WE ARE THE FIBER OF THE FUTURE

Our corporate purpose and values, sustainability, innovation, growth, continuous improvement, community engagement and shared value creation are just some of the drivers that allowed CMPC to thrive for 100 years. We know that we can build the next one hundred years over the same pillars, while satisfying the growing demand for products from natural and renewable materials that meet the needs of people and preserve the environment.
CORPORATE PURPOSE

To Create, Coexist and Conserve, is our purpose, which gives meaning to the actions of each and every one of our collaborators and to the solutions we offer through our products. We strive to embed this purpose in our business model, as an extension of the company’s vision that guides the role we play as a corporation towards a sustainable and shared value future with our social and environmental surroundings.

2019: A YEAR OF MILESTONES

- **JANUARY**
  - The Softys business division is created by bringing together all CMPC tissue subsidiaries in Latin America

- **MARCH**
  - The CMPC Celulosa office building in Los Angeles, Chile, is inaugurated

- **JUNE**
  - All CMPC packaging subsidiaries are unified under the name CMPC Biopackaging and grouped in four business units: Corrugados, Sack Kraft, Boxboard and Edipac

- **JULY**
  - CMPC issued its third green bond, this time in the Chilean market for the amount of USD 93.17 million

- **AUGUST**
  - CMPC Europe GmbH & Co. KG is born through a partnership with the GUSCO Handel G. Schürfeld + Co. GmbH group for the distribution of pulp, solid wood and boxboard products in the European market
  - We celebrated the 10th anniversary of our presence in Brazil and received an award by the Brazilian newspaper Valor Econômico for being one of the best companies in the country based on sustainability and economic performance criteria

- **SEPTEMBER**
  - Obtained our first green loan from Japanese banks for the amount of USD 100 million and a 5-year term
  - Made public our Sustainability Goals and the Sustainability Committee was formed to oversee their implementation and oversight
  - CMPC was listed in the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the first time, bringing the total number of CMPC listings in the DJSI indexes to three, including MILA and Chil

- **OCTOBER**
  - Acquisition of Serrados e Pasta e Celulose Ltda. (SEPAC) in its totality in Brazil
  - The process for certifying all Chilean subsidiaries with the ProSME (ProPyme) seal is completed

- **DECEMBER**
  - Recognized among the 72 companies global leaders in water security and included in the CDP A-List by scoring above the Latin American, global and industry averages on the CDP water security questionnaire.
WHAT IS OUR BUSINESS?

The production and distribution of timber, solid wood, pulp, paper, packaging, tissue, and personal care products made of natural and renewable materials, with a special attention on quality and competitiveness. Our operations are divided into three business areas:

**CMPC CELULOSA**: responsible for the company forest assets, production and distribution of wood and pulp. Its operations span Argentina, Brazil and Chile.

**CMPC BIOPACKAGING**: dedicated to the manufacturing and distribution of paper, packaging and container products, made primarily of recycled materials, the majority of which can be reincorporated in the production cycle. It has operations in Argentina, Chile, Mexico and Peru.

**SOFTYS**: in charge of the production and distribution of tissue paper, personal care and away-from-home products, made from virgin fiber and recycled materials. It has presence in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Uruguay.

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**KEY FIGURES**

- **PRESENCE IN 8 COUNTRIES**
- **45 production facilities**
- **17,859 DIRECT COLLABORATORS**
- **19,360 average clients**
- **26,792 INDIRECT COLLABORATORS**
- **432 HIGH CONSERVATION VALUE AREAS**
- **18 priority (non-financial) material issues**
- **US$ 29.9 MM million allocated to fire prevention and control**
- **27% of forest assets designated for conservation and protection**

Sales reached US$ 5,670 billion
¿HOW DO WE MANAGE OUR MATERIAL ISSUES?

In 2019 we conducted an in-depth analysis and exercise of prioritization of our 2018 material issues, defined as the sustainability factors with an impact on the company’s economic performance. This process adhered to the internationally recognized sustainability frameworks as well as best practices in our sector. In addition, we interviewed high-level company executives in order to incorporate the unique perspective of each business area. Here we present our material issues, in alignment with our corporate purpose:

- Sustainable Forest Management
- Ecosystem and Biodiversity Conservation
- Wildfires
- Climate Change
- Water
- Emissions and Waste
- Energy
- Innovation
- Customer Satisfaction
- Community Engagement and Local Development
- Indigenous Peoples
- Local Supplier and Contractor Development
- Talent Attraction and Retention
- Labor Relations
- Diversity and Inclusion
- Health and Safety
CMPC’s way to create value follows a model that has evolved over time and has at its core the corporate purpose. It is based on understanding the key processes, activities, products and byproducts of each business unit, and emphasizes its circular recuperation flows, as the optimal use of renewable resources is essential to CMPC, through regenerative cycles and the recovery of its operations’ byproducts. In this way, CMPC makes a tangible contribution to its sustainable development and value creation commitments.
ANNOUNCING OUR SUSTAINABILITY GOALS

Sustainability is part of CMPC’s strategy, both in terms of our impacts and opportunities. This is why we established our long-term sustainability goals in order to thrive on a planet with limited resources. These goals are also aligned with the Sustainable Development Goals of the 2030 Agenda for Sustainable Development by the United Nations.

1. Reduce by **50%** our absolute greenhouse gas emissions (direct and indirect) by the year **2030**

   **Target 13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

   **2019 Performance:** 2,387,659 tCO₂e
   **Progress:** -3%
   **2030 Goal:** Reduce 50%

2. Reduce by **25%** the industrial water use per metric ton of product by the year **2025**

   **Target 6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

   **2019 Performance:** 31.33 m³/t
   **Progress:** -1.2%
   **2025 Goal:** Reduce 25%

3. Become a **zero waste** to landfill company by the end of the year **2025**

   **Target 12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

   **2019 Performance:** 577,772 t
   **Progress:** 14.3%
   **2025 Goal:** Zero
   **2023 Goal:** Zero

4. Add **100 hectares** for conservation and/or protection by the year **2025**, to the company’s existing over 320 thousand hectares for such purposes in Chile, Argentina, and Brazil.

   **Target 15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

   **2019 Performance:** 4,466 ha
   **Progress:** 4.47%
   **2025 Goal:** +100,000 ha
OUR PERFORMANCE

The following indicators, which are closely linked to our material issues, strive to balance governance, social and environmental aspects, and are core to CMPC’s capacity for value creation. We have grouped these performance indicators into four areas of action: Grow, Connect, Operate, and Solve, which illustrate the scope of our business operations.

GROW

FOREST ASSETS AND LAND
Forest assets 1,189,680 ha
Productive area 866,380 ha
Conservation and/or protection area* 325,995 ha

CERTIFIED FORESTS
Percentage of certified forests 90.3%

CERTIFIED TIMBER (RAW MATERIAL)
Total timber produced 17,683,000 m³
Percentage of certified timber 96.4%
Third-party timber 3,790,000 m³
Percentage of certified third-party timber 100%

CONNECT

NUMBER OF COMMUNITY ENGAGEMENT PROGRAMS AND RELATED SOCIAL INVESTMENT
> 55 programs for education, entrepreneurship and outdoors delivered by CMPC Celulosa and the CMPC Foundation Foundation.

USD 14.3 Million

*Includes restored areas within productive land.

OPERATE

FEMALE PARTICIPATION
Percentage of women in the workforce 15.4%

FEMALE-TO-MALE WAGE RATIO*
Managers 103.5%
Professional staff 106.5%
Administrative personnel 137.5%

TURNOVER RATE 19.1%
UNIONIZATION 60.4%

PERFORMANCE REVIEW
Percentage of executives, professionals and technical staff evaluated 79.93%
Percentage of operators evaluated 16.27%

TRAINING
Hours of training as a percentage of total hours worked 0.71%

ETHICS AND COMPLIANCE TRAINING
Employees who received training on the Integrity and Anti-Corruption Corporate Policy 1,059
Employees (in Chile) who received training on the Crime Prevention Model 566
Employees (in Chile) who received training on Competition and Antitrust 336

HEALTH AND SAFETY
Number of accidents per 100 employees 1.0

INDUSTRIAL WATER USE
Withdrawal 206,541,364 m³
Discharge 172,762,732 m³
Consumption 16.3%

RENEWABLE ENERGY
Energy consumption 140,957 TJ
Renewable energy (biomass) as a share of total energy produced 79%

POWER GENERATION AND CONSUMPTION
Generation 3,377 GWh
Consumption 5,284 GWh
Generation/Consumption 63.9%

CARBON FOOTPRINT
Total greenhouse gas emissions 6,702,475 tCO₂e
Scope 1: Direct, from stationary and mobile sources 29.1%
Scope 2: Indirect, from the generation of purchased energy 6.5%
Scope 3: Indirect, from the value chain 64.4%

*New hires in corporate level positions at Empresas CMPC.
GREEN TAX IN CHILE
Taxes paid on atmospheric and greenhouse gas emissions USD 3,685 million

WASTE GENERATION
Hazardous 3,378 tons
Non-hazardous 2,351,481 tons

TREATMENT AND DISPOSAL OF NON-HAZARDOUS WASTE

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valorization</td>
<td>0.05%</td>
</tr>
<tr>
<td>Reuse</td>
<td>7.21%</td>
</tr>
<tr>
<td>Recycling</td>
<td>27.05%</td>
</tr>
<tr>
<td>Composting and biological decomposition</td>
<td>41.12%</td>
</tr>
<tr>
<td>Energy recovery</td>
<td>24.57%</td>
</tr>
<tr>
<td>Disposal Final disposal</td>
<td>24.57%</td>
</tr>
</tbody>
</table>

SOLVE

MAIN INNOVATION INITIATIVES BY BUSINESS AREA

CMPC
Three ideas were chosen to participate in a pilot project together with CMPC as a result of the first edition of the open innovation challenge. A total of 189 startups from 18 countries participated with ideas to advance in the circular economy and digital transformation.

CELULOSA
New seedling trays made from molded pulp and paper waste were introduced. They can decompose directly in the soil under the conditions of humidity, irrigation and temperature typical for plant nurseries.

BIOPACKAGING
New molded pulp insert trays for the transport and protection of stone fruits with adjustable size to fit the needs of each particular fruit variety.

SOFTYS
More than 1,000 ideas were received for the Softys Innovation Challenge, a regional competition for Softys collaborators with the purpose of developing new products, improving performance, brand differentiation and reducing costs.

CUSTOMER SATISFACTION

<table>
<thead>
<tr>
<th>CMPC Celulosa and Biopackaging Net Promoter Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maderas</td>
</tr>
<tr>
<td>Pulp</td>
</tr>
<tr>
<td>Boxboard</td>
</tr>
<tr>
<td>Sack Kraft</td>
</tr>
<tr>
<td>Corrugados</td>
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<tr>
<td>Edipac</td>
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</table>

CUSTOMER SATISFACTION WITH THE SALES PROCESS BY COUNTRY

<table>
<thead>
<tr>
<th>Softys Advantage Survey</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Mexico</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>14</td>
<td>9</td>
<td>4</td>
<td>15</td>
<td>3</td>
</tr>
</tbody>
</table>

More Information

For more information on CMPC’s sustainability performance, please visit our website where you can also find our Integrated Report 2019.