

# SUSTAINABLE FINANCING & IMPACT REPORT 2022 - 2023

JANUARY 2024



## FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements that should be considered good faith estimates. Such statements are subject to risks and uncertainties outside of CMPC's control that could cause CMPC's actual results to differ materially from those set forth in the forward-looking statements. These risks include those described in CMPC's Financial Statements, Note 3 ("Risk Management"). Forward-looking statements speak only as of the date they are delivered. CMPC undertakes no obligation to publicly update or revise them based on developments which differ from those anticipated.

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# CMPC SUSTAINABLE FINANCING STRATEGY

CMPC is committed to playing an important role in developing sustainable finance in Chile and worldwide, highlighting its ability to channel more investments towards relevant environmental, social, and governance initiatives, as well as to achieve ambitious sustainability goals.

The Company has issued Sustainability-Linked Loans and Bonds associated with its Sustainability Goals, specifically those related to the reduction of greenhouse gas emissions, water use intensity and waste, and the expansion of its conservation areas.

On the other hand, the Company has also issued Green Loans & Bonds, where the use of proceeds was allocated to projects with environmental benefits. In these issuances, the funds have been used primarily in projects related to sustainable land use management, pollution prevention, and energy efficiency.

CMPC has continued to demonstrate its commitment to Sustainable Finance through the closing of a Green Bond for UF 7 million corresponding to approximately USD 250 million in the year 2022, one Green Sustainable Linked Bond in 2023 in the United States for USD 500 million, one Green Bond in the Mexican Market for MXN 1,600 million and one Sustainable Linked Bond for MXN 1,600 million.

# CORPORATE SUSTAINABILITY TARGETS.

## Environmental Goals



### **Reduce by 50% our absolute greenhouse gas emissions (Scope 1 and 2) by the year 2030**

SDG 13, Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

2018 BASELINE ktCO <sub>2</sub> e	2022 ktCO <sub>2</sub> e	Progress	2030 Goal
2,396	1,969	35.7%	1,198 (-50%)



### **Reduce greenhouse gas emissions by 37.5% in Scope 3 by 2035**

SDG 13, Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

2020 BASELINE ktCO <sub>2</sub> e	2022 ktCO <sub>2</sub> e	Progress	2030 Goal
5,889	6,126	-10.7%	3,681 (-37.5%)



# CORPORATE SUSTAINABILITY TARGETS.

## Environmental Goals



### Zero emissions by 2040

SDG 13, Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.



### Reduce by 25% the industrial water use per metric ton of product by the year 2025

SDG 6, 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.



2018 BASELINE m <sup>3</sup> /t	2022 m <sup>3</sup> /t	Progress	2025 Goal
31.51	28.86	33.6%	23.63 (-25%)

# CORPORATE SUSTAINABILITY TARGETS.

## Environmental Goals



### Become a zero waste to landfill company by the year 2025

SDG 12, Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.



2018 BASELINE t	2022 t	Progress	2025 Goal
714,299	347,626	57.0%	71,430

\*According to international guidelines and consensus (Zero Waste International Alliance, EPA, WRI, Europe Zero Waste, among others), the concept of “zero waste to landfill” refers to a deviation towards recovery treatments of at least 90% of the waste sent to landfills, controlled disposal areas or dumps with respect to a baseline. Therefore, it is expected to reduce by at least 90% the amount of solid waste sent to any of these disposal facilities with respect to the established base year.



### Add 100 thousand hectares for conservation and/or protection by the year 2030 to the company's baseline year 2018.

SDG 15, 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.



2018 BASELINE	2022 ha	Progress	2025 Goal
321,529	402,817	81.3%	421,529

# CORPORATE SUSTAINABILITY TARGETS.

## Diversity, Inclusion, and Safety Goals

7

**Achieve by 25% the share of women in our workforce by 2025**

2019 BASELINE	2022	Progress	2025 Goal
13.7%	17.4%	32.7%	25.0%

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**Increase the number of women in leadership positions by 30% by 2025**

2019 BASELINE	2022	Progress	2025 Goal
15.9%	21.3%	38.5%	30.0%



SDG 5, Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

# CORPORATE SUSTAINABILITY TARGETS.

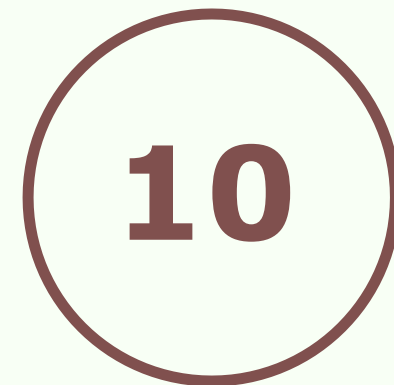
## Diversity, Inclusion, and Safety Goals



**Zero fatalities in operations, both in direct collaborators and in service companies whether industrial plants or in forest operations.**

SDG 10, Target 10.2: : By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

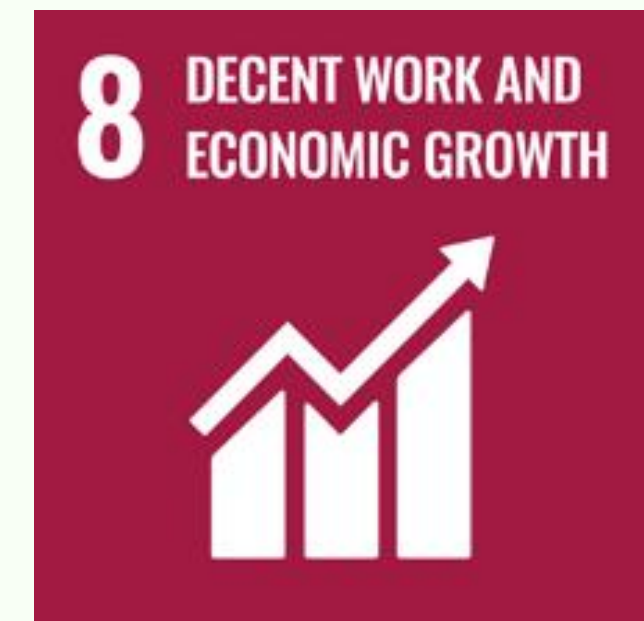
2019 BASELINE	2022	Progress	2025 Goal
1	1 fatality	0%	0% 0 fatalities



**To have 30% of process improvements come from digital innovation and data use by 2025.**

SDG 8, Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

2020 BASELINE	2022	Progress	2025 Goal
0	17%	17%	30%



SDG 8, Target 8.2: achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.

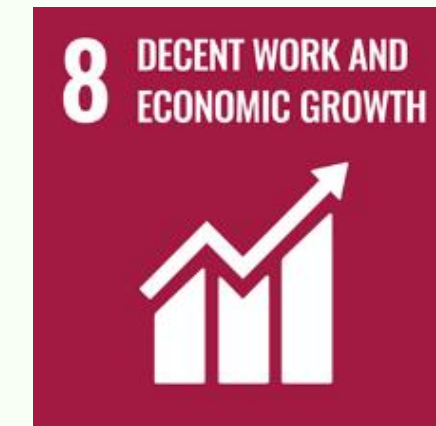
# CORPORATE SUSTAINABILITY TARGETS.

## Diversity, Inclusion, and Safety Goals



**To have 20% of the contribution towards reaching the environmental goals come from innovative solutions.**

SDG 8, Target 8.8: Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor intensive-sectors.



**To have 10% of sales of all three business areas come from new and innovative products which we did not offer as of January 1, 2020, by 2025.**

SDG 9, Target 9.4: By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.



2020 BASELINE	2022	Progress	2025 Goal
0	3.8%	3.8%	10%



# LEADERS IN SUSTAINABILITY WITH PARTNERS AND RECOGNITIONS

The Company has been a core member of the World Business Council for Sustainable Development (“WBCSD”) where nowadays it’s CEO was formerly served as Co-Chair. CMPC’s has been also member of the Forest Solutions Group (“FSG”) since 2011. It recently served as co-chair in the elaboration of the Forest Sector SDG Roadmap, which was presented before the United Nations by CMPC’s CEO, Francisco Ruiz-Tagle, in 2019. The roadmap identifies risks and opportunities for the sector and provides a pathway towards minimizing negative impacts and contributing to the SDGs by identifying 8 impact opportunities in which Forestry companies can get aligned and strike forward. These are: Working Forest, Bioeconomy, Climate, Water, Circularity, People, Communities and Procurement

CMPC participates in the UN Global Compact (member of the Chile network executive committee), the Corporate Leaders Group for Climate Change and Acción Empresas (Chile network for WBCSD), and partners with many local educational institutions, government entities and NGOs. CMPC’s track record in sustainability has led us to be included in the most prestigious ESG indices, in many cases since their very beginning, as well as received recognition by a variety of organizations. In addition, its goals have been validated by the Science Based Target Initiative (SBTi), and it is part of Race to Zero, a global campaign that is part of the United Nations Framework Convention on Climate Change.





In 2022, CMPC was included in the prestigious Water and Forests A List ranking of CDP, as a double A-List company, showing leadership in corporate transparency and action on deforestation and water security. Also the Company leads the categories of Dow Jones Sustainability Index Chile, MILA and Emerging Markets, in which it was included since 2015, 2017 and 2019 respectively, in recognition of its ESG efforts. In 2023 the company reached the first place in the DJSI of the Paper & Forest Products sector globally and is considered as the top 5% of companies in the S&P Global Score 2023. It also was awarded as the Global Industry Mover seal of approval of the S&P Global Sustainability Yearbook.



# SUSTAINABLE FINANCING STRATEGY



**2017**

CMPC is the first Chilean company to issue a Green Bond for USD 500 million for a 10-year term



**2018**

First Green Bond in the Peruvian market by CMPC's subsidiary Softys Perú, for USD 30 million for a 6-year term.



**2019**

- CMPC issues a Green Bond in the Chilean market for USD 93 million for a 10-year term
- CMPC obtains a Green Loan syndicated by Japanese Banks. For USD 100 million for a 5-year term



**2020**

Revolving Credit Facility structured as a Sustainability Linked Loan (SLL) for USD 100 million for a 2-year term



**2021**

- Sustainability Linked Bond (SLB) for USD 500 million for a 10-year term
- Revolving Credit Facility structured as a Sustainability Linked Loan (SLL) for USD 300 million for a 3-year term



**2022**

- Sustainability Linked Loan (SLL) for USD 500 million for a 4-year term
- Two EDC structured as SLL (Export Development Canada), each one for USD 200 million for a 4-year term
- CMPC issues a Green Bond in the Chilean market for UF 7 million corresponding to approximately USD 250 million for a 10-year term.



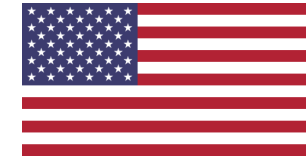
**2023**

- Green Sustainability Linked Loan (GSLL) for USD 500 million for a 10-year term
- Green Sustainability Linked Loan (GSLL) for MXN 3,200 million with two tranches one for 2 years and the other for 9 years, both MXN 1,600 million.
- EDC structured as SLL (Export Development Canada) for USD 300 million for a 7-year term

# SUSTAINABLE FINANCING STRATEGY



## SUSTAINABILITY-LINKED BOND 144A 2021



- Amount: USD 500 million
- Issue Date: April 2021
- Due Date: April 2031
- Coupon: 3.00%
- Structure: Sustainability-Linked Senior Notes, issued in the US market (under 144A-S Reg)
- First Chilean Company issuing a Sustainability-Linked Bond (SLB) in the international markets.
- The bond includes a mechanism through which the interest rate will be increased if the Company fails to meet its 2025 Sustainable Performance Targets (SPT's).
- SPT #1: GHG Emissions: Reduce GHG emissions by 23.5% (scope 1 and 2) by 2025, considering 2018 emissions as the baseline.
- SPT #2 Water Use Intensity: Reduce industrial water use intensity by 25% by 2025, considering 2018 water use intensity as the baseline.

Description: CMPC selected the scope 1 and 2 absolute emissions reduction goal as one of its main focus areas for improving its environmental footprint, as it will have a meaningful and direct contribution through mitigation. This goal is a highly ambitious target that is aligned with science (limit global warming below 1.5°C global temperature increase by 2050)\*. This reduction includes scope 1 (direct) and scope 2 (indirect from electricity, steam, heating and cooling purchases) emissions according to the Greenhouse Gas Protocol.

Description: Water is one of CMPC's main material issues because it is fundamental to the production of pulp and paper, therefore CMPC's industrial operations are highly dependent on this resource. Future climate change scenarios predict water will become scarce, especially in Chile, where CMPC has the majority of its operations. As a result, the Company has committed to reducing its industrial water use across its industrial operations. Investments in water-use reduction projects will focus on geographical areas where water is predicted to be scarce and on operations that have higher water withdrawals.

# SUSTAINABLE FINANCING STRATEGY

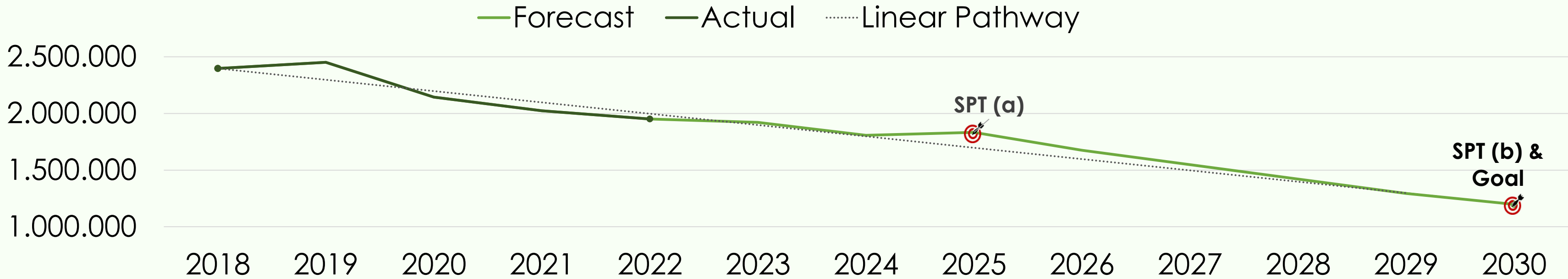


## SUSTAINABILITY-LINKED BOND 2021 - ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS (tCO2e)

Actions taken during 2021: Fuel oil consumption was reduced as a result of the use of other energy sources at the Santa Fe and Pacifico pulp mills. Operational efficiency reduced diesel consumption and emissions at the Guaiba pulp mill. A biomass boiler began operating at the Valdivia boxboard plant.

Actions taking during 2022: The progress is explained since Guaíba increased the burning of methanol of biogenic origin to replace fuel oil in the lime kiln, which adds to the stability of the plant. In Biopackaging, this is due to the stable operation of the biomass boiler that supplies the Boxboard Maule plant, consuming smaller amounts of fuel oil. In addition, Corrugados Buin replaced one of its boilers, increasing power and efficiency. Added to this is the incorporation of the Arequipa Plant in the 100% ENRC electricity supply contract for Peru

Future Expectation: In the next few years, progress is expected mainly due to the start-up of the BioCMPC project at the Guaiba pulp mill, where the coal boiler will be replaced. In addition, a new auxiliary hydrogen boiler will be built at the Pacifico pulp mill.



**2018 baseline: 2,396 ktCO2e**

**2022 performance: 1,969 ktCO2e**

**Progress from baseline: 35.7%**

**2025 goal: Reduce by 23.5 %**

# SUSTAINABLE FINANCING STRATEGY

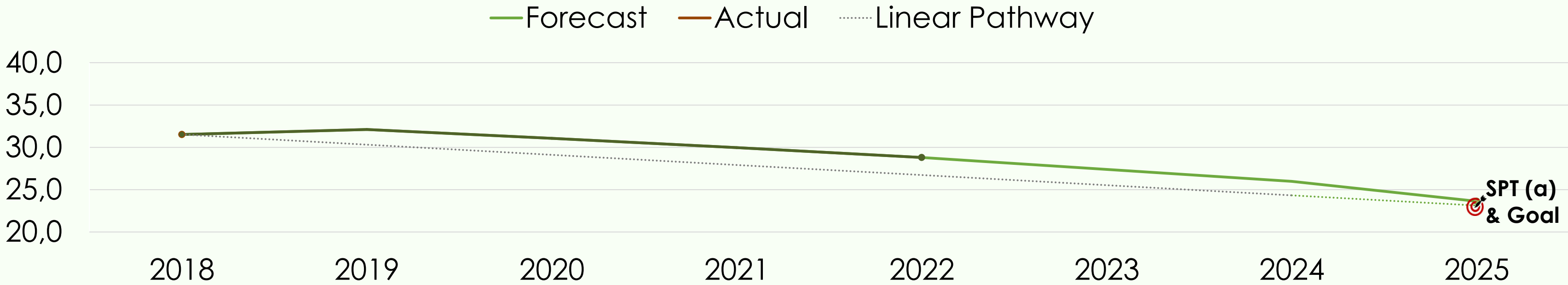


## SUSTAINABILITY-LINKED BOND 2021 - INDUSTRIAL WATER USE INTENSITY (m3/t)

Description: Water is one of CMPC’s main material issues because it is fundamental to the production of pulp and paper, therefore CMPC’s industrial operations are highly dependent on this resource. Future climate change scenarios predict water will become scarce, especially in Chile, where CMPC has the majority of its operations. As a result, the Company has committed to reducing its industrial water use across its industrial operations. Investments in water-use reduction projects will focus on geographical areas where water is predicted to be scarce and on operations that have higher water withdrawals.

Action taken during 2022: At Pacifico pulp mill, progress has been made with the recovery of mechanical and chemical water filters. At Guaiba pulp mill, the improvement was due to operational excellence initiatives. At the Cordillera paper mill, there was an adjustment due to the change in the measurement of water use and greater efficiency of the paper machine. Similarly, Valdivia boxboard mill reduced water consumption through projects focused on operational controls.

Future Expectations: A large portion of the projected decrease in water intensity through 2025 is expected mainly due to projects that generate greater efficiency in tissue operations, most of these projects are related to loop closure technologies and process water reuse. At Guaiba pulp mill, the water use intensity will decrease due to the BioCMPC Project.



**2018 baseline: 31.51 m3/ton      2022 performance: 28.86 m3/ton      Progress from baseline: 33.6%      2025 goal: Reduce by 25.0 %**

# SUSTAINABLE FINANCING STRATEGY



## SUSTAINABILITY-LINKED BONDS - LOANS 2021 & 2022

### Revolving Credit Facility 2021:

Amount: USD 300 million. Issue Date: December 2021. Due Date: December 2024

Structure: Senior Unsecured Sustainability-Linked Revolving Credit Facility

On December 21st, 2021 the Company closed a revolving credit facility structured as a loan associated with sustainability objectives for a three-year term. The agreement was signed alongside five international banks and the sustainability indicators, described below, are aligned with CMPC's corporate goals.

KPI's: GHG Emissions (tCO<sub>2</sub>e), Industrial Water Use (m<sup>3</sup>/ton), Volume of Waste to Landfill (ton) and Area of conservation (ha)

### Term Loan Facility 2022

Amount: USD 500 million. Issue Date: April 2022 Due Date: April 2026

Structure: Sustainability-Linked Senior Unsecured Notes

On April 13th, 2022, CMPC closed a new 4-year USD 500 million Sustainability-linked credit facility. The loan's pricing will be linked to the performance against KPIs and provides financial incentives to improve CMPC's ESG Profile.

KPI's: GHG Emissions (tCO<sub>2</sub>e) and Industrial Water Use (m<sup>3</sup>/ton).



# SUSTAINABLE FINANCING STRATEGY

## SUSTAINABILITY-LINKED BONDS - LOANS 2021, 2022 & 2023



### Export Development Canada (EDC) 2022 (2):

Amount: USD 200 million each one. Issue Date: May 2022 and December 2022

Due Date: May 2026 and December 2026

Structure: Sustainable Linked Term Loan

On 2022 the Company closed two Sustainable Linked Loans with the Export Development Canada as a Lender and as a Sustainability Coordinator with sustainability objectives for a four-year term .The agreement was signed alongside five international banks and the sustainability indicators, described below, are aligned with CMPC's corporate goals.

KPI 's: GHG Emissions (tCO2e), Industrial Water Use (m3/ton).

### Export Development Canada (EDC) 2023:

Amount: USD 300 million.  
Issue Date: December 2023.  
Due Date: December 2030

Structure: Sustainable Linked Term Loan

KPI 's: GHG Emissions (tCO2e),



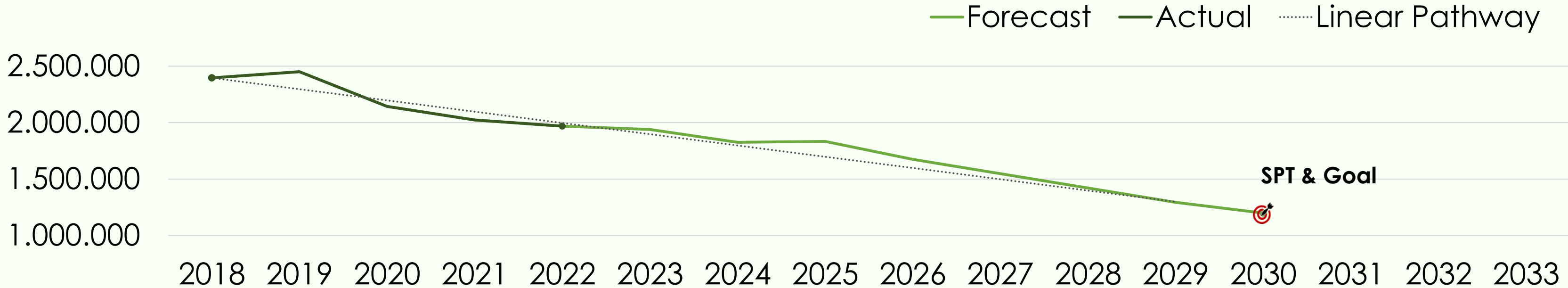
# SUSTAINABLE FINANCING STRATEGY



## GREEN SUSTAINABILITY-LINKED BOND 144A 2023

**In 2023, we announced two Green Sustainable Linked Bonds in both the U.S. and Mexican markets. These instruments were both issued in June, and both are the first GSLBs issued in South America. The US bond was for USD 500 million, and the Mexican bond was for 3.2 billion Mexican pesos divided into two tranches, one for 1.6 billion and the other for the same amount.**

- Amount: USD 500 million
- Issue Date: June 2023
- Due Date: June 2033
- Coupon: 6.125%
- Structure: Sustainability-Linked Senior Notes, issued in the US market (under 144A-S Reg)
- The bond includes a mechanism through which the interest rate will be increased if the Company fails to meet its 2030 Sustainable Performance Targets (SPT's).
- SPT: GHG Emissions: Reduce GHG emissions by 50% (scope 1 and 2) by 2030, considering 2018 emissions as the baseline.
- Coupon Step-up: 60 bps if SPT (Reduction in Absolute GHG Emissions - Scope 1 and 2 equal to or less than 1,198,218 tCO<sub>2</sub>e), for the year 2030.
- First Company in South America issuing a Green Sustainability-Linked Bond (GSLB) in the international markets.

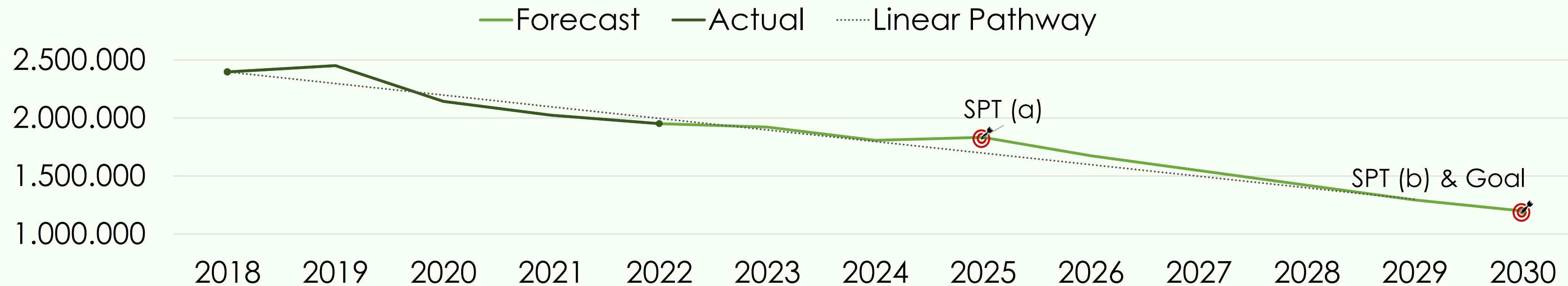


# SUSTAINABLE FINANCING STRATEGY



## GREEN & SUSTAINABILITY-LINKED BOND MEXICAN 2023

- Amount: MXN 3,200 million composed by 2 year MXN 1,600 million floating Green Bond (~USD 95 million) and 9 year MXN 1,600 million fixed Sustainable Linked Bond (~USD 95 million).
- Issue Date: June 2023
- Due Date: June 2025 and June 2032
- Coupon: TIIE28 + 80 bps and 10.62%.
- Structure: Green Sustainability-Linked Senior Notes, issued in the Mexican market.
- The bond includes a mechanism through which the interest rate will be increased if the Company fails to meet its 2025 and 2030 Sustainable Performance Targets (SPT's).
- Coupon Step up: 12.5 bps if SPT GHG Emissions are reduced by 50% (scope 1 and 2) equal to or less than 1,833,060 tCO2e by 2025 and another 12.5bps if (scope 1 and 2 emissions) are equal to or less than 1,198,218 tCO2e by 2030



# SUSTAINABLE FINANCING STRATEGY



## GREEN BONDS 2022 & 2023

Also in 2022 CMPC announced one green financing instrument: a green bond in the Chilean market (“CLF Bond”) in July for CLF 7 million (approximately USD 250 million). Their funds were dedicated to financing or refinancing, partly or completely, new and/or existing eligible projects with environmental benefits. In turn, as mentioned above, CMPC issued a GSLB in the U.S. market, which means that it must use funds from its bond, together with the Mexican green bond.

### Chilean Green Bond



### 144a GSLB, Green Bond tranche



### Mexican Green Bond



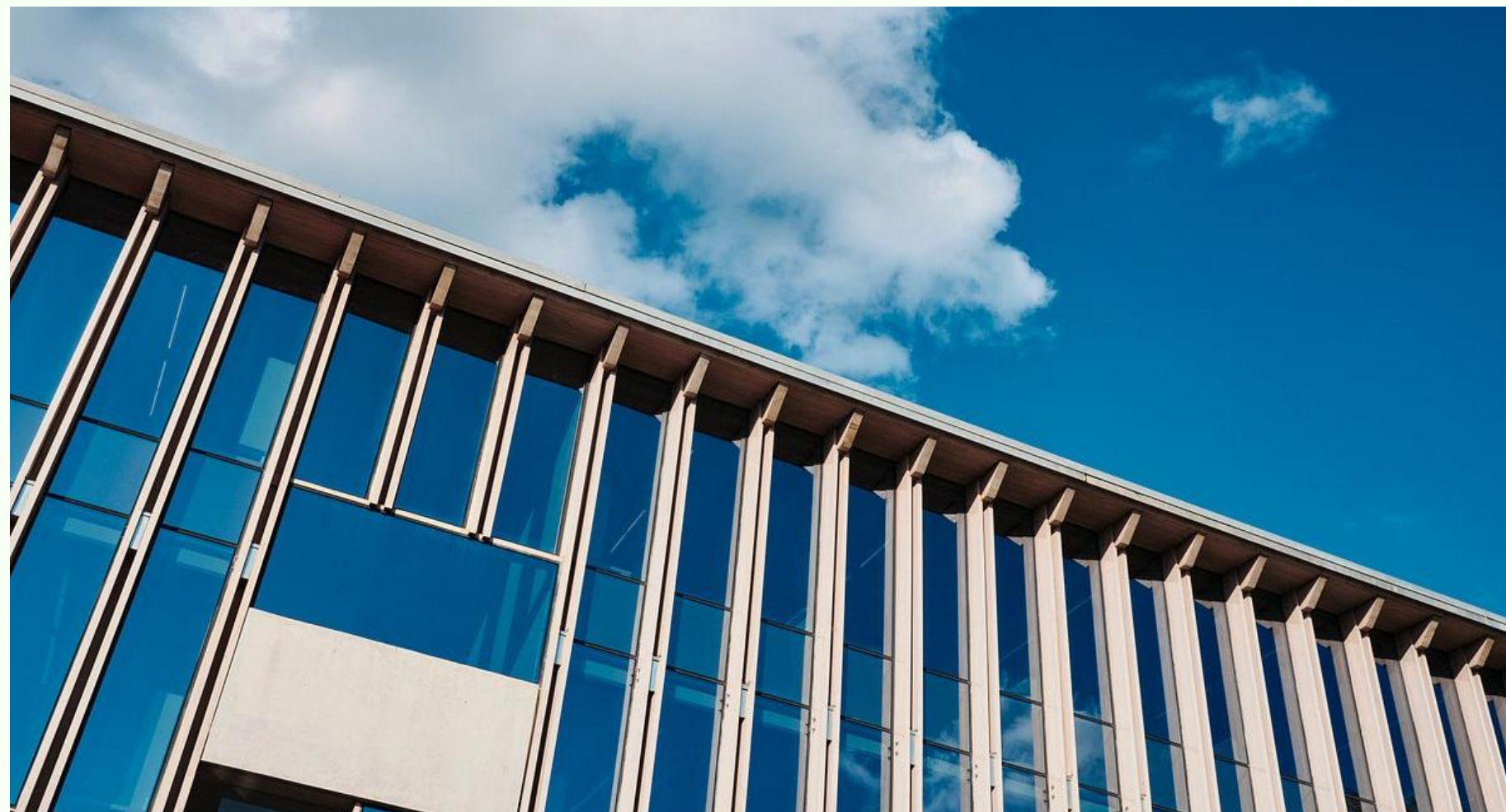
### Projects Financed by these Green Bonds:

- Bio CMPC
- Biological Assets such as Planting and Replanting Pine and Eucalyptus.
- Structural Wood
- Water Recovery Plants
- Wind and Photovoltaic Energy generation.
- Innovation Plywood Products



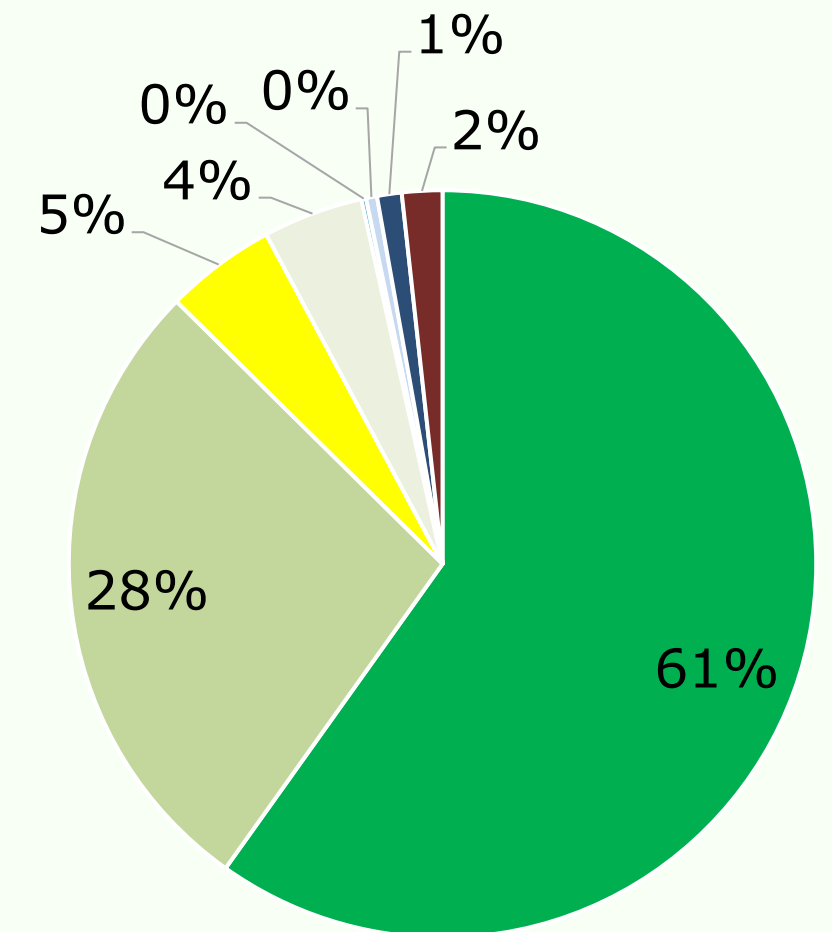
# USE OF PROCEEDS FROM THE BEGINNING

Some of the eligible green projects associated with the 2022 Green Finance were already underway at the time of the issuance. The allocated amount prior to 2019 was USD 58,828,264, with further allocations of USD 100,897,291 in 2019, USD 90,625,164 in 2020, in 2021 we didn't have any issuance and in 2022 we issued a Chilean green bond completing an amount of USD 280,121,000 as of December 31, 2022. Then to July 2023 we issued two GSLB one in the EEUU market and the other in the Mexican one, both allocations for USD 500,138,000 and USD 95,062,000 respectively. All the bond funds that we have allocated to eligible green projects are in the following categories:



Use of Proceeds

- Sustainable Mgmt. of Natural Resources & Land Use
- Pollution Prevention & Control
- Sustainable Water & Wastewater Management
- Energy Efficiency
- Green Buildings
- Biodiversity Conservation
- Eco-efficient Products
- Other



\*"Other" is composed by Green Buildings, Biodiversity Conservation and Eco-efficient products.

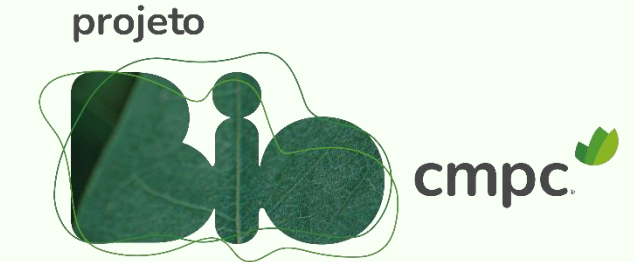
# PROCEEDS ALLOCATED AS OF NOVEMBER 2023

ELIGIBLE GREEN PROJECTS BY CATEGORY	PRIOR TO 2021	2021	2022	2023	2023+
<b>Sustainable Forest Management</b>	<b>141.378.000</b>	<b>137.919.000</b>	<b>156.912.000</b>	<b>92.562.000</b>	-
Process of Planting/Replanting of Radiata Pine, Eucalyptus nitens and Eucalyptus globulus - Chile	78,106,352	137,919,000	-	92.562.000	-
Process of Planting/Replanting of Eucalyptus species - Brazil	63,271,648	-	156.912.000	-	-
<b>Sustainable Water and Wastewater Management</b>	<b>38.790.202</b>	-	<b>9.698.000</b>	<b>13.350.000</b>	<b>8.000.000</b>
Effluent Treatment Plant Improvement Project – Softys Caieiras, Brazil	3,230,935	-	-	-	-
System for the Recirculation and Recovery of Water - Zarate, Argentina	2,663,458	-	-	-	-
Effluent Treatment Plant Improvement Project - Laja, Chile	32,179,971	-	-	-	-
New Effluent Treatment Plant - Los Angeles, Chile	715.838	-	-	-	-
Reduction of fresh water - Talagante, Chile	-	-	1,198,000	2.850.000	-
Water use reduction projects at the Pacific Plant	-	-	-	5.500.000	-
Water use reduction projects at the Santa Fe Plant	-	-	-	3.000.000	8.000.000
Water recovery Pacific plant	-	-	500.000	2.000.000	-
Laja Project SK	-	-	8.000.000	-	-
<b>Preservation of Biodiversity and Restoration of Forest</b>	<b>2.735.439</b>	-	<b>396.000</b>	<b>2.585.000</b>	-
Restoration of Native Forests and Conservation of Biodiversity	2,735,439	-	-	-	-
Plantation of "Bosque Vivo" Park	-	-	396.000	2.585.000	-

# PROCEEDS ALLOCATED AS OF JULY 2023

<b>Pollution Prevention and Control</b>	<b>14.851.919</b>	<b>36.600.000</b>	<b>128.582.000</b>	<b>261.616.000</b>	<b>-</b>
Modernization of Steam System - Valdivia, Chile	14,851,919		-		-
Modernization BioCMPC Project	-	-	126,101,000	261.540.000	-
Modernization Laja Plant - ETP		36.600.000	2.481.000	76.000	-
<b>Energy Efficiency</b>	<b>12.093.306</b>	<b>42.100.000</b>	<b>186.000</b>	<b>434.000</b>	<b>-</b>
Cost Reduction at Paper Machine 20 - Puente Alto, Chile	12,093,306	-	-	-	-
Development of Renewable Wind Energy Portfolio	-	2,100,000	-	-	-
Modernization Laja Plant WLP	-	40.000.000	-		
Buin Photovoltaic Project	-		186.000	434.000	-
<b>Eco-Efficient and/or Circular Economy Adapted Products</b>	<b>7.546.093</b>	<b>1.050.000</b>	<b>465.000</b>	<b>1.000.000</b>	<b>4.000.000</b>
Retail Paper Bags Project - Chillan, Chile	7,546,093	-	-		
Construction market through Structural Wood	-	1,050,000	-	-	-
New Plywood products	-		-	1.000.000	4.000.000
<b>Green Buildings</b>	<b>32.955.754</b>	<b>3.000.000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Corporate Building - Los Angeles, Chile	32,955,754	-	-	-	-
Wood impregnation and fire retardant - Mulchen, Chile	-	3,000,000	-	-	-
<b>Total</b>	<b>250.350.713</b>	<b>220.669.000</b>	<b>296.239.000</b>	<b>371.547.000</b>	<b>12.000.000</b>

# BIOCMPC PROJECT IMPACTS



- Reduce water use: 24.3 m<sup>3</sup>/ton (current) to 22 m<sup>3</sup>/ton (future) (23% CMPC target).
- Reduce greenhouse gas emissions: 473 ktonCO<sub>2</sub> are reduced (41% CMPC goal).
- Reduction of effluent: reduction from 18.8 m<sup>3</sup>/t to 17 m<sup>3</sup>/ton.
- Odors: a backup to the lime kiln NCGs will be implemented.
- Fiberline standardization: Optimizes impregnation, firing, washing, and bleaching, thus reducing chemical consumption.
- Noise: With the increase in capacity, there will be no alterations in noise levels in the plant and the current noise conditions will be normalized, allowing the plant to meet the limits required by the municipal zone delimitation (noise levels 55dB/50dB).

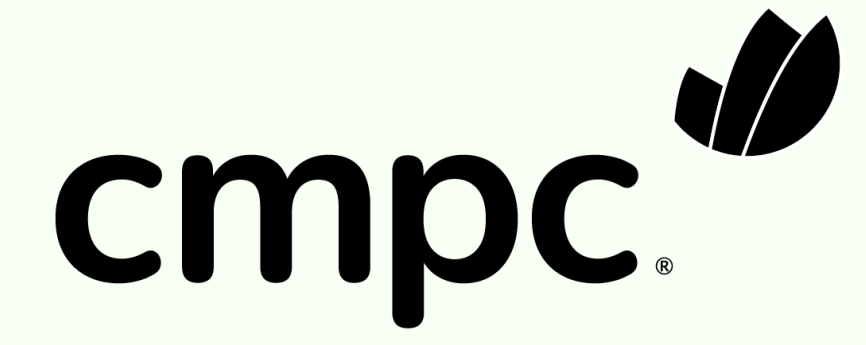


# APPENDIX – STATEMENT OF RESPONSIBILITY

Empresas CMPC S.A. (CMPC) is responsible for the completeness, accuracy and validity of the Empresas CMPC Management Eligible Green Projects Allocation Report (the “Report”) as of June 30, 2023. Management asserts that as of June 30, 2023, proceeds amounting to USD 691,143,000 from the January 1st 2021 until July 2024th issuance due September, 2042, June 2033 and June 2025 and 2032. First corresponding to the Chilean Bond Q series, the second one the 144<sup>a</sup>-S GSLB and the last one corresponding to the Mexican Bond tranches; 23V and 23L, were either invested in qualifying eligible green projects or have been released for expenditures previously incurred by CMPC consolidated subsidiaries for qualifying Eligible Green Projects in accordance with the 2021 Green Bond Principles and the accompanying Eligible Green Project Criteria.

Projects Criteria: Eligible Green Projects include: (i) Committed projects with disbursement made in the 24 months preceding the issue date. (ii) Ongoing projects committed prior to the issuance of the Notes with disbursements to be made following the issue date of the Notes. (iii) Projects with disbursements to be made after the issuance date of the Notes up to the maturity date of the Notes.

# APPENDIX – STATEMENT OF RESPONSIBILITY




  
**DNV**

# Independent Limited Assurance Report

## to the Management of CMPC

Empresas CMPC S.A. ("CMPC") commissioned DNV Business Assurance USA, Inc ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information for the period of January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2023.



**Our Conclusion:** Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained below.

### Scope of Assurance

The scope and boundary of our work is restricted to the Selected Information listed below:

#### The Claims and Assertions:

- Use of proceeds (allocation of funds) for the reporting period of January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2023 for:
  - BCMPC-Q CHILE 2022 (ISIN: CL0002796044): CLF 7,000,000
  - CMPC 144A-S Green and Sustainable Linked Bond / 2023 (ISIN: US46128MAS08): USD 500,000,000 (Green Tranche only)
  - CMPC 23V MEXICO - Green Bond (ISIN: MX91CM2S0017): MXN 1,600,000,000 (hereafter, "the BONDS")
- Project Selection and Evaluation
- Management of Proceeds
- Reporting

DNV provided a Second Party Opinion (dated February 18<sup>th</sup>, 2022) on CMPC's Green Financing Framework. We have not performed any work and do not express conclusions on any other information that may be published on CMPC's website for the current reporting period or for previous periods. No assurance is provided regarding the financial performance of the BONDS, the value of any investments in the BONDS, the long-term environmental benefits of the transactions, or the impact metrics and performance associated with the Eligible Green Projects.

### Our competence, independence, and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

### Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by CMPC have been provided in good faith. We understand that financial data, including financial data that feeds into the calculation of Selected Information s are subject to a separate independent audit process. DNV has relied on this information as accurate for the purposes of our scope of work. This includes but is not limited to any statements relating to sales, revenue, payments, and financial investments. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.



## Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

## Assurance Methodology

The claims and assertions have been evaluated against the following reporting criteria:

- Green Financing Principles within CMPC Sustainable Financing Framework (March 2022) which can be found on CMPC’s website: <https://ir.cmpc.com/English/sustainability-and-governance/green-financing/default.aspx>, which includes:
  - Use of Proceeds
  - Project Evaluation and Selection Process
  - Management of proceeds
  - Reporting (hereafter, the Criteria)

## Basis of our conclusion

DNV used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both CMPC and its stakeholders. We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing evidence submitted by CMPC after issuance of the BONDS
- Conducting interviews with CMPC’s management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by DNV for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information

## Selected Information

### Principle 1: Use of Proceeds

DNV has confirmed that the proceeds from the BONDS have been allocated to new and existing Eligible Green Projects under Eligible Green Categories in accordance with the Criteria including those for which CMPC made disbursements within the 24 months prior to the issuance of the BONDS. Eligible Projects are associated with direct CMPC operations.

## DNV Business Assurance

DNV Business Assurance Services USA, Inc is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

<https://www.dnv.us/>

Table 1: Allocation of Proceeds (as of December 31, 2023)

ITEM		AMOUNT (million USD \$, conversion at time of issuance)
<b>Bond Proceeds</b>		
BCMPC-Q CHILE 2022 (ISIN: CL0002796044)		\$ 250
CMPC 144A-S Green and Sustainable Linked Bond (ISIN: US46128MAS08)		\$ 500
CMPC 23V MEXICO – Green Bond (ISIN: MX91CM2S0017)		\$ 94
<b>Total Net Proceeds</b>		<b>\$ 844</b>
<b>Allocated Proceeds for Each Bond by Eligible Green Project Category</b>		
BCMPC-Q CHILE 2022 (ISIN: CL0002796044)	Green Buildings	\$ 3.00
	Energy Efficiency	\$ 2.10
	Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products	\$ 1.05
	Sustainable Water and Wastewater Management	\$ 9.20
	Pollution Prevention and Control	\$ 126.10
	Environmentally Sustainable Management of Living Natural Resources and Land Use: Sustainable Forest Management	\$ 137.92
	Environmentally Sustainable Management of Living Natural Resources and Land Use: Preservation of Biodiversity and Restoration of Forest	\$ 0.40
<b>Total Allocated Proceeds for BCMPC-Q CHILE 2022 (ISIN: CL0002796044)</b>		<b>\$ 279.77</b>
CMPC 144A-S Green and Sustainable Linked Bond (ISIN: US46128MAS08)	Energy Efficiency	\$ 40.62
	Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products	\$ 1.47
	Sustainable Water and Wastewater Management	\$ 11.35
	Pollution Prevention and Control	\$ 275.21
	Environmentally Sustainable Management of Living Natural Resources and Land Use: Sustainable Forest Management	\$ 156.91
	Environmentally Sustainable Management of Living Natural Resources and Land Use: Preservation of Biodiversity and Restoration of Forest	\$ 2.59
<b>Total Allocated Proceeds for CMPC 144A-S Green and Sustainable Linked Bond / 2023 (ISIN: US46128MAS08)</b>		<b>\$ 488.15</b>
CMPC 23V MEXICO – Green Bond (ISIN: MX91CM2S0017)	Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products	\$ 2.5
	Environmentally Sustainable Management of Living Natural Resources and Land Use: Sustainable Forest Management	\$ 92.56
<b>Total Allocated Proceeds for CMPC 23V MEXICO – Green Bond (ISIN: MX91CM2S0017)</b>		<b>\$ 95.06</b>
<b>Unallocated Proceeds as of 31 December, 2023</b>		<b>Million USD</b>
BCMPC-Q CHILE 2022 (ISIN: CL0002796044)		\$ 0
CMPC 144A-S Green and Sustainable Linked Bond / 2023 (ISIN: US46128MAS08) – Green Tranche Only		\$ 12
CMPC 23V MEXICO – Green Bond (ISIN: MX91CM2S0017)		\$ 0



**Principle 2: Process for Project Evaluation and Selection**

DNV has confirmed that the process for the evaluation and selection of eligible green projects was conducted in accordance with the Criteria. Specifically, DNV confirmed that the Sustainable Finance Committee comprised of representatives of Corporate Finance, Sustainability, Development and Investor Relations departments and provided oversight of the selection of projects and review of the allocation of funds.

**Principle 3: Management of Proceeds**

DNV has reviewed how CMPC has tracked and managed the allocation of the proceeds since the issuance of the BONDS and has confirmed this to be conducted in accordance with the Criteria.

- Management of proceeds is tracked by the Sustainable Finance Committee and Corporate Finance department in accordance with CMPC internal accounting procedures
- Disbursements are tracked in the Monthly Investment Report
- Allocations are tracked and managed by Eligible Project Name and expenditures are tracked by the internal financial system and by the Development department
- CMPC has temporarily invested the net proceeds pending allocation in accordance with the Criteria
- CMPC has selected projects for disbursement of unallocated proceeds in 2024 in accordance with the 24-month post issuance

Table 2: Proceeds Pending Allocation (as of 31 December, 2023)

Eligible Green Project Category	Amount (million USD \$)	Anticipated Allocation Period
Sustainable Water and Wastewater Management	\$ 8	2024
Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products	\$ 4	2024
<b>Total Pending Proceeds</b>	<b>\$12</b>	<b>2024</b>

**Principle 4: Reporting**

DNV confirmed that the following information has been disclosed on the company’s Investor Relations site:

- Amount of net proceeds allocated to Eligible Projects by Category
- Brief project descriptions
- Outstanding amount of net proceeds to be allocated to Eligible Projects
- Impact metrics<sup>1</sup>

DNV has confirmed with CMPC the company’s intent to disclose share of proceeds used for financing versus refinancing in the company’s 2023 Annual Report (to be published April 2024 on the company’s Investor Relations site: <https://ir.cmpc.com/English/financials/annual-reports/default.aspx>)

Please refer to “Table 1” and “Table 2” above for the status of the allocation of proceeds.

for DNV Business Assurance USA, Inc.

Katy, Texas  
January 11<sup>th</sup>, 2024

D'Silva,   
Natasha

Digitally signed by  
D'Silva, Natasha  
Date: 2024.01.10  
18:06:21 -08'00'

Kobrat C.

**Natasha D’Silva**  
Lead Verifier  
DNV Business Assurance

**Kobrat Chotruangprasert**  
Reviewer  
DNV Business Assurance

*This Statement is for the sole use and benefit of the party contracting with DNV Business Assurance USA, Inc. to produce this Statement (the “Client”). Any use of or reliance on this document by any party other than the Client shall be at the sole risk of such party. In no event will DNV or any of its parent or affiliate companies, or their respective directors, officers, shareholders, employees or subcontractors, be liable to any other party regarding any statements, findings, conclusions or other content in this Statement, or for any use of, reliance on, accuracy, or adequacy of this Statement.*

<sup>1</sup> No assurance is provided regarding the financial performance of the BONDS, the value of any investments in the BONDS, the long-term environmental benefits of the transactions, or the impact metrics and performance associated with the Eligible Green Projects.



## Appendix A. CMPC’s Specified Information: Definitions

The table below has been prepared by CMPC. It is intended to provide readers with a summary of the methodologies used by them to prepare the Selected Information.

ELIGIBLE GREEN INITIATIVES CATEGORY	DESCRIPTION	Total Allocation of Proceeds (\$)
<p><u>GREEN BUILDINGS</u></p>	<p>Expenditures related to the acquisition, financing, construction or retrofitting of buildings in line with Green Building Standards (planning and design, energy efficiency, green roofs, water efficiency and conservation, material conservation and resource efficiency, environmental quality).</p> <p>Building is eligible when at least one of the following criteria is met:</p> <ul style="list-style-type: none"> <li>• 30% or more emissions/energy performance improvements over baseline such as ASHRAE 90.1 2010 or equivalent</li> <li>• The level of energy performance of the building belongs to the top 15% of the national stock of the respective region (based on Primary Energy Demand and/or Carbon Emissions Intensity).</li> <li>• The Building receives/targets a Design, Post-Construction or In-Use environmental certification. Eligible Certification standards include:               <ul style="list-style-type: none"> <li>○ LEED Gold certified or higher</li> <li>○ BREEAM Excellent or higher</li> <li>○ HQE Excellent or higher</li> <li>○ Other equivalent local or regional sustainability certifications.</li> </ul> </li> </ul>	<p>\$3.00 Million</p>
<p><u>ENERGY EFFICIENCY</u></p>	<p>Expenditures related to projects that result in increased energy efficiency, using best efforts basis to achieve at least a 30% energy efficiency improvement.</p> <p>Eligible Projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Financing of electric powered machinery or incorporation of energy saving technologies, including LED lighting technology.</li> <li>• Energy storage systems, energy efficient heating, ventilation, air conditioning (HVAC), refrigeration, and electrical equipment.</li> <li>• Acquisition of more efficient electric engines, valves and pumps.</li> <li>• Optimization projects in CMPC’s plants.</li> </ul>	<p>\$42.72 Million</p>
<p><u>Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products</u></p>	<p>Expenditures on projects for the development and introduction of environmentally sustainable products, with an eco-label or environmental certification, resource-efficient packaging, and distribution.</p> <p>Eligible Projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Sustainable construction materials based on wood structures and solutions.</li> <li>• Fiber-based sustainable packaging solutions.</li> <li>• Natural and renewable bioproducts. including pulp-based textile fibers, lignin and nanocellulose.</li> </ul>	<p>\$9.02 Million</p>
<p><u>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT</u></p>	<p>Expenditures on projects related to sustainable water management projects, such as the reduction of water consumption in industrial processes, systems facilitating reuse of water in industrial processes, and the implementation of technologies and systems that improve the quality of treated water; reduction of organic content and volume of effluent.</p>	<p>\$28.55 Million</p>



**DNV**

<p><b>POLLUTION PREVENTION AND CONTROL</b></p>	<p>Expenditures on projects related to pollution and prevention control, such as liquid and solid waste prevention and control projects, and gas capture and incineration in production facilities, including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/ emission-efficient waste to energy.</p>	<p>\$401.31 Million</p>
<p><b><u>Environmentally Sustainable Management of Living Natural Resources and Land Use:</u></b> <b><u>Sustainable Forest Management</u></b></p>	<p>Expenditures on projects related to sustainable forest management for eucalyptus and radiata pine plantations certified by FSC, CERTFOR (PEFC) or equivalent certification, such as the acquisition, planting and maintenance of seedlings up to harvest and the development of hybrids without genetic manipulation to improve the productivity of plantations while reducing water consumption and increasing CO2 capture.</p>	<p>\$387.39 Million</p>
<p><b><u>Environmentally Sustainable Management of Living Natural Resources and Land Use:</u></b> <b><u>Preservation of Biodiversity and Restoration of Forest</u></b></p>	<p>Expenditures on projects related to the restoration and conservation of existing natural resources and/or biodiversity, including maintenance, protection and identification of endangered flora and fauna and the preservation and restoration of High Conservation Value Forests.</p>	<p>\$2.98 Million</p>

*The selected information's criteria followed CMPC's Sustainable Financing Framework dated March 2022 and specifically referencing Section 2.1.1 – Use of Proceeds to determine eligible projects (Eligible Green Initiatives) that are recognized by the Green Bond Principles and Green Loan Principles. For more information, see: <https://ir.cmpc.com/English/sustainability-and-governance/green-financing/default.aspx>*



WHEN TRUST MATTERS