes even thousands of birds, to sleep together at night.

8.1 STATEMENT OF RESPONSIBILITY

The Directors and General Manager of Empresas CMPC S.A. signing below, under oath and individually declare themselves responsible for the veracity of all the information in the present Integrated Report 2017, which complies with the standards required by the Superintendencia de Seguridades e Insumos (SVS), as well as those of the Global Reporting Initiative (GRI) and the principles of the International Integrated Reporting Council (IIRC).

Hernán Rodríguez
General Manager

Luis Felipe Gazitúa
President of the Board of Directors

Vivianne Blanlot S.
Director

Rafael Fernández M.
Director

Jorge Larrain M.
Director

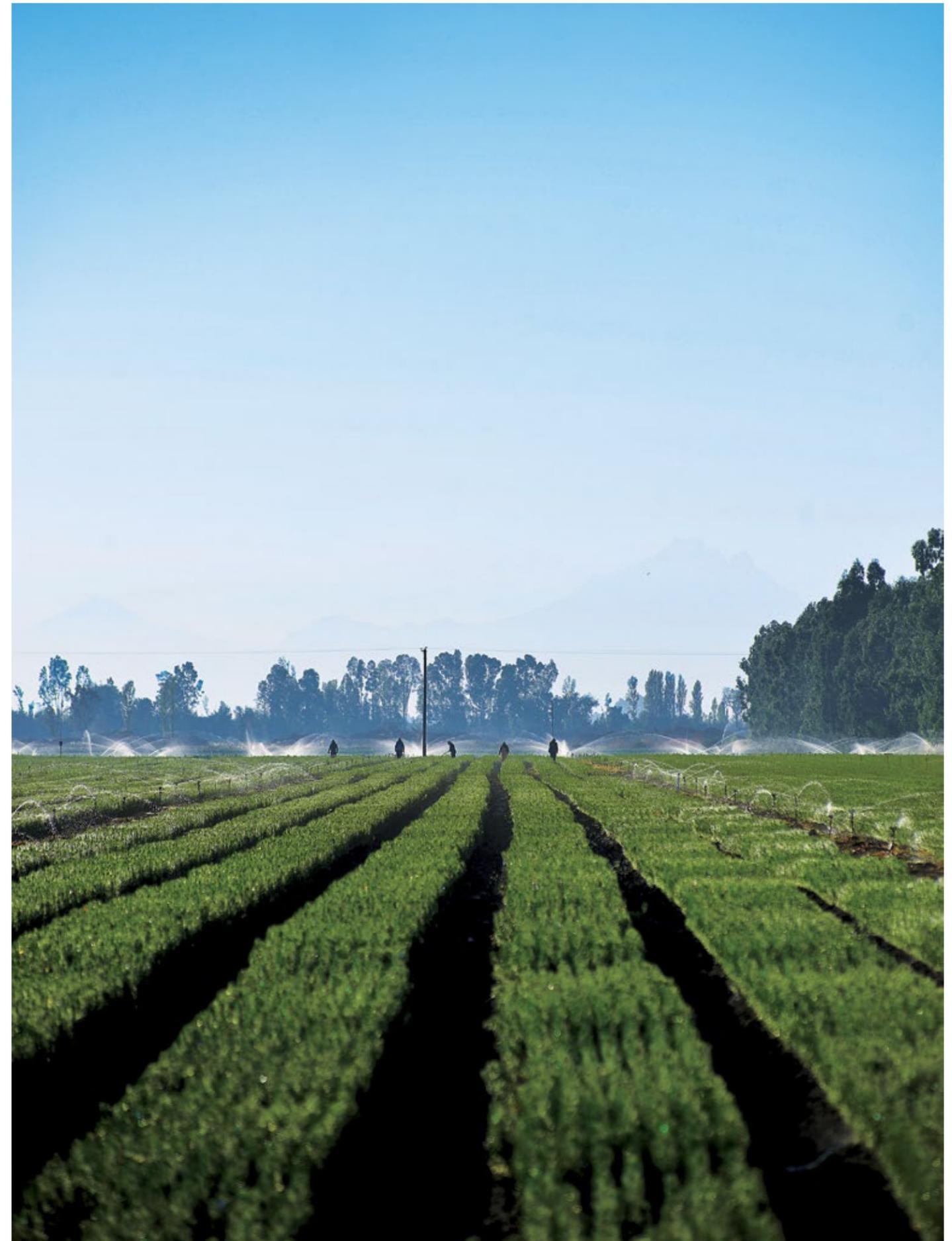
Jorge Matte C.
Director

Bernardo Matte L.
Director

Jorge Marín C.
Director

Ramiro Mendoza Z.
Director

Pablo Turner G.
Director



8.2

LETTERS FROM THE INDEPENDENT AUDITORS



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Santiago
Tel: +56 (2) 2676 1000
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Informe del Auditor Independiente

Señores
Accionistas y Directores
Empresas CMPC S.A.

Hemos efectuado una auditoría a los estados financieros consolidados adjuntos de Empresas CMPC S.A. y afiliadas, que comprenden los estados de situación financiera consolidados al 31 de diciembre de 2017 y 2016 y los correspondientes estados consolidados de resultados integrales, de cambios en el patrimonio y de flujos de efectivo por los años terminados en esas fechas y las correspondientes notas a los estados financieros consolidados.

Responsabilidad de la Administración por los estados financieros consolidados

La Administración es responsable por la preparación y presentación razonable de estos estados financieros consolidados de acuerdo con Normas Internacionales de Información Financiera. Esta responsabilidad incluye el diseño, implementación y mantención de un control interno pertinente para la preparación y presentación razonable de estados financieros consolidados que estén exentos de representaciones incorrectas significativas, ya sea debido a fraude o error.

Responsabilidad del auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros consolidados a base de nuestras auditorías. Efectuamos nuestras auditorías de acuerdo con Normas de Auditoría Generalmente Aceptadas en Chile. Tales normas requieren que planifiquemos y realicemos nuestro trabajo con el objeto de lograr un razonable grado de seguridad que los estados financieros consolidados están exentos de representaciones incorrectas significativas.

Una auditoría comprende efectuar procedimientos para obtener evidencia de auditoría sobre los montos y revelaciones en los estados financieros consolidados. Los procedimientos seleccionados dependen del juicio del auditor, incluyendo la evaluación de los riesgos de representaciones incorrectas significativas de los estados financieros consolidados, ya sea debido a fraude o error. Al efectuar estas evaluaciones de los riesgos, el auditor considera el control interno pertinente para la preparación y presentación razonable de los estados financieros consolidados de la entidad con el objeto de diseñar procedimientos de auditoría que sean apropiados en las circunstancias, pero sin el propósito de expresar una opinión sobre la efectividad del control interno de la entidad. En consecuencia, no expresamos tal tipo de opinión. Una auditoría incluye, también, evaluar lo apropiadas que son las políticas de contabilidad utilizadas y la razonabilidad de las estimaciones contables significativas efectuadas por la Administración, así como una evaluación de la presentación general de los estados financieros consolidados.

Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionarnos una base para nuestra opinión de auditoría.

Opinión

En nuestra opinión, los mencionados estados financieros consolidados presentan razonablemente, en todos sus aspectos significativos, la situación financiera de Empresas CMPC S.A. y afiliadas al 31 de diciembre de 2017 y 2016 y los resultados de sus operaciones y los flujos de efectivo por los años terminados en esas fechas de acuerdo con Normas Internacionales de Información Financiera.

Victor Zamora Q.

EY Audit SpA.

Santiago, 8 de marzo de 2018



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Building a better
working world

Limited Assurance

Statement of CMPC Integrated Report 2017 (free translation from the original in Independent Spanish)

To the President and Directors of
CMPC S.A.

Scope

We have performed an independent limited assurance engagement on the information and data presented in CMPC S.A. 2017 Integrated Report.

Preparation of the Integrated Report is the responsibility of the Management of CMPC S.A. The Management of CMPC S.A. is also responsible for the data and affirmations included in the Integrated Report, definition of the scope and management and control of the information systems that have provided the reported information.

Standards and Assurance Procedures

Our review has been performed in accordance with the International Standard on Assurance Engagements ISAE 3000, established by the International Auditing and Assurance Board of the International Federation of Accountants and the version standard of the guidelines for the preparation of Integrated Reports under the Global Reporting Initiative (GRI).

We conducted our assurance procedures in order to:

- ▶ Determine whether the information and data presented in the 2017 Integrated Report are duly supported by evidence.
- ▶ Verify the traceability of the information disclosed by CMPC S.A. in its Integrated Report 2016.
- ▶ Determine whether CMPC S.A. has prepared its 2017 Integrated Report in accordance with the Content and Quality Principles of the GRI standard.
- ▶ Confirm CMPC S.A. self-declared "Core" option of the GRI standard guidelines to its report.

Work Performed

Our assurance procedures included enquiries to the Management of CMPC S.A. involved in the development of the Integrated Report process, in addition to other analytical procedures and sampling methods as described below:

- ▶ Interviews with key CMPC S.A. personnel, in order to assess the 2017 Integrated Report preparation process, the definition of its content and its underlying information systems.
- ▶ Review of supporting documents provided by CMPC S.A.
- ▶ Review of formulas and calculations by recalculation.
- ▶ Review of the 2017 Integrated Report in order to ensure its phrasing and format does not mislead the reader regarding the information presented.

Our Responsibility

Our responsibility is limited to the procedures mentioned above, corresponding to a limited assurance which is the basis for our conclusions.

Conclusions

Subject to our limitations of scope noted above and on the basis of our procedures for this limited assurance of CMPC S.A. Integrated Report, we conclude that nothing has come to our attention that would cause us to believe that:

- ▶ The information and data disclosed in CMPC S.A. Integrated Report are not presented fairly.
- ▶ CMPC S.A. 2017 Integrated Report has not been prepared in accordance with the GRI standard version guideline for the preparation of Integrated Reports under the Global Reporting Initiative.
- ▶ CMPC S.A. self-declared "Core" option does not meet the GRI standard version requirements for this option.

Improvement Recommendations

Without affecting our conclusions as set out above, we have detected some improvement opportunities for CMPC S.A. Integrated Report 2017, which are detailed in a recommendations report presented to CMPC S.A. Administration.

Truly Yours,

EY Consulting SpA.

Eduardo Valente
Lider de PI de Chile

April 2, 2018
I-00358/18
RGS/xgc

Deloitte.

Carta de Verificación

Santiago, Abril 03, 2018

Señor
Nicolás Gordon Adam
Gerente Sostenibilidad y Medio Ambiente
Compañía Manufacturera de Papeles y Cartones

Presente

De nuestra consideración:

Hemos realizado la revisión de los siguientes aspectos de las cuantificaciones de Emisiones de Gases de Efecto Invernadero (o huella de carbono) Corporativa para el período 2016, esto es, Oficinas Administrativas de la Compañía Manufacturera de Papeles y Cartones (CMPC) compuesto por los siguientes negocios: Empresas CMPC, CMPC Celulosa, CMPC Papeles y CMPC Tissue.

Alcance

Compañía Manufacturera de Papeles y Cartones (CMPC) ha solicitado a Deloitte la verificación del Reporte de Huella de Carbono de las Oficinas Administrativas 2016. Dicho cálculo contempla la estimación de la Huella de Carbono Corporativa de sus oficinas centrales y las casas centrales de las distintas filiales para los negocios previamente mencionados, durante el período comprendido entre el 01 de enero de 2016 y 31 de diciembre de 2016.

El proceso de verificación fue realizado considerando el análisis por cada de una las fuentes de emisiones definidas en la cuantificación de la huella de carbono, estas son: consumo de combustibles en fuentes fijas, consumo de electricidad, transporte de personal considerando hasta la 2da línea de gerencia, y así también, viajes aéreos de negocios.

Las emisiones totales declaradas en el Informe de la Huella de Carbono Corporativa 2016 de las respectivas casas matriz fueron las siguientes:

Negocios	Emisiones Alcance 1 (KgCO ₂ e)	Emisiones Alcance 2 (KgCO ₂ e)	Emisiones Alcance 3 (KgCO ₂ e)	Total Emisiones (KgCO ₂ e)
CMPC Celulosa	54.953	186.038	463.556	704.546
CMPC Papeles	3.659	650.198	134.980	788.837
CMPC Tissue	0	129.401	246.356	375.757
Edificio Corporativo	0	782.973	199.666	982.639
TOTAL CMPC	58.612	1.748.609	1.044.557	2.851.779

Metodología

Nuestra revisión del Inventario de Emisiones de Gases de Efecto Invernadero correspondiente al período 2016, fue realizada de acuerdo con las directrices de las normas ISO 14064 Parte 3 e ISAE 3410, **Assurance Engagements on Greenhouse Gas Statements**. Cabe destacar que esta verificación no constituye una auditoría y, en consecuencia, no expresamos una opinión de auditoría sobre esta declaración.

El proceso de revisión consideró la recepción oficial de información, además de las actividades de verificación realizadas a través de procedimientos analíticos y pruebas de revisión que se describen a continuación:

- Reuniones con la Srta Paulina Martínez, profesional representante de las áreas vinculadas a la realización de cálculo de huella de carbono con alcance 1, 2 y 3.
- Recopilación de información y evidencias para cada una de las casas matriz de las filiales y cada uno de los alcances, a partir del día 23 de enero 2018.
- Revisión de la consistencia y coherencia de los cálculos para cada uno de los alcances del inventario de emisiones de la Huella de Carbono Corporativa.
- Petición y recepción de evidencia no cubierta por el proceso de cálculo del inventario de emisiones GEI 2016.

Conclusiones

- No se ha puesto de manifiesto ningún aspecto que nos haga creer que el Inventario de Emisiones de Gases de Efecto Invernadero realizada por Compañía Manufacturera de Papeles y Cartones no ha sido preparada de acuerdo a los estándares internacionales de aplicación.
- Todas las inconsistencias encontradas fueron aclaradas y mejoradas, por ende, no se ha puesto de manifiesto ningún aspecto que nos haga creer que la información proporcionada acerca del Inventario de Emisiones de Gases de Efecto Invernadero contenga errores significativos.

Responsabilidades de Compañía Manufacturera de Papeles y Cartones y de Deloitte

- La preparación del Reporte de Emisiones de Gases Efecto Invernadero, período 2016, así como el contenido del mismo es responsabilidad de Compañía Manufacturera de Papeles y Cartones, la que además es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.
- Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.
- Este informe ha sido preparado exclusivamente en interés de Compañía Manufacturera de Papeles y Cartones, de acuerdo a los términos establecidos en la Carta de Compromiso.
- Las conclusiones de la verificación realizadas por Deloitte son válidas para el Reporte del Inventario de Emisiones de Gases de Efecto Invernadero para la Compañía Manufacturera de Papeles y Cartones.
- El alcance de una revisión de seguridad limitada es sustancialmente inferior al de una auditoría o revisión de seguridad razonable. Por lo tanto, no proporcionamos opinión de auditoría sobre el Reporte del Inventario de Emisiones de gases efecto invernadero corporativa de la Compañía Manufacturera de Papeles y Cartones para el período 2016.

Saluda atentamente a ustedes,



Fernando Gaziano

Socio

Deloitte.

Carta de Verificación

Santiago, Abril 05, 2018

Señor
Nicolás Gordon Adam
Gerente Sostenibilidad y Medio Ambiente
Compañía Manufacturera de Papeles y Cartones

Presente

De nuestra consideración:

Hemos realizado la revisión de las cuantificaciones de Emisiones de Gases de Efecto Invernadero de Producto para el período 2016, de 22 Plantas productivas pertenecientes a la Compañía Manufacturera de Papeles Cartones detalladas a continuación: Forestal Mininco, Aserradero Mulchen, Aserradero Nacimiento, Aserradero Bucalemu, Remanufactura Clear, Remanufactura Coronel, Plywood, Celulosa Santa Fe, Celulosa Pacifico, Celulosa Laja, Cartulinas Maule, Cartulinas Valdivia, Forsac, EDIPAC, SOREPA, CHIMOLSA, Papeles Cordillera, Envases Impresos Buin, Envases Impresos Til-Til, Envases Impresos Osorno, Tissue Puente Alto y Tissue Talagante.

Alcance

Compañía Manufacturera de Papeles y Cartones ha solicitado a Deloitte la verificación del cálculo de Emisiones de Gases de Efecto Invernadero de Producto para 22 Plantas productivas. Dichos cálculos contemplan la estimación de la Huella de Carbono de Producto para el período comprendido entre el 01 de enero de 2016 y 31 de diciembre de 2016.

El proceso de verificación fue realizado considerando el análisis por cada de una las fuentes de emisiones definidas en la cuantificación de la huella de carbono de producto, siendo consideradas las siguientes: Consumos de combustibles en fuentes móviles, consumo de combustibles en fuentes fijas, consumo de electricidad, compra de materias primas, transporte de insumos, despacho a clientes, entre otras.

Las emisiones totales declaradas en el Informe de la Huella de Carbono de Producto 2016 de cada Planta productiva fueron las siguientes:

Plantas	Emisiones Aguas Arriba (KgCO ₂)	Emisiones Modulo Central (KgCO ₂)	Emisiones Aguas Abajo (KgCO ₂)	Emisiones Producto (KgCO ₂ / unidad de producto)	Emisiones de carbono biogénica (Kg CO ₂ e/ unidad de producto)
1. Forestal Mininco	20.495.484	95.299.131	75.896.827	17,11	0
2. Aserradero Mulchen	59.719.274	9.712.260	10.486.571	457,78	2.050,5
3. Aserradero Nacimiento	55.199.328	2.715.693	8.569.759	412,78	380,8
4. Aserradero Bucalemu	47.769.543	816.344	5.054.347	458,33	0
5. Remanufactura Clear	52.769.425	80.736	4.187.665	1.417,07	0
6. Remanufactura Coronel	53.305.428	475.759	4.810.462	1.268,15	0
7. Plywood	99.127.499	2.590.968	12.915.650	605,04	0
8. Celulosa Santa Fe	539.834.383	243.027.609	75.963.664	615,43	3.114,4
9. Celulosa Pacifico	149.703.728	78.583.280	58.498.608	552,41	2.833,6
10. Celulosa Laja	124.844.165	104.339.109	15.002.262	815,65	3.283,9
11. Cartulinas Maule	312.423.797	129.135.885	21.828.950	1.628,65	0
12. Cartulinas Valdivia	54.099.805	3.491.014	19.384.977	1.195,28	3.998,1
13. Forsac	30.825.527	711.194	2.157.196	1.202,33	0
14. EDIPAC	133.135.442	133.104	3.146.585	1.499,07	0
15. SOREPA	61.308.591	626.485	62.556	241,9	0
16. CHIMOLSA	25.566.359	11.003.792	1.866.590	1.813,1	0
17. Papeles Cordillera	183.475.659	159.031.380	7.139.650	1.154,7	0
18. Envases Impresos Buin	112.947.850	5.219.368	6.068.074	1.543,9	0
19. Envases Impresos Til-Til	72.049.884	3.289.162	3.025.021	1.539,8	0
20. Envases Impresos Osorno	54.733.703	1.884.614	996.081	2.217,54	0
21. Tissue Puente Alto	146.486.220	10.095.821	3.861.141	2.126,91	0
22. Tissue Talagante	142.154.435	96.489.005	22.571.361	2.722,72	0

Metodología

Nuestra revisión del Inventario de Emisiones de Gases de Efecto Invernadero de Producto, período 2016, fue realizada de acuerdo con las directrices de estándar GHG Protocol y la norma ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. Cabe destacar que esta verificación no constituye una auditoría y, en consecuencia, no expresamos una opinión de auditoría sobre esta declaración.

El proceso de revisión consideró la recepción oficial de información, además de las actividades de verificación realizadas a través de procedimientos analíticos y pruebas de revisión que se describen a continuación:

- Reuniones con la Srta. Paulina Martínez y profesionales representante de las áreas vinculadas a la realización de cálculo de huella de carbono de producto para cada planta.
- Recopilación de información y evidencias para cada una de las plantas y cada uno de los alcances, a partir del día 07 febrero 2018.
- Revisión de la consistencia y coherencia de los cálculos para cada uno de los alcances del inventario de emisiones de la Huella de Carbono de Producto.
- Petición y recepción de evidencia no cubierta por el proceso de cálculo del inventario de emisiones GEI 2016.

Conclusiones

- No se ha puesto de manifiesto ningún aspecto que nos haga creer que el Inventario de Emisiones de Gases de Efecto Invernadero realizada por Compañía Manufacturera de Papeles y Cartones no ha sido preparada de acuerdo a los estándares internacionales de aplicación.
- Todas las inconsistencias encontradas fueron aclaradas y mejoradas, por ende, no se ha puesto de manifiesto ningún aspecto que nos haga creer que la información proporcionada acerca del Inventario de Emisiones de Gases de Efecto Invernadero contenga errores significativos.

Responsabilidades de Compañía Manufacturera de Papeles y Cartones y de Deloitte

- La preparación del Reporte de Emisiones de Gases Efecto Invernadero, periodo 2016, así como el contenido del mismo es responsabilidad de Compañía Manufacturera de Papeles y Cartones, la que además es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.
- Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.
- Este informe ha sido preparado exclusivamente en interés de Compañía Manufacturera de Papeles y Cartones, de acuerdo a los términos establecidos en la Carta de Compromiso.
- Las conclusiones de la verificación realizadas por Deloitte son válidas para el cálculo del Inventario de Emisiones de Gases de Efecto Invernadero de Producto para las Plantas productivas: Forestal Mininco, Aserradero Mulchen, Aserradero Nacimiento, Aserradero Bucalemu, Remanufactura Clear, Remanufactura Coronel, Plywood, Celulosa Santa Fe, Celulosa Pacifico, Celulosa Laja, Cartulinas Maule, Cartulinas Valdivia, Forsac, EDIPAC, SOREPA, CHIMOLSA, Papeles Cordillera, Envases Impresos Buin, Envases Impresos Tii-Tii, Envases Impresos Osorno, Tissue Puente Alto y Tissue Talagante pertenecientes a la Compañía Manufacturera de Papeles y Cartones.
- El alcance de una revisión de seguridad limitada es sustancialmente inferior al de una auditoría o revisión de seguridad razonable. Por lo tanto, no proporcionamos opinión de auditoría sobre el cálculo del Inventario de Emisiones de gases efecto invernadero de las 22 Plantas productivas de la Compañía Manufacturera de Papeles y Cartones para el período 2016.

Saluda atentamente a ustedes,

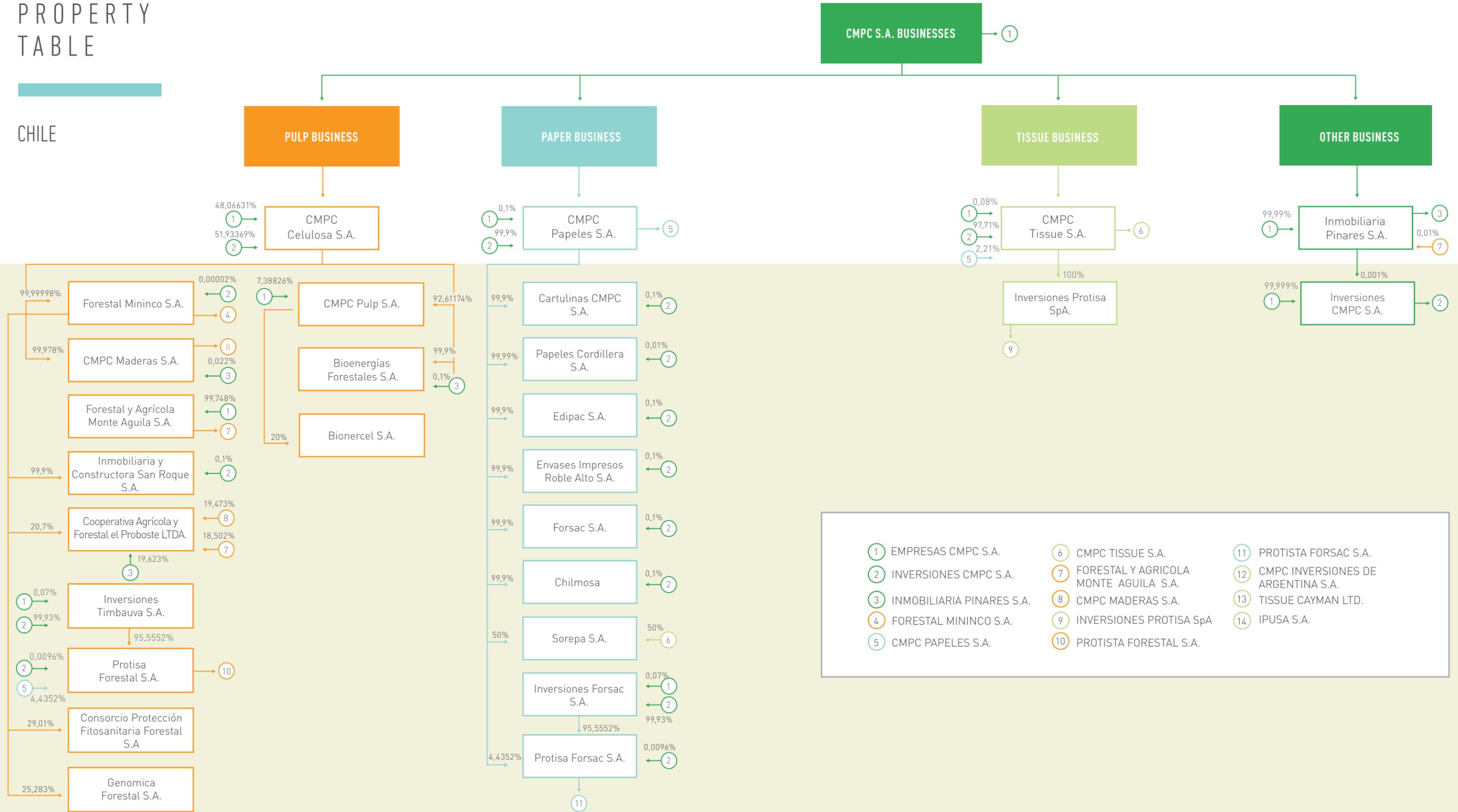


Fernando Gaziano

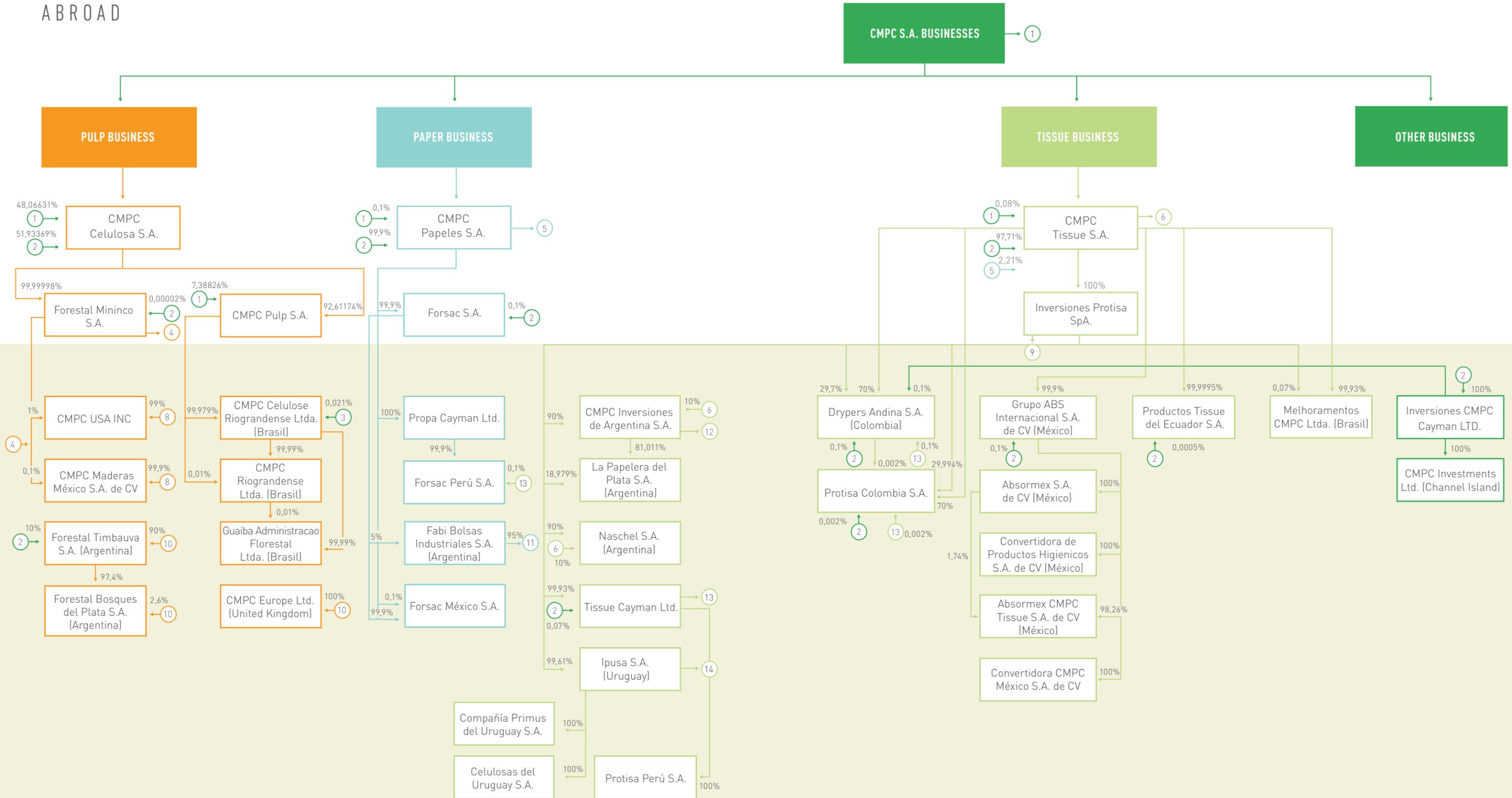
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8.3 PROPERTY TABLE

CHILE



ABROAD



8.4 EQUITY AND PROFIT TABLE

CMPC SUBSIDIARY COMPANIES, IN CHILE

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Inversiones CMPC S.A.	Foreign and domestic investment in all moveable intangible goods and, in particular, participation as a shareholder in any kind of association and investment, domestic or foreign, in immovable goods.	A private limited company. Established as N° 672 on the Securities Register. Registered by public deed on January 2, 1991, before the Santiago Notary Public, Ruben Galecio G. R.U.T. 96.595.540-8	5,489,151	76,028	100%	Ignacio Goldsack Trebilcok	President Directors	Hernán Rodríguez Wilson Guillermo Turner Olea Jacqueline Saquel Mediano Rafael Cox Montt Rodrigo Gómez Fuentes
Inmobiliaria Pinares S.A.	The acquisition of land, its subdivision, allotment and urbanization, the construction of council housing, whether independently or on behalf of others, and the disposal of such properties.	A private limited company. Registered by public deed as a limited liability company on April 29, 1990, before the Notary Public of Concepcion, Mr. Humberto Faundez R. Changed to closed stock company by public deed on December 20, 2000 before the acting Notary Public of Concepcion Mr. Walter Otarola A., and the summary was filed on January 24, 2001. R.U.T 78.000.190-9	1,453	(939)	100%	Rodrigo Levy Wilson	President Directors	Alejandro Araya Yáñez Luis Llanos Collado Rafael Cox Montt
Forestal y Agrícola Monte Aguila S.A.	The forestry and agricultural exploitation of real estate owned, acquired, owned or exploited in any capacity through the execution of agricultural, livestock or forestry work and other activities that are directly or indirectly related to its corporate purpose; as well as the commercialization and / or exploitation in any form of the products and by-products obtained from the forestry and agricultural exploitation and the rendering to third parties of services related to the business of the company.	A private limited company. Established by public deed on October 11, 1985, before Notary Public of Santiago, Mr. Andres Rubio F., under the name of Forestal Colcura S.A. On December 3, 1992, at an Extraordinary General Meeting of Shareholders of the Company, it was agreed to change the trade name to Forestal y Agrícola Monte Aguila S.A., which was registered by public deed on the same date before the Notary Public of Santiago, Mr. Sergio Rodríguez G. R.U.T 96.500.110-7	151,547	275	99.748%	Luis Rodríguez Rodríguez	President Directors	Francisco Ruiz-Tagle Edwards Eduardo Hernández Fernández José Antonio Correa García Luis Llanos Collado Alejandro Araya Yáñez
CMPC Celulosa S.A.	The practice of all forms of investment in all types of goods whether tangible or intangible, immovable or moveable, transferrable securities or negotiable instruments, held in stocks, bonds and debentures, rights, investments in mutual funds or participation in any kind of society or association, with the power to enter into any kind of act or contract in Chile or abroad that would lead to the fulfilment of such objectives, including even the power to buy or acquire other companies in any form, whether currently in existence or to be founded in the future or participate in the establishment of the same, manage them and enjoy the profits thereof; and ii) the provision of any kind of remunerated service, advisory or consultancy, in management, logistics or any other support area.	A private limited company. Established by public deed on May 16, 2016 before Notary Public Eduardo Avello Concha. R.U.T. 76.600.628-0	4,945,347	31,693	100%	Francisco Ruiz-Tagle Edwards	President Directors	Luis Felipe Gazitúa Achondo Bernardo Matte Izquierdo Hernán Rodríguez Wilson Jorge Larraín Matte Jorge Matte Capdevila Osvaldo Burgos Schrimmer Sergio Colvin Trucco

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
CMPC Papeles S.A.	The manufacture, import, export and general marketing of paper in all its various forms.	A private limited company. Established by public deed on April 20, 1988, before Notary Public Enrique Morgan T. The extract was published in the Official Gazette on May 4, 1988, under the trade name CMPC Capital de Riesgo S.A.. On July 7, 1998, the Extraordinary General Meeting of Shareholders was registered by the Notary Public Raul I. Perry P., in which it was agreed to change the trade name to "CMPC Papeles S.A.". The extract of the aforementioned deed was published in the Official Gazette on July 14, 1998. R.U.T. 79.818.600-0	1,041,311	25,405	100%	Luis Llanos Collado	President Directors	Jorge Matte Capdevila Vivianne Blanlot Soza Andrés Echeverría Salas Bernardo Matte Izquierdo Hernán Rodríguez Wilson Washington Williamson Benaprés.
CMPC Tissue S.A.	The manufacture and/or transformation of sanitized products, diapers, towels, servillettes, facial towels and tissues, and other products made of tissue or similar material, finished or semi-finished. Trading, import, export, consignment, distribution, representation and marketing, either independently or on behalf of a third party, of the products indicated and also of spare parts, raw materials and equipment.	A private limited company. Established by public deed on February 24, 1988, before Notary Public of Santiago Mr. Sergio Rodríguez G., under the name "Forestal e Industrial Santa Fe S.A." On January 6, 1998, the Seventh Extraordinary General Meeting of Shareholders of the company agreed to change the trade name to "CMPC Tissue S.A." which was registered/ legalized by public deed on January 27, 1998 before the Notary Public of Santiago, Mr. Raul I. Perry P.	828,669	107,692	100%	Gonzalo Darraidou Díaz	President Directors	Luis Felipe Gazitúa Achondo Bernardo Matte Izquierdo Hernán Rodríguez Wilson Jorge Larraín Matte Jorge Matte Capdevila Pablo Turner González Verónica Edwards Guzmán
CMPC Celulosa S.A.	The production, marketing, import and export of pulp, paper and their derivatives in all their various forms, as well as any other operations associated with this objective; the purchase and sale of wood in any state, including standing forests; and owning shares or investing in companies whose objective encompasses the aforementioned activities.	A private limited company. Established by public deed on March 31, 1988 before the Notary Public of Santiago, Mr. Enrique Morgan T., under the name "Celulosa del Pacifico S.A." On December 31, 1998, the Extraordinary General Meeting of Shareholders of the company agreed to change the trade name to "CMPC Celulosa S.A." R.U.T. 96.532.330-9	2,231,264	135,922	100%	Francisco Ruiz-Tagle Edwards	President Directors	Luis Felipe Gazitúa Achondo Bernardo Matte Izquierdo Francisco Ruiz-Tagle Edwards Hernán Rodríguez Wilson Sergio Colvin Trucco
Inversiones Timbauva S.A.	The practice of all forms of investment in all types of goods whether tangible or intangible, immovable or moveable, transferrable securities or negotiable instruments, including those held in stocks, bonds and debentures, rights, investments in mutual funds or involvement in any kind of society or association, with the power to execute any kind of act or contract in Chile or abroad that would lead to the fulfilment of such objectives, including even the power to buy or acquire other companies or their assets, become a partner or shareholder in another company of any kind, whether currently in existence or to be founded in the future, or participate in the founding of the same, manage and enjoy the profits thereof.	Company established by public deed on November 17, 2017 before the Notary Public of Santiago, Mr. Eduardo Diez Morello.	185,728	2,776	100%	...	President Directors	Hernán Rodríguez Wilson Guillermo Turner Olea Jacqueline Saquel Mediano Rafael Cox Montt Rodrigo Gómez Fuentes
Inversiones Forsac S.A.	The practice of all forms of investment in all types of goods whether tangible or intangible, immovable or moveable, transferrable securities or negotiable instruments, including those held in stocks, bonds and debentures, rights, investments in mutual funds or involvement in any kind of society or association, with the power to execute any kind of act or contract in Chile or abroad that would lead to the fulfilment of such objectives, including even the power to buy or acquire other companies or their assets, become a partner or shareholder in another company of any kind, whether currently in existence or to be founded in the future, or participate in the founding of the same, manage and enjoy the profits thereof.	Company established by public deed on November 17, 2017 before the Santiago Notary Public, Mr. Eduardo Diez Morello.	11,351	(250)	100%	...	President Directors	Hernán Rodríguez Wilson Guillermo Turner Olea Jacqueline Saquel Mediano Rafael Cox Montt Rodrigo Gómez Fuentes
Forestal Mininco S.A	Forestation and reforestation, on company or third party property; the purchase and sale of land, forests, wood, seeds, plants and other similar products; the marketing, export and import of wood products and their derivatives; and the provision of forestry, management and other services.	A private limited company. Established by public deed on July 22, 1949 before the Valparaiso Notary Public Ernesto Cuadra M. modified by deed registered on September 20, 1949 before the same notary. Authorized by State Department Decree No. 8044 dated October 20, 1949. R.U.T. 91.440.000-7	2,542,482	(63,187)	100%	Eduardo Hernández Fernández	President Directors	Francisco Ruiz-Tagle Edwards Guillermo Turner Olea Hernán Rodríguez Wilson Jorge Matte Capdevila Luis Felipe Gazitúa Achondo
CMPC Maderas S.A.	The exploitation of the sawmill industry, the marketing, export and import of forestry products, and the implementation of any kind of operation relating to forestry; the provision of forestry, management and other services; offer, hire, let or sublet any kind of goods, whether fixed or mobile.	A private limited company. Established by public deed on October 28, 1983 before the Santiago Notary Public Enrique Morgan T. On November 27, 2000 a public deed was registered by the same notary for the Extraordinary Meeting of Shareholders during which the Company Name was changed to "CMPC Maderas SA." The summary of this deed was published in the Official Journal dated December 2, 2000. R.U.T. 95.304.000-k	335,428	(20,577)	100%	Hernán Fournies Latorre		Francisco Ruiz-Tagle Edwards Luis Felipe Gazitúa Achondo Guillermo Turner Olea Jorge Matte Larraín Hernán Rodríguez Wilson

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Cooperativa Agrícola y Forestal El Proboste Ltda.	Perform on behalf of its associates the administration, operation and maintenance of the Proboste and Galumavida estates located in the district of Empedrado and Chanco, Constitución, especially in terms of carrying out the work of care, forestation and pine forest or other forest species located on the aforementioned properties.	A limited liability company. Authorized by the Ministry of Agriculture's Supreme Decree No. 971 on October 17, 1958. The statutes in effect since April 28, 1990, were modified and approved at the General Meeting of Shareholders, this act was registered by public deed dated April 6, 2004 at the Santiago Notary Public René Benavente Cash, summary of this deed was registered in 2004 with the Register of Commerce of the Real Estate Property Registry of Santiago and was published in the Official Journal dated April 17, 2004. The Department of Cooperatives from the Ministry of Economy, Development and Reconstruction issued certificate No. 529 dated March 31, 2004, which leaves a record of the minutes of the General Meeting and the company's statutes amendment. R.U.T 70.029.300-9	8,396	(3,479)	78,298%	Víctor Fuentes Palma	President Directors	Hernán Fournies Latorre Cristián Rodríguez Velasco Juan Andrés Celhay Schoerlermann Patricio Javier Santibáñez Carmona
Bioenergías Forestales S.A.	a) Production, transport, distribution, supply and distribution of energy. b) Management and operation of energy generating stations. c) Provision of services and performance of any activity associated with the energy industry.	Company established by public deed dated November 22, 2011 before the Santiago Notary Public Raúl Iván Pérez P. R.U.T. 76.188.197-3	5,727	(3,734)	100%	Ronald Haemmerli	President Directors	Francisco Ruiz-Tagle Edwards Eckart Eitner Delgado Gonzalo Darraidou Díaz Luis Llanos Collado
Inmobiliaria y Constructora San Roque S.A.	The purchase, sale, rental, temporary stoppage and in general the exploitation of any kind of urban or rural real estate; the construction whether directly or via third parties of any kind of real estate and in general, the performance of any kind of act and entrance into all types of contracts that might be necessary for the fulfilment of the goal of the company or to run its business operations.	A private company established by public deed dated November 4, 2014 before the Santiago Notary Public Eduardo Diez Morello. A summary of this deed was recorded in sheets 90,718, Number 55,359 of the Real Estate Property Registry of Santiago in 2014. It was published in the Official Journal on the edition date December 4th of the same year.	10,362	10,228	100%	Pablo Smith	President Directors	Francisco Ruiz-Tagle Edwards José Antonio Correa García Luis Llanos Collado
Cartulinas CMPC S.A.	The production, export, import and sale of paper or paper products and their derivatives, forestry activities, the exploitation of forests, the acquisition or disposal of any deeds to agricultural property and the sale of wood; to this end, to carry out the activities, perform all the investments or business practices and subscribe to all contracts that may be deemed necessary.	A private limited company. Established by public deed on April 27, 1995, before the Santiago Notary Public Raul Perry P. The summary was published in the Official Journal on May 16, 1995 and registered with the Registry of Commerce of Puente Alto on May 22, 1995 in FS. 41 No. 41 by the name "CMPC PAPELES S.A.". On June 24, 1998, before the same notary, the Extraordinary General Meeting of Shareholders, during which the company name was changed to "CARTULINAS CMPC S.A." was registered by Public Deed. The summary of the public deed for the Fourth Extraordinary Meeting of Shareholders, registering expansion of the company's business activities, was registered before Santiago notary Iván Torrealba A. Summary of said deed was published in the Official Journal on October 10, 2003. R.U.T 96.731.890-6	584,382	9,970	100%	Francisco García-Huidobro	President Directors	Luis Llanos Collado Guillermo Turner Olea Hernán Rodríguez Wilson Jorge Matte Capdevila Luis Felipe Gazitúa Achondo
Papeles Cordillera S.A.	The production, export, import and sale of paper and paper products and their derivatives, forestry activity in any of its forms and the investment of company resources associated with any of the business practices indicated.	A private limited company. Established by public deed on March 9, 1998 before Santiago Notary Public Gonzalo de la Cuadra F. Registered in the Registry of Commerce on March 13 1998, in FS. 5993 NO. 4812. R.U.T 96.853.150 - 6	186,548	4,848	100%	Edgar González Tatlock	President Directors	Luis Llanos Collado Cristóbal Somarriva Quezada Guillermo Turner Olea Jacqueline Saquel Mediano

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Forsac S.A.	The manufacture of paper products and materials for packing, wrapping and other purposes, and articles related to paper, as well as the purchase, sale, import or export of the aforementioned, or similar, products.	On January 21, 2010, the Company Name change dated October 4, 1989, was approved before the Santiago Notary Public Aliro Veloso M, under the name Forestal Angol Ltda. By means of public deed dated April 3, 1998, before the Santiago Notary Public Jaime Morandé, the company name and its business were changed to Papeles Angol S.A. dated May 5, 1998, the First Extraordinary General Meeting of Shareholders, after absorbing PROPA S.A. R.U.T. 79.943.600-0. At PROPA's Fifth Extraordinary Meeting of Shareholders on January 21, 2010, the Company Name change to "FORSAC S.A." was approved and registered by public deed on March 10, 2010 before Notary Public Raúl Iván Perry Pefaur.	33,335	1,765	100%	Rolf Zehnder Marchant	President Directors	Luis Llanos Collado Ignacio Goldsack Trebilcock Jacqueline Saquel Mediano Rafael Cox Montt
Empresa Distribuidora de Papeles y Cartones S.A. (EDIPAC)	The purchase, sale, consignment, marketing and distribution, whether for the company itself or for third parties, of paper, cardboard and other products derived from pulp and paper.	A private limited company. Established by public deed on December 24, 1981, before the Santiago Notary Public Jorge Zañartu S. R.U.T. 88.566.900-K.	16,825	2,586	100%	Nicolás Moreno López	President Directors	Luis Llanos Collado Cristóbal Somarriva Quezada, Guillermo Turner Olea Ignacio Goldsack Trebilcock Eduardo Gildemeister Meier
Envases Impresos S.A.	The production of printed and watermarked corrugated cardboard boxes.	A private limited company. Established by public deed on October 25, 1993, before the Santiago Notary Public Raul Perry P. R.U.T. 89.201.400-0.	98,444	(948)	100%	Pablo Sufán González	President Directors	Luis Llanos Collado Cristóbal Somarriva Quezada Guillermo Turner Olea Jacqueline Saquel Mediano
Chilena de Moldeados S.A. (CHIMOLSA)	Manufacturing and selling wholesale and retail the manufacture and wholesale/retail sale of export fruit trays, trays and cartons for eggs and other products; in general, molded packaging of different types, sizes, and styles; the import, export, purchase and sale of these same items.	A private limited company. Established by public deed on March 31, 1976, before the Santiago Notary Public Enrique Zaldívar D. R.U.T. 93.658.000-9	33,367	3,899	100%	Bernardo Serrano	President Directors	Luis Llanos Collado Cristóbal Somarriva Quezada Guillermo Turner Olea Jacqueline Saquel Mediano
Sociedad Recuperadora de Papel S.A. (SOREPA)	The recovery of paper and cardboard and the sale of new or used paper.	A private limited company. Established by public deed on October 1, 1979, before the Santiago Notary Public Patricio Zaldívar M. R.U.T. 86.359.300-K.	20,180	(482)	100%	Eduardo Gildemeister Meier	President Directors	Luis Llanos Collado Miguel Irarrázaval Errázuriz Cristóbal Somarriva Quezada Guillermo Turner Olea
Inversiones Protisa SpA	The realization of all types of investments, in particular the buying and selling of shares or debt, operations on the capital market and application of their resources to all types of financial businesses related to their own.	A private limited company. Established by public deed on March 4, 1998, before the Santiago Notary Public Gonzalo de la Cuadra F. R.U.T. 96.859.760-5	281,753	24,123	100%	Alfredo Bustos Azócar	President Directors	...
Protisa Forestal S.A.	The realization of all types of investments for all types of property, both tangible and intangible, real estate or furniture, securities or effects of trade, including stocks, bonds and debentures, rights, shares in mutual funds or shares in any kind of partnership or association, and can hold all kinds of acts and contracts in Chile or abroad leading to the fulfilment of this objective, and may even buy or acquire other companies or their assets, participate as a partner or shareholder of other societies of any nature, whether they currently exist or are founded in the future and may establish, manage and profit from them.	A private company established by public deed on October 19, 2017 before Santiago Notary Public Eduardo Diez Morello.	194,367	2,905	100%	...	President Directors	Hernán Rodríguez Wilson Guillermo Turner Olea Jacqueline Saquel Mediano Rafael Cox Montt Rodrigo Gómez Fuentes
Protisa Forsac S.A.	The realization of all kinds of investments in all types of property, whether personal or incorporeal, estate or furniture, securities or effects of trade, including stocks, bonds and debentures, rights, shares in mutual funds or shares in any kind of partnership or association, and can hold all kinds of acts and contracts in Chile or abroad leading to the fulfilment of this object, and may even buy or acquire other companies or their assets, participate as a partner or shareholder of other societies of any nature, whether they currently exist or become future or attend the Constitution of them, manage them and receive its fruits.	A private company established by public deed on October 19, 2017 before Santiago Notary Public Eduardo Diez Morello.	11,879	(262)	100%	...	President Directors	Hernán Rodríguez Wilson Guillermo Turner Olea Jacqueline Saquel Mediano Rafael Cox Montt Rodrigo Gómez Fuentes

SUBDIARIES OF CMPC ABROAD

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
CMPC Inversiones de Argentina S.A. (Argentina)	Involvement in financial activities, independently or on behalf of third parties and their associates.	A private limited company. Established by deed dated June 29, 1992, Argentina. CUIT 30-65451689-4	54,592	11,675	100%	Juan La Selva De Lisio	President Directors	Juan La Selva Da Lisio Jorge Luis Pérez Alati Jorge Schrmann Martirena Paula Jimena Cecchini
Forestal Bosques del Plata S.A. (Argentina)	Agricultural forestation and livestock use of real estate holdings. Purchase and sale of real estate, urban or rural. Industrial exploitation of wood, its serrated fractionation, conditioning and conservation.	A private limited company. Established by public deed on August 30, 1993 and registered at the Argentine Inspector General for Justice on September 23, 1993, under the name Proyectos Australes S.A. The Company Name was changed to Forestal Bosques del Plata S.A. by a decision reached at the Extraordinary General Meeting of Shareholders on January 2, 2001, recorded in a public deed dated May 9, 2001 and registered at the Inspector General for Justice on May 22, 2001, Argentina.	215,119	6,204	100%	Sergio Álvarez	President Directors	Juan La Selva Da Lisio Jorge Luis Pérez Alati Jorge Schrmann Martirena Paula Jimena Cecchini
Forestal Timbauva S.A. (Argentina)	Involvement in financial activities, independently or on behalf of third parties and their associates.	A private company. Established by public deed on August 5, 2011 and registered at the Argentine Inspector General for Justice on August 17, 2011. Tax ID number CUIT currently being processed at AFIP.	209,478	8,868	100%	Sergio Álvarez	President Directors	Juan La Selva Da Lisio Jorge Luis Pérez Alati Jorge Schrmann Martirena Paula Jimena Cecchini
Naschel S.A. (Argentina)	Printing of rolls of paper, polyethylene and polypropylene.	A private company. The social statute was approved by Decree of the National Executive Power on November 24, 1955, granting legal status, transcribed in the definitive public deed dated January 23, 1956, before the notary public Weinich Waisman, in Buenos Aires, Argentina, and later modified by division and reduction of capital by means of a deed dated 2 January 1996, before the notary don Raúl Félix Vega Olmos, Buenos Aires, Argentina. CUIT 30-50164543-1	446	108	100%	Juan La Selva De Lisio	President Directors	Juan La Selva Da Lisio Jorge Schrmann Martirena Juan Pablo Rueda Paula Jimena Cecchini
Fabi Bolsas Industriales S.A. (Argentina)	Manufacture of paper and cardboard bags.	A private company. Established by public deed on January 2, 1996, before the Notary Public Raúl Félix Vega O., Buenos Aires, Argentina.	12,505	(972)	100%	Adrian Saj	President Directors	Juan La Selva Da Lisio Jorge Luis Pérez Alati Jorge Schrmann Martirena Paula Jimena Cecchini
La Papelera del Plata S.A. (Argentina)	The manufacture, industrialization, production and marketing of all kinds of paper, boxes, cardboard, products and by-products thereof in all their forms. Forestry and timber exploitation, industrialization and marketing of their products.	A private company. Approved by the Executive Power of the Province of Buenos Aires on September 2, 1929, Argentina. CUIT 30-50103667-2	67,485	17,688	99,9906%	Juan La Selva De Lisio	President Directors	Jorge Luis Pérez Alati Alfredo Bustos Azócar Jorge Schrmann Martirena Juan La Selva Da Lisio Juan Pablo Rueda Paula Jimena Cecchini

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Melhoramentos CMPC Ltda. (Brazil)	The manufacture and/or conversion of hygiene products, diapers, towels, napkins, handkerchiefs, facial wipes and other tissue products and the like, finished or semi-finished. The sale, import, export, scheduling, distribution, representation and marketing, both independently and on behalf of third parties, of the products listed, as well as spare parts, raw materials and equipment. The manufacture, production, processing and marketing in any of its forms of pulp and its derivatives.	A private limited company established and registered on August 29, 1974 under the N ° 35.200.929.860 at the Trade Board of the State of São Paulo, Brazil; under the name dde K.C. do Brazil Ltda. The Company Name was changed on September 22, 1994, to Melhoramentos Papéis Ltda. During the June 01, 2009 meeting, control of the company was transferred to CMPC Participações Ltda., which was incorporated into Melhoramentos Papeis in March of 2010. In September 2010, capital was increased by US \$50 million (R\$ 85 million). CNPJ 44.145.845/0001-40	296,982	(3,103)	100%	Pedro Urrechaga C.	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Alejandro Araya Yáñez Rafael Schmidt Zaldivar
CMPC Celulose Riograndense Ltda. (Brazil)	Forestation and reforestation; industrialization and trade location of forest products, pulp, paper and their by-products; the exploration of renewable energy sources; the exercise of industrial, commercial and agricultural activities in general; production, purchase, sale, import, export and marketing of products made and derived from paper, cosmetics and hygiene products for adults and children, utensils and containers for daily use; the operation of the port terminal, participation in other companies and businesses as partner, shareholder or member of the consortium, including investment in industry, trade and other areas of the economy.	A company established on 10/15/2009, whose social contract is archived at the Trade Board of Rio Grande do Sul under the number 43.206.502.899, at the 10/19/2009 meeting under the name of CMPC Celulosa do Brazil Ltda. The Company Name was modified on 6/12/2010 to CMPC Celulose Riograndense Ltda., record of which was filed on 07/20/2010 at the Trade Board of Rio Grande do Sul under the number 3332804.	2,181,431	(29,344)	100%	Walter Lidio Nunes	President Directors	Francisco Ruiz-Tagle Edwards Bernardo Matte Izquierdo Guillermo Turner Olea Hernán Rodríguez Wilson Luis Felipe Gazitúa Achondo Osvaldo Burgos Schirmer Sergio Colvin Truco
CMPC Riograndense Ltda. (Brazil)	The production, purchase, sale, import, export and marketing of products made and derived from paper, cosmetics and hygiene products for adults and children, utensils and containers for daily use; forestation and reforestation; the industrialization and marketing of forest products and pulp; the exploration of renewable energy sources; the exercise of industrial, commercial and agricultural activities in general; participation in other companies and entrepreneurs as a partner, shareholder or member of the consortium, including investment in the industry, trade and other areas of the economy.	A established founded on 05/03/1999 with its social contract filed at the Trade Board of São Paulo under the number 35.215.672.118 at the 5/11/1999 session under the name of Boise Cascade do Brazil Ltda. The headquarters of the Company was modified on 9/01/2000 to Rio Grande do Sul, at the 10/17/2000 session under the number 43.204.523.520. The Company Name was modified on 07/23/2008 to Aracruz Riograndense Ltda., the record filed at the Trade Board of Rio Grande do Sul under the number 3005323. Finally, the Company Name was changed to CMPC Riograndense Ltda. during the 1/20/2010 session under the number 352959.	28,321	(243)	100%	Walter Lidio Nunes	President Directors	Walter Lidio Nunes Fernando Hasenberg Larios
Guaiba Administracao Florestal Ltda. (Brazil)	A management company for the sole purpose of objectives, research and management.	A company established on 10/22/2009, with registered constituent record at the State of Commerce of Rio Grande do Sul - JUCERGS, numbered 43206511251, dated 10/29/2009. The last Social Contract modification presented with the number 3581427 on 01/27/2012. CNPJ: 11.308.600/0001-38	70,408	(520)	100%	Walter Lidio Nunes	Directors	Walter Lidio Nunes Fernando Hasenberg Larios
Losango - FBR Florestal Ltda. (Brazil)	Support activities for forest production.	Losango-FBR Florestal Limitada. Incorporated on 10/23/2012., Registration CNPJ 17.157.185 / 0001-45	164,967	(2.373)	100%
CMPC Investments Ltd. (Channel Island)	Financial investment activities for holdings and subsidiaries	A private limited company. Established in Guernsey, The Channel Islands, England, May 28, 1991. Registry office P.O. Box 58, St. Julian Court St. Peter Port.	54,791	(10)	100%	Fernando Hasenberg Larios	President Directors	Hernán Rodríguez Wilson Luis Llanos Collado

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Drypers Andina S.A. (Colombia)	The production, import, marketing, advertising, sale and export of disposable baby diapers and other related consumer products.	A limited private company. Established by public deed number 0000374 before Notary number 49 in Bogota on February 16, 1999. The legal entity Drypers Andina & Cias S.C.A. was formed. It was agreed to change the limited joint-stock partnership to a private company by way of public deed No 0001598 before Notary 15 in Cali on September 7, 2001. RUT 817.002.753-0	27,230	(5,466)	100%	Andrés Ortega	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Rafael Cox Montt Cristóbal Somarriva Quezada Rafael Schmidt Zaldívar
Protisa Colombia S.A. (Colombia)	The production, import, marketing, advertising, sale and export of disposable diapers for babies, paper products, health products, including but not limited to diapers, toilet paper, paper towels, napkins, general health products (diapers adult, feminine pads, towelettes, protectors, etc.) and other related consumer products.	A limited private company. Established by public deed number 0002539 before Notary 16 in Bogota on October 28, 2008. The legal entity Protisa Colombia S.A. was formed RUT 900.251.415-4	74,066	126	100%	Andrés Ortega	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Rafael Cox Montt Cristóbal Somarriva Quezada Rafael Schmidt Zaldívar
Productos Tissue del Ecuador S.A. (Ecuador)	The manufacture, processing, sales and any form of marketing for all types of paper, including but not limited to: napkins, paper towels, paper tablecloths, disposable paper towels, and in general all types or forms of paper or paper-based products for which paper is a primary or secondary material.	A private limited company. Established by public deed on April 24, 2007, before Notary Forty of the Metropolitan District of Quito. RUC 1792083354001	30,242	(3,803)	100%	José Luis Aravena Aguirre	President Directors	Alfredo Bustos Azócar Gonzalo Darraidou Díaz Rafael Cox Montt
CMPC Europe Ltd. (Inglaterra)	The promotion and distribution of pulp and wood products.	Established on January 7, 1991 under registration No. 2568391 of London, England.	245	(50)	100%	Mr. Kiran Dhanani	Directors	Guillermo Mullins Lagos Cristóbal Somarriva Quezada Rodrigo Gómez Fuentes Washington Williamson Benapres
Inversiones CMPC Cayman Ltd. (Cayman Islands)	The realization of all types of commercial and financial investments and participation, in particular, as shareholder in all kinds of companies.	A private company established under the laws of Cayman Islands, according to record N° 77890 dated November 21, 1997, before the Cayman Island's Companies Registry.	496,751	(16)	100%	...	President Directors	Luis Llanos Collado Rafael Cox Montt Alejandro Araya Yañez
Tissue Cayman Ltd. (Cayman Islands)	The realization of all types of commercial and financial investments and participation, in particular, as shareholder in all kinds of companies.	Private company established under the laws of Cayman Islands, according to record N° 92448 dated September 9, 1999, before the Cayman Island's Companies Registry.	203,238	(6,831)	100%	...	President Directors	Gonzalo Darraidou Díaz Luis Llanos Collado Rafael Cox Montt
Propa Cayman Ltd. (Cayman Islands)	The realization of all types of commercial and financial investments and participation, in particular, as shareholder in all kinds of companies.	A private company established under the laws of Cayman Islands, according to record N° 92447 dated September 9, 1999, before the Cayman Island's Companies Registry.	38,103	2,599	100%	...	President Directors	Gonzalo Darraidou Díaz Luis Llanos Collado Rafael Cox Montt
Grupo ABS Internacional S.A. de C.V. (Mexico)	Participation in the creation of or investment in other civil or commercial companies, both domestic and foreign. The acquisition, import, export and marketing of all kinds of raw materials, parts and components to comply with its corporate objective.	A Variable Capital Company. Established by public deed policy number 1,802, on October 31, 1997, before Francisco Javier Lozano Medina, Public Broker No. 19, in the city of Monterrey, Nuevo Leon, Mexico. RFC.-GAI971031RD7	227,402	6,941	100%	Humberto Narro Flores	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Fernando Javier Riquelme Nejasmic Hernán Rodríguez Wilson Rafael Cox Montt Rafael Schmidt Zaldívar
Absormex S.A. de C.V. (Mexico)	Manufacture of absorbent hygiene items. The acquisition, sale, import and export of all types of equipment and materials related to company business. Representation in the Mexican Republic or abroad as agent, broker, intermediary, factor, representative and/or consignee/ agent for all types of companies and entities.	A Variable Capital Company. Established by public deed policy number 3,532, on November 19, 1981 before Mario Leija Arzave, Notary Public No. 25, in the city of Monterrey, Nuevo Leon, Mexico. Changed from Private Company to Variable Capital Company via public deed 1,582 dated May 12, 1982 before Abelardo Benito Rdz de León, Notary Public N ° 13 RFC.-ABS811125L52	3,714	147	100%	Humberto Narro Flores	President Directors	Gonzalo Darraidou Díaz Fernando Javier Riquelme Nejasmic Hernán Rodríguez Wilson Rafael Cox Montt Rafael Schmidt Zaldívar

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Convertidora de Productos Higiénicos S.A. de C.V. (Mexico)	The manufacture of all types of hygienic products, as well as, the import, export and marketing of all sorts of products, independently or on behalf of third parties.	A Variable Capital Company. Established by public deed policy number 4,131, on December 1, 1992, before Fernando Treviño Lozano, Notary Public No. 55, in the city of Monterrey, Nuevo León, Mexico. RFC.-CPH921201LE6	(2,113)	41	100%	Humberto Narro Flores	President Directors	Humberto Narro Flores Alfredo Bustos Azócar Fernando Javier Riquelme Nejasmic Rafael Cox Montt Rafael Schmidt Zaldívar Rodrigo Hidalgo Matute
Convertidora CMPC México S.A. de C.V. (Mexico)	The manufacture of all types of hygienic products, as well as, the import, export and marketing of all sorts of products, independently or on behalf of third parties.	A Variable Capital Company. Established by public deed policy number 12,568 on December 28, 2012, before the Licentiate Carlos Montano Pedraza, Notary Public N ° 130, in the city of Monterrey, Nuevo Leon, Mexico. RFCCM1212191KA.	2,902	(200)	100%	Humberto Narro Flores	President Directors	Gonzalo Darraidou Díaz Fernando Javier Riquelme Nejasmic Hernán Rodríguez Wilson Rafael Cox Montt Rafael Schmidt Zaldívar Rodrigo Hidalgo Matute
Absormex CMPC Tissue S.A. de C.V. (Mexico)	Manufacturing, conversion, export, import and marketing of hygienic products. Import, export and commercialization of all kinds of raw materials, parts and components required to comply with the social object. The representation or agent of all types of commercial and industrial companies and intervention in the sale and marketing of their products and services.	A Variable Capital Company. Established by public deed policy number 1,552, on July 17, 1997 before Francisco Javier Lozano Medina, Public Broker No. 19, in the City of Monterrey, Nuevo Leon, Mexico. RFC.-IPG970717QU9	227,614	6,588	100%	Humberto Narro Flores	Directors	Gonzalo Darraidou Díaz Fernando Javier Riquelme Nejasmic Hernán Rodríguez Wilson Rafael Cox Montt Rafael Schmidt Zaldívar Rodrigo Hidalgo Matute
Forsac México S.A. de C.V. (Mexico)	Purchase, sale, production and marketing of goods and products, including those related to the paper, wood and other forestry industries.	A commercial company, established on January 10, 2008, in accordance with Mexican laws.	36,089	388	100%	Ernesto Villegas Sánchez	Directors	Rolf Zehnder Marchant Cristian Barrera Almazán Luis Llanos Collado
CMPC Maderas México S.A. de C.V. (Mexico)	The Company purpose is the "purchase, sale, production, exchange, distribution, promotion and marketing of all kinds of goods and products, including, but not limited to declarative form, all goods and products related to the forest industry".	The Company CMPC Woods Mexico was established on November 22, 2016, before Notary Public Vallarta and Associates.	746	111	100%	...	President Directors	Hernán Fournies Latorre Juan Pablo Pereira Sutil Raimundo Varela Labbe
Productos Tissue del Perú S.A. (Peru)	Manufacturing, industrialization and development of all types of papers, cartons, cardboard, products and their by-products in all their forms. Forestry and wood harvesting, and the industrialization and commercialization of their products.	A private limited company. Established by deed on July 21, 1995, before the Notary Public Gustavo Correa M., Lima - Peru. This produced a division of the patrimonial block Forsac Peru S.A. according to record dated October 1, 2002. RUC. 20266352337	160,518	(3,040)	100%	Jorge Navarrete García	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Eduardo Patow Nery
Forsac Perú S.A. (Peru)	Manufacturing and provision of manufacturing services for multi-ply paper sacks.	A private company. Established by public deed on June 5, 1996, under the name Fabi Peru S.A., before Notary Public Gustavo Correa M., Lima, Peru. The Company merged with Forsac Peru S.A. and absorbed the latter, also changing its name Fabi Peru S.A. to "Forsac Perú S.A.". This fusion was established by public deed on December 1, 2000, before Notary Public Gustavo Correa M., Lima, Peru. This produced a division from patrimonial block Forsac Peru S.A. according to records dated October 1, 2002.	33,084	2,602	100%	Nicolai Patow Nery	President Directors	Luis Llanos Collado Jorge Navarrete García Octavio Marfán Reyes Rolf Zehnder Marchant
Compañía Primus del Uruguay S.A. (Uruguay)	Real-estate rentals.	A private limited company. Established by public deed on April 28, 1932, Montevideo, Uruguay. Statutes were approved on September 13, 1932 by Executive Power. RUT 21 000234 0011.	172	140	99,61%	Ricardo Pereiras Formigo	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Rafael Cox Montt

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Celulosas del Uruguay S.A. (Uruguay)	Forestation and livestock.	A private limited company. Statutes approved and registered in DGI on February 3, 1960. On June 10, 1960 it was registered in the Public and General Trade Register. RUT 21 015454 0013.	105	37	99,61%	Ricardo Pereiras Formigo	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Rafael Cox Montt
Industria Papelera Uruguaya S.A. (IPUSA) (Uruguay)	Manufacturing, processing and marketing in all forms of paper and its derivatives, as well as those related to the graphic arts.	A private limited company. Established by public deed dated January 14, 1937, in Montevideo, Uruguay. Statutes were approved on April 29, 1937 by the Executive Power, and entered in the Register of Contracts on May 14, 1937. RUT 21 006645 0012.	40,015	(2,455)	99,61	Ricardo Pereiras Formigo	President Directors	Gonzalo Darraidou Díaz Alfredo Bustos Azócar Rafael Cox Montt
CMPC USA Inc. (Estados Unidos)	Marketing and distribution of forest, wood and related products; and any operation approved by the Board of Directors that is associated with forest products, included in the Georgia Business Corporation Code.	A corporation established on January 9, 2002, according to the Georgia Business Corporations Code, under the laws of the State of Georgia, USA.	7,110	3,056	100%	Dany Bagley	Directors	Francisco Ruiz-Tagle Edwards Juan Pablo Pereira Sutil

CMPC ASSOCIATE COMPANIES, IN CHILE

COMPANY NAME AND LEGAL STATUS	BUSINESS ACTIVITY	GENERAL INFORMATION	EQUITY THOU USD	PROFIT (LOSS) THOU USD	% DIRECT AND INDIRECT PARTICIPATION	MANAGER	BOARD OF DIRECTORS	2017
Consorcio Protección Fitosanitaria Forestal S.A.	Production, purchase and sale of items, and the provision of services, to protect and improve the cultivation and development of tree species of any kind; production, research and training in forest resources, and activities related to the above, and capable of performing all acts indirectly or directly leading to the fulfilment of said aim.	A private limited company. Established by public deed on November 12, 1992 before Notary Public Enrique Morgan T. R.U.T. 96.657.900-5. (* On April 29, 2014, the Third Extraordinary General Meeting of Shareholders occurred, where it was decided to change the CPF S.A. Company Name to: Consorcio Protección Fitosanitaria Forestal S.A.	553	(6)	29,01%	Oswaldo Ramírez Grez	President Directors	Jorge Serón Ferré Jaime Smith Bloom Luis De Ferrari Fontecila Rigoberto Rojo Rojas Rodrigo Vicencio Andaur
Genómica Forestal S.A.	The realization of all kinds of services and activities aimed at the development of forestry genomics through the use of biotechnology, molecular tools and bioinformatics; the provision of services of technology, engineering, biotechnology and bioinformatics; the purchase, sale and marketing of seeds, tools and all tangible and intangible assets necessary to compliance; the management and implementation of projects in Forestry Genomics.	A private limited company. Established by public deed dated October 26, 2006, in the Santiago Notary Public Iván Torrealba Acevedo. The summary of which is registered in sheets 2039 v. No. 1705 of the Register of Commerce for the year 2006 of the Real Estate Property Registry of Concepción and is published in the November 16, 2006 edition of the Official Journal. R.U.T. 76.743.130-9	(15)	(6)	25,28%	...	President Directors	Eduardo Rodríguez Treskow Andrés Pesce Aron Felipe Leiva Morey Francisco Rodríguez Aspillaga Jaime Rodríguez Gutiérrez
Consorcio Tecnológico Bioenercel S.A.	Develop, obtain and adapt technologies that allow for the implementation in Chile of a biofuel industry, obtained from lingocellulosic materials, in addition to developing scientific and technological research for bioprocesses with the aim of converting lingocellulosic biomass into biofuel.	The "Consorcio Tecnológico Bioenercel SA" was established on August 21, 2009, by way of a public deed issued by Santiago Notary Public Mr. Félix Jara Cadot. Summary of said deed was registered in Sheets 1,560, No. 1572, of the Register of Commerce of the Real Estate Property Registry in Concepcion, in the year 2009, and published in the Official Journal dated September 15, 2009, R.U.T. 76.077.468-5.	45	(7)	20,00%	Christian Villagra	President Directors	Fernando Rioseco Eckart Eitner Delgado Eduardo Rodríguez Treskow Jorge Correa Marcelo Molina

8.5 SUMMARIZED FINANCIAL STATEMENTS

CMPC SUBSIDIARIES CLASSIFIED, SUMMARIZED FINANCIAL STATEMENTS

(In thousands of US Dollars -KUSD)

	INVERSIONES CMPC S.A. AND ITS SUBSIDIARIES		CMPC CELULOSA S.A. AND ITS SUBSIDIARIES		CMPC PAPELES S.A. AND ITS SUBSIDIARIES		CMPC TISSUE S.A. AND ITS SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA		INVERSIONES TIMBAUVA S.A.		INVERSIONES FORSAC S.A.		INVERSIONES CMPC CAYMAN LTD.	
	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD
ASSETS																				
Current Assets	3,355,941	3,173,518	1,457,406	1,565,118	551,885	528,858	866,746	675,050	1,463	1,503	15,473	24,985	7,881	2,634	17,808	-	14,303	-	283	291
Property, Plant and Equipment	7,800,200	7,823,347	5,700,692	5,847,876	855,724	834,448	1,111,171	1,053,168	297	314	76,713	76,718	1,334	1,334	44,581	-	4,065	-	-	-
Biological Assets	3,061,910	2,983,364	2,889,082	2,803,090	-	-	-	180,274	-	-	119,195	124,278	-	8,292	172,829	-	-	-	-	-
Intangible Assets and others	618,834	974,014	242,206	427,375	41,465	35,761	140,279	123,675	3,020	3,689	3,661	4,304	-	-	8	-	135	-	497,644	497,662
Non-current assets	11,480,944	11,780,725	8,831,980	9,078,341	897,189	870,209	1,251,450	1,357,117	3,317	4,003	199,569	205,300	1,334	9,626	217,418	-	4,200	-	497,644	497,662
Total Assets	14,836,885	14,954,243	10,289,386	10,643,459	1,449,074	1,399,067	2,118,196	2,032,167	4,780	5,506	215,042	230,285	9,215	12,260	235,226	-	18,503	-	497,927	497,953
EQUITY AND LIABILITIES																				
Current liabilities	1,423,724	1,512,603	829,609	1,309,069	160,478	133,625	942,431	1,331,015	1,312	1,184	1,049	721	819	385	2,574	-	4,800	-	1,175	1,186
Non-current liabilities	5,379,611	5,559,241	4,349,053	4,287,351	236,377	241,581	346,499	368,132	2,015	1,920	62,446	78,292	-	-	17,337	-	1,199	-	-	-
Equity attributable to property of controlling interests	5,489,151	5,375,536	4,945,347	4,892,695	1,041,311	1,012,726	828,669	285,816	1,453	2,402	151,547	151,272	8,396	11,875	185,728	-	11,351	-	496,752	496,767
Non-controlling interests	2,544,399	2,506,863	165,377	154,344	10,908	11,135	597	47,204	-	-	-	-	-	-	29,587	-	1,153	-	-	-
Total Equity	8,033,550	7,882,399	5,110,724	5,047,039	1,052,219	1,023,861	829,266	333,020	1,453	2,402	151,547	151,272	8,396	11,875	215,315	-	12,504	-	496,752	496,767
Total Equity and Liabilities	14,836,885	14,954,243	10,289,386	10,643,459	1,449,074	1,399,067	2,118,196	2,032,167	4,780	5,506	215,042	230,285	9,215	12,260	235,226	-	18,503	-	497,927	497,953

STATEMENT OF SUMMARIZED NET CHANGES IN EQUITY

(In thousands of US Dollars - KUSD)

	INVERSIONES CMPC S.A. AND ITS SUBSIDIARIES		CMPC CELULOSA S.A. AND ITS SUBSIDIARIES		CMPC PAPELES S.A. AND ITS SUBSIDIARIES		CMPC TISSUE S.A. AND ITS SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA		INVERSIONES TIMBAUVA S.A.		INVERSIONES FORSAC S.A.		INVERSIONES CMPC CAYMAN LTD.	
	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD
Share capital, Ordinary shares	399,272	399,272	1,883,299	1,883,299	299,458	299,458	1,165,115	483,467	1,558	1,558	45,214	45,214	1,091	1,091	82,683	-	14,196	-	574,265	574,265
Reserves for exchange rate variation	(600,530)	(623,376)	90	1	(12,091)	(10,754)	(309,436)	(197,446)	-	-	-	-	-	-	13,343	-	4,922	-	(33)	(34)
Reserves for cash flow hedges	23,371	8,110	28,964	8,497	1,695	3,644	(285)	(1,327)	-	-	-	-	-	-	-	-	-	-	-	-
Reserves for profit and losses due to benefit plans	(17,292)	(16,356)	381	-	(3,427)	(3,677)	(7,769)	(7,096)	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	295,320	294,904	3,000,830	3,000,808	3,912	(2,349)	(3,991)	45,224	109	119	350	350	-	-	-	-	-	-	(46,933)	(46,933)
Accrued profits (losses)	5,389,010	5,312,982	31,783	90	751,764	726,404	(14,965)	(37,006)	(214)	725	105,983	105,708	7,305	10,784	89,702	-	(7,767)	-	(30,547)	(30,531)
Equity attributable to controlling interests	5,489,151	4,945,347	5,489,151	4,892,695	1,041,311	1,012,726	828,669	285,816	1,453	2,402	151,547	151,272	8,396	11,875	185,728	-	11,351	-	496,752	496,767
Non-controlling interests	2,544,399	165,377	2,544,399	154,344	10,908	11,135	596	47,204	-	-	-	-	-	-	29,587	-	1,153	-	-	-
Total Equity	8,033,550	5,110,724	8,033,550	5,047,039	1,052,219	1,023,861	829,265	333,020	1,453	2,402	151,547	151,272	8,396	11,875	215,315	-	12,504	-	496,752	496,767

STATEMENT OF SUMMARIZED COMPREHENSIVE INCOME BY FUNCTION

(In thousands of US Dollars - KUSD)

	INVERSIONES CMPC S.A. AND ITS SUBSIDIARIES		CMPC CELULOSA S.A. AND ITS SUBSIDIARIES		CMPC PAPELES S.A. AND ITS SUBSIDIARIES		CMPC TISSUE S.A. AND ITS SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA		INVERSIONES TIMBAUVA S.A.		INVERSIONES FORSAC S.A.		INVERSIONES CMPC CAYMAN LTD.	
	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD
Net Profit	1,025,478	962,017	344,835	27,786	106,684	135,533	579,099	571,167	-	-	(283)	(23)	(246)	(2,246)	(1,689)	-	127	-	-	-
Other profit	(909,414)	(889,804)	(291,851)	(49,421)	(74,451)	(96,111)	(468,069)	(559,975)	(1,021)	(1,028)	1,523	(2,826)	(2,801)	(1,812)	249	-	(571)	-	(16)	(24)
Profit (loss) before taxes	116,064	72,213	52,984	(21,635)	32,233	39,422	111,030	11,192	(1,021)	(1,028)	1,240	(2,849)	(3,047)	(4,058)	(1,440)	-	(444)	-	(16)	(24)
Income (expense) due to income taxes	(14,626)	862	(11,253)	22,551	(7,049)	(13,988)	(549)	(27,539)	82	44	(965)	752	(432)	-	4,659	-	169	-	0	-
Profit (loss)	101,438	73,075	41,731	916	25,184	25,434	110,481	(16,347)	(939)	(984)	275	(2,097)	(3,479)	(4,058)	3,218	-	(275)	-	(16)	(24)
Profit (loss) attributable to controlling interests	76,028	68,489	31,693	90	25,405	25,319	107,692	(21,535)	(939)	(984)	275	(2,097)	(3,479)	(4,058)	2,777	-	(250)	-	(16)	(24)
Profit (loss) attributable to non-controlling interests	25,410	4,586	10,038	826	(221)	115	2,789	5,188	-	-	-	-	-	-	442	-	(25)	-	-	-
Profit (loss)	101,438	73,075	41,731	916	25,184	25,434	110,481	(16,347)	(939)	(984)	275	(2,097)	(3,479)	(4,058)	3,219	-	(275)	-	(16)	(24)
COMPREHENSIVE INCOME STATEMENT																				
Profit (loss)	101,438	73,075	41,731	916	25,184	25,434	110,481	(16,347)	(939)	(984)	275	(2,097)	(3,479)	(4,058)	3,218	-	(275)	-	(16)	(24)
Other comprehensive income	37,587	119,337	20,959	10,525	(3,200)	7,651	(36,912)	(43,872)	(10)	4	-	-	-	-	3,997	-	121	-	1	-
Comprehensive income	139,025	192,412	62,690	11,441	21,984	33,085	73,569	(60,219)	(949)	(980)	275	(2,097)	(3,479)	(4,058)	7,216	-	(154)	-	(15)	(24)
Comprehensive income attributable to controlling interest	113,615	187,826	52,652	10,615	22,205	32,970	66,577	(63,875)	(949)	(980)	275	(2,097)	(3,479)	(4,058)	2,770	-	(238)	-	(15)	(24)
Comprehensive income attributable to non- controlling interest	25,410	4,586	10,038	826	(221)	115	6,992	3,656	-	-	-	-	-	-	4,446	-	84	-	-	-
Comprehensive income	139,025	192,412	62,690	11,441	33,085	3.	73,569	(60,219)	(949)	(980)	275	(2,097)	(3,479)	(4,058)	7,216	-	(153)	-	(15)	(24)

STATEMENT OF SUMMARIZED CASHFLOWS

(In thousands of US Dollars - KUSD)

	INVERSIONES CMPC S.A. AND ITS SUBSIDIARIES		CMPC CELULOSA S.A. AND ITS SUBSIDIARIES		CMPC PAPELES S.A. AND ITS SUBSIDIARIES		CMPC TISSUE S.A. AND ITS SUBSIDIARIES		INMOBILIARIA PINARES S.A.		FORESTAL Y AGRICOLA MONTE AGUILA S.A.		COOPERATIVA AGRICOLA Y FORESTAL EL PROBOSTE LTDA		INVERSIONES TIMBAUVA S.A.		INVERSIONES FORSAC S.A.		INVERSIONES CMPC CAYMAN LTD.	
	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD	2017 KUSD	2016 KUSD
Net cash flows from (used in) operating activities	1,044,514	622,647	869,210	57,525	142,298	94,983	104,934	153,838	36	(170)	14,148	17,503	(53)	1,740	1,005	-	(163)	-	(10)	(13)
Net cash flows from (used in) investment activities	(449,821)	(379,861)	(289,116)	(14,434)	(54,330)	(46,740)	(103,192)	(134,789)	0	170	(5,257)	(4,799)	(56)	(520)	328	-	373	-	(5)	(31)
Net cash flows from (used in) financing activities	(370,160)	(162,064)	(593,873)	(16,833)	(84,348)	(50,919)	132,547	(13,764)	(36)	-	(8,892)	(12,704)	195	140	-	-	-	-	6	31
Net increases (decreases) in cash and cash equivalents before the effect of changes in the exchange rate	224,533	80,722	(13,779)	26,258	3,620	(2,676)	134,289	5,285	-	-	(1)	-	86	1,360	1,333	-	210	-	(9)	(13)
Effect of the change in exchange rate on cash and cash equivalents	12,091	5,130	(1,003)	158	132	128	9,718	(447)	-	-	1	-	206	45	(201)	-	(14)	-	-	1
Cash and cash equivalents at the beginning of the year	593,743	507,891	43,631	17,215	4,860	7,408	40,913	36,075	-	-	-	-	2,090	685	-	-	-	-	178	190
Cash and cash equivalents at the end of the year	830,367	593,743	28,849	43,631	8,612	4,860	184,920	40,913	-	-	-	-	2,382	2,090	1,132	-	196	-	169	178

8.6

CONSOLIDATED FINANCIAL STATEMENTS



http://s21.q4cdn.com/798526818/files/doc_financials/Quarterly_Report/4Q17/Consolidated-financial-statements-as-of-December-31-2017-in-English-final-version-3-16-18.pdf

8.7

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09

ATTACHMENTS



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Report of the Independent Auditor On the Application of Agreed-upon Procedures

To the Management of Empresas CMPC S.A.

We have performed the procedures described below, which were agreed upon with the Management of Empresas CMPC S.A., only to assist them in reviewing the "Costs associated to the Green Bond resources" incurred between April 4, 2015 and December 31, 2017. The Management of Empresas CMPC S.A. is responsible for the correct recording and presentation of the Company's accounting balances. This agreed-upon procedures engagement was performed in accordance with attestation standards established in Chile AT 215. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation whatsoever regarding the sufficiency of those procedures, either for the purpose for which this report has been requested or for any other purpose.

The description of the procedures performed and the resulting findings are presented in Chapters I and II of this report.

We were not engaged and therefore did not perform a review, for the purpose of expressing an opinion on the accounting balances presented in the Statement of Financial Position and in the Income Statement of Empresas CMPC S.A. For this reason, we express no such opinion. Had we performed additional procedures, we might have come across other matters, which would have been reported to you.

This report is solely for the information of and use by the Management of Empresas CMPC S.A. for the use in the Green Bond Report and in the Integrated Report, and cannot be used by any other specified parties.

Eduardo Rodríguez B.

EY Audit SpA.

Santiago, Chile
April 6, 2018

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I. AGREED UPON PROCEDURES

The scope of the agreed upon procedures (hereinafter "AUP") was agreed with the Management of Empresas CMPC S.A. in the statement of work dated 26 of March, 2018. The procedures are detailed below:

1. Scope

Empresas CMPC S.A. has issued a Green Bond to invest in sustainable forestry, sustainable water management, terrestrial and aquatic biodiversity conservation, pollution and prevention control and energy efficiency projects. The following table presents a summary of the amounts incurred by each Project.

Eligible Green Project Category	Amount (US\$)
Sustainable Forestry	326,345,607
Process of plantation/replantation of Radiata Pine	118,741,944
Process of plantation/replantation of eucalyptus	73,612,108
Process of plantation/replantation of other species	333,626
Process of plantation/replantation in Gualaiba and Losango	129,548,257
Development of eucalyptus hybrids as an alternative to Eucalyptus globulus, with better performance	2,465,803
Development of genetic improvement strategy for mayor performance Radiata Pine and Eucalyptus nitens	1,643,869
Sustainable water management	2,333,827
Fiber recovery Valdivia	2,333,827
Terrestrial and aquatic biodiversity conservation	1,005,613
Typification, characterization and conservation of native forest	272,429
Native forest restoration program (committed with FSC and Certfor)	503,339
Maintenance high conservation value areas	229,845
Pollution Prevention and Control	14,053,559
Modification of gas system DTVG Pacifico/Reduction of PM CaO Boiler Pacifico	4,451,016
Gas capture and incineration TRS WLP Pacifico	4,673,610
Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill	4,928,933
Energy Efficiency	14,969,741
Projects for energy efficiency (Plan EE 20/20 + iCel)	5,846,557
Pulpwood transportation by barges to the Gualaiba mill	9,123,184
Total	358,708,347

The agreed upon procedures have been designed to verify the supporting evidence based on a sample of the costs incurred by the Company in each of the following categories as described in the management assertion section.

I. AGREED UPON PROCEDURES (continued)

2. Description of the agreed upon procedures (continued)

Sustainable forestry (continued)

- For the projects Development of eucalyptus hybrids as an alternative to Eucalyptus globulus and Development of genetic improvement strategy for mayor performance Radiata Pine and Eucalyptus nitens, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. Documento" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

Sustainable water management

- For the projects Fiber recovery Valdivia, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Número de Orden" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

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I. AGREED UPON PROCEDURES (continued)

2. Description of the agreed upon procedures (continued)

Sustainable forestry (continued)

- For the projects Development of eucalyptus hybrids as an alternative to Eucalyptus globulus and Development of genetic improvement strategy for mayor performance Radiata Pine and Eucalyptus nitens, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. Documento" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

Sustainable water management

- For the projects Fiber recovery Valdivia, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Número de Orden" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

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I. AGREED UPON PROCEDURES (continued)

2. Description of the agreed upon procedures (continued)

Terrestrial and aquatic biodiversity conservation

- For the projects Typification, characterization and conservation of native forest, Native forest restoration program (committed with FSC and Certfor) and Maintenance high conservation value areas, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Número documento" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

Pollution Prevention and Control

- For the projects Modification of gas system DTVG Pacífico/Reduction of PM CaO Boiler Pacífico; Gas capture and incineration TRS WLP Pacífico; Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill; Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. Doc de referencia" and "Elemento PEP" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

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I. AGREED UPON PROCEDURES (continued)

2. Description of the agreed upon procedures (continued)

Energy Efficiency

- For the projects Projects for energy efficiency (Plan EE 20/20 + iCel) and Pulpwood transportation by barges to the Guaiba mill, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Elemento PEP" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) The findings will be documented.

II. FINDINGS RELATED TO THE AGREED UPON PROCEDURES

a) General

A sample of 480 was selected that amounts to US\$ 57.847.723. We have reviewed 446 documents (corresponding to 93% of the total sample selected) that amounts to US\$ 49.422.641.

b) Results and findings

Sustainable forestry

- For the projects of plantation/replantation of Radiata Pine and eucalyptus, the following procedures have been designed:
 - i) A sample of 30 items was selected from the file "Coc-rodal" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items was selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document was checked.
 - iv) The concept of the document was observed to verify that the investment is related to the project.
 - v) Please refer to Appendix 1 for findings.
- For the projects of plantation/replantation of Losango and Guaiba, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. PEP" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the
 - v) Please refer to Appendix 2 for findings.

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II. FINDINGS RELATED TO THE AGREED UPON PROCEDURES (continued)

b) Results and findings (continued)

Sustainable forestry (continued)

- For the projects Development of eucalyptus hybrids as an alternative to Eucalyptus globulus and Development of genetic improvement strategy for mayor performance Radiata Pine and Eucalyptus nitens, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. Documento" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) Please refer to Appendix 3 for findings.

Sustainable water management

- For the projects Fiber recovery Valdivia, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Número de Orden" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) No findings have been identified.

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II. FINDINGS RELATED TO THE AGREED UPON PROCEDURES (continued)

b) Results and findings (continued)

Terrestrial and aquatic biodiversity conservation

- For the projects Typification, characterization and conservation of native forest, Native forest restoration program (committed with FSC and Certfor) and Maintenance high conservation value areas, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Número documento" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) No findings have been identified.

Pollution Prevention and Control

- For the projects Modification of gas system DTVG Pacifico/Reduction of PM CaO Boiler Pacifico; Gas capture and incineration TRS WLP Pacifico; Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill; Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "No. Doc de referencia" and "Elemento PEP" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) Please refer to Appendix 4 for findings.

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II. FINDINGS RELATED TO THE AGREED UPON PROCEDURES (continued)

b) Results and findings (continued)

Energy Efficiency

- For the projects Projects for energy efficiency (Plan EE 20/20 + iCel) and Pulpwood transportation by barges to the Guaiba mill, the following procedures have been designed:
 - i) A sample of 30 items will be selected from the file "Elemento PEP" with the highest US\$ dollar amount.
 - ii) Additional sample of 30 items will be selected from the same file as detailed at point I by using a random tool. The additional sample excluded the items already selected at point I.
 - iii) The date of the document will be checked.
 - iv) The concept of the document will be observed to verify that the investment is related to the project.
 - v) Please refer to Appendix 5 and 6 for findings.

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Appendix 1
Sustainable Forestry

Number	Company	Date	Document N°	Document N°	Amount US\$	Supporting Evidence Reviewed	Document N°	Date of the Document	Finding Date of the Accounting Entry	Concept of the Supporting Evidence
1	103	2016/10	1055066	1055066	6.143.269,99	Journal entry	105566	31.10.2016	31.10.2016	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
2	103	2015/12	1071017	1071017	1.578.046,60	Journal entry	1071017	30.12.2015	30.12.2015	No description
3	103	2016/11	1061666	1061666	1.561.983,27	Journal entry	1061666	No hard copy of the invoice	30.11.2016	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
4	103	2016/10	1056125	1056125	1.419.869,03	Journal entry	1056125	No hard copy of the invoice	31.10.2016	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
5	103	2017/03	1015923	1015923	1.222.726,00	No supporting evidence	1067915	No hard copy of the invoice	31.12.2016	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
6	103	2016/12	1067915	1067915	1.164.290,34	Accounting entry in SAP	1067915	No hard copy of the invoice	31.12.2016	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
7	103	2017/12	1063628	1063628	903.945,00	No supporting evidence	1004562	No hard copy of the invoice	31.01.2017	Transfer accounting for consumption of acid (warehouse) and reclassified fertilizer to biological active account.
8	103	2017/01	1004562	1004562	803.985,34	Accounting entry in SAP	1004562	No hard copy of the invoice	31.01.2017	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
9	103	2017/01	1004853	1004853	782.555,57	Accounting entry in SAP	1004853	No hard copy of the invoice	31.01.2017	Transfer accounting for consumption of acid (warehouse) and reclassified fertilizer to biological active account.
10	103	2017/11	1057731	1057731	741.230,92	Accounting entry in SAP	1057731	No hard copy of the invoice	31.01.2017	Accounting adjustment to recognize an asset by weed control and reclassified fertilizer to biological active account.
12	103	2016/03	1015395	1015395	667.641,11	Accounting entry in SAP	1015395	No hard copy of the invoice	31.03.2016	Transfer accounting for consumption of acid (warehouse)
14	103	2016/12	1068106	1068106	623.173,45	Accounting entry in SAP	1068106	No hard copy of the invoice	31.12.2016	Transfer accounting for consumption of acid (warehouse)
15	103	2016/11	1059186	1059186	581.707,94	Accounting entry in SAP	1059186	No hard copy of the invoice	22.11.2016	Transfer of seed orchards to plantations for not continuing to use in seed production
16	103	2017/12	1063414	1063414	575.446,79	No supporting evidence				
17	103	2017/02	1009598	1009598	562.403,24	No supporting evidence				
21	103	2017/01	1004571	1004571	538.134,92	No supporting evidence				
24	103	2016/02	1009542	1009542	535.216,01	No supporting evidence				
25	103	2016/04	1020814	1020814	525.986,23	No supporting evidence				
26	103	2015/12	1070231	1070231	522.586,00	No supporting evidence				
28	103	2016/12	1068107	1068107	518.073,29	No supporting evidence				
9	103	2016/01	1003721	1003721	17.016,75	No supporting evidence				
11	103	2016/01	1004403	1004403	146.347,17	No supporting evidence				
14	103	2016/05	1026795	1026795	3.171,15	No supporting evidence				
16	103	2017/07	1036078	1036078	6.932,38	No supporting evidence				

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Appendix 2

Process of plantation/replantation in Guaiba and Losango

Number	Document N°	Accounting Entry	Value in US\$	Amount US\$	Supporting Evidence Reviewed	Number	Date of the Document	Description
8	102697336	6220021300	781,464	240,000	No supporting evidence	49011755972	31.08.2015	Transfer of Glyphosate-Based Herbicide Inventory
13	101365656	6220036100	646,611	204,663	No supporting evidence	4901337645	23.12.2015	Transfer of Inventories Fertilizer Min NPK
14	101364017	6220036100	646,111	204,504	No supporting evidence	4901365456	29.01.2016	Transfer of inventories Oleo Mineral Dash
28	101412275	6100030300	461,168	145,480	No supporting evidence	4901454948	31.03.2016	Transfer of inventories Iosa Formicida Dinaagro
29	101402312	6220036300	461,168	145,480	No supporting evidence	4901525682	17.05.2016	Transfer of inventories Herbicida to Glifosato
2	101456509	5432004200	303	94	Journal Entry from SAP	4901546919	31.05.2016	Transfer of inventories Iosa Formicida Dinaagro
4	101629440	5432004400	649	167	Journal Entry from SAP	4901566048	27.06.2016	Transfer of inventories Fertilizante NPK
5	101677856	5432004200	125	32	Journal Entry from SAP	4901805305	27.06.2016	Transfer of inventories Herbicida to Glifosato
6	101753349	5432004200	65	18	Journal Entry from SAP	4901842666	15.12.2016	Transfer of inventories Iosa Formicida Dinaagro
8	101802085	6220036300	1,382	400	No supporting evidence	4901843183	15.12.2016	Transfer of fertilizers Min Npk
9	101827150	5432004200	96	26	Journal Entry from SAP	4901905673	25.01.2017	Transfer of inventories Oleo Mineral Dash
10	101850754	5432004200	267	74	Journal Entry from SAP	4901975118	22.03.2017	Transfer of inventories Herbicida Valeos
12	101894287	5432004400	15,188	4,246	Journal Entry from SAP	4901986621	31.03.2017	Transfer of inventories Herbicida a base de Glifosato
13	101940395	6220000100	21,956	6,683	Journal Entry from SAP	4902018891	18.04.2017	Transfer of inventories Iosa Formicida Dinaagro
16	102132801	5432004200	444	137	Journal Entry from SAP			
17	102134147	5432003400	9,595	2,828	No supporting evidence			
19	102171550	5432004200	14	4	Journal Entry from SAP			
20	102172073	5432004400	1,337	393	Journal Entry from SAP			
21	102231335	5432004200	46	13	Journal Entry from SAP			
23	102309811	5432004200	56	18	Journal Entry from SAP			
24	102325326	5432004200	385	123	Journal Entry from SAP			
25	102354401	5432004200	73	23	Journal Entry from SAP			
28	102512829	5432004200	2	1	No supporting evidence			
29	102624367	6000000500	585	184	No supporting evidence			

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Appendix 3

Development of eucalyptus hybrids, Development of genetic improvement strategy"

Number	Year	Document N°	Amount US\$	Supporting Evidence Reviewed	Number	Document Date	Description
1324	2016	1031622	127,32	Print screen from SAP	1031660	30.06.2016	Document reversed / cancelled
1340	2016	1031649	-166,46	Print screen from SAP	1031365	30.06.2016	Document reversed / cancelled
1380	2016	1032387	-90,10	Print screen from SAP	1031680	30.06.2016	Document reversed / cancelled
1454	2017	1036066	743,60	Print screen from SAP	1036066	31.07.2017	Manual adjustment (SA)

Appendix 4

Pollution Prevention and Control

Details of the account	Amount	Currency	Supporting Evidence Reviewed	Number	Date of the General Document	Findings	
						Date of the Accounting Document	Details of the Supporting Evidence
Existencias para API	624.972.967	CLP	Journal Entry from SAP	1421656	07.05.2015	N/A	Pacific Air Emissions Abatement Project
Construcción y Montaje API	100.720.606	CLP	Journal Entry from SAP	1981964	05.11.2015	N/A	Reversed to capitalization from OC to API
Equipos Mater.Reptos.para API	3.648.587	CLP	Print screen from SAP	2009946			Inventory to API
Equipos Mater.Reptos.para API	98.964	CLP	Print screen from SAP	2036898			Inventory to API
Equipos Mater.Reptos.para API	72.795	CLP	Print screen from SAP	2036761			Inventory to API
Equipos Mater.Reptos.para API	51.462	CLP	Print screen from SAP	2091849			Inventory to API
Equipos Mater.Reptos.para API	29.803	CLP	Print screen from SAP	2010038			Inventory to API
Equipos Mater.Reptos.para API	7.301	CLP	Print screen from SAP	2091863			Inventory to API
Equipos Mater.Reptos.para API	5.520	CLP	Print screen from SAP	2036818			Inventory to API
Existencias para API	-1.844	CLP	Print screen from SAP	2032232			Inventory to API
Existencias para API	-6.534	CLP	Journal Entry from SAP	5093816	30.09.2017	18.10.2017	Canela with Welding Dimensions
Existencias para API	-25.954	CLP	Print screen from SAP	2009911			Inventory to API
Existencias para API	-8.917	CLP	Journal Entry from SAP	5112802	20.11.2017	08.12.2017	Canela with Welding Dimensions
Existencias para API	-165.938	CLP	Print screen from SAP	2035624			Inventory to API
Equipos Mater.Reptos.para API	970.062	CLP	Print screen from SAP	1689980			Inventory to API
Existencias para API	342.338	CLP	Print screen from SAP	1291779			Inventory to API
Existencias para API	87.180	CLP	Print screen from SAP	1293347			Inventory to API
Existencias para API	29.860	CLP	Print screen from SAP	1293351			Inventory to API
Construcción y Montaje API	-9.360	CLP	Journal Entry from SAP	5025684	27.03.2017	28.03.2017	Additional Installations

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Appendix 5

Projects for energy efficiency (Plan EE 20/20 + iCel)

N°	Number of PEP	Detail of the Concept	Amount	Currency	Evidence Support	Document Number	Date of the Document	Findings	
								Concept to Supporting Evidence	Concept to Supporting Evidence
1	104-0500403	Ahorro de vapor en MP-15	178.994.828	CLP	Type of document "SA"	2181016	07.01.2016	Associated transfers to API 104-0500403	
2	104-0500401	Reemplazo de dióxido por peróxido en la	148.679.466	CLP	Type of document "SA"	2181026	07.01.2016	Associated transfers to API 104-0500401	
4	104-0500407	Implementación de elemento "Pro-Dry" en	116.021.565	CLP	Type of document "SA"	1560352	22.06.2016	Associated transfers to API 104-0500407	
10	104-0500402	Cambio de mezcladores de ClO2 en etapa D	85.236.900	CLP	Type of document "SA"	2140801	29.12.2016	Associated transfers to API con OC-600785	
13	104-0401119	Reemplazo soda por lechada	70.544.110	CLP	Type of document "SA"	2181014	07.01.2016	Associated transfers to API 104-0401119	
15	104-0401117	Control líneas solido lavado	62.210.200	CLP	Type of document "SA"	2181009	07.01.2016	Associated transfers to API 104-0401117	
16	104-0401115	Rotor Dolphine	63.270.683	CLP	Type of document "SA"	1511759	04.06.2015	Associated transfers to Liq OC 0401101	
17	104-0401115	Rotor Dolphine	63.270.683	CLP	Type of document "SA"	1512436	05.06.2015	Associated transfers to Liq OC 0401101	
25	104-0401109	Instalación intercambiadores de calor pa	40.965.665	CLP	Type of document "SA"	1511759	04.06.2015	Associated transfers to Liq OC 0401101	
30	104-0500410	Sistema Recuperación de Condensados Mágu	37.432.014	CLP	Type of document "SA"	2181029	07.01.2016	Associated transfers to API 104-0500410	
286	104-0401107	Recuperación agua de compresores	6.425	CLP	Type of document "WA"	1451018	24.05.2016	Use of material (water compressors)	
538	104-0401109	Instalación intercambiadores de calor pa	147.519	CLP	Type of document "WA"	1476024	26.05.2015	Use of materials and spare parts	
1073	104-0500417	Línea VBP a TAC café SF2	82.103	CLP	Type of document "WA"	1672926	29.07.2016	Use of materials and spare parts	
1299	104-0500417	Línea VBP a TAC café SF2	10.912	CLP	Type of document "WA"	1205243	15.03.2017	Use of materials and spare parts	
1854	104-0500417	Línea VBP a TAC café SF2	-39.500	CLP	Type of document "WA"	2075286	07.12.2017	Transfer between accounts for return materials to account suppliers for invoicing.	
1973	104-0401109	Instalación intercambiadores de calor pa	28.143.350	CLP	Type of document "SA"	1511759	04.06.2015	Associated transfers to Liq OC 0401101	
2129	104-0500411	Nuevas Trampas de Proceso Digestor Contil	-499.905	CLP	Type of document "IR"	5066755	31.07.2017	Reverse of a part of the entry which no invoice was received associated with the provision of the service	
2146	104-0401113	Reemplazo Sulf.Alum. por ácido Sulfúrico	-2.206.655	CLP	Type of document "SA"	1093874	05/02/1015	Associated transfers to PEP 0401113	

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Appendix 6
Pulpwood transportation by barges to the Guaiba mill

N°	Date of the Document	Reference Number	Document Number	Currency/Amount	Detail	Finding			
						Concept to Supporting Evidence	Document Number	Date of the Document	Supporting Evidence
4	07-09-2016	5000386908	6299990200	257.258,00	SISTEMA P3D-TRUCK - MEDIDOR DE VOLUME	Non supporting evidence			
8	10-10-2016	5000389903	6299990200	178.885,28	COMPRA DE IMOVEIS	Non supporting evidence			
22	10-10-2016	5000389912	6299990200	107.331,16	COMPRA DE IMOVEIS	Non supporting evidence			
24	25-10-2016	5000393430	6299990100	96.812,97	SERVIÇOS DE DRAGAGEM NO CANAL SÃO GONÇAL	Non supporting evidence			
27	27-01-2017	5000425278	6299990100	82.783,97	PLANO DE AÇÃO TCA TERMINAL PELOTAS	Non supporting evidence			
1578	09-07-2016	5105879379	6299990200	102,75	TRANSPORTE MERCADORIA RODOV INTERMUNICIP	Non supporting evidence			
2167	21-07-2016	5105885358	6299990200	640,09	TRANSPORTE MERCADORIA RODOV INTERMUNICIP	Non supporting evidence			
2587	19-08-2016	5105889743	6299990200	33,46	TRANSPORTE MERCADORIA RODOV INTERMUNICIP	Non supporting evidence			
3428	26-01-2017	1000003509	6299990900	19,98	PASSAGEM AEREA NACIONAL	Non supporting evidence			
3469	11-02-2017	14880	6299990900	124,62		Non supporting evidence			

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Empresas CMPC S.A.

Type of engagement: Annual Review
Date: March 28, 2018
Engagement Leader: Ankita Shukla, ankita.shukla@sustainalytics.com, +1-607-613-3329

Introduction

In March 2017, Empresas CMPC S.A. (CMPC) issued US\$500m in green bonds aimed at financing projects focused on sustainable forestry, sustainable water management, preservation of biodiversity and restoration of high conservation value forests, pollution prevention and control, and energy efficiency. In February 2018, CMPC engaged Sustainalytics to review the projects funded through the issued green bond, and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the CMPC Green Bond Framework.

Evaluation Criteria

Sustainalytics evaluated projects financed between April 2015 to December 2017 based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the CMPC Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Green Bond Framework.

The table in Appendix 1 lists the projects verified according to the Use of Proceeds and Key Performance Indicators identified in the CMPC Green Bond Framework.

Issuing Entity's Responsibility

CMPC was responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of CMPC's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from CMPC employees and review of documentation to confirm the conformance with the CMPC Green Bond Framework.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted¹, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the allocation of US\$358,708,347 from CMPC's green bond proceeds, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the CMPC Green Bond Framework.

¹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

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Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the Green bond in 2015, 2016, and 2017 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Green Bond Framework. For a list of projects financed by eligibility criteria, please refer to Appendix 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the Green bond in 2015, 2016, and 2017 to determine if impact of projects was reported in line with the KPIs outlined in the Green Bond Framework.	Projects reviewed reported on at least one KPI per Use of Proceeds criteria. Two projects were completed in February 2018. KPI reporting is pending on these projects.	None



Appendix 1: Projects Verified by Eligibility Criteria

Use of Proceeds	Environmental Impact	KPI Reported
Sustainable Forestry		
Process of plantation/replantation of Radiata Pine	331,820 ton CO2/yr	CO2 emissions captured through planted forests
Process of plantation/replantation of eucalyptus	303,910 ton CO2/yr	
Process of plantation/replantation of other species	1,710 ton CO2/yr	
Process of plantation/replantation in Guaiba and Losango	354,585 ton CO2/yr	Additional CO2 emissions captured through better performing plantations
**Development of eucalyptus hybrids as an alternative to E.Globulus, with better performance	56,220 ton CO2/yr	
**Development of genetic improvement strategy for mayor performance Radiata Pine and Eucalyptus nitens	22,546 ton CO2/yr	
Sustainable water management		
Fiber recovery Valdivia	Project completed in February 2018. KPI reporting pending.	
Terrestrial and aquatic biodiversity conservation		
Typification, characterization and conservation of native forest	27,327 ha	Area of land restored
Native forest restoration program (committed with FSC and Certfor)	288 ha	
Maintenance high conservation value	174,2 ha	Area of land conserved
Pollution Prevention and Control		
Modification of gas system DTVG Pacifico/Reduction of PM CaO Boiler Pacifico	108.5 ton PM/yr; 7 ton TRS/yr	Avoided PM emissions; TRS emission reduction
Gas capture and incineration TRS WLP Pacifico	8,400 NM3/h	Reduction of TRS emissions
Gas capture and incineration TRS fiber lines Laja + Effluent reduction at Laja mill	Project completed in February 2018. KPI reporting pending.	
Energy Efficiency		
Projects for energy efficiency (Plan EE 20/20 + iCel)	1,674 MWh/yr energy saving; 72,149 MWh/yr renewable energy production; 3,235,720 m3/yr water savings	Energy savings; Waste to energy production
Pulpwood transportation by barges to the Guaiba mill	19.255 ton CO2/yr	Emissions avoided per year

** Projects did not involve transformation of the genome



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