ADDITIONAL SUSTAINABILITY INSIGHTS

Last date update: July 2024

GOVERNANCE AND STRATEGIC APPROACH

CMPC has high standards of governance oriented towards sustainable management, rooted in the top-level management of the company. It is based on a corporate culture of ethics and compliance with the Corporate Policies and Regulations. We carry out our operations and business transactions in accordance with the best international practices, strictly complying with the laws and regulations of each country where we are present and always respecting the people, their dignity and rights, as well as the environment.

In order to have direct supervision on the implementation of the sustainability strategy of the company, CMPC board of directors has established the Sustainability and Regulation Committee. The purpose of this committee is monitoring the economic, social and environmental dimensions of the strategy, as well as verifying the correct fulfillment of the objectives and goals established in this matter. Furthermore, the committee can revise and recommend best practices which allow to strengthen the long-term commitment of CMPC with sustainable development.

Over the year 2023, CMPC did not make any contributions to lobbying, representation of interests or similar, political campaigns, candidates or others.

STRATEGIC APPROACH

According to the CMPC **Mission, Values and Corporate Purpose**, sustainability is a strategic part of each business unit, its corresponding subsidiaries, as well as all operations and geographic area of influence and stakeholders. This strategic focus is based on three fundamental pillars: the risks to which the company and the part it plays in the community is exposed; **material issues** , related to the positive and negative impact along our entire value chain; **Risk Management Program**; and our contribution towards global initiatives such as the Sustainable Development Goals to which we subscribe.

VALUE CREATION MODEL

Focusing on key processes, activities, products and by-products of each business unit, and paying close attention to internal circular flows, we have developed our Value Creation Model based on the Corporate Purpose, and through which, we face our Sustainable Development Corporate Goals.

MATERIAL ISSUES

Having a process for identifying material issues allows strategic decisions to be made regarding the organization's significant impacts and opportunities.

This is especially relevant in a dynamic context of regulatory and social changes. In 2022 the Company developed a second Materiality Study, which aimed to update the work carried out during 2018 in its first study. In the 2023 update exercise, the material issues and their respective prioritization are consistent with what was reported in 2022.

A combined index of the probability of occurrence and magnitude of the impact was considered for preparing the double materiality matrix. The matrix presents three levels of priority: material issues with very high priority (Critical "tier 1"), moderately high priority (Very important "tier 2"), and moderate priority (Important "tier 3"):

Dimension	Critical (tier 1)	Very important (tier 2)	Important (tier 3)
Environmental	Prevention, firefighting, and restoration Water resource management and related risks Efficient and effective operations in the control of polluting emissions and effluents Sustainable forest management and certified heritage Conservation, protection, and restoration of ecosystems Circular bioeconomy model and waste reduction	Energy consumption and greenhouse gas emissions	-
Social	Safety and health for workers and contractors Shared value creation Human capital development Community relationship	Diversity and inclusion	Commitment and work environment Culture and global purpose
Governance	Customer satisfaction and brand value Innovation and biosolutions	Responsible supply chain management Risk and crisis management Governance and business ethics Monitoring and adaptation to the regulatory environment	Sustainable financing

REMUNERATION AND COMPENSATION POLICY FOR MAIN EXECUTIVES / COMPENSATION POLICY

CMPC has a compensation, indemnity, and incentive policy for executives and managers, outlined in the Compendium of Corporate Governance Policies and Procedures. This policy establishes the remuneration for both the Chief Executive Officer and the main executives.

The policy was established with the purpose of promoting the quality of management and administration of the Company, which is why it seeks to align the priorities and incentives of the main executives with the short, medium, and long-term objectives within strategic planning.

The income of the Chief Executive Officer and the main executives is governed by market criteria and has a fixed and a variable component. The fixed remuneration is in accordance with a performance that translates into reasonably satisfactory achievements of sustainability and long-term profitability, while the variable seeks to be the incentive that aligns the executives with the interest of the Company and integrates factors such as: productivity, efficiency, security, project progress and sustainability, talent management, among others.

The Board of Directors annually reviews the salary structures and compensation policies of the Chief Executive Officer upon the proposal of its Chairman, and the structures of the main executives upon the proposal of the Chief Executive Officer.

In 2023, changes were established in the structure for the variable compensation of the Chief Executive Officer and the main executives of the organization, integrating Sustainability performance as a fundamental objective aligned with the 2030 strategy. The new structure of Variable Compensation is as follows:

- 20% CMPC Profit
- 25% ROIC CMPC / business lines if applicable
- 15% Sustainability KPIs
- 40% Individual Performance (30% Individual Objectives + 10% Competencies)

Some examples of corporate sustainability goals, and key performance indicators (KPIs) that are aligned with the company's material issues and with the variable remuneration of CMPC's senior executives are:

Energy consumption and Greenhouse Gas Emissions: CMPC has committed to reduce absolute greenhouse gas emissions by 50% in scopes 1 and 2 by 2030, and to have zero net emissions by 2040. To achieve these goals, in line with the corporate strategy, various initiatives are implemented in operations, such as improvements in energy efficiency, adoption of renewable energies and emission reduction projects. The main KPI to measure progress towards the goal is the percentage decrease in greenhouse gas emissions compared to the base year. This KPI is part of the scorecard of the senior executives assigned to the supervision and implementation of the environmental strategy.

Management of water resources and related risks: CMPC has established the goal of reducing industrial use of water per ton of product by 25% by 2025. This implies implementing water management strategies to reduce water consumption and improve efficiency in the use of water. The main KPI used to define the progress towards the goal, and the variable remuneration of the executives responsible for this issue, is the percentage decrease in water consumption per unit of production.

Health and safety for workers and contractors: CMPC's corporate goal since 2019 is to have zero fatalities in operations, both for direct employees and service companies, whether in industrial plants or in forestry operations. Managing to move toward the goal includes improving employee safety records, reducing workplace accidents, and improving employee wellness programs. The KPIs in the scorecard of responsible executives include the reduction in the number of workplace accidents and the total number of fatalities in direct employees and contractors.

Talent Development: CMPC has a strong commitment and conviction to develop talent to grow and transform, always putting the person at the center. This implies achieving an evolution of the culture and leadership that enables

compliance with the strategy, aiming at an indicator that measures organizational maturity >55 by 2030. In addition to managing the Talent that is part of the company to have the organizational capabilities necessary to be able to grow locally and globally, managing to duplicate existing talent. This KPI is part of the scorecard of the senior executives assigned to the leadership and implementation of the Talent strategy.

Shared Value: Being a development factor in the territories where we operate and building social capital, implementing the new community relationship framework, developing initiatives that allow linking communities with nature and increasing territorial well-being through the educational field.

Innovation: CMPC has defined creating value for consumers and clients, creating businesses, products or business models that represent 10% of our sales by 2025. This KPI is part of the scorecard of senior executives assigned to leadership and implementation of the innovation strategy.

Competitiveness: Being P10 with impeccable operations is part of the 2030 Strategy's objectives, in the Competitiveness pillar. This objective is achieved by placing our different plants' costs -excluding fiber cost (isofiber)- in the best performance 10th percentile in a benchmark against industry peers that are equivalent to each of our plants (isotechnology). Among others, the costs of chemicals, energy, labor and materials are measured. The P10 is part of the scorecard of senior executives assigned to leadership and implementation of the Competitiveness strategy, including the CEO.

Performance evaluations and incentives for collaborators

With our annual Performance Evaluation Cycle, we look for leadership conversations that integrate the evaluation of the objectives and competences of the collaborators, their strengths and the elaboration of individual development plans that will allow them to carry out their work in a better way and enhance their professional growth. It is a process that allows us to align the current and future objectives of the company with the individual contribution.

Within the phases of the cycle, there is the feedback process, which implies a conversation between collaborators and managers, where it is defined together how collaborators can improve their performance. Another crucial phase of the process is the review of the Individual Development Plan (PDI) whose main objective is to promote the improvement and/or acquisition of competencies and skills, through experiences and training that allow the collaborator to guide their future career. There is a collective phase between the leaderships, called "Calibration" instances where the notes are discussed to reach shared performance standards.

The annual bonus for employees is a gross variable amount paid once a year and its amount is determined based on two components:

- 40% Business Result (30% ROIC + 10% Sustainability KPIs)
- 60% Annual Performance Evaluation (40% Individual objectives aligned to strategic pillars + 20% Competences)
- Importantly, all employee goals are aligned with at least one of the five pillars of our 2030 strategy.

Finally, we believe that recognizing employees who demonstrate a strong commitment to compliance and who uphold our ethical standards is critical. Our variable compensation framework includes specific provisions that link compensation to performance-related factors, and competencies and conducts oriented towards CMPC's values: courage, integrity, collaboration and respect. In addition, employees who consistently display exemplary compliance behavior may be eligible for special recognition.

CMPC’s Risk Management Program

Empresas CMPC and its subsidiaries are exposed to a series of risks inherent to their businesses. CMPC’s Risk Management Program seeks to identify and manage the main risks that may affect the business strategy and objectives.

The corporate risk management program is audited by various external entities, verifying topics such as governance, methodology, international standards on which the program is based, policy, procedure, and identification and analysis of specific risks. The external audits that have been carried out, and consider the review of the risk management program, are regarding ISO 14001, ISO 45001, ISO 50001, and ISO 9001.

Both in the processes of product and service development, as well as in the evaluation of projects, risk management topics are considered, mainly to identify those risks that could affect the fulfillment of the established objectives, and thus, determine measures to anticipate such events.

CMPC has a policy of compensation, indemnities, and incentives for executives and managers, outlined in the Compendium of Corporate Governance Policies and Procedures. Annually, indicators related to the risk management of critical business activities are determined, aligned with the company's 2030 strategy.

In addition, the Risk Management program incorporates monitoring of emerging risks, including, for example, the risks caused by cyberattacks on industrial plants, in the most appropriate way, with the aim of minimizing potential adverse effects.

Two examples of emerging risks that CMPC has identified are:

1. Cyberattacks on industrial plants

Description of risk

The increasing number of cyber-attacks and computer crime around the world represents a potential risk to the security of information technology systems. This goes for the production plants and service provider systems, and could also impact the confidentiality, integrity and availability of the data stored in those systems, some of which depend on services provided by third parties.

Potential impact on CMPC

If these risks were to materialize, they could have a significant impact on operational continuity, causing work stoppages, affecting production goals and ultimately hindering our ability to meet customer needs. There could also be significant consequences for workers’ health and safety, the environment, local communities and the Company’s reputation.

Risk Management

CMPC takes all the necessary prevention measures and mitigation controls against cyber threats using cybersecurity solutions and market leaders selected in accordance with the main global standards in this matter. Processes are guided by specialized frameworks and teams of duly trained personnel in order to protect the integrity of operations and the confidentiality of customers, suppliers and the community.

To guarantee the proper functioning of operations and safeguard sensitive information, the Company has a Technology Committee as well as contingency plans arranged with its main computer service providers, who have adopted measures to prevent or mitigate the impact of events such as interruptions, failures or non-compliance due to causes ranging from natural disasters and power outages to security breaches, computer viruses or cybersecurity attacks.

Cyber-attacks, such as identity theft, malware and phishing, are increasingly sophisticated and can make a significant impact on the reputation, productivity and profitability of the Company. For these reasons, monitoring and incident management services are in use along with threat intelligence for early identification and ensuring the required preventive actions are always in place.

2. Reduced water availability for production process impacting management & industrial asset continuity

Risk description

Water is a fundamental element for the production of cellulose and paper, and scarcity in water availability could significantly affect several of CMPC's industrial plants that are intensive in the use of water. CMPC has defined this as an emerging risk for the company, considering that:

1. This is a new condition, growing in importance in recent years, even though Chile has been facing low precipitation levels for 14 years;
2. There could be a significant long-term impact, requiring the company to adapt its strategies to these conditions;
3. The impact may affect a large part of the company, in this case, for example, Cardboard, Paper and Cellulose operations in Chile;
4. The risk is external, since the condition of lower rainfall is exogenous to the company;
5. The impact of the risk is specific to the company, since the reality of CMPC regarding the type of industrial plants and the location of the plants is specific to the company. Even within the same company, industrial plants in Brazil are not facing this risk.

Potential impact

Management and industrial asset continuity could be significantly affected by reduced water availability for production processes, which is a climate-related chronic physical risk: the scarcity of water for production processes could result in the need to spend on the purchase of water from other sources or for technologies to reduce water use in the processes. There is certain equipment that due to their level of criticality is essential for the production of the company's goods, and if they fail, the operational continuity of the industrial plants would be affected. Under certain conditions, the failure of critical equipment could lead to an incident or operational accident and could significantly affect the health and safety of workers and/or the environment.

Although internal failures could lead to explosions or industrial fires, there are also external causes, such as natural phenomena. Risks that, if they materialize, could have serious consequences for operational continuity, the environment, the health and safety of collaborators, as well as affecting the community and the company's reputation.

Risk management

Since 2021, the Company has a Water Resources and Effluents Sub-Management, in charge of the responsible and efficient use of water, its ecosystem management, compliance with the corporate goal, the search for new sources of supply to minimize the vulnerability of operations to climate change, among other priorities.

In addition, CMPC established four sustainability goals linked to its environmental performance, one of which is the reduction in water use (the goal is to reduce the use of water per ton of product by 25% by 2025). This goal considers the context of future water availability for our operations. The Sustainability Committee, which meets bimonthly, reviews and proposes the adoption of best practices to reinforce the long-term commitment to sustainable development. During the year, the Committee reviews the Company's overall performance towards its four environmental sustainability goals in relation to the established objectives.

CMPC also has maintenance standards and objectives to avoid equipment obsolescence to manage the risk of failure. Additionally, the management of this risk considers the implementation of emergency plans focused on workers and operational continuity plans to mitigate the impact on assets and operations. The company has contracted insurance coverage through which a substantial part of its industrial risk is transferred.

RESPONSIBLE SOURCING

ESG Supplier Program

At CMPC, we are committed to upholding the highest standards of corporate responsibility, including environmental, social and governance (ESG) practices. Our commitment to ESG extends to our supplier relationships, where we prioritize sustainability and ethical practices.

We understand the importance of our purchasing practices in promoting ESG values throughout our supply chain. Therefore, we continually review our purchasing practices to ensure they are in line with our Supplier Code of Conduct and consistent with ESG requirements. This includes avoiding potential conflicts with ESG obligations.

To further demonstrate our commitment to ESG, we set high standards for our suppliers. Suppliers who cannot meet our minimum ESG requirements within a set time frame are excluded from contracting opportunities. This approach allows us to prioritize partnerships with suppliers who share our commitment to sustainability and responsible business practices.

CMPC implemented an ESG evaluation of strategic suppliers, in order to give preference to suppliers with a better ESG performance in the supplier selection and contract award processes. During 2023 we incorporated ESG criteria as a minimum weight in our evaluation process, ensuring that sustainability considerations play a significant role in our decision making. On the other hand, suppliers that do not meet the minimum ESG requirements within a set period will be excluded from contracting with us. In this way, we encourage our suppliers to actively contribute to sustainable business practices and generate a positive impact on society and the environment.

Additionally, we understand the importance of educating our team members about their roles in the ESG vendor program. To ensure a full understanding of our goals and expectations, we provide comprehensive training to our company's buyers and internal stakeholders. This training equips them with the knowledge and tools to effectively support and implement our ESG vendor program. For Softys, these trainings are carried out in conjunction with EcoVadis.

Supplier Evaluation

In the supplier evaluation process, both newly registered suppliers and those that bill around 1 billion dollars a year are evaluated. CMPC evaluates its suppliers of goods and services to ensure compliance with quality specifications, delivery terms, risk management and other obligations established in the respective contracts or purchase orders. Significant risks assessed during supplier evaluation include financial support, sole proprietors with exclusive billing to the company, workplace accidents, non-payment of employee pensions, applicable certifications, conflicts of interest, global crimes (such as human trafficking and terrorism) and environmental problems. Finally, we determine the eligibility of the supplier based on a thorough verification, which includes financial analysis, fiscal regularity, mandatory registrations and technical evaluation.

Softys' goal is to have 100% of critical suppliers of goods and services assessed on ESG by 2025.

CMPC's objective was to evaluate 80% of strategic suppliers, actually reaching 91% in 2023. The objective for 2024 is to reach the remaining 9%. A strategic supplier is one that has a high financial impact for the company and a high impact on the supply chain.

Supplier Evaluations 2023

In 2023, CMPC had a total of 15.287 level 1 (direct) suppliers, while Softys had 12.447 (an increase due to new acquisitions). Of the total of 27.734 direct suppliers, 533 suppliers are considered to be significant or strategic. The percentage of total spending with significant level 1 (direct) suppliers was 71% for CMPC (1,967 million USD) and 29% for Softys (801 million USD) out of the total of 2.768 million USD spent on strategic suppliers.

During 2023, a total of 1.223* suppliers were evaluated through remote or face-to-face evaluations:

- CMPC evaluated 1.043** suppliers, which covers 100% of suppliers from Pulp and Maderas businesses. Two suppliers were found to have actual or potential significant negative impacts. To correct these problems, corrective action plans were implemented for both suppliers. No contract with a supplier was terminated. Additionally, 241 strategic suppliers, corresponding to 16 industries and including SMEs, participated in the new ESG evaluation process. 107 of them were considered to have an “Unsatisfactory” score, and corrective action plans are to be implemented for all suppliers evaluated.

- Softys evaluated 31 suppliers based on ESG criteria, representing 89 different legal entities. This is equivalent to 35.6% of strategic suppliers. During this assessment, no suppliers were found to have significant actual or potential negative impacts, therefore no vendor contracts were terminated. Although no vendor was directly supported because their performance exceeded the minimum score requirement, all vendors assessed were offered a corrective action plan. No special capacity building programs were implemented for any vendor, as all met or exceeded the minimum score. However, all evaluated vendors were given the option to access courses available on the platform at no additional cost, allowing them to further enhance their capabilities.

(*) The sum of the total suppliers evaluated does not match with the numbers below, since the same suppliers can be evaluated through the three different methodologies in CMPC and Softys.
(**) For the purposes of evaluation with sustainability criteria, an ESG audit was conducted for the strategies and services received (SDR: service delivery sheet) by the Celulosa segments (Pulp and Maderas). As a result of consolidation due to new demand and supplier synergies, the number of service providers subject to evaluation was reduced as a result of the optimization and streamlining of processes.

Remote Supplier Assessments

Remote supplier assessments are performed with systematic verification of evidence. Over 2023, CMPC implemented an ESG (environmental, social and governance) audit to measure supplier compliance with the standards established by the Company. In addition, audits are conducted for suppliers defined as “strategic” during the second half of 2023, to guarantee compliance with internal and regulatory requirements. The process determined opportunities for improvement in the Company's suppliers, which were converted into action plans for each of the evaluated suppliers. During the first quarter of 2024, the Company aims to deepen contact with those suppliers not evaluated, to reach the total sample. Softys uses an online platform provided by EcoVadis, where suppliers complete questionnaires and provide the required documentation to demonstrate their sustainability performance.

On-Site Supplier Evaluations

Supplier evaluations can also be conducted in person by employees of the purchasing company or a contracted consultant (second party evaluation). CMPC carries out on-site evaluations for each service execution, where the Evaluation and Incorporation Committee evaluates the supplier’s performance. During 2023, an ESG indicator that involves planned on-site visits to suppliers that do not meet the company’s standards was implemented. Third-party assessments are also being implemented by CMPC through an accredited and independent audit entity as part of the ESG audit process. Suppliers who score below 60% overall (poor or very poor) for two consecutive years or three times within a five-year period are not eligible to become CMPC suppliers.

Evaluation standards and methodology

At CMPC, our supplier evaluation methodology encompasses a comprehensive approach that considers the specific risk of each country, the specific risk of the sector, and the specific risk of the products. We understand that different countries present different degrees of political, economic and social risk, which can affect the stability and reliability of our suppliers. Therefore, we carefully assess the risks associated with operating in different countries to ensure that our suppliers can meet our standards and deliver consistent quality.

Furthermore, we recognize that each sector has its own unique risks and challenges. We take into account the specific risks associated with the sector in which our suppliers operate, such as environmental regulations, labor practices and vulnerabilities in the supply chain. Through a thorough assessment of industry-specific risks, we are able to identify potential issues and work collaboratively with our vendors to effectively mitigate them.

We also understand that product-specific risks can have a significant impact on the performance and reliability of our suppliers. We analyze and assess the risks associated with specific products, including price volatility, supply chain disruptions, and sustainability concerns. This allows us to make informed decisions when selecting suppliers and ensuring they have the necessary capabilities and safeguards in place to manage product-specific risks.

For the ESG audit, CMPC uses international standards and methodologies such as DJSI, CDP, among others. The relevant criteria are measured using assessments from related organizations such as the General Treasury of the Republic, mutual funds, government institutions, etc. Softys uses the EcoVadis platform, which is based on the principles of the United Nations Global Compact, the international standards of the International Labor Organization, the Global Reporting Initiative and the Global Compact Index. These standards and methodologies provide clear and objective criteria for evaluating supplier performance in areas such as human rights, labor practices, the environment, ethics, and responsible supply chain.

Corrective/Improvement Action Plans for Suppliers

CMPC implemented an ESG indicator that includes on-site visits to suppliers that do not meet the company's standards. Action plans are developed in each case to address the gaps identified. Softys provides recommendations and guidance to suppliers through the EcoVadis platform to help them implement corrective or improvement action plans. These plans may include specific measures to address identified deficiencies and improve performance in key sustainability areas.

Support to Suppliers in the Implementation of Corrective and Improvement Actions

At CMPC, we provide remote and on-site support to suppliers in the implementation of corrective and improvement actions. We have a comprehensive technical support program designed to improve vendor ESG capability and performance. Our Local Supplier Development Program follows the following stages:

- Diagnosis: We evaluate the current practices of the suppliers and identify areas for improvement.
- Identification of Opportunities for Improvement: We detect gaps and opportunities for improvement.
- Strengthening: We provide resources, training and guidance to help suppliers strengthen their practices.
- Accompaniment and Implementation of Improvement Plans: We provide continuous support to suppliers during the implementation of improvement plans.
- Measurement, Results and Impact: We measure the results of improvement efforts and evaluate their impact.

Softys also offers strong support to suppliers on their sustainability journey. We provide suppliers with a detailed report that highlights specific areas for improvement. This report includes specific recommendations and action points to address the identified gaps. In addition, our platform offers additional resources and tools to help suppliers implement any necessary corrective or improvement actions.

All suppliers assessed through EcoVadis have free access to our learning platform, educational resources, training courses and materials related to sustainability and corporate responsibility. We believe in providing support without additional costs. In addition, our suppliers can seek help through the EcoVadis support center for any additional guidance they may need.

Supplier Development

At CMPC, we understand the importance of involving and supporting our suppliers in the adoption of ESG (Environmental, Social and Governance) practices. We have implemented a Supplier Development Program with the objective of providing information, training and support to our suppliers to ensure that they meet the requirements of our program.

Information and training

Information and training are provided to suppliers on the company's ESG program, process, and requirements. In 2022, CMPC completed a Local Supplier Development Training Program for 100 companies associated with the company, addressing topics such as occupational health and safety, compliance, systems, finances, sustainability, among others. The third edition of the program was launched in the same year, continuing through 2023 and incorporating suppliers from four Latin American countries for the first time: Argentina, Chile, Mexico and Peru. This edition included the participation of 237 people from 130 companies with 12 workshops and more than 600 mentoring sessions. It is scheduled to conclude in the second quarter of 2024. In this program, CMC provides industry best practice examples, encouraging suppliers to replicate and contribute to ESG efforts.

At Softys, guided by our Responsible Supply Policy, we annually select our critical suppliers and offer them a webinar with the following objectives:

- Communicate transparently the company's sustainability strategy.
- Clearly and concisely convey Softys' sustainability objectives, goals and approaches.
- Build commitment to better understand Softys' sustainability expectations and how suppliers can align with them.
- Encourage networking and collaboration between Softys and its suppliers.

In addition, through our Supplier Web Portal, suppliers can register themselves in our program and learn about our sustainability strategy.

Since 2021, we organize events for our suppliers that reinforce our sustainability strategy and recognize those who have achieved the highest scores:

- Softys Business Partner Awards (in person): We recognize and reward outstanding suppliers during this event.
- Softys Business Partner Awards (online transmission): In this global public event, aimed at our suppliers, the current strategy of Softys was presented, as well as how we intend to transform ourselves for the future, contributing to a more sustainable society.

These events serve as a platform to promote sustainability and encourage positive reinforcement among suppliers who have demonstrated excellence in their practices.

Access to ESG performance benchmarks

As part of the Local Supplier Development Program, we provide real examples of best practices in the industry so that our suppliers can replicate them and contribute to the ESG approach.

At Softys, through our digital assessment platform, suppliers have access to compare their global score and scores in specific areas (environment, labor practices and human rights, ethics and sustainable procurement) against a vast global database. from EcoVadis, classified by country/territory and sector.

For a detailed list of our suppliers of goods and services, please visit Social Field/People/Goods and Services Suppliers/

SUSTAINABLE FOREST MANAGEMENT AND CERTIFIED MANAGEMENT

As part of our public commitment to **no deforestation and forest degradation**, we have adhered to stringent sustainable forest management standards through various global certification initiatives. This involves complying with strict principles in direct forestry operations and requesting full compliance in indirect operations.

Goals and Certification achievements

CMPC aims to maintain all current certifications and achieve 100% sustainable forest management, production, and consumption of certified raw materials by 2030.

In Brazil, Chile, and Argentina, CMPC's forest assets are certified in sustainable forest management. In 2022, Bosques del Plata achieved FSC certification, bringing the total percentage of CMPC's own forest assets certified for sustainable management to 99.6%.

Promoting Sustainable Practices

CMPC actively engages in various external initiatives to promote sustainable forest management. The company collaborates with policymakers, governments, certification schemes, trade and community associations, NGOs, and research funding organizations to advocate for forest certification and compliance with its principles and criteria.

Since 2006 in Chile and 2009 in Brazil, CMPC has been working on the recovery of native species at the Carlos Douglas plantation center in Los Angeles, Chile, and the Barba Negra plantation in Rio Grande do Sul, Brazil. The company is also an active member of The Forests Dialogue, New Generation Plantations, and the Forest Solutions Group, which are part of WWF and WBCSD, respectively.

FOREST ASSETS, PRODUCTIVE AND CONSERVATION AREA (HA):

	2019	2020	2021	2022	2023
Forest assets	1,189,680	1,287,115	1,307,351	1,329,885	1,336,647
Productive area	805,349	840,628	848,528	846,572	859,382
Conservation, protection and/or restoration area	325,995	*385,726	389,376	402,817	409,826
Others	58,335	60,760	69,963	80,496	67,439

*Note 1: In the total number of hectares for conservation, protection, and restoration, some administrative uses, water bodies, and others are added to the total number of hectares

ANNUAL PLANTED AND HARVESTED AREAS (HA)

	2019	2020	2021	2022	2023
Plantations	49,088	48,020	46,835	45,130	53,928
Harvest	39,419	37,055	38,704	42,464	43,447
Difference in plantations vs. harvest	9,669	10,965	8,131	2,666	10,481
Variation rate	1.25 (25%)	1.3 (30%)	1.21 (21%)	1.06 (6%)	1.24 (24%)

Note 1: The values of the variation rate indicator, when greater than 1, indicate that CMPC has planted a larger area than that harvested, thus demonstrating its commitment to not

FOREST ASSETS CERTIFIED IN SUSTAINABLE FOREST MANAGEMENT (HA)

	2019	2020	2021	2022	2023
Own certified forest assets	976,649	974,439	981,160	1,080,147	1,097,767
Percentage of certification in relation to total own forest assets	90.3%	90.1%	90.2%	99.4%	99.6%
Certified third-party forest assets	65,885	125,716	133,648	210,817	209,443
Percentage of certification compared to total third-party forest assets	40.5%	61.1%	60.8%	90.9%	89.1%
Total certified forest assets in relation to total forest assets	83.8%	85.5%	85.6%	98.3%	97.8%

Note 1: Total equity comprises shareholders' equity plus the equity of third parties.
Note 2: The % of the certification includes the FSC or PEFC certification scheme that covers the most significant area. For example, Chile has the PEFC certification, and both schemes are 100% in Brazil.
Note 3: Equity owned includes land and flights; leased equity includes usufruct and agreements; managed equity includes land owned by a third party and managed by CMPC.

Ensuring Fiber Traceability and Quality

CMPC uses Chain of Custody (CoC) and Controlled Wood certifications across all business areas to ensure fiber traceability and quality. Non-certified controlled wood forest areas follow the same operating practices as certified areas, as outlined in the Wood Verification Program, the Controlled Wood Management Manual, and the Due Diligence System.

This approach ensures that all timber products can be traced to their origin, including timber provided and purchased by third parties.

Additionally, CMPC has established follow-up and reinforcement programs to control the wood entering its operations. These programs involve specialized teams, methodologies, movement tracking, and fiber traceability to maintain high standards of sustainability and quality.

CERTIFIED RAW MATERIAL (M3)

	2019	2020	2021	2022	2023
Total raw material produced (CMPC + third parties)	21,473,000	21,088,000	20,663,038	19,794,999	19,193,695
Percentage of raw material produced by CMPC compared to the total	82.3%	82.6%	84.5%	89.50%	89.4%
Percentage of raw materials produced by third parties compared to the total	17.7%	17.4%	15.5%	10.50%	10.6%
Percentage of certified raw material compared to the total	97.0%	95.2%	95.0%	99.50%	100%

Note 1: The total raw material produced comprises the Company’s equity plus the equity of third parties. Note 2: The % of the certification includes the FSC or PEFC certification scheme that covers the most significant area. For Chile and Argentina, it is the FSC certification, and both schemes are 100% in Brazil.

CMPC's commitment to sustainable forest management is demonstrated through its comprehensive certification achievements, active promotion of sustainable practices, and rigorous traceability and quality assurance systems. The company continues to work towards its goal of 100% certification coverage by 2030, ensuring responsible management and use of forest resources.

Environmental management System Coverage

As of 2023, CMPC's forestry operations in Brazil, Chile, and Argentina are certified under FSC and/or PEFC, covering 99.6% of its forest assets. Additionally, 11 out of 50 industrial plants are ISO 14001 certified, accounting for 65.4% of its production. Moreover, 42 out of 50 industrial plants have Chain of Custody certification (FSC and/or PEFC), representing 94.8% of its production. Overall, 97.1% of CMPC's operations have an environmentally relevant management system in place.

ECOSYSTEMS AND BIODIVERSITY CONSERVATION

We are committed to conserving and protecting ecosystems and biodiversity, not deforestation, by maintaining hectares of native forest, protecting water courses, flora, and fauna, and restoring ecosystems. We understand the latter as the activity that initiates or accelerates the recovery of an ecosystem, improving the state of conservation, recovering degraded sites, and increasing the flow of ecosystem goods and services.

Read more about our public commitment to biodiversity and no deforestation here

CMPC's Nature, Conservation and Biodiversity Strategy is based on four pillars. The first is Biodiversity, which seeks to promote all life that exists on Earth; next is the Ecosystem services axis, which consists of identifying and highlighting the benefits that people obtain from ecosystems; thirdly, creating Nature-based Solutions, which refers to using natural elements to address socio-environmental challenges; and finally, Territoriality, which consists of having a complete view of the landscape, incorporating the vision of the communities, inside and outside of CMPC's heritage.

You can see our full Nature, Conservation and Biodiversity Strategy here
You can see a summary of our Nature, Conservation and Biodiversity Strategy here

Conservation, protection and/or restoration performance goal

	2018 Baseline	2020	2021	2022	2023	Meta al 2030
Performance (ha)	321,529	385,726	389,376	402,817	409,826	421,529 (100%)
Annual variation (ha)	-	64,197	3,650	81,288	88,297	100,000
Percentage of progress towards goal	-	64.2%	67.8%	81.3%	88.3%	100%

Biodiversity and Risk Management

CMPC considers biodiversity conservation a fundamental aspect of its sustainability strategy. The company is committed to protecting and enhancing biodiversity across its operations and supply chains. This approach is guided by comprehensive risk assessments and sustainable forest management practices.

Biodiversity Risk Management

CMPC has developed an integrated process to identify and evaluate biodiversity risks related to its impacts. This process is based on the company's Nature Conservation and Biodiversity Strategy and utilizes the IUCN methodology aligned with the TNFD LEAP approach. The company's risk analysis includes identifying pressures and assessing impacts, using specific biodiversity indicators to monitor changes. CMPC's assessments are location-specific, ensuring precise identification of pressures and impacts in different operational contexts. Currently, CMPC's Risk Management System includes risks related to "Damage to Protection Areas" and "Native Forest Logging," and the company is working to incorporate biodiversity pressure analysis into the system by 2024. This ensures all operational and investment decisions consider ecosystem services vital to its processes.

Comprehensive Risk Coverage and Identified Biodiversity Risks

CMPC's biodiversity risk evaluations cover:

- Own operations
- Adjacent areas
- Upstream activities
- Downstream activities

CMPC has identified and manages biodiversity risks through:

- **Conservation and Restoration Plans:** Implementing specific plans to conserve high ecological value areas and restore degraded ecosystems, covering over 400,000 hectares, including native forests and high biodiversity areas in Chile, Brazil, and Argentina.
- **Monitoring and Adaptation:** Continuous monitoring of its activities impacts and adapting practices as needed to improve conservation strategies and minimize biodiversity risks.

CONTRIBUTION BY COUNTRY TO THE AREA UNDER CONSERVATION, PROTECTION, AND RESTORATION

	2019	2020	2021	2022	2023
Total area (ha)	325,995	385,726	389,376	402,817	409,826
Argentina	5.79%	4.94%	4.89%	5.02%	5.1%
Brasil	42.82%	51.19%	51.15%	52.15%	52.4%
Chile	51.39%	43.87%	43.96%	42.83%	42.5%

In addition, through sustainable forest management certification in Chile, we have made a voluntary commitment to restoration by 2026 and 2028:

PROGRESS IN COMPLIANCE WITH THE VOLUNTARY RESTORATION COMMITMENTS (HA)

	Restored 2010-2019	2020	2021	2022	2023	Progress	Commitment to
South-Central	2,288	430	613	709	883	56%	8,738 (2026)
Coyhaique	50	-	-	-	15	6%	1,181 (2028)

Quantity and area of AHCV:

	2020		2021		2022		2023	
	N°	Ha	N°	Ha	N°	Ha	N°	Ha
Total	447	28,501	481	28,192	476	28,257	468	27,980
Biological (ha)	26	24,482	30	24,711	33	24,785	34	24,963
Servicio	382	3,622	408	3,034	408	3,079	405	3,025
Sociocultural (ha)	39	397	43	447	35	393	29	224

NUMBER OF FIRE OUTBREAKS AND AREA AFFECTED BY FIRES IN CHILE, BRAZIL, AND ARGENTINA.

	2019-2020 Season		2020-2021 Season		2021-2022 Season		2022-2023 Season	
	Outbreaks	Ha	Outbreaks	Ha	Outbreaks	Ha	Outbreaks	Ha
Total	1,605	4,261	1,129	6,575	1,268	11,039	1,324	38,619

CMPC's Mitigation Strategies: Comprehensive Actions to Preserve Biodiversity

CMPC has undertaken various initiatives to mitigate environmental impacts, focusing on biodiversity, climate change, pollution, land use change, and other pressures. These efforts are categorized under 5 criteria: Avoid, Reduce, Regenerate, Restore, and Transform. Highlighting one key initiative per category, the following provides a comprehensive overview of CMPC's commitment to sustainable practices.

Examples of Key Initiatives

- **Avoid:**
  - **Avoid establishing new operations in or adjacent to areas of high biodiversity value or water-scarce regions:** This initiative helps CMPC avoid negative impacts on sensitive ecosystems and ensures sustainable land use.
- **Reduce**:
  - **Biological Corridors Initiatives:** CMPC has developed multiple biological corridors, including those from El Desprecio estate to Los Ruiles Reserve and from Pitao (Angol - Nacimiento). These corridors help reduce habitat fragmentation and support wildlife movement.
- **Regenerate:**
  - **Generate biodiversity and abundance studies of flora and fauna populations in plantations in collaboration with academia**: This project regenerates biodiversity by enhancing the understanding and management of flora and fauna.

    - Implement **operations planning in areas near wetlands**, avoiding the impacts of operations on these ecosystems and promoting their recovery.
- **Restore:**
    - **Restoration of 3,500 ha for conservation and protection areas through the Maule Fund initiative:** This initiative focuses on restoring degraded post-fire areas to their natural state in the Empedrado municipality.
- **Transform:**
    - **CMPC-UC Biodiversity and Sustainable Development Chair:** This initiative transforms knowledge and practices by promoting scientific research and dissemination on biodiversity and sustainable development.
    - Through the **National Forest Dialogue initiative**, incorporate actions in various relevant forest landscapes (Picoiquen Basin, Empedrado and Trongol – Caramávida) in conjunction with other companies, public organizations and civil society

Responsible Sourcing Program:

CMPC's Responsible Sourcing Program promotes forest certification, requiring fiber and raw material suppliers to undergo a comprehensive due diligence process. This includes demonstrating the legality of forest ownership, submitting management and harvesting plans approved by the forest authority, and ensuring compliance with safety and product quality protocols. All raw materials are sourced with FSC and/or PEFC chain of custody certifications, covering both the company's forests and third-party suppliers.

FOREST ASSETS CERTIFIED IN SUSTAINABLE FOREST MANAGEMENT (HA)

	2019	**2020**	**2021**	**2022**	**2023**
Own certified forest assets	976,649	974,439	981,160	1,080,147	1,097,767
Percentage of certification in relation to total own forest assets	90.3%	90.1%	90.2%	99.4%	99.6%
Certified third-party forest assets	65,885	125,716	133,648	210,817	209,443
Percentage of certification compared to total third-party forest assets	40.5%	61.1%	60.8%	90.9%	89.1%
Total certified forest assets in relation to total forest assets	83.8%	85.5%	85.6%	98.3%	97.8%

Note 1: Total equity comprises shareholders' equity plus the equity of third parties.
Note 2: The % of the certification includes the FSC or PEFC certification scheme that covers the most significant area. For example, Chile has the PEFC certification, and both schemes are 100% in Brazil.
Note 3: Equity owned includes land and flights; leased equity includes usufruct and agreements; managed equity includes land owned by a third party and managed by CMPC.

CERTIFIED RAW MATERIAL (M3)

	2019	2020	2021	2022	2023
Total raw material produced (CMPC + third parties)	21,473,000	21,088,000	20,663,038	19,794,999	19,193,695
Percentage of raw material produced by CMPC compared to the total	82.3%	82.6%	84.5%	89.50%	89.4%
Percentage of raw materials produced by third parties compared to the total	17.7%	17.4%	15.5%	10.50%	10.6%
Percentage of certified raw material compared to the total	97.0%	95.2%	95.0%	99.50%	100%

Note 1: The total raw material produced comprises the Company's equity plus the equity of third parties. Note 2: The % of the certification includes the FSC or PEFC certification scheme that covers the most significant area. For Chile, it is the FSC certification, and both schemes are 100% in Brazil.

CMPC's commitment to biodiversity conservation is evident through its rigorous risk assessment processes, sustainable sourcing practices, and continuous monitoring and adaptation of its strategies. By integrating internationally recognized methodologies and enhancing its risk management systems, the company aims to protect biodiversity and contribute positively to global conservation efforts.

WATER MANAGEMENT

The company's water supply comes from three primary sources: surface water, groundwater, and municipal water, depending on the location and quantity needed. Our industrial operations primarily produce pulp, paper, paperboard, molded pulp, and tissue products.

Our corporate goal for sustainable development is to reduce industrial water use per ton of product by 25% by 2025, including all our plants in the eight countries where we operate in Latin America.

GOAL 6.4:

By 2030, significantly increase the efficient use of water resources in all segments and ensure the sustainability of freshwater extraction and supply to address water scarcity and significantly reduce the number of people suffering from water scarcity.

To achieve this goal, the 2025 Water Roadmap was drafted, a plan composed of strategies and projects aimed at reducing water use, which facilitates the identification of the current state and future projections concerning meeting the 2025 goal throughout CMPC's businesses. The Water Roadmap is a "live" document and its low level of uncertainty allows it to be used as a reliable monitoring and control tool for compliance with the 2025 Water Goal.

In 2022, a new governance was established for CMPC's "Water Use Reduction" Beyond Focus, which considers the creation of the Water Technical Operational Committee, whose objective is to update the roadmap based on progress, detect critical routes, threats, reduction opportunities and establish priorities. This committee meets every two weeks, by plant/business/sub-business and is made up of the following areas (Offices and Departments) of the Company, being led by the Environment, Health and Safety Department's Water Resources and Effluents Office: Environmental Projects and New Businesses, Studies, Operational Environmental Management, Innovation, Projects and Plant's Management.

Several of themRoadmap's initiatives entail recovery and recirculation of water and the improvement of operational efficiency. Some of the projects and initiatives that contributed to the advancing toward the water goal in 2023 were:

Plant	Description	Reduction (m3/d)	Reduction (m3/ADt)
Laja	Swapping out the electrical room cooling system (HVAC) for air conditioning in delignification	600	0.6
Santa Fe	Installation of black liquor cooler in SF1 digester	1,032	1.05
Pacífico	Switching HVAC units to air cooling instead of water in the electrical rooms	6,552	4.85
Guaíba	Water recovery from the heat exchangers of the G1 recovery boiler fans	3,048	2.52

During 2023, the Company created work-cells to address specific environmental issues, such as water. These cells are formed by environmental engineers and led by specialized transversal areas. Their objective is to train operations in the fundamental issues associated with the management of water resources, to raise awareness about the responsible use of water, initiatives, risks and/or improvements to optimize water use in the operations. As reinforcement, communication mailings were generated regarding the use of water in CMPC.

2025 Goal: Reduce industrial water use per produced ton by 25%

	2018 Baseline	2020	2021	2022	2023	2025 Goal
Performance (m3/t)	31.51	31.07	29.96	28.86	28.09	23.63 (-25%)
Annual variation (m3/t)	-	-0.44	-1.56	-2.65	-3.42	-7.88
Percentage of progress towards goal	-	5.6%	19.8%	33.6%	43.42%	100%

Note: Values are readjusted to include new acquisitions – SEPAC and Panamericana.

COLLECTION, DISCHARGE, AND INDUSTRIAL CONSUMPTION (M3)

	2019	2020	2021	2022	2023
Collection	209,696,499	210,879,399	203,935,768	195,375,256	191,077,351
Discharge	175,325,461	174,352,400	167,846,252	163,118,207	164,970,538
Consumption	34,371,039	36,527,000	36,090,516	32,257,049	26,106,812

PERCENTAGE OF WATER COLLECTION BY SOURCE

	2019	2020	2021	2022	2023
Aguas superficiales	91.22%	90.96%	91.16%	91.06%	91.5%
Aguas subterráneas	7.09%	7.74%	7.63%	7.73%	7.5%

Aguas provistas por tercero	1.69%	1.30%	1.20%	1.21%	1.0%

PERCENTAGE OF WATER DISCHARGE BY DESTINATION

	2019	**2020**	**2021**	**2022**	**2023**
Aguas Superficiales	97.53%	97.95%	98.04%	98.12%	98.36%
Aguas Subterráneas	0.01%	0.00%	0.00%	0.00%	0.00%
Aguas provistas por terceros	2.29%	1.96%	1.86%	1.77%	1.59%
Mar	0.17%	0.09%	0.09%	0.11%	0.06

WATER QUALITY

At CMPC, we depend on water resources. For this reason, after use, we return the water in conditions similar to extraction. For this purpose, we measure the quality of all industrial effluents, complying with the regulations on discharge parameters and publicly disclosing measurements of relevant parameters such as Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS) and Absorbable Halogenated Organic Compounds (AOX). The latter is in the case of pulp plants

There are no significant impacts associated with operations in terms of water quality, since these processes are controlled by wastewater treatment plants that eliminate contaminants. Additionally, CMPC voluntarily conducts preventive studies and monitoring of underground and surface water bodies in the catchment areas, not only surrounding its operations, through environmental water monitoring plans, but throughout the basin using infiltration and hydro-geological studies coupled with environmental water monitoring plans.

A diagnostic work is being conducted on the effluent and wastewater treatment plants, encompassing existing infrastructure, efficiency of the processes and competence of the operators. This will allow for environmental risks to be detected and a prioritization of improvements to be implemented based on their criticality and estimated costs.

As an example of water quality related initiatives, an industrial pilot study was carried out in the Cordillera plant's ETP. Its objective was to determine the removal efficiency of boron present in the treated effluent, through ion exchange resins, to reduce the mass of boron present in the effluent.

POLLUTANT LOADS (T)

	2019	**2020**	**2021**	**2022**	**2023**
Chemical oxygen demand (COD)	36,044	37,065	30,449	31,823	27,742
Biological oxygen demand (BOD)	3,585	2,527	1,637	1,868	1,462
Adsorbable organic halogenated compounds (AOX)*	397	428	385	385	397
Total Suspended Solids (TSS)	2,962	2,937	2,087	2,067	1,733

* AOX are compounds generated by the Pulp plants (Santa Fe, Pacifico Guaiba, and Laja). Each of these plants has an internal annual intensity target for the discharge of this compound, which is more stringent than the applicable local regulations and is progressively updated and increasingly ambitious.

ENERGY MANAGEMENT AND EFFICIENCY

We generate a high percentage of the total energy needed to operate, with high energy efficiency standards. Due to the measures implemented in production plants in Chile, we have received, from the Ministry of Energy, the Energy Efficiency Seal, in the Gold and Silver categories, in addition to the Clean Energy and Outstanding Energy Efficiency Measure awards. The latter rewards Chilean organizations certified with the ISO 50.001 standard with at least two energy efficiency measures implemented. Santa Fe, Pacífico, Laja, and Sack Kraft stood out for the management of their systems. Moreover, In the fourth edition of the CONECTA Corporate Recognitions 2023 organized by the Global Compact Network in Chile, CMPC was awarded for its contribution to meeting Sustainable Development Goals, where the “Energy Efficiency and Renewable Energy Attributes in Our Operations in Chile” project won first place in the SDG Interconnection category.

CMPC's energy management systems are audited through the ISO 50001 standard, which covered 27 plants, equivalent to 92% of the Company's energy consumption in 2023. This certification requires the establishment of annual energy efficiency targets in each plant, which contributes to CMPC’s goals to reduce scope 1 and 2 emissions by 2030, scope 3 by 2035 and to achieve Net Zero emissions by 2040. Additionally, the Company has made significant advances in renewable energy generation, solar energy in particular. Photovoltaic power generation networks have been installed in several locations of its operations with the aim of confronting the global climate crisis and improving access to cleaner energy sources. Near 80% of the energy consumed by the Company is renewable.

Thanks to different operational efficiency actions, the organization has managed to reduce its energy consumption by 393 GWh in 2023.

Energy results associated with the Energy Management System

Results	Celulosa	Biopackaging	Softys	Total
Costs Associated with the Management System (USD)	176,725	235,245	386,770	798,740
Economic Savings Compared to the Previous Year (USD)	-81,960	889,045	963,567	1,770,653
Electricity Savings (GWh)	-10	11	244	245
Savings in Consumption of Other Energies (GWh)	41	12	340	393

Source: Energy Management.

The main energy efficiency initiatives of 2023 were:

Initiative	Description	Energy types	Cost savings (USD)	Reduction (GWh)
Improvements to the electrical performance of the paper machine (PM) by the close of 2023 compared to the PM baseline (Maule)	Weekly review of energy performance indicators	Electricity	1,942,300	-30.07
Deactivation of coal-fired boiler - BioCMPC (Guaíba)	Decommissioned the power boiler due to replacement of recovery boiler No. 3	Coal	1,939,990	-160.51
Installation of Bosch Boiler and BHS Corrugator (Buin)	Installed new technology with improved efficiency in the steam generation process and the corrugated	Natural gas	372,449	-7.9

	line			
MP3 turbo blower installation (Santa Rosa)	Replaced the MP3 vacuum pumps with more efficient technology	Electricity	299,709	-4.44
Decrease planned use of steam heat at the Thermal Plant by 1% (Cordillera)	Reduced boiler consumption by 1%	Natural gas	260,927	-116.51
MP20 OEE Increase (Cordillera)	Increased quality, availability and performance	Electricity and steam	258,474	-38.21

CMPC has also involved its collaborators in its sustainability strategy, by imparting technical training and awareness-raising initiatives related to energy efficiency projects, the ISO 50.001 certification and energy- related goals and targets.

The strategic focuses of CMPC Ventures: Biofuel and green energy

At CMPC we are exploring this space along different routes on several possible fronts, both with startups and large companies, to understand the necessary efforts, opportunity costs, diversity of applications and associated markets.

BREAKDOWN OF RENEWABLE AND NON-RENEWABLE ENERGY CONSUMPTION IN GWH

Fuel type	**2021**	**2022**	**2023**
Renewable Energy			
Blak liquor	22,902	22,981	22,258
Cerified biomass from sustainable forest management	5,215	4,714	4,795
Electricity purchased that is certified renewable	1,567	1,492	1,836
Steam purchased	547	579	888
Methanol	142	168	262
Hydrogen	13	9	9
Total	**30,386**	**29,944**	**30,050**
% Renewable Energy	**82.38%**	**80.87%**	**79.74%**
Non-Renewable Energy			
Natural gas	3,109	3,256	3,199
#6 Fuel oil	1,440	1,423	1,700
Electricity purchased	1,043	845	753
Non cerified biomass from sustainable forest management	-	439	703
Steam purchased	-	-	82
Coal	723	925	479
LPG	124	152	166
Diesel	59	43	552
Total	**6,498**	**7,083**	**7,634**
% Non-Renewable Energy	**17.62%**	**19.13%**	**20.26%**
Total Consumption	**36,884**	**37,027**	**37,684**

SOCIO-ENVIRONMENTAL IMPACTS

CMPC submits its projects for evaluation as appropriate to environmental management instruments established by local institutions and legislation. This is to comply with current regulations on assessing, reporting, and mitigating socio-environmental impacts that a project or activity may generate.

Once the projects are approved and are in the operation phase, and the industrial plants are in operation, the company is responsible for rigorously complying with the different regulations and legal obligations, commitments, and certifications assumed, preventing and managing environmental aspects, impacts, and risks, and generating capacities that ensure operational excellence and continuity. The following table shows the environmental fines incurred in the last four years.

ENVIRONMENTAL PENALTIES:

Year	N°	USD	Percentage
2018	–	–	0.00%
2019	2	57,871	8.60%
2020	–	–	0.0%
2021	2	26,131	3.1%
2022	10	407,185	50.8%
2023	4	521,266	60.5%

Note 1: The fines reported are those paid during the fiscal year and which exceeded USD 10 thousand

OTHER ATMOSPHERIC EMISSIONS

Our industrial processes generate different atmospheric emissions, which can adversely affect the environment and people. For this reason, we focus on measuring the atmospheric emissions produced by our operations, comply with the regulations applied to each of our plants, and have abatement systems. At the same time, we are transparent about our most relevant emissions, such as Particulate Matter (PM), Nitrous Oxide (NOx), and Sulfur Dioxide (SO2).

ATMOSPHERIC EMISSIONS (T)

Year	2018	2019	2020	2021	2022	2023
Nitrogen oxides (NOx)	8,235	8,087	8,866	8,187	7,734	8,731
Sulfur oxides (SO2)	1,508	2,248	2,115	1,449	1,233	1,546
Particulate matter (PM)	1,556	1,300	1,735	1,527	1,440	3,366

Source: Environmental Management.
Note 1: For 2023, the data for Biopackaging includes the Iguazú Plant.
Note 2: In 2023, the NOX emission data for Softys does not include the operations of Anápolis, Piraí, and Puebla, as they are inorganic growths

There is a green tax on emissions from fixed sources, which is part of the regulations established in Chile's tax reform in 2014 and began to be applied in 2017, and in Mexico since 2023. The above establishes a charge to organizations that emit Particulate Matter (PM), Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), and Carbon Dioxide (CO2) into the air, produced by operations of companies with boilers or turbines from 50 MWt.

GREEN TAX (USD)

Year	2018	2019	2020	2021	2022	2023
Total Paid Taxes in Chile	3,735,979	3,685,785	2,938,947	2,520,340	2,753,303	2,744,061
Total Paid Taxes in Chile	-	-	-	-	-	5,957
Total taxes paid	3,735,979	3,685,785	2,938,947	2,520,340	2,753,303	2,744,061

Source: Accounting and Tax Department
Note: Amounts paid in a given year correspond to the previous year's taxes.
N/A no green tax payment applies to this business unit.

DECARBONIZATION AND GREENHOUSE GAS EMISSIONS

The set of greenhouse gas emissions, produced directly or indirectly by individuals, organizations, products, events, or geographical regions and expressed in terms of CO2 equivalent, make up the carbon footprint as a way of quantifying the impact that an activity or process of a company has on climate change. According to GHG Protocol, it consists of the following scopes:

Scope 1	Scope 2	Scope 3
Direct from fixed and mobile sources	Indirect from the generation of energy compared to third parties	Other indirect emissions in the supply chain

“Our corporate sustainable development goals for GHG emissions are to reduce absolute Scope 1 and 2 GHG emissions by 50.4% by 2030 from a base year of 2018 and to reduce absolute Scope 3 GHG emissions by 37.5% by 2035 from a base year of 2020*.

In addition, CMPC is committed to becoming a Net Zero emissions company by 2040.

*The target boundary includes biogenic emissions and removals from bioenergy feedstocks”

SCOPE 1 AND 2 EMISSIONS 2030 GOAL

	2018 Baseline	2019	2020	2021	2022	2023	2030 Goal
Performance (ktCO2e)	2,396	2,451	2,144	2,023	1,969	1,850	1.198 (-50%)
Annual variation (ktCO2e)	–	55	-252	-373	-427	-546	-1,198
Percentage of progress towards goal	–	-4.6%	21.1%	31.1 %	35.7%	45.6%	100%

Source: Sustainability Department.

SCOPE 3 EMISSIONS 2035 GOAL

	2020 Baseline	**2022**	**2023**	**2035 Goal**

Performance (ktCO2e)	5,889	6,126	6,114	3,681 (-37.5%)
Annual variation (ktCO2e)	-	237	225	-2,208
Percentage of progress towards goal	-	-10.7%	-10.2%	100%

Source: Sustainability Department.
Note: The SBTi methodology is used to model goal-setting with at least 2/3 of scope 3 coverage when it adds up to at least 40% of the GHG emissions inventory (scopes 1, 2 and 3).

CARBON FOOTPRINT:

	2019		2020		2021		2022		2023	
	ktCO2e	%	ktCO2e	%	ktCO2e	%	ktCO2e	%	ktCO2e	%
Scope 1	2,003	18.5%	1,966	18.4%	1,875	18.4%	1,805	17.8%	1,787	17.9%
Scope 2 (market-based approach)	448	4.1%	178	1.7%	148	1.4%	164	1.6%	90	0.9%
Scope 2 (location-based approach)	624	–	583	–	600	–	505	-	461	-
Scope 3	8,380	77.4%	8,152	79.9%	7,821	80.2%	8,199	80.6%	8,123	81.2%
Total emissions	10,831		10,296	100%	9,844	100%	10,168	100.0%	10,000	100%
Emission intensity (tCO2e/ton)	0.253		0.223		0.213		0.218		0.203	

Note 1: The emissions inventory is verified by a third party in compliance with the requirements of the GHG Protocol's Corporate Standard for Quantification and Reporting.
Note 2: For the greenhouse gas emissions inventory, it considers the estimation of Scope 2 based on the market method.
Note 3: The emissions intensity indicator was calculated with Scope 1 and 2, and production only considers sales to third parties.

In 2020, CMPC conducted a full scope 3 study, expanding its emissions inventory and including all the categories recommended by the GHG Protocol. Therefore, the variation compared to 2018 is not an actual increase but the results of including the new categories.

In 2021, we joined the global initiative Business Ambition for 1.5°C, aligning ourselves with the Race to Zero campaign. This commitment entails becoming a net-zero emissions company by 2040. Race to Zero is a United Nations-led campaign that aims to fill this gap by collaborating with businesses, cities, regions, investors, and financial and educational institutions, all committed to achieving net-zero carbon emissions by 2050 at the latest.

In 2022, we entered and validated our Scope 1 and Scope 2 targets, as well as our Scope 3 targets, with the Science Based Targets Initiative (SBTi).

CMPC fully supports the objectives outlined in the Paris Agreement and actively promotes the development and implementation of policies and regulations that align with this commitment in all countries where we operate. To ensure that the activities that may have the potential to influence public policy are in line with this commitment, Corporate Affairs oversees all engagements with trade associations and donations associated with political influence. Furthermore, any activities pertaining to representation, company's stance, working groups, and technical and/or strategic aspects related to climate change are directed to the Sustainability Management department, as they possess the required expertise in this area. The Sustainability Manager plays a pivotal role in bringing forward key issues to the Sustainability and Regulation Committee, which convenes on a quarterly basis. The committee is composed of the Chairman of the Board, three (3) Directors, the CEO, Corporate Attorney, Corporate Affairs and Sustainability Manager, Environment, Safety and Occupational Health Manager, and the Sustainability Manager. Moreover, CMPC actively participates in various initiatives and coalitions that are dedicated to ensuring compliance with the Paris Agreement and advancing on decarbonization objectives that are aligned with scientific recommendations:

Moreover, CMPC actively participates in various initiatives and coalitions that are dedicated to ensuring compliance with the Paris Agreement and advancing on decarbonization objectives that are aligned with scientific recommendations:

Science Based Targets Initiative	View site
Business Ambition for 1.5°C	View site
Race to Zero	View site
Pacto Global Chile	View site
World Business Council for Sustainable Development (WBCSD)	View site
Corporate Leaders Group (CLG Chile)	View site
Acción Empresas	View site
British Chilean Chamber of Commerce (BRITCHAM)	View site
CORMA	View site
SOFOFA	View site
Public Statement by CLG-Chile: In the face of the climate crisis, we pledge to take collaborative and decisive action urgently	View statement

GENERATION AND CHARACTERIZATION

CMPC's production process generates various waste and byproducts that vary among businesses and subsidiaries. Each waste has a different treatment, depending on the type of material and whether it is hazardous or non-hazardous.

"Our corporate goal for sustainable development in terms of waste is to be a Zero Waste to Landfill company by the year 2025, through the reduction of waste generation, its valorization as byproducts, and the strengthening of circular business models."

GOAL 12.4: By 2020

Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, following agreed international frameworks, and significantly reduce their release into the air, water, and soil to minimize their adverse effects on human health and the environment.

Goal 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling, and reuse activities.

CMPC Waste Strategy

CMPC has advanced in the steps of the hierarchical strategy for waste management, which translates into the following order or prioritization: generation reduction, minimization, reuse, recycling, energy generation and finally disposal in authorized sites, with the corresponding environmental controls.

Thus, the Company has implemented the CMPC Waste Strategy to "Ensure compliance with zero waste at final disposal in 2025, circularizing the Company's processes in its transition to be a zero waste organization." Among the main elements of this strategy are the following focuses:

- Identify and comply with all environmental and sector regulations linked to waste management.

- Update, systematize and analyze environmental information on waste management generated by the company, continuously improving management.

-Manage and prevent impacts associated with waste management in the organization, diversifying recovery services, specifically reduction, reuse and recycling offers. Connect synergies between different company processes.

-All initiatives implemented by the Company must be systematized through the Roadmap for permanent control and measurement, contrasting their results with the goals established.

- Anticipate the future with innovative initiatives obtained through joint work with academia, replicating good practices at a global level, which aim at the implementation of new technologies, improvements in processes to reduce waste generation, optimization of contracts, which consider the elimination of inputs with a high ecological burden, among others.

Waste management regulations demand the implementation of hazardous waste management plans and other environmental management instruments that provide guidelines for the adoption of preventive measures. This strategy, which is proactive and goes beyond legal requirements, stipulates guidelines for all of the Company's facilities to extend their management plans' scope to include impacts of non-hazardous industrial waste.

Roadmap of Enabling Projects

To ensure compliance with these goals a Roadmap of Enabling Projects was created, currently containing 59 initiatives.

A subset of the total projects in development, meets defined innovation criteria. An example of this is the Beneficial Application of waste on degraded agricultural soils and the Composting of sludge from the wastewater treatment plants, through vermiculture.

CMPC implements environmental management systems in its facilities, a framework in which audit processes are conducted to review the processes linked to waste management and identify potential risks and opportunities. Audits of waste management processes involve reviewing legal compliance and efficiency in operational controls. Additionally, a systematic review of socio-environmental risks linked to the waste management of the facilities is carried out.

Results and achievements

The EDIPAC facility achieved the goal of having 0 waste at final disposal from December 2022, as did the Guadalajara plants, from September 2021, and Irapuato from November 2022. The effort developed and goals achieved by these facilities are fundamental to the environmental sustainability of the company.

The Company also participates actively through its Maule and Cordillera plants in a clean production agreement (CPA), an environmental management mechanism available in Chile. The purpose of this voluntary agreement is to enhance circularity through clean production. This approach includes the use of renewable materials, capacity building training and regular communication on progress within the plants, among many other activities.

The implementation of the Waste Strategy in the Celulosa and Biopackaging businesses has resulted in the decrease of waste to final disposal, from 317,540 tons in 2018 to 35,964 tons in 2023. This is equivalent to a reduction of 89% in 6 years.

Among the Celulosa business' projects, one is responsible for valorizing non-hazardous industrial waste, such as effluent treatment plant sludge, lime sludge, dregs, grits, lime kiln purges, slaked lime, fine ashes and coarse ash, concentrating more than 82% of the waste generation of Pulp plants. The recovery project considers the beneficial application of waste as a soil improver in areas degraded by agricultural activity, which to date has valued more than 120,000 tons of waste and improved more than 3,700 hectares.

In the Biopackaging business, its main waste corresponds to sludge from the Cordillera plant effluent treatment plant, which is valued in its entirety for composting processes, a fundamental input for the improvement of degraded soils. More than 50,000 tons were recovered in 2023.

Find out more about our waste-related initiatives in our Integrated Report 2023

ZERO WASTE PERFORMANCE GOAL

	2018 Baseline	**2020**	**2021**	**2022**	**2023**	**2025 Goal**
Performance (t)	714,299	509,843	427,798	347,626	283,787	71,430 (-90%)
Annual variation (t)	–	-204,456	-286,501	-366,673	-430,512	-642,869
% of progress towards goal	–	28.6%	44.6%	57.0%	67.0%	100%

How does Empresas CMPC define being a zero waste to landfill company?

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.

WASTE BY TYPE (T)

	2019		2020		2021		2022		2023	
Total	2,400,243	–	2,411,447	–	2,234,474	–	2,830,810	-	3,105,237	-
Non-hazardous	2,396,819	99.86%	2,407,682	99.84%	2,227,836	99.82%	2,826,008	99.83%	3,096,462	99.72%
Hazardous	3,424	0.14%	3,765	0.16%	6,638	0.18%	4,802	0.17%	8,775	0.28%

MANAGEMENT AND RECOVERY

Our objective is to reduce the environmental impact related to waste generation by promoting Circular Economy management. This concept proposes a change in the linear production, business, and consumption systems, incorporating circular production cycles where reuse, recycling, and recovery are vital operations.

NON-HAZARDOUS WASTE BY TREATMENT METHOD

	2020		2021		2022		2023	
Valorization	1,897,840	%	1,799,887	%	2,478,354	%	2,819,0961	%
Reuse	16,055	0.67%	4,664	0.25%	58,796	2.1%	77,710	2.5%
Recycling	160,909	6.68%	178,879	9.93%	761,064	26.9%	780,650	25.2%
Composting and biological degradation	727,661	30.22%	721,098	40.06%	748,111	26.5%	1,063,085	34.3%
Energy recovery	993,215	41.25%	895,246	49.73%	910,383	32.2%	897,616	28.9%
Final disposal	509,843	21.18%	427,948	19.2%	347,654	12.3%	277,401	9.0%

For details of our circularity processes, please visit Processes and Products/Natural, Renewable Source/Circularity,

PROCESSES AND PRODUCTS

By identifying and understanding the interests, expectations, and concerns of our customers and consumers, we respond to the growing demand to operate with processes oriented to products made from natural, renewable, and certified materials that meet people's needs and preserve the environment. This way, we continuously improve our processes and products based on a sustainable and circular operation focused on principles of bioeconomics.

PRODUCT STEWARDSHIP

Commitment to Sustainable Product Design

As an integrated company, CMPC ensures a significant portion of raw materials are produced and sold internally, starting with the forest value chain. We prioritize raw materials with a lower environmental footprint, focusing on reduced water, energy, and material use. Our chain of custody and controlled wood certifications guarantee the traceability of wood across the supply chain, ensuring environmentally responsible sourcing. We also emphasize the use of renewable raw materials, significantly reducing hazardous substances and toxic materials.

Choice of Raw Materials

In 2023, we recovered 771,644 tons (suppliers and own collection programs) of fiber and recycled 13,639 tons, with 95% of our raw materials coming from renewable sources across our Pulp, Biopackaging, and Softys businesses.

Materials used by type (tons)

Category	2019	2020	2021	2022	2023
Renewables					
Raw materials	18,556,948	20,913,874	20,497,754	23,337,574	21,575,728
Containers and Packaging	25,469	30,559	34,357	37,109	31,138
Total renewables	18,582,417	20,944,432	20,532,111	23,374,683	21,606,866
Non-Renewables					
Chemicals	901,825	885,908	826,409	849,844	1,072,134
Containers and Packaging	52,161	56,216	58,917	63,787	78,127
Total non-renewables	953,986	942,124	885,326	913,631	1,150,261

CMPC's Responsible Sourcing Program ensures that **100% of our raw material supply, both from our forests and third-party sources, is certified under FSC and/or PEFC chain of custody.** This program promotes forest certification and requires suppliers to undergo a comprehensive due diligence process, demonstrating legality of forest ownership, approved management and harvesting plans, and compliance with safety and quality protocols. Sustainable forest management certifications enhance sourcing practices across the supply chain, fostering a comprehensive and sustainable process.

Direct Operations and Manufacturing

CMPC is committed to reducing emissions, energy, and water use, as well as waste generation throughout our production processes. We have set a **target of achieving zero waste by 2025, transforming our processes to align with a circular economy model**. By 2023, **27 of our plants were certified under the ISO 50001:2018 standard, managing 92.2% of our energy consumption efficiently, with 79.74% of our energy derived from renewable sources**. Our goal is to reduce industrial water use by 25% per ton of production by 2025 and to be zero waste to landfill by the same year. Our forest operations also play a crucial role in mitigating CO2 emissions, with a corporate target to reduce emissions by 50% by 2030.

Fuel type	2021	2022	2023
Renewable Energy			
Blak liquor	22,902	22,981	22,258
Cerified biomass from sustainable forest management	5,215	4,714	4,795
Electricity purchased that is certified renewable	1,567	1,492	1,836
Steam purchased	547	579	888
Methanol	142	168	262
Hydrogen	13	9	9
Total	**30,386**	**29,944**	**30,050**
% Renewable Energy	**82.38%**	**80.87%**	**79.74%**
Non-Renewable Energy			
Natural gas	3,109	3,256	3,199
#6 Fuel oil	1,440	1,423	1,700
Electricity purchased	1,043	845	753
Non cerified biomass from sustainable forest management	-	439	703
Steam purchased	-	-	82
Coal	723	925	479
LPG	124	152	166
Diesel	59	43	552
Total	**6,498**	**7,083**	**7,634**
% Non-Renewable Energy	**17.62%**	**19.13%**	**20.26%**
Total Consumption	**36,884**	**37,027**	**37,684**

Distribution, Storage, and Transportation

CMPC focuses on developing innovative products that contribute to a circular bioeconomy, particularly in packaging, where we create alternatives to plastic. We manufacture and sell packaging products with a high percentage of recycled fibers. Additionally, we are advancing electromobility to reduce environmental impact and energy costs in transportation and operations. By identifying high-energy consumption equipment, we aim to electrify our mobile equipment fleet, further contributing to sustainable development.

Recycled and Recovery Fiber

Category	2021		2022		2023	
	Metric tons	%	Metric tons	%	Metric tons	%
Recycled Fiber	15,812	2.1%	13,639	1.7%	13,726	2%
Recovery Fiber	752,737	97.9%	771,644	98.3%	771,644	98%
Total	768,549	100%	785.283	100%	785,370	100%

Use Phase – Operation and Servicing

CMPC designs products that enhance efficiency and durability during their use phase. Our approach to sustainable construction supports the circular bioeconomy by offering alternatives to traditional building materials, thus reducing the environmental footprint of buildings. Examples include thermally modified wood for improved durability and plywood impregnated with micronized copper for increased resistance to humidity and termites. We also explore nanocellulose for reinforcing paper and board and support other uses like prosthetics, construction, and automobile parts. Our tissue products, developed by Nova, are designed for efficiency in use, and our pulp team assists clients in reducing energy consumption in their processes.

End of Life Management

As by-products of wood, CMPC’s products are naturally biodegradable, offering significant end-of-life benefits compared to alternatives like plastics. Our Zero Waste Sack disintegrates in cement mix, eliminating packaging waste. We are dedicated to the concept of a "circular bioeconomy," maximizing the value of our raw materials through the recovery and reuse of biological resources. We actively explore opportunities to utilize lignin, nanocellulose, biocomposites, and byproducts such as tall oil, methanol, and hydrogen. Additionally, we are the only Chilean company selling independently certified structural wood and are pioneering in solid wood CLT construction, significantly reducing construction waste. Through our multiple plants, we recover and recycle post-consumer paper and cardboard, reducing landfill waste and the use of virgin fiber.

Development of Environmental Product Declarations (EPDs)

Currently, CMPC is developing Environmental Product Declarations (EPDs) for our main products to further enhance transparency and sustainability. We have already published the EPD for our CMPC Plywood, demonstrating our commitment to environmental responsibility. Additionally, we are in the process of developing EPDs for BoxBoard products from our Biopackaging plants in Maule and Valdivia, as well as for pulp products from our Santa Fe plant in Chile and the Guaíba plant in Brazil. These EPDs are expected to be publicly available in the fourth quarter of 2024, providing detailed environmental impact information and reinforcing our dedication to sustainable product stewardship.

CMPC's approach to Product Stewardship is a comprehensive commitment to sustainability, innovation, and efficiency throughout the lifecycle of our products, from raw materials to end-of-life management.

REPORTS AND CERTIFICATIONS

Our certifications support the correct performance of Sustainable Forest Management and the different Management Systems, ensuring quality in our operations, as well as in the products that we commercialize and the by-products we recover.

We conduct annual internal environmental audits and verifications to meet the requirements of the ISO 14001 standard. These assessments cover various areas, such as waste management, traceability, and regulatory compliance. Additionally, internal audits of Sustainable Forest Management and Chain of Custody are conducted in the relevant plants.

As of 2023, CMPC's forestry operations in Brazil, Chile, and Argentina are certified under FSC and/or PEFC, covering 99.6% of its forest assets. Additionally, 11 out of 50 industrial plants are ISO 14001 certified, accounting for 65.4% of its production. Moreover, 42 out of 50 industrial plants have Chain of Custody certification (FSC and/or PEFC), representing 94.8% of its production. Overall, 97.1% of CMPC's operations have an environmentally relevant management system in place.

SOCIAL FIELD

We aim to have an in-depth understanding of our people and the communities around us. We strive to be inclusive and diverse and to promote a good working environment and development. For our contractors and suppliers, we want to create networks and learn together; for customers and consumers, we aspire to constantly deliver and innovate with the best solutions for daily life. In addition, with our communities, we practice mutual respect and respect for the environment we cohabit through transparent and timely communication and actions that generate shared value.

HUMAN RIGHTS

Since 2021 CMPC has had a company-wide Human Rights Policy for all of its businesses and subsidiaries. It establishes foundational definitions, areas of application and specific mechanisms that help identify, manage and remedy the violation of human rights (HR) under a preventive approach.

Human Rights Due Diligence

In 2023 CMPC hired an expert consultancy firm to identify the main focuses of attention regarding human rights risks, defining an action plan and its governance for the implementation of the due diligence process. After reviewing good practices on human rights at corporate level, the scope of the evaluation was defined, which will be for forestry operations in Chile. The human rights-related topics included in the evaluation were also defined, such as health and safety, working conditions, discrimination and indigenous rights, among others. This process seeks to identify these risks for different groups, including the Company's own workers, contractors and people belonging to indigenous groups.

View our Human Rights Policy - https://www.cmpc.com/pdf/politica-de-DDHH_ENG.pdf

DIVERSITY AND INCLUSION

As a company, we are building a diverse and inclusive environment where people feel safe, respected, valued, and free to create and innovate. For this reason, we have created and introduced our Diversity and Inclusion Policy with the People and Organization department.

View our Diversity and Inclusion Policy - https://www.cmpc.com/assets/uploads/2023/08/Diversity-and-Inclusion-Policy-2021.pdf

EMPLOYEES BY AGE RANGE

	2020		2021		2022		2023	
	N°	%	N°	%	N°	%	N°	%
< 30 years old	3,867	19.69%	4,126	25.08%	4,955	21.18%	5,229	20.63%
30 to 60 years old	15,020	76.47%	15,180	92.30%	17,420	74.47%	19,051	75.12%
> 60 years old	754	3.84%	762	4.63%	1,016	4.34%	1,071	4.22%

WOMEN BY TOTAL NUMBER OF DIRECT EMPLOYEES

	2019	2020	2021	2022	2023
Percentage of total	15.4%	16.8%	18.1%	19.9%	21.5%

WOMEN ACCORDING TO ROLE

	2022	2023	2025 Goal
Percentage of women in the entire labor force	19.9%	21.5%	25%
Percentage of women in all management positions	25.6%	27.0%	30%
Percentage of women in junior management positions	18.1%	26%	-

Percentage of women in senior management positions	36.8%	40.4%	-
Percentage of women in income-generating management	12.5%	24.62%	-
Percentage of women in CITM (science. engineering, technology and mathematics) positions	20.3%	22.99%	-

The categories presented here correspond to the S&P methodology for its DJSI index, you can review other categories in our 2023 integrated report.

EMPLOYEES WITH DISABILITIES

	2019	2020	2021	2022	2023
Percentage	1.0%	1.1%	1.29%	1.7%	1.5%

"We aim to reach 2,5% of the workforce with people with disabilities by 2025"

Goal 10.2:

By 2030, empower and promote the social, economic, and political inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion or economic, or status.

	2019 Baseline	**2020**	**2021**	**2022**	**2023**	**Goal by 2025**
Percentage of people with disabilities	1.43%	1.34%	1.29%	1.22%	1.10%	2.5%
Annual variation (%)	–	-0.1%	-0.1%	-0.2%	-0.12%	1.1%
Percentage of progress towards goal	–	-9.2%	-13.5%	-20.1%	-18.18%	100%

Note: This goal includes the Pulp and Biopackaging businesses. Figures do not include Softys

TALENT ATTRACTION AND RETENTION

Attracting, retaining, and developing talent allows CMPC to set up the skills and competencies to implement its strategy. In this way, productivity, knowledge, leadership, and innovation become an asset to attract talent. When we talk about development, we refer to the possibilities of professional and personal growth that we promote as a company.

This is based on six corporate competencies and their associated behaviors. In addition, we have a performance appraisal that includes self-assessment and feedback from management, as well as calibration panels to identify critical positions, internal mobility, and organizational climate measurement, among others.

PERFORMANCE APPRAISAL

	2020		2021		2022		2023	
Percentage of executives, professionals, and technicians appraised compared to the total	5,869	83.54%	6,236	92.23%	6,804	71.93%	7,217	67%
Percentage of operators appraised compared to the total	2,472	19.59%	3,367	25.26%	3,427	24.6%	2,838	28.11%

TRAINING

	2021	2022	2023
Average Training hours per employee (FTEs)	35.6	9.7	21.7
Average training costs per employee (FTEs) (USD)	130.2	282.2	105.6

HUMAN CAPITAL DEVELOPMENT

Below, we present two of the corporate programs that aim at the continuous development of CMPC employees:

Continuous Skills Development Program (CSD)

The CSD model leverages from our company's operational excellence model -"BEST". This model arises after an operational failure, as a mitigation action that allows employees to be trained to avoid and know how to respond to an event of similar characteristics in a common and standardized way. Among the objectives sought by the CSD model are:

- To provide a consistent and measurable training process.
- To maintain a flexible and highly skilled workforce.
- To develop and retain qualified collaborators.

- To provide a system to document and track job-related skills in all positions, including those qualified to train others in each job.
- To encourage lifelong learning and professional development.

The benefits of the CSD program are:

- It shortens the learning curve (training time) to learn new skills.
- Reduces staff turnover and improves employee retention.
- Increases the work skills and flexibility of all employees.
- Improves multiple manufacturing measurements: quality, cost, delivery, OEE and process reliability.
- Increases employee engagement and satisfaction.
- Sets and defines objective performance expectations.
- Measures all collaborators' results with consistent methods and tools (leveling the playing field).

The Continuous Skills Development program has a positive impact on process reliability and operational excellence. The program's quantitative impacts include up to a 34% improvement in production processes, with time savings of 37 hours gained in increased production since machinery downtime decreased; and cost savings of USD 150,000 in the timber business.

Six Sigma – Green Belt Certification

Six SIGMA is a process improvement methodology focused on reducing variability, achieving the reduction or elimination of defects or failures in the product delivery and customer service.

Training on this methodology has been imparted to various the company's collaborators to implement this improvement system in their teams. This training provides the teams with the necessary tools for the development of projects that allow a deeper process analysis and control, and the visualization, identification and management of quantifiable gaps with expected benefits within the processes, considering the complete dimension of the process and resources available. It also establishes intermediate objectives that ensure the control and achievement of goals and reverse the identified gaps.

Through this initiative, a DMAIC cycle is articulated:

- DEFINE: Define the process and the problem
- MEASURE: Measure our performance
- ANALYZE: Analyze the process looking for problems and root causes
- IMPLEMENT: Determine and implement improvement actions
- CONTROL: Maintain the improved process

The quantitative impacts of the Lean Six Sigma program include the improvement of efficient energy production, optimization of maintenance costs, reduction of chemicals' consumption, improvement of performance in pulp production, reduction of production failures. (Maderas/Bosque/Pulp/Sack Kraft, Corrugados, Boxboard, Edipac). During 2023, new projects began to be developed with an impact of approximately 41 MM USD.

EMPLOYEES

With its employees, CMPC recognizes the value of good relations in the workplace, based on respect and communication stipulated in the organization's policies and code of conduct. Each subsidiary has freedom of association to form groups and collective bargaining agreements, which also applies to its contractors with their associations and unions. Collective bargaining is carried out independently and in environments prioritizing the search for agreements.

DIRECT EMPLOYEES

	2020	2021	2022	2023
Total	19,641	20,068	23,391	25,351

JOB ROTATION

	2020	2021	2022	2023
N° of employees (Annual recruitments)	2,939	4,270	3,937	5,278
Rotation Rate	15.0%	20%	19.95%	18.53%

VOLUNTARY ROTATION

	2020	2021	2022	2023
Voluntary Rotation	5.78%	8.2%	8.9%	7.6%

VACANCIES COVERED BY INTERNAL COLLABORATORS

	2020	2021	2022	2023
Percentage of open positions filled by internal candidates	10%	26.8%	31.8%	37.7%

UNIONIZATION

	2019	2020	2021	2022	2023
NO. OF UNIONIZED EMPLOYEES*	10,887	11,448	11,305	13,455	12,665
PERCENTAGE OF UNIONIZED EMPLOYEES*	60.4%	58.3%	56.3%	57.5%	49.96%

*Softys is not covered in these data

UNION BENEFITS AND COLLECTIVE BARGAINING COVERAGE

	2019	2020	2021	2022	2023
No. of employees covered by union	11,436	12,753	12,108	14,809	17,641
Percentage of employees covered by collective bargaining agreements	63.4%	64.8%	60.3%	63.3%	69.6%

For more information, please read our Declaration on Fundamental Principles at Work

WORK AND FAMILY LIFE

We support our employees in their quality of life and the possibility of achieving an excellent work-family balance through the following initiatives*:

- Breastfeeding rooms at CMPC's corporate offices in Chile and Softys' various international sites.
- Monetary contributions for childcare services for children under 2 years of age and discounts for day care centers; in Peru, Softys provides additional days to women's legal duration of pre and postnatal maternity leave.
- Paid leave for fathers: workers have 10 days of paid leave to enhance parental co-responsibility and work-life balance, as a complement to the legal leave.
- Children adaptation: One (1) hour of paid leave at the beginning of the day for 2 weeks for the father, mother or caregiver to accompany children who enter the school for the first time, from nursery to kindergarten.
- Gradual reincorporation of parents after birth: 100% teleworking or partial scheme, for mother, father or caregiver of children under 2 years of age, subject to the nature of their functions.
- Care leave for serious illness: 5 business days of paid leave, without make-up time, to care for a sick dependent family member.
- Sports contribution benefits: reimbursement to collaborators who carry out any sports activity; alliances with gyms throughout Chile, so that collaborators can access preferential discounts; sports spaces and/or gyms in some plants and/or buildings of our company.

(*)Non-exhaustive list. Applicable for collaborators whose role is compatible with the benefit.

LOCAL EMPLOYMENT

Based on its commitment to strengthening the local value chain, CMPC monitors the percentage of local workers within its workforce. In the case of operations in Chile for 2023, 47% of collaborators work in the same commune where they reside and are therefore considered local.

	Men	**Women**	**Total**
Local collaborators in leadership or management positions.	629	251	880
Total CMPC collaborators in leadership or management positions.	*1283*	*476*	*1759*
% of local collaborators in leadership or management positions.	*49,0%*	*52,7%*	*50,0%*

HEALTH AND SAFETY

We work closely with each employee, supplier, and service company, to achieve high labor standards, both in terms of health and safety, as well as social and environmental issues. This collaboration is based on continuous improvement and training, good relationships, and the adoption of a set of practices, for example:

- compliance with labor and social laws and development of good working conditions;
- strict compliance with environmental legislation and the high standards included in CMPC's environmental and safety systems, which are a requirement for its forestry certifications, ISO 14001;
- ongoing communication with service companies to ensure that high-performance standards are met and to detect any deviations from established procedures and correct them;
- unrestricted compliance with our Health & Safety and Human Rights Policies, specifically the absolute rejection of child or forced labor throughout our organization and supply chain.

In accordance with the Corporate Risk Management Program, we employ comprehensive methodologies to identify, assess, and mitigate health and safety risks, integrating these efforts into its overall management systems.

CMPC has occupational health and safety management systems that are used to identify hazards and assess and monitor occupational risks, as well as the needs and expectations of collaborators and contractors. Moreover, 72% of our operations are covered by ISO 45.001 certifications

CMPC generates action plans to mitigate identified health and safety risks through systematic processes and tools, such as the Hazard Identification and Risk Assessment Matrix (MIPER) to continuously identify hazards, evaluate risks, and determine effective prevention and protection measures.

In addition, CMPC Maderas generates action plans for unacceptable risks identified in processes. Each area prioritizes control actions, which may include eliminating hazards, substituting with safer processes or materials, engineering controls, administrative controls, and personal protective equipment. Health and Safety Managers follow up on the implementation of these measures through monthly monitoring.

CMPC integrates health and safety actions to respond to emergencies through detailed emergency management procedures, tailored to each industrial plant. These procedures include:

- Identifying potential emergencies and analyzing each situation to determine causes, sequences, and effects.
- Establishing action programs to improve systems, aiming to eliminate risks through physical modifications or optimized operation and maintenance procedures.
- Training personnel in plant-specific risks, emergency equipment use, alarm systems, and emergency procedures.

The company maintains an Emergency Response Plan as part of its Occupational Health and Safety Management System, conducting regular drills to test and enhance response capabilities. Each emergency situation is analyzed to establish applicable control measures to minimize the probability of future occurrences.

TOTAL OF ACCIDENTS – DIRECT EMPLOYEES

	2020	**2021**	**2022**	**2023**
TRIFR	11.81	10.73	5.34	4.61
Coverage	44.9%	43.1%	100%	100%

Note: From the year 2022 Softys is included in the calculation, this causes the change of coverage.

TOTAL NUMBER OF ACCIDENTS – CONTRACTORS

	2020	2021	2022	2023
TRIFR	6.83	8.41	5.21	4.42
Coverage	90.2%	81.6%	100%	100%

Note: From the year 2022 Softys is included in the calculation, this causes the change of coverage.

Zero Deaths

"CMPC is committed to the safety of its employees and has a corporate goal of 0 deaths in operations per year. This goal applies to direct employees and service providers in the plants and forestry operations".

Deaths

	2019	2020	2021	2022	2023
Direct Employees	1	0	1	0	0
Contractors	0	1	1	1	2

LOST TIME INJURY FREQUENCY RATE (LTIFR)

	2020		2021		2022		2023	
	N°	Coverage	N°	Coverage	N°	Coverage	N°	Coverage
Direct Employees	2.70	23.10%	3.28	100%	3.01	100%	2.55	100%
Contractors	1.48	71.21%	2	100%	1.62	100%	1.23	100%

LOCAL SUPPLIERS

By local supplier, we refer to companies in the region where the forestry operation or production plant is located that support the responsible sourcing and supply of raw materials and services required for business continuity.

NUMBER AND PERCENTAGE OF LOCAL SUPPLIERS AND CONTRACTORS, AND MSMES

	2019	2020	2021	2022	2023
Total number of suppliers and contractors	25,339	24,333	22,054	26,756	27,734
Percentage of local suppliers and contractors	-	-	7.8%	7.3%	6.6%
Percentage of MSME suppliers and contractors	26.90%	31.21%	30.29%	25.01%	22.76%

Note 1: New methodology applied to calculate local suppliers per country with a direct relationship to CMPC

EXPENSE IN USD MM

	2019	2020	2021	2022	2023
Suppliers and contractors	4,629	4,583	4,879	6,497	7,083
Local suppliers and contractors	-	-	9.46%	12.48%	18.35%
MSME suppliers and contractors	18.86%	18.26%	17.36%	15.02%	15.25%

Please go to Processes and Products/Sustainable Operation/Responsible Sourcing to learn more about our responsible sourcing (https://www.cmpc.com/en/sustainability/processes-and-products/responsible-sourcing/)

COMMUNITY ENGAGEMENT DATA

URBAN AND RURAL COMMUNITIES IN CHILE

Direct Neighbors	Organizaciones comunitarias	Community organizations	Mapuche communities	Municipalities Regions
195,000	1,450	398	133	6

URBAN AND RURAL COMMUNITIES IN BRAZIL

Direct Neighbors		Community organizations
Industrial areas		Forest areas (traditional and rural)
20,000	40,000	284

The company has a Policy for the Engagement with Native Communities within its Social Plan, which aims to express absolute respect for the ethnic groups, traditions and development options of various cultures.

COMMUNITY ENGAGEMENT PRODUCTION ASSETS 2023

Total number of actual production assets	Total number of actual production assets consulted with the community	Total number of developed projects	Total number of developed projects consulted with the community
2.468	248	7	5