



EMPRESAS



90 Years Going Forward

SUSTAINABLE DEVELOPMENT REPORT 2010



*8-year-old globulus eucalyptus
plantation on the Colorado
farm, located in the state of
Rio Grande do Sul, Brazil.*



*Musical Group of students from the Miguel Huentelén School,
located at Las Maicas community of Collipulli,
participating in the Mapuche Singing Festival
executed at the city of Lumaco.
This school is supported by the CMPC Foundation.*

index

4	MESSAGE FROM THE CHAIRMAN OF EMPRESAS CMPC
7	CMPC OBJECTIVES FOR 2011-2012
8	PROFILE AND STRUCTURE OF THE ORGANIZATION
14	CORPORATE SOCIAL RESPONSIBILITY
28	CMPC AND ITS BUSINESS CHAIN
38	CMPC AND ITS WORKERS
50	CMPC AND THE COMMUNITY
74	CMPC AND THE ENVIRONMENT



EMPRESAS CMPC IS CHARACTERIZED BY HAVING A STRONG ORGANIZATIONAL CULTURE, WHOSE SEAL IS KEEPING ONE'S WORD, HONESTY, WORK WELL DONE AND PERSONAL EFFORT, VALUES THAT ARE SHARED BY THE ENTIRE ORGANIZATION.

THE GROWTH OF ITS OPERATIONS ABROAD, THE DIVERSIFICATION OF PRODUCTS AND MARKETS, IS THE RESULT OF RIGOROUS ANALYSIS, THE PROFESSIONALISM, SERIOUSNESS AND LONG-TERM PERSPECTIVE OF ITS BUSINESS MANAGEMENT.

ITS COMMITMENT WITH THE EDUCATION OF FUTURE GENERATIONS, WITH THE LOCAL COMMUNITIES AND WITH THE ENVIRONMENT, REFLECTS ITS FLEXIBILITY TO EVOLVE AND PRODUCE CHANGES, TRUE TO ITS TRADITIONS BUT INNOVATING WHEN FACING EACH NEW CHALLENGE.

Message from the Chairman

I am particularly pleased to present you with the CMPC's Sustainable Development Report for the year 2010, wherein the company has celebrated its 90th anniversary.

4 On the 27th of February, 2010, Chile suffered one of the most severe earthquakes of its history, which caused painful losses of human lives and significant destruction of infrastructure and property in the central and southern regions of our country. CMPC was severely affected with regard to its operations and, as a result, all of its industrial plants were forced to shutdown. Nevertheless, thanks to the prompt, professional and efficient response of our personnel, who, despite adversity, the following series of aftershocks and the badly damaged basic services, made it possible to resume all our operations by the end of 2010's first half. I would like to express my gratitude once again to our workers, union leaders and executives, for their commitment, devotion and effort to move the company forward without suffering any casualties in our collaborators.

From the first minute, CMPC actively collaborated with the mayors and municipal authorities to help overcome the emergency. Our staff distributed food, water, personal hygiene products and made available to the municipalities, any heavy machinery that was required to clear debris and help normalize the community. We then addressed the construction of emergency housing, providing construction materials and the staff necessary for this activity.

Once overcoming the emergency, in conjunction with Gearbulk Shipping Co. and other clients, CMPC Pulp built 98 permanent prefabricated houses, constructed with materials of the highest quality that was intended for the most affected people from the communities of

Laja, San Rosendo, Nacimiento and Los Angeles. We also collaborated to the repair of schools, churches and other urban infrastructure.

Our staff has played a key role in the growth of the company, totalling 15,068 direct employees in December 2010, where 43%, 6,435 people, work outside of Chile. There are 50 unions, where 58% of the employees are members. These organizations have been very important in achieving a flowing, open and constructive relationship with our collaborators that has characterized the past 90 years of CMPC.

CMPC performs a serious and proactive approach, working together and with open doors with the community, designed to create opportunities for its social and economic development. Said efforts, called the Good Neighbourhood Plan, have been placed with special emphasis on direct employment for residents of the Mapuche ethnicity, on programmes that support education, for the promotion of productive development and micro-enterprise initiatives, that has given the communities tools to improve their quality of life.

We promote respect for the beliefs, customs and traditions of the Mapuche culture. We believe that by recognizing and supporting this ancestral culture, contribute to its strengthening, so that the Mapuche people are less prone to the loss of the vital energy of their language and vision of the Cosmos. During 2010 Forestal Mininco initiated a consultation process with the Mapuche communities to design protection and conservation plans of 18 sites of cultural interest identified in the forest lands belonging to CMPC. The validation of these plans is expected for 2011, including the direct consultation with the communities and their assemblies.

The future orientation of this Plan requires knowledge of its most valued attributes and the deficits identified by the beneficiary communities. Therefore, during 2010 fieldwork interviews were conducted with the representatives of Mapuche communities, rural communities and Neighbours' Associations of villages and towns. The concerns of our neighbours make it necessary for CMPC to develop actions that increase the consultation with the communities and improve the support provided by the programmes of the Good Neighbourhood Plan.

I must highlight the courses called Craft Trainers, taught for the first time with two specialties: Use and Maintenance of Chainsaw, and Forestry Machinery Operator. A total of 60 residents and less skilled workers of the contractors acquired this knowledge of forestry specialization.

Another aspect of CMPC's constant commitment to working with the community is The CMPC Foundation, which turned 10 years old supporting schools located near the operational areas of the company. The work of this organisation aims at improving the education children receive to make sure they have access to more opportunities in life and can in return help their community development. Its programmes benefitted over 9,000 students, 413 teachers and principals in 54 schools located in 9 different districts. Apart from the direct work with schools organised by the foundation there are also educational, cultural and recreational activities available at the Jorge Alessandri Educational Park, located in Concepcion that received 117,000 visitors in 2010. Nowadays we are improving its infrastructure and landscape to make it the best and most beautiful park in the region.

We strongly believe in the actual realisation of the Sustainable Development principle, which essentially means to make productive activities, required for the growth of our countries, compatible with the legitimate right that future generations have to live in a suitable environment. Our environmental agenda observes this principle and contains four priority areas: development of renewable forest plantations,



substitution of fossil fuels with biomass, certification of our clean production processes and increase in the recycling of paper.

We plan to increase our renewable energy generation as a contribution to mitigate climate change. In 2010, 69% of the energy consumed in the operations of CMPC came from renewable sources such as biomass. To increase this percentage, two biomass

boilers are being built to generate steam and electricity at the Santa Fe and Laja Pulp mills, with a combined investment of 200 million dollars.

We are working on technologically updating our factories. An important contribution to this goal is the project at the Laja Plant, the oldest pulp mill in Chile, with a total investment of 300 million dollars in equipment replacement, processes upgrading and emission reduction to the environment.

There is a growing demand from society to protect and preserve the environment and the biodiversity of natural ecosystems; there is also universal concern over world climate change and how it is affecting every aspect of modern life, from everyday activities to complex industrial processes. Our answer to these pressing matters is the sustainable development of all the forestry and industrial processes that CMPC carries out which are all certified to meet markets standards.

The supply of the Company is currently at 100% with certified wood CERTFOR-PEFC and from controlled origin. Now we seek the accreditation of our forest management with the FSC certification. Therefore, we are developing actions to increase the consultation with the communities neighbouring the forest lands, promote the search for long-term agreements with them and improve the integration between production tasks and social support programmes of Forestal Mininco.

The Food and Agriculture Organization of the United Nations, FAO, and the Board of Castilla and León from Spain, as part of the search for exemplary cases of sustainable forest management in Latin America and the Caribbean, highlighted our forestation project in the Aysén Region, where we have replanted a total of 16,000 hectares of eroded soils with Ponderosa and Oregon pine. This case was included in the book "Exemplary cases of sustainable forest management in Latin America and the Caribbean", edited by both entities, as it shows the successful resettlement of

forests in a region with damaged soils for over a century.

In Chile we have 147,000 hectares for the protection and conservation of biodiversity, which is a key asset for CMPC, highlighting 7 areas of high environmental value in Chile and another in Brazil that protect endangered species of native flora and fauna.

The public scrutiny of activities such as power generation, transport and industrial processes – all of which consume fossil fuels – has the companies address their Carbon Footprint, which is the accounting of greenhouse gases captured and emitted during the life cycle of a product. At CMPC we have measured the Carbon Footprint of pine and eucalyptus pulps, cardboards and tissue products, whose results are available to our clients, suppliers and interested public as required.

For the last 90 years we have moved forward in the path of progress with our forest practices and industrial processes, incorporating new technologies, caring for the environment and building strong relationships with our neighbouring communities. We do so with a vision towards the future but at the same time facing today's challenges efficiently.



Eliodoro Matte L.
Chairman
Empresas CMPC



The construction of a new biomass boiler at the Santa Fe Pulp Mill will produce thermal and electrical renewable energy, replacing fossil fuel consumption and thereby making an important contribution to mitigate climate change.

CMPC objectives for 2011-2012

Increase renewable energy generation, further reducing the purchase of fossil fuels and electricity.

> We believe that it is necessary to increase the production of renewable energy as a contribution to mitigate climate change. In 2010, 69% of the energy consumed in the operations of CMPC came from renewable sources such as biomass. To increase this percentage, two biomass boilers are being built to generate steam and electricity at the Santa Fe and Laja Pulp mills, with a combined investment of 200 million dollars.

Obtain the FSC certification for the management of renewable forest plantations in Chile.

> The supply of the Company is currently at 100% with certified wood CERTFOR-PEFC and from controlled origin. Now we seek the accreditation of our forest management with the FSC certification. Therefore, we are developing actions to increase the consultation with the communities neighbouring the forest lands, promote the search for long-term agreements with them and improve the integration between production tasks and social support programmes of Forestal Mininco.

Reduce water consumption and global effluent volumes of CMPC, through the modernization of older industrial processes.

> We are working on technologically updating our factories. An important contribution to this goal is the project at the Laja Pulp Mill, the oldest CMPC plant in Chile, with a total investment of 300 million dollars in equipment replacement, processes upgrading and emission reduction to the environment.

Profile and Structure of the Organization

Profile of the Company

> Empresas CMPC S.A. is a public corporation founded in 1920, of private capital, distributed at 31 December 2010, in 220 million shares and 6,925 shareholders. The company is controlled by the Matte group, with 55.83% of the share capital.

> CMPC is one of the leading Latin American companies in the production and marketing of forest products, pulp, paper, tissue and paper products.

> CMPC has diversified and balanced sales, both as regards products and destinations: it sells its products over 55 countries and 18,000 clients approximately.

> Solid financial structure:

- » A well structured debt profile.
- » One of the best non government-owned corporate risk qualifications in Chile and the highest of the forestry sector worldwide: qualification BBB+, granted by Standard & Poor's and Fitch Ratings.

> World class industrial assets.

> Sustainable advantage in costs in its different business segments.

> Organic and balanced growth.

> Successful track record and proven management capacity.



CMPC in Figures

- > 8,633 workers in Chile y 6,435 abroad.
- > Industrial operations in Brazil, Argentina, Peru, Uruguay, Mexico, Colombia and Ecuador, in addition to Chile.
- > Forest reserves of 502,000 planted hectares in Chile, 65,000 planted hectares in Argentina and 104,000 in Brazil.
- > Consolidated sales for US\$ 4,219 million.
- > Assets for US\$ 12,876 million and shareholder's equity of US\$ 7,821 million.

Mission, Values and Ethics in Business

> CMPC's mission is to produce and market, on the basis of cultivated plantations, solid wood, pulp, paper, tissue and paper products, in a sustainable way over time, with superior and competitive quality, adding value to its shareholders and clients, and creating development opportunities for its workers and the local communities.

To achieve this purpose, CMPC:

> Develops strong business relationships with global and diversified clients, on the basis of a business structure focused on the client and equipped with an integrated logistics network.

> Applies the principle of Sustainable Development, contributing to the economic and social development of the country, while protecting the environment at the same time.

> Develops the talents and skills of its workers, achieving a strong identity, commitment and high performance in its work teams.

> Uses modern technology in its processes, which comply with high standards of safety and protection of people and the environment.

> Complies strictly with the laws and regulations in all the countries where it carries out its operations.

> Has a corporate culture based on the fulfillment of the given word, honesty, work well done and personal effort, values that are shared by the entire organization.

> Rejects child work and forced work, and any type of discrimination.

CMPC's Code of Conduct is an integral element of daily operations and is presented on pages 41-42 of this report.



Corporate Governance

> Empresas CMPC S.A. is regulated by Law 18,046 for Limited Companies and the Securities Market, and is subject to the regulatory authority of the Chilean Superintendence of Securities and Insurance.

> The Company is led by a Board of Directors made up of seven members elected at the Annual General Meeting of Shareholders, who hold their seats for three years.

> The Board of Directors meets on a monthly basis to evaluate and decide the development of the company in economic, social and environmental matters.

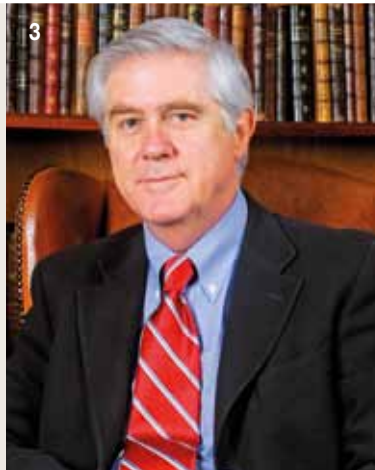
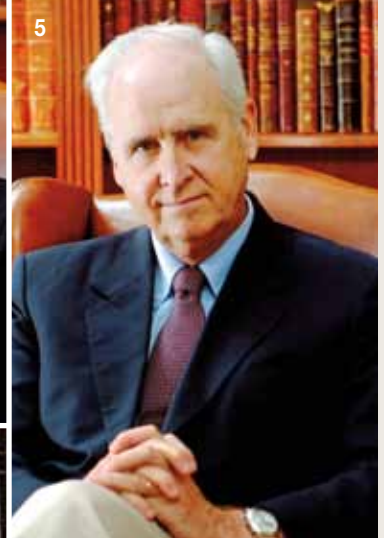
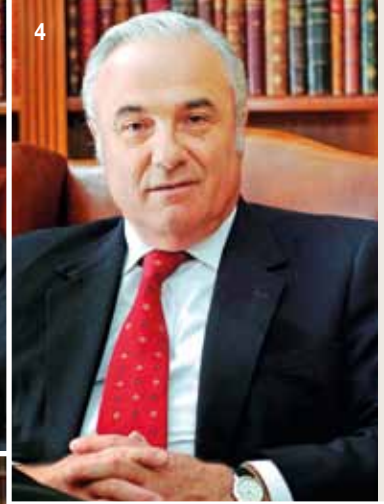
> The shareholders may express their points of view on the company's performance in legally convened ordinary and extraordinary meetings.

> All decisions taken by the Board of Directors that affect the corporate interests as well as any relevant fact are communicated to the regulatory authority, the stock exchanges and the public in general.

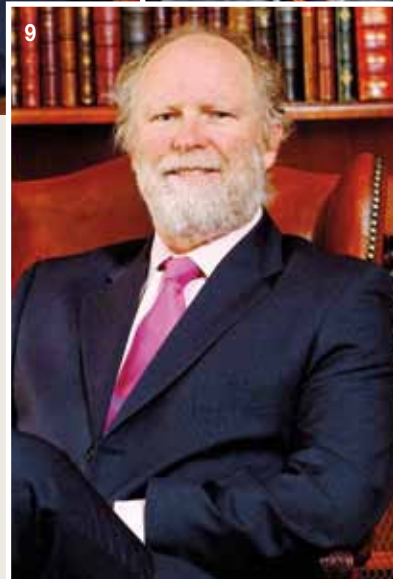
> CMPC accounts are revised and certified by external auditors, approved by the Board of Directors and reported to the regulatory authority and the public in general.

> CMPC is subject to the supervision of various authorities and regulatory agencies in the different countries in which it operates.

> At www.cmpc.cl, in the document Annual Report 2010, you will find a detailed description of the activities of the Board of Directors and the Committee of Directors in the year 2010, as well as the operations with related parties and different matters concerning the company's corporate governance, on pages 8, 58 to 67.



1. Jorge Gabriel Larraín B.
2. Martín Costabal LI.
3. Erwin Hahn H.
4. Arturo Mackenna I.
5. Gonzalo García B.



- 6. Eliodoro Matte L.
- 7. Hernán Rodríguez W.
- 8. Jorge Marín C.
- 9. Bernardo Matte L.

Board of Directors of Empresas CMPC

Chairman Eliodoro Matte L.

Directors
Martín Costabal Ll.
Erwin Hahn H.
Jorge Gabriel Larraín B.
Arturo Mackenna I.
Jorge Marín C.
Bernardo Matte L.

Committee of Directors
Martín Costabal Ll.
Arturo Mackenna I.
Jorge Marín C.

Management
Chief Executive Officer Hernán Rodríguez W.
General Secretary Gonzalo García B.
Chief Financial Officer Luis Llanos C.



Structure of the Organization

> CMPC is an integrated forestry company structured as a Holding that operates through five Business Centers. The Holding is responsible for the strategic coordination and centralizes the functions of the areas of finance, internal auditing, legal matters and relationship with shareholders.

> The five business centers are: Forestry, Pulp, Paper, Tissue and Paper Products. Each one of them is organized as a limited company and has a Board of Directors made up of representatives of the controller, independent third parties and senior executives of the Company. Those boards meet on a monthly basis.

> Each business center is managed independently, through a Managing Director, and has its own organization, with commercial, technical, personnel and operations structures.

> The map on the following page shows the five business centers of CMPC in the different countries in which it carries out its operations.

> At www.cmpc.cl, in the document Annual Report 2010, you will find a detailed description of the operations of the five business centers and their supporting areas, as well as the business development, production figures, sales, investments and main projects, on pages 10, 14 to 25, 36 to 55.

> CMPC is one of Latin America's main forest product manufacturers. Its most relevant products are: sawn and remanufactured wood, plywood, long and short fibre pulp, boxboard, corrugated paper, newsprint paper, tissue paper products, diapers, sanitary towels, corrugated boxes, multiwall paper bags and moulded pulp trays.

International presence of CMPC



corporate



social responsibility

> CMPC develops stable and long-term relationships with its employees, business chain, the local communities and the environment. All of them play a key role in the corporate social responsibility policy.

Social Responsibility Policy

> Social Responsibility constitutes an essential part of the CMPC's business model whereby the company establishes long-term relationships with the communities where it runs its operations, contributing to their social and economic development, helping the new generations to improve their education and employing skilled workers who carry out the production process using high safety standards and in harmony with the environment.

CSR in cmpc



Social Responsibility Policy

Business Chain

- > CMPC contributes to the development of the countries where it works, bringing about employment and wealth.
- > It manages its business operations efficiently.
- > It produces and markets high quality products.
- > It establishes strong business relationships with customers and suppliers.
- > It is a strong competitor in the market with quality products and competitive costs.
- > It provides clear, reliable and audited financial information.
- > It complies with legal, tax and market competition regulations.

Workers

- > CMPC makes training and professional development opportunities available to its employees.
- > It puts great emphasis on risk prevention in complex industrial processes.
- > It establishes a very good working environment which in turn stimulates creativity and high performance levels.
- > It looks after its employees and their families by creating welfare programmes.
- > It fully complies with legal, social and employment regulations.

Community

- > CMPC has an open doors policy, intended to create development opportunities for the communities where it operates.
- > It encourages the creation of job opportunities for local residents.
- > It supports the education of local children and helps their families through scholarships programmes.
- > It develops training programmes for local residents with courses that foster the establishment of microenterprises and cooperatives.

The CMPC Foundation

- > The CMPC Foundation actively supports the education in communities where the company has operations.
- > It helps primary school children from state schools to improve their academic results.

- > It develops teacher training programmes in the areas of Language and Mathematics and it runs school management workshops for principals.
- > It develops cultural projects, cinema sessions, plays, workshops for adults and children.
- > It runs workshops that teach mothers how to support their small children's development.

Environment

- > CMPC bases the sustainable development of its production processes on the generation of renewable energy with biomass, the efficient consumption of water and raw materials, the use of recycled fibres and the technical management of its renewable forest plantations.
- > It certifies the forest plantations management and industrial processes.
- > It protects the biodiversity in 147,000 hectares of native forests and basin protection areas.
- > It fully complies with the environmental law.

Dialogue with Stakeholders

- > Due to the diverse nature of CMPC's business centres and the different realities of the neighbouring communities, the way in which the company carries out its public relations is a reflection of that diversity. The educational programmes developed by The CMPC Foundation and by The Jorge Alessandri Educational Park, the Good Neighbourhood Plan developed by Forestal Mininco and the permanent support to local communities by CMPC Pulp mills, are all examples of CMPC's proactive approach and unstinting support to actively contribute to both the community social and economic growth.
- > As follows, there is a list of CMPC's interest groups and how the company relates with them:

Shareholders

- > Ordinary and Extraordinary Shareholders Meetings.
- > Annual Financial Report, Quarterly Financial Statements and communication of essential and relevant issues.

Investors

- > Regular meetings, telephone conferences and corporate presentations.
- > Regular reporting to the regulatory authority and to the stock market.

Workers

- > Coordination meetings with unions, collective bargaining, joint committees on health and safety at work, and training programmes.
- > Mi Papel Magazine; corporate intranet; leisure activities for employees and their families.

Contracting Companies

- > Regular communication and meetings with contracting companies.
- > Training to guarantee the compliance with forest management, health and safety and environmental certification standards.

Customers

- > Regular follow-up visits, after-sales assistance, regional encounters, attendance at meetings and seminars on the Paper Industry.
- > Newsletters at CMPC Pulp and at Cartulinas CMPC.

Local Authorities

- > Regular meetings between mill managers and local community authorities.
- > Meetings with government organisations to discuss issues on the company activities.
- > Coordinating the CMPC Foundation activities with local and regional educational authorities.
- > Taking part in public-private sector meetings, called by the local community authority, intended for supporting the local development by promoting entrepreneurship initiatives.

Local Communities

- > The CMPC Foundation is aimed at supporting primary state school children for improving their performance in Language and Mathematics.
- > The Good Neighbourhood Plan programmes, intended to create local employment, support school curriculum and the Mapuche communities.

> CMPC Pulp has developed programmes to help and support communities established in neighbouring areas from its pulp mills.

> CMPC actively participates in traditional, agricultural and forest festivals, which take place every year in the communities.

Student Community Support Network

> A website to support students and people in general is available; www.papelnet.cl contains detailed information on the forest, pulp and paper industry as well as on renewable forest plantations, clean production processes, paper recycling, the biodiversity and the environment protection.

Universities and NGOs

> Research projects carried out by CMPC and universities, mainly intended to protect and conserve the native flora and fauna's biodiversity.

> The participation in CorpAraucanía, a public-private organisation whose objective is to foster the productive development in the La Araucanía Region.

> The water-quality monitoring programme in the Bío Bío River. This programme is carried out by CMPC, the Universidad de Concepción and several regional companies and industries.

> The monitoring of the quantity and quality of the water associated with plantations and native forest in several micro-basins in the Bío Bío Region. This is a long-term project carried out by CMPC and the Universidad Austral de Chile.

> The close collaboration with Etica en los Bosques, a non-governmental organisation, in initiatives intended to preserve and protect the native forests in the South of Chile.

> The presence of NGOs in the audits carried out in the company regarding environmental management and protection of the biodiversity.

> The collaboration with CODEFF in protecting and restoring the habitat of the Huillín, or fresh-water otter.

> Lectures by CMPC executives in several courses and trade fairs.

Earthquake on the 27th of February, 2010

> At the start of 2010, Chile suffered one of the most severe earthquakes of its history, which caused painful losses of human lives and significant destruction of infrastructure and property in the central and southern regions of our country. CMPC was severely affected with regard to its operations. The pulp and paper mills were subjected to a complex process of damage assessment and repairs, which lasted the 2010's first half.

> From the first minute, CMPC actively collaborated with the mayors and municipal authorities to help overcome the emergency. Our staff distributed food, water, personal hygiene products and made available to the municipalities, any heavy machinery that was required to clear debris and help normalize the community. We then, addressed the construction of emergency housing, providing construction materials and the staff necessary for this activity.

Emergency housing

> The CMPC Laja Pulp Mill provided materials, tools and work to support the Laja Municipality in the construction of 200 emergency houses, equipped with aluminum windows.



98 permanent houses

> Once overcoming the emergency, in conjunction with Gearbulk Shipping Co. and other clients, CMPC Pulp built 98 permanent prefabricated houses, constructed with materials of the highest quality that was intended for the most affected people from the communities of Laja, San Rosendo, Nacimiento and Los Angeles.



> The Chairman of CMPC and senior executives visited the residents that benefited from these homes, which were preferentially allocated to the elderly and people with disabilities.

> The houses are thermally insulated, with an area of 36 m², including two bedrooms, fully furnished kitchen and bathroom, water heater, thermo pane windows and asphalt roof shingles.

> The houses, specially equipped for the cold and rain, were built in the communities of Laja, San Rosendo, Los Angeles and Nacimiento.





> Above, the roof and the damaged dome of the La Merced Church and the current repairs on the front page.

Repairs of churches, parishes and chapels

> The repair of the La Merced Church is underway, located in the town of San Javier, which was severely damaged by the earthquake. The work will be completed during 2011.



> It also collaborated with the repair of the Nacimiento Parish, of the Santa Teresita and Sacred Heart Churches of Nacimiento, the Cristo Rey Church of Laja, the Negrete Parish and the Chapel of Coihue.



> The repairs of the Sacred Heart Church of Nacimiento and the central nave after works were completed.



Setting up a day nursery



> The Laja Pulp Mill set up a company's property to shelter a day nursery, which was destroyed by the earthquake.



23

> *The destroyed facilities of the old nursery.*



Help received from the Guaíba Pulp Mill of Brazil

> Workers of the CMPC Guaíba Pulp Mill of Brazil contributed to 300 Chilean families affected by the earthquake, with a set of blankets, sheets and towels for each family.



Consultation with the communities neighbouring the CMPC's forest assets

> The CMPC's forest assets in Chile consist of 718 thousand hectares, including 571 thousand hectares of productive surface and 147 thousand hectares of protection and conservation surface, as shown in the table on page 76 of this report.

> Those forest assets are distributed amongst 106 communities of six Chilean regions, having as neighbours thousands of residents that live in hundreds of towns and villages, among which are 300 Mapuche communities.

> The Forestal Mininco staff performs consultations and agreements with the neighbouring communities, regarding the conditions under which will be executed

the most important productive tasks – which corresponded to 85% of the total operations in 2010-, so as to prevent and mitigate any impact on the communities. This consultation process occurs twice a year, prior to the winter and summer forest works. In particular, it is necessary to reach agreements with regard to the harvest operations that are highly demanding on the community roads for transporting timber and the staff that will perform the tasks.

> During 2010, the Forestal Mininco staff conducted productive tasks in 40 communities in winter and 42 communities in summer, carrying out coordinated meetings with 1,583 residents that represented 6,332 residents in communities close to the operations.

> The consultations with the residents registered a total of 1,157 requests regarding mitigation and improvement measures, which were broken down as follows, as a percentage of the total:

Regulation of truck traffic and road maintenance	55%
Access to firewood and post harvest-biomass	11%
Hiring local labour for the tasks	6%
Training courses	3%
Access to non-timber forest products	2%
Construction of water intakes	2%
Access to pastures for livestock	1%
Other contributions requested	20%

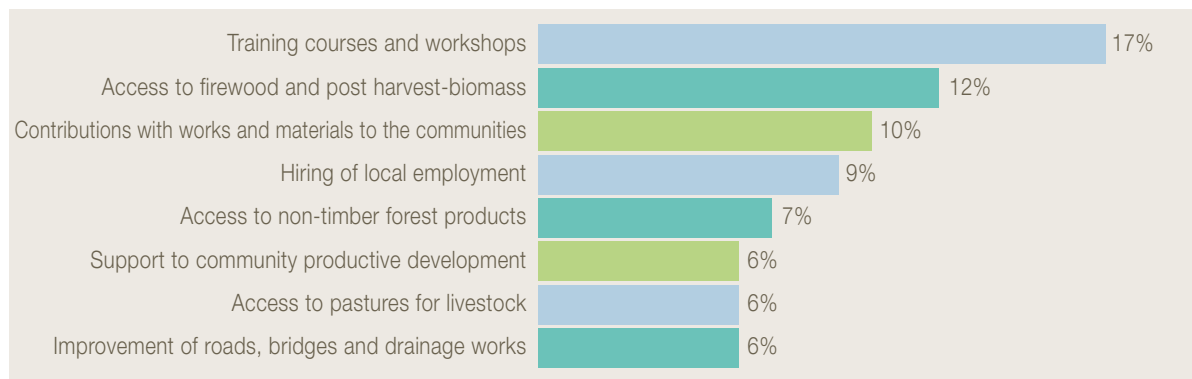
> The truck traffic, road maintenance, access to firewood and the hiring of local employment totaled 72% of all the applications, which were subjected to a process of assessment, resolution and communication to the community concerned.



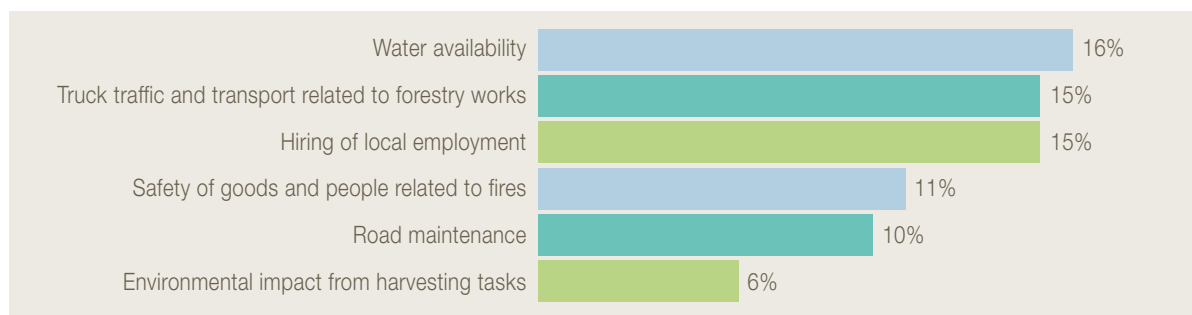
> Meeting with the Neighbours' Association of Dicahue, district of Los Ángeles, to hear the views and concerns of the neighbours about the Forestal Mininco operations within the area.

> Forestal Mininco conducts support programmes of the neighbouring communities that include the creation of local employment, educational scholarships for children of residents, training and productive development courses, and support to the Mapuche communities. These programmes integrate the Good Neighbourhood Plan, which details are presented on pages 57-73 of this report. The future orientation of this Plan requires knowledge of its most valued attributes and the deficits identified by the beneficiary communities. Therefore, during 2010 fieldwork interviews were conducted with the representatives of 35 Mapuche communities, 34 rural communities, and the Neighbours' Associations of 19 villages and towns and of 11 urban populations.

> The most valued attributes of the Good Neighbourhood Plan were, as a percentage of the total answers registered:



> The concerns of neighboring communities with regard to the forestry operations were, as the total answers registered:



> The concerns of our neighbours makes it necessary for Forestal Mininco to develop actions that increase the consultation with the communities, promote the search for long-term agreements with them and improve the integration between productive activities and social programmes of the Company.

> The joint work of Forestal Mininco and the communities to support the preservation of its water sources will be an important contribution of the Good Neighbourhood Plan, in a future scenario of prolonged annual periods with scarce rainfalls in the central and southern regions of Chile.

> Specifically, the availability of water for human consumption is becoming the main concern of neighbouring communities, to the extent that there has been a gradual concentration of winter rain water and a prolonged period of scarce rain, which significantly transcends into the summer months. This is a manifestation of, what the scientific community calls, the global warming or climate change phenomenon.

cmpc and its



business chain

> CMPC's productive activities are carried out balancing several aspects. The company cares about its employees, suppliers and customers. The fulfilment of contracts and the giving word, the quality of its products and responsible marketing, the good working environment and the timely payment of its financial obligations, are all part of this strong commitment.

Economic Performance

> In 2010 the Company celebrated its 90th anniversary. This year Chile suffered the consequences of a devastating earthquake that brought about painful losses of human lives, as well as damages to the infrastructure and destruction of material goods throughout our country's central and southern regions. As a result, all of CMPC's industrial plants were forced to shut down, reassuming their production processes by the end of 2010's first half. The shutdowns affected mainly the production of pulp and newsprint. The acquisition in Brazil of the Guaiba Pulp Mill at the end of 2009 – nowadays the CMPC's subsidiary Celulose Riograndense Ltd. - helped to mitigate the effects of the pulp mills shutdowns in Chile.

> Market conditions were mostly favourable in 2010. Particularly, in the international pulp market, prices kept an upward trend, which was essential to reach consolidated results above official budgets.

Economic Value Generated and Distributed

> In 2010, consolidated sales, EBITDA and income were the highest in CMPC's history. These figures result both from good pulp prices as well as the permanent effort across all business areas to achieve return on investments made during the last years.

> CMPC economic value generated reached US\$ 4,606 million in 2010, 10% lower than in the previous year, as a result of the decrease in financing activities related to the acquisition of assets in Brazil in 2009, partially offset by an increase of 32% in revenues received due to good pulp prices and favourable market conditions in general.



> The economic value distributed of the company reached US\$ 5,023 million, 8% higher than 2009; with a sharp increase in the payments to suppliers,

contractors and services, due mainly to the higher cost of raw materials and supplies which was partially offset by a decrease in the purchase of fixed assets.

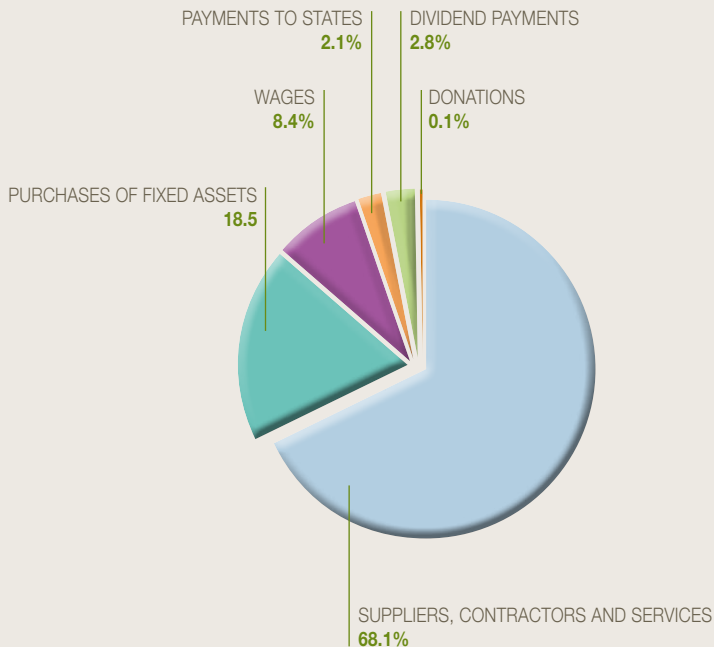
Economic Value Generated	Millions of US\$	
	2009	2010
Revenues received	3,610.1	4,761.3
Sales of Fixed Assets and others	13.9	7.9
Subtotal of Operating Income	3,624.0	4,769.2
Net Effect of Financing Activities	1,517.8	(163.2)
TOTAL ECONOMIC VALUE GENERATED	5,141.9	4,606.0

Economic Value Distributed	Millions of US\$	
	2009	2010
Suppliers, Contractors and Services	2,413.4	3,418.5
Purchases of Fixed Assets	1,698.3	926.9
Wages	311.4	423.7
Payments to States	163.7	105.8
Dividend Payments	63.7	143.0
Donations	4.9	5.5
TOTAL ECONOMIC VALUE DISTRIBUTED	4,655.4	5,023.3
TOTAL NET FLOW OF THE PERIOD	486.5	(417.3)



30

Economic Value Distributed 2010



Payment to National States

> The following chart shows the payments CMPC has made to the countries where the company runs industrial operations, including figures for Chile, Argentina, Brazil, Peru, Uruguay, Mexico, Colombia and Ecuador. In 2010 such payments totalled US\$ 106 million, 35% lower in comparison with 2009; this decrease was mainly due to lower payments in income tax and value added tax.

Payments to National States	Millions of US\$	
	2009	2010
Income Taxes	78.6	43.3
Customs Duties	0.9	1.3
Net Value Added Tax (VAT) Paid	75.0	59.5
Property Taxes	4.4	6.0
Disallowed Expenses Taxes	0.2	1.1
Taxes on Financial Credits	3.9	7.3
Payments of Services Abroad	2.5	4.3
Commercial and Industrial Licenses	4.1	5.9
Minus Tax Exemptions and Credits	-5.8	-23.0
TOTAL NET PAYMENTS TO STATES	163.7	105.8

This includes consolidated figures of Chile, Argentina, Brazil, Peru, Uruguay, Mexico, Colombia and Ecuador.

31

Contribution to public infrastructure

> The development of CMPC's operations is characterised by large-scale transport of raw materials and finished products, especially the delivery of high volumes of wood supplies to the mills. That is why every year the company invests in building roads and bridges and paving of rural roads, as part of the requirements for the appropriate performance of its operations.

> However, the works that CMPC carry out not only raise the standard of the roads but also improve both the connectivity and the people's, from local villages, quality of life, which means a public benefit to the community. Between 2009 and 2010 CMPC invested US\$ 8.0 million, with the breakdown shown in the lower table.

Investment in Infrastructure	Thousands of US\$	
By Type of Infrastructure	2009	2010
Roads	2,829	2,862
Paving	1,178	827
Flood Prevention	95	174
Others	12	6
TOTAL	4,114	3,869

Sanctions and fines

> In 2010 CMPC paid US\$ 112,000 in fines related to administrative, environmental and labour matters, mainly administrative fines in the Forest business centre.

Sanctions and Fines	Thousands of US\$	
	2009	2010
Forest	75.2	67.0
Pulp	0.0	0.0
Paper	4.0	6.1
Tissue	88.1	13.4
Paper Products	3.9	25.2
Shared Services and Others	0.0	0.0
TOTAL	171.3	111.7

32

7-year-old saligna eucalyptus plantation adjoining a rice field, located in the Passo da Estância farm, in the State of Rio Grande do Sul, Brazil.





Industrial assembly contractors working on the project of modernization of the Laja pulp mill.

Relationship with suppliers and contractors

> CMPC's suppliers' network comprises both national and foreign companies which provide raw materials, equipment and supplies, as well as specialised services for different areas.

> It is worth mentioning that in 2010, 1,500 Chilean contracting companies provided CMPC's forestry and industrial operations with specialised and intensive services of skilled labour. Around 90% of these companies operate in a small and medium scale and are run by local businesses, making an important contribution to the local economic growth of the regions where the company has forest plantations and industrial operations.

> CMPC works closely with these contracting companies to achieve high standards in labour, health and safety, social and environmental issues. This collaboration is based on continuous improvement,

ongoing training, good rapport, and the emphasis on the adoption of a set of practices that represent the standards the company has on these matters. The following are of paramount importance for CMPC:

- » Compliance with labour and social laws, the creation of good working conditions and the total absence of child or forced labour.
- » Strict compliance with environmental legislation and with the high standards included in CMPC's environmental and safety systems, which are a requirement for its ISO 14001, OHSAS 18001 and CERTFOR-PEFC certifications.
- » A constant communication with its contracting companies to ensure high performance standards are met and also to detect any deviation from the established procedures and correct it.

Purchase of Goods and Services from Local Suppliers

> In 2010, CMPC purchased 39% of its goods and services from local suppliers; this figure is slightly lower than the previous year, mainly due to modernisation projects carried out in the pulp mills, which meant a huge increase in the purchases from foreign suppliers.

> However, local suppliers provide CMPC with products and quality services at a very competitive cost and delivery times compared to external non local alternatives. By supporting local businesses, the company contributes to the social and economic growth of the regions where its factories and operational centres are located.

34

Proportion of purchases of goods and services from local suppliers	% Regional Purchasing	
	2009	2010
By Business Centre		
Forest	82%	79%
Pulp	28%	25%
Paper	32%	34%
Tissue	38%	36%
Paper Products	65%	62%
Shared Services and Others	92%	93%
TOTAL	44%	39%

By Country	% Regional Purchasing	
	2009	2010
Chile	44%	38%
Argentina	47%	48%
Brazil	40%	43%
Peru	63%	64%
Uruguay	87%	77%
Mexico	22%	24%
Ecuador	10%	16%
TOTAL	44%	39%

A Local Supplier is one located in the same province or region as the factory or head office of the respective business centre.

Certification Programme for Sustainable Forest Management of Small and Medium Landowners

> CMPC Pulp and Forestal Mininco are developing a programme which certifies the sustainable forest management of small and medium landowners who supply CMPC's mills with pulpwood. By December 2010, 19 landowners, covering 37,000 hectares, had been granted the CERTFOR-PEFC certification.

> This programme allows CMPC to share with the certified landowners its good practices related to labour, protection of the environment and relationship with neighbouring communities.

> Auditors visiting a certified owner in the community of Santa Barbara, where on the property young eucalyptus plantations and protected native forest areas coexist, which in turn is a requirement for the certification programme.

> Technical transfer activities with the participation of certified and potentially interested owners, visiting the forestry tasks of biomass baling, project that aims to encourage the use of machinery to take advantage of forest plantation wood-waste, which will be used to generate renewable energy from two biomass boilers that are being built by CMPC.



Forest Investment Programme

> Forestal Mininco is developing a business plan which stimulates small and medium land owners to take part in the forestry production chain.

> This programme, called Forest Investment, currently covers 11,700 hectares of land in which 95 small and medium landowners are growing high-value plantations. Forestal Mininco supports these businesses by providing them with administrative, genetics and technology support as well as with its silviculture expertise.

36

> With this programme, CMPC shares its good environmental and plantation management practices, the landowners earn an income from the first year the forest grow on their lands and they also commit the future timber production to the company.

> This programme helps stop natural erosion processes experienced by unproductive soils, by establishing new forests which renew the soil.



Relationship with Customers

> CMPC's customers are both Chilean and Foreign companies that operate commercial and industrial businesses, such as manufacture, distribution and retail.

> CMPC maintains a close link with their customers and is aware of the important role they play in the social rating and the economic success of the company. Generally speaking, this relationship involves the commercial aspects as well as the technical development of the company's products.

> Through proactive credit policies that support the development of its customers' businesses, CMPC builds mutually beneficial relationships with its customers.



> To constantly improve technical performance of its products, CMPC attends fairs and provides tailor made after sales support to its customers.

> Moreover, CMPC actively takes part in trade, business and industry associations, both in Chile and abroad, and is also an active member of bi-national chambers of commerce.

> The labelling of CMPC products contains all the information required by the industrial field or other type of customer, according to the nature of the product and whether it is destined to industrial use or massive consumption.

> The marketing and advertising of the Tissue products comply with the ethical standards set by the Self-regulatory Advertising Council and come into the line with the values and ethics of the company.

Customers' Health and Safety

> CMPC constantly monitors the impact that its products have - throughout their life cycle - on customers' health and safety. The analysis applies to tissue and sanitary products, folding boxboards and paper bags intended for food packaging.

» The components in the tissue and sanitary products are subjected to a strict safety analysis, and microbiological testing to ensure their stability throughout time, as well as dermatological testing is run to guarantee they are hypoallergenic.

» The folding boxboard used in food packaging is HACCP certified and ISEGA approved, which makes it suitable to come in direct contact with food.

» The paper bags used in food packaging are also HACCP certified.

cmpc and its



workers

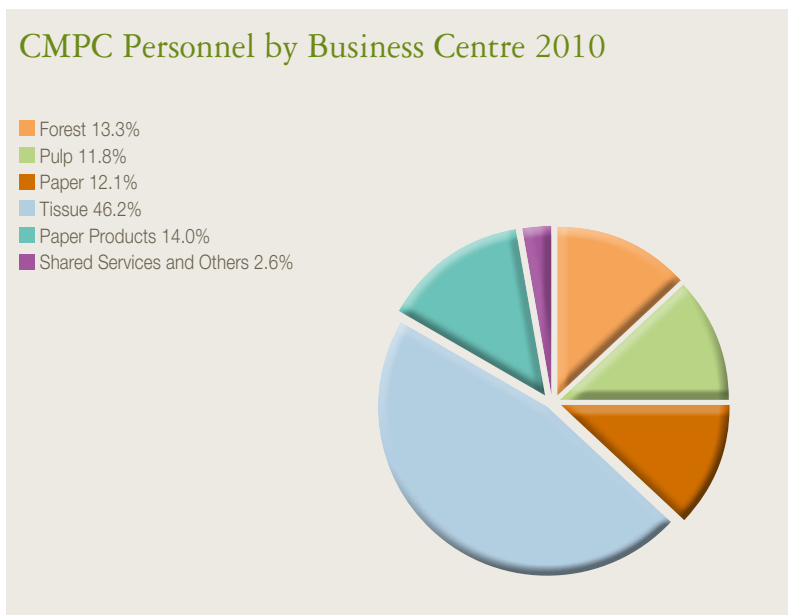
> For CMPC it is important to enable its employees to develop their talents and skills, so as to make them part of a high performance team that is enthusiastic, committed, innovative, collaborative and has a real sense of identity.

Continuous increase in the number of CMPC employees in Latin America

> By the end of December 2010, a total of 15,068 people were employed by CMPC and its subsidiaries, 4.8% higher than in 2009. Such an increase – 686 people - was mainly due to the growth in the CMPC's tissue operations in Colombia and Mexico and the paper products operation in Chile.

> The employees from the Tissue business centre accounted for 46% of CMPC's total personnel. This business centre has industrial operations in 8 Latin American countries, as shown on the map on page 13.

CMPC Personnel as of 31 December of each year		
By Business Centre	2009	2010
Forest	1,941	2,004
Pulp	1,767	1,775
Paper	1,821	1,818
Tissue	6,451	6,965
Paper Products	2,009	2,113
Shared Services and Others	393	393
TOTAL	14,382	15,068



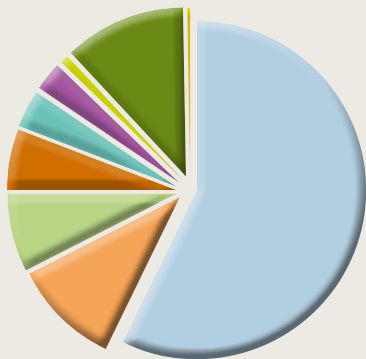
> In 2010, employees for CMPC working abroad totaled 6,435 people, which represent 42.7% of the company's personnel. The figure is higher than in 2009: 5,943 employees worked abroad.

CMPC Personnel as of 31 December of each year		
By Country	2009	2010
Chile	8,439	8,633
Argentina	1,595	1,557
Peru	1,034	1,108
Mexico	773	911
Uruguay	492	529
Colombia	206	422
Ecuador	126	151
Brazil	1,707	1,748
United States	10	9
TOTAL	14,382	15,068

40

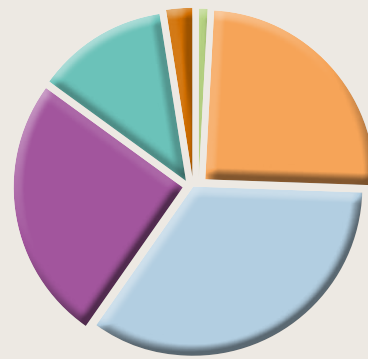
CMPC Personnel by Country 2010

- Chile 57.3%
- Argentina 10.3%
- Peru 7.4%
- Mexico 6.0%
- Uruguay 3.5%
- Colombia 2.8%
- Ecuador 1.0%
- Brazil 11.6%
- United States 0.1%



Percentage of Personnel by Ages

- Under 20 years, 1.1%
- Between 20 and 29 years, 24.5%
- Between 30 and 39 years, 34.2%
- Between 40 and 49 years, 25.4%
- Between 50 and 59 years, 12.3%
- 60 years and over, 2.5%



> The number of female employees grew from 9.2% in 2008 to 9.5% in 2009 and then by December 2010, it reached 10.8%. The highest number of female employees was observed in Colombia, Mexico and Ecuador with

31%, 28% and 26% of female staff respectively.

> CMPC's personnel figures show a balance in the percentage of people employed in relation to age groups.

CMPC's Code of Conduct

> For CMPC, excellence in management includes upright conduct, responsible and loyal to each employee in the business chain. We are convinced that an ethical conduct promotes relationships of trust and credibility with our stakeholders. With this perspective, ethics is pivotal to our business strategy based on building strong and honest business relationships, which contribute to the growth of the Company, its employees and society.

The CMPC Code of Conduct is based on 5 General Principles:

1. RESPECT for people.
2. Strict COMPLIANCE with the law.
3. CARING for the environment.
4. CONSIDERATION for the needs of the neighbours.
5. LOYALTY when competing.

1. RESPECT for people.

> CMPC respects and values all people with which it interacts, treating them with dignity, whether they are employees, contractors, suppliers, customers, facility neighbours, shareholders, among others.

> We value honesty, loyalty, trust and good faith. In addition, we care for health and integrity of people, and we are committed to providing a safe, hygienic and healthy environment in our facilities.

2. Strict COMPLIANCE with the law.

> CMPC values and respects the legal regulations that govern its activities. All the directors, executives and workers are committed to strict compliance with the law applicable to business development of the Company.

> This commitment includes compliance with all national and international norms and regulations, applicable to all operations and transactions performed by CMPC subsidiaries.

3. CARING for the environment

> CMPC values sustainable development, promoting care for the environment and natural resources so as not to affect future generations. The directors, executives and workers are committed to respecting the environment and perform their duties in accordance with legal norms and market standards.

> CMPC protects the sustainable development of its processes through the generation of renewable energy from biomass, the careful and efficient consumption of water and raw materials, the use of recycled fibers and the certified management of its renewable forest plantations.

> We consider a constant mitigation of environmental impacts, while maintaining investment policies that promote a continuous improvement of CMPC production processes.

> CMPC is committed to the preservation of biodiversity through the conservation of existing native forest on their land, the protection of fauna and flora that are in danger of extinction and the identification, preservation and restoration of High Environmental Value Areas.

4. CONSIDERATION for the needs of the neighbours.

> CMPC values the building of a collaborative relationship with its neighbours in order to maximize the social benefits of its operations. Managers and executives are committed to progressing and developing neighboring communities. And due to this, we have an open and caring attitude towards our neighbours, constantly identifying with their needs, desires and possible collaborations.

> We place special emphasis on supporting education with the educative programmes of the CMPC Foundation.

> The CMPC executives maintain special consideration for local employment level and to collaborate with the challenges of the authorities.

5. LOYALTY when competing.

> CMPC values free competition as the essence of the market economy due to the fact that it favours the development of more and improved products and services, at a lower price for customers.

> We seek to compete fairly, manufacturing and marketing quality products that adequately satisfy, and at a reasonable price, the needs of the consumer and clients.

> We are committed to the use of marketing and advertising practices that in no way causes deception or harm to the consumer, distributors and competitors, or which restricts competition.

> We are committed to the integrity in handling confidential and privileged information, strictly complying with the respective regulations. Public information provided by the Company is based on the principles of accuracy, reliability, timeliness and adequacy.

> We make commercial decisions based on sound administration exercises that coincide with the best interest for the Company and not arbitrarily for personal interest or external pressures.

The current Code of Conduct is available at www.cmpc.cl, selecting Public Information.

Confidential Reporting

> There is a confidential reporting website which is anonymous, so that if any situation were to arise in relation to this Code of Conduct, it will be investigated by the Manager of Legal Affairs of CMPC.

It is accessed on www.cmpc.cl, selecting Contact Us and then, selecting Confidential Complaint, available to anyone interested.

Prevention of bribery and corruption acts

> CMPC has a Prevention Model designed to prevent the commission of crimes related to bribery, money laundering, terrorism financing and acts of corruption, readily available on www.cmpc.cl, selecting Public Information, and then selecting Criminal Liability Legal Entities. This is where the Prevention Model is found, which identifies both the common and sporadic activities of the Company, in which its context can generate or increase the risk of the commission of crimes previously described. There is also a link to send a confidential reporting by any person that has knowledge of said conduct.

Education and in-service training: a company at cutting-edge technology

> CMPC employees have achieved a high level of specialization and efficiency, 29% holds an academic degree, or finished tertiary education. A large proportion of our workers are qualified to carry out complex production processes.

CMPC Personnel 2010: senior management, professionals and technicians, workers

By Business Centre	Senior Management	Professionals and Technicians	Workers	Total
Forest	15	568	1,421	2,004
Pulp	19	627	1,129	1,775
Paper	21	598	1,199	1,818
Tissue	52	1,792	5,121	6,965
Paper Products	23	307	1,783	2,113
Shared Services and Others	12	335	46	393
TOTAL	142	4,227	10,699	15,068

43

> Low level of staff turnover: 1.9% in 2010, slightly higher than 2009 (1.5%). CMPC offers its employees opportunities to develop a career within the company and encourages them to undergo training. CMPC also offers its employees job security, good working environment and additional benefits.

> In-service training is essential to guarantee the sustainability of the company's future businesses. Education and ongoing training, which go hand in hand with productivity improvements, also provide employees with a deep feeling of satisfaction.

> In 2010, 241,000 hours were committed to staff training from all the areas in the company. This is one of CMPC's most outstanding achievements in this matter.

> 33% (out of 241,000 hours), was committed to staff from the company's operations abroad, compared to 31% in 2009.

> CMPC's in-service training programmes are designed taking the long-term into account. This

means ongoing training, and when new technology and industrial processes come in, additional reinforcement sessions are introduced. This proves especially useful when a new factory is being set up, as was the case of CMPC Tissue new paper machines in Colombia and México during 2010.

In-service Training Hours 2010

By Business Centre	Senior Level	Middle Level	Operative Personnel	Total
Forest	3,573	6,255	18,256	28,083
Pulp	34,837	9,491	24,189	68,517
Paper	1,333	10,724	31,155	43,211
Tissue	20,655	5,298	34,921	60,874
Paper Products	2,418	3,774	18,540	24,731
Shared Services and Others	2,960	12,045	427	15,432
TOTAL	65,775	47,585	127,488	240,847

These figures do not include in-service training courses given internally in the mills with their own staff.

Close proximity to local communities

> Because of CMPC's commitment to the communities where the company is present, it is of utmost importance that operations in these areas are led by high-ranked personnel who either come from these areas or have permanent residence in the communities situated near the company's facilities.

> This improves CMPC's communication with neighbouring communities and has a positive effect on taking part in activities related to the Corporate Social Responsibility, which the company carries out through the CMPC Foundation, The Good Neighbourhood Plan and the support to neighbouring communities.

> In 2010, 90% of CMPC's senior and middle managers came from or had permanent residency in the areas close to the company's operational plants. This figure is slightly higher than in 2009.

> The figure above is due to CMPC's policy of fostering an actual integration with local communities and of actively getting involved in their social and economic growth, through a close relationship with local authorities and neighbourhood organizations.

Trustworthy long-standing working relationships

> CMPC values a good working environment since it believes it has a positive effect on both individual and team work. The company's effective coordination with unions has been instrumental in establishing a continuous, proactive and transparent communication between management and CMPC's employees.

> Regular meetings, written communications and consultation with union representatives, have contributed to strengthen the mutual trust between the company and its workers, and have improved policies related to working conditions and employee benefits.

> There are 50 unions that represent 58% of the CMPC's employees. The oldest unions are:

- » The N°1 Workers Union of Papeles Cordillera, dating back from 1927, it is the oldest Chilean Union.
- » The N°2 Workers Union of Papeles Cordillera, established in 1931.
- » The N°1 Workers Union of Laja Pup Mill, established in 1961.
- » The N°2 Workers Union of Laja Pup Mill, established in 1966.

Percentage of Union Membership

By Business Centre	2009	2010
Forest	62%	61%
Pulp	52%	57%
Paper	53%	52%
Tissue	62%	62%
Paper Products	55%	57%
Shared Services and Others	1%	1%
TOTAL	57%	58%

By Country	2009	2010
Chile	58%	57%
Argentina	58%	57%
Brazil	87%	91%
Peru	18%	20%
Uruguay	81%	80%
Mexico	70%	69%
TOTAL	57%	58%

> By the end of December 2010, 68% of CMPC's employees were covered by collective bargaining agreements currently in force.

Percentage of employees covered by collective agreements

By Business Centre	2009	2010
Forest	64%	64%
Pulp	54%	63%
Paper	67%	63%
Tissue	79%	74%
Paper Products	66%	68%
Shared Services and Others	10%	0%
TOTAL	69%	68%

By Country	2009	2010
Chile	63%	63%
Argentina	86%	76%
Brazil	100%	96%
Peru	43%	42%
Uruguay	100%	100%
Mexico	100%	100%
TOTAL	69%	68%

46

CMPC's Employee Benefits

> Scholarships, school bursaries and sports activities for employees' children, as well as leisure activities for staff. Education, birth and death allowance.

> The company offers its employees loans to cover the operational costs of buying a house.

> CMPC has put into practice several healthcare programmes for its employees, such as immunization, preventive medicine, a welfare service, complementary health insurance, and discounted prescriptions, dental care and prescription glasses. CMPC employees can also get subsidised hospital and private care.

> Leisure and cultural activities for employees and their families, such as sports, drama, music and singing.

Risk Prevention Policy: working towards a healthier and safer working environment

> At CMPC, advances in safety and occupational health have been achieved by a joint effort with the workers, their unions and other labour representatives. This work has experienced some significant advances over time:

- » Appropriate safety elements made available to employees, which allow them to carry on their daily activities safely.
- » Standard operations procedure manuals for employees.

- » Joint Committees, company-employees.
- » Healthcare and health insurance programmes.

> 92% of CMPC's employees actively participate in joint committees dealing with Order, Hygiene and Safety. In Chile, these committees are established in accordance with Law N° 16,744. For the company's operations abroad, the most relevant aspects of the Chilean legislation have been homologated.

Percentage of workers represented in Joint Committees

By Business Centre	2009	2010
Forest	99%	100%
Pulp	99%	100%
Paper	98%	100%
Tissue	91%	83%
Paper Products	100%	100%
Shared Services and Others	85%	100%
TOTAL	90%	92%

Por País	2009	2010
Chile	99%	100%
Argentina	88%	79%
Brazil	26%	100%
Peru	100%	100%
Uruguay	100%	100%
Mexico	25%	32%
Colombia	100%	36%
Ecuador	38%	100%
TOTAL	90%	92%

Risk Prevention Programmes

> CMPC's Risk Prevention Programmes are geared up to protect employees' life and health, neighbouring communities and the environment. We also aim to protect our facilities and the operational continuity of our production processes.

> A special mention for the Zero Fault Plan from CMPC Pulp and for the Corporate Safety System from CMPC Tissue. Both plans have essential elements in common:

- » They are inspired by the OHSAS 18,001 standard and integrate the management of environmental risks, protection of facilities and the coordination of emergency response with institutional and local authorities.
- » They emphasise the cultural change in employees, making them aware of the operational risks for both people and the environment.
- » They are designed to incorporate staff from all areas of the company.
- » Both plans are regularly revised and updated in terms of operational and emergency procedures.
- » These plans identify the areas in each mill according to their risk level and allocate teams responsible for delivering a coordinated and prompt response.

> Staff of CMPC contractors, with their safety equipment, during the erection of a new recovery boiler at the Laja Pulp Mill, factory that is developing a modernization project that involves the construction of civil works and the mounting of complex equipment with the plant in operation, tasks that serve a monthly average of 1,500 workers.

> The Laja Pulp Mill reached 3,000,000 working man-hours, accident-free - done effectively by both permanent staff and contractor companies - without any waste of time during 17 months in a row. This remarkable achievement in safety was on August 2010.



> Regarding safety and occupational health statistics, staff absence levels have remained low, with an average of 2.5%. In 2010, accidents totaled 647, a figure 17.4% higher than in 2009. 13,282 days were lost due to accidents, 7.7% more than in 2009.

Safety and Occupational Health Statistics

By Business Centre	2010					
	Rate of Absenteeism	N° of Cases with Professional Illnesses	N° of Accidents	Days Lost	N° of Fatal Accidents	Average Employees in the year
Forest	7.2%	4	38	1,049	0	1,920
Pulp	1.3%	0	18	384	0	1,774
Paper	2.2%	0	114	1,905	0	1,789
Tissue	2.0%	3	300	7,449	0	6,917
Paper Products	1.1%	10	168	2,492	0	2,032
Shared Services and Others	1.9%	0	9	3	0	427
TOTAL	2.5%	17	647	13,282	0	14,858

49

By Country	2010					
	Rate of Absenteeism	N° of Cases with Professional Illnesses	N° of Accidents	Days Lost	N° of Fatal Accidents	Average Employees in the year
Chile	3.1%	4	388	7,449	0	8,531
Argentina	2.6%	0	74	2,485	0	1,484
Brazil	1.0%	0	30	320	0	1,891
Peru	1.5%	0	59	926	0	1,121
Uruguay	6.1%	3	24	727	0	526
Mexico	0.1%	10	45	1,186	0	864
Colombia	0.2%	0	24	153	0	297
Ecuador	1.3%	0	3	36	0	144
TOTAL	2.5%	17	647	13,282	0	14,858

Rate of absenteeism = total number of days with medical leave of absence / (average number of employees in the year * 365 days)

cmpc and the



community

> CMPC becomes involved in the challenges and aspirations of the local communities where it runs industrial operations. To do so, the company carries out educational support and community development programmes that benefit the neighbours of its forest lands and factories, in order to improve their quality of life.

CMPC Foundation

> In 2010 the CMPC Foundation celebrated its 10th anniversary supporting the educational work in schools neighbouring the company's forest operations and mills. We have the conviction that a good quality of education the children receive, it increases their future opportunities as well as the communities' quality of life. The work the Foundation began a decade ago by assisting a single school, currently reaches 54 educational establishments with a dedicated team of 27 professionals.

> Teacher training projects and school advisory services

> The Teacher Training projects are aimed at improving the learning of Language and Mathematics of students from prekindergarten to 4th grade, with the development and strengthening of tools and knowledge of their school teachers and principals. The strategy used is based on a model of comprehensive training and guidance, which seeks to instill learning at school level, through teacher retraining, planning workshops, classroom and school counseling and a rigorous evaluation of the completed work.

> The Teacher Training projects were developed in 54 schools of 9 districts, in the Metropolitan, Maule and Biobío regions, supporting 413 teachers and principals, benefitting 9,214 students. The professional team of the Foundation spent a total of 3,595 hours on retraining sessions, planning workshops and advisory activities.

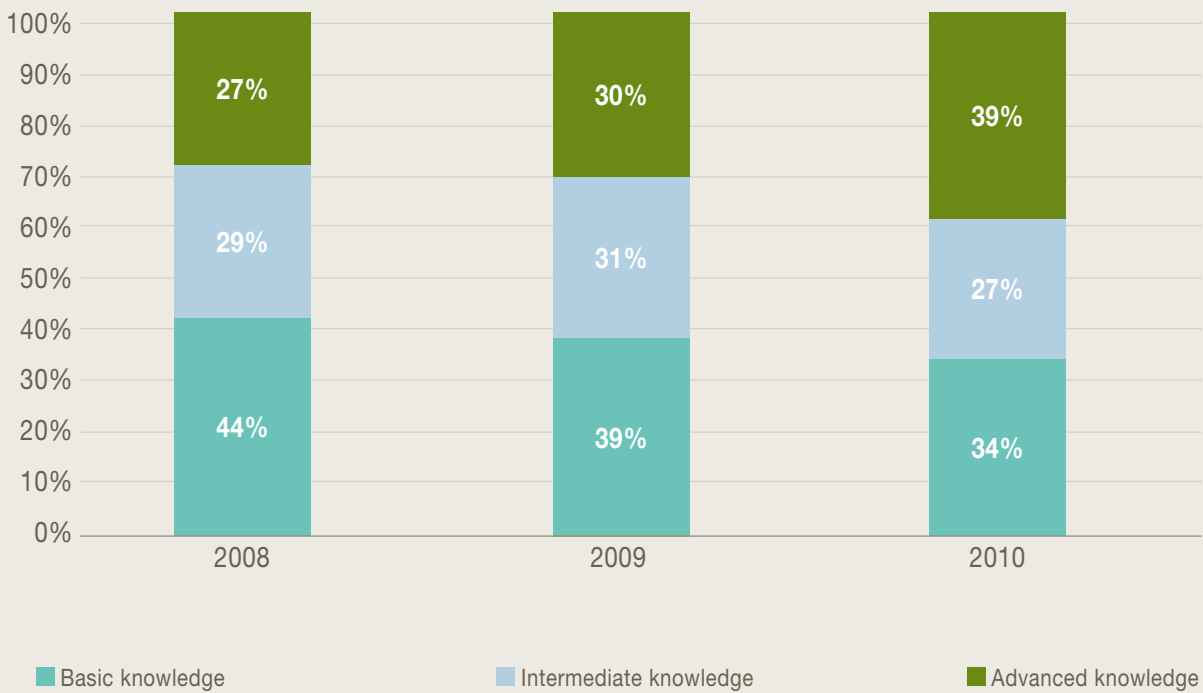


> In the districts of Laja and Nacimiento, the Language teacher training has extended to teachers of students from the 5th to 8th grade, focusing on Reading and Reading Motivation, continuing the work done by the previous standards from the first cycle.

> The results of Language obtained by the students from the schools supported by the Foundation have

been particularly auspicious, as measured by the National SIMCE (Quality of Education Measuring System) Test. In 2010, the percentage of students with advanced knowledge of Language increased to 39%, compared with 27% in 2008, and the percentage with basic knowledge declined from 44% to 34% over the same period of time. The following chart shows this achievement.

SIMCE test Language results from the schools supported by the CMPC Foundation during the years 2008 to 2010



> The green colour indicates the increasing percentage of students with advanced knowledge of Language from the schools supported by the Foundation.

> Growing Up Together Project

> This project – carried out in the district of Nacimiento – promotes the cognitive, motor and sociolinguistic development of children up to 6 years, working with both families and educative centers.

> In total, 63 educators and educational assistants were benefited, approximately 500 mothers, fathers and guardians and, with them, over 500 children, from 4 schools and 6 kindergartens and day nurseries.



> Cultural projects in Nacimiento and Laja

> In the districts of Laja and Nacimiento the CMPC Foundation conducted cycles of outdoor cinema, theater, children's stories contest, workshops for adults and children and a permanent cinema cycle, with a total of 6,500 participants.

> *Award Ceremony of the children's stories contest.*





> Ballet and Orchestra presentation of the Municipal Theater of Santiago at the gardens of the Jorge Alessandri Educational Park, with an attendance of over 5,000 people.

> Jorge Alessandri Educational Park

> The Jorge Alessandri Educational Park proposes as a mission, to spread the production, forestry and environmental management of Empresas CMPC, through free cultural and educational activities, open to the entire community.

> During 2010 the Park had a total of 117,294 visitors, a figure 3% lower than in 2009, due to the closure of three consecutive weeks following the February earthquake. Since its opening in 1993 the Park has received almost a million and a half visitors.

> The Park features the following cultural and educational spaces:

- » The Park Trails and the Native Forest allow visitors to experience nature and enjoy a unique ecosystem.
- » In the Tree Hall, children learn about forestry and the production processes of wood, pulp and paper through play.
- » In the Educational Nursery visitors learn about the various tree species, and their forestry, medicinal and decorative uses.
- » At the Cultural Amphitheater artistic performances during the summer are presented, complemented with exhibitions at the central square and at the Extension Center.
- » The Artequin Museum provides an interactive educational proposal, to familiarize children with the main world artworks.



> Visiting families to the cultural Saturdays during summer at the Jorge Alessandri Educational Park, bringing together a total of 11,479 people by 2010.

> Visiting children to the exhibition that marked the Bicentenary of the Independence of Chile.





> Activities aimed at preschool children, with a total of 6,500 young participants in 2010.

> Participants of the seminar of Sustainable Tourism in the Biobío Region on "Outdoor destinations and protected areas", conducted in conjunction with the Technological University of Chile INACAP and the Jorge Alessandri Park.



The Good Neighbourhood Plan

Generating employment for neighbouring communities

> Forestal Mininco provided employment for 7,500 workers monthly, by 143 contractors specialized in the tasks performed in nurseries, plantation establishments, forest protection, transportation, pruning, thinning and harvesting.

> Of these contractor personnel, a monthly average of 453 workers belong to the neighbouring Mapuche communities in the districts of Tirúa, Los Sauces, Chol-Chol, Collipulli, Ercilla and Victoria.

> Carlos Douglas Nursery Workers

> Residents working at the Carlos Douglas forestry nursery in the district of Yumbel.



57



> Bridge maintenance

> Residents working on the maintenance of wooden bridges of rural roads in the district of Quilaco.



> Blueberry Orchard

> Residents working at the blueberry orchard on the Rucamanqui farm, district of Tucapel.



Education Support of neighbouring communities

Scholarship programmes

> The scholarships are aimed at the youth from neighbouring rural communities of the CMPC operations, for deserving students that have difficulties for continuing their education.

> 98 students, belonging to 45 educational establishments of 30 communities, were beneficiaries of the Rural Scholarship of Forestal Mininco that allows them to afford an important part of their school supplies and toiletries, as well as the transfer of students to their homes.

> 27 students received the El Vergel Scholarship that allows them to study at the El Vergel Agricultural High School of the Angol Methodist Corporation, to finally obtain the title of mid-level agricultural technician.

> *The greenhouse housing the tomatoes.*

Manzanares Agricultural High School Project

> CMPC Pulp and the Renaico Municipality are supporting a productive development project at the Manzanares Agricultural High School, funding the construction of a greenhouse of 700 m² and 9 crop hectares, starting with corn, tomatoes and vegetables.

> The project's goal is for students to apply theoretical teaching in the field and that the High School earns revenue by selling the crops.

59





> The strawberry and corn crops.



> The sales outlet where the students learn to market their crops.



> Technical training for residents of Nacimiento

> Under an agreement between CMPC Pulp and the Nacimiento Municipality, 70 residents of the city are participating in Nursing Technician and Construction Technician courses, taught at the Virginio Gómez Institute of Los Ángeles.



> *The Nursing course sharing with the Manager of the Santa Fe Pulp Mill.*

61



Training courses for neighbouring communities

> During 2010, 116 courses with 22 specialties were given.

> A total of 1,407 people received the training courses, highlighting 1,207 women. All of them are close neighbours of the CMPC operations in 37 forest districts.

> Especially prominent were the courses called Craft Trainers, taught for the first time with two specialties: Use and Maintenance of Chainsaw, and Forestry Machinery Operator. A total of 60 residents and less skilled workers of the contractors acquired this knowledge of forestry specialization.

Craft training course in Forestry Machinery Operation

> Two training courses in forestry machinery operation were given to 40 students from 8 communities, with 288 hours of theoretical and practical teachings. The students were trained in the operation and routinely maintenance of the main equipment used in forest harvesting.





Craft training course in the Use and Maintenance of Chainsaws

> Two training courses in the use and maintenance of chainsaws were given to 20 students with 120 hours of teaching by specialized instructors and representative technicians of portable chainsaw equipment.





> Residents of the Nacimiento and Curanilahue districts, participants of the second chainsaw course.

> At the end of the chainsaw course, the students received all the elements of security, work clothes, a chainsaw, complementary tools and the credential that certify their qualification and enable them to perform any forestry task in Chile.

> Of particular importance in the preparation of the training courses, is the consultation with the communities about their learning needs that permits the residents to choose the areas of teaching. For this to occur, forms were given to the Neighbours' Associations for the registration of residents, such as is presented on the front page. →

CONSULTA CURSOS CAPACITACION AÑO 2010

JUNTA DE VECINOS ó COMUNIDAD	JUNTA DE VECINOS SANTA JULIA
NOMBRE REPRESENTANTE	JUAN URRUTIA
CARGO	PRESENTE JJUU
TELEFONO CONTACTO	93173215 JJ 92912076
SECTOR	SANTA JULIA km 50
COMUNA	Collipulli
REGION	NOVENA

MENCIONE ESPECIALIDAD DE INTERES	ELABORACION DE JABONES Y PERFUMES
Nº DE INTERESADOS	12 PERSONAS. - ANTERIORES
LUGAR DE EJECUCION	SEDE JJUU SANTA JULIA

	Nombre Interesado	RUT	FIRMA
1	AUDOLINA POLINA URRUTIA	9.321.252-6	Audolino Polina
2	MARIA GRIEL AVES	6.693.665-1	M. Urrutia
3	AURORA PARADA BELTRAN	6.661.327-5	APB
4	SOFIA GONZALEZ FIGUEROA	7.376.348-7	Sofia Gonzalez
5	LUCIA URRUTIA MONTECINOS	12.190.145-5	Lucia Urrutia
6	JEANNETTE LAGOS VILLAGRAN	6.602.920-1	Jesse
7	CELINDA MONTECINOS SOLIS	7.264.106-K	Celinda M.
8	CECILIA ALVAREZ SEGURA	7.650.135-9	Cecilia
9	BALCENTINA ALBORNOZ ACUNA	11.701.167-4	Balcentina A.A.
10	INER LAGOS GUTIERREZ	13.151.331-3	Iner Lagos
11	MARISOL VILLALOBOS BETANCOUR	12.190.107-2	Marisol
12	MARIA LOZA LOZA	7.764.009-6	Maria Loza
13			
14			

MENCIONE OTRAS ESPECIALIDADES APRENDIDAS EN AÑOS ANTERIORES A TRAVES DE LOS CURSOS DE FORESTAL MININCO
- TEJIDO
- LOMBRICULTURA
- AGRICULTURA
- COSINA Y RESTAURACION
- IDIOMA ALEMAN

Area Patrimonial :	Collipulli - Junta
Sector :	AGRICULTURA
Administrador Patrimonial	Luis CORDOVA L

Fecha Consulta : 19/06/2010



Wood Furniture Course

> Residents of the Carrizal de Meñir N°20 Neighbours' Association, district of Nacimiento.



Sewing Machine Course

> Residents of the Mapuñancu Mapuche community, district of Collipulli.



Basic Electricity Course

> Residents of the Unión La Suerte Neighbours' Association, district of Nacimiento.

> The training courses provide knowledge to neighbours, working methods, materials, and are an opportunity to meet communities that favors the formation of ventures.

> Supporting the formation of small agricultural enterprises

> The Pacifico Pulp Mill and the Collipulli Municipality are supporting 5 families from the Lolcura village with projects chosen by themselves, including greenhouse crops, walnut plantations, raspberries and alfalfa.



> Building a greenhouse.





> *The Mapuche jewelry made by students at the workshop.*



> *Residents participating in the workshop during the classes.*

Mapuche Silver Workshop

> At the Miguel Huentelén School, located in Las Maicas community of Collipulli, a Mapuche Silver workshop took place, in joint effort by the Mapuche Women's Labour Workshop, the Communal Union of the Mapuche Communities, Forestal Mininco and Erco Worldwide, with the financial support from the Culture Fund of La Araucanía Regional Government.

> The workshop's aim was to preserve the art of making traditional Mapuche jewelry, hence the lessons being taught by a master craftsman.



> Cuyinpalihue workshop on medicinal plants

> A committee of residents of the Francisco Antileo Mapuche community, district of Cañete, is dedicated to the cultivation of medicinal plants, which is part of their ancestral knowledge.



Recognize and support the Mapuche culture

> Forestal Mininco is a company that promotes the respect for the beliefs, customs and traditions of the Mapuche culture. We believe that by recognizing and supporting this ancestral culture, contribute to its strengthening, so that the Mapuche people are less prone to the loss of the vital energy of their language and vision of the Cosmos.


> The record of their customs, language and beliefs, contributes to the preservation of their cultural heritage. In this regard, we have developed a multimedia dictionary intended to facilitate the learning of the Mapuche ancient language for children aged 6 and 7 years old. This educational material was designed with a modern learning methodology for students and their teachers.

> We recognize the understanding that the Mapuche people have for the lands they inhabit and the importance that they assign to topographic singularities, which are a source of accumulated energies according to the Mapuche vision of the Cosmos. These sites include ceremonial hills (Tren Tren), waterfalls (Trayenco), places with upwelling water and native vegetation (Menoko), sites for religious ceremonies (Guillatuwe), for games (Paliwe) and the cemeteries (Eltun).

> During 2010 Forestal Mininco initiated a consultation process with the Mapuche communities to design protection and conservation plans of 18 sites of cultural interest identified in the forest lands belonging to CMPC. The validation of these plans is expected for 2011, including the direct consultation with the communities and their assemblies.

> Validation of the conservation plans has the following steps:

- » Dissemination of the sites of cultural interest in the regular newsletter of Forestal Mininco.
- » Meetings with the Mapuche communities to agree on conservation plans.
- » Demarcation of protected areas.
- » Verification of compliance with agreed actions in the conservation plans.

> In the following two pages we present the index card and the proposed conservation plan of the cultural site called Menoko El Chequén (Futxa Kura), in consultation with the Juan Marin Rayin Mapuche community, located in the Junquillar sector, district of Angol. 



SITIOS DE INTERES CULTURAL INDIGENA

SITIO: **MENOKO** Ficha **43**
 FUNDO: EL CHEQUÉN (752)
 ÁREA: ANGOL SECTOR: ANGOL -JUNQUILLAR
 COMUNA: ANGOL
 FUENTE: [Solicitud Comunidad](#) COORDENADAS



Fotos

MAPA DE UBICACIÓN



Validado : Si
 Demandado : Si, solicitud para ocupar el espacio
 Carácter : ceremonial

Sitio activo : 2

DESCRIPCIÓN:

Menoko son principalmente conocidos como lugares ritualmente propiciatorios, es decir, entornos a los cuales se acude a realizar oración y rogativa individual y/o colectiva para pedir por el bienestar personal o de toda la gente, por parte de ofitantes tradicionales, en general Machi y ocasionalmente acuden a estos sitios Logko, con el fin de realizar actos reflexivos y rogativas individuales. a este lugar simbólicamente se atribuye la presencia de Newen, idea de fuerza y energía, de Ngen, que es una noción de espíritu tutelar

DESCRIPCIÓN DEL LUGAR:

El origen del curso de agua es al interior del predio Chequen, extremo NE, colindante con la comunidad JUAN MARIN RAYIN que da origen al Menoko es un área con forma triangular en la que convergen dos quebradas menores, con abundante vegetación nativa arbustiva y arbórea y con un suelo saturado de humedad por el afloramiento de agua que unos metros más abajo se encauza naturalmente hacia la parte baja del cerro. 300 metros aguas abajo al sitio, la quebrada continúa en terrenos de la comunidad transformándose en un pequeño curso de agua rodeado de vegetación arbórea nativa con especies como peumo, boldos, arrayan, canelos, hualles, litre, entre otros, hasta llegar al área residencial de la comunidad, donde se encuentra el estanque de acopio de agua para uso doméstico utilizado por gran parte de la comunidad.

VALIDADO: Mónica Nuñez (diciembre 2010)
 INFORMANTE: Leonor Figueroa Norambuena (Presidenta de la comunidad);
 Magdalena Millape Marin (anciana y consejera)

INFORME: ["Validación de Sitio Menoko Futaxa Kura, Área Angol, Fundo El Chequen, Comuna de Angol"](#)

COMUNIDADES ASOCIADA:

Juan Marín Rayín

RECONOCIMIENTO:

La información y observación de terreno permiten establecer que el Menoko Futxa Kura es un SSC de tipo religioso/ceremonial con vigencia respecto de uso contemporáneo y asimismo presente en la memoria comunitaria, lo cual le otorga una relevancia notable para quienes integran la comunidad JUAN MARIN RAYIN y el Lof tradicional

COMENTARIOS:

En el caso del sitio Menoko Futxa Kura, CONADI a través de la Subdirección Nacional Temuco a la fecha no registra demanda/reclamación formal respecto del sitio, realizada por alguna comunidad del sector, ni específicamente por la comunidad JUAN MARIN RAYIN.

RECOMENDACIONES:

Protección de quebradas, exclusión de ganado, restauración vegetación nativa, cercos perimetrales, apoyar en el proceso de disponibilidad de agua, frente al proyecto en curso

CARACTERIZACIÓN

Uso por la comunidad	Uso del agua consumo humano
Uso Actual Mininco	Zona de Protección
Condición Ambiental	Zona de Protección, curso de agua
Valor paisajístico	Belleza escénica
Otros usos	Recreativo
Afluencia de personas	Grupos pequeños (Autoridades tradicionales y/o grupos pequeños)
Frecuencia de uso	Periodica
Meses o época de uso	Durante todo el año
Extracción de elementos	agua, Hierbas, Fuerza

Sup. Estimada sitio : 2,5 ha

MAPA ETNOCULTURAL



CRITERIOS DE MANEJO:

Reconocer y proteger, mantener un acercamiento con la comunidad de modo que este sitio sea un referente de cooperación y disposición frente al respeto de su cultura y al abastecimiento de agua comunitaria

ACTIVIDADES:

- 1.- Responder carta solicitud, se recomienda indicar disposición de acuerdo en el uso y considerar un programa conjunto para definir medidas de conservación y restauración del sitio, al igual que indicar medidas de resguardo contra el daño o robo del bosque y protección del agua
- 2.- Identificar en cartografía y en terreno y asegurar levantamiento en Sistemas de Planificación como un Bosque de Alto Valor de Conservación
3. Fomentar y participar de la mesa de articulación del agua, tema sensible, ofrecer apoyo técnico en la construcción de soluciones de abastecimiento de agua, acompañar a la comunidad en el desarrollo de proyectos, ya que se observa un alto grado de participación e interés en ser parte de las soluciones y desarrollo de la comunidad.

OBSERVACIONES:

Los informantes locales señalaron que en la comunidad existen al menos otros tres sitios Menoko siendo el mayor de ellos el Menoko Ragninkura (entre piedras). El Menoko El Chequén tiene importancia para la comunidad por ser una fuente de captación de agua para 33 familias (aprox. 80 personas) , al igual que por tener un alto valor ambiental. Consulta Fase 1 el 1/4/2011



PLAN DE MANEJO SITIOS DE INTERÉS CULTURAL INDÍGENA

FUNDO: EL CHEQUÉN (752) COORDENADAS X: 699955
 ÁREA: ANGOL SECTOR: ANGOL -JUNQUILLAR Y: 5804799 Fecha: 10/5/2011
 COMUNA: ANGOL

Sitio **22**
 Ficha **43**

SITIO: **MENOKO**

Validado Si
 Demandado Si, solicitud para ocupar el espacio

CARACTERIZACIÓN

Carácter	ceremonial
Uso por la comunidad	Uso del agua consumo humano
Uso Actual Mininco	Zona de Protección
Condición Ambiental	Zona de Protección, curso de agua
Valor paisajístico	Belleza escénica
Otros usos	Recreativo
Afluencia de personas	Grupos pequeños (Autoridades tradicionales y /o grupos pequeños)
Frecuencia de uso	Periódica
Meses o época de uso	Durante todo el año
Extracción de elementos	agua, Hierbas, Fuerza

OBJETIVOS DE MANEJO

Reconocer y proteger, mantener un acercamiento con la comunidad de modo que este sitio sea un referente de cooperación y disposición frente al respeto de su cultura y al abastecimiento de agua comunitaria

JUSTIFICACIÓN

Se observa un alto grado de conocimiento en las personas adultas de la comunidad, respecto a las tradiciones Mapuches, y existe una necesidad cierta de abastecimiento de agua, si bien hay un proyecto de agua a través de punteras, no existe un total convencimiento de su real efectividad y el Menoko representa una reserva importante, además del valor ceremonial que se pudo constatar

CRITERIO DE MANEJO	VALOR	DETALLES
RECONOCIMIENTO	Alto	Acta de reconocimiento/ Ficha/Reporte de Sostenibilidad
CONSERVACIÓN	Nivel de conservación alto; limpieza de especies invasoras (exóticas); restauración de especies	Limpieza de especies invasoras a través de anillado y/o roce de vegetación herbácea
RESTAURACIÓN	restauración de especies nativas	Forestación de especies nativas alrededor de la quebrada, reemplazo sistemático de especies (pinos) entre quebradas, por especies nativas, hacer un catastro de especies presentes
PROTECCIÓN	Quebrada; agua; acceso	Determinar área de protección quebrada según legislación, Construir acceso a orilla del río para acceso peatonal y señalizar. Hacer zanjas de infiltración
RESGUARDO	incendios; daño faenas; ingreso de animales;	Identificar en rutas críticas y en actividades silvícolas, exclusión de ganado. La comunidad dispone de calambre, algunas estacas y mano de obra para cercar
IDENTIFICACIÓN	cartográfica y física	En terreno identificar sitio y ruta de acceso. Señalizar
ZONIFICACIÓN	Microcuenta; acceso	Limitar microcuenta y ruta de acceso, indicar en cartografía.
DIFUSIÓN	comunicación interna; y externa	Reunión de presentación de los resultados a nivel interno (Encargados de Patrimonio y Operacionales). Distribuir Material de Difusión (Ficha de Sitio y Plan de Manejo), a los públicos consultados y/o una comunicación personalizada para la formación de redes.
FOMENTO	Asociatividad territorial	Vincularse con las organizaciones comunitaria locales y /o comunales(municipio, conadi, entre otras) , establecer relaciones comunitarias y en conjunto articular mesa de trabajo para fomentar área cultura. Mesa local de Agua
MONITOREO	A través de Indicadores, según programa de trabajo	Cumplimiento de programa; medición del nivel de aceptación de la comunidad

PROGRAMA COMUNICACIÓN

Se observa un alto grado de interés por rescatar el conocimiento cultural por parte de la directiva, y cuentan con personas que poseen el ingen necesario, se recomienda ser un facilitador para incorporar el valor cultural en la comunidad

PRINCIPALES ACTIVIDADES

· Responder carta solicitud, se recomienda indicar disposición de acuerdo en el uso y considerar un programa conjunto para definir medidas de conservación y restauración del sitio, al igual que indicar medidas de resguardo contra el daño o robo del bosque.

Se sugiere que la empresa fomente y participe en el desarrollo de soluciones de abastecimiento de agua, si bien la comunidad tiene un proyecto, este no les satisface y el Menoko además del valor ceremonial representa una reserva y fuente de agua para su consumo

· Se coincide con la decisión de ampliar el área de protección en alrededor de 2,5 ha respecto al sitio Menoko, reemplazar plantación reciente de eucaliptos por especies nativas en sector influencia inmediata al Menoko (cercano a 1 ha), en bosque adulto (residual respecto a la reciente cosecha), se debería genera un plan de reemplazo evitando el daño en su extracción, debe ser un proceso de largo plazo, si bien se recomienda mantener un control sobre los animales para evitar daño en la plantación y en el sitio.

· Restauración de vegetación nativa dentro y en el entorno. La instalación previo acuerdo con la comunidad y si ello fuere considerado pertinente, en el lugar de una placa informativa/letrero, conteniendo el nombre del Menoko Futxa Kura, identificación de las especies existentes, senderos de interpretación, entre otras

· Apoyar en el rescate cultural, ser un facilitador puesto que disponen de personas con el conocimiento ancestral necesario para enseñar a la comunidad, se recomienda apoyar y acompañar en la generación y desarrollo de proyectos, especialmente referidos al abastecimiento de agua

CMPC Celulose Riograndense of Brazil and the neighbouring communities

The Guaíba Pulp Mill, belonging to CMPC Celulose Riograndense of Brazil, is developing various programmes that benefit neighbouring communities located in the state of Rio Grande do Sul, which is detailed below.

72



Environmental Leadership Training

The training of leaders in environmental stewardship trained over 230 residents in 2010, combining theoretical classes with visits to native forest areas, where lessons on biodiversity protection, cultivation techniques, water conservation and soil monitoring were imparted.

Health Education Programme

This programme trained 1,275 residents in hygiene and disease prevention, with emphasis on the detection of yellow fever and oral diseases. The courses were developed in 15 different municipalities of the State.

Accordionist Training

The accordionist training programme aims to familiarize children with this musical instrument and the folk music from Southern Brazil, contributing to its preservation. This programme was developed in partnership with the Augusto Meyer State School and the Institute of Culture and Music. The initiative includes the manufacture of accordions with certified eucalyptus wood, which comes from renewable plantations of Celulose Riograndense.



Cleanup project in the city of Guaíba

This project developed activities to raise community awareness about the environment and its preservation. Garbage collection was made along the shores of Lake Guaíba, which borders the cities of Porto Alegre and Guaíba, as well as environmental education classes for the youth and photo exhibitions to create community awareness about the need to preserve nature.

73



cmPC and the



environment

> The main contributions that CMPC makes to the environment are the renewable forest plantations, the replacement of fossil fuels with biomass, the clean production processes and the paper recycling.



CMPC and its responsibility towards the environment

> We believe in the actual realisation of the Sustainable Development principle, which essentially means to make productive activities, required for the growth of our countries, compatible with the legitimate right that future generations have to live in a suitable environment.

> CMPC's environmental agenda prioritises four areas: renewable forest plantations, replacement of fossil fuels with biomass, clean production processes and paper recycling. It must also be mentioned:

- » Certified wood supply from renewable plantations of controlled origin.
- » Efficient use of both electric and thermal power.
- » Thermal power generated mainly by renewable biomass.
- » Reduction in water consumption and in the volume of the liquid effluent.
- » Reduction in the liquid effluent organic content that goes back into the natural watercourses.
- » High volume of paper recycling.

Sustainable Management of Forest Plantations

CMPC's Forestry Resources in Chile

> Productive Areas:

- > 502,000 hectares of renewable plantations.
- > 31,000 hectares of land to be planted.
- > 38,000 hectares of land used for administrative purposes, including roads, firebreaks, easements, livestock and agricultural areas, etc.

> Protection and Conservation Areas:

- > 58,000 hectares of both native forest and vegetation.
- > 89,000 hectares for protecting basins, watercourses, flora and fauna and high environmental value habitats.

76

> All of the wood used by CMPC comes from fast-growing renewable plantations which were established mainly on eroded land, allowing both the soil to be renewed and the conservation of native forests.


> To guarantee the protection of native forests and the biodiversity, the sustainable management of CMPC's forest plantations is certified by the CERTFOR-PEFC seal which guarantees the wood comes exclusively from controlled origin plantations, free from controversies and perfectly traceable from the forest to its final destination.

> The CERTFOR-PEFC seal is the main certification for the bulk of the CMPC plantations whereas the FSC seal certifies plantations covering a smaller area. The Company aims to obtain the FSC forest management certification for all of its plantations in Chile. Therefore, we are working in the areas requested by the FSC auditors, primarily developing actions to increase the consultation with the communities neighbouring the forest lands, promote the search for long-term agreements with them and improve the integration between production tasks and social support programmes of Forestal Mininco.

The reforestation project in the Aysén Region

> The Food and Agricultural Organization of the United Nations, FAO, and the Board of Castilla and León in Spain, in order to find successful examples of sustainable forest management in Latin America and the Caribbean, highlighted the reforestation project that Forestal Mininco is undertaking in the Aysén Region, which has replanted a total of 16,000 hectares of eroded soils with Ponderosa and Oregon pine.

> This case was included in the book "Exemplary cases of sustainable forest management in Latin America and the Caribbean", edited by both entities, as it shows the successful resettlement of forests in a region with damaged soils for over a century, because at the beginning of last century intentional forest fires were made that eliminated a large area of native forest in order to develop animal husbandry in the region, and whose negative environmental effects persist to this day.

> In the following pages, the cover and two of the six pages of the book cited previously, that introduced the Aysén project as one of 22 exemplary cases of sustainable forest management in Latin America and the Caribbean. 

CASOS
EJEMPLARES
DE MANEJO
FORESTAL
SOSTENIBLE
en América Latina
y el Caribe



Forestal Aysén

EMPRESA PRIVADA APUESTA AL LARGO PLAZO, REINSTALA BOSQUE EN REGIÓN DETERIORADA Y GENERA ALTERNATIVA DE DESARROLLO

Por Luis Chauchard

Ubicación	Comuna de Río Ibáñez, de la provincia General Carrera; comuna de Coyhaique, provincia de Coyhaique; y comuna de Puerto Aysén, provincia de Aysén, XI Región Aysén, Chile.
Bioma	Bosque templado latifoliado y mixto.
Tipo de bosque	Plantación forestal (coníferas exóticas).
Responsable del manejo	Empresa privada Forestal Mininco S.A.
Objetivo del manejo	Producción industrial de madera – Agregación de valor a los productos del bosque – Restauración del paisaje – Protección del bosque.
Área bajo manejo	16 055 hectáreas de plantaciones manejadas de forma intensiva y 6 505 de bosques nativos como áreas de protección y conservación.

El proyecto Aysén, de la empresa forestal Mininco, en el extremo sur de Chile, es una iniciativa de forestación a gran escala que ha logrado revertir un proceso de grave deterioro de los recursos naturales en una región que ha sido devastada en el pasado por incendios forestales intencionales para eliminar la cobertura y destinar las tierras a la ganadería extensiva. La acción ha generado empleo local, ha favorecido una transformación cultural que ha permitido que ya no se vea el bosque como un estorbo, sino como una alternativa de desarrollo, y está impulsando procesos de restauración de los bosques nativos, todo esto en el marco de una política de transparencia, puertas abiertas y colaboración con la comunidad local.

Reinstalar los bosques

El Proyecto Aysén se ha desarrollado en un entorno histórico muy particular de uso del suelo. La Región de Aysén, con un total de 10,5 millones de hectáreas, fue colonizada hace poco más de 100 años. La motivación para ocupar estas tierras fue la crianza de ganado, para lo cual se necesitó deforestar. Las masas boscosas nativas ocupaban grandes extensiones de territorio y para eliminarla se utilizó el fuego. Gigantescos incendios intencionales asolaron la región en reiteradas oportunidades a partir del año 1890. Más de 2 millones de hectáreas de bosques fueron eliminados y, con ello, la cobertura vegetal que protegía al suelo de la erosión.

Se inició así un proceso de degradación ambiental a gran escala que hasta hoy día continúa en las superficies desmontadas que presentan pendientes. Se ha perdido una parte importante del suelo por la acción del viento y el agua. La fuerte erosión ha provocado la sedimentación de los ríos, además de la desaparición de los hábitat acuáticos y riparios. La sedimentación obligó a trasladar 15 km el puerto localizado en la desembocadura del Río Aysén.

Además, erupciones recientes –como la del Volcán Hudson, en 1991– han dejado amplias zonas de la región cubiertas por cenizas.

La ganadería desarrollada en las áreas antes ocupadas por los bosques fue de tipo extensivo, actividad que ha experimentado un progresivo deterioro debido a la pérdida de fertilidad de los suelos. A ello se sumó la carencia de una noción de la potencialidad forestal de la región como alternativa de desarrollo, la existencia de una capacidad técnica local limitada, la accesibilidad muy difícil por la topografía y la inexistencia de caminos, y el rigor del clima.



Faenas silviculturales en plantación de coníferas.

En este escenario se inició el Proyecto Aysén, en 1990, con los objetivos de generar un patrimonio forestal basado en masas de coníferas valiosas de crecimiento relativamente rápido para la producción industrial de madera; recuperar ambientes degradados; y proteger el bosque natural remanente.

La empresa Forestal Mininco, responsable del Proyecto Aysén, forma parte de un complejo de empresas denominado Compañía Manufacturera de Papeles y Cartones (CMPC), uno de los grupos forestales e industriales más importantes de Chile y América Latina. CMPC posee un patrimonio forestal de 574 000 hectáreas de terrenos forestales.

El Proyecto Aysén trabaja en función de tres ejes principales:

- Creación de bosques a través de plantaciones de coníferas exóticas de los géneros *Pinus* y *Pseudotsuga*.
- Protección del bosque nativo existente.
- Vinculación con las comunidades locales para generar en ellas fuentes de trabajo, brindar capacitación y desarrollar un programa de educación ambiental para los ciclos primario y secundario.

Las especies utilizadas para la restauración de los bosques son *Pinus ponderosa*, *Pinus contorta* y *Pseudotsuga menziesii*. En los bosques naturales remanentes, las especies principales son *Nothofagus pumilio*, *Nothofagus antartica* y *Nothofagus dombeyi*.



> Oregon pine growth in the Mañihuales Nursery in July 2010.

> The forestation of Aysén started in 1990 has shown the forestry potential in the region as a development alternative, as well as generate local techniques that allowed the adapting to harsh weather, to difficult topography and to the lack of roads.

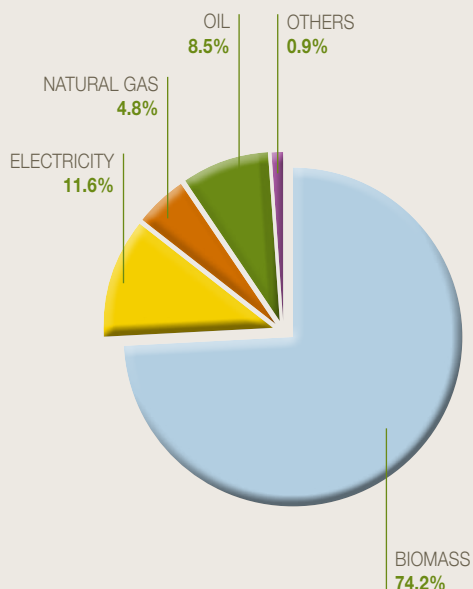
> Forestry camp at the El Mirador estate, located 12 kilometers away from Coyhaique, showing the harsh winter conditions. This camp is intensely used between September and May to develop the plantations of Ponderosa and Oregon pine in the Aysén Region.



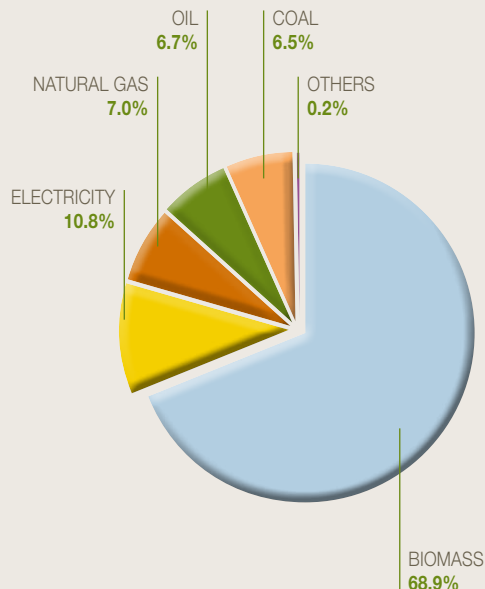
Sustainable use of energy

CMPC Energy Consumption

Year 2009 (67.692 Terajoules)



Year 2010 (79.275 Terajoules)



81

CMPC Energy Consumption				
CMPC Consolidated	2009		2010	
	Terajoules	%	Terajoules	%
Biomass	50,257	74.2%	54,583	68.9%
Electricity	7,832	11.6%	8,581	10.8%
Natural gas	3,233	4.8%	5,517	7.0%
Oil	5,767	8.5%	5,322	6.7%
Coal			5,131	6.5%
Others	603	0.9%	141	0.2%
TOTAL	67,692	100%	79,275	100%

One Terajoule is the energy equivalent to 278 MWh.

> In 2010, CMPC's production processes of pulp and paper used 79,275 TJ (terajoules) of energy, of which 68.9% came from biomass, 10.8% came from purchasing electricity and 20.4% came from energy generated by fossil fuels, mainly natural gas, oil and coal.

This last fuel is used at the Guaíba Pulp Mill in Brazil, acquired by CMPC in December 2009. Coal is the main fuel of the auxiliary boiler at the Guaíba Unit, where only a 50% of its energy consumption comes from renewable biomass, unlike the 90% at the Chilean pulp mills.

> CMPC energy consumption in 2010 increased by 17.1% compared to 2009, due to the acquisition of the Guaíba Pulp Mill.

> CMPC is constructing two biomass boilers at the Santa Fe and Laja Pulp Mills, with a US\$ 200 million total investment. Moreover, the projected expansion of the Guaíba Unit considers the construction of a new biomass boiler, replacing the energy from coal.



> Erection of the new biomass boiler at the Santa Fe Pulp Mill.



Sustainable use of water

CMPC Water Consumption		
CMPC Consolidated	2009	2010
In thousands of cubic metres per year	139,717	148,494
In cubic metres per tonne of end product	44.0	42.4

> In 2010, CMPC's production processes of pulp and paper used 148.5 million m³ of water, 6.3% more than in 2009, due to the acquisition of the Guaíba Pulp Mill.

> The average water consumption per tonne of pulp and paper decreased to 42.4 m³ from a level of 44 m³ in 2009, which is a 3.6% reduction, reflecting an

improved performance at the most of CMPC mills.

> CMPC's water intake did not have a negative impact on the water sources. 92% of the water the company consumed was obtained from surface sources and 8% from groundwater sources.

> *The Huequecura River, a tributary of the Bio Bio River.*



Treated Liquid Effluent

Treated Liquid Effluent		
CMPC Consolidated	2009	2010
In thousands of cubic metres per year	120,619	128,474
In cubic metres per tonne of end product	38.0	36.7

> In 2010 a total of 128.5 million m³ of effluent was treated, 6.5% more than in 2009, due to the acquisition of the Guaíba Unit.

> The liquid effluent generated per tonne of pulp and paper was 36.7 m³, a 3.4% reduction from a level of 38.0 m³ in 2009.

Liquid Effluent Quality Parameters

CMPC Consolidated	2009	2010	% reduction (-)
	Kg/Tonne prod.	Kg/Tonne prod.	% increase (+)
COD Chemical Oxygen Demand	11.87	10.39	-12%
BOD Biological Oxygen Demand	1.80	1.56	-13%
TSS Total Suspended Solids	1.85	1.37	-26%
P Phosphorus	0.102	0.093	-9%
N Nitrogen	0.308	0.308	0%
AOX Organochlorine Compounds	0.060	0.068	+13%

> In 2010 four of a total of six effluent parameters showed a reduction compared to 2009, as can be seen in the chart above, due to the full operation of biological treatment plants at the CMPC's mills. In the

case of organochlorine compounds, the 13% increase was due to the addition of the Guaíba Pulp Mill to consolidated figures.

> The biological treatment of the liquid effluent at the Papeles Cordillera and Tissue paper mills, in the district of Puente Alto.



Air Emissions

Air Emissions		
	2009	2010
CMPC Consolidated	Kg/Tonne prod.	Kg/Tonne prod.
Particulate Matter	0.89	0.75
Sulphur Dioxide	0.74	1.24
Nitrogen Oxides	1.36	1.48

> Air emissions generated by combustion processes are made up of particulate matter and gases vented into the atmosphere, mainly sulphur dioxide (SO₂) and nitrogen oxides (NO_x). These emissions are periodically monitored and passed onto the environmental authority according to the current legislation.

> In 2010, the particulate matter emitted by the pulp and paper mills was 0.75 kilograms per tonne of product. This figure is 15.7% lower than in 2009, mainly due to the greater availability of natural gas in Chile and a better performance of mitigation equipment.

> Sulphur dioxide emissions were 1.24 kilograms per tonne of product, a 68% increase in comparison to 2009, because the Guaíba Mill uses coal to fuel the auxiliary boiler, resulting in a higher level of SO₂ emissions. Without include this Brazilian mill, the SO₂ level was 0.57 kilograms per tonne of product. The projected expansion in Brazil will replace the use of coal with biomass.

> Nitrogen oxides emissions totaled 1.48 kilograms per tonne of product, 8.8% more than in 2009.



> Erection of the new recovery boiler exhaust stack at the Laja Pulp Mill.

Solid Waste

Solid Waste			
	2009	2010	2010
CMPC Consolidated	Tonnes	Tonnes	%
Hazardous Solid Waste			
Sold or recycled	300	770	} 0.65%
Sent to specialized dumps	1,036	1,218	
Non-Hazardous Solid Waste			
Sold or recycled	41,082	60,370	} 32.2%
Sludge used to produce steam	46,984	38,253	
Sent to own landfills	124,414	117,580	} 67.2%
Sent to third parties' landfills	85,849	88,291	
TOTAL	299,665	306,483	100.0%

86

> The upper chart shows the tonnes of solid waste generated by CMPC's pulp and paper mills. In 2010 only 0.65% of the total solid waste was considered to be hazardous. Such a waste is subject to regulations established by the Decree N° 148 of 2003 by the Ministry of Health, stating that every factory has the obligation to declare, manage and carry out follow-up checks on the hazardous waste it generates.

> The remaining 99.35% of the waste was regarded as non-hazardous, 32.2% of which was recycled either as heating power for biomass boilers or for environmental purposes. Finally, 67.2% of the waste was taken to licensed landfills either owned by the company or by third parties, for the controlled disposal of it.

Area of non-hazardous solid waste controlled disposal at the Pacifico Pulp Mill.



High volume of paper recycling

Recycled Paper Consumption		
In thousands of tonnes	2009	2010
Mills in Chile	449	455
Mills in Argentina, Peru, Uruguay, Mexico and Colombia	228	226
TOTAL	677	681

> In 2010, the consumption of recycled paper at CMPC's paper mills totalled 681,000 tonnes, slightly higher than in 2009. This figure means that approximately 45% of CMPC's total paper production in Chile, Argentina, Peru, Uruguay, Mexico, Colombia and Brazil, was based on recycled fibres.

> Both the recycled and virgin fibres from forest plantations complement each other in papermaking; when paper is recycled the fibres lifetime becomes longer, thus leading to a better use of the forestry resources.

> Since the recurrent recycling processes cause the fibres to deteriorate, hence the need to incorporate virgin fibres into the paper production process, thus showing the complementary nature of both fibres.

> In Chile, Argentina, Peru, Mexico and Colombia, CMPC has organisations that specialise in recycling. These organisations carry out the recovery, sorting out, baling and delivery processes. After taking the used paper to the paper mills, this is turned into useful fibres, thus beginning a new lifecycle.

87

The environmental and social benefits from CMPC's paper recycling process

- > Optimises the forest plantation cycle by using recycled instead of virgin fibres in papermaking.
- > Saves up energy since the process of producing recycled fibres from used paper consumes less energy than using wood to obtain virgin fibres.
- > Regards both used paper and cardboard as raw material, consequently a market that fosters their collection through pricing is opened, preventing them from ending up in a landfill.
- > Reduces the amount of waste in landfills. Methane gas emission from waste decomposition is cut down.
- > Creates job opportunities for urban non-skilled labourers who work in the paper collection process.
- > Helps to keep the cities clean.

The Environmental Information System of CMPC Pulp

> The Environmental and Public Affairs Management of CMPC Pulp has developed a documentary digital site that records relevant information on environment and safety of the CMPC pulp mills in Chile, as well as the activities developed with the neighbouring communities. These 3 plants produced a total of 1.7 million tons in 2010, a figure that shows its importance from the point of view of production level and hence the need for caution the compliance with environmental regulations at all times.

> Screen showing the Environment and Public Affairs website. Currently the information system records 1,501 continuous and discrete variables coming from the monitoring of air emissions, liquid effluent and solid waste from the 3 pulp mills, surface and groundwater quality, and the air quality from monitoring stations located in urban areas adjacent to the mills, in the cities of Nacimiento, Laja and Mininco.

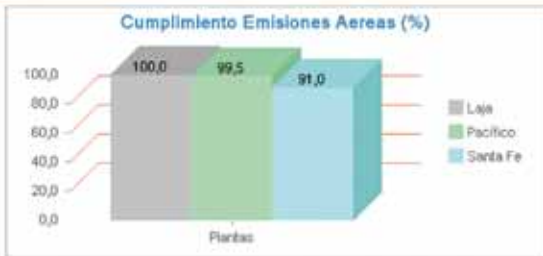
> The environmental information system communicates when a parameter is close to a threshold value, generating the appropriate warning and subsequently, a report is made that includes the reason for this deviation and the corrective actions taken by the staff that is directly responsible.

88



Resumen Cumplimiento Horario de Emisiones

Consultar Resumen



Variables desviadas

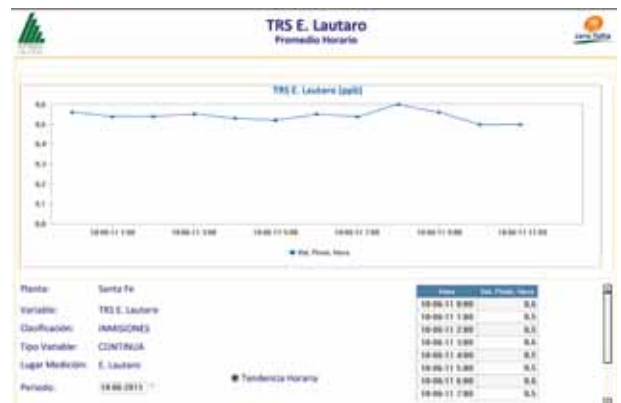
Planta	Clase	Variable	U.M.	Valor Prom.
LAJA	EMISIONES LIQUIDAS	DBO5 SIT	mg/L	142,90
SANTA FE	EMISIONES AEREAS	TRS Cald. Recup.2	ppmv	3,50
SANTA FE	EMISIONES AEREAS	NOx CR 2	mg/m3N	191,60
SANTA FE	EMISIONES AEREAS	NOx CALD. BIOMASA	mg/m3N	243,10
SANTA FE	EMISIONES AEREAS	CO CALD. BIOMASA	mg/m3N	1.000,00

Variables Sin Valor Registrado en Planta

Planta	Clase	Punto Medición	Variable	U.M.	Ult. Carga	Días validez
LAJA	EMISIONS LIQUIDAS	Planta de Efluente	Temperatura Efluente SIT	°C	09-06-2011 23:00:00	2
LAJA	EMISIONS LIQUIDAS	Planta de Efluente	pH Ef. Gral SIF	NA	09-06-2011 23:00:00	2
LAJA	EMISIONS LIQUIDAS	Planta de Efluente	Sólidos Suspendedos SIT	mg/L	09-06-2011 0:00:00	2
PACIFICO	EMISIONS AEREAS	Estanque Disolvidor	TRS Est. Disolvidor	mg/m3N	28-04-2010 0:00:00	372
PACIFICO	EMISIONS LIQUIDAS	Tratamientos Efluentes	SST SIT	mg/L	11-06-2011 0:00:00	2

Summary of compliance schedule

> The environmental information system calculates the compliance of air emissions and liquid effluent from each pulp mill and highlights each variable that exceeds a threshold value, which is defined below a standard value, generating an early warning that permits timely responses. In this case a report must be issued with causes and corrective actions taken.



Online monitoring

> CMPC Pulp has developed a webpage that allows the Environmental Authority to access the online monitoring of the pulp mill parameters. During 2010, the Santa Fe Mill webpage remained operative. As an example a screen that records the TRS gases (total reduced sulphur), measured at the Lautaro monitoring station, located in the city of Nacimiento, near the Santa Fe Mill.





Medio Ambiente y Asuntos Públicos

Inicio SIA Informes Bitácoras Legislación Permisos Ambientales Correspondencia Autoridades Capacitación **Comunidad** Administración

Fotos de la Comunidad



Somos Vecinos



Home

Casa Matriz

Fundación CMPC

Laja

Pacifico

Santa Fe

Buscar

Home

Boletín N° 2

21 Ene 2011



Planta Pacifico organiza celebración navideña

Se realizó una celebración de Navidad para niños de: Mininco, Sta. Luisa, Lolcura (Collipulli), Manzanares y Huelehueico (Renaico). Esta actividad fue coordinada con la ayuda de la respectivas Juntas de Vecinos; congregó aprox. 650 personas, entre ellos 650 niños de 0 a 12 años.



Alumnos de liceo de Nacimiento inician sus prácticas en Planta Santa Fe

Se inicia práctica de alumnos del liceo técnico de Nacimiento, en los talleres de planta Santa Fe



En su décimo aniversario, Fundación CMPC da por finalizado el año 2010

Se realizan ceremonias de cierre de actividades por el año 2010 en las comunas de Laja, Nacimiento y Negrete



Se completa entrega de textiles en Laja

Se hace entrega en el sector de Barrio Norte y en las localidades rurales de Diuquin

Boletines Anteriores

- 1 [10-Dic-2010]
- 2 [21-Ene-2011]
- 4 [01-Abr-2011]
- 3 [02-Mar-2011]
- 5 [06-May-2011]

Clipping de Noticias

- 110610_Clipping_Cf
- 110609_Clipping_Cf
- 110608_Clipping_Cf
- 110607_Clipping_Cf
- 110606_Clipping_Cf
- 110603_Clipping_Cf
- 110602_Clipping_Cf
- 110601_Clipping_Cf
- 110531_Clipping_Cf
- 110530_Clipping_Cf

90

> The Environment and Public Affairs website also records the activities with neighboring communities which are presented in an online newsletter.

Measuring the Carbon Footprint of CMPC products

> Prevailing concern due to global climate change is affecting modern life in all its aspects, ranging from everyday activities to the most complex industrial operations. It is, in short words, about trying to reduce consumption of fossil fuels and replacing them by power generated with renewable energy sources.

> The increasing scrutiny of activities such as power generation, transport and industrial processes – all of which consume fossil fuels – has been structured on measuring the Carbon Footprint, which is the accounting of greenhouse gases captured and emitted during the life cycle of a product, expressed as its Carbon Dioxide Equivalent (CO_{2e}).

> At CMPC we have measured Carbon Footprints for pine and eucalyptus pulps, as well as that of cardboards and tissue products – based on the CEPI methodology (developed by the Confederation of European Paper Industries), which is followed by CMPC's European Customers. This methodology is consistent with the GHG Protocol which is focused on measuring emission of Carbon Dioxide of fossil origin.

> This work was carried out by a team of professionals at CMPC with the technical assessment of the University of Concepción through its Technological Investigation Institute. The results obtained from both pine and eucalyptus pulps are shown in the following table, in which an additional column has been added in order to show compatibility of results obtained with those of the GHG classification.

Carbon Footprint for softwood and hardwood pulps according to CEPI methodology

Figures expressed in Kg CO _{2e} / metric ton of pulp		GHG Classification	Softwood pulp Kg CO _{2e} / ton	Hardwood pulp Kg CO _{2e} / ton
Toe as per CEPI methodology				
1	Biogenic Carbon captured at plantations		-1,740	-2,322
2	Biogenic Carbon stored in pulp		-1,320	-1,320
3	Fossil Carbon emitted during production process	Scope 1	191	210
4	Fossil Carbon emitted during development of plantations, from nursery through harvest	Scope 3	51	35
5	Fossil Carbon emitted during production of chemical supplies and fuels	Scope 3	214	166
6	Fossil Carbon emitted during generation of purchased electric power	Scope 2	0	0
7	Fossil Carbon emitted during transport of wood, chemical supplies and pulp to European customers	Scope 3	206	163
10	Fossil Carbon emission avoided		-80	-2
Subtotal Fossil Carbon emitted			582	572
TOTAL CARBON CAPTURED			-2,478	-3,070

> All figures in the above chart are expressed as kilograms of equivalent CO₂ (CO_{2e}) per metric ton of air dried pulp. Three greenhouse gases were measured: Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O).

> Carbon Captured is shown with a - (minus) sign and on a green background, as it represents Biogenic Carbon, originated from wood.

> Carbon Emitted is shown on a gray background as it refers to Fossil Carbon generated by combustion of petroleum and its by-products.

> Greenhouse gases captured and emitted during Pulp Life Cycle were measured as from the cradle – in this case a forest nursery – to 12 European ports from where pulp is transported to customers.

>The processes included were: forest nursery, plantation management, harvest, transport of wood to pulp mills, purchase of fuel and chemical products,

pulp production process, transport of pulp via rail to ports in Chile and maritime transport to 12 European ports of destination.

> As this is an analysis based on Life Cycle, measurements made by CMPC took into account the Carbon Footprint of petroleum, fuels and chemical products purchased from other companies, all of which are included in Toe 5 of the CEPI methodology. The fact of recording this item differentiates the CMPC's Carbon Footprint from other measurements.

> The final result for CMPC's pine and eucalyptus pulp is Net Carbon Capture as biogenic carbon exceeds the emission of fossil carbon. This positive effect will be reinforced with the future start-up of two biomass boilers which will generate renewable energy at both the Santa Fe and Laja pulp mills, representing a joint investment of US\$ 200 million. This project will enable to even further reduce the purchase of fossil fuels and electric energy.

CMPC's Environmental Investments

Consolidated Environmental Investments	
In millions of US Dollars	2010
Renewable energy generation	83.2
Air emission control	7.5
Liquid effluent treatment	10.5
Solid waste management	0.6
Environmental safety of facilities and people, prevention and control	0.7
Energy and water savings	1.5
TOTAL INVESTMENTS	104.0

> The environmental investment programme of CMPC totalled US\$ 104 million in 2010. The bulk of this figure corresponded to renewable energy generation at the Santa Fe, Laja and Pacifico pulp mills, project that seeks to replace fossil fuels with renewable biomass, making a contribution to climate change mitigation.

93

> An investment of US\$ 300 million is being made in the Laja pulp mill focused on replacement of equipment, complex process modernization and reduction of its environmental emissions.



CMPC's Forestry Resources Biodiversity

> CMPC's forestry resources in Chile include 147,000 hectares for conservation purposes, which are fundamental for the sustainable development of the company:

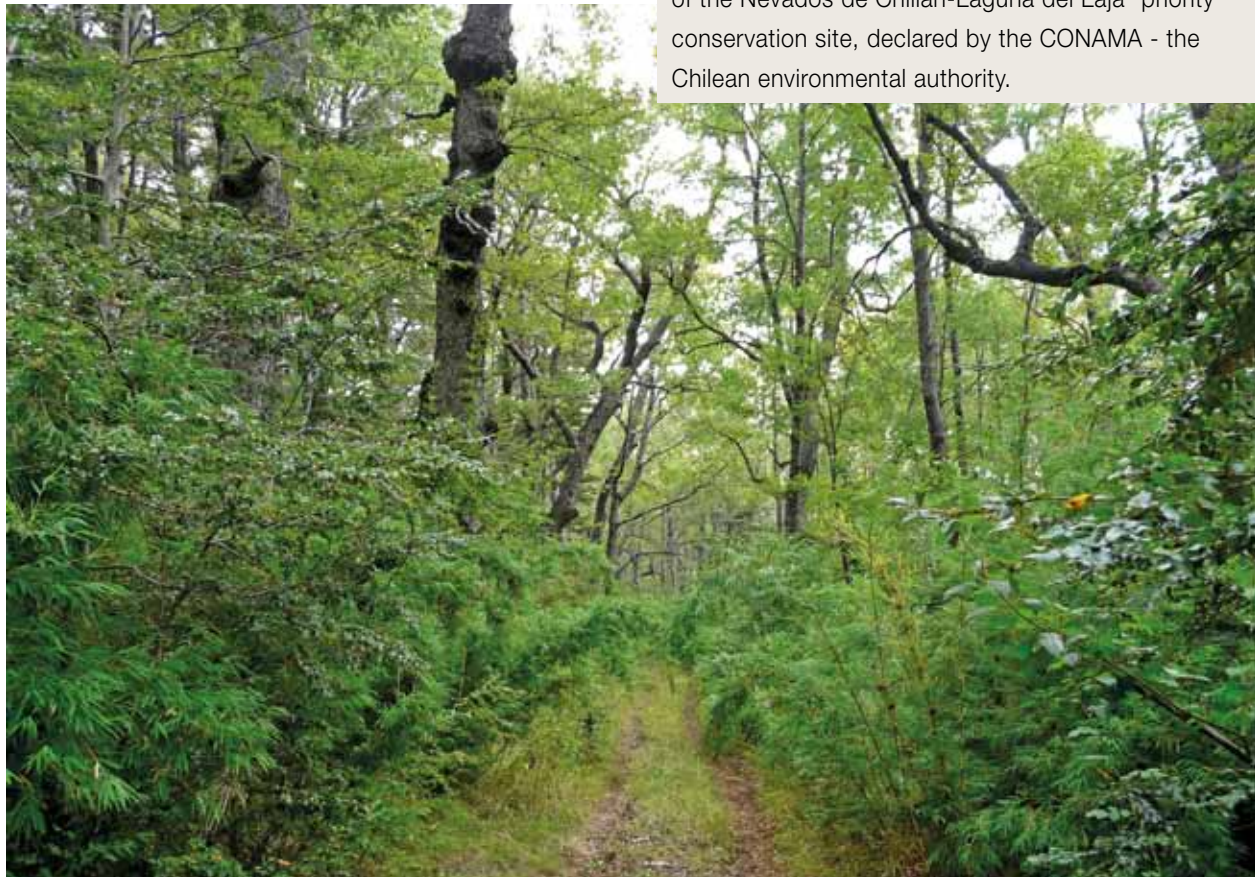
- » 58,000 hectares of both native forest and vegetation
- » 89,000 hectares for protecting basins, watercourses, flora and fauna and high environmental value areas

> CMPC protects seven high environmental value areas totalling 5,800 hectares, located in the Maule, Bio-Bio and Araucanía Chilean regions. Valuable species from

the Valdivian native forest are preserved, including Ruil, Pitao, Araucaria, and also native fauna, such as the Huillín or fresh-water otter. Those areas have special conservation and protection plans and they are given priority in the CMPC's fire prevention system.

Rucamanqui High Environmental Value Area

> CMPC protects 4,600 hectares of Rauli, Coigue and Oak native forest, located in the upper basin of the Cholguan River, district of Tucapel, Bio Bio Region. This area is part of the "Biological Corridor of the Nevados de Chillán-Laguna del Laja" priority conservation site, declared by the CONAMA - the Chilean environmental authority.



Los Ruiles de Empedrado High Environmental Value Area

> CMPC protects 136 hectares of Ruil in a pure state, a species of native flora endemic of Chile, declared in critical danger of extinction. It is classified as the most critically endangered tree of Chile. The forest is located in the district of Empedrado, Maule Region, and is part of the “Cardonal-Linda Vista” priority conservation site, declared by the CONAMA.



Pitao de Maitenrehue High Environmental Value Area

> CMPC protects 25 hectares of Pitao, a species of native flora endemic of Chile, declared in critical danger of extinction. The forest is located in two areas in the districts of Nacimiento, Bio-Bio Region, and Angol, Araucanía Region. This Pitao population has unique genetic characteristics that differentiate it from other northern populations.



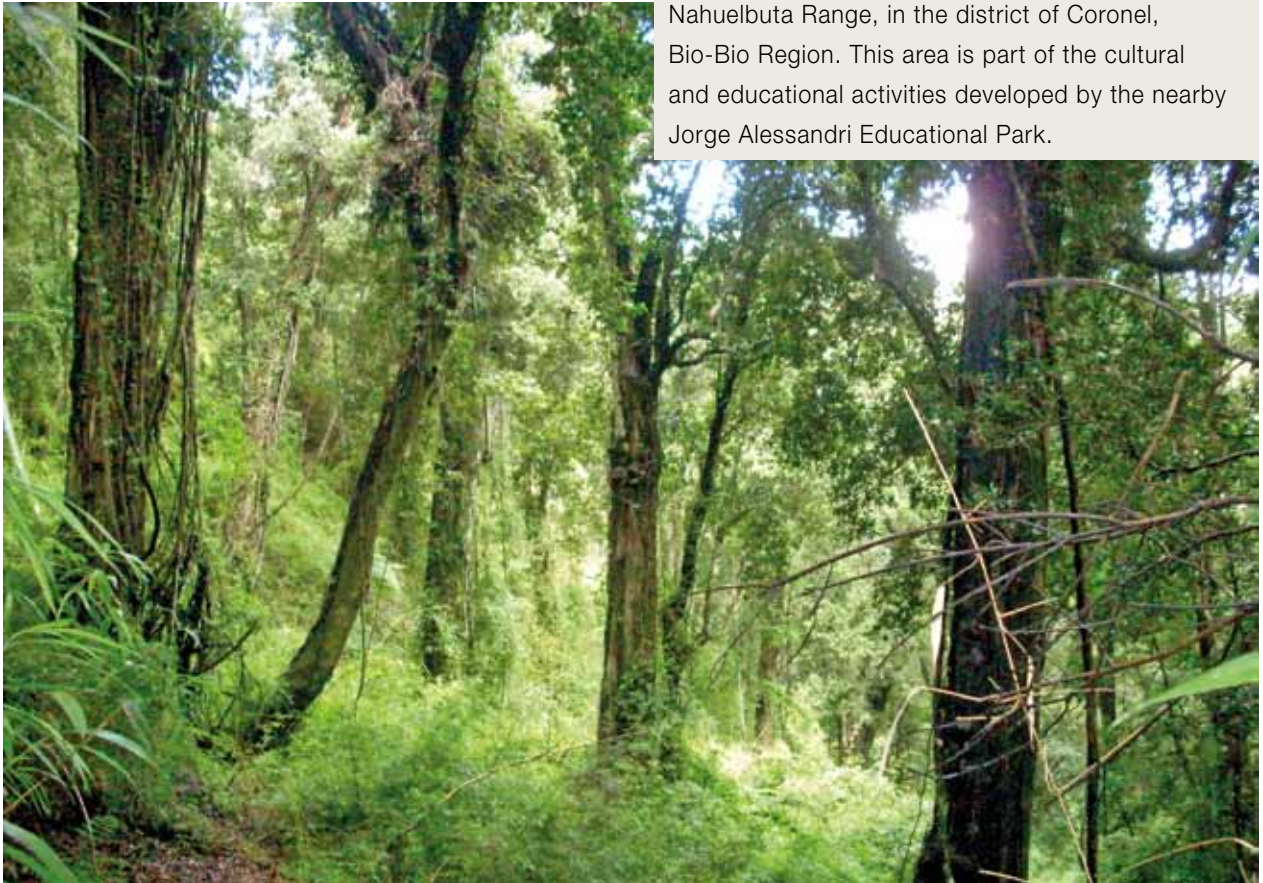


Villa Las Araucarias High Environmental Value Area

> CMPC protects 86 hectares of Araucaria, a species of native flora endemic of Chile and Argentina, declared as vulnerable. The forest is located in the district of Nueva Imperial, Araucanía Region and is part of the “Villa Las Araucarias” priority conservation site, declared by the CONAMA. This Araucaria population is genetically different from those in the Nahuelbuta Range and The Andes.

Alto Escuadrón High Environmental Value Area

> CMPC protects 159 hectares of Valdivian native forest, located in a gorge at the beginning of the Nahuelbuta Range, in the district of Coronel, Bio-Bio Region. This area is part of the cultural and educational activities developed by the nearby Jorge Alessandri Educational Park.





Hualos de Loanco High Environmental Value Area

> CMPC protects 698 hectares of Maulino native forest, located in the district of Constitucion, Maule Region. This forest has a population of Hualo or Oak of Maule (*Nothofagus glauca*), a species declared as vulnerable, and its fauna includes the Black Woodpecker, a species declared in danger of extinction. This area is part of the “Galumávida and Hualos de Loanco” priority conservation site, declared by the CONAMA.

Huillín High Environmental Value Area

> It is a protection zone for the Chilean mammal Huillín (*Lontra provocax*), a fresh-water otter declared in danger of extinction. The protected area is a stretch of about five kilometres on the banks of the Boldo or Queule River and in the wetlands of Mahuidanche, covering an area of 73 hectares in the district of Tolten, Araucanía Region. This area is part of the “Mahuidanche-Lastarria” priority conservation site, declared by the CONAMA.





Barbanegra Natural Reserve in Brazil

> It is a protected area of 2,400 hectares, declared as a Natural Heritage, located in the municipality of Barra do Ribeiro which was officially given to the community in March, 2010. With this initiative, CMPC Celulose Riograndense became a pioneer in the State, because although other private natural reserves exist, they are not as extensive and well preserved as this. The Barbanegra reserve is located on an Atlantic peninsula formed by a salt marsh and dunes, preserving endemic flora and fauna.

GRI INDEX

Profile

	GRI INDICATOR	REPORTED IN	PAGE
1. STRATEGY AND ANALYSIS			
1.1	Statement of senior person responsible	Chairman's message	4-6
1.2	Description of the main impacts, risks and opportunities	Chairman's message	4-6
		CMPC Objectives for 2011-2012	7
2. PROFILE OF THE ORGANIZATION			
2.1	Name of the organization	Empresas CMPC S.A.	
2.2	Main brands, products and services	Brands related to tissue and sanitary products: Elite, Confort, Nova, Noble, Higienol, Sussex, Babysec, Ladysoft, Cotidian.	12
2.3	Operational structure	Structure of the organization	12
2.4	Headquarters' location	Santiago, Chile	
2.5	Countries in which the company operates	International presence of CMPC	13
2.6	Nature of ownership and legal form	Company's profile	8
2.7	Markets served	Sales over 55 countries	8
2.8	Size of the organization	CMPC in figures for year 2010	8
2.9	Significant changes during the period	There were no significant changes	
2.10	Prizes and distinctions received	Occupational safety milestone at CMPC Laja Pulp Mill	48
3. REPORT PARAMETRES			
3.1	Period covered	Year 2010	
3.2	Date of the most recent report	Year 2009	
3.3	Report presentation cycle	Annual	
3.4	Point of contact	Send us your opinion	103
3.5	Report's content definition process	The primary objective was to point out the essence of CMPC's business model and the relationship with its workers, corporate chain, local communities and the environment. The subjects were defined by reviewing the social and environmental performance of the year 2010.	
3.6	Coverage of the report	It includes all the components of the CMPC's Social Responsibility Policy	15-17
3.7	Limitations of the report's scope or coverage	The concerns of our neighbours make it necessary for CMPC to develop actions that increase the consultation with the communities, promote the search for long-term agreements with them and improve the integration between productive activities and social programmes of the Company.	27
3.8	Inclusion of joint ventures	It includes the information of CMPC's entire business chain.	
3.9	Data measurement and bases for calculation	Methodologies and calculations have been standardized among the different subsidiaries, in a fluid process with rigorous internal verifications.	
3.10	Effect of restating information contained in previous reports	Improvements have been made in the way some indicators were measured, which produced minor changes in some figures reported in the year 2009.	
3.11	Changes in relation to previous periods	There were no significant changes	
3.12	Table of contents	GRI Index	99+
3.13	External verification	No external verification was made	
4. GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS			
4.1	Organization's governance structure	Corporate governance	10
4.2	Chairman of the Board	The Chairman of the Board of Directors is not an executive of CMPC	11
4.3	Independent Board members	Of the 7 members of the Board of Directors, two have been appointed by independent shareholders.	11
4.4	Mechanisms of shareholders and employees for making recommendations to the Board	The shareholders may express their points of view on the company's performance in legally convened ordinary and extraordinary meetings.	10

GRI INDICATOR		REPORTED IN	PAGE
4.5	Remuneration of directors and senior executives	The Directors do not have a variable remuneration for achieving objectives in the economic, social or environmental areas. The senior executives' remuneration is linked to performance.	
4.6	Procedures to avoid conflicts of interest in the Board	A Committee of 3 Directors, two of them independent of the controller, revises and pronounces on operations with related parties, examines the financial statements and the reports issued by external auditors.	10
4.7	Training and experience required from members of the Board	Board members qualifications are determined by the shareholders at the Annual General meeting, who vote the candidates with proved competence and knowledge.	10
4.8	Mission, vision and values	Mission, values and ethics in business	9
		The CMPC Code of Conduct	41-42
4.9	Procedures of the Board of Directors to supervise the organization's economic, social and environmental performance.	Corporate governance	10
4.10	Evaluation of the Board's own performance	Corporate governance	10
4.11	Description of how the organization has adopted a precautionary principle	CMPC applies the principle of Sustainable Development in all its operations and new industrial projects it carries out, complying with high standards on safety, protection of neighbouring communities and the environment.	
4.12	Social, environmental and economic programmes developed externally	CMPC has not subscribed formal commitments with global international initiatives in social, environmental or economic matters.	
4.13	Associations to which the organization belongs	CMPC actively takes part in trade, business and industry associations, both in Chile and abroad, and is also an active member of binational chambers of commerce.	
4.14	List of stakeholders	This report highlights the progress made in consultations with neighboring communities, especially Mapuche communities, about their concerns with regard to the forestry operations.	25-27
4.15	Basis for selection of stakeholders		
4.16	Approach adopted for the inclusion of stakeholders		
4.17	Key topics and concerns arising through the participation of stakeholders	Recognize and support the Mapuche culture	69
		Identifying a total of 18 Mapuche sites of cultural interest	69-71
		Consultation with the communities neighbouring the CMPC's forests	25-27
		Relationship with suppliers and contractors	33-34
		CMPC Foundation	51-56
		Good Neighbourhood Plan	57-73
		Protection and conservation of Biodiversity	94-98

ECONOMIC PERFORMANCE

EC1	Economic value generated and distributed	Economic performance	29-30
EC2	Financial consequences and risks due to climate change	This calculation has not been made, although the contribution that CMPC makes towards the mitigation of climate change should be considered	91-92
EC3	Coverage of the organization's obligations due to social benefit programmes	CMPC complies with the system of social security obligations in all the countries in which it operates.	
EC4	Significant financial assistance received from the State	No significant financial assistance is received from the State.	
EC5	Range of wage ratios	Not reported	
EC6	Practices and purchases from local suppliers	Purchase of goods and services from local suppliers	34
EC7	Local hiring and resident managers	Job opportunities for local communities	57-58
		Local residency of senior management of the operations	44
EC8	Infrastructure investment and services provided for public benefit	Contribution to public infrastructure	31
		The Jorge Alessandri Educational Park	54-56

GRI INDICATOR		REPORTED IN	PAGE
ENVIRONMENTAL PERFORMANCE			
EN1	Materials used	Wood coming from renewable plantations	76
		Recycled paper consumption	87
EN2	Percentage of recycled materials used	Recycled paper consumption	87
EN3	Direct energy consumption	Sustainable use of energy	81-82
EN4	Indirect energy consumption	Not reported	
EN5	Energy savings	Not reported	
EN6	Products and services based on renewable energies	69% of the energy consumed was generated with renewable biomass	81
EN7	Reduction of indirect energy consumption	CMPC is constructing two biomass boilers to further reduce its indirect energy consumption.	82
EN8	Total water intake by sources	Sustainable use of the water	83
EN9	Water sources affected significantly	CMPC's water intake did not affect the water sources.	83
EN10	Recycled and reused water	Sustainable use of water	83
EN11	Protected or high biodiversity areas	CMPC's forestry resources in Chile	76
		CMPC's forestry resources biodiversity	94-98
EN12	Impacts on biodiversity in protected areas	CMPC's role in the protection and conservation of biodiversity	94
EN13	Protected or restored habitats	High environmental value areas	94-98
EN14	Management of impacts on biodiversity	CMPC's role in the protection and conservation of biodiversity	94
EN15	Species whose conservation is threatened	In CMPC's forestry resources there are 5 species of native flora declared in danger of extinction and another two declared as vulnerable, which are protected. There are also two species of native fauna declared in danger of extinction and one species declared as vulnerable.	
EN16	Greenhouse gases emissions	Measuring the Carbon Footprint of CMPC products	91-92
EN17	Other indirect emissions of greenhouse gases	Toes 4-5-7 in Carbon Footprint for softwood and hardwood pulps	92
EN18	Iniciatives to reduce greenhouse gas emissions	CMPC Objectives for 2011-2012	7
EN19	Ozone-depleting compound emissions	CMPC does not emit gasses that might affect the ozone layer.	
EN20	NO _x , SO ₂ and other air emissions	Air emissions	85
EN21	Total volume of liquid effluent	Treated liquid effluent	84
EN22	Weight of the managed waste	Solid waste	86
EN23	Most significant accidental spills	No significant accidental spills have been recorded	
EN24	Hazardous solid waste according to the Basel Convention	Solid waste	86
EN25	Water resources and habitats affected	No water sources or their related habitats were affected	
EN26	Iniciatives to mitigate the environmental impact of products and services	CMPC Objectives for 2011-2012	7
		CMPC's environmental agenda	75
		Energy generated with renewable biomass	81-82
		Sustainable use of the water	83
		High volume of paper recycling	87
EN27	Percentage of products recovered at the end of their useful life	Not reported	
EN28	Significant fines of an environmental nature	There were no significant fines of an environmental nature.	
EN29	Environmental impact from transport	Toe 7 in Carbon Footprint for softwood and hardwood pulps	92
EN30	Environmental investments	CMPC's environmental investments	93

LABOUR PRACTICES AND WORK ETHICS

LA1	Composition of workers	By business centre	39
		By country	40
		By type of employment	43
LA2	Total number of employees and average turnover	Low turnover level	43
LA3	Social benefits for full-time employees	CMPC's employee benefits	46
LA4	Percentage of employees with collective bargaining agreements	Employees covered by collective bargaining agreements	46
LA5	Minimum period of notice for organizational changes	Trustworthy long-standing working relationships	45
LA6	Workers in joint committees on safety and health	Risk prevention policy	47
LA7	Absenteeism, occupational diseases, days lost	Occupational health and safety statistics	49
LA8	Training, education, risk prevention and control programmes	Risk prevention programmes	48

GRI INDICATOR	REPORTED IN	PAGE
LA9	Health and safety topics covered in formal agreements with unions	Risk prevention policy 47
LA10	In-service training hours per category of employee	Education and in-service training 43-44
LA11	Continuous training programmes	Education and in-service training 43
LA12	Regular evaluations on performance and development	Not reported
LA13	Personnel by genre and age	Personnel by genre and age 40
LA14	Wage distinctions by genre	CMPC does not make wage distinctions based on genre

HUMAN RIGHTS

HR1	Percentage and number of investment agreements with human rights clauses	CMPC extends its obligations in this matter to its suppliers. Nevertheless, no measurements are made. 33
HR2	Percentage of distributors and contractors evaluated in human rights matters	CMPC extends its obligations in this matter to its suppliers. Nevertheless, no measurements are made. 33
HR3	Training of employees in human rights matters that are relevant to their activities	CMPC forbids any type of discrimination and conduct contrary to human rights. Nevertheless, no training courses are taught. 41-42
HR4	Incidents of discrimination	No incidents of discrimination have been recorded in the period.
HR5	Activities in which the right to freedom of association is at risk	Trustworthy long-standing working relationships 45
HR6	Activities that involve child work	CMPC rejects any practice related to child work 9
HR7	Activities that risk forced or compulsory work	CMPC rejects any practice related to forced work 9
HR8	Percentage of the security personnel with training in human rights	CMPC extends its obligations in this matter to the security personnel. Nevertheless, no measurements are made.
HR9	Incidents related to the rights of native tribes	Recognize and support the Mapuche culture 69-71

SOCIETY

SO1	Management of operational impacts on the communities	Consultation with the communities neighbouring the CMPC's forests 25-27
SO2	Corruption risks	Prevention of bribery and corruption acts 42
SO3	Training in anti-corruption procedures	Prevention of bribery and corruption acts 42
SO4	Measures in response to corruption incidents	Corruption acts prevention model 42
SO5	Participation in the development of public policies	CMPC contributes to the development of public policies, participating actively through industrial associations in the stages of formal consultation that are established while proposed legislation is being discussed in Chile.
SO6	Financial contributions to political parties	Not reported
SO7	Lawsuits due to cases against free competition	None took place
SO8	Sanctions and fines monetary value	Sanctions and fines 32

PRODUCT RESPONSIBILITY

PR1	Customers' health and safety impacts	Customers' Health and Safety 37
PR2	Incidents due to nonfulfilment of PR1	None took place
PR3	Information required on the products	CMPC develops a complete labelling of its products, and informs its clients on the technical specifications including composition, raw materials, physical values in tests applied, quality standards and accredited health and safety certifications. 36-37
PR4	Number of nonfulfilments of PR3	None took place
PR5	Customer satisfaction surveys	The CMPC Tissue business centre carries out periodic customer satisfaction surveys because its products are destined to massive consumption. 36-37
PR6	Adherence to marketing communications standards, including publicity, promotion and sponsorships	CMPC adheres to the principles of the National Association of Advertisers of Chile, related to freedom of speech in commerce, self-regulation and advertising ethics. 36-37
PR7	Number of incidents due to nonfulfilment of PR6	None took place
PR8	Complaints regarding customer's privacy	None took place
PR9	Significant fines related to products supply	None reported

We value your opinion

We are interested in knowing your opinion and comments about this document. Therefore, please contact Mr.:

Sebastián Garcés O.

Public Affairs Assistant Manager, Empresas CMPC

Email: sgarceso@gerencia.cmpc.cl

Telephone number: (56) (2) 441 2267

Francisco Yuraszeck B.

Studies Assistant Manager, Empresas CMPC

Email: fyuraszeck@gerencia.cmpc.cl

Telephone number: (56) (2) 441 2114



Edition:
FRANCISCO YURASZECK B.
EMPRESAS CMPC

Design Concept:
FRANCISCA BERNIER

Graphic Production:
CLARKE & BERNIER DISEÑO

Printed by:
OGRAMA

Photographs:
CMPC ARCHIVE

