

SUSTAINABLE DEVELOPMENT REPORT 2013



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A nighttime photograph of a large industrial construction site. The central focus is a massive, multi-story structure under construction, completely encased in a complex network of white metal scaffolding. The structure is illuminated from within, casting a warm yellow glow. To the right, a tall, slender, light-colored smokestack rises vertically, with a faint plume of smoke or steam at its top. In the background, a multi-story building with several lit windows is visible. In the foreground, a large object is covered with a blue tarp. The overall scene is dark, with the primary light sources being the internal lights of the construction and the building's windows.

Guaíba pulp mill in the state of Rio Grande do Sul in Brazil, where the company is building a second production line with an annual capacity of 1.3 million tonnes of pulp. This will entail an investment of 2.1 billion dollars, the largest ever made by Empresas CMPC.



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, the diversification of products and markets, are the result of rigorous analysis, professionalism, seriousness and long-term perspective of its business management.

Its commitment with the education of the future generations, the local communities and the environment, reflects its flexibility to evolve and produce changes, true to its traditions but innovating when facing each new challenge.

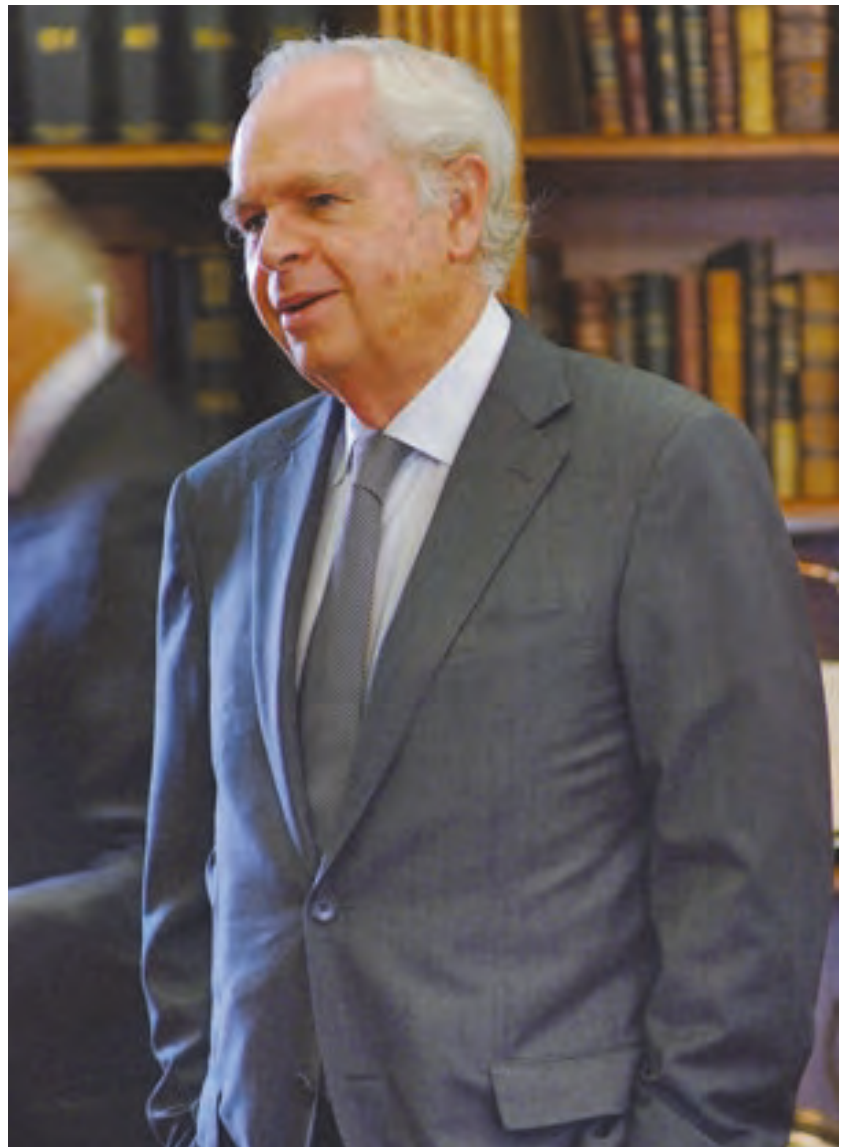
LETTER FROM THE CHAIRMAN

It gives me great satisfaction to present the 2013 sustainable development report of Empresas CMPC, which we have drawn up every year since 2006. In hindsight, we can see the progress we have made with the task of making balanced progress in the economic, social and environmental areas, reporting our stakeholders of this, with the certainty that reliable and long-term work, credibility and transparency that have marked the 94-year history of the company, are our greatest asset and an imperative to the future.

CMPC is a forestry company which, with productive facilities in eight countries in Latin America, has a global performance that gives us great pride. Evidence of this is that 45% of its skilled labour force works abroad and 75% of its sales are made overseas, supplying 30,000 customers in over 45 countries with a wide range of quality products.

We are aware that society is demanding that we really step up our focus on the environment and the communities around the company's forest plantations and mills. Our contribution to the development of the countries in which we operate by generating job and wealth only attains its maximum potential when we support the longing for community development and minimise our environmental footprint. These are growing challenges to the future, as more active and informed societies compel us to get involved in progress as well as take care of the environment and develop products sustainably.

CMPC's forestry and industrial progress is underpinned by a skilled labour force and with strong identity, which amounted to 16,693 people in 2013. 60% of the workers are represented by 48 unions, including



some of the oldest still operating in Chile. An essential task has been the risk prevention programmes we are driving in a resolute endeavour to reduce work accidents and protect the life and health of workers, as many of them operate complex productive processes. CMPC's consolidated lost-time accident rate was 2.7 lost-time accidents per 100 workers in 2013, a 51% drop on 2006. This figure gives us great satisfaction and compels us to continue working on this.

45% of CMPC's skilled labour force works abroad and 75% of its sales are made overseas, supplying 30,000 customers in over 45 countries with a wide range of quality products.

CMPC's industrial operations in eight countries through four business divisions makes it necessary to bolster the organisational culture, the human, career and professional development of employees, their mobility and communication, and this is the mission of the CMPC's people management. To make progress in this area, we base our work on the results of the Great Place to Work organisational climate survey, which the company applied for the third year running to the universe of employees and it had a response rate of 88%. Likewise, our Code of Conduct helps to strengthen relations of trust and credibility, which enhance the growth of the company, its employees and society.

Ongoing communication, dialogue and striving to reach agreements have been essential in CMPC's community relations. In Chile, there are 570 neighbours' associations and 358 indigenous communities amounting to 200,000 inhabitants, which reflect the extent of the task of engaging efficiently with these people to support their longings of economic, social and cultural development. This shows the importance of our programmes for educational support, community employment, productive development, training of neighbours and respect for the Mapuche culture, which equally cover the urban communities near mills, along with the rural communities around forest plantations.

The CMPC Foundation is the pillar of our community relations, which undertakes educational counselling programmes in primary education schools for language, mathematics and school management, along with an early stimulation programme, which in 2013 benefitted 6,858 children at 47 schools in 11 districts in Chile. It also conducted cultural activities in Laja, Nacimiento and Mininco with over 10,000 attendees.

The Foundation is a shining example

Ongoing communication, dialogue and striving to reach agreements have been essential in CMPC's community relations. In Chile, there are 570 neighbours' associations and 358 indigenous communities amounting to 200,000 inhabitants, which reflect the extent of the task of engaging efficiently with these people to support their longings of economic, social and cultural development.

of a public-private partnership, as it works according to the curricular guidelines and bases of the Ministry of Education, in coordination with the regional ministerial secretaries and the municipalities in charge of the beneficiary schools. A team of 36 professionals provides technical support of excellence, which is rigorously assessed to guarantee its continuous improvement. The results of the national education quality assessment (SIMCE) exams taken by language and mathematics pupils have improved constantly. The mathematics results were better than the national average for the third year running and those of language for the first time. The Foundation's work was awarded the Más por Chile (More for Chile) seal by the Ministry of Social Development for quality initiatives that help to improve the vulnerable situation of various communities in Chile.

Concerning support of community productive ventures, the case of berry orchards of Mapuche communities in Huapitrío and Cholchol should be mentioned. In the former case, 35 landowners of 11 indigenous communities are developing raspberry and blueberry orchards in the district of Collipulli, and formed the Huapitrío agricultural alliance. Forestal Mininco supports them with improved water

sources, the construction of irrigation systems, supply of fertilisers, and with a phytosanitary programme for the correct use of herbicides and fungicides.

CMPC also supports the productive development of 22 Mapuche communities that belong to the Rewe Cooperative of Cholchol, with 550 families producing raspberries on the land of its members, amounting to 32 planted hectares. Forestal Mininco gives them technical advice, trains new partners who are just starting with their orchards and builds water accumulators. The Rewe Cooperative managed to complete the construction of a processing plant in the Coihue sector of the district of Cholchol to produce raspberry jams and sauces.

CMPC is developing an environmental investment programme, with an outlay of US\$ 600 million from 2004-2013. 52% of this went on biomass-based energy generation at the Santa Fe, Pacífico and Laja pulp mills in response to the growing demand from society to develop clean and low carbon energies. In 2013, the biomass accounted for 73.1% of the total thermal and electrical energy consumed at the CMPC's operations, which is a renewable energy source like the sun and wind. The biomass

comes from the comprehensive utilization of certified forest plantations, which provide the wood required for industrial use and to co-generate steam and electricity.

CMPC participates in the Bioenercel technology consortium in Chile, which is a public-private partnership of universities, forestry companies and the State, with funding from the Chilean economic development agency (CORFO), aimed at producing bioethanol from the biomass of forest plantations. This second generation biofuel has already been obtained in a laboratory stage and it will start to be produced as of 2014 in a pilot plant, which will provide the engineering parameters and the final results to then decide on the investment in a commercial stage of the project.

CMPC is developing a long-term investment programme focused on increasing the energy efficiency and reducing the water consumption at its operations. We are aware that as it increases the global demand for energy, water and natural resources, this is putting pressure on businesses to use such resources sustainably. We have therefore set an objective of increasing the energy efficiency by 20% in the pulp mills by 2020, as such mills have the greatest impact on the company's energy consumption. CMPC has also invested US\$ 125 million since 2004 in a programme to reduce its water consumption and the organic content of the treated effluent. To date, there has been a 25.8% drop in the water consumption per tonne produced and of 48% in the biological oxygen demand of effluent.

All of this is the result of the growing demand by society to consume products from sustainably managed forests, where the environment and the biodiversity of natural ecosystems are protected, along with the provision of goods and services for the local communities and the availability of clean productive processes. The programme to obtain the FSC™ chain-of-custody certification for CMPC's products is an efficient response to such aims.

CMPC's forest management is not only intended for providing timber for industrial use but also for protecting areas of native and high conservation value forest, basins, watercourses, endemic flora and fauna. This surface area as a whole is essential for the company's sustainable development. Likewise, the protection of 33 sites of Mapuche cultural interest and 315 water catchments for human consumption endorse our commitment to the desires of social, cultural and economic development of the neighbouring communities.

CMPC is developing a long-term investment programme focused on increasing the energy efficiency and reducing the water consumption at its operations. We are aware that as it increases the global demand for energy, water and natural resources, this is putting pressure on businesses to use such resources sustainably.



Eliodoro Matte L.
Chairman
Empresas CMPC S.A.

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 in 2,375 million shares and 27,623 shareholders as of 31 December 2013. The company is controlled by the Matte group with 55.5% 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 sanitary products and packaging paper products.

The Company has diversified sales on products and markets: it sells its products in over 45 countries and 30,000 clients approximately based on industrial operations in 8 Latin American countries.

Solid financial structure:

- » Qualification BBB- granted by Standard & Poor's and BBB+ by Fitch Ratings.
- » Debt profile suited to the asset growth cycle.

World class industrial assets.

Sustainable advantage in costs in its different business segments.

Organic and balanced growth.

Successful track record and proven management capacity.

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 countries where the company operates, while protecting the environment at the same time.
- ▶ Promotes antitrust guidelines, as it considers that fair competition benefits consumers, allocates resources efficiently and fosters innovation.

▶ 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, as well as any type of discrimination.

THE CMPC'S CODE OF CONDUCT IS AN INTEGRAL ELEMENT OF DAILY OPERATIONS AND IS PRESENTED ON PAGES 36 AND 37 OF THIS REPORT.



CMPC IN FIGURES IN 2013

INDUSTRIAL OPERATIONS

in Brazil, Argentina, Peru, Uruguay, Mexico, Colombia and Ecuador, in addition to Chile.



30,000
CLIENTS IN
45 COUNTRIES



9,235
WORKERS
IN CHILE

7,458
WORKERS
ABROAD



FOREST
RESOURCES

500
THOUSAND
HECTARES PLANTED
IN CHILE

57
THOUSAND
HECTARES PLANTED
IN ARGENTINA

120
THOUSAND
HECTARES PLANTED
IN BRAZIL



US\$ MILLION

4,974
CONSOLIDATED
SALES

14,188
ASSETS

8,320
SHAREHOLDER'S
EQUITY



Erwin Hahn H. and Martín Costabal Ll., Directors.



Jorge Gabriel Larraín B. and Jorge Marín C., Directors.



Eliodoro Matte L., Chairman.



Arturo Mackenna I., Director.



Bernardo Matte L., Director.



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

CORPORATE GOVERNANCE

Empresas CMPC S.A. is regulated by Law 18,046 on Limited Companies and 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. Two members are independent of the controlling group.

The controlling group's policy is that their members do not hold senior executive positions in the company.

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 reviewed 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 where it operates.

At www.cmpc.cl, in the document called Annual Report 2013, you can find a detailed description of the activities of the Board of Directors and the Committee of Directors in the year 2013, as well as the operations with related parties and different matters concerning the company's corporate governance, on pages 62 to 71.



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

JORGE MARÍN C.
ERWIN HAHN H.
ARTURO MACKENNA I.

MANAGEMENT

CHIEF EXECUTIVE OFFICER
GENERAL SECRETARY
CHIEF FINANCIAL OFFICER

HERNÁN RODRÍGUEZ W.
GONZALO GARCÍA B.
LUIS LLANOS C.

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. Two members are independent of the controlling group.

SUSTAINABLE DEVELOPMENT IN CORPORATE GOVERNANCE

The decisions made by the Board of Directors on economic, social and environmental matters are transformed into policies and objectives in the Managers' Committee that convenes every month, comprising the CEO, the General Secretary, the managers of the four business divisions (Forestry, Pulp, Paper and Tissue), and the corporate managers: finance, human resources, legal and shared services.

At the four business division level, the public affairs and environmental managements are in charge of developing social and environmental action plans aligned with the policies designed and that have an impact on

all the areas of operations regarding the management of forest plantations and the pulp and paper mills.

Action plans are developed by groups comprising specialists in social, environmental and operation management based on the diverse nature of the mills and the different realities of the urban and rural communities.

CMPC's social agenda considers four priority areas of work with the surrounding communities: **(1)** help to improve the quality of education, **(2)** promote local employment, **(3)** support the development of productive projects and **(4)** respect the Mapuche culture.

The environmental agenda considers

5 priority areas: **(1)** develop certified renewable forest plantations, **(2)** replace fossil fuels with the biomass, **(3)** efficient use of energy, water and raw materials, **(4)** certified industrial processes and **(5)** waste paper recycling.

The main results of such action plans are that they have made a contribution to the social and economic development of the surrounding communities and have promoted a prevention culture at the company's operations, focused on protecting people and the environment.



THE CMPC'S BUSINESS DIVISIONS

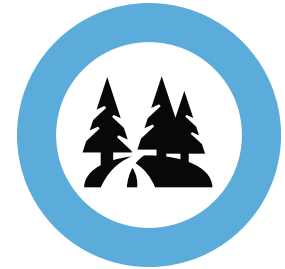
CMPC is an integrated forestry company structured as a holding that operates through four business divisions. The holding is responsible for the strategic coordination and centralizes the functions of the areas of finance, management control, shared services, corporate development, legal matters, internal auditing and the relationship with the media and investors.

The four business divisions are Forestry, Pulp, Paper and Tissue. 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 division is managed by a Managing Director supervised by the Board and it has its own organization, with commercial, technical, personnel and operational structures.

The map on the following page shows

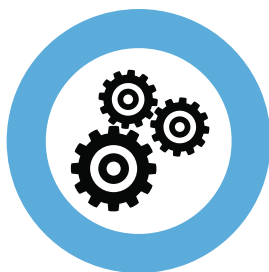
CMPC is one of Latin America's main forest product manufacturers. Its most relevant products are: sawn and remanufactured wood, plywood, long and short fibre pulp, boxboard, corrugated paper, tissue paper products, diapers, sanitary towels, corrugated boxes, multiwall paper bags and moulded pulp trays.



the four business divisions of CMPC in the different countries where carries out its operations.

At www.cmpc.cl, in the document called Annual Report 2013, you can

find a detailed description of the operations of the business divisions and its supporting areas, as well as the business development, production figures, sales, investments and main projects, on pages 22 to 33, 40 to 59.



CMPC is divided into four business divisions: Forestry, Pulp, Paper and Tissue, which by being coordinated at a strategic level and sharing administrative support functions, work independently to serve several markets with different products and dynamics.

INTERNATIONAL PRESENCE OF CMPC

4 business divisions

MEXICO

TISSUE

3 Mills: Absormex

PAPER

1 Paper Bag Plant: Forsac

ECUADOR

TISSUE

1 Mill: Protisa

PERU

TISSUE

1 Mill: Protisa

PAPER

1 Paper Bag Plant: Forsac

CHILE

FORESTRY

Plantations | 3 Sawmills | 2 Remanufacturing Plants

1 Plywood Plant

PULP

3 Mills: Santa Fe (eucalyptus) | Laja (pine) | Pacífico (pine)

TISSUE

2 Mills: Puente Alto | Talagante

PAPER

2 Folding Boxboard Mills: Cartulinas CMPC

1 Packaging Paper Mill: Papeles Cordillera

Paper Distribution: Edipac

Paper Recovery Centers: Sorepa

3 Corrugated Boxes Plants: Envases Impresos Roble Alto

1 Paper Bag Plant: Forsac

1 Moulded-Pulp Trays Plant: Chimolsa



COLOMBIA

TISSUE

2 Mills: Protisa

BRAZIL

FORESTRY

Plantations

PULP

1 Mill: Guaíba (Celulose Riograndense)

TISSUE

2 Mills: Melhoramentos Papéis

URUGUAY

TISSUE

1 Mill: Ipusa

ARGENTINA

FORESTRY

Plantations

TISSUE

2 Mills: Papelera del Plata

PAPER

1 Paper Bag Plant: Forsac

presence in **8** countries

TRENDS DRIVING THE SUSTAINABLE DEVELOPMENT OF CMPC'S BUSINESSES

IN SOCIETY

1. MORE GLOBALISED ECONOMIES AND SOCIETIES THAT ARE PROGRESSING

- ▶ Latin America, the macro region of CMPC's industrial operations, is a continent that is making progress in its human and economic development rates, albeit with contrasts among countries.
- ▶ The population's purchasing power is gradually increasing and poverty is declining.
- ▶ A large middle class has arisen that aims to carry on raising its wellbeing.
- ▶ Brazil, Mexico, Peru, Colombia and Chile are countries with global economies, which are more open to foreign trade and have strong export industries that need to be very competitive.
- ▶ Foreign trade will continue to be heavily driven by demand for raw materials from China, India and other countries in Asia.
- ▶ The expansion of the large markets in Asia and Latin America will drive CMPC to actively operate in them, either as a local producer or by means of exports, and this will compensate the lower growth of markets in Europe.



2. DEMOGRAPHICAL CHANGES THAT ARE INCREASING

- ▶ Latin America is undergoing continuous population growth, while also the life expectancy in the region is increasing.
- ▶ People of over 60 years are increasing at higher rates than any other age group.
- ▶ Cities are growing and new city planning is due to continuous migration from rural areas.
- ▶ The region offers CMPC a favourable development outlook based on growing demand for tissue paper and personal care products for small children, women and the elderly. CMPC is playing an active role in eight countries in Latin America, based on cutting-edge local production, product quality and innovation.

3. MORE ACTIVE AND INFORMED SOCIETIES

- ▶ Digital social networks not only inform but also shape opinion, create public agendas and mobilise important sectors of society.
- ▶ Growing public scrutiny of all business activities.
- ▶ There is particularly a growing focus on company agendas regarding society and the environment.
- ▶ Greater demand for companies to innovate their business models.
- ▶ For CMPC the challenge is to maintain special consideration for local communities around its industrial operations, and support their aspirations of social, cultural and economic development.





IN THE ENVIRONMENT

4. GREATER COMPETITION FOR WATER AND NATURAL RESOURCES

- ▶ Higher global demand for energy, water and natural resources.
- ▶ Greater pressure on businesses to use natural resources sustainably.
- ▶ Governments are driving the development of renewable energy sources.
- ▶ Access to low cost energy sources will be strategic in the region.
- ▶ The growing water shortage in large areas will accelerate the creation of management bodies of the most affected basins.
- ▶ CMPC is developing a long-term investment programme aimed at increasing the efficient use of energy and reducing the water consumption at its operations.

5. CLIMATE CHANGE

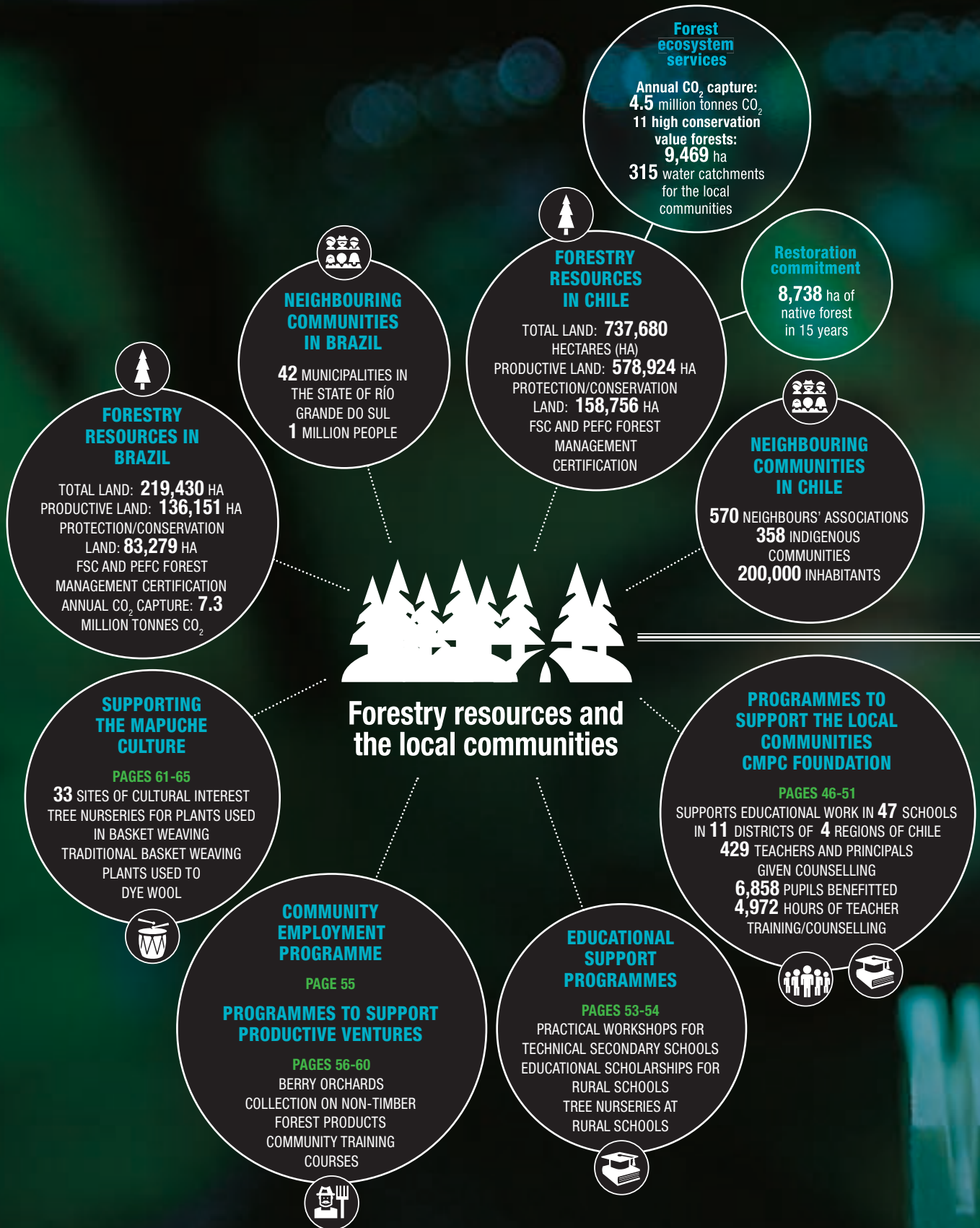
- ▶ Growing demand from society to develop clean low carbon energies.
- ▶ The authorities will set national objectives to reduce CO₂ emissions in the countries of the region.
- ▶ Such objectives will be transferred to the companies so they reduce their fossil fuel consumption.
- ▶ Biofuels will be a priority development area.
- ▶ CMPC is participating in a public-private partnership in Chile to develop new technology to obtain ethanol from the biomass of renewable forest plantations.



6. GROWING DEMAND FOR SUSTAINABLE PRODUCTS THAT MAKE PROPER USE OF NATURAL RESOURCES

- ▶ Environmentally aware customers and consumers will demand sustainable products.
- ▶ Consolidation of seals and schemes certifying the sustainable development of companies and their products.
- ▶ There will be a greater need of allocating resources to product innovation by means of research and development.
- ▶ Business model and product innovation will require a more skilled and trained labour force.
- ▶ CMPC is developing process and product certification programmes and innovating in its tissue products.

CMPC'S VALUE CHAIN





PAPER RECYCLING
 RECYCLED PAPER CONSUMPTION: **737** THOUSAND TONNES IN **8** COUNTRIES

GENERATION OF **2,252** GWH OF ELECTRICITY

Second generation biofuel project
 Pilot plant from the technology consortium of the Chilean State with **2** universities **3** forestry companies and the Chile Foundation



13.4 MILLION M³ OF WOOD FOR INDUSTRIAL PROCESSES

SAWMILLS
 PRODUCTION IN 2013: **1,523** THOUSAND M³ OF SAWN AND REMANUFACTURED WOOD, AND PLYWOOD

PULP MILLS
 PRODUCTION IN 2013: **2,598** THOUSAND TONNES

BIOMASS-BASED ENERGY GENERATION
 COMPREHENSIVE UTILIZATION OF CERTIFIED FOREST PLANTATIONS

PAPER/PAPER PRODUCTS MILLS
 PRODUCTION IN 2013:
 BOXBOARD: **416** THOUSAND TONNES
 TISSUE PAPER PRODUCTS: **622** THOUSAND TONNES
 CORRUGATED PAPER: **314** THOUSAND TONNES
 CORRUGATED BOXES: **186** THOUSAND TONNES
 PAPER BAGS: **610** MILLION UNITS

Industrial processes

FACILITIES AT THE SERVICE OF THE COMMUNITY
PAGES 54-55
 REFURBISHMENT OF SPORTS AREAS
 HOUSES OPEN TO THE COMMUNITY



ENVIRONMENTAL INDICATORS
 RENEWABLE ENERGY CONSUMPTION: **73.1%**
 FOSSIL ENERGY CONSUMPTION: **26.9%**
 GHG EMISSIONS: **2.1** MILLION TONNES CO_{2e}
 WATER CONSUMPTION: **42.8** M³/SALEABLE TONNE
 EFFLUENT WATER: **38.1** M³/SALEABLE TONNE
 BOD: **1.26** KG/SALEABLE TONNE
 PARTICULATE MATTER: **0.54** KG/SALEABLE TONNE



ENVIRONMENTAL INVESTMENT
US\$ 600 MILLION FROM 2004 TO 2013
 RENEWABLE ENERGY: **52%**
 EFFLUENT TREATMENT: **21%**
 AIR EMISSIONS: **12%**
 ENERGY AND WATER SAVINGS: **8%**
 WASTE/ENVIRONMENTAL SAFETY: **7%**





RENEWABLE

Renewable energy sources like the biomass accounted for 73.1% of the total thermal and electrical energy consumed at the CMPC's operations in 2013.

CMPC'S OBJECTIVES FOR 2013-2015

1_INCREASE RENEWABLE ENERGY GENERATION, REDUCING THE PURCHASE OF FOSSIL FUELS AND ELECTRICITY.

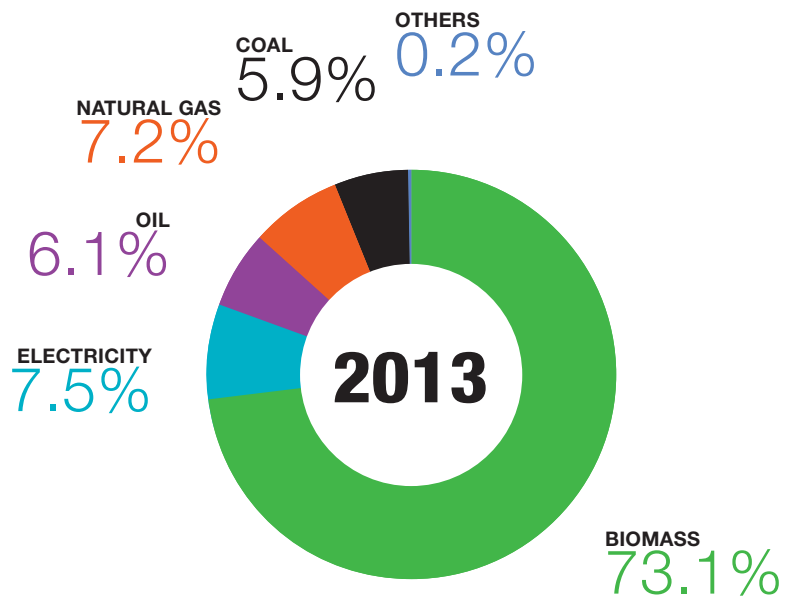
We seek to increase our renewable energy generation to help mitigate climate change, therefore we are developing an investment programme to install biomass-based boilers and their related turbo generators at each of the wood pulp mills in Chile. Such co-generation technology is based on the comprehensive utilization of forest plantations, which jointly supply the wood for sawmills, pulp mills and all the biomass used as fuelwood.

CMPC is participating since 2009 in the Bioenercel technology consortium in Chile, which is a public-private partnership of universities, forestry companies and the State, with funding from the Chilean economic development agency (CORFO) through its Innova Chile programme, aimed at producing ethanol and its by-products from lignocellulosic materials. This second generation biofuel was obtained in a laboratory stage and it will start to be produced as of 2014 in a scaling laboratory or pilot plant. This second stage will provide the engineering parameters and the final results to then decide on the investment in a commercial stage of the project.

Renewable energy sources like the biomass accounted for 73.1% of the total thermal and electrical energy consumed at the CMPC's operations in 2013, as shown in the graph.

CMPC ENERGY CONSUMPTION

YEAR 2013 (89,975 TERAJOULES)



2_INCREASE THE ENERGY EFFICIENCY OF PULP MILLS BY 20% BY 2020.

CMPC Pulp has set a target of increasing the energy efficiency of its wood pulp mills by 20% by 2020, by means of a combination of projects including:

- ▶ harnessing residual energy to pre-dry the biomass and heat process water
- ▶ replace equipment with low energy efficiency
- ▶ reduce water circuit losses
- ▶ raise the efficiency of equipment and motors
- ▶ change the lighting systems.

All the pulp mills employees are participating in this objective, providing individual or group ideas for projects that are presented in the *i-cel* programme, which promotes innovation in the company. These ideas are then turned into concrete proposals with the support of work teams and then into projects, that are being undertaken in an order based on how they contribute to the efficiency objective, their investment and the time it takes to put them on stream.

Moreover, as of 2013 the company has been working on implementing an energy management system in accordance with the ISO 50.001:2011 standard. It started this project by defining the energy baseline against which it will measure future progress and continued with the internal audit stage. Once it has completed this preparatory stage, it forecasts it will obtain the certification in the second half of 2014. With this management system, CMPC Pulp will enhance the efficient use of energy at its operations.

3_COMPLEMENT THE FSC™ CERTIFICATION FOR THE STEWARDSHIP OF RENEWABLE FOREST PLANTATIONS IN CHILE AND BRAZIL WITH THE RESPECTIVE FSC™ CHAIN-OF-CUSTODY CERTIFICATION FOR THE PRODUCTS MADE BY THE COMPANY.

We are committed to carry on making progress to obtain new FSC™ chain-of-custody certification for our main products, i.e., lumber, pulp, paper and paper products.

We currently have FSC™ chain-of-custody certification for: processed lumber and plywood panels, pine and eucalyptus pulp produced at the three mills in Chile, the boxboard produced at the Maule mill and tissue paper of the institutional line (away-from-home use) made by tissue subsidiaries in Brazil and Chile.

The work done at each mill has been focused on generating a culture of commitment with demanding practice in the production chain, which will enable us to gradually expand the coverage of FSC™-certified forest products.

Continuing this task, we aim to obtain the FSC™ chain-of-custody certification for mass consumption tissue paper (domestic use) and sanitary products like diapers and women's sanitary towels produced by Tissue Chile, the containerboard of the subsidiary Papeles Cordillera and corrugated boxes.

The work done at each mill has been focused on generating a culture of commitment with demanding practice in the production chain, which will enable us to gradually expand the coverage of FSC™-certified forest products.



4 REDUCE THE CMPC'S WATER CONSUMPTION AND EFFLUENT VOLUME BY UPGRADING THE OLDER INDUSTRIAL PROCESSES.

We are committed to upgrading industrial processes and adding new production lines equipped with the best technology available. This decision has been essential to gradually make progress with the steady reduction of CMPC's water consumption, as shown in the graph, expressed in m³ per tonne produced.

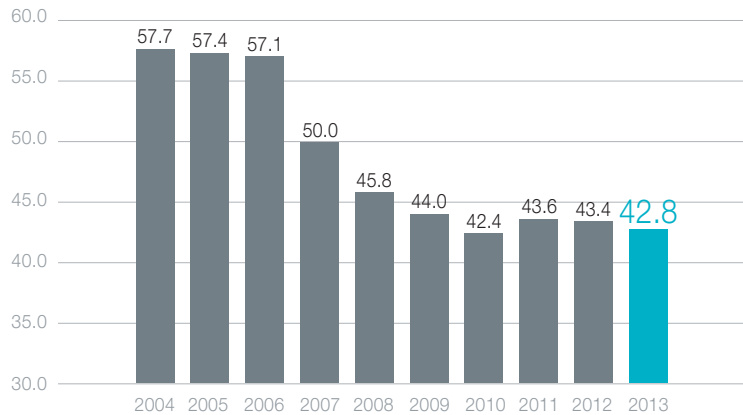
The stabilisation of the drop in consumption in the last three years shows this is a demanding objective of engineering and process innovation. We know this endeavour will gain great importance in the future, as the forest regions in the centre and south of Chile are becoming increasingly more water-stressed due to global climate change.

Likewise, the operation of biological treatment plants has reduced the organic content of the treated effluent which is returned to natural watercourses. The main indicator, the biological oxygen demand, has dropped 48% on 2007, as shown in the graph, expressed in kilogrammes per tonne produced.

CMPC invested a total of US\$ 125 million in the 2004-2013 period in this programme on reducing its water consumption and the organic content of the treated effluent.

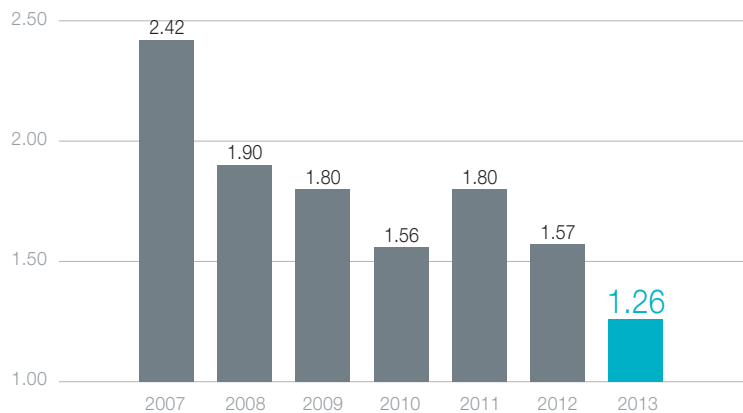
SPECIFIC WATER CONSUMPTION (WATER WITHDRAWN)

CMPC CONSOLIDATED
m³/ton of final product



BIOLOGICAL OXYGEN DEMAND

CMPC CONSOLIDATED
kg/ton of final product





CORPORATE SOCIAL RESPONSIBILITY

The social responsibility constitutes an essential part of the CMPC's business model and it is based on a culture of honest and responsible work, conducted with high safety standards and environmental care, whereby the company is engaged to the communities where runs its operations, through actions focused on improving the education received by their children and supporting initiatives that contribute to their social, cultural and economic development.

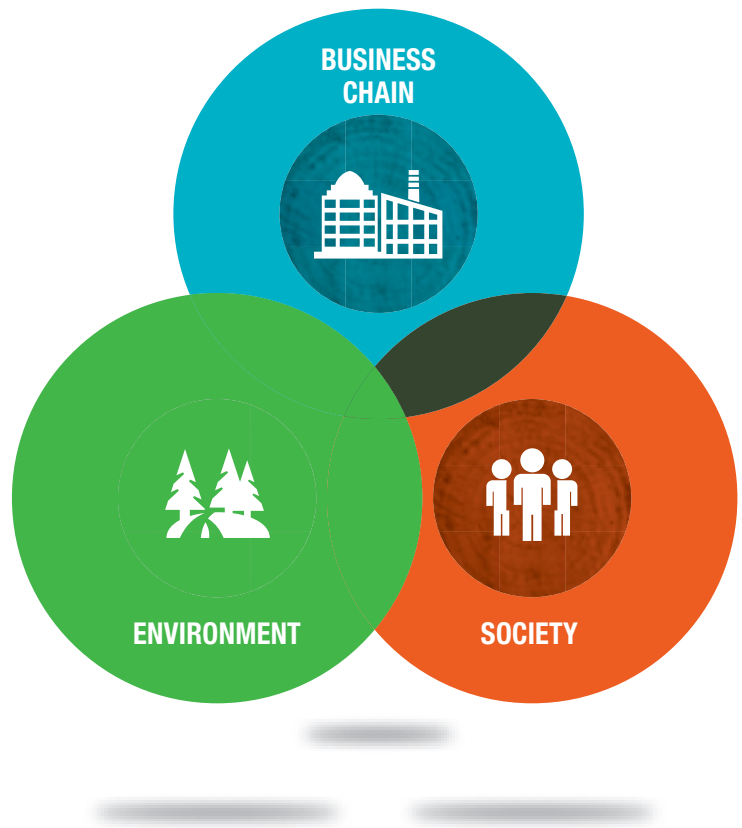
SOCIAL RESPONSIBILITY POLICY

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 participates 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 develops consultation, communication and engagement processes with neighbours and stakeholders.
- ▶ It encourages the creation of job opportunities for local residents.
- ▶ It supports the education of students from neighbouring communities.
- ▶ It develops productive projects jointly with neighbouring communities, as well as training programs that foster the establishment of micro-enterprises and cooperatives.

THE CMPC FOUNDATION

- ▶ The CMPC Foundation actively supports the education in communities where the company runs operations.
- ▶ It helps primary school children from state schools to improve their academic results.
- ▶ It develops teacher training programs in the areas of language and mathematics and it runs school management workshops for principals.
- ▶ It develops cultural projects, cinema sessions, concerts, plays, workshops for adults and children.
- ▶ It runs workshops that teach mothers how to support their small children's development.

ENVIRONMENT

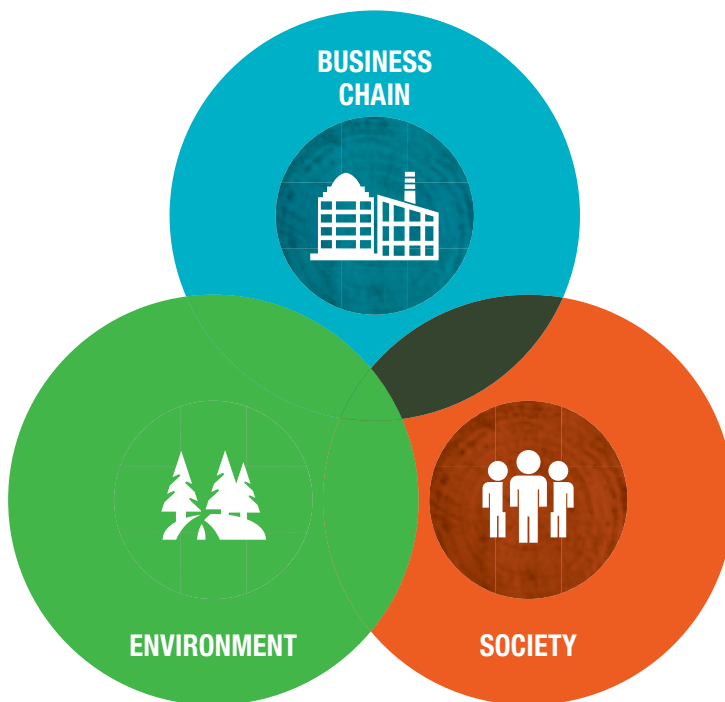
- ▶ CMPC gives priority to the generation of renewable energy with biomass.
- ▶ It fosters the efficient consumption of water and raw materials.
- ▶ It promotes the use of recycled fibres.
- ▶ It certifies the forest plantations management and industrial processes.
- ▶ It protects the biodiversity in 159,000 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 divisions and the different realities of the neighboring communities, the way in which the company carries out its community programmes is a reflection of that diversity.

The educational programmes developed by the CMPC Foundation and by the Jorge Alessandri Park, the Good Neighborhood actions developed by Forestal Mininco and the permanent support to local communities by CMPC Pulp, are all examples of CMPC's proactive approach and unstinting support to actively contribute to the community social, cultural and economic growth.

Below are the CMPC's stakeholders and how the company relates to them:



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 water-quality monitoring programme in the Bío Bío river. This programme is carried out by CMPC, the University of 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 Southern University of Chile.
- ▶ The close collaboration with the NGO Etica en los Bosques, in initiatives intended to preserve and protect the native forests in the south of Chile.
- ▶ Participation in the international project led by WWF called New Generation Plantations, to define sustainable forest management practices.
- ▶ Participation in technical committees of FSC™ Chile to develop specific proposals for forest plantations management.
- ▶ The collaboration with the NGO CODEFF to protect and restore the habitat of the huillín, a fresh-water otter.

INVESTORS

- ▶ Ordinary and extraordinary shareholders meetings.
- ▶ Annual financial report, quarterly financial statements and communication of essential and relevant issues.
- ▶ Regular meetings, national and international conferences, corporate presentations.
- ▶ Regular reporting to the regulatory authority and to the stock market.

CUSTOMERS

- ▶ Regular follow-up visits, after-sales assistance, regional encounters, attendance at meetings and seminars on the paper industry.
- ▶ Newsletters at lumber, pulp and boxboard businesses.

TRADE AND BUSINESS ASSOCIATIONS

- ▶ 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.
- ▶ Participation in Corp Araucanía, a public-private organisation whose objective is to foster the productive development in the La Araucanía region.

WORKERS

- ▶ Coordination meetings with unions, sessions on collective bargaining.
- ▶ Joint committees on health and safety at work, training programmes.
- ▶ Mi Papel Magazine in Spanish and Portuguese; CMPC People website; corporate intranet; leisure activities for employees and their families.

CONTRACTORS

- ▶ Ongoing communication and training of contractors to ensure compliance with forest management certification, health, safety and environmental standards.



LOCAL COMMUNITIES

- ▶ The CMPC Foundation is aimed at supporting primary state school children for improving their performance in language and mathematics.
- ▶ The Good Neighbourhood actions, intended to create local employment, support school curriculum, fostering productive development and support the Mapuche communities.
- ▶ CMPC Pulp has developed programmes to help and support the 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.

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.

A photograph of an industrial facility, likely a refinery or chemical plant, at dusk. The sky is a mix of blue and pinkish-purple. In the foreground, there is a complex network of metal walkways, railings, and pipes. A large, cylindrical tank is visible in the middle ground, partially obscured by the walkways. In the background, a tall, slender distillation column rises into the sky. The overall scene is illuminated by the ambient light of the sunset and some artificial lights from the facility.

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 given word, the quality of its products and responsible marketing, the good work environment and timely payment of its obligations are part of this.

ECONOMIC PERFORMANCE

The global economy in 2013 was characterised by the slowdown of the growth of emerging markets and the effects of a prolonged global instability, with lower growth rates forecasted for the medium term. The recovery of European markets is still fragile and will depend on the extent of the necessary reforms that can help improve productivity, employment and re-establish fiscal solvency. In China there was a drop in the investment rate and greater consumption, which it is estimated will affect the stability of its growth.

In this scenario of lower global growth, CMPC's results were driven by higher long- and short-fibre pulp export sales and higher sales volumes of sanitary and tissue products, highlighting the subsidiaries in Mexico and Uruguay, and that was partly offset by the higher production costs in the Tissue, Pulp and Forestry business divisions.

The Pulp business contribution to EBITDA therefore rose 26% on 2012, which offset the lower percentage contribution of the Forestry and Paper divisions. This effect, aimed at stabilising the company's operating revenue, was the outcome of CMPC's risk diversification strategy.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

CMPC generated economic value of US\$ 6.255 billion in 2013, a 7.9% year-on-year increase, mainly explained by the higher revenue gained and the greater effect of financing activities. The revenue attained was 3.9% up on 2012 due to the higher local sales of subsidiaries overseas, mainly on account of greater tissue product sales volumes and increased short- and

long-fibre pulp export sales.

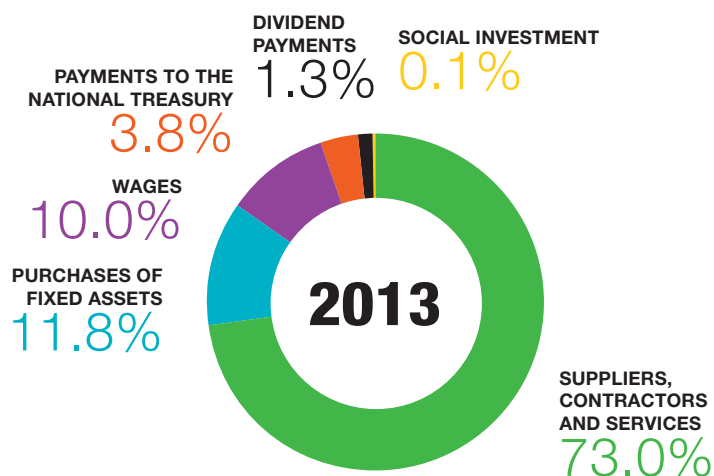
The economic value distributed amounted to US\$ 5.733 billion, a 1% year-on-year decrease, on account of lower dividend payments and purchases of fixed assets. Payment of suppliers,

contractors and services provided by CMPC in those countries that are part of its extensive commercial network accounted for 73% of the economic value distributed, which shows the importance of the company's business value chain in boosting the economy.

GENERATED ECONOMIC VALUE	MILLIONS OF US\$	
	2012	2013
Revenues received	5,616.1	5,836.1
Sales of Fixed Assets and others	15.4	109.9
Subtotal of Operating Income	5,631.5	5,946.0
Net Effect of Financing Activities	164.1	309.4
TOTAL GENERATED ECONOMIC VALUE	5,795.6	6,255.4

DISTRIBUTED ECONOMIC VALUE	MILLIONS OF US\$	
	2012	2013
Suppliers, Contractors and Services	4,037.0	4,186.2
Purchases of Fixed Assets	840.9	677.3
Wages	516.6	571.4
Payments to the National Treasury	259.2	217.5
Dividend Payments	124.0	72.7
Social Investment	7.8	7.6
TOTAL DISTRIBUTED ECONOMIC VALUE	5,785.4	5,732.6
TOTAL NET FLOW OF THE PERIOD	10.2	522.8

DISTRIBUTED ECONOMIC VALUE 2013



PAYMENT TO THE NATIONAL TREASURY

The payments made to the countries in which CMPC runs operations are shown in the table at right, which considers the consolidated figures of Chile, Argentina, Brazil, Peru, Uruguay, Mexico, Colombia and Ecuador. In 2013, such payments amounted to US\$ 218 million, a 16% year-on-year decrease, mainly due to lower income tax payments.

PAYMENTS TO NATIONAL TREASURY	MILLIONS DE US\$	
	2012	2013
Income Taxes	127.6	78.2
Customs Duties	12.6	7.8
Net Value Added Tax (VAT) Paid	99.7	113.2
Property Taxes	8.8	7.9
Disallowed Expenses Taxes	0.1	0.1
Taxes on Financial Credits	7.6	6.3
Payments of Services Abroad	1.4	5.8
Commercial and Industrial Licenses	6.0	7.7
Minus Tax Exemptions and Credits	-4.8	-9.3
TOTAL NET PAYMENTS TO NATIONAL TREASURY	259.2	217.5

THIS INCLUDES CONSOLIDATED FIGURES OF CHILE, ARGENTINA, BRAZIL, PERU, URUGUAY, MEXICO, COLOMBIA AND ECUADOR.

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. Therefore, the company annually invests in building roads, paving, bridge repair and stormwater works, as part of the requirements for the appropriate performance of its operations.

The works that CMPC carries 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. During 2013 CMPC invested US\$ 9.7 million in infrastructure, lower than the 2012 figure when paving works were carried out by Celulose Riograndense in the South Zone of the Guaiba city in Brazil.

INVESTMENT IN INFRASTRUCTURE	THOUSANDS OF US\$	
	2012	2013
BY TYPE OF INFRASTRUCTURE		
Roads	3,273	2,698
Paving	15,470	6,839
Bridge repair and stormwater works	308	101
Others	90	93
TOTAL	19,141	9,731

SANCTIONS AND FINES	THOUSANDS OF US\$	
	2012	2013
BY BUSINESS DIVISION		
Forestry	1.1	36.0
Pulp	30.9	72.4
Paper	86.8	75.5
Tissue	136.9	212.1
Shared Services and Others	28.4	-
TOTAL	284.2	395.9

SANCTIONS AND FINES

In 2013 CMPC paid US\$ 396,000 in fines related to administrative and labour matters, mainly administrative fines in the Tissue business division, corresponding to the operations in Brazil and Peru.

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 2013, 1,396 Chilean contracting companies provided CMPC's forestry and industrial operations with specialised and intensive services of skilled labour, totalling 12,576 workers. Around 90% of these companies operate in a small and medium scale and are run by local businesses, making an important contribution to the 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, CERTFOR-PEFC and FSC™ certifications.

- An ongoing communication with its contracting companies to ensure that high performance standards are met and also to detect any deviation from the established procedures and correct it.

PROCUREMENT OF GOODS AND SERVICES FROM LOCAL SUPPLIERS

In 2013, CMPC procured 35% of its goods and services from local suppliers, slightly lower than the previous year, due to procurement from foreign suppliers in the Forestry business division related to the development of the proposed expansion of its plywood plant in Mininco, district of Collipulli, and lower local procurement from foreign subsidiaries.

CMPC has local suppliers that provide quality products and services, with

competitive costs and delivery terms in regard to alternatives outside the respective region. The company hereby makes a contribution to the social and economic development of the regions where its mills and operation centres are located.

Of particular note is the case of CMPC Celulose Riograndense in Brazil, which is developing the Guaíba II project to build a second eucalyptus pulp production line of 1.3 million tonnes per year. Part of this investment entailed entering into contracts with a total of 30 local companies to provide project-related products and services, amounting to US\$ 434 million (1 billion reales). Besides this way to boost the economy of the state of Rio Grande do Sul, where this pulp mill is located, the company has generated 7,000 jobs to undertake this project.

PROCUREMENT OF GOODS AND SERVICES FROM LOCAL SUPPLIERS	% REGIONAL PROCUREMENT	
	2012	2013
BY BUSINESS DIVISION		
Forestry	68%	62%
Pulp	31%	30%
Paper	39%	35%
Tissue	35%	34%
Shared Services and Others	95%	92%
TOTAL	39%	35%

BY COUNTRY	% REGIONAL PROCUREMENT	
	2012	2013
Chile	36%	32%
Argentina	48%	42%
Brazil	39%	41%
Peru	64%	60%
Uruguay	73%	68%
Mexico	32%	27%
Ecuador	25%	22%
TOTAL	39%	35%

A LOCAL SUPPLIER IS ONE LOCATED IN THE SAME PROVINCE OR REGION AS THE MILL OR HEAD OFFICE OF THE RESPECTIVE BUSINESS DIVISION.

GENERATION OF FORESTRY ENTERPRISE

CMPC fosters integration with the communities around its operations, which generates social and economic development opportunities. Regarding this, as of 2008 the company has driven two programmes to promote the emergence of forestry enterprise initiatives: new third party-owned plantations and forest stewardship certification for small- and medium-sized landowners.

FORESTRY INVESTMENT PROGRAMME

Forestal Mininco is developing a business model to encourage the participation of small- and medium-sized landowners (SMLs) in the forestry productive chain. This programme, called Forestry Investment, amounted

to 24,700 hectares of land as of December 2013, on which 224 SMLs are developing high value forestry plantations with the technology, genetics, forestry and management support of Forestal Mininco.

By means of this programme, CMPC disseminates good environmental

and plantation stewardship practices, landowners get revenue from the first few years of the growth of the forest on their lands, and commit the future timber production to the company.

This programme helps to stop the erosion of unproductive soil by establishing forests that renew the soil.



Plantation of 35 hectares of eucalyptus nitens developed by a landowner in the district of Tucapel.

SUSTAINABLE FOREST STEWARDSHIP CERTIFICATION PROGRAMME FOR SMLS

CMPC Pulp and Forestal Mininco are developing a programme to certify the sustainable forest stewardship of SMLs, who supply CMPC's mills with timber. As of December 2013, 20 landowners with a surface area of 38,000 hectares had secured certification of the sustainable forest management standard, CERTFOR-PEFC.

The programme enables CMPC to disseminate good labour, environmental protection and community relations practices to certified landowners.



Specialists audit the landowners on the programme on issues of labour legislation, supervision of occupational health and safety standards in forestry operations, environmental protection practices in the district of Melipeuco, La Araucanía region.



Training for certified landowners on technologies used in the tree nursery of Forestal Mininco, in the district of Los Angeles, Biobío region.



Training for certified landowners on techniques of controlling minor forest fires, given by specialists of Forestal Mininco in the district of Longavi, Maule region.

RELATIONSHIP WITH CUSTOMERS

CMPC has around 30,000 customers which are companies operating in industries of different nature, both of manufacture as well as 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.

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.



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.

ANTITRUST GUIDELINES

CMPC is applying a manual that contains guidelines on antitrust practices, as it considers that fair competition is one of the pillars of the market economy system that promotes the efficient allocation of resources, drives innovation and benefits consumers. Such manual warns about actions or agreements with the aim or effect of curtailing, distorting or eliminating competition in the market or abusing suppliers or customers, activities that are expressly prohibited for all CMPC's executives and employees.

This manual is available on the corporate website www.cmpc.cl, by entering in the Business Ethics section and then selecting the Antitrust Guidelines, which is available for anyone interested.





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 boxboard and paper bags intended for food packaging.

- ▶ Tissue and sanitary products undergo stringent analysis of its components, including dermatological testing to ensure they are hypoallergenic and microbiological stability testing according to the safety requirements.
- ▶ Folding boxboard used in food packaging is HACCP certified and ISEGA approved, which makes it suitable to come in direct contact with food.
- ▶ Paper bags used in food packaging are also HACCP certified.

A close-up photograph of a person wearing a white hard hat and safety glasses, holding a clear graduated cylinder filled with a blue liquid. The person's face is partially visible in the background, looking towards the camera. The entire image has a strong blue color cast. The graduated cylinder has markings and the word 'ISOLAB' printed on it.

CMPC AND ITS WORKERS

For CMPC it is important to develop the talents and skills in their workers, integrating them in a high performance team, that is enthusiastic, committed, innovative, collaborative and with strong identity.

CONTINUOUS INCREASE IN THE NUMBER OF CMPC EMPLOYEES IN LATIN AMERICA

By the end of December 2013, a total of 16,693 people were employed by CMPC and its subsidiaries, 4.9% higher than in 2012. Such an increase - 778 people - was mainly due to the growth of the CMPC's operations in Chile, Mexico, Brazil and Peru.

The employees from the Tissue business division accounted for 48.6% of CMPC's total personnel. This division

has industrial operations in 8 Latin American countries, as shown in the map on pages 12 and 13.

CMPC's personnel outside Chile represented 44.7% of the total in 2013, with 7,458 employees, compared to 7,061 people working abroad in 2012. The 85.4% of such personnel serves on the Tissue division.

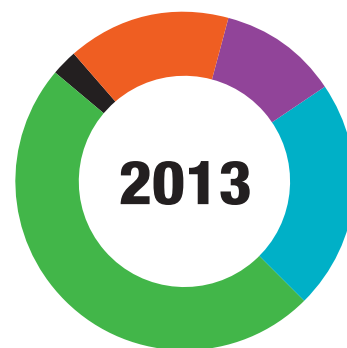
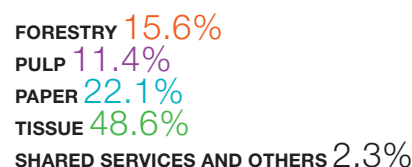
The number of female employees grew from 11.8% in 2011 to 12.5% in 2012 and then by December 2013, it reached 13.0%. The highest number of female employees was observed in Ecuador, Colombia and Mexico with 29%, 27% and 25% of female staff respectively.

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

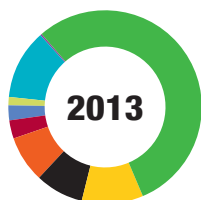
CMPC PERSONNEL As of 31 December of each year		
BY BUSINESS DIVISION	2012	2013
Forestry	2,057	2,597
Pulp	1,847	1,911
Paper	3,948	3,685
Tissue	7,668	8,117
Shared Services and Others	395	383
TOTAL	15,915	16,693

CMPC PERSONNEL As of 31 December of each year		
BY COUNTRY	2012	2013
Chile	8,854	9,235
Argentina	1,706	1,696
Peru	1,272	1,350
Mexico	1,110	1,289
Uruguay	561	540
Colombia	385	414
Ecuador	198	210
Brazil	1,818	1,947
United States	11	12
TOTAL	15,915	16,693

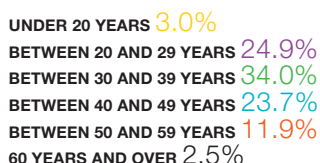
CMPC PERSONNEL BY BUSINESS DIVISION



CMPC PERSONNEL BY COUNTRY



CMPC PERSONNEL BY AGES



Sustained increase of CMPC personnel working outside Chile: from 25% in 2007 to 45% in 2013.

CMPC'S CODE OF CONDUCT

Empresas CMPC sustains its operations in a strong culture of responsibility and excellence, based on a tradition of over 90 years. This is manifested in its commitment to principles and values that set its course, guiding the relationship with stakeholders and everyday decisions.

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 legal regulations.
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 LEGAL REGULATIONS.

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 rules and market standards.

CMPC protects the sustainable development of its processes through the generation of renewable energy with 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 Conservation Value Forests.

4. CONSIDERATION FOR THE NEEDS OF THE NEIGHBORS.

CMPC values the building of a collaborative relationship with its neighbors 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 neighbors, constantly identifying with their needs, desires and possible collaborations.

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

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

5. LOYALTY WHEN COMPETING.

CMPC values free competition as the essence of the market economy due to the fact that it favors 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 practices 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 Business Ethics.

CONFIDENTIAL WHISTLEBLOWING

The company has a confidential and anonymous whistleblowing channel so that any situation raised that might breach the Code of Conduct is duly investigated.

This channel can be accessed through the corporate website www.cmpc.cl, by entering the Business Ethics section and then selecting Whistleblowing Channel, which is available for 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 at www.cmpc.cl, selecting Business Ethics, and then selecting Prevention Manual. 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.

CMPC PEOPLE PROGRAMME



The aim of the CMPC People programme is to enhance the organisational culture, human, career and professional development and communication in the eight countries where CMPC has operations. It is underpinned by five strategic pillars: leadership, development, recognition, benefits and communication.

LEADERSHIP

We promote leaders who help build a better workplace and an organisational culture which is differentiated by leadership based on trust, closeness and ongoing dialogue.

To make progress in this area, we base our work on the results of the Great Place to Work organisational climate survey, which the company applied for the third year running to the universe of employees in the eight countries in which it operates, and it had a response rate of 88%.

DEVELOPMENT

We are driving a system of individual objectives and action plans, which facilitate mobility and the development of competencies and skills of each employee, which are essential aspects for CMPC's future sustainability.

CMPC's people management has a world-class technology platform, which facilitates performance evaluations and the setting of individual objectives, which can be measured and are related to the work of each employee.

RECOGNITION

We promote innovation, and we recognise and distinguish work teams with outstanding results, which are the outcome of motivation and passion for doing a good job.

BENEFITS

We take care of the comprehensive familiar, professional and social development of people. We understand that satisfaction generates bonds that help to bolster commitment and we therefore develop benefit programmes for our employees and their families.

COMMUNICATION

Our company's growth in the last few years and the size it has reached requires us to attain timely, direct, close and reliable communication. This enables us to lead projects, mobilise teams, attain interactivity and forge bonds that enhance and facilitate teamwork.

Regarding this, the company recently created an online platform called Paperbook, which is a communication channel that takes the applications and advantages of the social networks but in a work and collaborative context among groups that can be created immediately and permanently. It enables to exchange information, experiences and best practice among work team members.

EDUCATION AND IN-SERVICE TRAINING: A COMPANY AT CUTTING-EDGE TECHNOLOGY

CMPC employees have achieved a high level of specialization and efficiency, 31% holds an academic degree or finished tertiary education. A large proportion of our workers are qualified to carry out complex production processes.

Low level of staff turnover: a 1.8% monthly average in 2013, equal to 2012 and slightly over the 1.7% in 2011. 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 2013, 314,121 hours were committed to staff training from all areas in the company. This is one of CMPC's most outstanding achievements in this matter.

CMPC's in-service training programs 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 mill, paper machine or industrial process is being set up.

Training hours for staff working outside Chile were 24.9% of the total.

CMPC PERSONNEL 2013		DISTRIBUTION BY LABOR POSITION		
BY BUSINESS DIVISION	SENIOR MANAGEMENT	PROFESSIONALS AND TECHNICIANS	OPERATIVE PERSONNEL	TOTAL
Forestry	23	710	1,864	2,597
Pulp	27	910	974	1,911
Paper	50	938	2,697	3,685
Tissue	71	2,176	5,870	8,117
Shared Services and Others	13	338	32	383
TOTAL	184	5,072	11,437	16,693

IN-SERVICE TRAINING HOURS 2013				
BY BUSINESS DIVISION	SENIOR LEVEL	MIDDLE LEVEL	OPERATIVE PERSONNEL	TOTAL
Forestry	6,821	21,613	30,673	59,107
Pulp	10,632	22,627	55,756	89,015
Paper	7,499	23,313	45,613	76,425
Tissue	6,996	16,276	61,632	84,904
Shared Services and Others	1,630	2,960	80	4,670
TOTAL	33,578	86,789	193,754	314,121

THESE FIGURES DO NOT INCLUDE IN-SERVICE TRAINING COURSES GIVEN INTERNALLY IN THE MILLS WITH THEIR OWN STAFF.



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.

INNOVATION PROGRAMME AT CMPC PULP



INNOVATION PROGRAMME AT CMPC PULP

CMPC Pulp is developing an innovation programme to help maintain its long-term competitiveness. This programme involves all company employees, motivating them to suggest ideas for innovation in various areas based on their competencies, knowledge, creativity and enthusiasm.

The website www.i-cel.cl was set up to promote innovation and serve as a communication channel for everybody working in the company, so this innovation programme is built in an environment of collaboration.

Pulp mill workers suggest ideas for projects individually or as a group, which are posted on the website. These ideas then go through a selection and classification process; they are turned into concrete proposals with the help of work teams and then into projects that will be undertaken in an order that considers their contribution to the proposed objective of innovation, implementation timescale and investment, as the main factors.

Six innovation objectives are being worked on for labour and technical

issues: **(1)** build a better work environment, **(2)** recognise the past stories of ingenuity, **(3)** increase energy efficiency, **(4)** increase operating efficiency, **(5)** attain zero non-compliances on work safety and **(6)** reduce direct costs.

1,387 workers at the three pulp mills in Chile, accounting for 93% of the total personnel, have participated in the innovation programme. They have generated 1,616 ideas, which in the subsequent selection and classification process received 9,496 comments and technical input.

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 and the actions to support local communities.

In 2013, 86% 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 similar to the previous years.

The previous percentage is due to the 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 48 unions that represented 60% of the CMPC's employees by December 31 2013. 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 merged workers union of the Laja Pulp Mill, follower of N°1 and N°2 unions that were established in 1961 and 1966 respectively.

By the end of December 2013, 70% of CMPC's employees were covered by collective bargaining agreements currently in force.

CMPC'S EMPLOYEE BENEFITS

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

The company offers its employees loans to cover the cost of buying a house.

CMPC has put into practice several healthcare programs 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 subsidized hospital and private care.

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

PERCENTAGE OF UNION MEMBERSHIP		
BY BUSINESS DIVISION	2012	2013
Forestry	62%	68%
Pulp	56%	55%
Paper	56%	61%
Tissue	61%	61%
Shared Services and Others	7%	5%
TOTAL	58%	60%

BY COUNTRY	2012	2013
Chile	60%	64%
Argentina	49%	49%
Brazil	90%	88%
Peru	15%	13%
Mexico	74%	74%
Uruguay	84%	82%
TOTAL	58%	60%



48 unions represent 60% of the workers.

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS		
BY BUSINESS DIVISION	2012	2013
Forestry	71%	76%
Pulp	65%	65%
Paper	65%	70%
Tissue	72%	72%
Shared Services and Others	9%	8%
TOTAL	68%	70%

BY COUNTRY	2012	2013
Chile	65%	69%
Argentina	76%	76%
Brazil	95%	95%
Peru	43%	46%
Mexico	76%	76%
Uruguay	100%	100%
TOTAL	68%	70%

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 labor 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 programs.

93% of CMPC's employees actively participated in joint committees dealing with Order, Hygiene and Safety in 2013. 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.

RISK PREVENTION PROGRAMMES

CMPC's risk prevention programmes are geared up to protect employees' life and health, neighboring communities and the environment. We also aim to protect our facilities and the operational continuity of our production processes.

A special mention is made for the Zero Fault Programme 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 emphasize 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 reviewed and updated in terms of operational and emergency procedures.
- ▶ These plans identify areas at each mill according to their risk level and allocate teams responsible for delivering a coordinated and prompt response.

OHSAS 18001 AT CMPC

The following subsidiaries have the OHSAS 18001 certification:

- ▶ Forestal Mininco
- ▶ CMPC Maderas for its three sawmills, two remanufacturing facilities and a plywood mill.
- ▶ CMPC Pulp for its Laja, Santa Fe and Pacifico pulp mills in Chile.
- ▶ Papeles Cordillera
- ▶ Cartulinas CMPC for its Maule boxboard mill
- ▶ Tissue Chile for its Talagante and Puente Alto mills.
- ▶ Tissue Argentina
- ▶ Tissue Uruguay
- ▶ Tissue Colombia for its Cali and Bogotá mills.

PERCENTAGE OF WORKERS REPRESENTED IN JOINT COMMITTEES

BY BUSINESS DIVISION	2012	2013
Forestry	98%	96%
Pulp	100%	100%
Paper	96%	94%
Tissue	90%	90%
Shared Services and Others	100%	100%
TOTAL	94%	93%

BY COUNTRY	2012	2013
Chile	99%	100%
Argentina	76%	76%
Brazil	100%	97%
Peru	69%	73%
Mexico	87%	82%
Uruguay	100%	100%
Colombia	100%	100%
Ecuador	100%	100%
TOTAL	94%	93%

A 51% decrease in the consolidated lost-time accident rate from 2006 to 2013.

paper. The Talagante mill of the tissue division is undertaking outstanding work in this area, and managed to reduce hand trapping accidents by 45% in 2013, due to the successful campaign "Hands for the whole of life", which was driven by the hygiene and safety joint committee.

Regarding safety and occupational health statistics, the work absenteeism rate remained at lower levels with an average of 1.8%. There were 417 accidents in 2013, which was a 7.1% year-on-year decrease, and 12,168 days were lost, dropping 11% on 2012.

LOST-TIME ACCIDENT RATE

CMPC's consolidated lost-time accident rate was 2.7 lost-time accidents per 100 workers in 2013, 7% down on the 2.9 lost-time accidents in 2012.

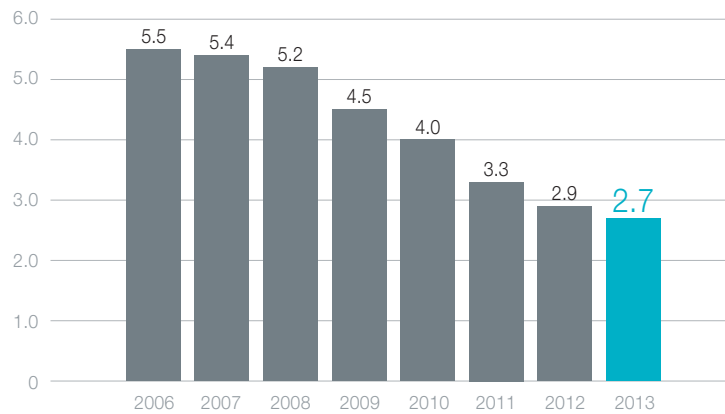


CMPC is working to enhance the common accident prevention culture, due to the presence of rolls, cylinders and other moving elements of paper machines that operate at high speed, as is the case of those that make tissue

LOST-TIME ACCIDENT RATE

CMPC CONSOLIDATED

Number of lost-time accidents per 100 workers on average.



SAFETY AND OCCUPATIONAL HEALTH STATISTICS 2013

BY BUSINESS DIVISION	RATE OF ABSENTEEISM	N° OF CASES WITH PROFESSIONAL ILLNESSES	N° OF ACCIDENTS	DAYS LOST	N° OF FATAL ACCIDENTS	AVERAGE EMPLOYEES IN THE YEAR
Forestry	3.2%	2	41	798	0	2,262
Pulp	2.2%	0	15	673	0	1,861
Paper	2.5%	0	137	3,430	0	3,844
Tissue	1.0%	3	217	7,265	0	7,866
Shared Services and Others	2.5%	0	7	2	0	391
TOTAL	1.8%	5	417	12,168	0	16,224

BY COUNTRY	RATE OF ABSENTEEISM	N° OF CASES WITH PROFESSIONAL ILLNESSES	N° OF ACCIDENTS	DAYS LOST	N° OF FATAL ACCIDENTS	AVERAGE EMPLOYEES IN THE YEAR
Chile	2.6%	2	223	5,415	0	8,999
Argentina	1.2%	0	75	2,850	0	1,637
Brazil	1.2%	0	17	656	0	1,853
Peru	0.6%	0	42	683	0	1,348
Mexico	0.4%	0	26	1,747	0	1,230
Uruguay	1.6%	0	19	700	0	546
Colombia	1.0%	3	15	117	0	396
Ecuador	0.0%	0	0	0	0	206
TOTAL	1.8%	5	417	12,168	0	16,224

RATE OF ABSENTEEISM = TOTAL NUMBER OF DAYS WITH MEDICAL LEAVE OF ABSENCE / (AVERAGE NUMBER OF EMPLOYEES IN THE YEAR * 365 DAYS)

Strong focus on risk prevention programs and OHSAS 18001 certification.

A close-up photograph of three young girls in school uniforms. They are all looking down with focused expressions at something out of the frame. The girl on the left is in the foreground, slightly out of focus. The girl in the middle is behind her, and the girl on the right is in the foreground, also slightly out of focus. They are all wearing checkered blazers over white collared shirts. The lighting is warm and soft, creating a gentle atmosphere.

CMPC AND THE COMMUNITY

CMPC gets involved in the challenges and aspirations of the communities around its industrial operations. It therefore undertakes educational support and community development programmes, which benefit the neighbours of its forest lands and mills, with the aim of helping to improve their quality of life.



The CMPC Foundation undertakes educational counselling programmes in primary education schools for language, mathematics and school management, along with an early stimulation programme, which in 2013 benefitted 6,858 children at 47 schools in 11 districts in Chile. It also conducted cultural activities in Laja, Nacimiento and Mininco with over 10,000 attendees.

6,858
PUPILS
BENEFITTED



4,972
HOURS OF TEACHER
TRAINING AND
COUNSELLING

14
YEARS OF
WORK OF THE
FOUNDATION



429
TEACHERS AND
PRINCIPALS GIVEN
COUNSELLING

WORK OF
36
PROFESSIONALS
FROM THE
FOUNDATION



47
SCHOOLS
BENEFITTED

11
DISTRICTS IN FOUR
REGIONS IN CHILE



THE CMPC FOUNDATION

1. IT IS A PUBLIC-PRIVATE PARTNERSHIP

► The Foundation works according to the curricular guidelines and bases of the Ministry of Education, in coordination with the regional ministerial secretaries and the municipalities in charge of the beneficiary schools.

2. IT PROVIDES PROFESSIONAL SUPPORT OF EXCELLENCE

► A team of 36 professionals applies a comprehensive training and counselling model, which aims to implement effective practice and learning in each school and district by teacher training, application workshops, school classroom and management counselling.

3. WORK FOCUS AND RIGOROUS ASSESSMENT

- The main educational programme, called Teacher Training and Counselling, aims to improve the language and mathematics learning by children in pre-kinder to 4th grade of primary education at schools in the communities around CMPC's industrial facilities, by enhancing the tools and knowledge of their school teachers, coaches, representatives, principals and supporters.
- A second programme, called Growing Together, promotes the cognitive, sociolinguistic and motor development of children of up to 6 years by strengthening effective practice of early stimulation that is worked on with their families, schools, kindergartens and day nurseries.
- The continuous improvement of both programmes requires permanent evaluation of pupils, of the pedagogical material and the teaching techniques of each school.



4. WITH A LONG-TERM VISION

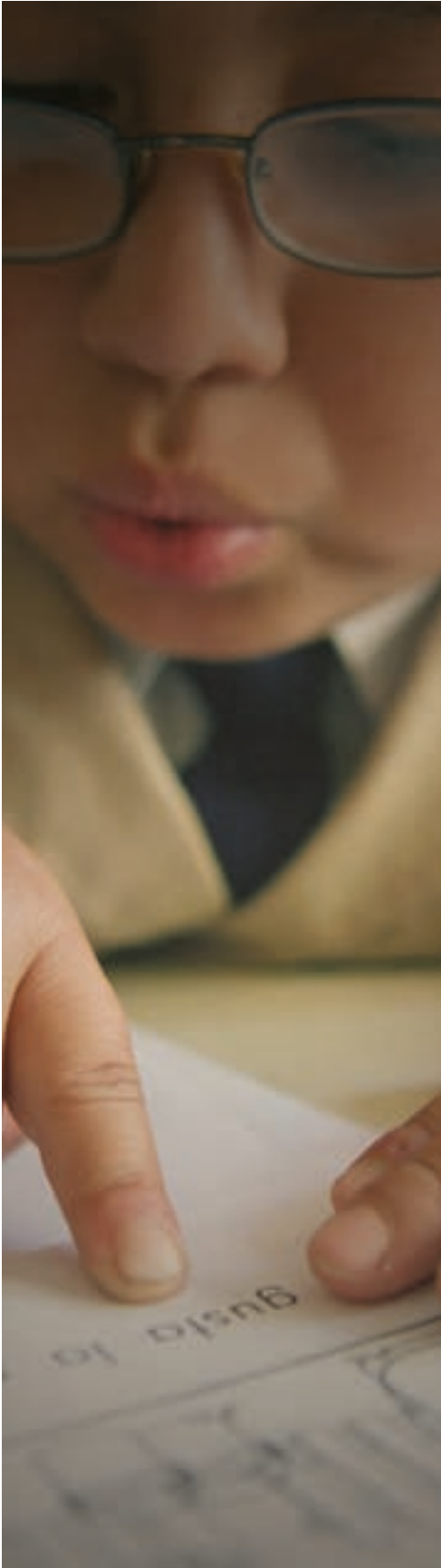
- After 14 years of work, we are even more convinced that a better quality of education of children in their early years increases their opportunities in the future and the quality of life of their communities too.
- The aim of the strategic planning 2013-2018 is to professionalise and improve the current programmes, along with greater coverage of the educational programmes for children in 5th and 6th grade of primary education and the Growing Together programme.
- We are developing new instruments to measure learning, in addition to an innovative technological platform to improve the management of the programme indicators.

5. DECENTRALISATION

► The 36 professionals of the Foundation are divided into a central coordination team, another for the Metropolitan and Maule regions (15 schools in four districts) and a third team for the Bío-Bío and La Araucanía regions (26 schools in seven districts), to handle the specific requirements of each school and district.

6. TRANSPARENCY AND RELIABILITY

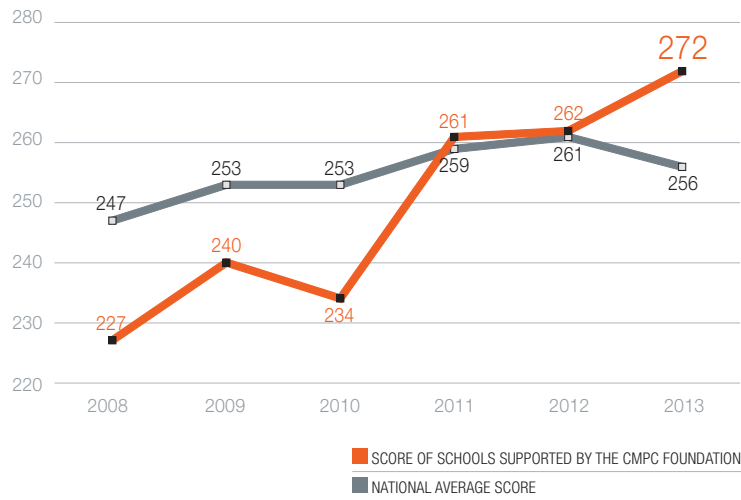
- The work of the Foundation, its budget and the results attained each year are public, and they are reported to each school and district, and regionally and centrally to the Ministry of Education.
- This endeavour was awarded the Más por Chile (More for Chile) seal by the Ministry of Social Development for quality initiatives that help to improve the vulnerable situation of various communities in Chile.



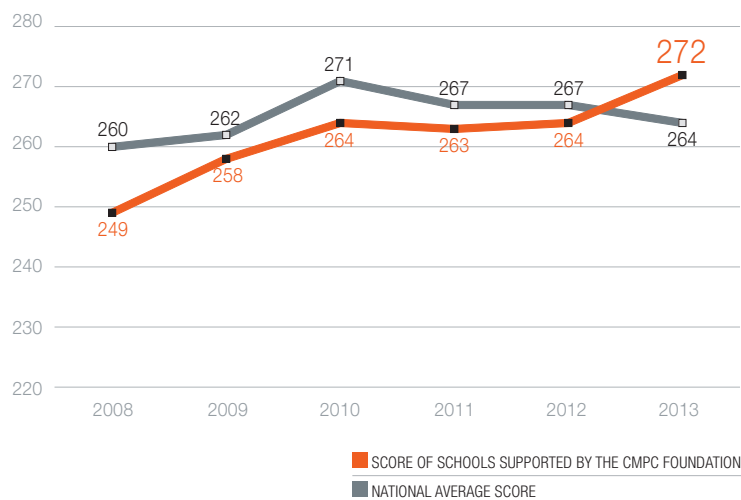
► The mathematics results of pupils at schools supported by the Foundation were particularly promising, evaluated by the education quality assessment (SIMCE) exam for fourth grade of primary education. 2013 was the third year running that the average SIMCE score for mathematics of such schools was higher than the national average.

► Concerning the results of the SIMCE exam for language in fourth grade of primary education, for the first time the average score of schools supported by the Foundation was higher than the national average.

RESULTS OF THE SIMCE EXAM FOR MATHEMATICS



RESULTS OF THE SIMCE EXAM FOR LANGUAGE



CULTURAL AND OUTREACH PROGRAMMES IN NACIMIENTO, LAJA AND MININCO



Mass cultural events were held in the districts of Nacimiento, Laja and Collipulli: cycles of cinema, concerts, theatre plays and children's story contests, along with workshops for adults and children, with a total of over 10,000 participants in 2013.

Mass cultural events were held in the districts of Nacimiento, Laja and Mininco: cycles of cinema, concerts, theatre plays and children's story contests, with a total of 9,452 participants in 2013.

Workshops for adults in Nacimiento, Laja and Villa Mininco throughout

the year (entertaining dancing, singing and guitar playing, mosaic, decoupage, technology, drawing and painting, and Latin American dance) and for children from Nacimiento and Villa Mininco during their winter and summer holidays (dancing, music and drawing). 359 adults and 128 children participated in 2013.

Monthly workshops on local, regional and national folk music were undertaken at 43 primary education schools in 28 districts, with the participation of 1,205 children.



The renowned Chilean pianist Roberto Bravo during a concert he gave in the city of Nacimiento, Bío-Bío region.

The Jorge Alessandri Park offers the community a space for education, culture and recreation of free entry, where the activities carried out by Empresas CMPC and its contribution to the country are spread.





THE JORGE ALESSANDRI PARK

The Jorge Alessandri Park offers the community a space for education, culture and recreation of free entry, where the activities carried out by Empresas CMPC and its contribution to the country are spread.

During 2013 the Park had a total of 156,063 visitors and since its opening in 1993 has received 1.909 million people. The Park features the following cultural and educational spaces:

- ▶ The Educational Trails and the Native Forest allow visitors to experience nature and enjoy a unique ecosystem.
- ▶ At the Cultural Amphitheater artistic performances during the summer

are presented, complemented with exhibitions at the central square.

- ▶ In the Educational Nursery visitors learn about the various tree species, and their forestry, medicinal and decorative uses.

- ▶ The Trekking Trail of 3 kilometers long, allows physical exercise while enjoying nature and beautiful panoramic views.

- ▶ In the Tree Hall, children learn about forestry and the production processes of wood, pulp and paper through play, and on environmental care.

- ▶ The Artequin Museum provides an interactive educational proposal, to familiarize children with the main world artworks.

A concert in the Jorge Alessandri Park by the Philharmonic Orchestra and lyrical singers of the Municipal Theatre of Santiago, who performed the musical West Side Story.



GOOD NEIGHBOURHOOD ACTIONS

The communities around CMPC's operations:



Ongoing communication, dialogue and striving to reach agreements are essential in CMPC's relations with the neighbouring communities.

Educational support programmes / pages 53-54

- Practical workshops for technical secondary schools
- Educational scholarships for rural schools
- Tree nurseries at rural schools

Community employment programme / page 55

Facilities for the community / pages 54-55

- Refurbishment of sports areas
- Houses open to the community

Programmes to support ventures / pages 56-60

- Fruit orchards
- Forest product collector committees
- Community training courses

Supporting the Mapuche culture / pages 61-65

- Tree nurseries for plants used in basket weaving
- Traditional basket weaving
- Plants used to dye wool
- Sites of cultural interest

GOOD NEIGHBOURHOOD ACTIONS

CMPC seeks to generate opportunities of social, cultural and economic development for the communities around the company's forestry operations and mills. Forestal Mininco therefore has an open-door policy with the rural communities, focused on generating jobs, on educational support programmes, supporting the Mapuche culture, training and the development of productive projects, agreed on with the communities, which help to improve their quality of life.

Moreover, CMPC Pulp is carrying out work to support neighbours of its pulp mills in the districts of Nacimiento, Laja, San Rosendo, Collipulli and Renaico, highlighting the work with the district technical secondary schools, cultural and outreach activities, company facilities for use by the community and projects to support productive ventures.

The main programmes developed by CMPC Pulp and Forestal Mininco to such end are shown below.

CMPC PULP SUPPORTS TECHNICAL SECONDARY SCHOOLS

Pupils in the final year of secondary education at the technical secondary school of Nacimiento undertake workshops on industrial mechanics and electricity at the Santa Fe pulp mill, and some of them do their final practical experience of their annual study plan. The Laja pulp mill has entered into a dual education agreement with the technical secondary school in the district, and the Pacifico pulp mill supports the Manzanares agricultural secondary school by funding agricultural and accounting counselling relevant to the study plan.

EDUCATIONAL SCHOLARSHIP PROGRAMMES

132 pupils were the beneficiaries of Forestal Mininco's rural scholarship programme in 2013, which provides education to the children of neighbours. Pupils study at 53 schools in the Maule, Bío-Bío, La Araucanía and Los Ríos regions. The scholarships pay for most of the costs of their school materials and articles of personal hygiene and transport to their homes.

15 pupils were the beneficiaries of the El Vergel scholarship programme, developed by means of a collaboration agreement with the El Vergel agricultural secondary school, from the Methodist Corporation in Angol, which enables them to study for the degree of mid-level agricultural technician. Forestal Mininco's scholarships help them to pay for their uniforms, study materials and the weekly transport to their homes.

11 pupils of the districts of Tirúa and Collipulli were the beneficiaries of the higher education maintenance scholarship, which enables them to study at universities or higher education institutes.

WORKSHOP ON MANAGING ATTENTION DEFICIT HYPERACTIVITY DISORDER (ADHD)

CMPC Pulp and the CMPC Foundation organised workshops on managing ADHD in students at Laja, Nacimiento and Mininco, run by a specialist therapist and attended by around 300 neighbours, representatives and teachers. The therapist is a specialist in sensorial integration, whose method is based on enhancing the corporal balance to boost concentration and attention in class.



Workshop on managing ADHD.

Pupils of the Madrigal School in the district of Collipulli working in the nursery in which they cultivate various species of shrubs and native trees.



Municipal gymnasium of Villa Mininco.

TREE NURSERY PROGRAMME IN SCHOOLS

This programme enables pupils at rural schools to produce eucalyptus plants and native trees in nurseries built at their schools. Pupils learn to cultivate plants and take care of the trees with the help of their teachers.

Forestal Mininco supported the development of tree nurseries at eight schools in six districts in 2013.

REFURBISHMENT OF SPORTS AREAS IN LAJA AND VILLA MININCO

CMPC Pulp, through its Pacifico mill, refurbished the municipal gymnasium of Villa Mininco, which is now fit for the sports, cultural and community activities of neighbours. The gymnasium and its environment were fully renewed, and this social investment was possible due to an agreement signed with the local municipality.

At Laja, the company refurbished and implemented the so-called small fort and stadium located at the facilities of the Laja pulp mill for community use. The works entailed a new asphalt surface, changing rooms, bathrooms and modern lighting.

Tree nursery of Liceo C-90 in the district of Tirúa with a crop of chrysanthemums.





Reopening the small fort and stadium in Laja.

FACILITIES OF CMPC PULP AT THE SERVICE OF THE COMMUNITY

CMPC Pulp has various facilities for cultural and recreational use, which are open to the community and its civil organisations by means of agreements with the local municipalities. The culture centre and events hall at Nacimiento have a varied annual agenda of diverse community events, and there is also a gymnasium with a synthetic polysports surface, a football pitch and three tennis courts. The same is the case at Laja with the small fort and stadium that were recently refurbished.

A modern cultural centre was opened to the community at Villa Mininco, equipped with first rate facilities and equipment, i.e., two meeting rooms, a large hall, an area for barbecues and a kitchen. It has been essential to support the events of the neighbours' associations of Mininco, Huelehueico and Manzanares.

GENERATING JOBS FOR THE SURROUNDING COMMUNITIES

In 2013, the company created 600 jobs for the surrounding Mapuche communities as part of the programme

to hire the local labour force for forest operations.

The neighbours are hired by forest service companies, and they receive training on safety regulations, risk prevention and protection of the environment, which qualifies them to perform various jobs on forest lands, including work in tree nurseries, establishing plantations, transport, forest protection and thinning, pruning and harvesting operations.

MAPUCHE HORTICULTURE AND FRUIT VENTURE IN CHOLCHOL AND HUAPITRÍO

BERRY ORCHARDS IN HUAPITRÍO

35 landowners of 11 indigenous communities are developing raspberry and blueberry orchards in the district of Collipulli, and formed the Huapitrío agricultural alliance. Forestal Mininco supports them with improved water sources, the construction of irrigation systems, supply of fertilisers, and with a phytosanitary programme for the correct use of herbicides and fungicides. This programme is also supporting orchards in the districts of Tirúa, Cholchol and Carahue.

REWE COOPERATIVE OF CHOLCHOL

CMPC supports the productive development of 22 Mapuche communities that belong to the Rewe Cooperative of Cholchol, with 550 families that cultivate raspberries on the land of its members, totalling to 32 planted hectares.

Forestal Mininco gives them technical advice, trains new partners who are



Raspberry orchard at Huapitrío, district of Collipulli.



Counselling for landowners of blueberry orchards.



Raspberries from the orchard of producer Marco Alonso Añicoy, from the Felipe Huentemil Mapuche community.

just starting with their orchards and builds water accumulators. The Rewe Cooperative managed to complete the construction of a processing plant in the Coihue sector of the district of Cholchol to produce raspberry jams and sauces.

The project benefits the members of the Association, all community landowners of orchards, and workers

that will be hired intensively during the harvesting period.

COLLECTION OF NON-TIMBER FOREST PRODUCTS

Non-timber forest products include a variety of wild mushrooms, vegetables, fruit, aromatic and healing herbs, which grow in Chilean forests. It is

estimated that the collection of these products provides employment to 220,000 people in Chile, 90% of whom are women. In 2000, the NGO Cultural Action Workshop launched a wild fruit collection programme in six communities in the Bío-Bío region, encouraging the women collectors to organise themselves in committees, which later enabled processing plants to be built to add value to the products.



Collection of wild mushrooms on forest lands.

About 60 dehydrated products are currently obtained and these have been exported for eight years.

Forestal Mininco supports the work of 2,500 male and female neighbours who collect the different products that grow on the company's forest lands, authorising their entry, teaching them safety and fire prevention measures, and giving them telephone contact for emergencies. In 2013, the collectors obtained 311 tonnes of products.

Two new collector committees were established in 2013: Cañas-Pellines in the district of Constitución and Lawen Mapu (Herbs of the Earth) in the district of Los Sauces, which joined the Collectors' Association of the Bio-

Bio region, receiving technical training as organised groups with legal status, which will drive their collection and marketing work of a greater variety of dehydrated products.

NEIGHBOUR TRAINING COURSES

The neighbour training courses provide knowledge, work methods and materials, and are a meeting point for the communities that promote productive ventures. In 2013, the company gave 274 training courses to 2,785 women neighbours and 421 male neighbours on the forest lands of CMPC.

These courses are designed after



THE 15 SPECIAL FIELDS WITH THE GREATEST DEMAND WERE:

- ▶ Handicrafts and wicker basket weaving
- ▶ Cooking and pastry making
- ▶ Preserving local produce
- ▶ Conservation and dehydration of fruit and vegetables
- ▶ Dressmaking with sewing machine
- ▶ Handmade dressmaking
- ▶ Soap making with natural products
- ▶ Managing organic production in greenhouses and orchards
- ▶ Wood furniture making
- ▶ Hairdressing
- ▶ Community eucalyptus nurseries
- ▶ Traditional Mapuche silverware
- ▶ Basic wool knitting
- ▶ Mapuche weaving
- ▶ Chainsaw use and maintenance

consultation with neighbours about the areas in which they would like to gain knowledge, with 51 special areas that were chosen in 2013.

Since 1999, the company has given 2,823 training courses, with a total of 131,834 hours of teaching for 34,000 people in 274 communities around the forest lands of CMPC.

The company gave two training courses on how to use and maintain chainsaws to 20 students with 120 hours of learning, given by specialised trainers and technician representatives of the portable chainsaws. At the end of the courses, the students receive the chainsaw and a certificate of their qualification, which enables them to work at any forestry operation in Chile.



Chainsaw use and maintenance course.

Since 1999, the company has given 2,823 training courses.



Final exhibition of products made in the Mapuche weaving course by the Las Viñas neighbours' association in the district of Los Angeles.

COMMUNITY TREE NURSERIES

Forestal Mininco supported the development of 23 community tree nurseries in 2013, which reproduce eucalyptus, pine and aromo plants, and those of native species like hazel and soapbark trees. These tree nurseries are a source of income for the communities involved and the company personnel support them with technical assistance, seeds and supplies to ensure their success.



Neighbours working at the Chacayal Norte tree nursery in the district of Los Angeles.



RESPECTING AND SUPPORTING THE MAPUCHE CULTURE

We promote respect for the beliefs, customs and traditions of the Mapuche culture. We believe that by supporting this ancestral culture will help to make it stronger, less prone to losing the vital energy of its language and cosmovision. Valuing its customs, language and beliefs is our way of helping to conserve its cultural heritage.



Sowing ñocha plants at a nursery in the Primer Agua sector of the district of Tirúa.

ÑOCHA TREE NURSERY PROGRAMME

The aim of this programme is to grow the ñocha (*Bromeliaceae greigia sphacelata*) in tree nurseries established on the lands of Mapuche communities. The ñocha is a plant that grows in native forest away from populated areas and its long and thin leaves are used in the work of traditional Mapuche basket weaving.

In 2013, the company implemented 20 ñocha nurseries with materials provided by Forestal Mininco and the work of the neighbours to build them. Since the launch of the programme in 2005, 130 ñocha nurseries have been set up; they all have an irrigation system.

MAPUCHE BASKET WEAVING CULTURAL RESCUE PROJECT

With the support of Forestal Mininco and the Municipality of Cañete, 15 Mapuche craftswomen, symbolic of the Huentelolén area in the district of Cañete, organised themselves into the *Ñocha Malen* (Ñocha Woman) group. They had specialised counselling from the consultant Ideartesana to rescue traditional Mapuche objects made with ñocha fibre and create new models using the ancestral technique but adapting this handicraft to daily life.

In 2013, the group increased to 18 women artisans, it managed to build a centre and create and market a new line of 12 *Ñocha Malen* products, which are combined with clay artefacts. The artisans presented their products in the Concepción airport and participated in fairs in Los Ángeles and Santiago.



The artisan Mariela Maribur.



ARTISAN EXCELLENCE AWARD FROM THE UNESCO

The artisan Mariela Maribur from the *Ñocha Malen* group was awarded the Artisan Excellence Award for Chile 2013 by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), which recognises her as one of the best women artisans in Chile. The award ceremony was held at the Gabriela Mistral Cultural Centre in Santiago.

DYEING PLANT PROJECT

The objective of this project is to rescue dyeing plants for the dyeing of natural lambswool undertaken by artisans of the Lafkenche communities in the district of Tirúa and Mapuche communities in the district of Chol-Chol.

Since 2012, the company has been working with the Lafkenche “Relmu Witral” group of Tirúa, and determined the presence of 28 plants used for dyeing. The first stage was the



propagation of the plants identified, with focus on two symbolic species that provide blue and red colours, called “ventosilla” (*Argythamnia tricuspidata*) and “relbún” (*Galium hypocarpium*). This work was carried out at the Los Ángeles nursery of Forestal Mininco and it is a unique experience in Chile, which has reproduced key plants to achieve the shades required by the artisans for their dyeing work.

In 2013, this project was awarded funding from the Environmental Protection Fund, which enabled market gardens to be established on the lands of 80 members, and planting Ventosilla and Relbún. Since then, the technical assistance has been vital to cultivate the plants and conserve the market gardens without deterioration.

The work carried out at the Los Ángeles nursery of Forestal Mininco is a unique experience in Chile, which has reproduced key plants to achieve the shades required by the artisans for their dyeing work.



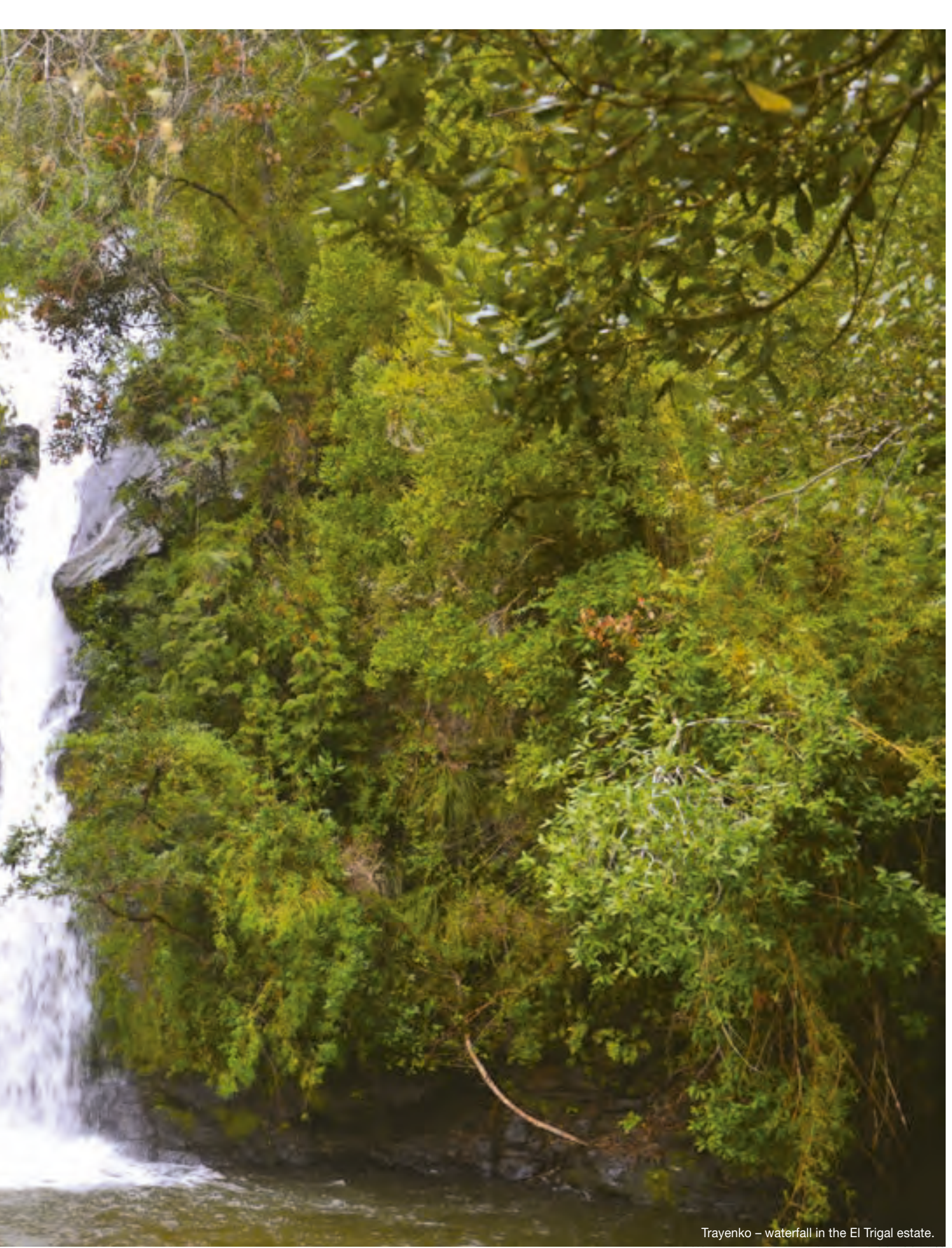
The weaves of the Relmu Witral Association.

SITES OF MAPUCHE CULTURAL INTEREST

There are many toponymic accidents on Chilean forest lands related to different Mapuche cultural meanings like the ko - water category in the form of river, menoko - brooks, trayenko - waterfall, wüfko - spring. Something similar occurs with the knolls of different sizes and features: hills - tren tren, viewpoints - adkintuwe, crags or stones, all accidents of non-productive use but of great cultural and ritual meaning as they are related to socio-religious, individual or collective practices. Other areas are of public use and open collective nature, like the eltun - family cemeteries, nguillatuwe - public prayer fields, trawünwe - meeting areas, paliwe - type of hockey pitches.

33 sites of Mapuche cultural interest were identified on Forestal Mininco's forest lands, which the company is systematically conserving by means of agreements and management plans agreed on with the communities. Forestal Mininco undertakes this work according to an established procedure of identification, consultation and conservation of cultural sites. As of December 2013, there are 18 sites under an agreement and management plan signed with the Mapuche communities.





Trayenko – waterfall in the El Trigo estate.

NEW EDUCATION AND TRAINING CENTRE IN THE CITY OF CAIEIRAS IN BRAZIL

This project will directly benefit the local population of 80,000 inhabitants and the surrounding districts, as it is the first professional education institution in the area.

Melhoramentos CMPC, in partnership with the Municipality of Caieiras in the state of Sao Paulo, made available to the community the Mario Meneguini professional education and training centre, for which it expanded and renovated the old school of the same name. This project will directly benefit the local population of 80,000 inhabitants and the surrounding districts, as it is the first professional education institution in the area. The education centre, which will initially serve 600 students, offers various training courses, with the highlights being: human resources assistant, production planning and control assistant, warehouse head, logistics assistant, low tension electricity, administrative assistant, paper production assistant and food handling assistant.



EDUCATION PROJECT HAS DISTRIBUTED EXERCISE BOOKS FOR 25 YEARS IN BRAZIL

The Education Project, one of the most traditional social programmes of CMPC Celulose Riograndense, completed 25 years distributing 200,000 school exercise books and 1.3 million sheets of paper for printing and photocopying each year for primary education pupils in the 42 municipalities of the state of Rio Grande do Sul, which is the region where the company undertakes forestry operations to develop the eucalyptus plantations that supply the Guaíba pulp and paper mill.

EUCALYPTUS HONEY PROGRAMME

In this programme beekeepers place their beehives next to the eucalyptus plantations of Celulose Riograndense to take advantage of the flowering of the trees, thereby attaining a large honey production, allocating 8% of this to supply special education schools in over 20 municipalities of the state of Rio Grande do Sul.

THE FOREST IS LIFE PROGRAMME

The aim of this programme is to teach urban school communities about the forestry operations of Celulose Riograndense, motivating them to undertake projects that promote environmental responsibility, with the attendance of more than 6,000 pupils each year.

CLEAN GUAÍBA PROGRAMME

This programme undertakes activities to make the community aware about the environment and its conservation. Garbage is collected from the shores of lake Guaíba, which borders the cities of Porto Alegre and Guaíba. The company works with community associations to foster education, particularly among youngsters. The students who participate receive general guidance about the company, workshops with practical activities and environmental education classes.

COMMUNITY HEALTH EDUCATION PROGRAMME

This programme gives talks to the people of the municipalities of the state of Rio Grande do Sul on issues like hygiene and general disease prevention, abuse of substances, accidents with poisonous animals, domestic and traffic accidents.

SOCIAL INVESTMENT

CMPC's social investment amounted to US\$ 7.6 million in the year, similar to the figure for 2012. The programmes to support municipal education through the CMPC Foundation, to educational projects with a high social impact and universities, accounted for 48% of the total contributions.

SOCIAL INVESTMENT	THOUSANDS OF US\$
	2013
Municipal education programme and others	3,305
Universities	345
NGOs	1,466
Trade associations	1,044
Donations to election campaigns (Law N°19,884)	1,345
Others	50
TOTAL	7,555

The construction of a second production line at the Guaíba pulp mill in Brazil is the largest investment ever made by Empresas CMPC. Efficient planning and dialogue from the outset with the communities of Guaíba, Porto Alegre and their authorities have led to the current progress. Listening to the community and finding out their expectations in various meetings strengthened CMPC's commitment to high safety and environmental care standards. In addition, the company gave priority to hiring local product and service suppliers, along with local workers, which has helped to boost the economy of the state of Rio Grande do Sul.



A worker in a white hard hat and safety glasses is talking on a walkie-talkie. The worker is wearing a dark jacket and white gloves. In the background, there is an industrial facility with tall towers and pipes, emitting smoke. The scene is set against a blue sky with clouds.

CMPC AND THE ENVIRONMENT

The main contributions that CMPC makes to the environment are the development of certified renewable forest plantations, replacement of fossil fuels with biomass, the efficient use of energy, water and raw materials, certified industrial processes and paper recycling.

ENVIRONMENTAL POLICY

1. We believe in the real application of the principle of sustainable development. Productive activities should be harmonized with the legitimate right of future generations to live in a suitable environment.
2. We believe in the ethical dimension that the care for the environment presents. Strict compliance with legislation is a duty. Operations should avoid damaging people and nature in general.
3. A good environmental management is an integral part of the forestry business. The soil, water quality and biodiversity should be protected in forestry work.
4. The company's activities should be carried out with high levels of excellence and every new project should incorporate environmental considerations from the outset.
5. The purpose of this environmental policy is to state explicitly the company's commitment in this matter to its investors, personnel, customers, suppliers, contractors and the community in general.
6. CMPC is concerned to provide its personnel with the necessary training so that these guidelines are assumed in practice and responsibly by every one of them.
7. CMPC should keep a detailed inventory of the environmental impacts of each of its operations, in the legal, physical and risk fields.

8. The company will employ throughout the organization a regular system of environmental audits to measure the effectiveness of the committed actions and resources.

9. As part of this environmental policy, we also commit to:

- a. Conceive and provide products and services that have no undue impacts on the environment.
- b. Promote the efficient use of energy, water and natural resources.
- c. Promote among contractors and suppliers respect for this environmental policy.
- d. Apply the precautionary principle when arise risk situations for the environment or people.
- e. Organize emergency plans in those processes where there may be significant risks.
- f. Contribute to the preparation of reasonable and necessary public policies for the protection of the environment.
- g. Promote research and development of environmentally-sustainable technology in the forestry sector.

THE 5 PILLARS OF THE CMPC'S ENVIRONMENTAL AGENDA

The five priority work areas of CMPC's environmental agenda are: **(1)** develop certified renewable forest plantations, **(2)** replace fossil fuels with biomass, **(3)** efficient use of energy, water and raw materials, **(4)** certified industrial processes and **(5)** paper recycling, particularly highlighting:

- ▶ Supply industrial processes with 100% certified and controlled origin wood from renewable plantations.
- ▶ Increase the biomass-based energy generation.
- ▶ Raise the efficiency of electric and thermal energy use.
- ▶ Reduce water consumption and the liquid effluent volume.
- ▶ Reduce the organic content of the liquid effluent returned to the aquatic environment.
- ▶ ISO 14001 certification of productive processes.
- ▶ FSC™ and PEFC chain-of-custody certification for forest products.
- ▶ Maintain a high paper recycling volume.

SUSTAINABLE MANAGEMENT OF FOREST PLANTATIONS

All the timber consumed by CMPC comes from renewable and fast-growing plantations, which were mainly established on eroded land allowing the soil being renewed and conserve the natural forests. The sustainable management of these forest plantations is certified to guarantee the protection of native forest and biodiversity, and that the wood for industrial use is exclusively obtained from controlled origin plantations, free from controversies and perfectly traceable from the forest to its final destination.

In August 2012 Celulose Riograndense received the FSC™ certification for the stewardship of its forest resources in Brazil and the same in December 2012 and May 2013 for the forest management of Forestal Mininco in Chile. Thus, it was completed a process focused on developing actions to make the economic, social and environmental scopes compatible with the company's forestry operations, particularly those actions that increase consultation of the communities around the forest lands, seek long-term agreements with them and enhance the integration of productive operations and the social support programmes of the Company.

In the case of Chile, the responsibilities of Forestal Mininco arising from the FSC™ certification have a favourable outlook with most of the neighbouring communities, with whom the company staff has built up relations of trust and respect. The main community organisations include 570 Neighbours' Associations and 358 indigenous

people communities with a total of 200,000 inhabitants. These figures reflect the scope of the task of engaging efficiently with this rural population, to respond their concerns and channel their requests for support.

RESTORATION OF 8,738 HECTARES WITH CHILEAN NATIVE FOREST

As part of the commitments undertaken with the FSC™ certification, CMPC will restore 8,738 hectares with Chilean native forest species in a 15-year timescale, with the technical support of forest specialists and universities. This restoration will include:

- ▶ Increasing the surface area and forest stock in degraded areas, particularly regarding those species with conservation issues.
- ▶ Micro basins and watercourses which provide drinking water to the surrounding communities.
- ▶ Important areas for obtaining medicinal

plants and non-timber forest products.

- ▶ Protection areas which enhance the connectivity between fragments of native forest which are important for maintaining the biodiversity.
- ▶ High conservation value areas and priority sites defined by the environmental authority in Chile.
- ▶ Create buffer areas between plantations and native forest zones.
- ▶ Recover other forest services, like recreation and landscape.

As of December 2013, the company had restored a total of 212 hectares, mainly with native species of oak, raulí, coigüe and soapbark. This is a careful work since the forest regions in Chile have been hit for several years by lower winter rainfall due to the La Niña phenomenon.

One of the most important cases was the ecological restoration project of the El Retiro and Junquillar estates, outlined below.

CMPC'S FORESTRY RESOURCES IN BRAZIL AND CHILE FOR 2013	HECTARES	
	CHILE	BRAZIL
PRODUCTIVE AREA		
A. hectares of renewable plantations	497,734	119,836
B. hectares of land to be planted	25,783	6,774
C. hectares of land used for administrative purposes, including roads, firebreaks, easements, livestock and agricultural areas, nurseries, seed production, testing areas, etc.	55,407	9,541
PROTECTION AND CONSERVATION AREA		
D. hectares of both native forest and vegetation	64,843	45,167
E. hectares for protecting basins, watercourses, flora and fauna and high environmental value habitats	93,913	38,112
TOTAL AREA	737,680	219,430

ECOLOGICAL RESTORATION OF THE EL RETIRO AND JUNQUILLAR ESTATES

The El Retiro and Junquillar estates are located west of the city of Angol in the La Araucanía region, about four kilometres along the road to the Nahuelbuta National Park, and are part of the watershed that helps supply water to such city of a population of 50,000 inhabitants.

The project envisages restoring 400 hectares, which were mostly affected by a fire in 2005 and subsequently replanted with radiata pine, while the remaining native forest has degraded due to livestock activities and the illegal

extraction of timber. The aim of the project is to restore the native forest of the catchment basin that supplies water to the city of Angol, and support the protection and conservation of the biodiversity in the area, recover its landscape beauty and develop recreational, educational and forestry research areas.

In 2012, the company drew up the baseline and defined the target forest, entailing 50 hectares replanted with native oak, evergreen beech, lingue and hazel tree species. It then collected seeds in the summer of 2012-2013, followed by the production of new native plants and

the removal of invasive species in 2013. To date, there are 21 hectares with an advanced level of restoration, as on removing the exotic species those natives responded very well and quickly covered the site.

The company is undertaking this work with the community to create a close tie-in with the different stages of the restoration project. The community is important to help protect the remaining native forest and for the subsequent care of the native species planted or naturally regenerated, and for the protection of riverside areas and essential streams for the watershed of the city.

Part of the area to be restored with native oak, evergreen beech, lingue and hazel tree species, of which pine and other invasive flora have already been removed.

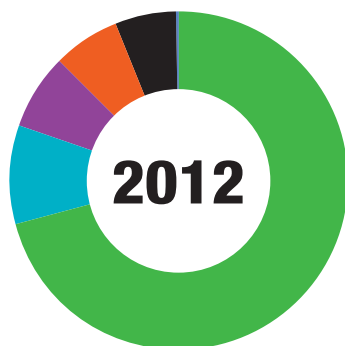


SUSTAINABLE USE OF ENERGY

CMPC ENERGY CONSUMPTION

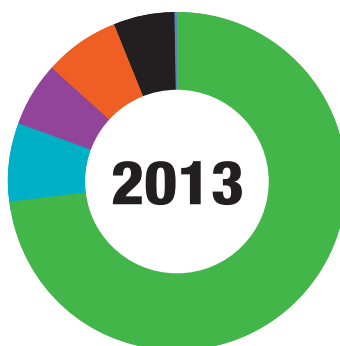
YEAR 2012 (90,889 TERAJOULES)

BIOMASS 70.9%
ELECTRICITY 9.6%
OIL 7.0%
NATURAL GAS 6.5%
COAL 5.8%
OTHERS 0.2%



YEAR 2013 (89,975 TERAJOULES)

BIOMASS 73.1%
ELECTRICITY 7.5%
OIL 6.1%
NATURAL GAS 7.2%
COAL 5.9%
OTHERS 0.2%



CMPC ENERGY CONSUMPTION	2012		2013	
	TERAJOULES	%	TERAJOULES	%
CMPC CONSOLIDATED				
Biomass	64,453	70.9%	65,770	73.1%
Electricity	8,716	9.6%	6,756	7.5%
Oil	6,384	7.0%	5,480	6.1%
Natural Gas	5,926	6.5%	6,466	7.2%
Coal	5,254	5.8%	5,306	5.9%
Others	156	0.2%	197	0.2%
TOTAL	90,889	100%	89,975	100%

ONE TERAJOULE IS THE ENERGY EQUIVALENT TO 278 MWH.

CMPC's pulp and paper production used 89,975 Terajoules of energy in 2013, of which 73.1% was generated from renewable biomass. Another 7.5% was obtained from purchased electricity and 19.4% came from purchased fossil fuels, mainly oil, natural gas and coal. The latter feeds the auxiliary boiler at the Guaíba pulp mill in Brazil, facility where 50.8% of its energy requirements came from renewable biomass, unlike the 91.5% at the Chilean pulp mills.

SECOND GENERATION BIOFUEL PROJECT

In 2009, the Bioenercel technology consortium was established as a partnership between the Chilean State and the private sector, with the aim of injecting second generation biofuels and their by-products into the national power grid, using renewable forest biomass as raw material. This joint-venture comprises the University of Concepción, the Catholic University of Valparaíso, The Chile Foundation, and the Chilean forestry companies Celulosa Arauco, CMPC Pulp and MASISA, with funding from the Chilean economic development agency (CORFO) through its Innova Chile programme.

The first stage involved producing bioethanol in a laboratory with the work of 28 researchers, technicians and administrative staff, and 11 coordinators, who worked at the facilities of the Catholic University of Valparaíso and the University of

Concepción. Bioethanol was produced from lignocellulosic materials provided by the partner forestry companies.

In March 2014, the second stage started with the inauguration of a scale laboratory or pilot plant, from which engineering parameters and the final results will be obtained to then decide on investment in a commercial stage of the project. The laboratory is located at the side of the Biotechnology Centre of the University of Concepción.

The scale laboratory will assess the conditions of each of the stages of the process to obtain bioethanol (pretreatment, enzymatic hydrolysis, fermentation and distillation), and evaluate the intermediate production stages, like filtration, refining, flushing, centrifugation, precipitation and liquefaction. This laboratory will obtain higher scale results than in the bench

laboratory and will provide definitive data for the production of bioethanol and by-products from wood. The aim is to create know-how to set up a demonstration plant and then decide on a commercial stage to produce bioethanol in Chile.

WHAT ARE SECOND GENERATION BIOFUELS?

They are fuels produced from raw materials that are not food sources using a technology that is still in a research and development stage, with very high production costs. Second generation biofuels will be an effective alternative to replace fossil fuels without using food and agricultural land.

The Chilean project aims to produce bioethanol from wood pulp obtained from forest plantation, converting it into sugars by using high-tech enzymes and then fermenting the sugar, from which bioethanol is obtained.



Industrial premises of the pilot plant to produce second generation biofuel at the University of Concepción.



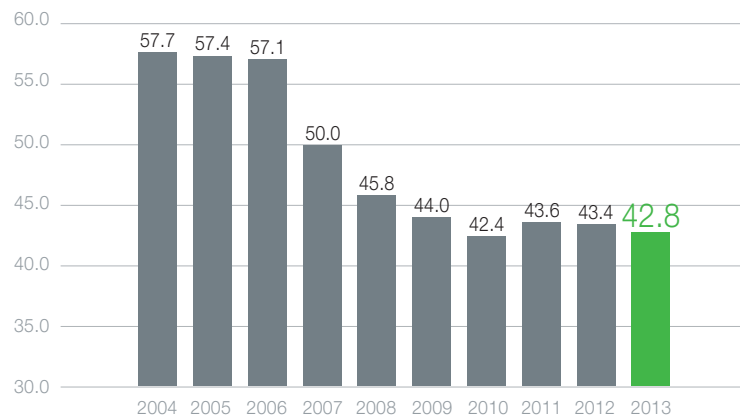
The water consumption dropped 25.8% on that in 2004, as a result of CMPC's efforts to increase water consumption efficiency.

SUSTAINABLE USE OF WATER

In 2013, the average water consumption per tonne of pulp and paper produced was 42.8 m³ per tonne of final product, slightly lower than in 2012, and still higher than in 2010, which shows that the objective of reducing CMPC's water consumption is a demanding task of engineering and requires new process technology and innovation. In any case, the water consumption dropped 25.8% on that in 2004, as a result of CMPC's efforts to increase water consumption efficiency. Water consumption is measured as total water withdrawal including the makeup water for cooling purposes.

SPECIFIC WATER CONSUMPTION (WATER WITHDRAWN)

CMPC CONSOLIDATED
m³/ton of final product

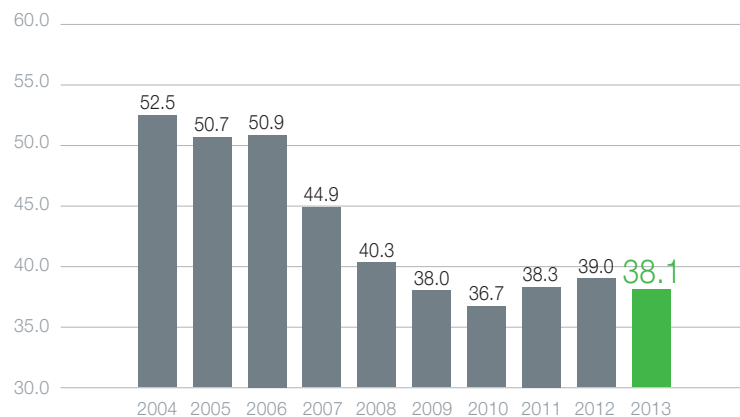


TREATED LIQUID EFFLUENT

In 2013, the liquid effluent generated per tonne of pulp and paper was 38.1 m³ per tonne of final product, which was lower than in 2012 and a 27.4% decrease on 2004.

TREATED LIQUID EFFLUENT

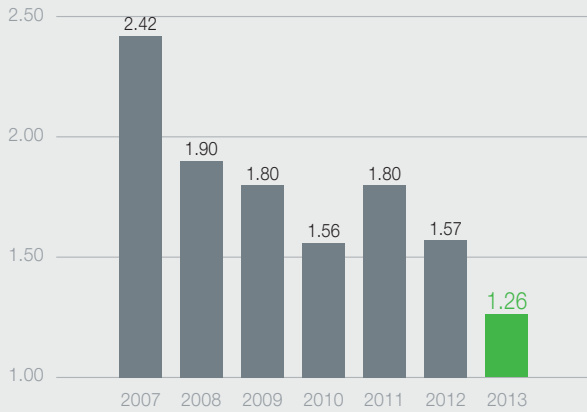
CMPC CONSOLIDATED
m³/ton of final product



In 2013, 3 of the 6 effluent indicators dropped on 2012, as depicted in the following 6 graphs that show the company's consolidated effluent.

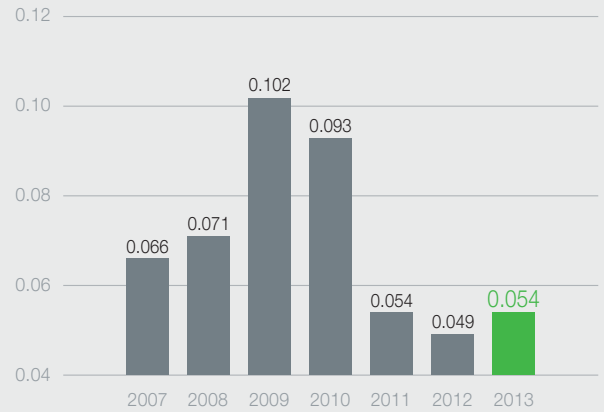
BIOLOGICAL OXYGEN DEMAND

CMPC CONSOLIDATED
kg/ton of final product



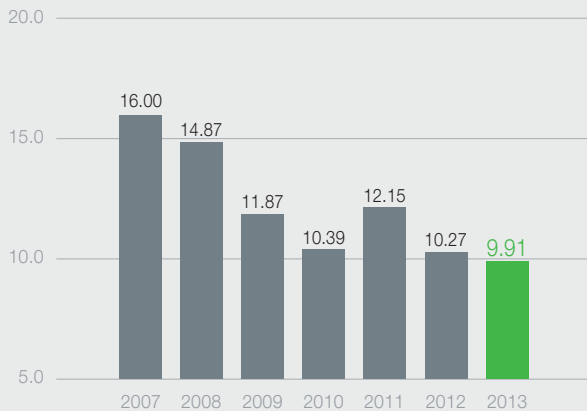
PHOSPHORUS

CMPC CONSOLIDATED
kg/ton of final product



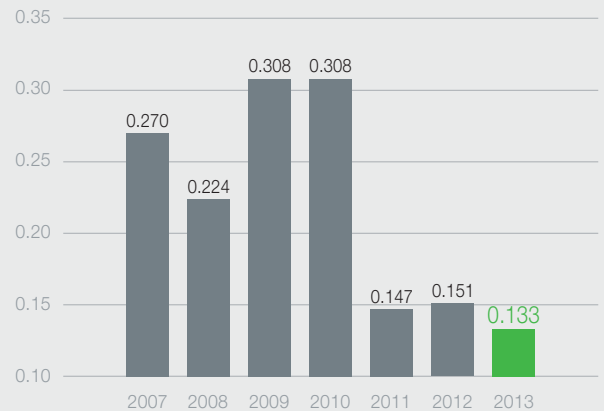
CHEMICAL OXYGEN DEMAND

CMPC CONSOLIDATED
kg/ton of final product



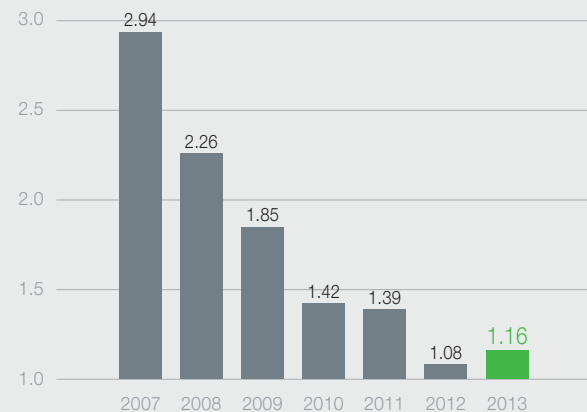
NITROGEN

CMPC CONSOLIDATED
kg/ton of final product



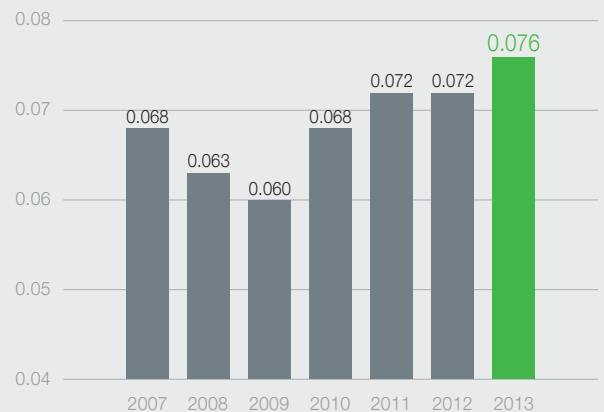
TOTAL SUSPENDED SOLIDS

CMPC CONSOLIDATED
kg/ton of final product



ORGANOCHLORINE COMPOUNDS

CMPC CONSOLIDATED
kg/ton of final product



AIR EMISSIONS

Air emissions generated in the combustion processes comprise particulate matter and gases released into the air, mainly sulphur dioxide (SO₂) and nitrogen oxide (NO_x). These emissions are monitored periodically and reported to the environmental authority according to current regulations.

The particulate matter emitted by CMPC pulp and paper mills amounted to 0.54 kilogrammes per tonne of product in 2013, a 45.5% decrease on 2012 and 60.6% on 2006, due to the greater supply of natural gas in Chile and the investment made in equipment for emission abatement.

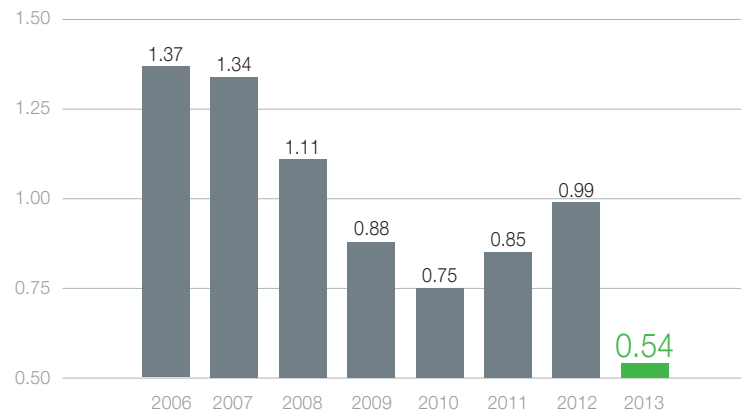
The sulphur dioxide emissions were 1.24 kilogrammes per tonne of product in 2013, due to the consolidation of the Guaíba pulp mill in Brazil, which uses coal in its auxiliary boiler and generates SO₂. Disregarding such mill, the consolidated value would have been 0.44 kilogrammes per tonne for the remaining CMPC mills in 2013.

Nitrogen oxide emissions were 1.67 kilogrammes per tonne of product, a slight drop on 2012.

PARTICULATE MATTER

CMPC CONSOLIDATED

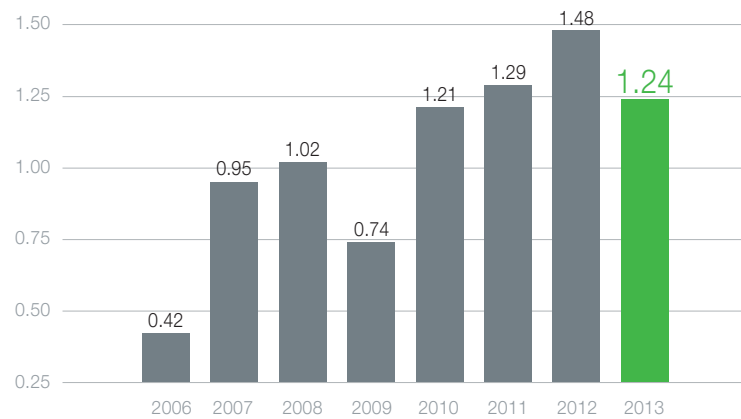
kg/ton of final product



SULPHUR DIOXIDE

CMPC CONSOLIDATED

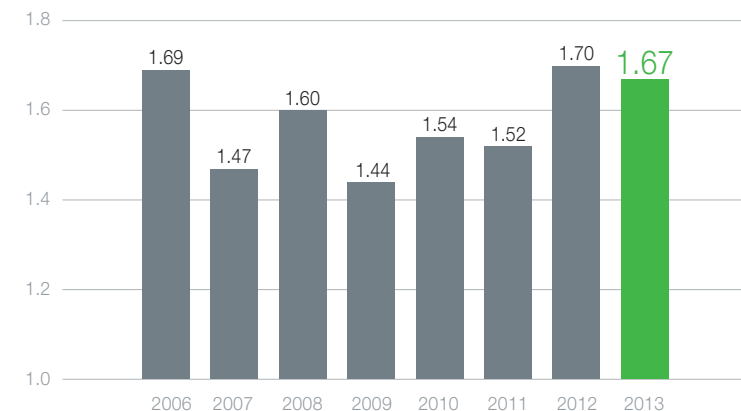
kg/ton of final product



NITROGEN OXIDES

CMPC CONSOLIDATED

kg/ton of final product





CMPC Pulp is working on a project to reduce the solid waste from its 3 pulp mills in Chile. These wastes are sent to own landfills and represented a total of 138,094 tonnes in 2013.

SOLID WASTE

The chart shows the tonnes of solid waste generated by CMPC's pulp and paper mills. In 2013 only 0.35% of the total was considered hazardous. Such a waste is subject to regulations established by the Decree N° 148 of 2003 by the Chilean 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 99.65% of the waste was considered as non-hazardous, 42.3% of which was recycled either as heating power for biomass boilers or for environmental purposes. Finally, 57.4% of the waste was taken to licensed landfills either owned by the company or by third parties, for the controlled disposal of it.

CMPC Pulp is working on a project to reduce the solid waste from its 3 pulp mills in Chile. These wastes are sent to own landfills and represented a total of 138,094 tonnes in 2013. The aim of this project is reuse the solid waste in different categories, ranging from steam and power generation in biomass boilers, improvement of agricultural and forest lands, stabilizing material for roads, among others.

SOLID WASTE			
CMPC CONSOLIDATED	2012	2013	2013
	TONNES	TONNES	%
Hazardous Solid Waste			
Sold or recycled	305	338	} 0.35%
Sent to specialized dumps	1,123	1,263	
Non-Hazardous Solid Waste			
Sold or recycled	56,119	102,306	} 42.3%
Sludge used to produce steam	70,740	89,225	
Sent to own landfills	153,984	146,214	} 57.4%
Sent to third parties' landfills	108,332	113,833	
TOTAL	390,602	453,178	100.0%



Biomass boiler and storage silo at the Santa Fe wood pulp mill.

HIGH VOLUME OF PAPER RECYCLING

In 2013, the consumption of recycled paper at CMPC's paper mills totalled 737 thousand tonnes, with an average annual increase of 3.5% from 2004 to 2013, due to the growth in tissue and corrugated paper. 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 process cause the fibres to deteriorate, hence the need to incorporate virgin fibres into the paper production, 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

RECYCLED PAPER CONSUMPTION

IN THOUSANDS OF TONNES	2010	2011	2012	2013
Mills in Chile	458	436	453	453
Mills in Argentina, Peru, Uruguay, Mexico, Colombia and Brazil	221	293	286	284
TOTAL	679	729	739	737

processes. After taking the used paper to the paper mills, this is turned into useful fibres, thus beginning a new lifecycle.

THE ENVIRONMENTAL AND SOCIAL BENEFITS OF 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.
- ▶ It values 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.

- ▶ It is a source of paid work to collectors in the cities.
- ▶ Helps to keep the cities clean.

ISO 14001 CERTIFICATION AT CMPC

The following subsidiaries have this certification:

- ▶ Forestal Mininco
- ▶ CMPC Pulp for its Laja, Santa Fe and Pacifico pulp mills in Chile
- ▶ Celulose Riograndense for its Guaíba pulp mill in Brazil
- ▶ Papeles Cordillera
- ▶ Cartulinas CMPC for its Maule and Valdivia boxboard mills
- ▶ Tissue Chile for its Talagante and Puente Alto mills
- ▶ Tissue Argentina
- ▶ Tissue Colombia for its Cali and Bogotá mills.



CARBON CAPTURE ON CMPC'S FOREST PLANTATIONS

Current science recognizes the world's oceans, forests and agricultural land as "carbon sinks", due to their positive contribution to mitigating climate change by capturing the carbon dioxide generated by human activity.

Carbon capture on CMPC's pine and eucalyptus plantations in Chile amounted to almost 27 million tonnes from 2008-2013, measured according to the standing forest growth, reducing from this figure the annual timber harvest and the effect of forest fires, as these return carbon to the atmosphere. The annual average in the same period was 4.5 million tonnes of CO₂, measured in the same way. These values are shown in the table above.

CMPC'S CO_{2e} EMISSIONS

The emissions corresponding to scopes {1+2} of the GHG Protocol were 2,084,945 tonnes of CO_{2e} for all CMPC's operations in 2013, and the breakdown is outlined in the intermediate table. This figure can be compared favourably with the CO₂ capture on plantations in Chile, indicated above.

CMPC'S ENVIRONMENTAL INVESTMENT

From 2004-2013, CMPC launched a large environmental investment programme, with an outlay of US\$ 600 million. Most of this went on biomass-based energy generation at the Santa Fe, Pacifico and Laja pulp mills, besides the biological treatment of liquid effluent and the reduction of air emissions at all the pulp and paper mills.

CO₂ CAPTURE IN THE CHILEAN CMPC PLANTATIONS

CO ₂ TONNES	ACCUMULATED	ANNUAL AVERAGE
	2008-2013	2008-2013
Radiata Pine	16,060,082	2,676,680
Globulus Eucalyptus	4,530,078	755,013
Nitens Eucalyptus	6,198,152	1,033,025
TOTAL	26,788,313	4,464,719

CO_{2e} EMISSIONS

TONNES	CHILE	BRAZIL	6 LATIN AMERICAN COUNTRIES*	TOTAL
Scope 1	638,929	600,767	154,726	1,394,421
Scope 2	521,905	20,672	147,947	690,524
TOTAL	1,160,833	621,438	302,673	2,084,945

* ARGENTINA, PERU, URUGUAY, COLOMBIA, MEXICO AND ECUADOR.

CONSOLIDATED ENVIRONMENTAL INVESTMENTS

IN MILLIONS OF US DOLLARS	YEARS 2004-2013
Renewable energy generation	314.2
Air emissions abatement	70.7
Liquid effluent treatment	124.9
Solid waste management	18.8
Environmental safety of facilities and people, prevention and control	17.3
Energy and water savings	48.4
Other investments	5.4
TOTAL INVESTMENTS	599.8

CONSOLIDATED ENVIRONMENTAL INVESTMENTS

YEARS 2004-2013

RENEWABLE ENERGY GENERATION 52%
 AIR EMISSIONS ABATEMENT 12%
 LIQUID EFFLUENT TREATMENT 21%
 SOLID WASTE MANAGEMENT 3%
 ENVIRONMENTAL SAFETY OF FACILITIES AND PEOPLE, PREVENTION AND CONTROL 3%
 ENERGY AND WATER SAVINGS 8%
 OTHER INVESTMENTS 1%



BIODIVERSITY IN THE CMPC'S FOREST LANDS

These forests have special conservation and protection plans, and are given priority in the fire prevention and protection systems implemented by CMPC.

CMPC has 159,000 hectares in Chile allocated for the protection and conservation of the biodiversity, which are an essential equity for its sustainable development:

- ▶ 65,000 hectares of native forest and vegetation.
- ▶ 94,000 hectares to protect basins, watercourses, flora and fauna, and areas of high environmental value.

This equity includes 11 high conservation value forests in Chile of 9,469 hectares in the Maule, Bío-Bío, La Araucanía and Aysén regions. Valuable species of native Valdivian forest, native Maulino forest, ruil, pitao, araucaria, and also native fauna, like the huillín or southern river otter are conserved on them. These forests have special conservation and protection plans, and are given priority in the fire prevention and protection systems implemented by CMPC.



RUCAMANQUI HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** mainly oak, raulí (*Nothofagus nervosa*) and coigüe (*Nothofagus dombeyi*).
- ▶ **Surface area:** 4,601 hectares.
- ▶ **Location:** sections 3, 5 and 6 of the Rucamanqui estate in the upper basin of the Cholguán river, district of Tucapel, Bío-Bío region.
- ▶ **Grounds:** the sector forms part of the “Biological Corridor of the Nevados de Chillán – Laguna del Laja” priority conservation site, declared by the environmental authority.

TRONGOL HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** native araucaria (*Araucaria araucana*) forest, ciprés de la cordillera, parrilla de nahuelbuta (*Ribes integrifolium*), oak, raulí (*Nothofagus nervosa*) and coigüe (*Nothofagus dombeyi*).
- ▶ **Surface area:** 2,459 hectares.
- ▶ **Location:** Trongol estate, district of Curanilahue, Bío-Bío region.
- ▶ **Grounds:** this forest is part of the biological corridor which connects the “Quebrada de Caramávida” priority conservation site, declared by the environmental authority, to the Nahuelbuta National Park.

LOS ALPES HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** araucaria (*Araucaria araucana*), parrilla de nahuelbuta (*Ribes integrifolium*), and as native fauna the thicket degú (rat).
- ▶ **Surface area:** 807 hectares.
- ▶ **Location:** farms I and III of the Los Alpes estate, La Araucanía region.
- ▶ **Grounds:** this forest is part of the “Purén” priority conservation site, declared by the environmental authority, and is part of the biological corridor which connects the “Quebrada de Caramávida” priority conservation site to the Nahuelbuta National Park.



**HUALOS DE LOANCO
HIGH CONSERVATION
VALUE FOREST**

► **Protected species:** native Maulino forest with the presence of hualo or Maule oak (*Nothofagus glauca*), a species declared vulnerable, and fauna of the black woodpecker, a species declared in danger of extinction.

► **Surface area:** 701 hectares.

► **Location:** Proboste, San Pedro, Las Cañas II and IV estates, in the districts of Empedrado and Constitución, Maule region.

► **Grounds:** the sector forms part of the “Galumávida y Hualos de Loanco” priority conservation site, declared by the environmental authority.

**CERRO CASTILLO
HIGH CONSERVATION
VALUE FOREST**

► **Protected species:** native lenga (*Nothofagus pumilio*) forest and fauna of the black woodpecker, a species declared in danger of extinction.

► **Surface area:** 222 hectares.

► **Location:** La Pradera, El Ñandú and La Esperanza estates, in the lower basin of the Blanco river, district of Coyhaique, Aysén region.

► **Grounds:** the protected sector is next to the Cerro Castillo National Reserve and has high woodland regeneration as livestock is barred access.


**ALTO ESCUADRÓN
HIGH CONSERVATION
VALUE FOREST**

► **Protected species:** native Valdivian forest with species of ulmo (*Eucryphia cordifolia*), olivillo (*Aextoxicon punctatum*), lingue (*Persea lingue*) and winter's bark (*Drimys winteri*).

► **Surface area:** 196 hectares.

► **Location:** Escuadrón estate, specifically the ravine at the start of the Nahuelbuta mountain range, district of Coronel, Bío-Bío region.

► **Grounds:** the sector is part of the work developed by the Jorge Alessandri Park.



LOS RUILES DE EMPEDRADO HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** native ruil (*Nothofagus alessandrii*) forest, a species of native flora endemic of Chile, declared in critical danger of extinction. It is ranked as the most endangered tree in the country regarding conservation.
- ▶ **Surface area:** 136 hectares
- ▶ **Location:** El Desprecio estate, district of Empedrado, Maule region.
- ▶ **Grounds:** the sector forms part of the “Bosques de Ruil y Hualo de Curepto” priority conservation site, declared by the environmental authority.

VILLA LAS ARAUCARIAS HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** araucaria (*Araucaria araucana*) copses, a species of native flora endemic of Chile and Argentina, classified as vulnerable regarding conservation.
- ▶ **Surface area:** 125 hectares
- ▶ **Location:** Las Vacas, Magallanes and La Cabaña estates, in the districts of Lumaco and Carahue, La Araucanía region.
- ▶ **Grounds:** the araucaria stock in this area is genetically different from the stocks in the Nahuelbuta and Los Andes mountain ranges. This sector forms part of the “Villa Las Araucarias” priority conservation site, declared by the environmental authority.

HUILLÍN HIGH CONSERVATION VALUE FOREST

- ▶ **Protected species:** A Chilean mammal, the southern river otter (*Lontra provocax*), declared in danger of extinction.
- ▶ **Surface area:** 79 hectares
- ▶ **Location:** the protected area is about five kilometres on the Licancullín, San Francisco estates and others on the banks of the river Boldo or Queule and in the Mahuidanche wetlands, in the district of Toltén, La Araucanía region.
- ▶ **Grounds:** the sector forms part of the “Mahuidanche” priority conservation site, declared by the environmental authority.



**PITAO DE MAITENREHUE
HIGH CONSERVATION
VALUE FOREST**

- ▶ **Protected species:** native pitao (*Pitavia punctata*) forest, a species of native flora endemic of Chile, declared in critical danger of extinction.
- ▶ **Surface area:** 31 hectares
- ▶ **Location:** the pitao stock is on two sites of the Pitrufquén and Los Barros estates, in the districts of Nacimiento, Bío-Bío region; and Angol, La Araucanía region.
- ▶ **Grounds:** this pitao stock has unique genetic features which differentiate it from other stocks located further north in Chile.

**LA CASCADA
HIGH CONSERVATION
VALUE FOREST**

- ▶ **Protected species:** fauna of huemul (*Hippocamelus bisulcus*), the south Andean deer, a species symbolic of Chile, declared in danger of extinction.
- ▶ **Surface area:** 112 hectares
- ▶ **Location:** La Cascada estate, in the district of Coyhaique, Aysén region.
- ▶ **Grounds:** huemul protection area, a species declared a Natural Monument in Chile since 2006.

**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 INDICATOR		REPORTED IN	PAGE
1. STRATEGY AND ANALYSIS			
1.1	Statement of senior person responsible	Chairman's letter	3-5
1.2	Description of key impacts, risks and opportunities	Chairman's letter	3-5
		Trends driving the sustainable development of CMPC's businesses	14-15
		CMPC objectives for 2013 - 2015	18-21
2. PROFILE OF THE ORGANIZATION			
2.1	Name of the organization	Empresas CMPC S.A.	
2.2	Primary brands, products and services	Regional brands in tissue and sanitary products: ELITE, BABYSEC, LADYSOFT, COTIDIAN and SELEX in plywood panels.	6, 11
2.3	Operational structure	Structure of the organization	8-11
2.4	Headquarters' location	Santiago, Chile	
2.5	Countries where the company operates	International presence of CMPC	12-13
2.6	Nature of ownership and legal form	Company's profile	6, 9
2.7	Markets served	Sales in over 45 countries and 30,000 clients approximately.	6
2.8	Size of the organization	CMPC in figures for year 2013	7
2.9	Significant changes during the period	There were no significant changes	
2.10	Awards received	CMPC ranked fifth among Chilean companies caring for the environment, according to a study by the Center for Measuring of the Catholic University and Azerta strategic communication.	
3. REPORT PARAMETERS			
3.1	Reporting period	Year 2013	
3.2	Date of the previous report	Year 2012	
3.3	Reporting cycle	Annual	
3.4	Point of contact	Send us your opinion	88
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, value chain, local communities and the environment. The subjects were defined by reviewing the social and environmental performance of the year 2013.	
3.6	Boundary of the report	It includes the information of the entire value chain of CMPC.	16-17
3.7	Limitations on the report's scope or boundary	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.	
3.8	Inclusion of joint ventures, subsidiaries	It includes the information of the entire value chain of CMPC.	16-17
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 2012 and 2011.	
3.11	Changes in relation to previous periods	There were no significant changes	
3.12	Table of contents	GRI index	84+
3.13	External verification	No external verification was made	
4. GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS			
4.1	Organization's governance structure	Corporate governance	8-10
4.2	Chairman of the Board	The Chairman of the Board of Directors is not an executive of CMPC	8-9
4.3	Independent Board members	Of the 7 members of the Board of Directors, two have been appointed by independent shareholders.	9
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.	9

GRI INDICATOR		REPORTED IN	PAGE
4.5	Remuneration to 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.	9
4.7	Composition, qualifications and expertise of the 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.	9
4.8	Mission, values and Code of Conduct	Mission, values and ethics in business	6
		The CMPC Code of Conduct	36-37
4.9	Procedures of the Board of Directors to supervise the organization's economic, social and environmental performance	Corporate governance and sustainable development	9-10
4.10	Evaluation of the Board's own performance	Corporate governance and sustainable development	9-10
4.11	Description of how the organization has adopted a precautionary principle	CMPC's environmental policy, especially the point 9.d	69
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	Membership in organizations	CMPC is a member of the World Business Council for Sustainable Development; specifically, it integrates the Forest Solutions Group, which brings together 23 companies.	
4.14	List of stakeholders groups	This report highlights the progress made in the relation with the neighboring communities, through the actions of good neighbourhood and the educational work of the CMPC Foundation.	44-67
4.15	Basis for selection of stakeholders		
4.16	Approach adopted for the inclusion of stakeholders		
4.17	Key topics and concerns that have been raised through dialogs with stakeholders		
		Relationship with suppliers and contractors	29
		The CMPC Foundation	46-51
		Good neighbourhood actions	52-67
		Respecting and supporting the Mapuche culture	61-65
		Protection and conservation of biodiversity	80-83

ECONOMIC PERFORMANCE

EC1	Economic value generated and distributed	Economic performance	27-28
EC2	Risks and opportunities due to climate change	In the environment	79
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 States	No significant financial assistance is received from the States.	
EC5	Range of wage ratios	Not reported	
EC6	Practices and purchases from local suppliers	Purchase of goods and services from local suppliers	29
EC7	Local hiring and resident managers	Local residency of senior management of the operations	40
		Generating jobs for the surrounding communities	55
EC8	Infrastructure investment and services provided for public purposes	Contribution to public infrastructure	28
		The Jorge Alessandri Park	50-51

GRI INDICATOR		REPORTED IN	PAGE
ENVIRONMENTAL PERFORMANCE			
EN1	Materials used	Timber coming from renewable plantations	16-17, 70
		Recycled paper consumption	78
EN2	Percentage of recycled materials used	Recycled paper consumption	78
EN3	Direct energy consumption	Sustainable use of energy	72
EN4	Indirect energy consumption	Not reported	
EN5	Energy savings	Reduction in the purchase of electricity	72
EN6	Products and services based on renewable energies	73.1% of the energy consumed was generated with renewable biomass	72
EN7	Reduction of indirect energy consumption	CMPC is operating three biomass-based co-generation plants to reduce its purchase of electricity and fossil fuels.	72
EN8	Total water withdrawal	Sustainable use of the water	74
EN9	Water sources affected significantly	CMPC's water intake did not affect the water sources.	
EN10	Recycled and reused water	Sustainable use of water	74
EN11	Protected or high biodiversity areas	CMPC's forestry resources in Chile and Brazil	70
		Biodiversity in the CMPC's forest lands	80-83
EN12	Impacts on biodiversity in protected areas	CMPC's role in the protection and conservation of biodiversity	80
EN13	Protected or restored habitats	High conservation value forests	80-83
EN14	Management of impacts on biodiversity	CMPC's role in the protection and conservation of biodiversity	80
EN15	Species whose conservation is threatened	In the CMPC's forest lands 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	Total CO _{2e} emissions in the 8 countries	79
EN17	Other indirect emissions of greenhouse gases	Scope 2 of GHG emissions	79
EN18	Initiatives to reduce greenhouse gas emissions	Objective of increasing renewable energy generation	19
		Second generation biofuel project	73
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	76
EN21	Total volume of liquid effluent	Treated liquid effluent	74-75
EN22	Weight of the managed waste	Solid waste	77
EN23	Most significant spills	No significant spills were recorded	
EN24	Hazardous solid waste according to the Basel Convention	Hazardous solid waste	77
EN25	Water resources and habitats affected	No water sources or their related habitats were affected	
EN26	Initiatives to mitigate environmental impacts of products and services	CMPC's objectives for 2013-2015	19-21
		The 5 pillars of CMPC's environmental agenda	69
		Restoration of 8,738 hectares with Chilean native forest	70-71
		Energy generated with renewable biomass	72
		Second generation biofuel project	73
		Sustainable use of the water	74
		High volume of paper recycling	78
EN27	Percentage of products recovered at the end of their useful life	Not reported	
EN28	Sanctions and fines of an environmental nature	No significant sanctions and fines were recorded	
EN29	Environmental impact from transport	Nor reported	
EN30	Environmental investments	CMPC's environmental investments	79
LABOUR PRACTICES AND WORK ETHICS			
LA1	Composition of workers	By business division	35
		By country	35
		By type of employment	39
LA2	Total number of employees and average turnover	Low turnover level	39
LA3	Social benefits for full-time employees	CMPC's employee benefits	41
LA15	Reinstatement of women at work after maternity	CMPC does not condition the return to work after maternity.	
LA4	Percentage of employees covered by collective bargaining agreements	Employees covered by collective bargaining agreements	41
LA5	Minimum notice period for organizational changes	Trustworthy long-standing working relationships	41

GRI INDICATOR		REPORTED IN	PAGE
LA6	Workers in joint committees on health and safety	Risk prevention policy	42
LA7	Absenteeism, occupational diseases, lost days	Occupational health and safety statistics	43
LA8	Training, education, risk prevention and control programmes	Risk prevention programmes	42
LA9	Health and safety topics covered in formal agreements with unions	Risk prevention policy	42
LA10	In-service training hours per category of employee	Education and in-service training	39
LA11	Continuous training programmes	Education and in-service training	39
LA12	Regular evaluations on performance and development	Not reported	
LA13	Personnel by genre and age	Personnel by genre and age	35
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.	29
HR2	Percentage of suppliers, distributors and contractors evaluated in human rights matters	CMPC extends its obligations in this matter to its suppliers. Nevertheless, no measurements are made.	29
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.	36-37
HR4	Incidents of discrimination	No incidents of discrimination have been recorded in the period.	
HR5	Activities where freedom of association is at risk	Trustworthy long-standing working relationships	41
HR6	Activities that involve child work	CMPC rejects any practice related to child work	6
HR7	Activities that risk forced or compulsory work	CMPC rejects any practice related to forced work	6
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 indigenous people	Respect and support the Mapuche culture	61-65

SOCIETY			
S01	Management of operational impacts on communities	Good neighbourhood actions	52-67
S02	Corruption risks	Prevention of bribery and corruption acts	37
S03	Training in anti-corruption procedures	Prevention of bribery and corruption acts	37
S04	Measures in response to corruption incidents	Corruption acts prevention model	37
S05	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.	
S06	Financial contributions to political parties	Donations to election campaigns under the Law N°19,884	66
S07	Lawsuits due to cases against free competition	None took place	
S08	Monetary value of sanctions and fines	Sanctions and fines	28

PRODUCT RESPONSIBILITY			
PR1	Customers' health and safety impacts	Customers' health and safety	33
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.	32
PR4	Number of nonfulfilments of PR3	None took place	
PR5	Customer satisfaction surveys	The CMPC Tissue business division carries out periodic customer satisfaction surveys because its products are destined to massive consumption.	32
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.	32
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 the use of products	None reported	

WE VALUE YOUR OPINION

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

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