



EMPRESAS CMPC S.A.

SUSTAINABLE DEVELOPMENT REPORT 2011



27 years old
radiate pines
in the district
of Cabrero.

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

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

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

> Waterfall (Trayenco) in the district of Chol Chol, one of the 22 sites of Mapuche cultural interest identified in the CMPC's forest lands.

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Letter from the Chairman

I am particularly pleased to present you with the CMPC's Sustainable Development Report for the year 2011, which details the work of the company in social, environmental and economic subjects.

My first words are to remind the painful event mourned by our company. On January 5th, 2012, seven members of a brigade died while fighting a forest fire suspected to be from intentional source in the Casa de Piedra farm, located in the district of Carahue, Araucanía Region. Two others were seriously burned and we are happy that today they are recovering successfully. The staff of Forestal Mininco gave full support to the families of the deceased workers and the two injured survivors.

As a company, we will use every means provided by the law to seek drastic sanctions for those that affect the workers or the company's assets.

The Forestal Mininco staff has developed an open doors policy and collaboration with the neighbouring communities, with which has built a relationship of trust and respect. To hear firsthand the concerns of our neighbours, to develop collaboration opportunities and be aware to respond to several social support requests, has been and is part of our way of being.

Our staff has played a key role in the growth of the company, totalling 15,463 direct employees to December 2011, of which 44%, 6,766 people, worked outside of Chile. There are 50 unions that represent a 59% of the employees. These organizations have been very important in achieving a flowing, open and constructive relationship with our collaborators, which has characterized the business life of CMPC.

CMPC performs a serious and proactive approach,

working together and open doors with the community, designed to create opportunities for its social and economic development. Such efforts, called the Good Neighbourhood Actions, have been placed with special emphasis on direct employment for residents of the Mapuche ethnicity, on programmes that support education, for the promotion of productive development and micro-enterprise initiatives, that have given the communities tools to improve their quality of life. These actions include urban communities near the mills and rural communities near the forest plantations.

As a company, we promote respect for the beliefs, customs and traditions of the Mapuche culture. We believe that by recognizing and supporting this ancestral culture, contribute to its strengthening, so that the Mapuche people are less prone to the loss of the vital energy of their language and vision of the Cosmos. Forestal Mininco has designed protection and conservation plans of 22 sites of cultural interest, identified in the forest lands belonging to CMPC. The validation of these plans is being conducted on direct consultation with the communities and their assemblies. In December 2011, the geo-referenced cadastre of the 22 Mapuche cultural sites was delivered to the National Corporation for Indigenous Development (CONADI), in a ceremony held in the city of Temuco with the attendance of the Mapuche community representatives.

A key aspect of CMPC's constant commitment to working with the community is the CMPC Foundation, which turned 11 years old supporting the educational work in schools neighbouring the company's forest operations and mills. We have the conviction that a good quality of education the children receive, it increases their future opportunities as well as the communities' quality of life. The Foundation's work is

conducted by a team of 28 professionals and benefited in 2011 more than 10,000 children, 500 teachers and principals, in 51 educational establishments in 11 districts of Chile.

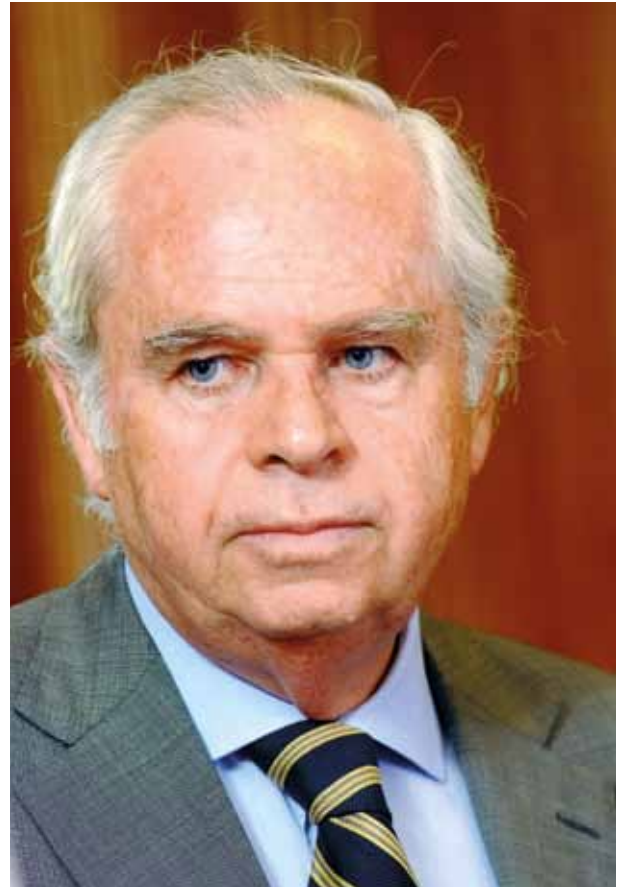
Early 2012 the results obtained by Chilean students in the SIMCE test applied in 2011 were published. These results showed an upward trend of the schools supported by the CMPC Foundation since 2002. Both Language and Mathematics, the average improvement was much greater than that experienced by the national average, as by schools of equal socioeconomic status and dependence. In both subjects there was also an increase of students that achieve advance knowledge and a decrease in those with basic knowledge.

Also, the CMPC Foundation conducted cycles of outdoor cinema, plays, children's stories contest, workshops for adults and children and a permanent cinema cycle, with a total of 9,700 participants, all of them residents in the districts of Laja and Nacimiento.

Apart from the direct work with schools organised by the Foundation, there are also educational, cultural and recreational activities at the Jorge Alessandri Educational Park, located in Concepcion, which received 154,000 visitors during 2011, a figure 32% higher than 2010, which commits us to continue improving its infrastructure and landscape.

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

We are increasing the renewable energy generation as a contribution to mitigate the climate change. In



2011 we create the subsidiary Bioenergías Forestales S.A. as the coordinating entity responsible to the UN of the CMPC's power generation projects based on forestry biomass. The first project required an investment of 150 million dollars in a biomass boiler and its corresponding turbo-generator, located at the Santa Fe Pulp Mill, with a power generation capacity of 500 GWh per year. At the end of the second half of 2012 there will be a new biomass boiler at the Laja Pulp Mill. In Brazil, CMPC built a new biomass boiler at the Caieiras Tissue Mill, as a demonstration of our commitment in this field. Thus, in 2011, a 72.4% of the total thermal energy and electric power consumed in the CMPC's operations came from renewable sources such as biomass, an effect that will be reinforced with the new boilers mentioned above.

We are also working on technologically updating our factories. An important contribution to this goal is the

project at the Laja Pulp Mill, the oldest factory in this category in Chile, with a first stage investment of 300 million dollars in equipment replacement, processes upgrading and emission reduction to the environment, project that will come into stream in mid 2012.

We proudly show a systematic reduction of our global water consumption and the volume of the treated effluent returned to the natural watercourses, as well as an improvement in the quality parameters of both effluent and air emissions. These results would not have been possible without an adequate investment in environmental projects, which totaled 439 million dollars in the period from 2004 to 2011.

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

The supply of the Company is currently 100% CERTFOR-PEFC certified wood and from controlled origin. Now we seek the accreditation of our forest management with the FSC certification. The final certification audit will be held in Chile the last quarter of 2012. Meanwhile, after an audit process that found no significant noncompliance, Celulose Riograndense of Brazil will receive in August 2012 the FSC certification for a total of 212,000 hectares.

In 2011, the consumption of recycled paper at CMPC's paper mills totalled 729,000 tons, a 9.3% increase over 2009, due to the growth in the Tissue operations. This figure means that approximately 43% of CMPC's total paper production was based on recycled fibres.

The public scrutiny of activities such as power generation, transportation and industrial processes, all of which consume fossil fuels, has made the

companies address the measurement of its Carbon Footprint, which is the accounting of greenhouse gases captured and emitted during the life cycle of a product. At CMPC we have measured the Carbon Footprint of pine and eucalyptus pulps, boxboard, tissue paper and sanitary products.

Forests, agricultural land and the world's oceans are considered to be "carbon sinks" by current science, due to its positive contribution to mitigate the climate change by capturing the carbon dioxide generated by human activities. Thus, carbon sequestration in the Chilean CMPC plantations of pine and eucalyptus totaled about 20 million tons of CO₂ in the period 2008-2011, measured according to the forest growth, reducing from this figure the annual timber harvest and the effect of forest fires, since they return carbon to the atmosphere.

We continue to advance along the path of progress of our forestry practices and industrial processes, incorporating new technologies, taking care of the environment, certifying our processes and building strong relationships with our neighbouring communities. We do so with a vision towards the future but at the same time facing today's challenges efficiently.



Eliodoro Matte L.
Chairman
Empresas CMPC

CMPC objectives for 2011-2012

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

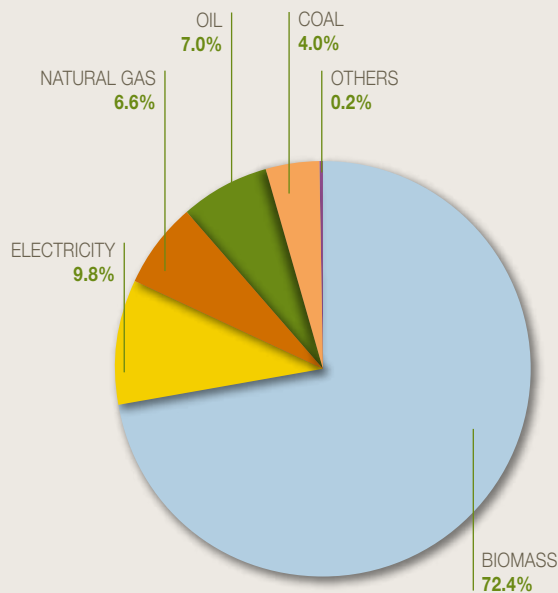
> We believe that it is necessary to increase the renewable energy generation as a contribution to mitigate the climate change. In 2011 the subsidiary Bioenergías Forestales S.A. was created as the coordinating entity responsible to the UN of the CMPC's power generation projects based on forestry biomass. The first project required an investment of 150 million dollars in a biomass boiler and its

corresponding turbo-generator, located at the Santa Fe Pulp Mill, with a power generation capacity of 500 GWh per year. At the end of the second half of 2012 there will be a new biomass boiler at the Laja Pulp Mill. In Brazil, CMPC built a new biomass boiler at the Caieiras Tissue Mill.

> In 2011, a 72.4% of the total thermal energy and electric power consumed in the CMPC's operations came from renewable sources such as biomass, which is shown in the chart below.

CMPC Energy Consumption

Year 2011 (85.622 Terajoules)



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

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

> In 2011, Forestal Mininco conducted extensive consultations with the communities neighbouring its operations, as well as focused consultations on harvesting areas, agreeing with the communities the appropriate mitigations for the impacts of its forestry operations. This task should be increased according to the principles of the FSC certification and has favorable prospects with most of the communities, with which Forestal Mininco has built a relationship of trust and respect.

> Meanwhile, after an audit process that found no significant noncompliance, Celulose Riograndense in Brazil will receive in August 2012 the FSC certification for a total of 212,000 hectares, which include 26,000 hectares of third party owners.

3 Reduce the overall water consumption and effluent volume of CMPC by modernizing older industrial processes.

> We are working on technologically updating our factories. An important contribution to this goal is the project at the Laja Pulp Mill, the oldest factory in this category in Chile, with a first stage investment of 300 million dollars in equipment replacement, processes upgrading and emission reduction to the environment, a project that will come into stream in mid 2012.

> The process modernization and the addition of new production lines equipped with the best available technology, has been fundamental in order to obtain a sustainable reduction of the CMPC overall water consumption, as shown in the chart below, expressed in m³ per ton of end product.

Specific Water Consumption

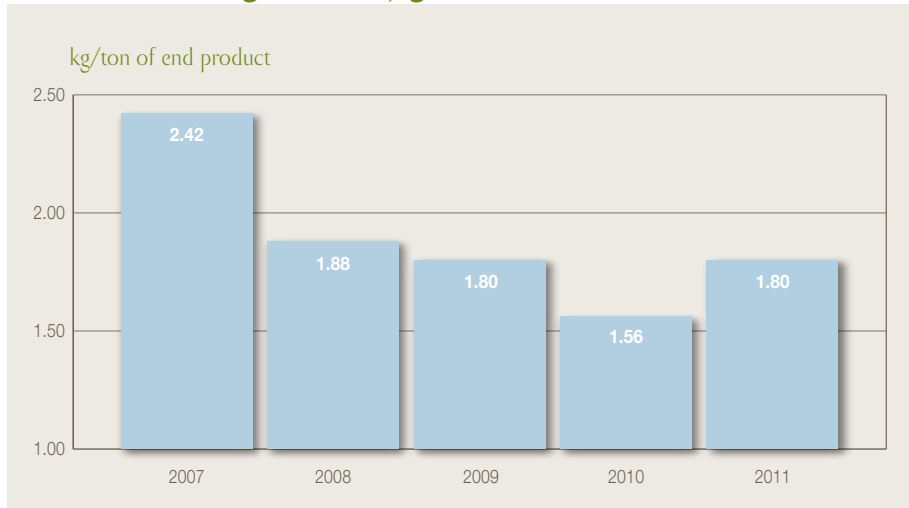
CMPC Consolidated



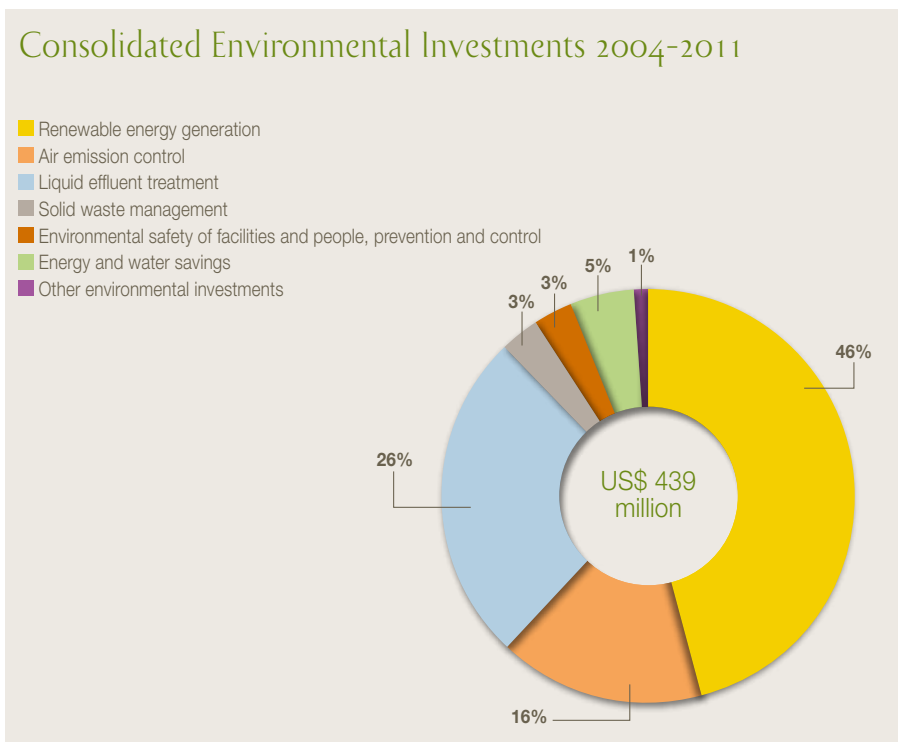
> Also, the operation of biological treatment plants has allowed reducing the organic content of the treated effluent, which is returned to the natural watercourses. The main indicator, the Biological

Oxygen Demand, registered a decrease of 26% compared to 2007, as shown in the chart below, expressed in kilograms per ton of end product.

Effluent Biological Oxygen Demand CMPC Consolidated



> These results would not have been possible without an adequate investment in environmental projects, which totaled 439 million dollars in the period from 2004 to 2011, as shown in the following chart.



Profile and Structure of the Organization

Profile of the Company

> Empresas CMPC S.A. is a public corporation founded in 1920, of private capital, distributed at 29 February 2012, in 2,226.8 million shares and 28,904 shareholders. The company is controlled by the Matte group, with 55.3% of the share capital.

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

> CMPC has diversified and balanced sales, both as regards products and destinations: it sells its products over 55 countries and 20,000 clients approximately.

> Solid financial structure:

» A well structured debt profile.

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

> World class industrial assets.

> Sustainable advantage in costs in its different business segments.

> Organic and balanced growth.

> Successful track record and proven management capacity.



CMPC in Figures

> 8,697 workers in Chile y 6,766 abroad.

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

> Forest reserves of 504,000 planted hectares in Chile, 63,000 planted hectares in Argentina and 113,000 in Brazil.

> Consolidated sales for US\$ 4,797 million.

> Assets for US\$ 13,294 million and shareholder's equity of US\$ 7,848 million.

Mission, Values and Ethics in Business

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

To achieve this purpose, CMPC:

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

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

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

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

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

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

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

CMPC's Code of Conduct is an integral element of daily operations and is presented on pages 37-38 of this report.



Corporate Governance

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

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

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

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

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

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

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

> At www.cmpc.cl, in the document Annual Report 2011, you will find a detailed description of the activities of the Board of Directors and the Committee of Directors in the year 2011, as well as the operations with related parties and different matters concerning the company's corporate governance, on pages 14, 56 to 64.



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



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

Board of Directors of Empresas CMPC

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

Management

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



Structure of the Organization

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

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

> Each business center 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 the five business centers of CMPC in the different countries in which it carries out its operations.

> At www.cmpc.cl, in the document Annual Report 2011, you will find a detailed description of the operations of the five business centers and their supporting areas, as well as the business development, production figures, sales, investments and main projects, on pages 18 to 31, 38 to 53.

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

CMPC is divided into five subsidiaries: Forestry, Pulp, Paper, Tissue and Paper Products, 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



corporate



social responsibility

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

Social Responsibility Policy

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

CSR in cmpc



Social Responsibility Policy

Business Chain

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

Workers

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

Community

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

The CMPC Foundation

- > The CMPC Foundation actively supports the education in communities where the company has operations.

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

Environment

- > CMPC bases the sustainable development of its production processes on the generation of renewable energy with biomass, the efficient consumption of water and raw materials, the use of recycled fibres and the technical management of its renewable forest plantations.
- > It certifies the forest plantations management and industrial processes.
- > It protects the biodiversity in 153,000 hectares of native forests and basin protection areas.
- > It fully complies with the environmental law.

Dialogue with Stakeholders

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

Investors

- > Ordinary and Extraordinary Shareholders Meetings.
- > Annual Financial Report, Quarterly Financial Statements

and communication of essential and relevant issues.

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

Workers

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

Contracting Companies

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

Customers

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

Local Authorities

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

Local Communities

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

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

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

Student Community Support Network

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

Universities and NGOs

- > Research projects carried out by CMPC and universities, mainly intended to protect and conserve the native flora and fauna's biodiversity.
- > Participation in CorpAraucanía, a public-private organisation whose objective is to foster the productive development in the La Araucanía Region.
- > The water-quality monitoring programme in the Bío Bío River. This programme is carried out by CMPC, the Universidad de Concepción and several regional companies and industries.
- > The monitoring of the quantity and quality of the water associated with plantations and native forest in several micro-basins in the Bío Bío Region. This is a long-term project carried out by CMPC and the Universidad Austral de Chile.
- > The close collaboration with Etica en los Bosques, a non-governmental organisation, in initiatives intended to preserve and protect the native forests in the South of Chile.
- > 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 CODEFF in protecting and restoring the habitat of the Huillín, or fresh-water otter.

Forest fire brigades

> The forest fire brigades of Forestal Mininco are comprised of 405 people full time, including firefighters, staff in observation towers, aircraft pilots and logistical support personnel, all of them serving from October to April each year, which is the Chilean forest fire season. The brigades have modern equipment, including air and land transportation means, communication devices and their staff is trained in firefighting.

> On January 5, 2012, seven members of a brigade died while fighting a forest fire suspected to be from intentional source in the Casa de Piedra farm, located in the district of Carahue, Araucanía Region. Two others were seriously burned and today are recovering successfully. The staff of Forestal Mininco gave full support to the families of the deceased workers and the two injured survivors.

> 7 firefighters integrate the water tank Brigade 411 "Trilahue" based in the district of Cabrero.





> 12 firefighters integrate the Heliborne Brigade 313 “Maria Dolores”, based in the district of Los Angeles.

> Members of the Brigade 313 “Maria Dolores” waiting to board the helicopter.



The consultation to the neighbouring communities of the CMPC's forest assets

> The CMPC's forest assets in Chile consist of 730 thousand hectares, including 577 thousand hectares of productive surface and 153 thousand hectares of protection and conservation surface, as shown in the table on page 72 of this report. Those forest assets are distributed amongst 106 districts of six Chilean regions, having as neighbours thousands of residents that live in hundreds of towns and villages, among which are 300 Mapuche communities.

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

corresponded to 85% of the total operations in 2011, so as to prevent and mitigate any impact on the communities. This consultation process occurs twice a year, prior to the winter and summer forest works. In particular, it is necessary to reach agreements with regard to the harvest operations that are highly demanding on the community roads for transporting logs and the staff that will perform the tasks.

> During 2011 the Forestal Mininco staff performed productive tasks in 50 districts, carrying out coordination meetings with 1,289 representatives of the neighbouring communities, which have a total population of 23,932 inhabitants.

> The consultation with the neighbours reported a total of 1,281 applications related to mitigation and improvement measures, which were broken down as follows, as a percentage of the total:

Truck traffic regulation and road maintenance	36%
Access to firewood and post-harvest biomass	28%
Hiring local labour for the tasks	3%
Training courses	3%
Access to non-timber forest products	2%
Access to pastures for livestock	2%
Construction of water intakes	1%
Other contributions requested	26%

> The truck traffic regulation, road maintenance, the access to firewood and post-harvest biomass totalled 64% of all the applications, which were subjected to an assessment, resolution and communication process to the community interested.



> Meeting with representatives of the Neighbours' Associations of the Santa Barbara district, addressed to the availability of water for human consumption and agricultural activities, a situation which is becoming the main concern of the communities, insofar as gradually is occurring a decrease of winter rainfall and a prolonged period with scarce rain which significantly transcends to the summer months in the central and southern regions of Chile.

> Forestal Mininco conducts programmes to support the neighbouring communities which include local job creation, educational scholarships to the children of residents, training and productive development courses, and support for the Mapuche communities. These programmes integrate the Good Neighbourhood actions, whose detail is presented on pages 54-69 of this report. The future orientation of these actions requires knowing its most valued attributes and the deficits identified by the beneficiary communities. Thus in late 2011 a survey of a stratified random sample of 300 people was conducted and extrapolated to the population made up of people from rural communities, Mapuche communities, towns and villages neighbouring the forest operations of CMPC.

> The most valued attributes of the Good Neighbourhood actions of CMPC were, as a percentage of the total answers registered in this survey:

Labour opportunities and local employment	44%
Contributions with works and materials to the communities	15%
Support to schools and scholarships	11%
Access to firewood and post-harvest biomass	11%
Training courses	7%
Road maintenance	4%
Other purposes	8%

> The concerns about the forestry operations were, as a percentage of the total answers registered as first and second priority:

Road damage	36%
Water scarcity	17%
High speed of trucks	14%
Dust on roads	13%
Landscape deterioration after harvest	5%
Pollution due to chemical application	5%
Noise level of truck traffic	4%
Other impacts	8%

> The road damage due to logging trucks traffic, the speed, dust lifting and the noise level, represented 67% of answers registered as first and second priority. Thus Forestal Mininco carried out a work of public identification of its woodlots as well as the logging trucks, so that the neighbouring communities can identify them and monitor the compliance with the commitments made by the company, regarding transit hours, safe driving and traffic conditions.

> The availability of water for human consumption and agricultural activities reached 17% of the responses, becoming one of the main concerns of the neighbouring communities, to the extent that there has been a gradual decrease of winter rains and a prolonged period with scarce rain, which significantly transcends into the summer months. This is a manifestation of what the scientific community calls the global warming or climate change phenomenon.

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



> In the district of Los Sauces, located in the rainfed areas of La Araucanía Region, it began a programme to provide the neighbours of Forestal Mininco with ponds for rainwater accumulation, in order to enable them to overcome the shortage of water in the summer months. The accumulated water goes to the sanitary devices of the house, to the animal consumption and poultry and for watering the orchards. During 2011, seven families of the Mapuche communities Juana Maquiñir and María Cruz Pichún were equipped with this system.

cmpc and its



business chain

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

Economic Performance

> During 2011 the global economy showed a steady slowdown when compared with the previous year. It was also a year of marked contrasts between developed and developing countries. Structural problems of fiscal solvency, which were important even before the crisis of 2008, hit countries in Europe and the United States as well. Emerging countries led by China and India, although continued to grow strongly in 2011 keeping certain dynamism in the global economy, have shown signs of slowdown at the beginning of 2012. This trend has repercussions in CMPC's businesses due to the shift in demand to other markets.

> Under this scenario, CMPC faced the second half of 2011 with a drop in pulp prices and a steady pressure on operating expenditures related to higher prices of raw materials and supplies, expenses associated with

developing projects and higher local currency costs when measured in U.S. dollars.

> The consolidated sales totalled US\$4,797 million in the year, an increase of 14% compared to 2010 and the net income reached US\$494 million, representing a decrease of 23% due to the above reasons.

Generated and Distributed Economic Value

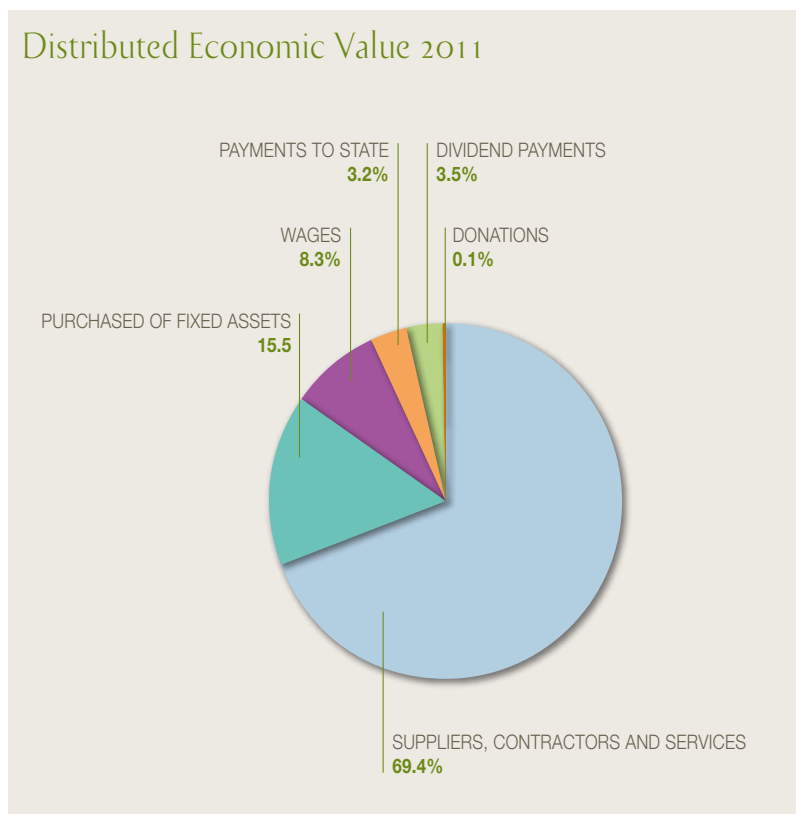
> CMPC achieved a generation of economic value of US\$ 5,959 million in 2011, up by 29% to the previous year, mainly due to an increase in revenues from export sales, domestic sales in Chile and local sales of foreign subsidiaries, because of higher volumes of the main products in those markets and better prices of tissue products, cartonboard, newsprint, multiwall paper sacks and corrugated paper.

Generated Economic Value	Millions of US\$	
	2010	2011
Revenues received	4,761.3	5,630.6
Sales of Fixed Assets and others	7.9	44.4
Subtotal of Operating Income	4,769.2	5,675.1
Net Effect of Financing Activities	(163.2)	283.6
TOTAL GENERATED ECONOMIC VALUE	4,606.0	5,958.7

Distributed Economic Value	Millions of US\$	
	2010	2011
Suppliers, Contractors and Services	3,418.5	4,095.2
Purchases of Fixed Assets	926.9	912.2
Wages	423.7	492.5
Payments to States	105.8	191.3
Dividend Payments	143.0	206.5
Donations	5.5	3.7
TOTAL DISTRIBUTED ECONOMIC VALUE	5,023.3	5,901.4
TOTAL NET FLOW OF THE PERIOD	(417.3)	57.3

> The distributed economic value reached US\$ 5,901 million, increasing 17% on the previous year, highlighting the strong increase in payments to suppliers,

contractors and services, due to the higher market activity, the higher cost of raw materials and supplies and the projects under development.



Payment to National States

> The following chart shows the payments CMPC has made to the countries where the company runs industrial operations, including figures for Chile, Argentina, Brazil, Peru, Uruguay, Mexico, Colombia

and Ecuador. In 2011 such payments totalled US\$ 191 million, an 81% increase on 2010, due to higher payments in income tax and net value added tax.

Payments to National States	Millions of US\$	
	2010	2011
Income Taxes	43.3	109.5
Customs Duties	1.3	10.1
Net Value Added Tax (VAT) Paid	59.5	90.1
Property Taxes	6.0	7.8
Disallowed Expenses Taxes	1.1	0.7
Taxes on Financial Credits	7.3	5.5
Payments of Services Abroad	4.3	1.5
Commercial and Industrial Licenses	5.9	7.7
Minus Tax Exemptions and Credits	-23.0	-41.6
TOTAL NET PAYMENTS TO STATES	105.8	191.3

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. That is why every year the company 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 carry out not only raise the standard of the roads but also improve both the connectivity and the people's, from local villages, quality of life, which means a public benefit to the community. During 2011 CMPC invested US\$ 8.7 million in infrastructure, with the breakdown shown in the lower table.

Investment in Infrastructure	Thousands of US\$	
By Type of Infrastructure	2010	2011
Roads	2,862	1,937
Paving	827	6.440
Bridge repair and stormwater works	174	331
Others	6	22
TOTAL	3,869	8,730

Sanctions and fines

> In 2011 CMPC paid US\$ 104,000 in fines related to administrative, environmental and labour matters, mainly administrative fines in the Forest business centre.

Sanctions and Fines	Thousand of US\$	
By Business Centre	2010	2011
Forestry	67.0	78.4
Pulp	0.0	17.8
Paper	6.1	5.0
Tissue	13.4	0.0
Paper Products	25.2	2.9
Shared Services and Others	0.0	0.0
TOTAL	111.7	104.1



> Industrial contractors assembling the extraction system, filtering and particle handling of wood chips and sawdust from sanding machines, as part of expansion works at the Plywood Plant, located in Mininco, district of Collipulli, Araucanía Region.

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 2011, 1,493 Chilean contracting companies provided CMPC's forestry and industrial operations with specialised and intensive services of skilled labour, totalling 13,400 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 local economic growth of the regions where the company has forest plantations and industrial operations.

> CMPC works closely with these contracting companies to achieve high standards in labour, health and safety, social and environmental issues. This

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

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

Purchase of Goods and Services from Local Suppliers

> During 2011 CMPC purchased 41% of its goods and services from local suppliers, similar figure to the previous year, both influenced by the modernisation projects carried out in the pulp mills, which required major purchases from foreign suppliers.

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

Proportion of purchases of goods and services from local suppliers	% Regional Purchasing	
	2010	2011
By Business Centre		
Forestry	79%	78%
Pulp	25%	28%
Paper	34%	37%
Tissue	36%	39%
Paper Products	62%	64%
Shared Services and Others	93%	94%
TOTAL	39%	41%

By Country	% Regional Purchasing	
	2010	2011
Chile	38%	40%
Argentina	48%	50%
Brazil	43%	41%
Peru	64%	66%
Uruguay	77%	75%
Mexico	24%	30%
Ecuador	16%	23%
TOTAL	39%	41%

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

Sustainable Forest Management Certification Programme for Small and Medium Landowners

> CMPC Pulp and Forestal Mininco are developing a programme which certifies the sustainable forest management of small and medium landowners who supply CMCP's mills with pulpwood. By December 2011, 20 landowners, covering 39,000 hectares, had been granted the CERTFOR-PEFC certification.

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

> Training activity with certified owners on minor forest fire control techniques, conducted by the staff of a fire brigade of Forestal Mininco in the district of Nacimiento.



> Field audit to verify the compliance with the certification requirements to third parties, in this case, visiting a neighbour of a certified landowner, to check the quality of the relationship with the local community and their opinion on the way the forestry work is being performed.





> Meeting in the district of Longaví between certified landowners and academics from the Forestry Science Faculty at the University of Talca, which theme was the economics decision-making of small and medium owners in forest management.

> Training activity to certified landowners on safety and occupational health issues and environmental protection in forestry operations, carried out by specialists of CMPC Pulp and Forestal Mininco in the district of Melipeuco.





Relationship with Customers

> CMPC's customers are companies that operate commercial and industrial businesses, such as manufacture, distribution and retail, totalling about 20,000 clients worldwide.

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

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

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

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

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



> Visit of CMPC executives to customers and sales representatives in China, country which receives 8% of the company's exports. These meetings strengthen the working relationship and allow sharing views on the future of markets and product development.

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

Customers' Health and Safety

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

» The components in the tissue and sanitary products are subjected to a strict safety analysis,

and microbiological testing to ensure their stability throughout time, as well as dermatological testing is run to guarantee they are hypoallergenic.

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

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

cmpc and its



workers

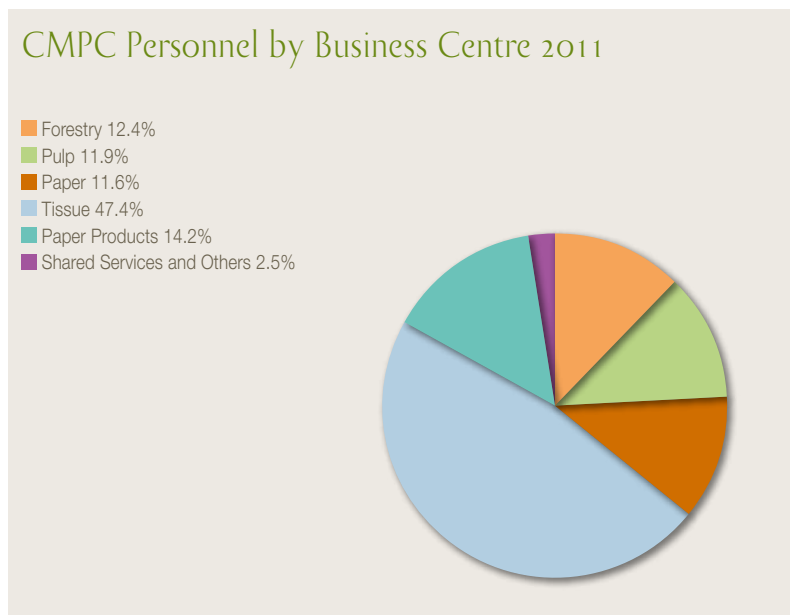
> For CMPC it is important to enable its employees to develop their talents and skills, so as to make them part of a high performance team that is enthusiastic, committed, innovative, collaborative and has a real sense of identity.

Continuous increase in the number of CMPC employees in Latin America

> By the end of December 2011, a total of 15,463 people were employed by CMPC and its subsidiaries, 2.6% higher than in 2010. Such an increase – 395 people - was mainly due to the growth of the CMPC's operations in Argentina, Mexico, Peru and Chile.

> The employees from the Tissue business centre accounted for 47% of CMPC's total personnel. This business centre has industrial operations in 8 Latin American countries, as shown on the map on page 13.

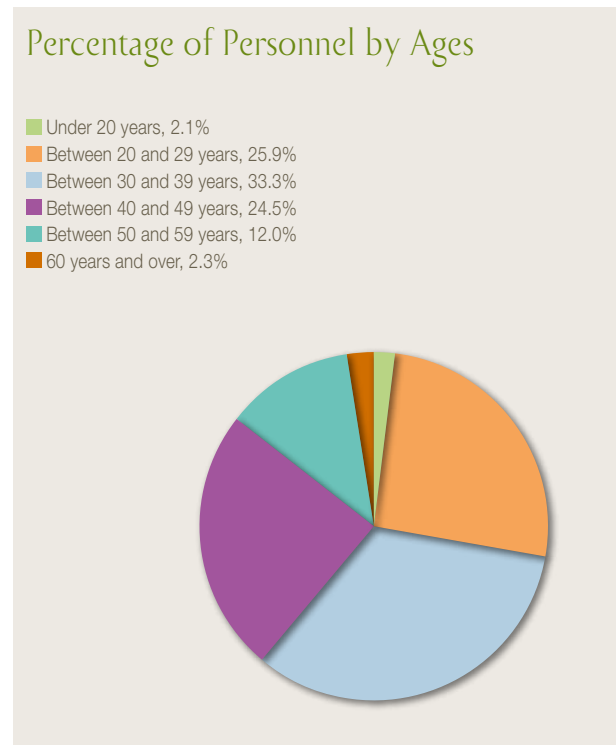
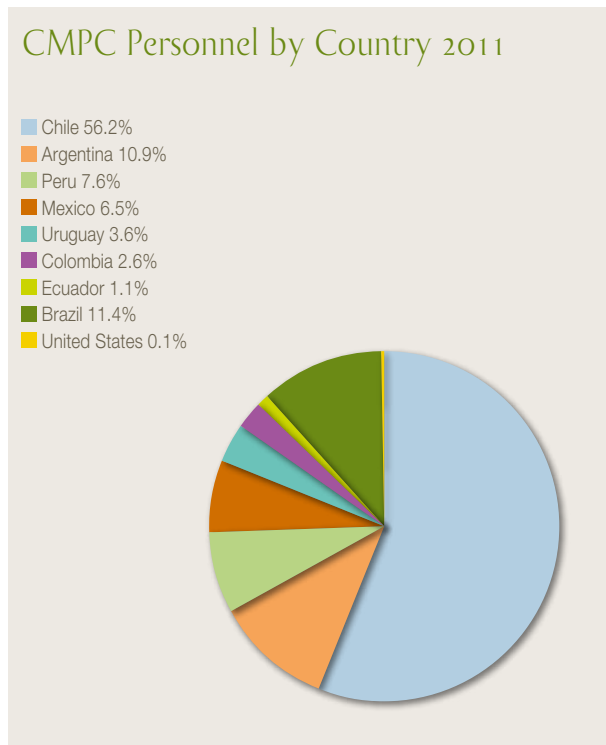
CMPC Personnel as of 31 December of each year		
By Business Centre	2010	2011
Forestry	2,004	1,910
Pulp	1,775	1,837
Paper	1,818	1,791
Tissue	6,965	7,337
Paper Products	2,113	2,197
Shared Services and Others	393	391
TOTAL	15,068	15,463



> In late 2011 a working environment study was conducted through the Great Place to Work survey, in which all the CMPC personnel was invited to join in the eight countries where the company operates. This measurement was complemented with a qualitative study through focus groups and interviews at the CMPC subsidiaries, in order to guide better action plans, replicate good practices and promote them. This regional effort of CMPC is part of its ongoing commitment to create conditions enabling to attract, develop and retain people committed to the development of the company.

> In 2011 employees for CMPC working abroad totaled 6,766 people, which represent 43.8% of the company's personnel. The figure is higher than in 2010: 6,435 employees worked abroad.

CMPC Personnel as of 31 December of each year		
By Country	2010	2011
Chile	8,633	8,697
Argentina	1,557	1,680
Peru	1,108	1,181
Mexico	911	1,004
Uruguay	529	550
Colombia	422	399
Ecuador	151	175
Brazil	1,748	1,768
United States	9	9
TOTAL	15,068	15,463



> The number of female employees grew from 9.5% in 2009 to 10.8% in 2010 and then by December 2011, it reached 11.8%. The highest number of female employees was observed in Ecuador, Colombia and Mexico with 34%, 27% and 26% of female staff respectively.

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

CMPC's Code of Conduct

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

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

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

1. RESPECT for people.

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

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

2. Strict COMPLIANCE with the law.

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

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

3. CARING for the environment

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

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

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

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

4. CONSIDERATION for the needs of the neighbours.

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

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

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

5. LOYALTY when competing.

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

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

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

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

> We make commercial decisions based on sound administration 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 Reporting

> There is a confidential reporting website which is anonymous, so that if any situation were to arise in relation to this Code of Conduct, it will be investigated by the Manager of Legal Affairs of CMPC. It is accessed on www.cmpc.cl, selecting Business Ethics and then, selecting Confidential Complaint, available to anyone interested.

Prevention of bribery and corruption acts

> CMPC has a Prevention Model designed to prevent the commission of crimes related to bribery, money laundering, terrorism financing and acts of corruption, readily available on www.cmpc.cl, selecting 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.

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

> CMPC employees have achieved a high level of specialization and efficiency, 32% holds an academic degree, or finished tertiary education. A large proportion of our workers are qualified to carry out complex production processes.

CMPC Personnel 2011: senior management, professionals and technicians, workers

By Business Centre	Senior Management	Professionals and Technicians	Workers	Total
Forestry	9	610	1,291	1,910
Pulp	35	854	948	1,837
Paper	21	590	1,180	1,791
Tissue	55	1,979	5,303	7,337
Paper Products	27	367	1,803	2,197
Shared Services and Others	13	336	42	391
TOTAL	160	4,736	10,567	15,463

> Low level of staff turnover: 1.7% monthly average in 2011, slightly lower than 2010 (1.9%). 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 2011, 266,184 hours were committed to staff training from all the areas in the company. This is one of CMPC's most outstanding achievements in this matter.

> CMPC's in-service training programmes are designed taking the long-term into account. This means ongoing training, and when new technology and industrial processes come in, additional reinforcement sessions are introduced. This proves

especially useful when a new mill, paper machine or industrial process is being set up.

> 25% (out of 266,000 hours), was committed to staff from the company's operations abroad.

In-service Training Hours 2011

By Business Centre	Senior Level	Middle Level	Operative Personnel	Total
Forest	5,052	8,669	18,118	31,839
Pulp	32,958	23,676	35,243	91,877
Paper	5,326	14,971	25,642	45,939
Tissue	14,202	11,362	36,556	62,120
Paper Products	1,296	6,379	15,986	23,661
Shared Service and Others	3,431	6,921	396	10,748
TOTAL	62,265	71,978	131,941	266,184

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

Close proximity to local communities

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

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

> 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 neighboring communities.

> In 2011, 89% 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 that of 2010.

Trustworthy long-standing working relationships

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

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

> There are 50 unions that represent 59% of the CMPC's employees. The oldest unions are:

- » The N°1 Workers Union of Papeles Cordillera, dating back from 1927, it is the oldest Chilean Union.
- » The N°2 Workers Union of Papeles Cordillera, established in 1931.
- » The Merged Workers Union of CMPC Laja Pulp Mill, follower of N°1 and N°2 unions that were established in 1961 and 1966 respectively.

Percentage of Union Membership

By Business Centre	2010	2011
Forest	61%	64%
Pulp	57%	55%
Paper	52%	50%
Tissue	62%	64%
Paper Products	57%	59%
Shared Services and Others	0%	0%
TOTAL	58%	59%

By Country	2010	2011
Chile	57%	59%
Argentina	57%	49%
Brazil	91%	90%
Peru	20%	15%
Uruguay	80%	84%
Mexico	69%	92%
TOTAL	58%	59%

> By the end of December 2011, 68% of CMPC's employees were covered by collective bargaining agreements currently in force.

Percentage of employees covered by collective agreements

By Business Centre	2010	2011
Forest	64%	68%
Pulp	63%	62%
Paper	63%	62%
Tissue	74%	75%
Paper Products	68%	68%
Shared Services and Others	8%	8%
TOTAL	68%	68%

By Country	2010	2011
Chile	63%	64%
Argentina	76%	77%
Brazil	96%	96%
Peru	42%	40%
Uruguay	100%	100%
Mexico	100%	100%
TOTAL	68%	68%

CMPC's Employee Benefits

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

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

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

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

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

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

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

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

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

Percentage of workers represented in Joint Committees

By Business Centre	2010	2011
Forest	100%	98%
Pulp	100%	100%
Paper	100%	98%
Tissue	77%	86%
Paper Products	97%	95%
Shared Services and Others	100%	100%
TOTAL	89%	92%

By Country	2010	2011
Chile	100%	99%
Argentina	77%	77%
Brazil	100%	100%
Peru	63%	67%
Uruguay	100%	100%
Mexico	28%	64%
Colombia	45%	100%
Ecuador	100%	100%
TOTAL	89%	92%

Risk Prevention Programmes

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

> A special mention for the Zero Fault 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 emphasise the cultural change in employees, making them aware of the operational risks for both people and the environment.

» They are designed to incorporate staff from all areas of the company.

» Both plans are regularly revised and updated in terms of operational and emergency procedures.

» These plans identify the areas in each mill according to their risk level and allocate teams responsible for delivering a coordinated and prompt response.



> Staff of CMPC contractors with their safety equipment working at height in the erection of the new recovery boiler at the Laja Pulp Mill.

> Regarding safety and occupational health statistics, staff absence levels have remained low, with an average of 1.9%. In 2011, accidents totaled 508, a figure 21.5% lower than in 2010. 13,578 days were lost due to accidents, 2.2% more than in 2010.

> The CMPC consolidated accident rate was 3.3 accidents with lost time per 100 workers in 2011, a figure 17.5% lower than the 4.0 accidents in 2010.

Safety and Occupational Health Statistics

By Business Centre	2011					
	Rate of Absenteeism	N° of Cases with Professional Illnesses	N° of Accidents	Days Lost	N° of Fatal Accidents	Average Employees in the year
Forest	3.9%	3	24	687	0	1,896
Pulp	1.4%	0	13	484	0	1,792
Paper	2.1%	0	68	1,043	0	1,788
Tissue	1.5%	0	258	7,757	0	7,247
Paper Products	1.4%	3	135	3,598	0	2,184
Shared Services and Others	2.5%	0	10	9	0	390
TOTAL	1.9%	6	508	13,578	0	15,296

By Country	2011					
	Rate of Absenteeism	N° of Cases with Professional Illnesses	N° of Accidents	Days Lost	N° of Fatal Accidents	Average Employees in the year
Chile	2.4%	5	268	6,114	0	8,642
Argentina	2.8%	0	89	3,698	0	1,582
Brazil	1.0%	0	24	780	0	1,743
Peru	0.5%	0	10	212	0	1,171
Uruguay	1.3%	0	24	828	0	557
Mexico	0.7%	1	37	1,171	0	996
Colombia	0.2%	0	50	694	0	426
Ecuador	1.2%	0	6	81	0	171
TOTAL	1.9%	6	508	13,578	0	15,296

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

> Tissue Chile and Envases Impresos, both CMPC subsidiaries, received recognition from the Chilean Safety Association and the National Service of Disability, for its comprehensive rehabilitation programme and reinstatement of workers who were disabled as a result of accidents.

cmpec and



the community

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

The CMPC Foundation

> In 2011 the CMPC Foundation celebrated its 11th anniversary supporting the educational work in schools neighbouring the company's forest operations and mills. We have the conviction that a good quality of education the children receive, it increases their future opportunities as well as the communities' quality of life. The Foundation's work is conducted by a team of 28 professionals and benefited more than 10,000 children in 51 educational establishments in 11 districts of Chile.

Teacher training programme and school advisory service

> The Teacher Training programme is aimed at improving the learning of Language and Mathematics of students from prekindergarten to 4th grade, with the

development and strengthening of tools and knowledge of their school teachers and principals. The strategy used is based on a model of comprehensive training and guidance, which seeks to instill learning at school level, through teacher retraining, planning workshops, classroom and school counseling and a rigorous evaluation of the completed work.



> The Teacher Training programme is developed in 45 schools of 11 districts, in the Metropolitan, Maule, Bío Bío and Araucanía regions, supporting 429 teachers and principals, benefitting 9,855 students. The professional team of the Foundation spent a total of 4,358 hours in retraining sessions, planning workshops and advisory activities.

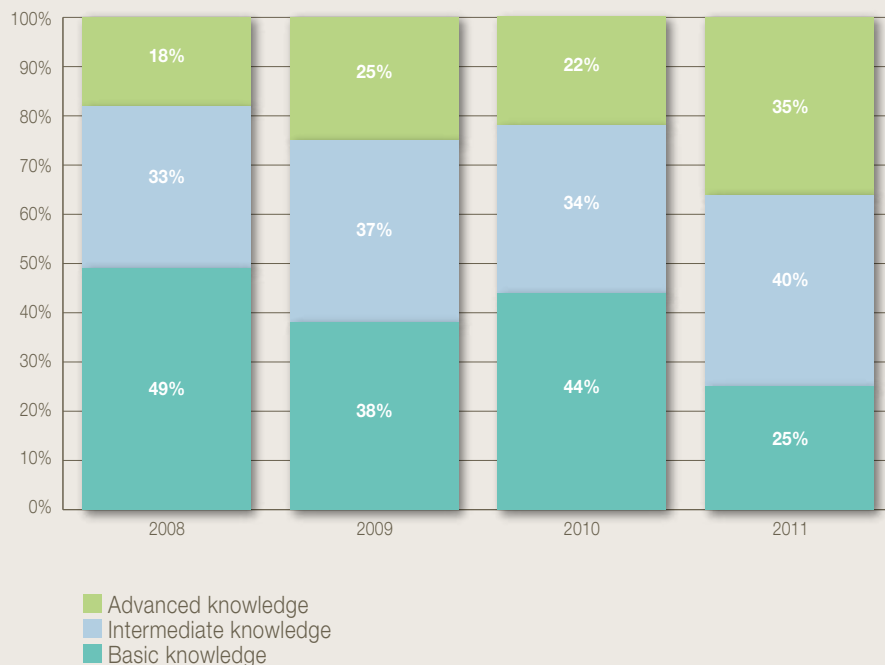
> In the districts of Laja, Nacimiento and Talagante, the Language teacher training has extended to teachers of students from the 5th to 8th grade in 18 schools, focusing on Reading and Reading Motivation, continuing the work done by the previous standards from the first cycle.

> The results in Mathematics obtained by the students from the schools supported by the Foundation have been particularly auspicious, as measured by the National SIMCE (Quality of Education Measuring System) Test. In 2011 the percentage of students with advanced knowledge of Mathematics increased to 35% compared with 18% in 2008, and the percentage with basic knowledge declined from 49% to 25% over the same period of time. The chart below shows this achievement.

> Regarding Language the percentage of students with advanced knowledge increased to 39% compared with 27% in 2008, and the percentage with basic knowledge declined from 43% to 33% over the same period of time (see right chart).

SIMCE TEST Mathematics results in the schools supported by the CMPC Foundation

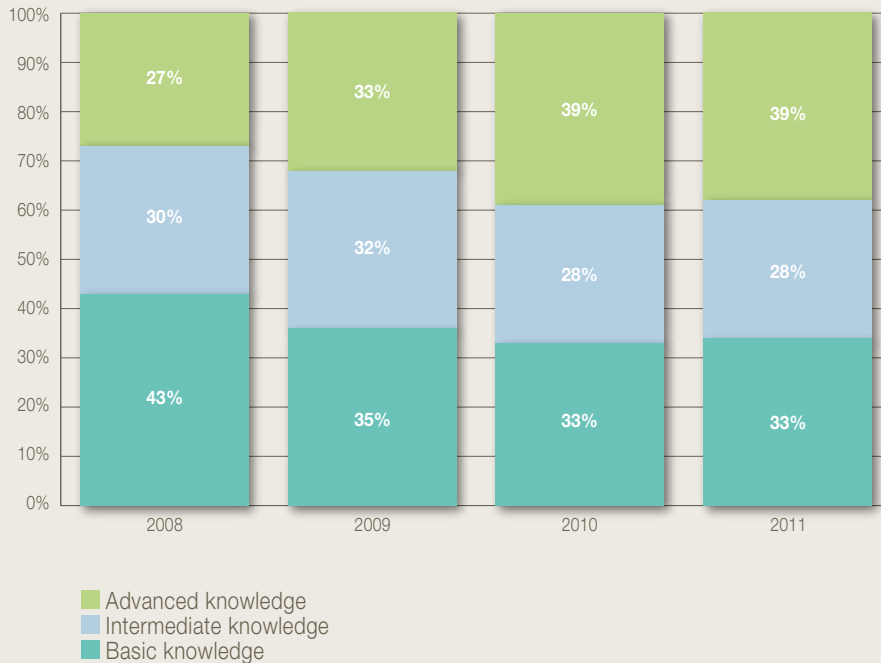
During the years 2008 to 2011



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

SIMCE TEST Language results in the schools supported by the CMPC Foundation

During the years 2008 to 2011



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

Growing Up Together Programme

> This programme – carried out in the district of Nacimiento – promotes the cognitive, motor and sociolinguistic development of children up to 6 years old, by the strengthening of effective practices of early stimulation that are developed both with their families and the educational centers.

> In total 662 children were benefited through the support to their mothers, fathers and guardians, as well as 72 educators and educational assistants from 4 schools, 2 kindergartens and 4 day nurseries.





> Neighbours and their children watching a movie during winter school holidays at the Santa Fe Pulp Mill.

Cultural programmes in Nacimiento and Laja

> In the districts of Laja and Nacimiento the CMPC Foundation conducted cycles of outdoor cinema, plays, children's stories contest, workshops for adults and children and a permanent cinema cycle, with a total of 9,700 participants.

> Neighbours watching a movie on a summer night in Nacimiento.



> The Classic Youth Orchestra of Nacimiento gave a Christmas concert on the campus of the Santa Fe Pulp Mill.





> A fun play for children.



> Neighbours in a drawing and painting workshop in Laja.



> Neighbours learning to use a personal computer.

The Jorge Alessandri Educational Park

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

to the entire community.

> During 2011 the Park had a total of 154,286 visitors, a figure 32% higher than in 2010. Since its opening in 1993 the Park has received 1.6 million visitors.

> 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.
- » In the Tree Hall, children learn about forestry and the production processes of wood, pulp and paper through play.
- » In the Educational Nursery visitors learn about the various tree species, and their forestry, medicinal and decorative uses.
- » The Trekking Trail of 3 kilometers long, allows physical exercise while enjoying nature and beautiful panoramic views.
- » At the Cultural Amphitheater artistic performances during the summer are presented, complemented with exhibitions at the central square and at the Extension Center.
- » The Artequin Museum provides an interactive educational proposal, to familiarize children with the main world artworks.

> Symphony Orchestra and opera singers of the Municipal Theater of Santiago at the gardens of the Jorge Alessandri Educational Park, presenting a show inspired by the world's main musical works, which was called "Night of Broadway at the Park" and had an attendance of 4.800 people.



The Good Neighbourhood Actions

> CMPC seeks to create opportunities of social and economic development for the communities neighbouring the company's forest operations and facilities. Thus Forestal Mininco has developed an open door policy towards rural communities, emphasizing the generation of job opportunities, training and up-skilling local residents to make the most of their contribution to the community and supporting educational programmes. Moreover, the CMPC Pulp Mills are supporting the neighbouring communities from Nacimiento, Laja, San Rosendo, Collipulli and Renaico districts.

> On the following pages, a summary containing the main programmes that CMPC Pulp and Forestal Mininco have developed to help their neighbouring communities is presented.

Supporting the Technical High School of Nacimiento



> 10 students of the Technical High School of Nacimiento held their final professional practice in the summer months, completing their Secondary Education.

> As part of their curriculum, the senior students of the Technical High School of Nacimiento take part in mechanical and industrial electricity workshops at the Santa Fe Pulp Mill.





> A tomato crop made by the students.

Manzanares Agricultural High School Project

> CMPC Pulp and the Renaico Municipality are supporting a productive development project at the Manzanares Agricultural High School, which managed the construction of a greenhouse of 700 m² and 9 crop hectares of corn, tomatoes and vegetables. The students apply their theoretical teaching in the field and the High School earns revenues by selling the crops.

CMPC's sports facilities for the community

> In Nacimiento, CMPC Pulp set up an indoor sports hall with synthetic flooring which can be used to play different sports, a football pitch, 3 tennis courts and 2 multipurpose halls. All these facilities are available for the community and its organizations, through an agreement between CMPC and the Municipality of Nacimiento.



> The Day of Physical Activity for Elder Adults took place in the gym for the neighbours of Nacimiento.



> Youth football workshop, which is part of the tasks of supporting the community of Nacimiento in preventing drug use.



Training courses for neighbouring communities

> The CMPC Pacifico Pulp Mill and the Collipulli Municipality are supporting families from the Lolcura village with their greenhouse crops, walnut, raspberries and alfalfa plantations. Appear in the photo the neighbour Pablo Cabezas, from the "Ignacio Levio Mariqueo" Mapuche Community, in his tomato plantation.





> Training course on pruning fruit trees for 16 neighbours of the CMPC Pacífico Pulp Mill, whom reside in the sectors of Manzanares and Tijeral.

> Beekeeping programme for 23 families neighbouring the Pacífico Pulp Mill, whom live in the Huelehueico Valley, forming a protection zone for bees and certified honey production for exportation.



> During 2011 Forestal Mininco offered a total of 188 training courses in 33 specialties to neighbours, benefiting 2,312 people, highlighting 1,958 women. This training programme turned twelve successful years, period in which 2,304 courses have been developed with a participation of 27,894 people.



Basic carpentry course

> Residents of the Neighbours' Association "Bajo los Ríos", district of Curanilahue.



Crafts with clay

> Residents of the Neighbours' Association N° 15 "Chillancito", district of Yumbel, and their art crafts with clay.



Cooking and baking course

> Residents of the Neighbours' Association "Trongol Alto", district of Curanilahue, moving to register for the cooking and baking course.



Course of wicker basketry

> Residents of the Neighbours' Association "Población CORVI", district of San Rosendo, and their basketry works.



> The participants of one of the three courses of forest crane operation.

Craft training courses

> 8 Craft Training courses were given during 2011 with three specialties: Forestry Machinery Operator, Forestry Crane Operator and Use and Maintenance of Chainsaws, benefiting a total of 131 residents and less skilled workers of the contractors. After the training, the students receive their certificates that accredit them to work in forestry operations.



> After the theoretical learning comes the skills acquisition stage using a simulator and then the operation of the real machine in the field.



Non-timber forest products collection

> The “Las Viñas” Workshop, of the Chacayal sector in the district of Los Angeles, was supported by Forestal Mininco to train its members in the recognition of wild fungi and its drying process,

as well as knowing successful experiences of other similar organizations dedicated to the forest products collection, and make formal contact with the Municipality to move forward in this venture.



Mapuche horticulture and fruit venture in Chol-chol and Tirúa

> The “Rewe” Mapuche venture for the plantation of raspberry orchards in Chol-chol spread during the second half of 2011 to the Mapuche communities of Tirúa, reaching a total productive area of 16 hectares equipped with modern irrigation, with the participation of 23 communities.

Recognize and support the Mapuche culture

> We promote respect for the beliefs, customs and traditions of the Mapuche culture. We believe that by recognizing and supporting this ancestral culture, contribute to its strengthening, so that the Mapuche people are less prone to the loss of the vital energy of their language and vision of the Cosmos. The record of their customs, language and beliefs, contributes to the preservation of their cultural heritage.

> Launching ceremony of the Multimedia Kellun Dictionary, held at the Miguel Huentelén School in the district of Collipulli, project which was supported by Forestal Mininco, whose executives attended the ceremony of prayer and thanksgiving for the achievement. This dictionary is intended to facilitate the learning of the Mapuche ancestral language, the Mapugundun, to children aged 6 and 7 years old, contributing to its valuation and preservation as a living language.



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

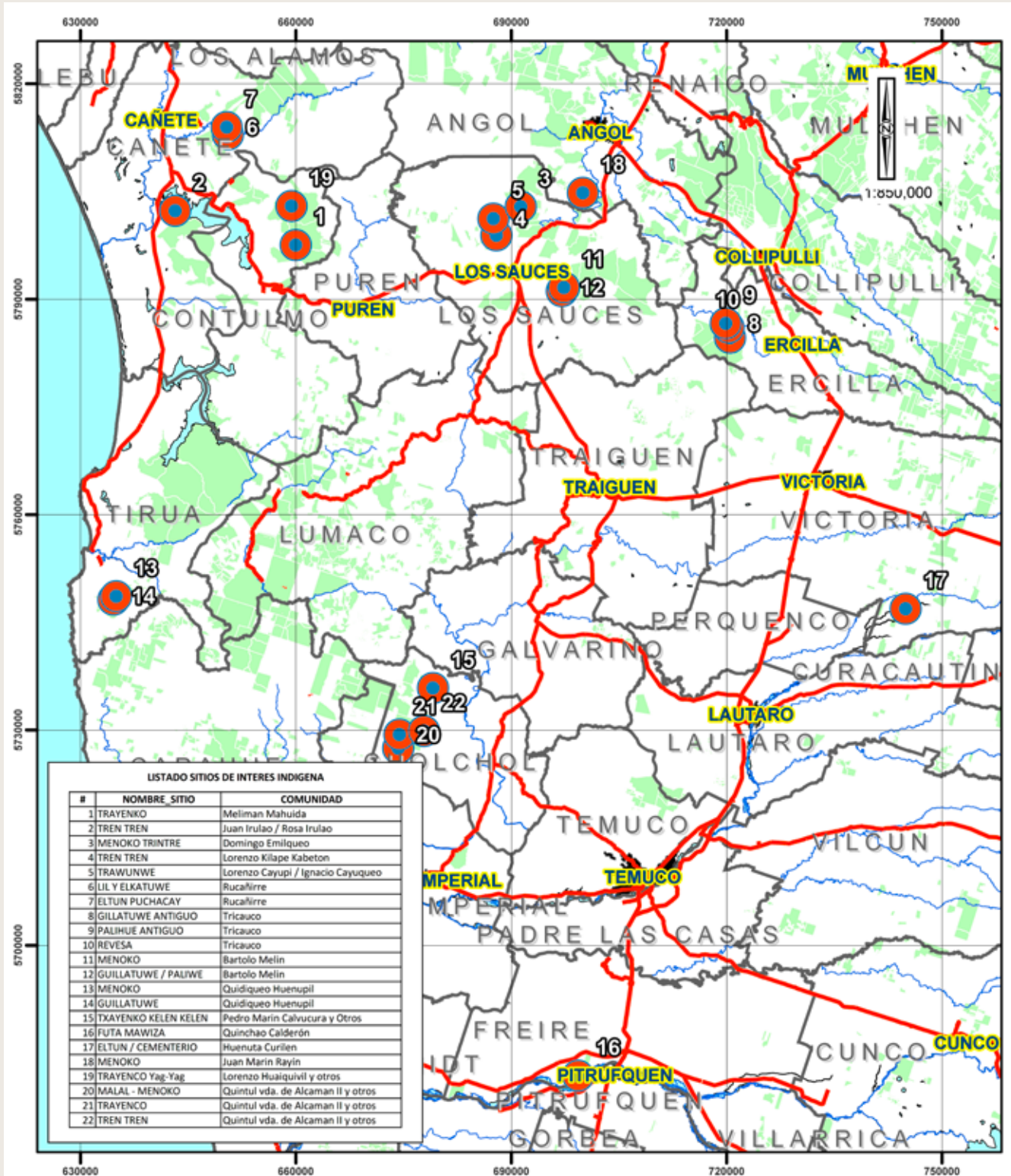
> Forestal Mininco has designed protection and conservation plans of 22 sites of cultural interest, identified in the forest lands belonging to CMPC. The validation of these plans is being conducted in direct consultation with the communities and their assemblies. In December 2011, the geo-referenced cadastre of the 22 Mapuche cultural sites was delivered to the National Corporation for Indigenous Development (CONADI), in a ceremony held in the city of Temuco with the attendance of the Mapuche community representatives.

Dressmaking of Mapuche costumes

> Neighbours from the Linco Mapuche Community, located in the district of Collipulli, receiving their training certificates.



Location map of the 22 sites of Mapuche cultural interest





Crafts with natural fibers

> 8 women and 4 men, all of them neighbours of the “La Capilla de Tres Sauces” Community in the district of Cañete, were trained in the traditional Mapuche basketry using the Ñocha, a bromeliaceous *Greigia sphacelata* plant, whose leaves provide the appropriate fibers.



Mapuche loom course

> Women of the Mapuche Community “Antonio Leviqueo” in the district of Contulmo, being trained in this ancient art.



Community support programmes in Peru

Education for Success

> The CMPC subsidiary in Peru, PROTISA, is developing the “Education for Success” programme, aimed at promoting the permanence in school of children and adolescents at risk of dropping out and repetition. The programme benefits 150 students through leveling workshops in math and language, whom have achieved a 20% improvement in their grades. Additionally, it supports teachers with workshops aimed to improve their teaching methods and create a good learning environment in the classroom.



Productive Workshops

> The productive workshops in crafts, imitation jewelry and weaving, benefit women of neighbouring communities, enabling them to acquire skills that facilitate their performance as micro entrepreneurs and increase their income.

CMPC Celulose Riograndense of Brazil and the neighbouring communities

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



Pulp and Paper Technical Courses

> It is the only technical course of pulp and paper given in the State of Rio Grande do Sul, and turned 32 years old. It was created with the purpose of meeting the shortage of skilled labor in the industrial sector, and continues as a partnership between CMPC Celulose Riograndense and the Department of Education of the State. About 700 students have been trained professionally and many of them work in industrial businesses in Brazil and abroad.



Road works in the city of Guaíba

> A major achievement conducted in 2011, was the investment of 24 million dollars made by CMPC Celulose Riograndense through a public-private partnership with the city government. The initiative consisted of paving and repaving several streets and avenues of the South Zone of the city, in conjunction with the construction of drinking water systems, sewage and stormwater and street lighting. This partnership provides for the financing of such infrastructure works, as well as land expropriation and operating expenses, in exchange for disused public areas with the municipality of Guaíba.



Music at the mill

> This cultural initiative was created in 2008 with the purpose of strengthening the relationship between the company and the community. During 2011 there were given seven concerts at the Guaíba Pulp Mill, with an attendance of over 1,200 people and a very favorably reception.

cmpc and



the environment

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

CMPC and its responsibility towards the environment

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

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

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



Sustainable Management of Forest Plantations

CMPC's Forestry Resources in Chile

> Productive Areas:

- > 504,000 hectares of renewable plantations.
- > 37,000 hectares of land to be planted.
- > 36,000 hectares of land used for administrative purposes, including roads, firebreaks, easements, livestock and agricultural areas, etc.

> Protection and Conservation Areas:

- > 60,000 hectares of both native forest and vegetation.
- > 93,000 hectares for protecting basins, watercourses, flora and fauna and high environmental value habitats.

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

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

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

> In 2011, Forestal Mininco conducted extensive consultations with the communities neighbouring its operations, as well as focused consultations on harvesting areas, agreeing with the communities the

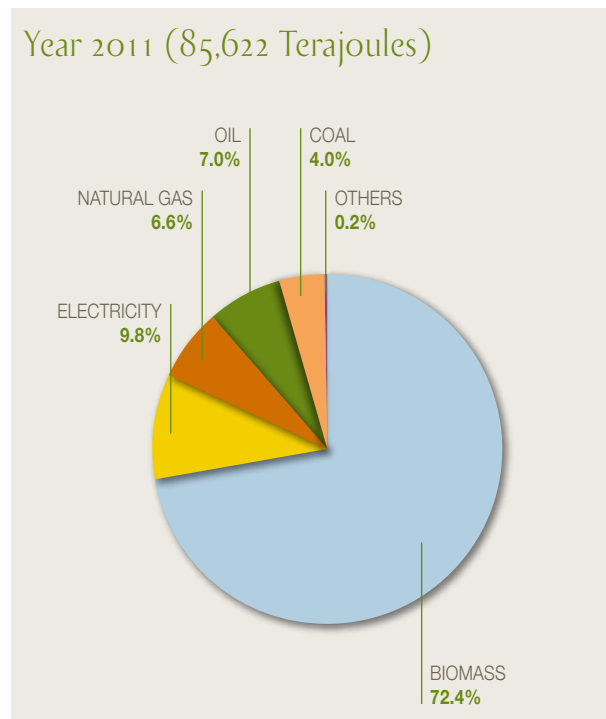
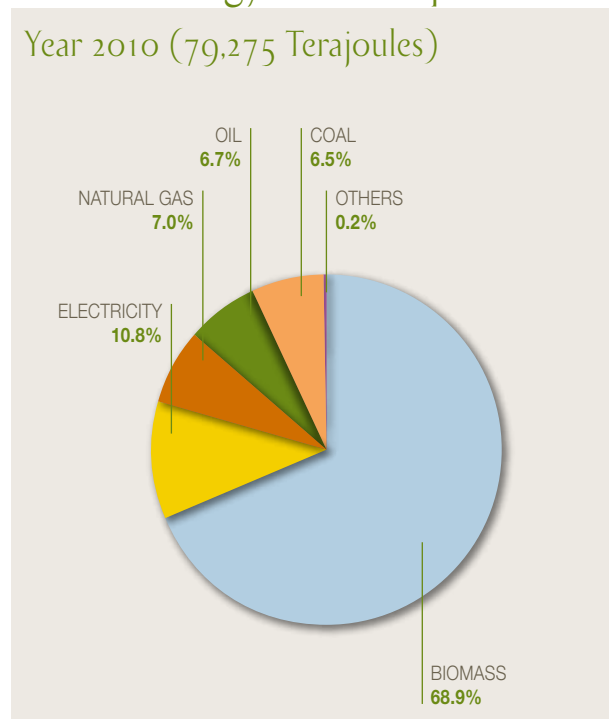
appropriate mitigations for the impacts of its forestry operations. This task should be increased according to the principles of the FSC certification and has favorable prospects with most of the communities, with which Forestal Mininco has built a relationship of trust and respect.

> Since 2011, Empresas CMPC is a member of the World Business Council for Sustainable Development, an organization of more than 200 leading companies in different business areas, which collaborate to spread sustainable practices on issues such as energy and climate, development, ecosystems and the role of business in society. Specifically, CMPC integrates the chapter of Forest Solutions, which brings together 16 companies that produce and market forest products, as well as 12 partners, highlighting customers, suppliers and companies that integrate the forest value chain.



Sustainable use of energy

CMPC Energy Consumption



CMPC Energy Consumption				
CMPC Consolidated	2010		2011	
	Terajoules	%	Terajoules	%
Biomass	54,583	68.9%	61,990	72.4%
Electricity	8,581	10.8%	8,411	9.8%
Natural gas	5,517	7.0%	5,658	6.6%
Oil	5,322	6.7%	6,006	7.0%
Coal	5,131	6.5%	3,410	4.0%
Others	141	0.2%	147	0.2%
TOTAL	79,275	100%	85,622	100%

One Terajoule is the energy equivalent to 278 MWh.

> The pulp and paper production of CMPC used 85,622 Terajoules of energy in 2011, of which 72.4% was generated from renewable biomass. Another 9.8% was obtained from purchased electricity and 17.8% came from purchased fossil fuels, mainly oil, natural gas and coal. The latter feeds the auxiliary boiler of the Guaíba Pulp Mill in Brazil, facility where 65.6% of its energy

requirements come from renewable biomass, unlike the 90.3% at the Chilean pulp mills.

> The global energy consumption of CMPC in 2011 increased by 8.0% compared to 2010, in line with the increase in the consolidated pulp and paper production, which was 8.3%.

A new biomass boiler at the Santa Fe Pulp Mill



> Detail of biomass bales, which together with bark, sawdust, wood waste and fuel wood logs, feed the new boiler.

The residual biomass from forest harvests is a renewable source of energy that provides significant environmental benefits by mitigating the greenhouse gases emission and reducing the acid rain. Its use has significant technical challenges, due to variations in critical aspects like moisture, and logistics, due to the large volumes, both from own and third party sources, which are necessary to collect, transport and prepare in the biomass feeding system.



> Loading of sawdust and chips to carry out the mixture with the remaining biomass types.



> Storage building where the biomass mixture is made.



> Biomass mixture transported by the conveyor belt to the boiler.



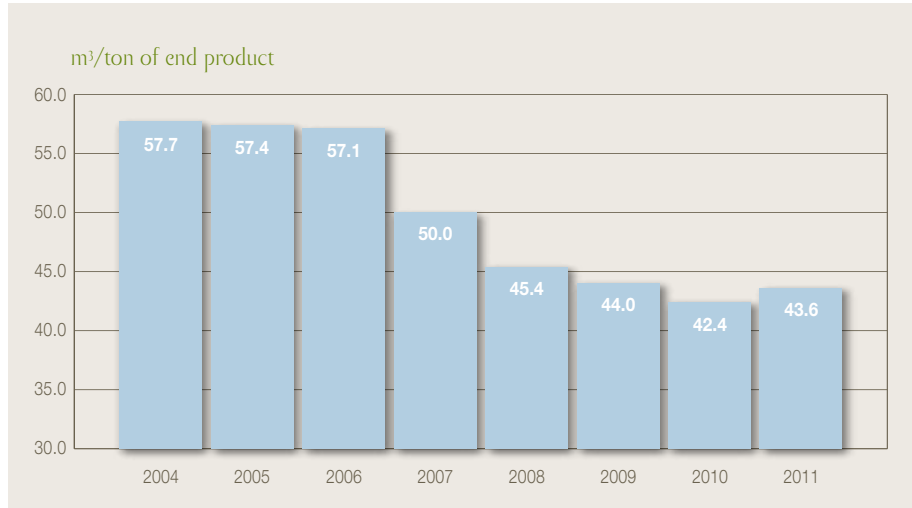
> Biomass boiler equipped with particle electrostatic precipitator.



> Extraction and condensing turbo-generator with a power generation capacity of 98 MW.

Sustainable use of water

Specific Water Consumption CMPC Consolidated



> In 2011, the average water consumption per ton of pulp and paper was 43.6 m³ per metric ton of end product, slightly higher than 2010 due to the commissioning of new equipment at several mills, but

with a decrease of 24.4% over the figure of 2004, which shows the efforts of CMPC to increase the efficiency in water consumption.

Treated Liquid Effluent

Treated Liquid Effluent CMPC Consolidated



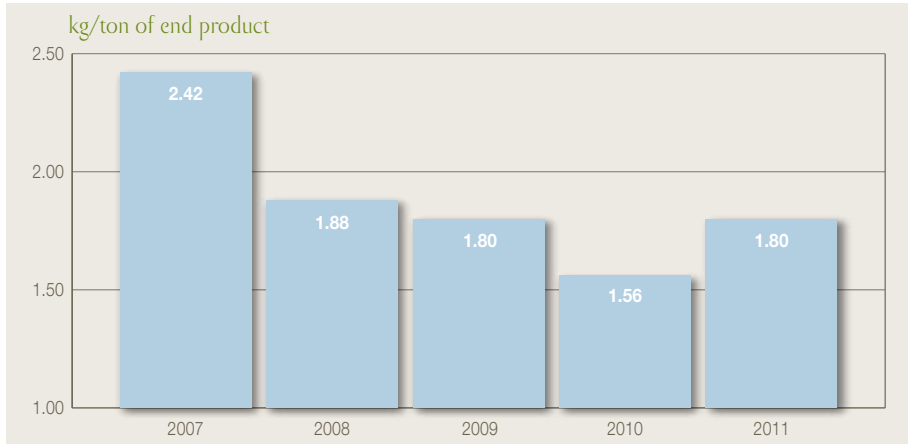
> In 2011, the liquid effluent generated per ton of pulp and paper was 38.3 m³ per ton of end product, slightly higher than in 2010 due to the increase in water

consumption indicated above, but with a decrease of 27% over 2004.

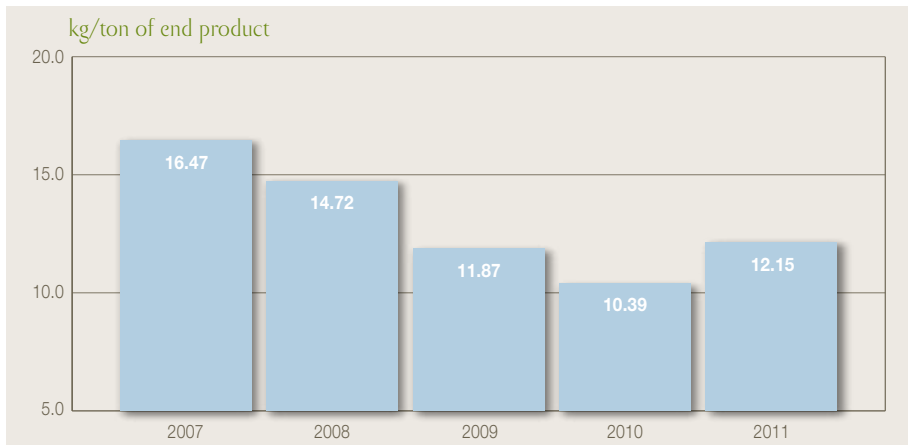
> The year 2011 showed a reduction in only 2 of 6 parameters of effluent quality regarding 2010, as

shown in the following 6 graphs, which characterize the consolidated effluent of the company.

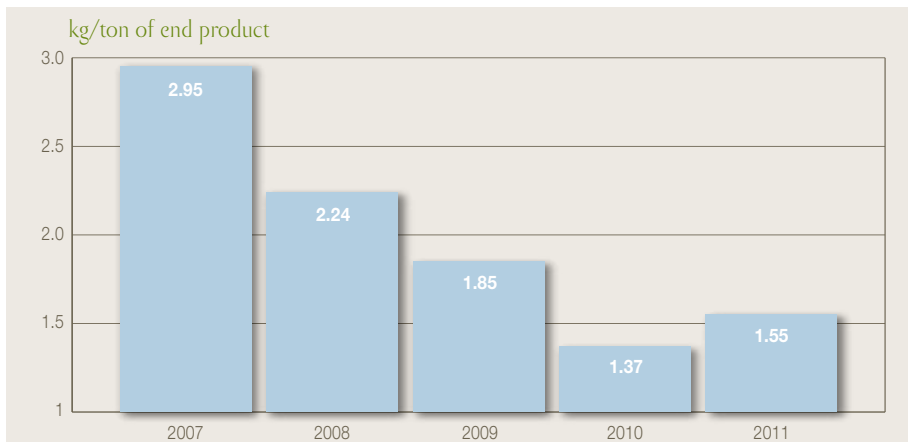
Biological Oxygen Demand CMPC Consolidated



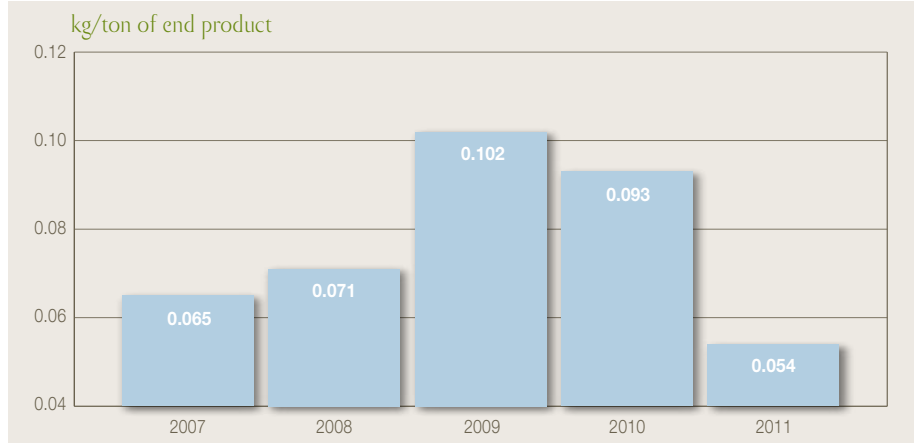
Chemical Oxygen Demand CMPC Consolidated



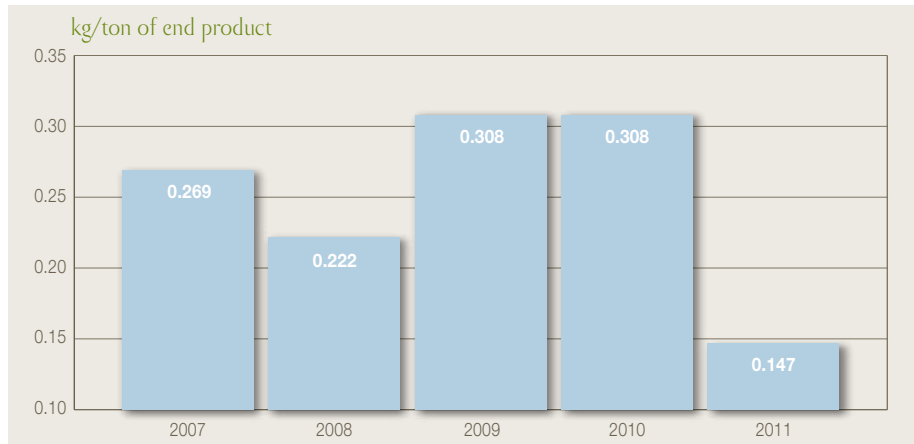
Total Suspended Solids CMPC Consolidated



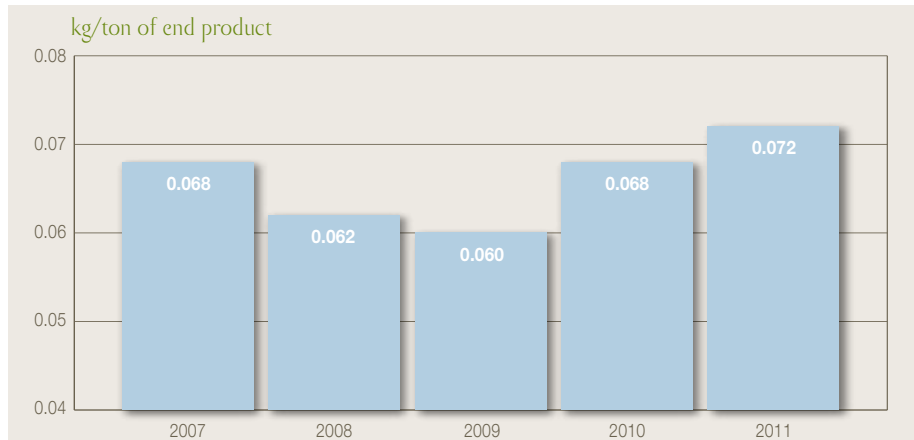
Phosphorus CMPC Consolidated



Nitrogen CMPC Consolidated



Organochlorine Compounds CMPC Consolidated

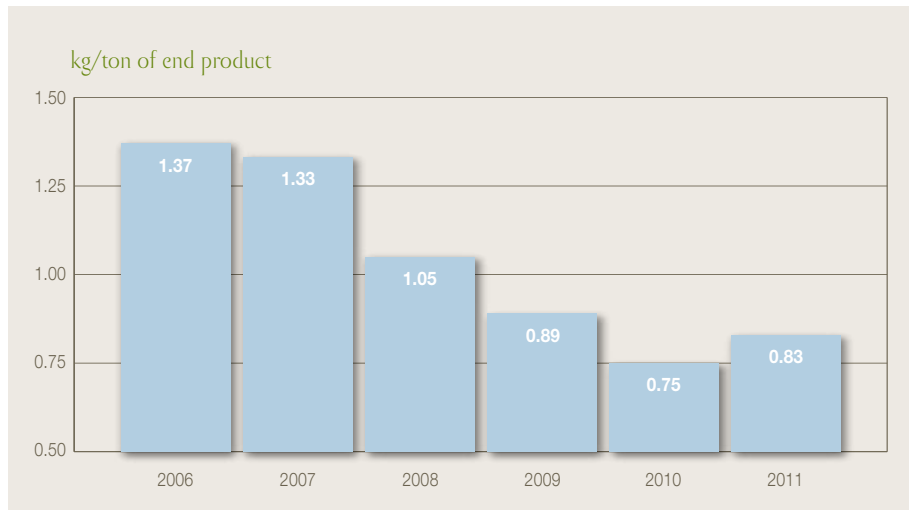


Air Emissions

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

> The particulate matter emitted by the CMPC pulp and paper mills in 2011, was 0.83 kilograms per metric ton of end product, up in 10.7% regarding 2010, but down in 39.4% with respect to 2006, due to the increased availability of natural gas in Chile and the investment made in emission abatement equipments.

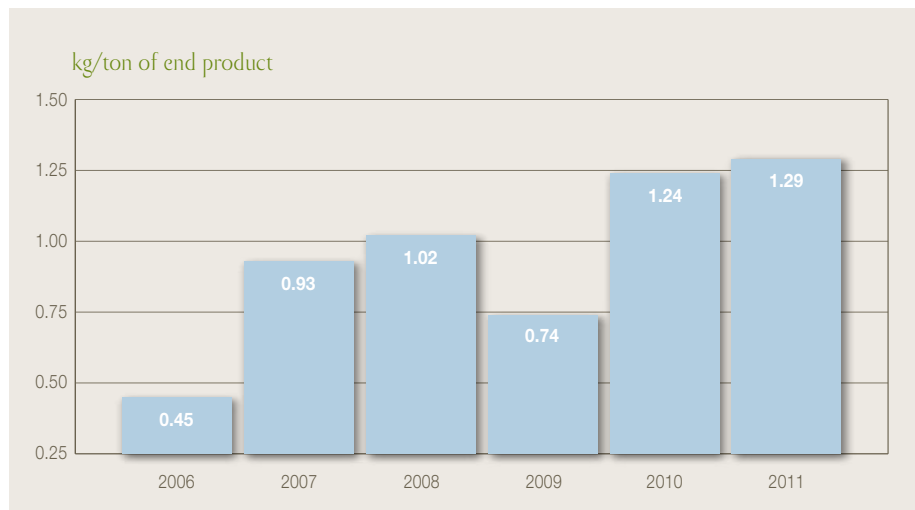
Particulate Matter CMPC Consolidated



> Particle electrostatic precipitator of the new biomass boiler at the Santa Fe Pulp Mill.

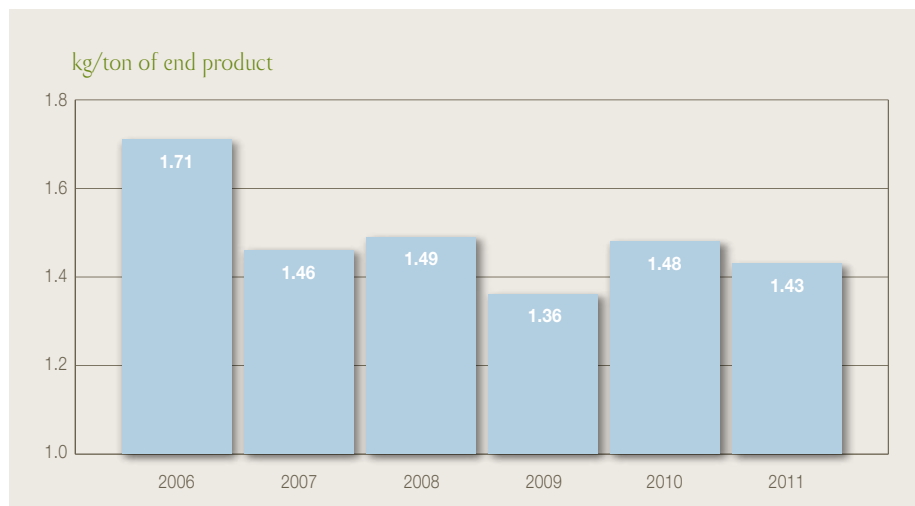
> The sulphur dioxide emission increased to 1.29 kilograms per ton of end product, up by 74% over 2009, because the Guaiba Mill in Brazil uses coal on its auxiliary boiler and generates a high amount of SO₂. Regardless of this facility, the consolidated value would be 0.44 kilograms per ton for the remaining CMPC mills in 2011.

Sulphur Dioxide CMPC Consolidated



> The nitrogen oxides emission totaled 1.43 kilograms per ton of product, with a decrease of 16.4% over 2006.

Nitrogen Oxides CMPC Consolidated



Solid Waste

Solid Waste			
CMPC Consolidated	2010	2011	2011
	Tonnes	Tonnes	%
Hazardous Solid Waste			
Sold or recycled	512	233	0.61%
Sent to specialized dumps	1,221	1,710	
Non-Hazardous Solid Waste			
Sold or recycled	60,369	48,719	28.0%
Sludge used to produce steam	38,253	40,039	
Sent to own landfills	111,221	125,324	71.3%
Sent to third parties' landfills	88,305	100,519	
TOTAL	299,881	316,544	100.0%

> The upper chart shows the metric tons of solid waste generated by CMPC's pulp and paper mills. In 2011 only 0.61% of the total solid waste was considered to be hazardous. Such a waste is subject to regulations established by the Decree N° 148 of 2003 by the 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 99.39% of the waste was regarded as non-hazardous, 28% of which was recycled either as heating power for biomass boilers or for environmental purposes. Finally, 71.3% 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 to reduce the solid waste from its 3 pulp mills in Chile. These wastes are sent to own landfills and represented a total of 122,475 tons in 2011. This project, called Zero Solid Waste, aims to achieve that status in 2013, by its use in different categories, ranging from steam and power generation in biomass boilers, improvement of agricultural land and forest land, stabilizing material for roads, among others.

High volume of paper recycling

Recycled Paper Consumption			
In thousands of tonnes	2009	2010	2011
Mills in Chile	439	450	436
Mills in Argentina, Peru, Uruguay, Mexico and Colombia	228	226	293
TOTAL	667	676	729

> In 2011, the consumption of recycled paper at CMPC's paper mills totalled 729,000 tonnes, a 9.3% over 2009, due to the growth in the Tissue operations. This figure means that approximately 43% of CMPC's total paper production in Chile, Argentina, Peru, Uruguay, Mexico, Colombia and Brazil, was based on recycled fibres.

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

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

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

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

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

The Carbon Footprint of pulp and boxboard

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

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

> Forests, agricultural land and the world's oceans are considered to be “carbon sinks” by current science, due to its positive contribution to mitigate the climate change by capturing the carbon dioxide generated by human activities. Thus, carbon sequestration in the Chilean CMPC plantations of pine and eucalyptus totaled about 6 million tons of CO₂ in 2011, measured according to the forest growth, reducing from this figure the annual timber harvest and the effect of forest fires, since they return carbon to the atmosphere. Meanwhile, the cumulative capture of the period 2008-2011 was 20 million tons of CO₂, measured in the same way. These values are shown in the table below.

CO₂ capture in the Chilean CMPC plantations

	Year	Accumulated
Tons CO₂	2011	2008-2011
Radiata Pine	3,490,255	10,980,151
Globulus Eucalyptus	1,557,650	3,803,922
Nitens Eucalyptus	958,846	5,337,023
TOTAL	6,006,751	20,121,095

> At CMPC we have measured the carbon footprint of pine and eucalyptus pulps, boxboards and tissue products – based on the CEPI methodology (developed by the Confederation of European Paper Industries), which is followed by CMPC's European customers. This methodology is consistent with the GHG Protocol which is focused on measuring the emission of carbon dioxide of fossil origin. This work was carried out by a team of professionals at CMPC with the technical assessment of the University of Concepción through its Technological

Investigation Institute. The results obtained for pine and eucalyptus pulps and boxboard are shown in the following tables, in which an additional column has been added in order to show compatibility of results with those of the GHG classification.

Carbon Footprint for softwood and hardwood pulps according to CEPI methodology

Figures expressed in Kg CO _{2e} / metric ton of pulp		GHG Classification	Softwood pulp Kg CO _{2e} / ton	Hardwood pulp Kg CO _{2e} / ton
Toe as per CEPI methodology				
1	Biogenic Carbon captured at plantations		-1,595	-2,401
2	Biogenic Carbon stored in pulp		-1,320	-1,320
3	Fossil Carbon emitted during production process	Scope 1	198	179
4	Fossil Carbon emitted during development of plantations, from nursery through harvest	Scope 3	51	39
5	Fossil Carbon emitted during production of chemical supplies and fuels	Scope 3	217	148
6	Fossil Carbon emitted during generation of purchased electric power	Scope 2	0	0
7	Fossil Carbon emitted during transport of wood, chemical supplies and pulp to European customers	Scope 3	204	168
10	Fossil Carbon emission avoided		-97	0
Subtotal Fossil Carbon emitted			573	534
TOTAL CARBON CAPTURED			-2,342	-3,187

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

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

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

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

>The processes included were: forest nursery, plantation management, harvest, timber transport to

pulp mills, purchase of fuel and chemical products, pulp production process, railway transport of pulp to ports in Chile and shipping to 12 European ports of destination.

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

> The final result for CMPC's pine and eucalyptus pulp is Net Carbon Capture as biogenic carbon exceeds the emission of fossil carbon. This positive effect will be reinforced in 2012 with the operation of two new biomass boilers which will generate renewable energy at both the Santa Fe and Laja pulp mills. This project will enable to even further reduce the purchase of fossil fuels and electric energy.

Carbon Footprint of folding boxboard according to CEPI methodology

Figures expressed in Kg CO _{2e} / metric ton of boxboard		GHG Classification	Folding boxboard Kg CO _{2e} / ton
Toe as per CEPI methodology			
1	Biogenic Carbon captured at plantations		-895
2	Biogenic Carbon stored in boxboard		-1,344
3	Fossil Carbon emitted during production process	Scope 1	91
4	Fossil Carbon emitted during development of plantations, from nursery through harvest	Scope 3	12
5	Fossil Carbon emitted during production of chemical supplies, fuels and pulp	Scope 3	382
6	Fossil Carbon emitted during generation of purchased electric power	Scope 2	6
7	Fossil Carbon emitted during transport of wood, chemical supplies, pulp and boxboard to European / USA customers	Scope 3	270
10	Fossil Carbon emission avoided		0
	Subtotal Fossil Carbon emitted		761
	TOTAL CARBON CAPTURED		-1,478

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

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

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

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

>The processes included were: forest nursery, plantation management, harvest, timber transport to boxboard mills, purchase of fuel and chemical products, boxboard production process, boxboard transport by truck to ports in Chile and shipping to European / USA ports of destination.

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

> The final result for CMPC's boxboard is Net Carbon Capture as biogenic carbon exceeds the emission of fossil carbon.

CMPC's Environmental Investments

CMPC's Consolidated Environmental Investments	
In millions of US Dollars	2011
Renewable energy generation	117.1
Air emission control	1.0
Liquid effluent treatment	2.3
Solid waste management	0.6
Environmental safety of facilities and people, prevention and control	1.2
Energy and water savings	5.0
TOTAL INVESTMENTS	127.3

> The environmental investment programme of CMPC totalled US\$ 127 million in 2011. The bulk of this figure corresponded to renewable energy generation at the Santa Fe and Laja pulp mills, project that seeks to replace fossil fuels with renewable biomass, making a contribution to climate change mitigation.

> Cooling towers of the steam condensate coming from the turbo-generator, to return it as feed water to the biomass boiler at the Santa Fe Pulp Mill.



CMPC's Forestry Resources Biodiversity

> CMPC's forestry resources in Chile include 153,000 hectares for conservation purposes, which are fundamental for the sustainable development of the company:

- » 60,000 hectares of both native forest and vegetation.
- » 93,000 hectares for protecting basins, watercourses, flora and fauna and high environmental value areas.

> CMPC protects seven high environmental value areas totalling 5,800 hectares, located in the Maule, Bio-Bio and Araucanía Chilean regions. Valuable species from the Valdivian native forest are preserved, including RUIL, Pitao, Araucaria, and also native fauna, such as the Huillín or fresh-water otter. Those areas have special conservation and protection plans and they are given priority in the CMPC's fire prevention system.



Rucamanqui High Environmental Value Area

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



Pitao de Maitenrehue High Environmental Value Area

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



Villa Las Araucarias High Environmental Value Area

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



Los Ruiles de Empedrado High Environmental Value Area

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



Alto Escuadrón High Environmental Value Area

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

Huillín High Environmental Value Area

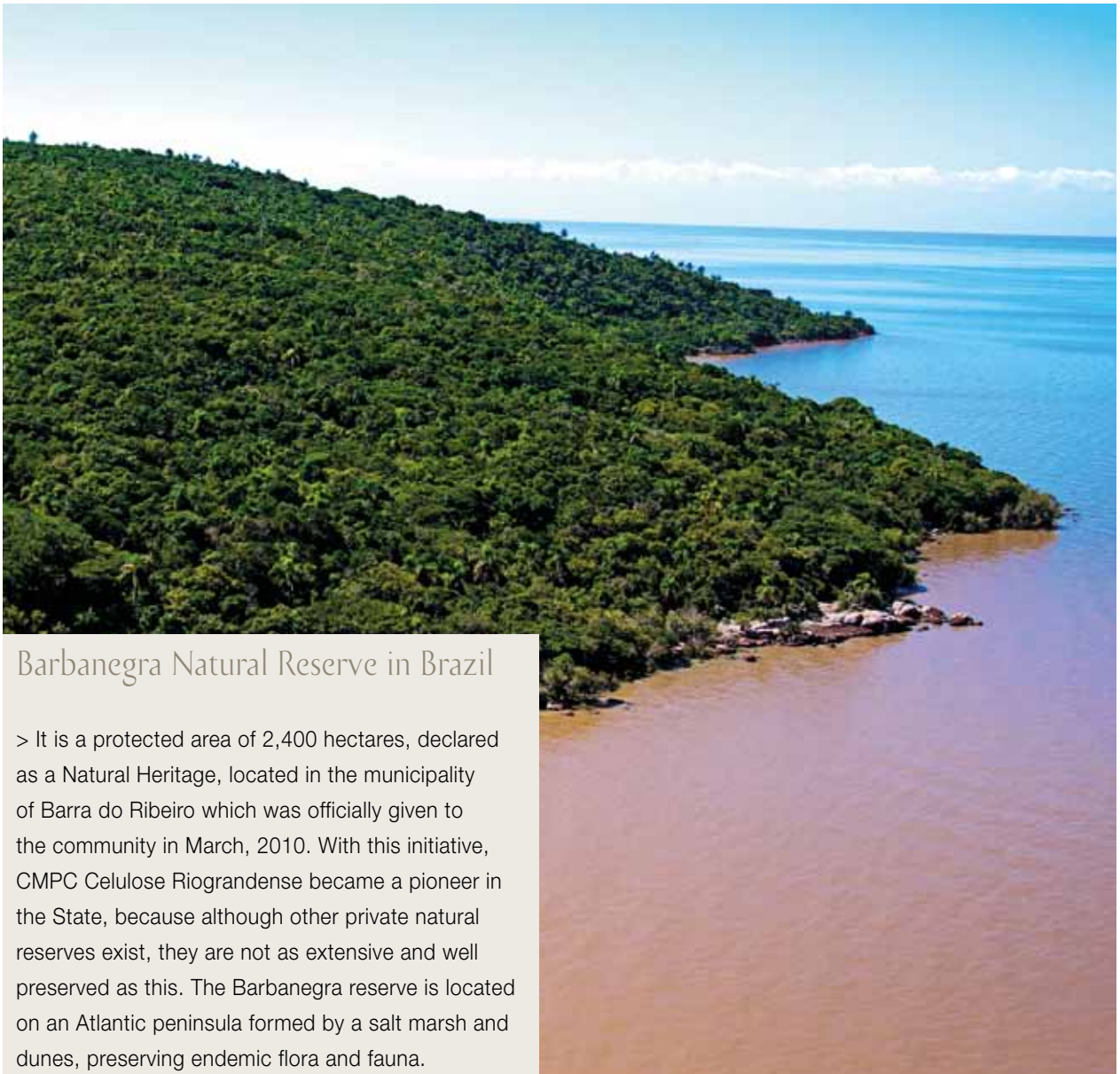
> It is a protection zone for the Chilean mammal Huillín (*Lontra provocax*), a fresh-water otter declared in danger of extinction. The protected area is a stretch of about five kilometres on the banks of the Boldo or Queule River and in the wetlands of Mahuidanche, covering an area of 73 hectares in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





Hualos de Loanco High Environmental Value Area

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



Barbanegra Natural Reserve in Brazil

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

GRI INDEX

Profile

	GRI INDICATOR	REPORTED IN	PAGE
1. STRATEGY AND ANALYSIS			
1.1	Statement of senior person responsible	Chairman's message	2-4
1.2	Description of the main impacts, risks and opportunities	Chairman's message CMPC Objectives for 2011-2012	2-4 5-7
2. PROFILE OF THE ORGANIZATION			
2.1	Name of the organization	Empresas CMPC S.A.	
2.2	Main brands, products and services	Brands related to tissue and sanitary products: Elite, Confort, Nova, Noble, Higienol, Sussex, Babysec, Ladysoft, Cotidian.	12
2.3	Operational structure	Structure of the organization	12
2.4	Headquarters' location	Santiago, Chile	
2.5	Countries in which the company operates	International presence of CMPC	13
2.6	Nature of ownership and legal form	Company's profile	8
2.7	Markets served	Sales over 55 countries and 20,000 clients approximately.	8
2.8	Scale of the organization	CMPC in figures for year 2011	8
2.9	Significant changes during the period	There were no significant changes	
2.10	Prizes and distinctions received	Comprehensive rehabilitation programme and reinstatement of workers.	45
3. REPORT PARAMETRES			
3.1	Period covered	Year 2011	
3.2	Date of the previous report	Year 2010	
3.3	Report presentation cycle	Annual	
3.4	Point of contact	Send us your opinion	95
3.5	Report's content definition process	The primary objective was to point out the essence of CMPC's business model and the relationship with its workers, corporate chain, local communities and the environment. The subjects were defined by reviewing the social and environmental performance of the year 2011.	
3.6	Coverage of the report	It includes the information of the entire business chain of CMPC.	12-13
3.7	Limitations of the report's scope or coverage	The concerns of our neighbours make it necessary for CMPC to develop actions that increase the consultation with the communities, promote the search for long-term agreements with them and improve the integration between productive activities and social programmes of the Company.	22-23
3.8	Inclusion of joint ventures	It includes the information of CMPC's entire business chain.	
3.9	Data measurement and bases for calculation	Methodologies and calculations have been standardized among the different subsidiaries, in a fluid process with rigorous internal verifications.	
3.10	Effect of restating information contained in previous reports	Improvements have been made in the way some indicators were measured, which produced minor changes in some figures reported in the year 2010.	
3.11	Changes in relation to previous periods	There were no significant changes	
3.12	Table of contents	GRI Index	91+
3.13	External verification	No external verification was made	
4. GOVERNANCE, COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS			
4.1	Organization's governance structure	Corporate governance	10
4.2	Chairman of the Board	The Chairman of the Board of Directors is not an executive of CMPC	11
4.3	Independent Board members	Of the 7 members of the Board of Directors, two have been appointed by independent shareholders.	11
4.4	Mechanisms of shareholders and employees for making recommendations to the Board	The shareholders may express their points of view on the company's performance in legally convened ordinary and extraordinary meetings.	10

GRI INDICATOR		REPORTED IN	PAGE
4.5	Remuneration of directors and senior executives	The Directors do not have a variable remuneration for achieving objectives in the economic, social or environmental areas. The senior executives' remuneration is linked to performance.	
4.6	Procedures to avoid conflicts of interest in the Board	A Committee of 3 Directors, two of them independent of the controller, revises and pronounces on operations with related parties, examines the financial statements and the reports issued by external auditors.	10
4.7	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.	10
4.8	Mission, Values and Code of Conduct	Mission, values and ethics in business	9
		The CMPC Code of Conduct	37-38
4.9	Procedures of the Board of Directors to supervise the organization's economic, social and environmental performance.	Corporate governance	10
4.10	Evaluation of the Board's own performance	Corporate governance	10
4.11	Description of how the organization has adopted a precautionary principle	CMPC applies the principle of Sustainable Development in all its operations and new industrial projects it carries out, complying with high standards on safety, protection of neighbouring communities and the environment.	44
4.12	Social, environmental and economic programmes developed externally	CMPC has not subscribed formal commitments with global international initiatives in social, environmental or economic matters.	
4.13	Associations to which the organization belongs	CMPC is a member of the World Business Council for Sustainable Development; specifically, it integrates the chapter of Forest Solutions, which brings together 16 companies.	72
4.14	List of stakeholders	This report highlights the progress made in consultations with neighboring communities, especially Mapuche communities, about their concerns with regard to the forestry operations.	20-23
4.15	Basis for selection of stakeholders		
4.16	Approach adopted for the inclusion of stakeholders		
4.17	Key topics and concerns arising through the participation of stakeholders		
		Identifying a total of 22 Mapuche sites of cultural interest	64-65
		Consultation with the communities neighbouring the CMPC's forests	20-23
		Relationship with suppliers and contractors	28
		CMPC Foundation	47-51
		Good Neighbourhood Actions	54-62
		Protection and conservation of Biodiversity	87-90

ECONOMIC PERFORMANCE

EC1	Economic value generated and distributed	Economic performance	25-26
EC2	Financial consequences and risks due to climate change	This calculation has not been made, although the contribution that CMPC makes towards the mitigation of climate change should be considered	83
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
EC8	Infrastructure investment and services provided for public benefit	Contribution to public infrastructure	27
		The Jorge Alessandri Educational Park	52-53

GRI INDICATOR		REPORTED IN	PAGE
ENVIRONMENTAL PERFORMANCE			
EN1	Materials used	Wood coming from renewable plantations	72
		Recycled paper consumption	82
EN2	Percentage of recycled materials used	Recycled paper consumption	82
EN3	Direct energy consumption	Sustainable use of energy	73
EN4	Indirect energy consumption	Not reported	
EN5	Energy savings	Not reported	
EN6	Products and services based on renewable energies	72.4% of the energy consumed was generated with renewable biomass	73
EN7	Reduction of indirect energy consumption	CMPC is operating two new biomass boilers to reduce its indirect fossil energy consumption.	5;74-75
EN8	Total water intake by sources	Sustainable use of the water	76
EN9	Water sources affected significantly	CMPC's water intake did not affect the water sources.	
EN10	Recycled and reused water	Sustainable use of water	76
EN11	Protected or high biodiversity areas	CMPC's forestry resources in Chile	72
		CMPC's forestry resources biodiversity	87-90
EN12	Impacts on biodiversity in protected areas	CMPC's role in the protection and conservation of biodiversity	87
EN13	Protected or restored habitats	High environmental value areas	87-90
EN14	Management of impacts on biodiversity	CMPC's role in the protection and conservation of biodiversity	87
EN15	Species whose conservation is threatened	In CMPC's forestry resources there are 5 species of native flora declared in danger of extinction and another two declared as vulnerable, which are protected. There are also two species of native fauna declared in danger of extinction and one species declared as vulnerable.	
EN16	Greenhouse gases emissions	Measuring the Carbon Footprint of CMPC products	83-85
EN17	Other indirect emissions of greenhouse gases	Toes 4-5-7 in Carbon Footprint of pulp and boxboard.	84-85
EN18	Initiatives to reduce greenhouse gas emissions	To increase renewable energy generation	5
EN19	Ozone-depleting compound emissions	CMPC does not emit gasses that might affect the ozone layer.	
EN20	NOx, SO2 and other air emissions	Air emissions	79-80
EN21	Total volume of liquid effluent	Treated liquid effluent	76-78
EN22	Weight of the managed waste	Solid waste	81
EN23	Most significant accidental spills	No significant accidental spills have been recorded	
EN24	Hazardous solid waste according to the Basel Convention	Hazardous solid waste	81
EN25	Water resources and habitats affected	No water sources or their related habitats were affected	
EN26	Initiatives to mitigate the environmental impact of products and services	CMPC Objectives for 2011-2012	5-7
		CMPC's environmental agenda	71
		Energy generated with renewable biomass	73-75
		Sustainable use of the water	76
		High volume of paper recycling	82
EN27	Percentage of products recovered at the end of their useful life	Not reported	
EN28	Significant fines of an environmental nature	There were no significant fines of an environmental nature.	
EN29	Environmental impact from transport	Toe 7 in Carbon Footprint of pulp and boxboard.	84-85
EN30	Environmental investments	CMPC's environmental investments	86

LABOUR PRACTICES AND WORK ETHICS

LA1	Composition of workers	By business centre	35
		By country	36
		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	42
LA15	Reinstatement of women at work after maternity	CMPC does not condition the return to work after maternity.	
LA4	Percentage of employees with collective bargaining agreements	Employees covered by collective bargaining agreements	42
LA5	Minimum period of notice for organizational changes	Trustworthy long-standing working relationships	41
LA6	Workers in joint committees on safety and health	Risk prevention policy	43
LA7	Absenteeism, occupational diseases, days lost	Occupational health and safety statistics	45

GRI INDICATOR	REPORTED IN	PAGE
LA8	Training, education, risk prevention and control programmes	Risk prevention programmes 44
LA9	Health and safety topics covered in formal agreements with unions	Risk prevention policy 43
LA10	In-service training hours per category of employee	Education and in-service training 39-40
LA11	Continuous training programmes	Education and in-service training 39-40
LA12	Regular evaluations on performance and development	Not reported
LA13	Personnel by genre and age	Personnel by genre and age 36
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. 28
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. 28
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. 37-38
HR4	Incidents of discrimination	No incidents of discrimination have been recorded in the period.
HR5	Activities in which the right to freedom of association is at risk	Trustworthy long-standing working relationships 41
HR6	Activities that involve child work	CMPC rejects any practice related to child work 9
HR7	Activities that risk forced or compulsory work	CMPC rejects any practice related to forced work 9
HR8	Percentage of the security personnel with training in human rights	CMPC extends its obligations in this matter to the security personnel. Nevertheless, no measurements are made.
HR9	Incidents related to the rights of native tribes	Recognize and support the Mapuche culture 63-65

SOCIETY

SO1	Management of operational impacts on the communities	Consultation with the communities neighbouring the CMPC's forests 20-23
SO2	Corruption risks	Prevention of bribery and corruption acts 38
SO3	Training in anti-corruption procedures	Prevention of bribery and corruption acts 38
SO4	Measures in response to corruption incidents	Corruption acts prevention model 38
SO5	Participation in the development of public policies	CMPC contributes to the development of public policies, participating actively through industrial associations in the stages of formal consultation that are established while proposed legislation is being discussed in Chile.
SO6	Financial contributions to political parties	Not reported
SO7	Lawsuits due to cases against free competition	None took place
SO8	Sanctions and fines monetary value	Sanctions and fines 27

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. 32-33
PR4	Number of nonfulfilments of PR3	None took place
PR5	Customer satisfaction surveys	The CMPC Tissue business centre carries out periodic customer satisfaction surveys because its products are destined to massive consumption. 32-33
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. 32-33
PR7	Number of incidents due to nonfulfilment of PR6	None took place
PR8	Complaints regarding customer's privacy	None took place
PR9	Significant fines related to products supply	None reported

We value your opinion

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

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