

# BUILDING TOGETHER OUR FUTURE





# VISION

To be a leader in sustainable solutions with natural fibers in order to improve people's lives.

# MISSION

To be considered as a global benchmark, developing renewable, sustainable, certified and natural solutions.

- Leading a transformation process, adding value to our employees, customers, environment and other stakeholders.
- Promoting excellence in all our processes through continuous improvement and innovation.
- Ensuring sustainability and development in the areas where we operate.





# MILLS LOCATION



 GUAÍBA

 LAJA

 SANTA FE

 PACÍFICO





# LAJA

 **CHILE**  
LAJA POPULATION  
INHABITANTS  
22,400



# COLLIPULLI

 **CHILE**  
COLLIPULLI POPULATION  
INHABITANTS  
5,500



# NACIMIENTO

 **CHILE**  
NACIMIENTO POPULATION  
INHABITANTS  
26,300



# GUAÍBA

 **BRAZIL**  
GUAIBA POPULATION  
INHABITANTS  
120,000



# OPERATIONS LAJA



Started its operations in 1959.  
It was the first pulp mill in Chile and the  
second in Latin America.

TON BSKP

# 261,000



# OPERATIONS PACIFICO



Started its operations in 1992 as CELPAC Project, in a 50/50 agreement between CMPC and Simpson Paper USA.

In 1997 CMPC acquires and takes control of the mill.

525,000

TON BSKP



# BENEFITS OF OUR BSKP LAJA AND PACIFICO PULP

CMPC's BSKP is known throughout the world as a versatile pulp with consistent characteristics. It is used as a raw material in a range of products from printing and writing paper (coated or uncoated) to paperboards, tissue and other specialty products.



Pulp strength is one of the most important properties of a BSKP pulp. This is particularly important in mixtures with hardwood pulps or with mechanical pulps.

Consistent pulp quality is absolutely essential for the modern paper mill, due to its consistent quality, it is particularly suited for combination with other pulps.

**CMPC BSK PULP** has a good performance in relation to Tensile Index v/s Tear Index.

**CMPC BSK PULP** has high Coarseness and Fiber Length close to the market standards.

**CMPC BSK PULP** - Radiata pine pulps have stable brightness in comparison with the average of other pulps in the market, and also low yellowness.

**CMPC BSK PULP** presents a Tensile Index in the average of the long fiber pulps. The same applies to Tear Index and Drainability (°SR). Its attributes guarantee a very good performance comparable with dominating market pulps boosted by its consistent quality given by a unique planted species.

**CMPC BSK PULP** have a good cleanliness. This property have enabled this pulp to find global acceptance with most printing & writing, converting and specialty paper producers.





# OPERATIONS SANTA FE



377,000 SF 01  
TON BEKP

1,119,000 SF 02  
TON BEKP

Santa Fe Line 1 started its operations in 1991  
In November 1997, CMPC acquired Santa Fe from Shell.  
Santa Fe is the largest white kraft pulp mill in Chile.

TON BEKP  
1,496,000



# OPERATIONS GUAÍBA



361,000 GB 01  
TON BEKP

1.536,000 GB 02  
TON BEKP

Guaíba Line 1 started its operations in 1972, as a Borregaard Norway project. CMPC acquired Guaíba mill from Aracruz in 2009, and CMPC Celulosa Riograndese was founded. In 2012, CMPC invested in the Guaíba Line 2 project. In 2015, Guaíba Line 2 started its operations. It is CMPC's largest investment to date.

TON BEKP  
1,897,000



# BENEFITS OF OUR SHORT FIBER GUAÍBA AND SANTA FE PULP

CMPC's BEKP pulp is known throughout the world and recognized for their ability to produce good formation, softness, surface, smoothness, high opacity and especially good bulk. It is used as a raw material in a range of products from printing and writing paper (coated or uncoated) to paperboards, premium tissue grades and other specialty products.



**GUAÍBA PULP**, due to the excellent unrefined tensile strength within the typical Tensile Index for premium Tissue, is appreciated in conventional Crescent Former paper-machines for Tissue and it drains faster than others BEKP pulps.

**GUAÍBA PULP** is a fair representative of Brazilian pulp, displaying from middle to top range of good bulk, strength, quality, porosity and excellent opacity; which can be used in several segments. Known to provide soft and bulky tissue in advanced paper machine setups, like layered head boxes and structured pattern belts.

**GUAÍBA PULP**, due to its low energy refining requirement, is suitable for tissue papers as its good softness level is comparable to the best pulps in the market.

**SANTA FE PULP** has a higher tensile strength than our competitors which improves tensile strength in the desirable range of porosity. Due to this special feature, it occupies a privileged niche in the specialty products.

**SANTA FE PULP** for the same level of resistance (i.e. 75 Nm / g), presents greater Z-Tensile Strength which confirms that uniformity of our Santa Fe pulp which give us superior runnability. This allows replacing an important fraction of long fiber mixture

**SANTA FE PULP** is a top performer due to their low refining energy requirements, Santa Fe pulp needs approximately 20kWh/t to develop 60 Nm/g.

*Our Technical Customer Service Team is available for any questions or support.*

*Please contact us by [customerservices@cmpc.cl](mailto:customerservices@cmpc.cl)*



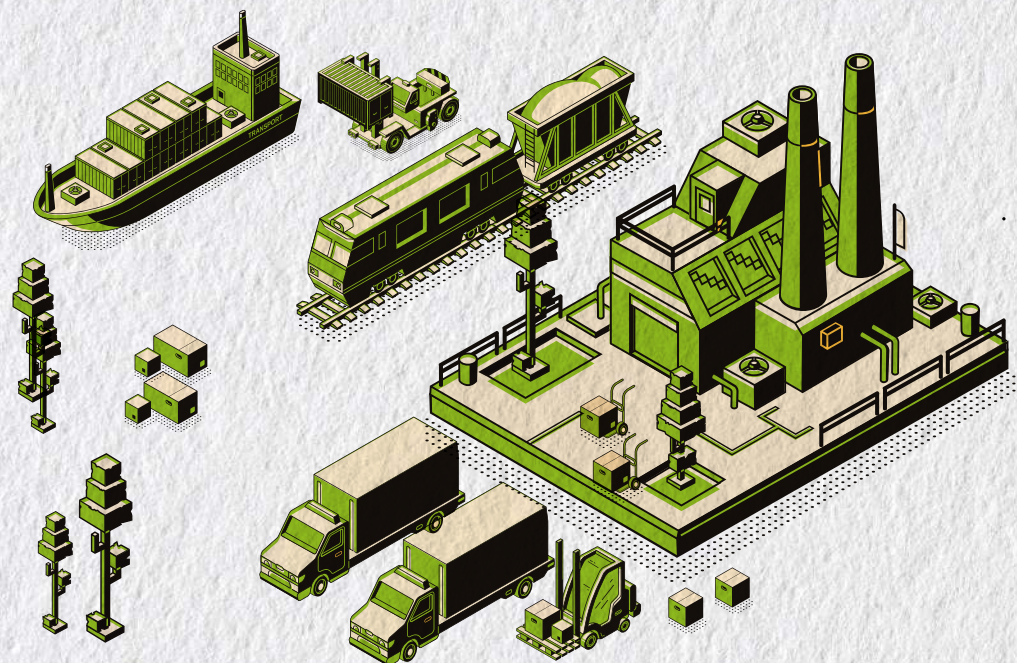


# COMPETITIVE ADVANTAGES





# STRATEGICALLY LOCATED PULP FACILITIES



**DISTANCE FROM PLANTATIONS**

**MILL**

**TRANSPORT TO PORTS**

80 KM  
99 KM  
93 KM  
208 KM

 **LAJA**  
 **SANTA FE**  
 **PACIFICO**  
 **GUAÍBA**

93 KM BY TRAIN  
119 KM BY TRAIN  
163 KM BY TRAIN  
260 KM BY BARGES

# LOGISTIC EXCELLENCE



- **16 main ports** worldwide
- **Long-term** freight contracts with specialized shipping companies
- **Flexibility** and quick response
- **Inventories** in Europe, Asia and North America



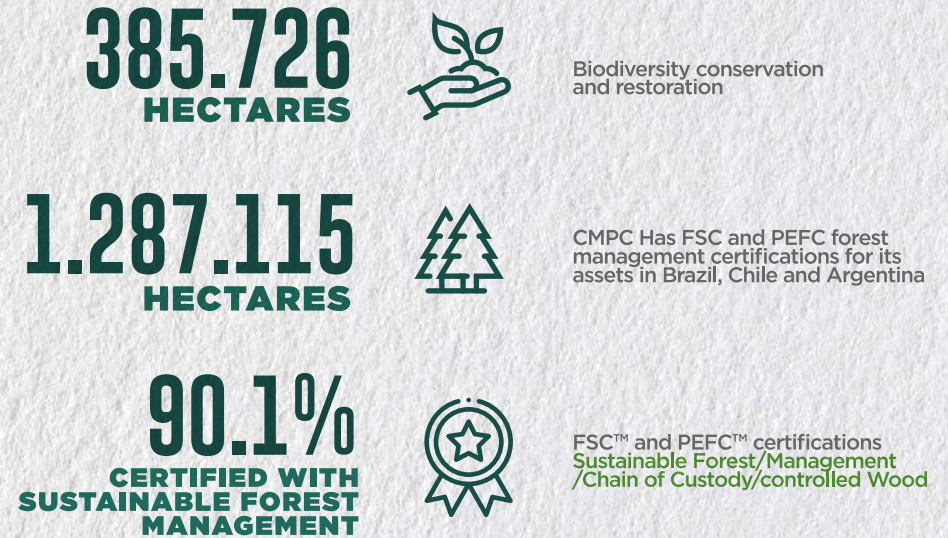
# HOW DO WE OPERATE?



CMPC Pulp is present in the world through a network of agents and representatives in 16 countries in the Americas, 9 in Asia, 8 in Europe and 1 in Oceania. It also supplies materials and products to the African continent. To this end, CMPC Pulp has a customer service office in the cities of Los Angeles and Santiago, in Chile, and in Guaíba, in Brazil. It also has a commercial office in Atlanta, United States; Hamburg, Germany; and a representative office in Shanghai, China.



# LOW-COST, HIGH-YIELD GEOGRAPHIES WITH CONTINUOUS PRODUCTIVITY GROWTH



## WE SOURCE OUR FIBER FROM SUSTAINABLY MANAGED FORESTS

From a noble resource, certified, renewable and with infinite potentialities.



# BUILDING A WORLD CLASS MANAGEMENT SYSTEM

## WHAT IS THE BEST PROGRAM?

Best is the name of CMPC's management system, based on continuous improvement and innovation models, seeking excellence in all processes, involving all internal and external customers at any point in time.



This program combines the best practices and tools from international methods such as Lean, TPM, Kaizen, Six Sigma, and others. It is the way to face the challenge to continue our successful path for the next 100 years of our existence.



### COMMON GOAL

Defines, transmits, and mobilizes the team around a common goal aligned with the strategy to guarantee the goals' fulfillment.



### EFFICIENT PROCESSES

Ensures the creation of value with efficient processes and agile standards of excellence that have a real impact on customer satisfaction (internal and external).



### CONTINUOUS DEVELOPMENT OF PEOPLE

Promotes the continuous development and generation of trust in the team (leadership and collaborators), establishing each collaborator's conditions to reach their maximum potential.



### CONTINUOUS IMPROVEMENT AND INNOVATION

Search and disseminate the best labor practices, ensuring the resolution of problems together to obtain operational excellence and achieve permanent improvement.

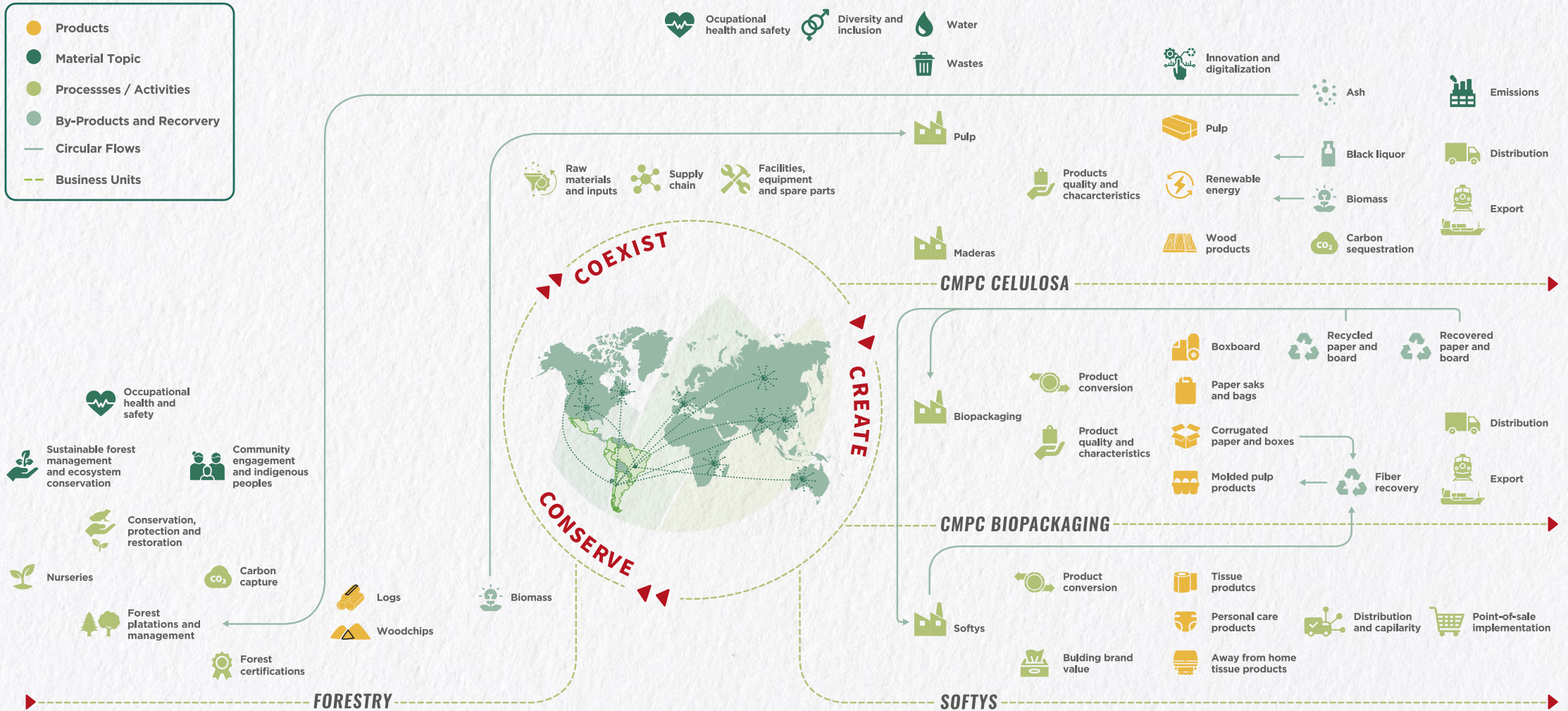
## OUR PRINCIPLES

- ✓ FOCUS ON THE CUSTOMER
- ✓ CREATE COMMON PURPOSE
- ✓ THINK SYSTEMATICALLY
- ✓ FOCUS ON THE PROCESSES
- ✓ CREATE VALUE
- ✓ DOING THE JOB WELL THE FIRST TIME
- ✓ LOOKING FOR NEW CHALLENGES
- ✓ EMBRACE SCIENTIFIC THINKING
- ✓ RESPECT EVERY INDIVIDUAL
- ✓ LEAD WITH HUMANITY



# WHAT IS OUR VALUE CREATION MODEL?

- Products
- Material Topic
- Processes / Activities
- By-Products and Recovery
- Circular Flows
- - - Business Units



The visual representation of CMPC’s value creation, centered around its corporate purpose, has been evolving each year. It aims to depict the core processes, activities, products and byproducts of each business unit. The model pays close attention to internal circular flows as the optimal use of renewable resources is essential for CMPC such as in way of regenerative cycles and the recovery of its operations’ byproducts. In this way, CMPC makes a tangible contribution to sustainable development and value creation.



# MEMBER OF THE WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD)

Organization of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world.

## FOREST SOLUTIONS GROUP (FSG)

FSG is the global platform where leading business in the forest products sector build and share solutions to sustainable development.

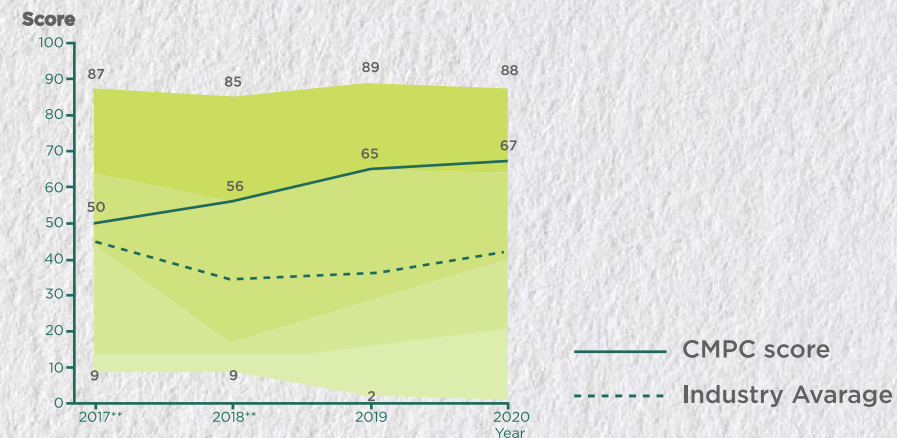
Members of the Forest Solutions Group (FSG) have issued in 2019 a Forest Sector Sustainable Development Goals (SDG) Roadmap. Its aim is to maximize the sector's contribution to the achievement of the SDGs and help unlock eight business impact opportunities that present themselves on this journey to 2030 and beyond, related to Working Forests and Bioeconomy; Climate, Water, and Circularity; People, Communities and Procurement.



# MAIN ESG DISCLOSURES/ PERFORMANCE'S ACHIEVEMENTS

## DOW JONES SUSTAINABILITY INDEX

Sustainability scores: Company vs. Selected benchmark



## CDP

CDP runs the global environmental disclosure system, in which CMPC reports its performance, along with thousands of other company's, to manage the risks and opportunities on climate change, water security and deforestation. CMPC has reached a leadership score in all three categories and for 2020 was included in the "A list" for the water and forest categories.

MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
 In Collaboration with RobecoSAM



\*Chile: MILA, emerging markets (for second time)




# CORPORATE SUSTAINABILITY GOALS


CMPC's work is deeply connected with its surroundings; the communities, the territories and the ecosystems that make them up. We understand value creation for our stakeholders, as the way to generate our own value and grow in a sustainable way over time. We work directly with natural resources such as soil, water and forests, knowing that our operations have both positive and negative impacts, therefore, we strive to continuously identify science based opportunities for improvement.

In this direction, we have committed to specific goals for sustainable development, of an environmental and social nature, with baseline in 2018 and 2019, respectively. These will guide all our actions to the year 2025 and 2030.

## ENVIRONMENTAL



Reduce by 50% the absolute greenhouse gas emissions by 2030.



Reduce by 25% the use of industrial water per metric ton produced by 2025.



Zero industrial waste to landfill by 2025.



Add 100,000 hectares for conservation and protection by 2030.

## DIVERSITY & INCLUSION

- Increase the share of women in the workforce from **23.1%** to **50%** by 2025.
- Increase the share of women in management positions from **31.7%** to **50%** by 2025.
- Reach **2.5%** of the workforce with people with disabilities by 2025.

## INNOVATION

**30%** Of process improvements by 2025 should come from digital innovation and data use.

**20%** Of reaching the environmental goals should be achieved through innovative technology.

**10%** Of sales of all three business areas by 2025 should come from new and innovative products which we didn't offer as of January 1, 2020.





# COMPETITIVE MANAGEMENT



## CORPORATE GOAL: ZERO WASTE TO LANDFILL BY 2025

In 2020, we managed to reduce waste to landfill down to 509,843 tons, which means progress in our reduction goal of 28.6%.

The company has been working to avoid the final disposal of waste in landfills in favor of various recovery alternatives, such as reuse, recycling, composting and energy extraction. In 2019, recovery through such methods increased by 12.9%.

### Clean Production Agreement (APL)

In 2019, two CMPC mills subscribed Clean Production Agreements (APL) for zero waste: Sack Kraft in Chile and Molded pulp.

They are joining the five Biopackaging mills for containers and packaging that already had such agreements in place: Corrugated (Buin, Osorno and Tilti), Sack Kraft Chile and Fibras. With these agreements, plants commit to the implementation of a clean production strategy.

# BY-PRODUCTS FROM CMPC CELLULOSE RIOGRANDENSE WASTE MANAGEMENT

- **CORRECTIVES FOR ACID SOILS**  
CARBONATE CALCIUM  
CALCITE (ASH)
- **SUBSTRATES FOR PLANTS**  
COMPOST  
HUMMUS
- **INDUSTRIAL SUPPLIES**  
SAWDUST  
UNBLEACHED CELLULOSE FIBER REJECT



# CARBON FOOTPRINT

- CMPC measures its carbon footprint, including the gases carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) in the calculation. For its measurement, it uses the GHG Protocol, methodology, which defines three scopes: scope 1 (direct emissions), scope 2 (indirect emissions from energy purchases), and scope 3 (other indirect emissions in the supply chain).
- Regarding emissions from corporate offices, a 48% decrease is identified in Scope 2, mainly due to teleworking within the context of the Pandemic. The same happens in Scope 3, where a reduction of 54.6% of emissions is occurred, mainly due to the decrease in corporate air travel.
- In the carbon footprint for CMPC's industrial operations, an progress of 21.2% is identified in 2020 towards the corporate emissions reduction goal, due to the purchase of green attributes for industrial operations in Chile. This implies new contracts for the supply of 100% non-conventional renewable electric power, reducing Scope 2 by 60.5%, which translates into mitigation of approximately 400 thousand tCO<sub>2</sub>.
- CMPC achieved a 21.2% progress towards the target, which implies mitigation of 247.353 tons of CO<sub>2</sub> equivalent in Scope 2 during 2020.

**WE WILL REDUCE OUR ABSOLUTE GREENHOUSE GAS EMISSIONS (DIRECT AND INDIRECT FROM ENERGY) BY 50% BY 2030.**

## PERFORMANCE GOAL REDUCTION OF EMISSIONS

	Baseline 2018	2019	2020	Goal 2030
Performance ( MtCO <sub>2</sub> e)	2,396	2,450	2,142	1,198 (-50%)
Annual variation (MtCO <sub>2</sub> e)		54	-254	-1,198
% progress to goal		-4.5%	21.2%	100%

Source: Sustainability and Environmental Management.



**Target:**  
13.3

# COMMUNITY RELATIONS



## SHARED VALUE



RURAL COMMUNITIES

URBAN COMMUNITIES

INDIGENOUS PEOPLE



# GREEN ENERGY



Comes from biomass energy generated by renewable resources.



Of the energy consumption is consolidated electric energy generated by CMPC.

# SUSTAINABLE FINANCE

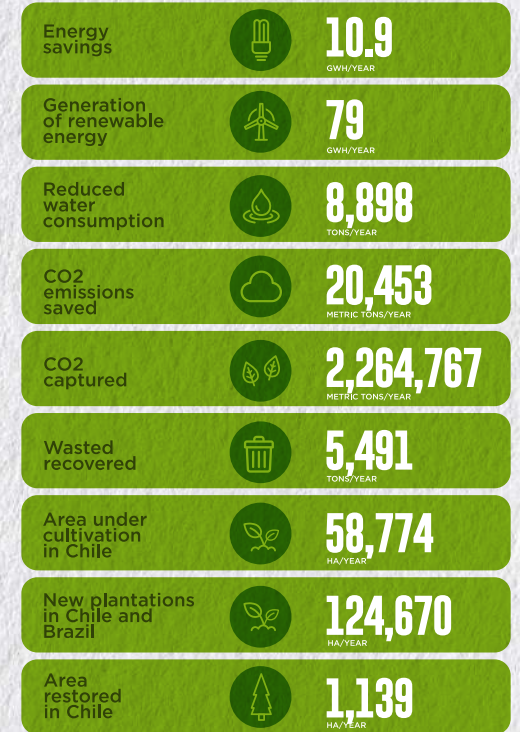
**IN 2017, CMPC WAS THE FIRST CHILEAN COMPANY TO ISSUE A BOND COMPLYING WITH THE GREEN BOND PRINCIPLES (GBP).**

This Green Bond raised a total value of \$500 million with a spread over 10-year United States Treasury Bonds of 2.00% and an effective rate of 4.42%. As a result, CMPC received the Green Bond Pioneer Award 2018 and was included in the New Countries Taking Green Bonds Global Category.

In 2018, a second green bond was issued through CMPC's Peruvian subsidiary, Protisa, on the Peruvian Stock Exchange. This was effectively the first green bond issued in Peru as well as the first bond issued by a subsidiary of CMPC. The total amount of the bond was of 100 million Peruvian soles with a 6-year term.

In July 2019, CMPC issued its third Green Bond, in the Chilean market, for UF 2,500,000, equivalent to USD100 million. The effective rate was 1.22% and received an oversubscription of 3.4x.

In 2020, a revolving credit line was created, structured as a loan linked to sustainability (SLL) for USD 100 million, with a term of 2 years.





# SUSTAINABLE GROWTH



Within the strategic axis of CMPC Pulp, EXCELLENCE is the key to be global referents, focusing on the GROWTH where we have competitive advantages or development opportunities with a deep knowledge of the markets and trends of our CUSTOMERS.

# INTEGRATED REPORT

## IN 2020 CMPC ISSUED ITS FIFTH INTEGRATED REPORT

- It covers CMPC's three lines of business: CMPC Pulp, CMPC Biopackaging and Softys, (as a subsidiary of CMPC) and their respective 46 companies.
- It includes all company operations in Chile, Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and Uruguay.
- The sustainability sections were prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC).
- The report was verified by an external audit firm, with regard to both sustainability data and the financial statements.



<https://www.cmpcpulp.com/Sustainability#reporte>





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