

# PULP NEWSLETTER

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## CMPC's presentation to the UN

**CMPC's CEO presents to the UN the forestry sector's roadmap to contribute to sustainable development.**

On Wednesday, July 17, Francisco Ruiz-Tagle, CEO of CMPC, launched WBCSD's Forest Sector SDG Roadmap on behalf of leading forest companies at the High-Level Political Forum in New York.

CMPC is one of more than 200 companies that belong to the World Business Council for Sustainable Development, known as WBCSD, an association that seeks the joint work of its members to accelerate the transition to a sustainable world.

Within that framework, the WBCSD

forestry companies worked during the last 18 months to create a roadmap that helps the industry face the challenges that arise from climate change, natural resource restriction, technological innovation, urbanization and changes in consumer behavior, while ensuring that growth goes hand-in-hand with the SDGs set for 2030.

In this way, the roadmap shows how the forestry sector interacts with the SDGs and how they can benefit from its use to respond to the social and environmental trends that are transforming the sector. During the launch, which was held at an event organized by the United Nations Department of Economic and Social Affairs and the WBCSD, our CEO stressed, "this roadmap expresses a common vision for the forestry sector to help accomplish the ambitions that are at the core of the SDGs. We support it and want to encourage action-centric collaboration, globally, locally and across the entire value chain, which benefits people and the planet."

In addition to CMPC, Aditya Birla Group, Campbell Global, Hancock Natural Resource Group, International Paper Company, Mondi Group, New Forests, Smurfit Kappa Group, Stora Enso, Sumitomo Forestry and The Navigator Company participated in the development of the roadmap.

In addition, various stakeholders in the forestry sector were consulted, who provided information throughout its development to ensure that the roadmap is accurate and implementable. If you want more information about this topic, please contact [pulp@cmpec.cl](mailto:pulp@cmpec.cl)



### Short news

## CMPC commits reduction of gas emission greenhouse

Within the framework of the commemoration of its first 100 years of history and in the context of climate change, CMPC committed to reduce its absolute emissions of greenhouse gases by 50% (scope 1 + 2) by 2030, taking 2018 emissions as baseline.

*"All human activities generate some impact on our environment, but we also require industries to meet our most basic needs," said CMPC's CEO Francisco Ruiz-Tagle, adding that "what we need is*

*to take care of as much of these impacts as possible."*

The company's total emissions (CO<sub>2</sub>e) in the past year reached 7.6 million tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), while emissions of scope 1 and 2 totaled 2.3 million tCO<sub>2</sub>e.

The commitment, as announced by the company, will be accomplished through energy and production efficiency measures, in addition to changes in used fuels, among other actions.



Professional interview



**Guillermo Turner**

Corporate Affairs Manager

**The COP25 will be held in Chile. What is CMPC's posture regarding this international summit?**

— We think it is a very important opportunity to demonstrate the protagonist role of Chile and Latin America when it comes to the urgent requirement to generate sustainability conditions for our planet. In this context, the role of forestry companies such as CMPC, which combine hundreds of hectares of conservation and protection with productive, renewable and certified forest plantations, is extremely important.

In order to face climate change, it is not only necessary to reduce emissions, but to also increase carbon sequestration. In that sense, we estimate that the annual carbon sequestration in CMPC's forest plantations, including Chile, Brazil and Argentina, reaches 25 million tCO<sub>2</sub>e. In addition, CMPC's conservation areas in Chile, collaborate with the carbon sequestration in around 620,000 tCo<sub>2</sub>e.

**What motivates CMPC to work with communities?**

—Our corporate purpose is summarized in what we call the 3 Cs: Create, Coexist and Conserve. The "C" that stands for Coexistence speaks, precisely, in regards to our interest to consolidate ourselves as an agent that fosters development and creates opportunities for the communities near our forestry and industrial operations, regardless of whether or not they represent indigenous peoples. By the way, in this specific case, we value other factors that are also involved, such as intercultural integration, for which we not only, for example, ensure to protect sites of high cultural value, but also promote their ancestral knowledge within our company. But our work's objective is to generate value for all stakeholders, including – of course – our neighboring communities. We have many related examples, such as ventures that are linked to our forestry and industrial activity, nursery and orchard development and tourism development projects.

**Is working with communities a policy that is replicated in all the countries where you operate, regardless of whether or not these are indigenous communities?**

—In Chile's case, this policy is very important since we have more than 350 Mapuche communities neighboring our operations. However, the efforts described in the previous question belong to a corporate policy that applies to all the countries where we operate and that resulted from our board's firm conviction.

**What are the main social projects CMPC has promoted to help the community?**

—The most relevant task, without a doubt, is the one that the CMPC Foundation has done for almost 20 years. This is a non-profit organization through which CMPC channels its aid to education, both through school support and the implementation of learning programs for young children, such as the International Hippy program. At the most local level, I would highlight the support for smaller entrepreneurs in Nacimiento to meet our Santa Fe pulp mill various daily requirements, as well as the initiative that seeks to recover the old navigable waterways of the Araucania shoreline through a series of tourism ventures and cultural chains.

**“Our work's objective is to generate value for all stakeholders, including – of course – our neighboring communities”.**

**What will be CMPC's future relationship with the communities?**

—As I said before, our goal is to consolidate ourselves as a generator of development in the places where we operate, thus directly benefiting neighboring communities. But we are also aware of our negative impacts, this is the reason that we have committed

with environmental objectives that include: reducing our carbon footprint, decreasing use of water in industrial operations, becoming a zero waste disposal company and increasing, in a relevant way, our commitment to protect, conserve and restore land.

**Is there a policy to protect the native forest and wildlife?**

—Of course. In the first place, our plantations do not replace, under any exception, native forests. In addition, native shelterbelts are established for waterways and other channels. We also manage projects for the conservation of native fauna such as the huemul, an endangered species. Our nursery in Chile, located in the commune of Yumbel, is one of the largest producers of native plants in the country, which we use for our restoration processes as we also donate to third-party projects.

In addition, to commemorate our first 100 years, CMPC launched the great challenge of recovering native forests and landscapes by restoring and conserving 100,000 hectares by 2030, which will be added to the 325,000 hectares of conservation that our company currently has in Chile, Brazil and Argentina.



Community news



# CMPC work with communities

## Rescuing the cultural traditions of our communities.

Ñocha Malen is a group of artisan basket weavers in Ñocha, originally from the town of Huentelolén in the commune of Cañete in the Biobío region. They started in 2012 thanks to a project CMPC has developed since 2004 with the objective of rescuing and promoting a Lafquenche cultural and ancestral activities.

The ñocha is a plant fiber that grows naturally in the native forest of the Cordillera de Nahuelbuta in Chile and that was in danger of extinction, but that was rescued thanks to a CMPC project in which shapers were created in the homes of the entrepreneurs. This allowed them to reproduce the ñocha and obtain the material necessary to carry out the trade.

This development was highlighted in many instances, one of these being in

2016 when Ñocha Malen was invited to be part of the worldwide PET Lamp group and worked on the creation of the Mapuche PET lamp line, exhibited at the International Furniture Fair in Milan, Italy, and at the Cultural Center of La Moneda Palace in Chile. In 2017, the group participated in the Biennial Révelations held at the Grand Palais in Paris, France.

As a product of all the support they have received, Ñocha Malen has created new designs with a modern seal and high-quality standards.



Sustainability news

# CMPC has issued its third Green Bond

Last July, CMPC placed its third green bond for an amount of US\$ 96.5 million, obtaining a total demand of US\$ 328. The 10-year term bond obtained an effective annual placement rate of 1.22% with a spread over the reference rate of 0.57%.

The bond was placed on the Santiago Stock Exchange, becoming the third green bond issued by CMPC if the placements in Peru in October of last year and in the United States in March 2017 are taken into account.

This new issue is in line with CMPC's sustainability objectives, as it meets the requirements established in the Green Bond Principles (GBP) coordinated by the International Capital Markets Association (ICMA)

and supported by the World Bank to be qualified as a green bond, which means that its resources will be used to finance and refinance projects with sustainable environmental benefits.

It is important to note that CMPC issued its first green bond in the international markets in March 2017 for US\$ 500 million. This operation was the first of its kind carried out by a Chilean company in the international market. Subsequently, in October 2018, CMPC issued its second green bond in the Peruvian Stock Exchange for US\$ 30 million, through its Peruvian Subsidiary Protisa, becoming the first green bond issued in Peru.



The Green Bond Principles

