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SUSTAINABILITY

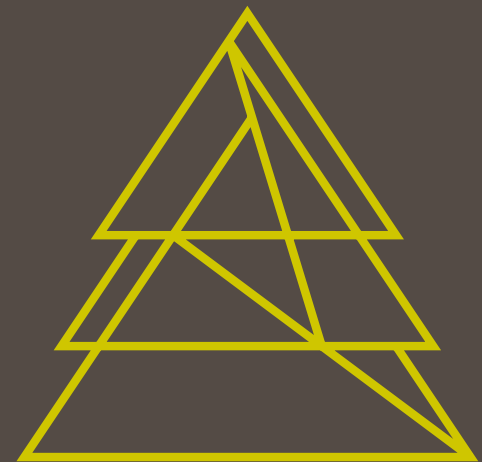
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21

REPORT

renewables
for a
better life

arauco



**A
SUSTAINABLE
WORLD IS MADE
OF WOOD**

CONTENTS



ABOUT
US

04

CORPORATE
GOVERNANCE

20

GLOBALIZATION
AND EFFICIENCY

42

98

PEOPLE
OF
EXCELLENCE

OCCUPATIONAL
HEALTH AND
SAFETY

130

COMMUNITY,
ENGAGEMENT
AND DIALOGUE

154

184

ENVIRONMENTAL
MANAGEMENT

SCOPE

242

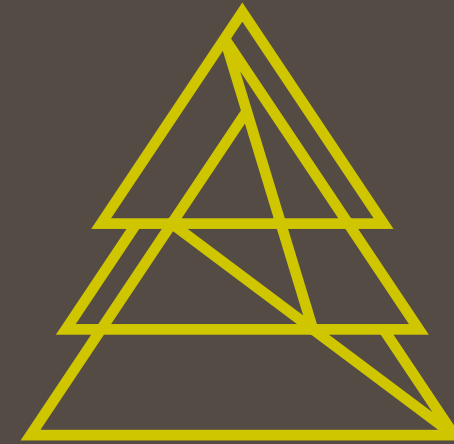
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APPENDIXES

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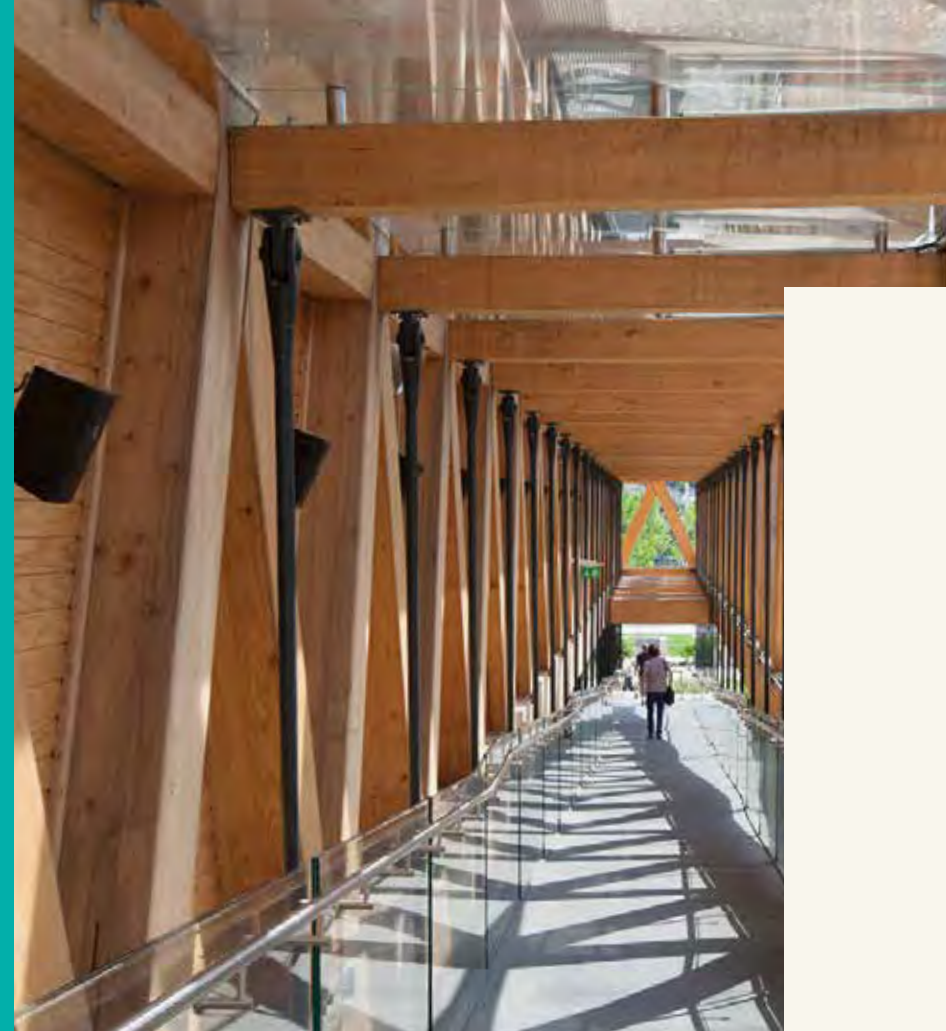
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**ABOUT
US**



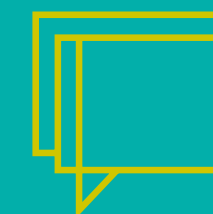


RENEWABLES FOR A BETTER LIFE



OUR VISION

TO HELP IMPROVE
PEOPLE'S LIVES,
DEVELOPING FOREST
PRODUCTS FOR THE
CHALLENGES OF A
SUSTAINABLE WORLD.



FOR MORE **THAN 50 YEARS**, WE HAVE BEEN
DEVELOPING PRODUCTS BASED ON RENEWABLE
FOREST RESOURCES, ALLOWING US TO OFFER
A WIDE VARIETY OF SUSTAINABLE AND QUALITY
SOLUTIONS THAT IMPROVE THE LIVES OF MILLIONS
OF PEOPLE WORLDWIDE.

OUR PRODUCTS ARE PART OF A VALUE CHAIN FOR
THE PAPER, APPAREL, CONSTRUCTION, PACKAGING,
FURNITURE, AND ENERGY INDUSTRIES.

WITH A PRESENCE IN THE FORESTRY, CELLULOSE,
WOOD, PANELS, AND CLEAN AND RENEWABLE
ENERGY SECTORS, WE ARE A GLOBALIZED COMPANY
WITH A PRESENCE ON **FIVE CONTINENTS**,
REACHING **4,894 CUSTOMERS** AROUND THE WORLD.

CHAIRMAN'S STATEMENT



MANUEL
BEZANILLA
ARAUCO
CHAIRMAN

WE ARE LIVING IN CRUCIAL TIMES FOR THE FUTURE OF OUR PLANET AND HUMANITY. THEREFORE, OUR CHALLENGES AND EFFORTS MUST FOCUS ON SOLUTIONS BASED ON PEOPLE AND THEIR COMMUNITIES. ARAUCO HAS SOUGHT TO PROMOTE THIS IN OUR MORE THAN 50 YEARS OF HISTORY, AND TODAY MORE THAN EVER, WE ARE DETERMINED TO PUSH FORWARD WITH DETERMINATION THROUGH A CIRCULAR AND SUSTAINABLE ECONOMIC MODEL.

"We are living in crucial times for the future of our planet and humanity. Therefore, our challenges and efforts must focus on solutions based on people and their communities. ARAUCO has sought to promote this in our more than 50 years of history, and today more than ever, we are determined to push forward with determination through a circular and sustainable economic model."

In a highly dynamic context, 2021 was undoubtedly a year where we faced multiple challenges. Climate change, social evolution, and the COVID-19 pandemic lead us to reflect on the future and the social role of companies, recognizing the inextricable relationship between our business management, the community, and the environment.

We are living in crucial times for the future of our planet and humanity. Therefore, our challenges and efforts must focus on solutions based on people and their communities. ARAUCO has sought to promote this in our more than 50 years of history, and today more than ever, we are determined to push forward with determination through a circular and sustainable economic model.

At a global event as crucial as COP26 in Glasgow, we have committed to reducing, through an integrated portfolio of projects, one million tons of CO₂ by 2030. This climate action plan proposes three central interventions: to continue reducing our emissions based on climate science, to reach the goal of zero waste by 2030, and to restore 25 thousand ha of native forest, achieving goals that are in line with the Nationally Determined Contributions (NDCs) and the global objectives established in the Paris Agreement.

However, our challenges extended far beyond that. Although the pandemic has led to a more flexible approach to sanitary measures, we continue to ensure people's health and safety, in addition to operational continuity, because our products are the primary raw material for essential industries around the world.

Through effort, innovation, and responsibility, we can keep our facilities and production units operational in all the countries where we operate.

Under this scenario and understanding that the world needs more products based on natural and renewable resources such as wood, we continue to work with a long-term vision. Amid of the pandemic, we were able to make progress and are about to conclude the construction of the Modernization and Expansion of the ARAUCO Plant project. This project is one of the most significant investments in the Company's history, designed to produce 2.1 million tons of pulp per year. For ARAUCO, it is very gratifying to see this project come to life with the highest safety standards and work collaboratively with the community that has welcomed us for more than 50 years and with which we seek to project ourselves for the next 50 years.

Nevertheless, this was also a time of opportunities and possibilities that perhaps, in a different context, we would not have embraced with the necessary time and energy. We started the HILAM laminated beams project in Chile and the project for constructing a new medium-density fiberboard (MDF) production line at the Zitácuaro plant in Mexico. The purpose of all this is to contribute with new raw materials for the challenges of a more sustainable world.

While we are pleased with the results and progress in each of the challenges we have set ourselves, we are incredibly proud to know that we are doing so by working with the communities we are part of and making a positive impact on their lives.

An example of this is ARAUCO's housing plan. For the past 11 years, this program has been promoting high-standard housing solutions in wood for workers directly employed by ARAUCO, its collaborating companies, and neighboring communities. Throughout these working years, more than 1,700 homes have been built, and around 7,000 people have benefited, thus contributing to a worldwide problem: the housing shortage.

This is just one of the programs and relationship opportunities through which we seek to maintain a permanent commitment with our neighboring communities, understanding that their development is essential for our sustainability.

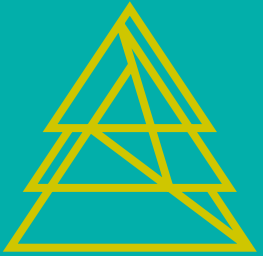
However, to continue on this path and project ourselves in the long term, our employees' commitment is essential. They are the fundamental cornerstone that, with enthusiasm and responsibility, allow us to achieve our objectives and contribute to the development of the countries where we operate. We thank each one of them because they are a vital factor in ARAUCO's development. I invite you to learn about our work in 2021, a work that constantly seeks to balance our and our employees' growth and the environmental and social needs of our surroundings, with a vision of being renewables for a better life.

OUR PURPOSE



AS WOOD IS THE ONLY RENEWABLE RESOURCE THAT CAN BE SUSTAINABLY PRODUCED FOR LARGE-SCALE USE IN CONSTRUCTION, FURNITURE, AND AN IMMENSE VARIETY OF PRODUCTS PRESENT IN OUR LIVES, WE ARE SET TO BE A VERY RELEVANT ACTOR IN THE WORLD. WE MUST BE ABLE TO MAKE A REAL CONTRIBUTION TO SUSTAINABLE DEVELOPMENT AND THE INCREASING GLOBAL DEMAND, PLAYING A STRATEGIC ROLE IN THE FIGHT AGAINST CLIMATE CHANGE AND BEING A KEY PARTICIPANT IN THE TERRITORIES OF WHICH WE ARE A PART.

MATÍAS DOMEYKO
ARAUCO
EXECUTIVE VICE-PRESIDENT



ARAUCO ACROSS THE WORLD

MORE THAN **4,894** CUSTOMERS
ON FIVE CONTINENTS

PRODUCTS WERE COMMERCIALIZED
TO SALES OUTLETS THROUGH
DISTRIBUTORS, SALES AGENTS,
AND SALES OFFICES IN
30 COUNTRIES



LOGISTICS AND
DISTRIBUTION CHAIN
MANAGEMENT,
SOURCING TO
DISTRIBUTION CENTERS
AND SALES OUTLETS
THROUGH

207 PORTS

arauco

+18,124

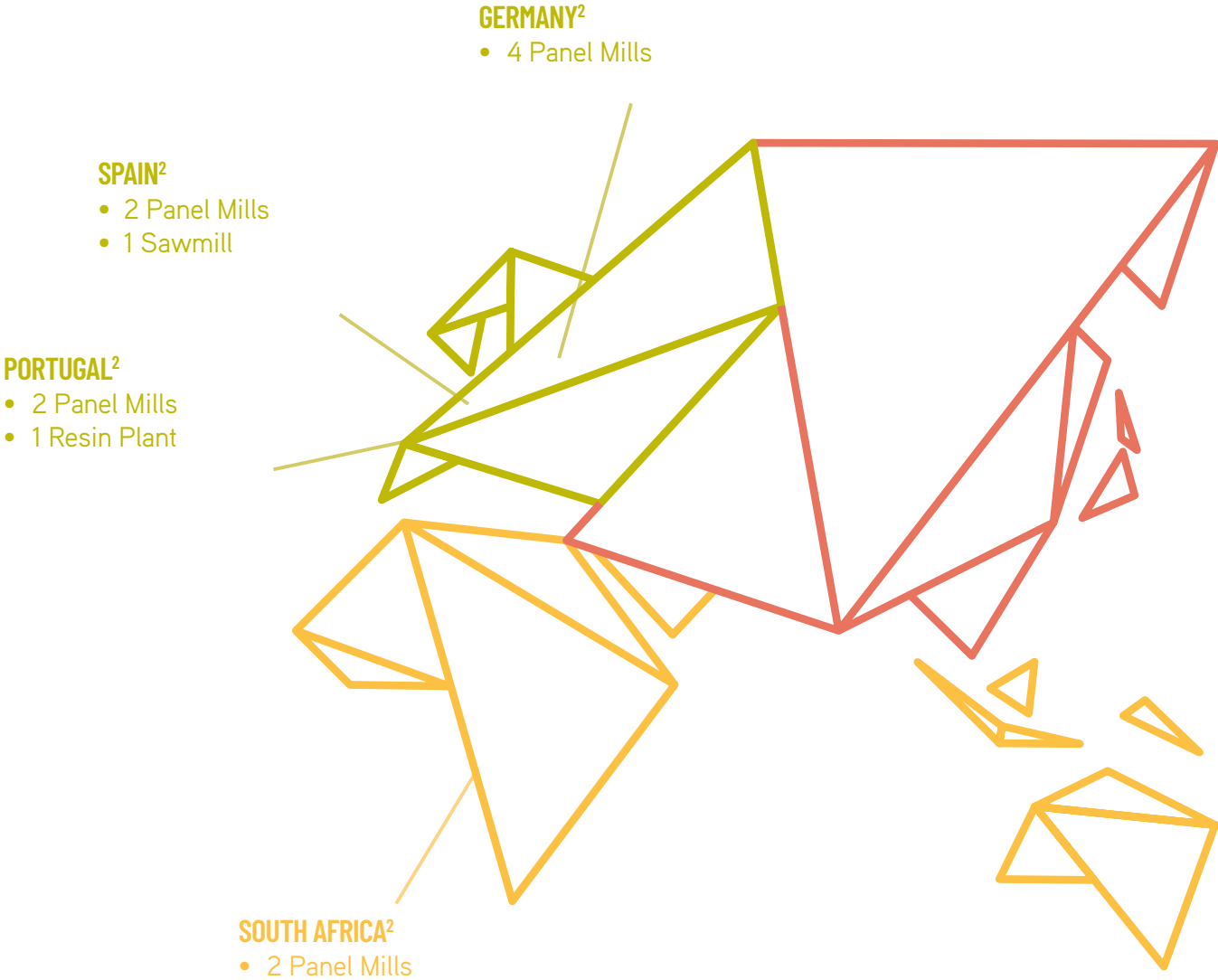
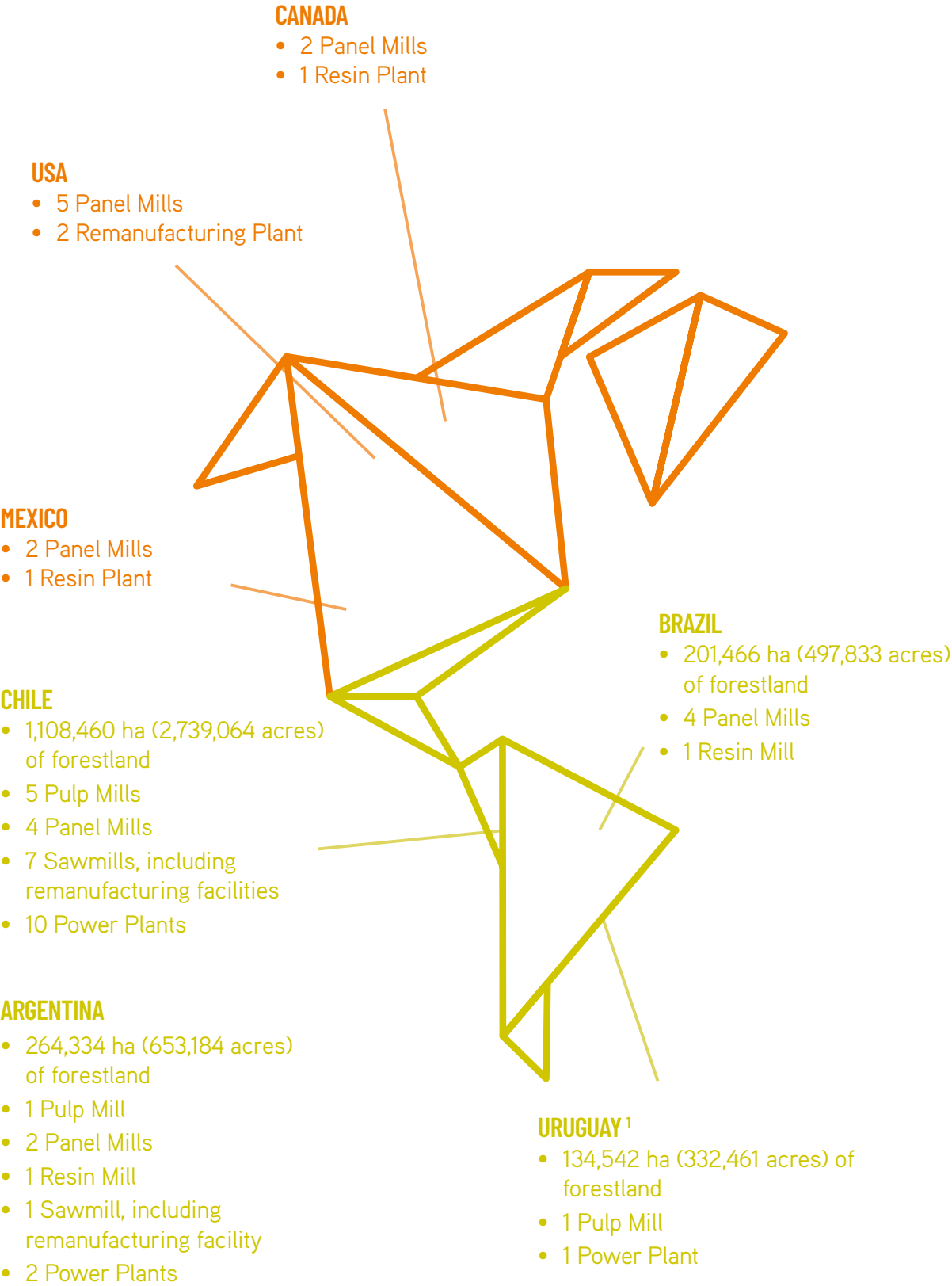
WORKERS AND
779 COLLABORATIVE
COMPANIES

14,789

SUPPLIERS AND
US\$ 3,966
PAID TO LOCAL
SUPPLIERS

 **64**
**INDUSTRIAL
FACILITIES**

ARAUCO
ACROSS THE
WORLD



SALES
OFFICES

United States of America
Canada
Netherlands
Peru
Chile
Mexico
Colombia
Brazil

Argentina
Costa Rica
Australia
China
United Arab Emirates

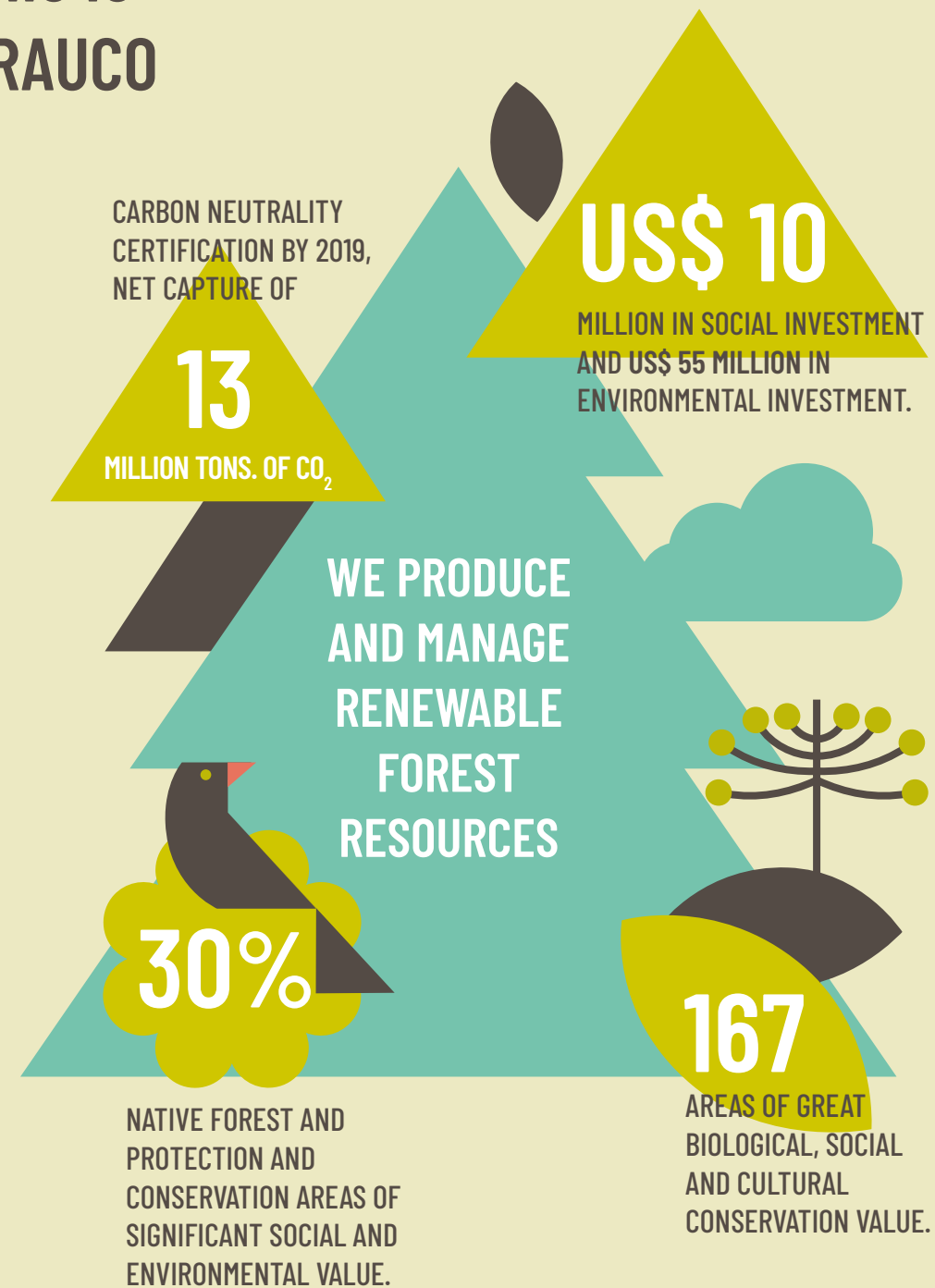
SALES
REPRESENTATIVES

South Korea
Australia
New Zealand
Japan
China
United Arab Emirates
Saudi Arabia
Malaysia
Turkey

India
Pakistan
Bangladesh
Indonesia
Thailand
Philippines
Taiwan
Vietnam

1) Includes 50% of operations, land and plantations.
2) ARAUCO owns 50% of SONAE ARAUCO's facilities.

THIS IS ARAUCO



SUSTAINABILITY STRATEGY

WE WORK TO CONSOLIDATE **AN ECONOMY BASED ON RENEWABLE RESOURCES** AND, FROM THESE, TO DEVELOP PRODUCTS THAT IMPROVE THE QUALITY OF LIFE FOR MILLIONS OF PEOPLE WORLDWIDE THROUGH THE **SUSTAINABLE MANAGEMENT** OF OUR OPERATIONS AND CREATING MAXIMUM VALUE FROM OUR FORESTRY HERITAGE.



OUR VISION FOR SUSTAINABILITY



At ARAUCO, we produce and manage renewable forest resources. A significant part of the sustainability of our business depends on our ability to make prompt decisions that will impact the future, always with a long-term perspective.

By working with renewable resources, our operational management is closely related to the ecosystems in which we are involved. Therefore, we manage our operations through the best environmental practices, ensuring the health, safety, and development of the people who are part of ARAUCO and being a righteous actor in the environments of which we are a part, to be an active agent in their economic and social development.

OUR STRATEGY



TREES ARE THE MOST SIGNIFICANT BIOLOGICAL INFRASTRUCTURE ON THE PLANET AND THE BEST CO2 CAPTURERS. FURTHERMORE, RESPONSIBLE PLANTATION MANAGEMENT REDUCES PRESSURE ON NATURAL FORESTS. IN THIS CONTEXT, PREVENTIVE ENVIRONMENTAL MANAGEMENT, THE GENERATION OF PRODUCTS BASED ON RENEWABLE SOURCES, GLOBAL PRESENCE, SUSTAINABLE RESOURCE MANAGEMENT, AND THE APPLICATION OF MANAGEMENT STANDARDS THAT ENSURE THE CONTINUOUS IMPROVEMENT OF ENVIRONMENTAL PERFORMANCE, COMPRISE THE BASIS OF THE COMPANY'S MANAGEMENT. THIS IS EXEMPLIFIED BY THE FACT THAT ARAUCO IS THE FIRST FORESTRY COMPANY IN THE WORLD TO CERTIFY ITS CARBON NEUTRALITY, A SIGNIFICANT AND CONCRETE CONTRIBUTION TO ADDRESSING THE GLOBAL CLIMATE CRISIS AND THE CULMINATION OF WORK THAT HAS BEEN CARRIED OUT FOR DECADES.

HOW DO WE DO IT

WE COMBINE SCIENCE, TECHNOLOGY, AND INNOVATION TO MAXIMIZE THE POTENTIAL OF OUR PLANTATIONS.

MANAGING OUR OPERATIONS RESPONSIBLY, USING THE BEST ENVIRONMENTAL PRACTICES, AND ENSURING THE HEALTH, SAFETY, AND DEVELOPMENT OF ARAUCO'S EMPLOYEES.



DEVELOPING MATERIALS AND PRODUCTS WITH THE HIGHEST STANDARDS, AND FOCUSED ON QUALITY DELIVERING HIGH-QUALITY SERVICE TO OUR CUSTOMERS.



BEING RIGHTEOUS ACTORS IN THE ENVIRONMENTS WE ARE PART OF, TO BECOME ACTIVE AGENTS IN THEIR ECONOMIC AND SOCIAL DEVELOPMENT.

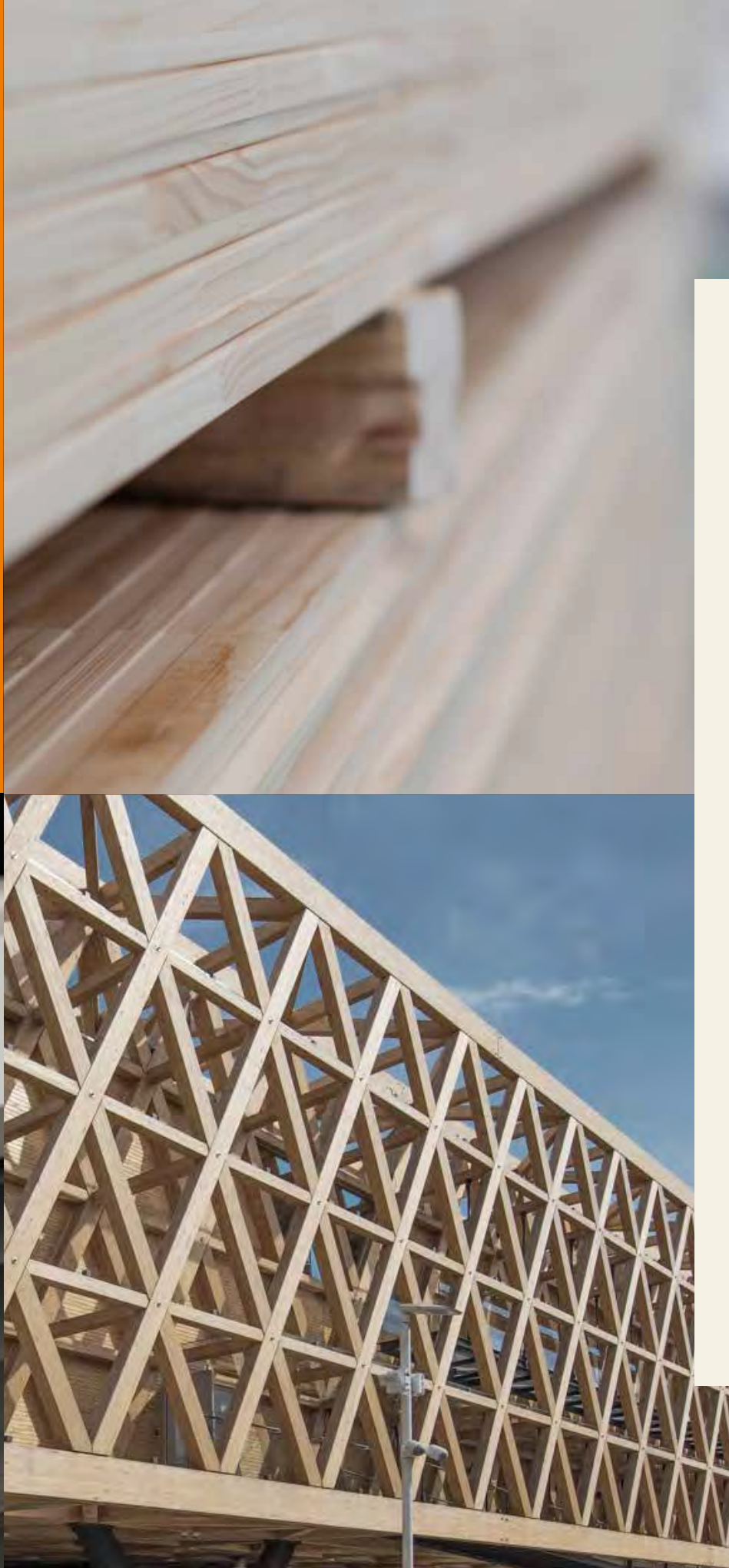


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**CORPORATE
GOVERNANCE**



CORPORATE GOVERNANCE

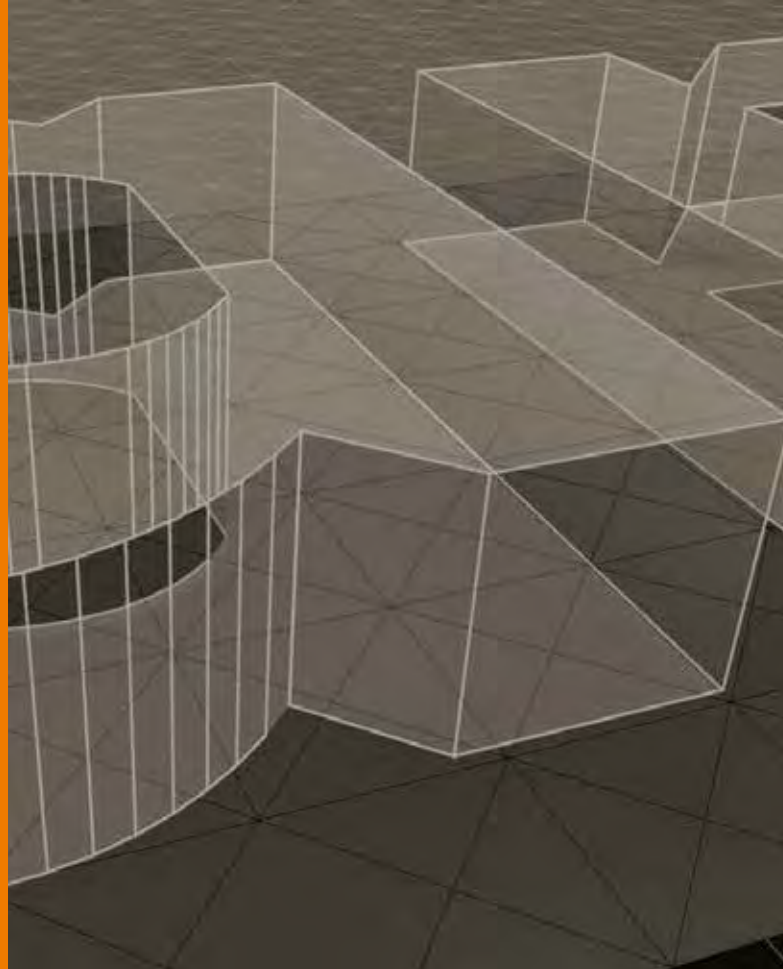


ARAUCO'S CORPORATE STRUCTURE

AS A GLOBAL COMPANY THAT EMBRACES THE CHALLENGES OF OPERATING GLOBALLY, OUR TASK IS TO INCREASINGLY INTEGRATE SUSTAINABILITY INTO THE AGENDA AND OBJECTIVES OF OUR COMPANY'S BUSINESS SO THAT SUSTAINABILITY BECOMES PART OF EVERYONE'S ROLE AT ARAUCO. WE FOUND OUR BUSINESS ON ETHICS AND LONG-TERM COMMITMENT THROUGH A SOLID CORPORATE GOVERNANCE SYSTEM.

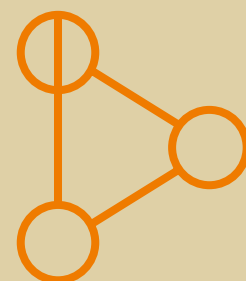


OUR CORPORATE GOVERNANCE



ARAUCO IS A CLOSELY HELD CORPORATION
SUBJECT TO CERTAIN INFORMATION AND
DISCLOSURE REQUIREMENTS THAT APPLY
TO PUBLICLY TRADED COMPANIES. THE
COMPANY'S BEGINNINGS DATE BACK TO

10 / 28 / 1970



CELULOSA ARAUCO Y CONSTITUCIÓN S.A.,
AS IT IS KNOWN TODAY, WAS ESTABLISHED
IN SEPTEMBER 1979 FROM THE MERGER
OF THE COMPANIES CELULOSA ARAUCO
AND CONSTITUCIÓN S.A., TWO COMPANIES
CREATED BY THE CORPORATION FOR
THE PROMOTION OF PRODUCTION
(CORPORACIÓN DE FOMENTO DE LA
PRODUCCIÓN, CORFO).

ITS LEGAL NAME IS CELULOSA
ARAUCO Y CONSTITUCIÓN S.A,
AND IS

99.98%

OWNED BY EMPRESAS COPEC S.A.,
A HOLDING COMPANY WHOSE
PRINCIPAL ACTIVITIES ARE
FORESTRY, ENERGY, FUEL
DISTRIBUTION, FISHING,
AND MINING.

arauco

CELULOSA ARAUCO Y CONSTITUCIÓN
S.A., AS IT IS KNOWN TODAY, WAS
ESTABLISHED IN

SEPTEMBER 1979

FROM THE MERGER OF THE COMPANIES
CELULOSA ARAUCO AND CONSTITUCIÓN
S.A., TWO COMPANIES CREATED BY THE
CORPORATION FOR THE PROMOTION OF
PRODUCTION (CORPORACIÓN DE FOMENTO
DE LA PRODUCCIÓN, CORFO).



BOARD OF
DIRECTORS



28/11
1970

CORFO CREATES CELULOSA ARAUCO AND CELULOSA CONSTITUCIÓN.

BOTH MERGED TO CREATE CELULOSA ARAUCO Y CONSTITUCIÓN S.A.

1979

SHAREHOLDERS

EMPRESAS COPEC S.A.
120,474,249 SHARES: 99.99%

ANTARCHILE S.A.
101 SHARES: 0.00008%



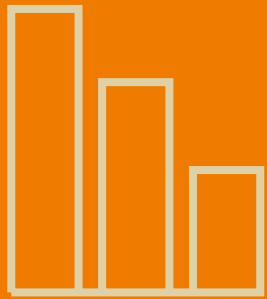
OUR BOARD OF DIRECTORS

<div>MANUEL BEZANILLA</div> <div>CHAIRMAN OF THE BOARD</div>	<div>ROBERTO ANGELINI</div> <div>FIRST VICE CHAIRMAN</div>	<div>JORGE ANDUEZA</div> <div>SECOND VICE CHAIRMAN</div>
<div>ALBERTO ETCHEGARAY</div>	<div>JORGE BUNSTER</div>	<div>FRANCO MELLAFE</div>
<div>JUAN IGNACIO LANGLOIS</div>	<div>EDUARDO NAVARRO</div>	<div>TIMOTHY C. PURCELL</div>

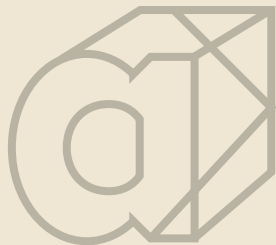







BOARD OF DIRECTORS



THE MISSION OF THE BOARD OF DIRECTORS OF CELULOSA ARAUCO Y CONSTITUCIÓN S.A. IS TO MAXIMIZE THE COMPANY'S VALUE **IN A SOCIALLY, ENVIRONMENTALLY, AND ECONOMICALLY RESPONSIBLE WAY**. THE BOARD CONSISTS OF NINE MEMBERS WHO HOLD OFFICE FOR THREE YEARS AND CAN BE REELECTED. NO BOARD MEMBER HOLDS AN EXECUTIVE POSITION WITHIN THE COMPANY.



THE BOARD REGULARLY MEETS WITH THE CHIEF EXECUTIVE OFFICER AND THE PRESIDENT & CHIEF OPERATING OFFICER, WHO PROVIDE UPDATED INFORMATION ON ARAUCO'S MANAGEMENT AND BUSINESS AREAS. UNDER CHILE'S CORPORATION LAW, THE COMPANY MUST HOLD A SHAREHOLDERS MEETING AT LEAST ONCE A YEAR.

 MATÍAS DOMEYKO EXECUTIVE VICE-PRESIDENT		 CRISTIÁN INFANTE CHIEF EXECUTIVE OFFICER	
 FRANCO BOZZALLA SENIOR VICE-PRESIDENT WOODPULP & ENERGY	 ANTONIO LUQUE SENIOR VICE-PRESIDENT TIMBER AND PANELS	 IVÁN CHAMORRO SENIOR VICE-PRESIDENT FORESTRY	
 CHARLES KIMBER SENIOR VICE-PRESIDENT HUMAN RESOURCES & SUSTAINABILITY	 GIANFRANCO TRUFFELLO CHIEF FINANCIAL OFFICER	 FELIPE GUZMÁN LEGAL DIRECTOR	 GONZALO ZEGERS SENIOR VICE-PRESIDENT INTERNATIONAL & BUSINESS DEVELOPMENT



SENIOR
MANAGEMENT

RESPONSIBLE FOR
ARAUCO'S ECONOMIC,
SOCIAL, ENVIRONMENTAL,
WORKPLACE RELATIONS,
AND OCCUPATIONAL
HEALTH AND SAFETY
PERFORMANCE.

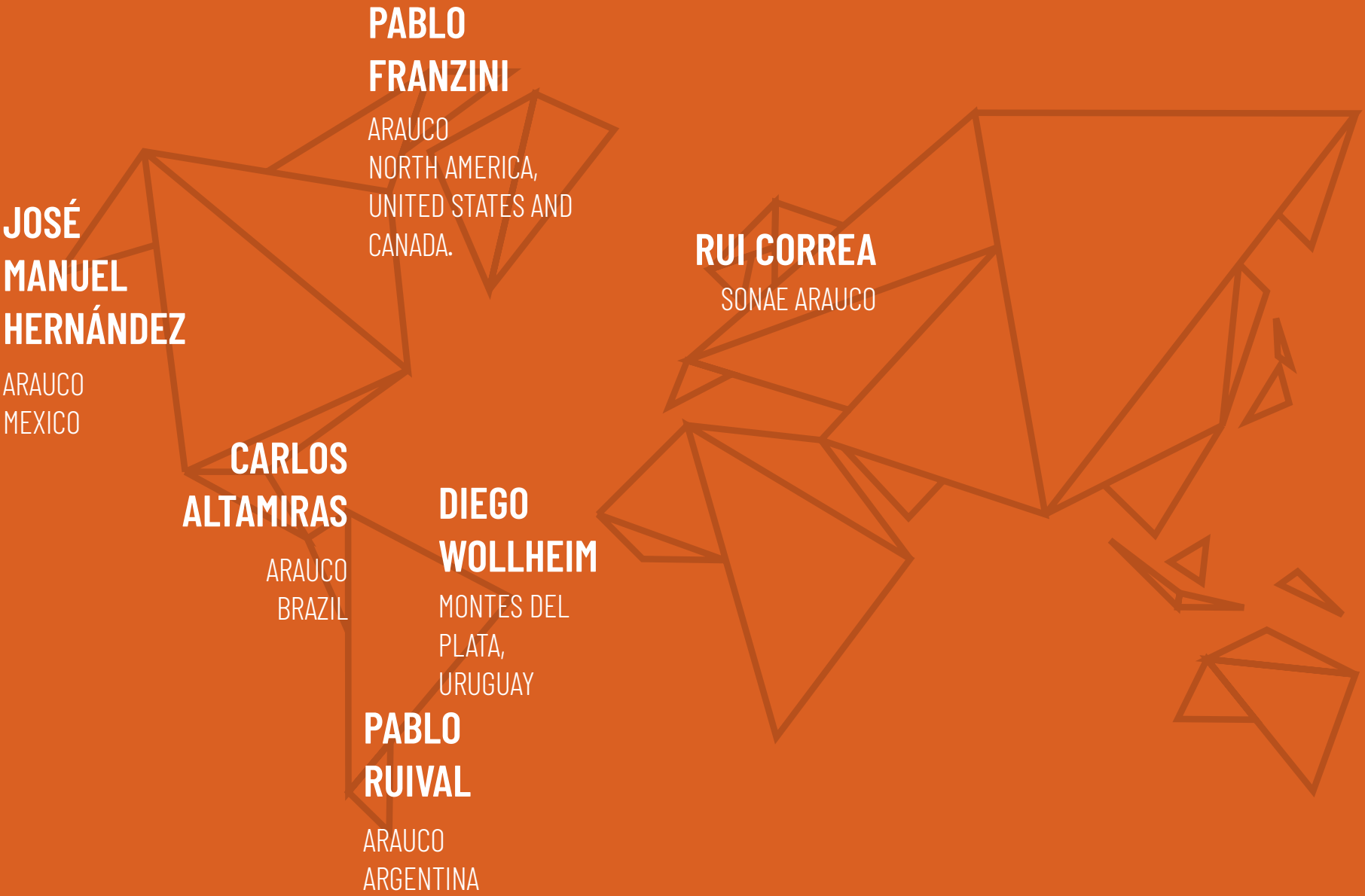


SENIOR MANAGEMENT



ARAUCO'S BOARD DESIGNATES THE COMPANY'S **SENIOR MANAGEMENT** MEMBERS. THEY ARE RESPONSIBLE FOR IMPLEMENTING ACTIONS RELATING TO THE COMPANY'S ECONOMIC, SOCIAL, AND ENVIRONMENTAL PERFORMANCE, OCCUPATIONAL HEALTH AND SAFETY, AND WORKPLACE RELATIONSHIPS.

IN ADDITION, OVERSEAS MANAGEMENT IS UNDER THE LEADERSHIP OF:





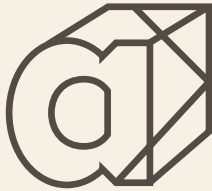
BEST PRACTICES MANAGEMENT

WE ARE COMMITTED TO OUR EMPLOYEES AND THE COMMUNITIES WHERE WE OPERATE. WE SEEK TO WORK IN A FAIR, ETHICAL, AND SAFE MANNER, BEING RESPECTFUL AND COLLABORATIVE. WE BELIEVE THAT OUR BUSINESS' SUSTAINABILITY GOES HAND IN HAND WITH BEING A GOOD NEIGHBOR AND ENVIRONMENTALLY RESPONSIBLE.



MAIN SUSTAINABILITY POLICIES & KEY STANDARDS

- CODE OF ETHICS
- CRIME PREVENTION MODEL
- COMPLAINTS PROCEDURE
- FREE COMPETITION PRINCIPLES AND REGULATIONS COMPLIANCE PROGRAM.
- COMMUNITY CONTRIBUTIONS POLICY
- BIODIVERSITY AND ECOSYSTEM SERVICES POLICY
- ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY POLICY,
- MAPUCHE COMMUNITY RELATIONSHIP POLICY.



CORPORATE BEST PRACTICE MANAGEMENT



ARAUCO's vision and values inspire the directors and employees of the Company and all its subsidiaries. Accordingly, they must comply with the Company's commitments and guidelines, especially those outlined in the Code of Ethics and the Company's internal policies and regulations which are made available to all workers.

ARAUCO has an Ethics and Compliance Committee that ensures the Company follows all its ethical, legal, mandatory, and governing regulations on compliance, which receives information on the existence and functioning of processes established to achieve said purpose.

There is also a Chief Compliance Officer who regularly reports to the Board and the Ethics and Compliance Committee. The mission of The CCO is to establish a robust, efficient, and effective system for ARAUCO's compliance with ethical and governing regulations in Chile and abroad. Furthermore, The CCO takes on the different compliance tasks that are currently performed, as well as those associated with free competition, ethics, the policy framework, and the Crime Prevention Model (CPM), among others.

Regarding the CPM established for Celulosa ARAUCO y Constitución S.A. and its subsidiaries in Chile, which was certified by an independent certifying company, ARAUCO (conservar coma antes de la palabra ARAUCO) continues to develop its compliance and monitoring program.

In 2021, the Company certified the incorporation of the crime of non-compliance with quarantines and sanitary lockdowns into our crime prevention model. Additionally, 372 employees were trained on Free Competition, and 4,427 employees were trained on Crime Prevention and water contamination capsules.

Furthermore, the Company constantly disseminates its Code of Ethics and the principles and values it contains, reinforcing the importance of understanding and complying with it. In addition, training on these subjects is provided to employees.

Finally, the Company has a Policy for the Determination of Net Income; a Habituality Policy; a Dividend Policy; a Market Disclosure Manual; a Finance, Liquidity, and Derivatives Policy; a Corporate Risk Policy; a Free Competition Principles and Regulations Compliance Program; a Crime Prevention Model Policy; a Director Participation in Board Sessions by Technological Means Policy; Services Provided by ARAUCO's External Auditors Policy; a Community Contributions Policy; a Mapuche Community Relationship Policy; Biodiversity Policy; an Environment, Quality, and Occupational Health and Safety Policy; Hiring Consultants and Services for the Board of Directors Policy; Invitations and Gifts Policy and a Conflicts of Interest and Relations with Public Officials and Politically Exposed Persons Policy.

REPORTING PROCEDURES

ARAUCO has a Complaints Channel administered by an independent third party, which is available to all countries on the Company's website (www.ARAUCO.com) and corporate intranet. This mechanism allows telephone and written reports to be made, ensuring anonymity and confidentiality.

The Company has adopted a Reporting Procedure to receive, investigate, and act –as applicable– upon reports submitted by employees, customers, suppliers, shareholders, and people in general, regarding violations of the Company's Code of Ethics, Crime Prevention Model, or other company regulations or policies, as well as any other behavior that may be perceived as being unethical.

A total of 147 complaints were received in 2021. In addition, in Chile, we do not have any complaints that, if proven to be true, could involve the commission of any of the offenses under Law No. 20,393, and that could give cause for ARAUCO's criminal liability.



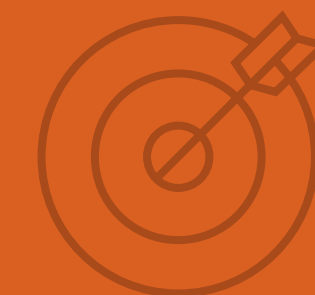
RISKS AND CHALLENGES

In 2021, through an internal audit process, all the current controls of the Company's main risks were reviewed, and the result will be incorporated in the matrix update to be carried out in 2022. The process of updating the risks of the framework was also initiated, which will be validated in 2022.

The levels of impact and probability of occurrence of risks are constantly evolving, taking on greater or lesser prominence according to the global context. The latest publication of the COSO ERM committee, based on a report by the World Economic Forum, emphasizes the evolution of the global risk landscape. For example, economic and social risks were at the forefront in the past, whereas today, the focus has shifted to risks related to water supply, extreme weather conditions, cyber-attacks, and fraud.

Changes in the global risk scenario are not unrelated to the local context. For example, our forestland and neighboring communities were significantly affected by forest fires in early 2017, fueled partly by extreme weather conditions and the lack of rain in Chile's central and southern areas. As a result, ARAUCO further reinforced its fire prevention and suppression measures, the Company's community prevention network, its forest management, and other actions through several initiatives.

Likewise, concerning our industrial facilities, ARAUCO continued to carry out the 2020 investment plan to strengthen initiatives in fire protection and fire-fighting, maintenance programs, and the development of technical skills and equipment for our industrial firefighting crew.



RISKS AND CHALLENGE



ARAUCO IS EXPOSED TO A VARIETY OF RISKS, WHICH MAY AFFECT NOT ONLY THE COMPANY'S FINANCIAL PERFORMANCE BUT ITS SUSTAINABILITY. TO MINIMIZE THE IMPACT AND PROBABILITY OF THE RISKS IT IS EXPOSED TO, THE COMPANY MAINTAINS A RISK MANAGEMENT POLICY IN PLACE, A CORPORATE FRAMEWORK FOR RISK MANAGEMENT, AND A HIGH-IMPACT CORPORATE RISKS MATRIX. THE METHOD USED FOR THIS PURPOSE IS BASED ON INTERNATIONAL RISK MANAGEMENT STANDARDS SUCH AS **ISO 31.000** AND COSO ERM. IN ADDITION, THE DEVELOPMENT OF THE COMPANY'S BUSINESS CONTINUITY PLANS IS BASED ON **STANDARD ISO 22.301**.

CONCERNING THE RISKS FOCUSED ON THE RELIABILITY OF ACCOUNTING INFORMATION, IN 2018, ARAUCO DEVELOPED AND IMPLEMENTED AN INTENSIVE DISSEMINATION PLAN OF THE SOX [1] CORPORATE INTERNAL CONTROL MODEL, WHICH ADDRESSES THE RELIABILITY OF THE COMPANY'S FINANCIAL ACCOUNTING INFORMATION. THE PROGRAM AIMS TO DISSEMINATE, PROVIDE TRAINING, AND FURTHER DELVE INTO

THE IMPORTANCE OF THIS MODEL IN ARAUCO AND THE ROLE THAT THE COMPANY'S DIFFERENT AREAS HAVE IN ITS MANAGEMENT. IN ADDITION, THE GRC PROCESS CONTROL TOOL [2] WAS ALSO ENCOURAGED TO MANAGE AND MONITOR FINANCIAL ACCOUNTING RISKS AND CONTROLS. IN THIS REGARD, SEVERAL INITIATIVES WERE CARRIED OUT WITH BUSINESS MANAGEMENT DIVISIONS AND COMPANY-WIDE MANAGEMENT DIVISIONS IN **CHILE, BRAZIL, AND ARGENTINA** TO ADDRESS THE ISSUES MENTIONED ABOVE.

CONCERNING OPERATIONAL RISKS, THE PRODUCTION OF AN INDUSTRIAL PLANT DEPENDS ON PEOPLE, INPUT MATERIALS, PROCESSES, AND EQUIPMENT THAT ARE ESSENTIAL FOR OPERATIONAL CONTINUITY. FOR EXAMPLE, WOOD, WATER, STEAM, AND ELECTRIC POWER ARE INPUT MATERIALS WHOSE ABSENCE CAN STOP THE REGULAR OPERATION OF A PROCESS AREA OR AN ENTIRE INDUSTRIAL FORESTRY COMPLEX. LIKEWISE, FACTORS OUTSIDE THE OPERATION, SUCH AS NATURAL DISASTERS AND FOREST FIRES, ARE RISKS TOO.



03

**GLOBALIZATION
AND EFFICIENCY**



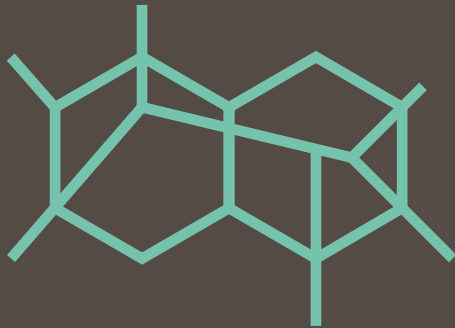
WOOD PULP



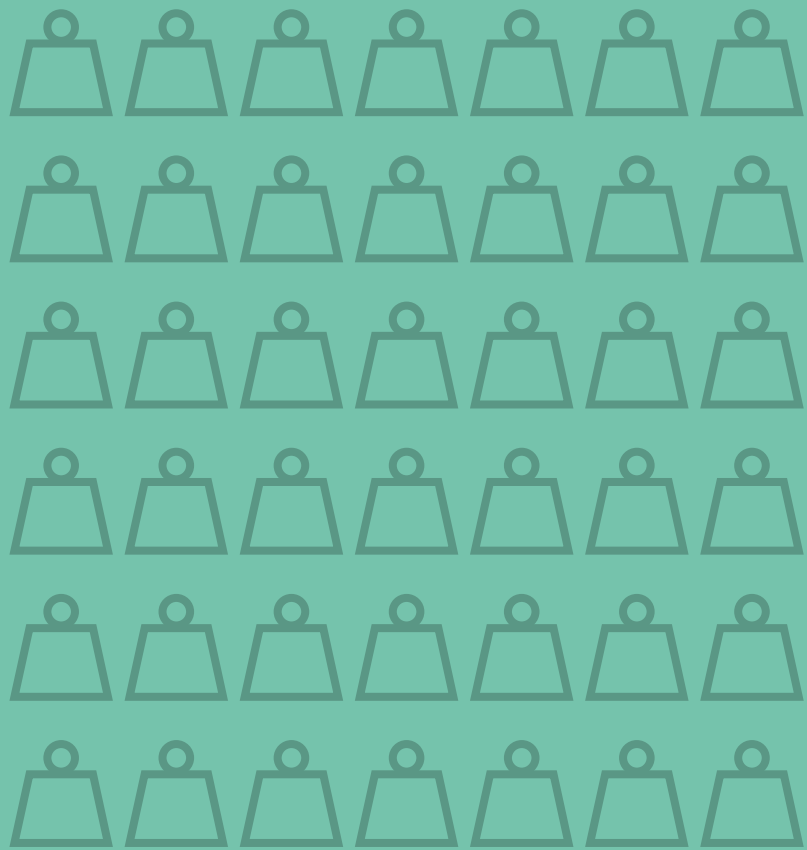
Wood pulp produced by ARAUCO is the primary raw material for the manufacture of several types of printing and writing papers, tissue paper, packaging material, filter paper, fiber cement products, textiles, diapers, and feminine hygiene products, among others. We use six different types of pulp that are distinguished by their uses and the properties each of them gives to the product.

The Company has five pulp mills in Chile, one pulp mill in Argentina, and one pulp mill in Uruguay under a joint operation between ARAUCO and Stora Enso.

The Company's market share is 4.8% in the bleached pine pulp market, 4.1% in the bleached eucalyptus pulp market, 15.7% in the raw pine market, and 5.3% in the textile pulp market.



MILESTONES
PULP
2021



IN 2021,
3.6
MILLION TONS
OF BLEACHED AND UNBLEACHED
LONG-FIBER PULP, BLEACHED
EUCALYPTUS SHORT-FIBER PULP,
TEXTILE PULP, AND FLUFF PULP
WERE PRODUCED, WITH SALES OF
US\$2,800.3 MILLION, DESTINED
MAINLY FOR ASIA.

IN CHILE, THE MAP PROJECT (“MODERNIZATION AND
EXPANSION OF THE ARAUCO MILL”) COMPRISED
THE CLOSURE OF PRODUCTION LINE 1, THE
MODERNIZATION OF LINE 2, AND THE CONSTRUCTION
OF THE NEW LINE 3, WITH A PRODUCTION CAPACITY
OF 1.56 MILLION TONS OF PULP PER YEAR, CLOSED
THE YEAR WITH A PROGRESS RATE OF 91.6% AND IS
EXPECTED TO BE OPERATIONAL DURING 2022.

WE IMPLEMENTED A
NEW INTAKE AT THE
CONSTITUCIÓN PLANT
IN CHILE, MAKING THE
PLANT’S WATER COLLECTION
PROCESS MORE RELIABLE
AND BENEFITING THE TOWN
OF SANTA OLGA.



BUILDING OF A DOME TO
REVALORIZE WASTE FROM
CONSTITUCIÓN MILL,
IN CHILE.



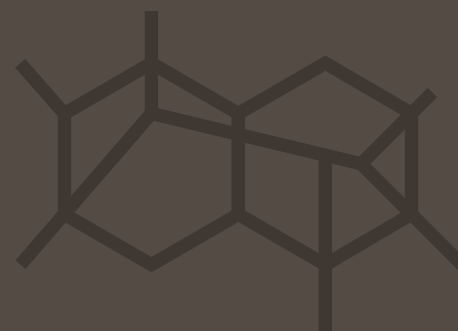
PULP AND ENERGY ARE
AUDITED FOR THE FIRST TIME
UNDER MULTI-SITE MODE
IN CHILE (LICENSE CODE
FSC®-C006552).



IN CHILE, THE IRRIGATION
PROJECT BEGAN USING
TREATED EFFLUENT AT
THE LICANCEL PLANT.

ARAUCO produces the following types of pulp:

- Bleached Softwood Kraft Pulp (BSKP), produced from radiata or loblolly pine, can reinforce the final product since the long fibers give it strength and greater absorption.
- Bleached Hardwood Kraft Pulp (BHKP), produced from eucalyptus, provides softness to the product, excellent morphological capabilities, and versatility in terms of its use.
- Unbleached Kraft Pulp (UKP), made from pine, is used in the packaging and fiber cement industries.
- Soluble pulp or textile pulp, used as raw material in the manufacturing of viscose or rayon fabrics, is produced from eucalyptus.
- Fluff pulp, made from loblolly pine, is used as a raw material for personal hygiene products due to its high absorption capacity.

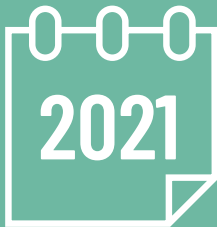
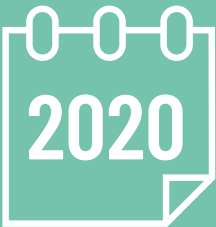


(IN ADMT)
BY 12/31/2021

PULP
PRODUCTION
ACCORDING
TO TYPE OF
PRODUCT



NOTE: NOTE: ARAUCO OWNS 50%
OF MONTES DEL PLATA. THE TABLE
INDICATES ARAUCO'S PRODUCTION
VOLUME ONLY.



BLEACHED PINE (BSK=BKPR+BKPT)	1,290,113	1,104,260	1,127,427
BLEACHED EUCALYPTUS (BEK)	1,823,931	1,858,941	1,563,395
UNBLEACHED PINE (UKP)	452,761	450,876	459,617
FLUFF	154,657	146,876	137,604
DISSOLVING PULP		160,372	361,061
TOTAL	3,721,462	3,720,780	3,649,104



TIMBER

Nowadays, an increasing number of projects prefer wood because of its benefits and the fact that it is a crucial product for sustainable development. It has multiple benefits that make it the only natural and renewable resource for large-scale use in construction and furniture. It helps reduce CO₂ in the atmosphere since, for every cubic m³ of wood we use in construction, we store 1 ton of carbon. It is friendly to health and well-being and provides excellent thermal and seismic performance, outstanding acoustic insulation, high fire resistance, and long durability.

ARAUCO is one of the world's leading timber producers, with 30-panel mills and nine sawmills, including five re-manufacturing plants, with a total production capacity of 13 million m³.



MILESTONES
WOOD
2021

IN 2021,
SALES REACH
US\$ 3,549,1

MILLION, FOCUSED MAINLY IN THE USA,
BRAZIL, MEXICO AND CANADA.



INAUGURATION OF A COMPLEMENTARY
SYSTEM AND FILTERING OF
MICROPARTICLES IN THE BOILER
AT THE MDF AND ENERGY PLANT IN
PUERTO PIRAY, ARGENTINA.

THE HILAM LAMINATED BEAM
PROJECT IN CHILE IS

25%

COMPLETE. THIS INITIATIVE SEEKS TO
INCORPORATE HIGH-TECH EQUIPMENT
TO OPTIMIZE THE PROCESS
AND PRODUCE CROSS-LAMINATED
TIMBER (CLT).

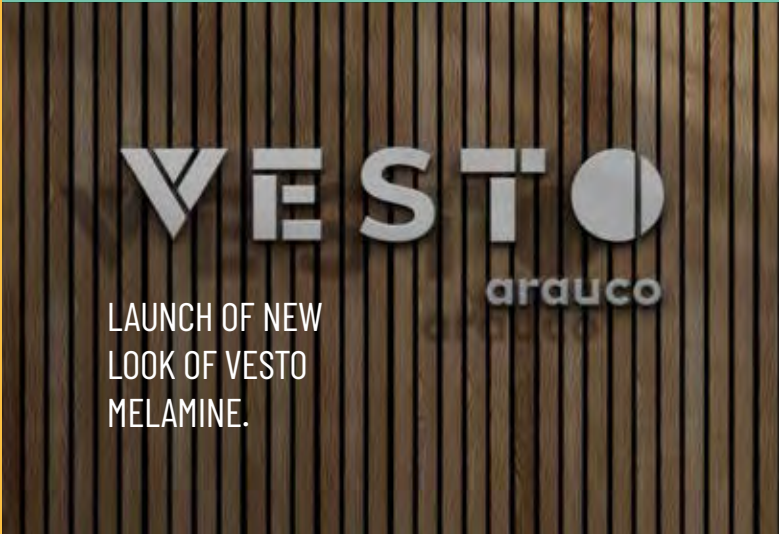
THE ENVIRONMENTAL IMPACT
ASSESSMENT STUDY BEGAN
AS PART OF THE EVALUATION
OF A NEW MEDIUM-DENSITY
FIBERBOARD (MDF) PRODUCTION
LINE AT THE ZITACUARO PLANT
IN MEXICO. THE PROJECT WILL
ALLOW THE COMPANY TO DOUBLE
ITS PRODUCTION CAPACITY
AND ENTAILS AN **ESTIMATED
INVESTMENT OF US\$200 MILLION.**

USE **COPPER NANOPARTICLES** AS
AN ANTIMICROBIAL PRODUCT IN ALL
MELAMINE BOARD PLANTS IN MEXICO,
ARGENTINA, AND BRAZIL.

OPENING OF A NEW
MOLDING LINE AT THE
MONCURE PLANT IN THE
UNITED STATES.



PRIMELINE WAS INCORPORATED
INTO ARAUCO'S OPERATIONS IN
MALVERN, UNITED STATES.



LAUNCH OF NEW
LOOK OF VESTO
MELAMINE.

LAUNCHING OF THE
ARAUCO ONLINE, A NEW
MARKETPLACE TO BUY
ARAUCO BOARDS IN CHILE.

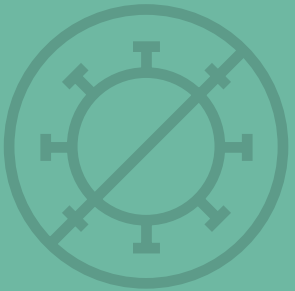
THE BISCOE PLANT IN THE UNITED
STATES RECEIVED THE SAFETY
GOLD AWARD FOR THE THIRD
CONSECUTIVE YEAR FROM THE
NORTH CAROLINA DEPARTMENT
OF LABOR.

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THE ZITACUARO PLANT OBTAINED TSCA
(TOXIC SUBSTANCES CONTROL ACT)
CERTIFICATION, THEREBY CERTIFYING
ALL ARAUCO'S PLANTS IN MEXICO TO
PRODUCE MATERIAL THAT COMPLIES
WITH REGULATIONS FOR EXPORTATION
TO THE UNITED STATES.

A STUDY CONDUCTED AT THE UNIVERSITY
OF SOUTHAMPTON, GREAT BRITAIN, ON
VESTO MELAMINE REVEALED THAT ITS
COPPER PROTECTION IS EFFECTIVE
AGAINST THE COVID-19 VIRUS AS WELL AS
OTHER COMMON VIRUSES AND BACTERIA,
ELIMINATING THEM BY UP TO

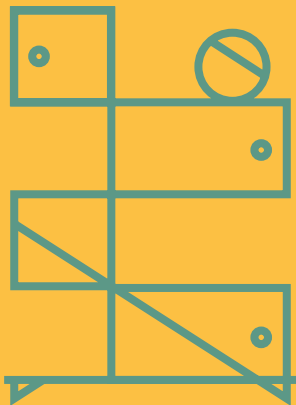
99%



ARAUCO manufactures a wide variety of sawn timber products, plywood, fiberboard, particleboard, remanufactured wood, and moulding with different finishes, appearances, and value-added processes for the architecture, design, construction, packaging, and remodeling industries.

MDF, MDP, and Plywood panels are designed for the furniture and construction industry and are recognized for their wide range, availability, and high quality,

ARAUCO's wood offers quality and durable solutions for the construction, furniture, and packaging industries. Moreover, the company's moulding are a decorative and finishing element in homes and varied spaces.



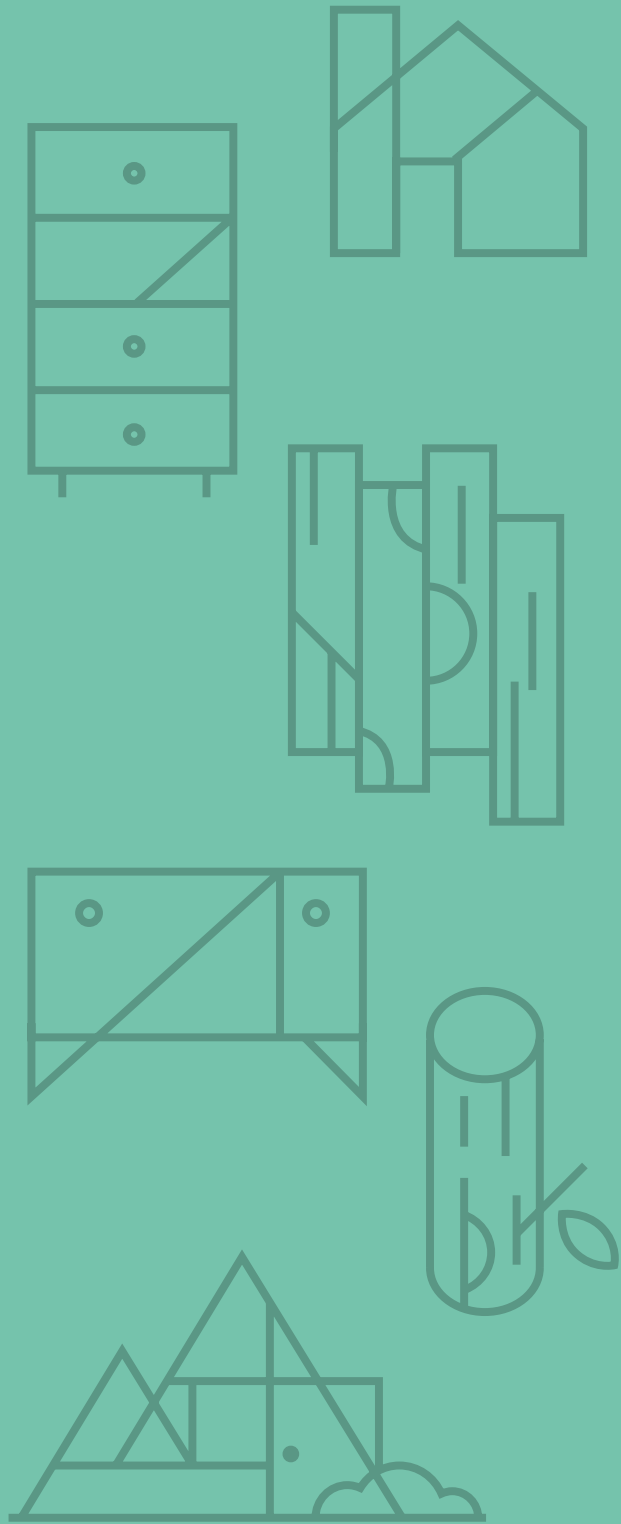
PRODUCTION
BY TYPE OF
TIMBER



PRODUCTION IN 2021
(IN M³)

MDF	3,429,441
PB	2,908,558
GREEN WOOD	2,763,991
DRY WOOD	1,963,188
PLYWOOD	569,438
REMANUFACTURING	440,024
TOTAL	12,073,640

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ENERGY

For more than 20 years, ARAUCO has produced clean and renewable energy from forest biomass due to virtuous cycles with nature. As a result, and considering the provisions of the Clean Development Mechanism (CDM) of the Kyoto Protocol, the Company has been investing in additional generation capacity above the industry’s usual requirements.

The Company is self-sufficient in electricity and participates by contributing surpluses from its industrial plants to the energy matrix of many of the countries in which it operates, being one of the main generators of Non-Conventional Renewable Energy (NCRE) in Chile. It has eight industrial plants and two backup units, with an installed capacity of 606 MW and 219 MW to be contributed to the National Electric System (SEN).

Furthermore, the company owns 2 power plants in Argentina with an installed capacity of 82 MW and 8 MW to be contributed to the energy matrix in Argentina, and a plant in Uruguay with an installed capacity of 91 MW and 50 MW to be contributed to the energy matrix in Uruguay.



ENERGY
GENERATION
CAPACITY



ENERGY GENERATION CAPACITY AND DELIVERY TO THE POWER GRID (IN MW)	NAME / PLANT	MAXIMUM INSTALLED CAPACITY	MAXIMUM POWER GENERATED	INTERNAL CONSUMPTION	DELIVERY TO THE POWER GRID
CHILE	ARAUCO	127	105	81	24
CHILE	BIOENERGIA VIÑALES	41	31	9	22
CHILE	CHOLGUAN	29	28	15	13
CHILE	CONSTITUCION	40	30	22	8
CHILE	HORCONES (DIESEL TURBINE AND GAS)	24	24	-	24
CHILE	LICANCEL	29	20	14	6
CHILE	NUEVA ALDEA I	30	28	14	14
CHILE	NUEVA ALDEA II (DIESEL TURBINE)	10	10	-	10
CHILE	NUEVA ALDEA III	136	100	63	37
CHILE	VALDIVIA	140	115	54	61
ARGENTINA	PUERTO PIRAY	38	30	16	15
ARGENTINA	ESPERANZA	44	44	44	-
URUGUAY	MONTES DEL PLATA (50%)	91	90	39	50
TOTAL		779	655	371	284

GHG EMISSIONS REDUCTION PROJECTS

In 2021, the production of surplus energy marketed by ARAUCO in Chile represented approximately 1% of the total generation of the SEN, and the installed power accounted for 1% of the system's total installed power in the same period.

ARAUCO has a development plan for wind power generation projects of approximately 1,000 MW of installed capacity on ARAUCO's land. These projects provide clean energy to contribute to the decarbonization of the country's power grid, at a time when the country requires the contribution of this type of power plant, as is the case of the Viento Sur wind farm, located in the Arauco district.

ARAUCO has historically contributed to the fight against climate change, certifying emission reductions from residual forestry biomass-based cogeneration projects in five power plants in Chile and one in Uruguay (a joint operation with Stora Enso). These power plants are registered under internationally recognized standards such as the Clean Development Mechanism (CDM) and annually offset about 650,000 tons of CO2.

In addition, the Viñales cogeneration project is registered under the Verified Carbon Standard (VCS).



MILESTONES ENERGY 2021

THE SURPLUS ENERGY PRODUCED BY ARAUCO'S PLANTS TO BE INJECTED INTO THE NATIONAL POWER GRID REACHED 713 GWH THROUGHOUT THE YEAR, REPRESENTING **APPROXIMATELY 1% OF THE TOTAL ENERGY** INJECTED INTO THE NATIONAL GRID.

TOTAL PHYSICAL SALES (INCLUDING SALES TO THE SEN AND RELATED COMPANIES OF THE ARAUCO GROUP) RESULTED IN **1,367 GWH**, **0.3% LOWER** THAN SALES IN 2020 COMPARED TO THE SAME BASELINE.

THE DEVELOPMENT OF THE VIENTO SUR WIND FARM PROJECT CONTINUES, LOCATED IN THE ARAUCO AREA AND CONSISTING OF THE **INSTALLATION OF 43 WIND TURBINES OF UP TO 5 MW** OF CAPACITY. IN 2021 THE PROJECT WAS IN THE FINAL STAGE OF ITS ENVIRONMENTAL IMPACT ASSESSMENT AT THE ENVIRONMENTAL EVALUATION SERVICE (SEA) AND WAS APPROVED IN MARCH 2022.

IN OCTOBER 2021, THE COMPANY CERTIFIED ITS 2019 EMISSIONS, AGAIN ACHIEVING CARBON NEUTRALITY. WE ARE CURRENTLY **WORKING ON RENEWING THIS CERTIFICATION FOR 2020.**

IN THE PERIOD (2007-2021), ARAUCO HAS CONTRIBUTED

7.92%

OF THE CUMULATIVE EMISSIONS REDUCTION CERTIFICATION UNDER THE CATEGORY OF ENERGY GENERATION PROJECTS FROM RESIDUAL BIOMASS, REGISTERED WORLDWIDE UNDER THE CDM (CLEAN DEVELOPMENT MECHANISM) STANDARD. THESE PROJECTS REPRESENT **THE EMISSION REDUCTION CERTIFICATES (ERCS) OF 4.5 MILLION** UNDER THE CDM STANDARD.

IN 2021,

1.05

MILLION CERS WERE SOLD TO DIFFERENT ORGANIZATIONS TO OFFSET THEIR EMISSIONS THROUGH THE VOLUNTARY MARKET. IN ADDITION,

0,452

MILLION VERIFIED CARBON UNITS (VCUS) WERE SOLD. VCUS ARE A SECOND TYPE OF EMISSION REDUCTION CERTIFICATE UNDER THE INTERNATIONALLY RECOGNIZED VERRA STANDARD. THESE VCUS WERE GENERATED FROM THE VINEYARD COGENERATION PLANT PROJECT.

THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC) APPROVED THE SECOND VERIFICATION PROCESS (2017-2018 PERIOD) OF THE "PUNTA PEREIRA BIOMASS POWER PLANT" PROJECT, WHICH RESULTED IN THE ISSUANCE OF 164,029 CERS IN URUGUAY.

THE UNFCCC APPROVED THE REQUEST TO REVALIDATE THE TRUPÁN, NUEVA ALDEA PHASE 1, VALDIVIA, AND HORCONES EMISSION REDUCTION PROJECTS IN CHILE SO THAT THEY REMAIN REGISTERED UNDER THE CDM STANDARD OF THE KYOTO PROTOCOL. THESE APPROVALS EXTEND THE ACCREDITATION PERIOD OF THE PROJECTS UNTIL 2028, WITH AN EMISSIONS REDUCTION POTENTIAL OF AROUND 437,000 CERS PER YEAR.



FORESTRY

In the context of increasing demand for timber, intensifying its use to generate these products is a crucial factor for sustainable development, considering that this material stands out from others due to its productivity and low carbon footprint. However, using this material must go hand in hand with conserving the ecosystem services provided by plantations and native forests.

Thus, considering that trees are the raw material for all its products, ARAUCO manages its forestland in Chile, Argentina, Brazil, and Uruguay under responsible forest management practices. Consequently, our production processes are certified to the highest environmental, social, and economic global standards.



MILESTONES FORESTRY 2021

PLANTATION OF
50,4
THOUSAND
ACRES



HARVEST OF
59,6
THOUSANDS
OF ACRES

20,9
MILLIONS OF M³
OF LOGS



IMPLEMENTATION OF THE “**PROTECTED PRODUCTIVE LANDSCAPES**” FOREST MANAGEMENT MODEL IN CHILE THAT SEEKS TO CONTINUE INCORPORATING SUSTAINABILITY, COMBINING INDUSTRIAL SUPPLY NEEDS WITH THE PROTECTION OF ECOSYSTEM SERVICES FROM A SOCIAL AND ENVIRONMENTAL PERSPECTIVE AT THE LANDSCAPE SCALE.

SALE OF FORESTRY ASSETS IN CHILE, TOTALING

80,489

TOTAL ACRES,
OF WHICH

61,742

ARE PRODUCTIVE, TO A MAJOR INTERNATIONAL FUND MANAGER FOR US\$385,5 MILLION.

THE BEGINNING OF THE “**CIMA LAND HARVESTING**” PROJECT, WHICH IS COMPLEMENTED BY THE CIMA AIR OPERATION AND TRAINING PROCESSES IN SAFE, PRODUCTIVE, AND QUALITY OPERATIONS.

PURCHASE FROM STORA ENSO AMSTERDAM B.V. (“STORA ENSO”), A SWEDISH-FINISH COMPANY, ITS ENTIRE SHAREHOLDING IN ARAUCO FLORESTAL ARAPOTI S.A. (“AFA”) IN BRAZIL, CORRESPONDING TO **20% OF THE COMPANY’S CAPITAL STOCK**. BEFORE THIS TRANSACTION, ARAUCO ALREADY OWNED **80% OF THE COMPANY’S SHARES**. AFA IS A FORESTRY COMPANY INCORPORATED UNDER BRAZILIAN LAW, WITH AROUND **49,000 ACRES** OF FORESTRY LAND, INCLUDING **28,000 PLANTED ACRES**, LOCATED IN PARANÁ, BRAZIL.



Trees, both native and plantations, represent one of the most powerful strategies we currently have to contribute to the mitigation of climate change, as they absorb carbon dioxide and can convert it into oxygen. In addition, responsible management of plantations reduces pressure on native forests, given that deforestation and degradation of these forests represent 20% of global CO² emissions.

ARAUCO holds 1.6 million ha (3.9 million acres) of forestland in Chile, Argentina, Brazil, and Uruguay. Of this heritage, 30% is native forest and protected and conservation areas of high social and environmental value, which are duly protected and preserved for future generations.



arauco



FORESTLAND
DISTRIBUTION

BY USE (IN HECTARES OF
DECEMBER 2020)

PINE

EUCALYPTUS

OTHER
SPECIES

TO BE
PLANTED

NATIVE

OTHER
USES

TOTAL

CHILE

429,121

183,028

1,823

60,602

280,273

54,133

1,008,979

ARGENTINA

91,335

19,390

19,675

9,291

119,428

5,215

264,334

BRAZIL

52,556

61,280

198

11,689

77,979

7,672

211,375

URUGUAY

151

85,863

325

3,907

4,930

40,968

136,144

TOTAL

573,162

349,561

22,021

85,489

482,611

107,989

1,620,833



FINANCIAL PERFORMANCE

In 2021, the adjusted EBITDA was US\$ 2,493 million, 133% higher than in 2020. Similarly, the Company's profit was US\$ 1,032 million, an increase of US\$ 1,006 million compared to US\$ 25 million in 2020. The increase is mainly the result of an increase in average pulp and timber sales prices.

As for the economic value generated by ARAUCO in 2021, the Company generated US\$ 6,625 million and distributed US\$ 5,230 million, meaning that the generation of income was more than the distribution of income. Of this amount, 55% is explained by operating costs and 25% by payments to capital providers.



FINANCIAL
INDICATORS
AND ECONOMIC
VALUE
GENERATED AND
DISTRIBUTED



(IN US\$ MILLIONS)

FINANCIAL
INDICATORS

SALES	5,329	4,733	6,350
EBITDA	1,147	1,072	2,493
EBITDA MARGIN	22%	23%	39%
NET INCOME	62	25	1,032
FINANCIAL DEBT	6,050	6,194	5,581
NET FINANCIAL DEBT	4,490	5,129	4,570
FINANCIAL COSTS	274	268	220
INVESTMENTS	1,350	1,852	1,543
NET DEBT/EBITDA	3,9	4,8	1,8
EBITDA/INTERESTS	4,2	4,0	11,3

ECONOMIC VALUE
GENERATED AND
DISTRIBUTED

TOTAL INCOME	5,329	4,733	6,350
NET SALES	33	29	33
INCOME FROM FINANCIAL INVESTMENTS	6	30	242
INCOME FROM SALES OF FIXED AND INTANGIBLE ASSETS	5,368	4,792	6,625
ECONOMIC VALUE GENERATED	569,438	569,438	569,438
OPERATIONAL COST / PRODUCTION COST*	3,053	2,618	2,859
PAYMENT TO CAPITAL SUPPLIERS	1178	789,6	1,288
WAGES AND BENEFITS	628	598	671
TAXES**	535	42	403
INVESTMENTS IN THE COMMUNITY***	10	15	10
ECONOMIC VALUE DISTRIBUTED	5,404	4,062	5,230
ECONOMIC VALUE RETAINED	-36	730	1,394

* REFERS TO THE COST OF SALES
NET OF DEPRECIATION, AND WAGES.
** INCLUDES EXPENSES FROM
INCOME TAX.
*** INCLUDES DONATIONS,
CONTRIBUTIONS, AND
SCHOLARSHIPS.



The company invested US\$ 1,543 million in 2021, the primary project being the Modernization and Expansion of the ARAUCO Plant (MAPA) in Chile. It also has a series of investment projects, such as the HILAM laminated beams project in Chile.

ARAUCO works with suppliers associated with services, input materials, and spare parts who have an impact on the company's entire value chain.

To contribute to the social and economic development of the regions where its operations are located, ARAUCO works with suppliers in the areas where the Company maintains its forestry and industrial activities. These suppliers provide quality products and services such as inputs, spare parts, equipment, raw materials, and a few services. In 2021, the company made purchases from local suppliers for US\$ 3,966 million in all the countries where it operates, and in Chile, US\$ 716 million were paid to SMEs.

PROJECTS AND INVESTMENTS 2021

SUPPLY CHAIN



SUPPLIERS



	CHILE	ARGENTINA	BRAZIL	MEXICO	NORTH AMERICA	TOTAL
TOTAL NUMBER OF SUPPLIERS	5,675	1,763	3,289	1,844	2,473	14,879
MILLIONS OF US\$ PAID IN 2021	2,802	343	466	121	526	4,257
NATIONAL SUPPLIERS	5,170	1,544	3,215	1,717	2,427	14,073
MILLION PAID TO NATIONAL SUPPLIERS 202	2,635	302	404	102	523	3,966
SME SUPPLIERS	2,804	ND	ND	ND	ND	2,804
MILLIONS OF US\$ PAID TO SME SUPPLIERS 2021	716	ND	ND	ND	ND	716
CRITICAL SUPPLIERS	32	22	32	8	18	112
MILLIONS OF US\$ PAID TO CRITICAL SUPPLIERS 2021	315	61	177	29	198	780

**BIOFOREST:
SCIENCE &
NATURE FOR
THE FUTURE**

Innovation is an essential aspect of ARAUCO’s strategy. Combining ideas, technology, process optimization, creativity, and entrepreneurship allows us to develop new and improved solutions that meet people’s needs and initiatives that aim toward social and environmental sustainability.

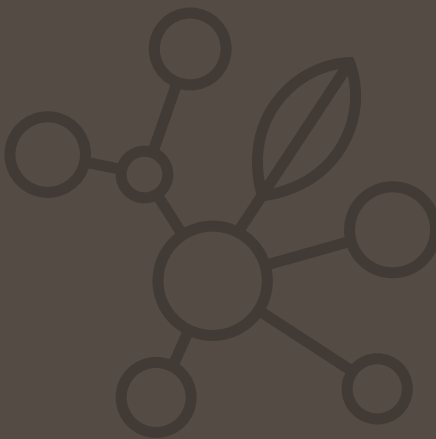
For 30 years, ARAUCO has run a research center that develops and applies the best technologies to maximize the productivity of forestry and industrial resources, researching processes for the Forestry, Pulp and Timber areas in the different countries where it operates.

This research facility has over 100 employees, 54 of whom work in biotechnology and industrial laboratories, which play a fundamental role in supporting research.

Likewise, it has more than 50 distinguished researchers who lead applied research projects and a technological network of open collaboration with experts in different areas. The center also participates in several national and international organizations at the forefront of scientific knowledge in industrial forestry.



MILESTONES BIOFOREST 2021



FORESTRY

IMPLEMENTATION OF THE INTERNATIONAL EUCALYPTUS HYBRID PROGRAM STARTED WITH THE PARTICIPATION OF CHILE, ARGENTINA, BRAZIL, AND URUGUAY.

A STUDY ON GHG EMISSIONS ASSOCIATED WITH FOREST FIRES WAS APPROVED BY THE ENVIRONMENT MINISTRY AND THE NATIONAL GREENHOUSE GAS INVENTORY TEAM.

THE FIRST TRIAL WITH POLYPLOID EUCALYPTUS PLANTS, DEVELOPED AS PART OF A PROJECT WITH THE BIOTECHNOLOGY CENTER OF THE UNIVERSIDAD DE CONCEPCIÓN, WAS ESTABLISHED ON-SITE, AND THE SECOND PHASE OF THE CLONAL DEVELOPMENT OF EUCALYPTUS HYBRIDS PROGRAM FOR ARAUCO BRAZIL WAS INITIATED.

BIOFOREST'S LABORATORY GENERATES MORE THAN 300 NEW RADIATA PINE EMBRYOGENIC CLONES FOR FIELD TRIALS AND PRODUCES MORE THAN 30,000 PLANT CLONES FOR THE GENERATION OF MOTHER PLANTS IN ARAUCO'S PLANT NURSERIES.

WE GENERATE CARBON CAPTURE AND EMISSIONS REPORTS FOR 2019 AND 2020, CONTRIBUTING TO THE VERIFICATION OF ARAUCO'S CARBON NEUTRALITY.

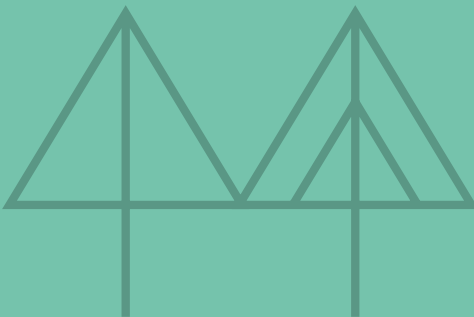
WE HAVE PUBLISHED TWO SCIENTIFIC PAPERS ABOUT SITE PRODUCTIVITY IN JOURNALS WITH HIGH IMPACT FACTORS, TOGETHER WITH ACADEMICS FROM CHILEAN AND FOREIGN UNIVERSITIES.

STUDY OF THE EFFECT OF HARVESTING MACHINERY ON FUTURE FARM PRODUCTIVITY, BASED ON A GPS AND LIDAR STUDY OF MORE THAN 20,000 ACRES OF LAND.

VALIDATION, USING LIDAR INFORMATION, OF THE RESULTS OF THE PROCESS-BASED FOREST PRODUCTIVITY MODEL AS THE BASIS FOR SILVICULTURAL DECISION-MAKING.

WE HAVE PUBLISHED FOUR PAPERS ON FOREST HYDROLOGY SHOWING THE RELATIONSHIP BETWEEN PLANTATIONS AND WATER. BIOFOREST HAS BEEN CONDUCTING RESEARCH ON THIS SUBJECT SINCE 2008.

ARAUCARIA SYSTEM IMPLEMENTATION OF DIFFERENT MODELS TO SUPPORT SILVICULTURAL DECISION-MAKING.



WOODPULP

WE DEVELOPED WOOD CHARACTERIZATION MODELS AND ANALYSES TO EVALUATE DIFFERENT OPERATIONAL SCENARIOS.

DEVELOPMENT AND IMPLEMENTATION OF IRRIGATION STRATEGY WITH INDUSTRIAL EFFLUENT AT THE LICANCEL PULP MILL.

THE BEGINNING OF THE OPERATIONAL PHASE FOR APPLYING SOIL AMENDMENT IN FOREST SOILS IN THE CONSTITUTION AREA.

WORK STARTED ON HYDROLOGICAL MODELING OF THE CARAMPANGUE, CRUCES, AND ITATA RIVERS TO MODEL FUTURE FLOWS UNDER VARIOUS CLIMATE CHANGE SCENARIOS.



WOODPULP

PILOT PLANT TEST DEVELOPMENT FOR A SUSTAINABLE ADHESIVE FOR MDF BOARDS, LEADING TO A PRELIMINARY BASIS FOR INDUSTRIAL TESTING.

PILOT-COMMERCIAL SCALE VALIDATION OF THE EFFICACY OF EUCALYPTUS FOR THE CONTROL OF BARK BEETLES AND THE DEVELOPMENT OF THE FIRST MODEL FOR THE TEMPORAL ESTIMATION OF THE LEVEL OF CONTAMINATION IN INDUSTRIAL PLANTS.

SUCCESSFUL DEVELOPMENT OF LABORATORY STUDIES AND INDUSTRIAL TESTS THAT CONFIRM AND ALLOW THE REDUCTION AND REPLACEMENT OF SYNTHETIC RESINS.

COPPER NANOPARTICLES ARE USED AS AN ANTIMICROBIAL PRODUCT IN ALL MELAMINE BOARD PLANTS IN MEXICO, ARGENTINA, AND BRAZIL.





OUR PRODUCTS

ARAUCO uses brands for relevant product-market categories, all of which are endorsed by the ARAUCO corporate brand, to be recognized in the market as a specialist in the appropriate segments and to facilitate customer processes (see www.arauco.com)

PRODUCT LABELING

The labeling and marketing communication processes follow the regulations of both the countries of origin and destination.

ARAUCO’s products also have various certifications according to the customers’ needs in each market and for the different products. All our products are labeled according to the requirements of each of their needs.



WOOD PULP

arauco
CELULOSA

arauco
BKP

arauco
EKP

arauco
FLUFF

arauco | CREATE
Sustainable Fiber

arauco
Silver Star / 明星 BKP

arauco
Bright Star / 明星 EKP

arauco
Gold Star / 金星 UKP

arauco
Soil Star / 土星 UKP FC

arauco
Wood Star / 木星 APSA BKP

arauco
UKP

arauco
PULP

WOOD PRODUCTS

arauco
PBO

arauco
CHOLGUAN

arauco
MDP

arauco
MSD

arauco
LUMBER

arauco
ULTRA PB

arauco
COLOR

arauco
DURAFLAKE

arauco
MOULDING

arauco
TRUPAN

arauco
FIBREX

arauco
READYWALL

arauco
BRILLO PREMIUM

arauco
MOLDURAS

arauco
MELAMINA

arauco
MELAMINE

arauco
DECOFAZ

arauco
DUROLAC

arauco
MDF

arauco
SUPER MDF

arauco

PRISM

VESTO
arauco

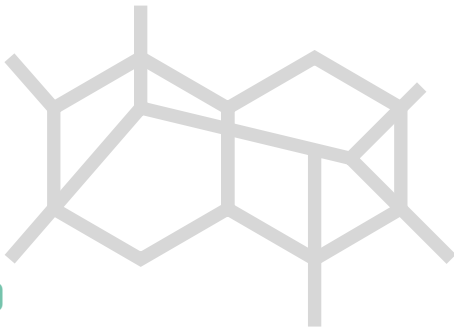
FAPLAC
melamina

ARAUCOPLY

HILAM
arauco

PRIMELINE
arauco

**TABLE
RED**
arauco





NEW PRODUCTS

- + INTRODUCED ANTIMICROBIAL PROTECTION FOR ALL OUR MELAMINES.
- + IN CHILE, VESTO LAUNCHED 12 NEW DESIGNS UNDER THE BALANCE CONCEPT, ALONG WITH TWO NEW PLATES: VELVET (SUPER MATTE) AND SYNCHRO (SYNCHRONOUS PORE TEXTURE, A NEW TECHNOLOGY DEVELOPED IN THE REGION).
- + IN BRAZIL, WE LAUNCHED TWO COLLECTIONS: "HABITAT" (WITH 5 NEW PATTERNS) AND "FUNDAMENTAL" (WITH 9 NEW PATTERNS).



CUSTOMER SATISFACTION

All of ARAUCO's businesses have developed Complaint Management Systems to respond to customer requirements. Communication mechanisms range from telephone lines to direct contact.

Everything is managed through standardized systems that allow the company to conduct follow-ups and improve operations, products, and services through continuous improvement or to prepare annual plans.



MILESTONES CUSTOMER SATISFACTION

IN CHILE, WE APPLIED A CUSTOMER AND DISTRIBUTOR SATISFACTION SURVEY THAT SHOWED AN OVERALL LEVEL OF SATISFACTION OF

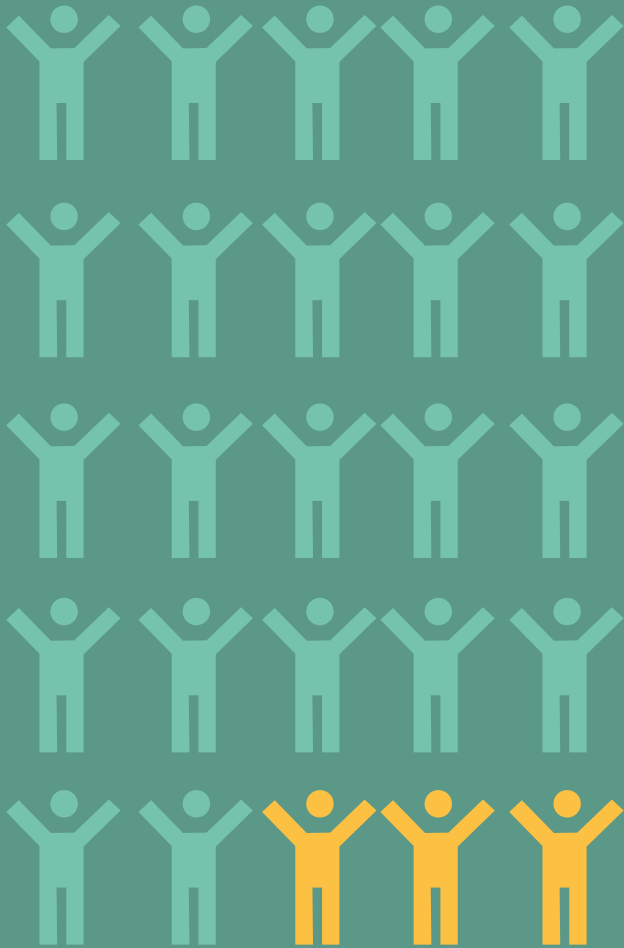


ANOTHER ASPECT THAT WAS HIGHLIGHTED IS THE PRODUCTS' QUALITY, WHICH WAS EVALUATED WITH



LEVEL OF SATISFACTION.

IN NORTH AMERICA, A CUSTOMER SATISFACTION SURVEY WAS APPLIED, RESULTING IN A CUSTOMER SATISFACTION RATE OF 80%. FURTHERMORE, 20 CATEGORIES HAVE A CUSTOMER SATISFACTION RATE OF 75% OR HIGHER.



IN ARGENTINA AND BRAZIL, WE CONDUCTED A CUSTOMER SATISFACTION SURVEY BY THE END OF 2021, AND THE RESULTS ARE STILL BEING PROCESSED.

IN MEXICO, WE CONDUCTED IN-DEPTH INTERVIEWS WITH DISTRIBUTORS AND CUSTOMERS' SPECIFICATIONS. ALSO, WE APPLIED A SURVEY TO CUSTOMERS AT THE SALES OUTLETS OF THE TABLERED AND THE SPECIALIST CHANNEL, INTENDING TO DEVELOP STRATEGIES FOCUSED ON CATERING TO THESE SALES OUTLETS.

RELATIONSHIP WITH CUSTOMERS



In 2021, ARAUCO continued to work on the development of online platforms to connect with customers.

In Chile, arauconline.com was launched, an online sales platform for our products that features a new world-class cutting optimizer, as well as new master class modules, and we included new customers in e-stock, a clearance sales platform to distributors. We also continued with our online training plan for end-user customers and distributors.

In Mexico, the training program for customers, customers' customers, and counter personnel was strongly encouraged. As a result, a total of 197 training sessions were held in 2021: 64% online and 36% face-to-face.

In Argentina, we focused on building the loyalty of our online customer base, which has reached 16,100 people.

In North America, the Company continued to improve its customer web portal, adding additional features that make it easier for customers to do business with ARAUCO.

These features included tracking options for orders that contain products imported from South America, access to purchase history, shipments of domestic orders, a detailed account statement, and the possibility of downloading PDF copies of documents.

The Company participated in the Sodimac Training Fair and Wood Week in Chile; Expo Tecnomueble and Expo Obra Blanca in Mexico; the 3rd version of the "Furniture Design" contest in collaboration with the University of Toulouse in Peru; CASACOR, one of the most important fairs in Brazil; and in the fairs and conventions of AWFS (the Association of Woodworking and Furnishings Suppliers), WMA (World Millwork Alliance), NBMDA (North American Building Material Distribution Association), NAWLA (North American Wholesale Lumber Association), and LBM (Lumber and Building Materials) Expo in North America.



04

**PEOPLE OF
EXCELLENCE**



PEOPLE OF EXCELLENCE



TO MEET THE COMPANY'S STRATEGIC OBJECTIVES AND OBTAIN SUSTAINABLE RESULTS, **ARAUCO'S EMPLOYEES PLAY AN ESSENTIAL ROLE.** TO ATTAIN THESE OBJECTIVES, THE COMPANY PLACES TOP PRIORITY ON OCCUPATIONAL HEALTH AND SAFETY. IT ALSO PROMOTES THE DEVELOPMENT OF ALL THOSE WHO ARE PART OF ARAUCO AND AIMS TO CREATE AN ENVIRONMENT OF TRUST, EMPOWERED TEAMS, AND LEADERS WITH THE SKILLS TO EMPOWER THEM.

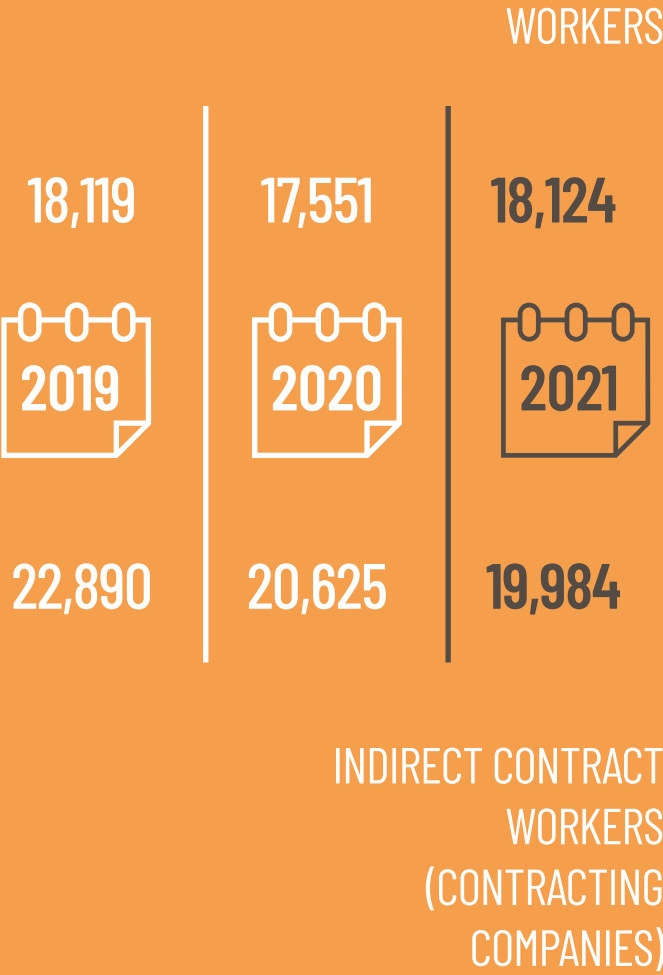
IN THIS REGARD, PROCESSES SUCH AS ATTRACTION, SELECTION, **TRAINING, AND PERFORMANCE MANAGEMENT**, AMONG OTHERS, ARE CRUCIAL TO FACING FUTURE CHALLENGES.

AS OF DECEMBER 2021, THE COMPANY EMPLOYED A TOTAL OF **18,124** WORKERS AND **19,984** COLLABORATORS THROUGH **779** CONTRACTOR COMPANIES



WORKFORCE AND CONTRACTOR COMPANY PERSONNEL AND STATISTICS

WORKFORCE

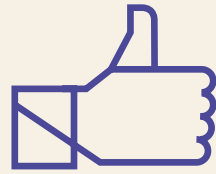


ARAUCO WORKFORCE BY GENDER

	2019		2020		2021	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
EXECUTIVES	67	430	68	430	69	421
PROFESSIONALS AND TECHNICIANS	1,294	3,905	1,357	4,170	1,346	3,769
WORKERS	1,230	11,193	943	10,583	976	11,543
TOTAL	2,591	15,528	2,368	15,183	2,391	15,733

ARAUCO EMPLOYEES BY TYPE OF CONTRACT AND COUNTRY

	HOMBRES		MUJERES		TOTAL	
	INDEFINITE	FIXED TERM	INDEFINITE	FIXED TERM	INDEFINITE	FIXED TERM
CHILE	8,810	377	1,300	72	10,110	449
ARGENTINA	1,447	199	156	17	1,603	216
BRAZIL	2,548	15	313	1	2,861	16
MEXICO	642	0	117	0	759	0
NORTH AMERICA	1,246	0	209	0	1,455	0
OTHER	448	1	205	1	653	2
TOTAL	15,141	592	2,300	91	17,411	683



“IN TERMS OF **PEOPLE MANAGEMENT**, IN 2021, THE COMPANY FOCUSED ON CONTRIBUTING TO ARAUCO’S GLOBAL VISION, WORKING TO ATTRACT THE VERY BEST PERSONNEL, STRENGTHEN THEIR SKILLS THROUGH THEORETICAL AND PRACTICAL TRAINING PLANS, AND CONSOLIDATE THEIR DEVELOPMENT THROUGH **PERFORMANCE MANAGEMENT**, EMPHASIZING THE IMPORTANCE OF CONTINUOUS AND TIMELY MANAGEMENT.

ADDITIONALLY, IT IMPLEMENTED A NEW ORGANIZATIONAL CLIMATE SURVEY, WHICH WAS REDESIGNED TO PROVIDE A BETTER EXPERIENCE FOR WORKERS AND OBTAIN INFORMATION THAT ADDS VALUE TO THE MANAGEMENT AND **STRENGTHENING OF THE TEAMS.”**

CHARLES KIMBER
VICE-PRESIDENT
HUMAN RESOURCES &
SUSTAINABILITY



WAGES AND BENEFITS

ARAUCO provides its employees with wages and benefits according to the market, considering the principles of internal equity and external competitiveness.

The Company also considers the development opportunities of each person in relation to their performance. In addition, it defines uniform criteria within ethical and technical principles for the valuation of job positions to manage wages.

The Company annually reviews the compensation structure to adjust the wage levels to the dynamics of the labor market in each country, considering each worker’s merits and performance ,too, measured through their performance.

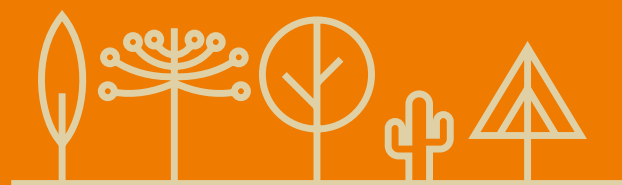
Furthermore, ARAUCO implements a base pay standard that widely exceeds the legal minimum wage, according to the conditions of each country.

ARAUCO also offers its employees additional benefits, which may vary according to the business, country, and reality of each operation zone.

Correspondingly, in 2021, a diagnostic project was developed that included a review of what is already in place, incorporating workers’ participation and views on issues that are still pending. The results of this process will be reported and implemented in 2022.

MILESTONES PEOPLE 2021

DEVELOPMENT OF THE
“**RAÍZ DE TALENTOS**” TRAINEE
TRAINING PROGRAM FOR THE
PULP AND ENERGY BUSINESS
IN CHILE, WHICH AIMS TO
PROVIDE, THROUGH EARLY
TRAINING, SKILLS IN LINE
WITH THE CHALLENGES OF
THE GLOBAL INDUSTRY.



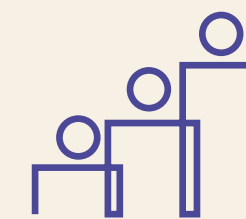
WE IMPLEMENTED THE **SUCCESS FACTORS** PEOPLE MANAGEMENT POLICY AND PLATFORM FOR BRAZIL’S TALENT RECRUITMENT AND SELECTION PROCESS. THE POLICY AND PLATFORM ALLOW US TO INCREASE AND CONSOLIDATE THE VISION OF CROSS-CUTTING PROCESSES WITH A GLOBAL PERSPECTIVE IN ARAUCO.

PILOT PROJECT FOR IMPLEMENTING THE **360° EVALUATION** IN TWO OF THE COMPANY’S MANAGEMENT DEPARTMENTS. THIS TOOL ALLOWED THE INTEGRATION OF DIFFERENT PERSPECTIVES, TRENDS, AND POINTS OF VIEW ON THE PERFORMANCE OF THE PEOPLE BEING EVALUATED, INCLUDING PEER, DIRECT TEAM, AND INTERNAL CLIENT EVALUATIONS.



WE MODIFIED THE ANNUAL **WORK CLIMATE SURVEY**, INCLUDING THE INSTRUMENT AND THE APPLICATION SYSTEM, TO ENSURE THAT PEOPLE, TEAMS, AND ARAUCO’S LEADERS GIVE THEIR OPINION ABOUT CRITICAL VARIABLES. THE RESULTS WILL HELP US IMPROVE MANAGEMENT IN TERMS OF TIMING AND OPPORTUNITIES.





TRAINING

The Company's strategy is to encourage individual, team, and organizational development through programs and processes that contribute to the strategic objectives of the Company's businesses. To this end, learning methodologies that take advantage of internal knowledge and capabilities are implemented through a permanent and continuous training cycle.

Some of the fundamental characteristics of these training programs are on-the-job learning based on the specific problems of each business.

Furthermore, the Company has facilitated permanent employability in each massive restructuring process, supporting people in their labor transition (outplacement).

More than 4,469 workers were trained in 2021. Main milestones include the start of the Raiz de Talentos program ("Talent Roots Program"), which aims to attract, hire, and train Operators and Engineers during a training period that lasts for a year before entering the operation. It is essential to highlight the gender equality of this program since it aims to include 51% of women in the offered positions.

In addition, the Company has focused on developing a network of tutors, reaching a total of 1,773 tutors. They all provide support in the areas of maintenance, operations, safety, environment, and continuous improvement.

+200,000
TRAINING
HOURS FOR
WORKERS



MILESTONES TRAINING 2021



THE ARAUCO CAMPUS TUTOR
NETWORK REACHED
119 MAINTENANCE TECHNICIANS
AT THE PLANTS IN ARAUCO, NUEVA
ALDEA, CHOLGUÁN, AND CURANILAHUE.

MAPA DUAL TRAINING PROGRAM,
IN WHICH **201 OPERATORS AND ANALYSTS**
OF NUEVA ALDEA AND ARAUCO MILLS
TRANSFERRED THEIR KNOWLEDGE TO
OPERATORS IN MAPA TRAINING.

CIMA FORESTRY PROGRAM, IN
WHICH **12 TUTORS** TRANSFERRED
THEIR KNOWLEDGE ON TOPICS RELATED
TO SAFETY, THE ENVIRONMENT, AND
CONTINUOUS IMPROVEMENT TO WORKERS
IN TRAINING.

THE PANELS OPERATOR TUTOR PROGRAM,
WHERE **54 OPERATORS** FROM CHILE AND
BRAZIL TRANSFER THEIR KNOWLEDGE AT
THE WORK SITE EXPERTISE TO LEVEL OR
TRAIN SUBSTITUTES.

DEVELOPMENT OF A TRAINING **PROGRAM
FOR OPERATORS** BASED ON PROJECT
OPERATION ADVANTAGE (OA) AT THE WOOD
PULP BUSINESS AND COMPLETION OF THE
TRAINING CURRICULUM FOR THE GENERAL
MAINTENANCE ROLE BASED ON PROJECT
MAINTENANCE ADVANTAGE (MA).

TRAINING FOR CRITICAL
ENVIRONMENTAL POSITIONS AND THE
ROLES OF PRODUCTION SUPERVISOR IN
THE WOOD PULP **DIPLOMA PROGRAM
AND MAINTENANCE SUPERVISOR IN
THE RELIABILITY PROGRAM AT THE
WOOD PULP BUSINESS AREA.**

COMPLETION OF THE TRAINING PROGRAM
FOR MAPA PERSONNEL, A PROGRAM
THAT TRAINED **420 PEOPLE** IN THE
MAINTENANCE MODEL; **662 PEOPLE** IN
STABILIZING THE OPERATION; **1,169
PEOPLE** IN REINFORCING ENVIRONMENTAL
MANAGEMENT; AND **73 PEOPLE** IN
DEVELOPING TEAMS OF EXCELLENCE.

TRAINING **170 OPERATORS** AND THEIR
REPLACEMENTS FOR CRITICAL POSITIONS
THROUGH MENTORING BY OUR TUTORS AT
THE PANEL PLANTS IN CHILE AND BRAZIL.

IN OUR WOOD PRODUCTS BUSINESS
DIVISION, A TRAINING PLAN STARTED AT
PANELS IN CHILE FOR **MECHANICS** AND
ELECTRICIANS TO REDUCE GAPS. THE
PROGRAM REACHED **66 WORKERS.**

WE HAVE CONTINUED **TRAINING EXPERT
OPERATORS** FOR THE KNOWLEDGE
IMPROVEMENT AND TRAINING OF
SAWMILL, REMANUFACTURING, AND
PLYWOOD SUBSTITUTE PLANT
OPERATORS IN CHILE. WE HAVE
TRAINED **200 PEOPLE** SO FAR.

COMPREHENSIVE TRAINING OF
26 OPERATORS WHO
WILL TAKE ON THE CHALLENGE
OF OPERATING THE MACHINES OF
THE NEW HILAM PLANT.

TRAINING OF
**322 INTERNAL HARVESTING
OPERATION WORKERS (CIMA)** IN
FORESTRY AND THE COMMENCEMENT
OF THE TRAINING PROCESS OF THE
FORESTRY DRIVER'S SCHOOL.

WE CONTINUED THE **TRAINING
PROGRAM** FOR OPERATIONS AND
MAINTENANCE SUPERVISORS
TAUGHT BY OUR TUTORS IN CHILE
AND ARGENTINA, TRAINING
246 PEOPLE.

ASSESSMENT OF OPERATORS
AND MAINTENANCE PERSONNEL
IN ARGENTINA TO **IDENTIFY
POTENTIAL TRAINING GAPS.**

TRAINING OF THE **PROTECTION TEAMS**
INVOLVED IN THE HELI-TRANSPORTED
FIRE BRIGADE'S DEPLOYMENT
REACHED **394 PEOPLE.**

TRAINING **640 WORKERS**
IN ENVIRONMENTAL ISSUES AND **160
WORKERS** IN INTERCULTURAL
RELATIONS. CONTINUATION OF
STUDIES LEVELING PROGRAM.

NUMBER
OF PEOPLE
TRAINED AND
NUMBER OF
HOURS IN
TRAINING
2021



PEOPLE
TRAINED



	MEN		WOMEN	
EXECUTIVES AND MANAGERS	22		2	
PROFESSIONALS AND TECHNICIANS	3,072		369	
OTHER EMPLOYEES	1,333		38	
TOTAL	4,427		409	

NUMBER OF HOURS
IN TRAINING

EXECUTIVES AND MANAGERS	274	18
PROFESSIONALS AND TECHNICIANS	65,009	4,143
OTHER EMPLOYEES	26,328	295
TOTAL	91,611	4,456



MEN		WOMEN	
54		2	
968		175	
3,393		90	
4,429		267	

3,040	248
38,935	7,342
160,707	7,438
202,682	15,028

PERFORMANCE MANAGEMENT

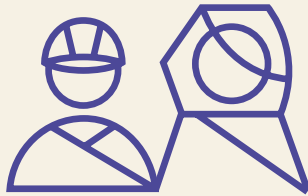
Performance management is a crucial factor in the development and growth of employees. Furthermore, the Company has implemented a model in all operating countries, focusing on the competencies that are key to identifying and promoting talent, acknowledging the year's management, and addressing possible gaps in the competencies required for the Company's future.

The process includes a self-evaluation and an evaluation conducted by leaders regarding the performance of their teams. This is followed by the calibration stage, which aims to ensure the consistency of evaluation criteria among evaluators of the same area, ending the process with a feedback session.

DURING 2021

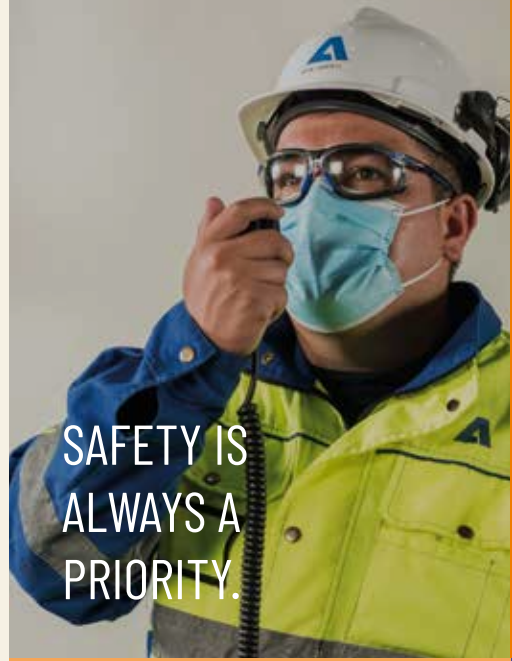
14,106

ARAUCO WORKERS
RECEIVED
PERFORMANCE
EVALUATIONS



82

POINTS IN A
SURVEY OF WORK
ENVIRONMENT, 2
POINTS HIGHER
COMPARED TO THE
PREVIOUS YEAR



SAFETY IS
ALWAYS A
PRIORITY.

WORKING
TOGETHER AS
A TEAM, WE
ARE BETTER.



COMMITMENT,
WE ARE
PASSIONATE
ABOUT
OUR WORK.



OUR
VALUES



EXCELLENCE
AND INNOVATION,
WE WANT TO BE
BETTER.

GOOD CITIZENS,
WE RESPECT THE
ENVIRONMENT AND
CREATE VALUE.



ORGANIZATIONAL CULTURE

ARAUCO seeks to promote the culture of "One ARAUCO" through the modeling of its leaders, their involvement with their teams, and the consolidation of processes, policies, and programs with a global perspective. The culture is also expressed through values, which are conveyed in all the messages of ARAUCO's leaders and each of the Company's workers.

MILESTONES
PERFORMANCE
MANAGEMENT
2021

THE EVALUATION PROCESS
WAS STANDARDIZED
IN BRAZIL, MEXICO,
ARGENTINA, AND NORTH
AMERICA.



A PERFORMANCE EVALUATION PROCESS
WAS PROMOTED AT THE SAULT SAINT
MARIE PLANT IN CANADA FOR THE
GENERAL ROLE. THE PROCESS WAS
CONDUCTED PROMPTLY, SUCCEEDING IN
ADOPTING THE ARAUCO PERFORMANCE
CULTURE IN EACH ONE OF THE
WORKERS AND LEADERS.



WE INCORPORATED THE **360° EVALUATION
MANAGEMENT**, AIMED AT IDENTIFYING THE
PERCEPTION OF DIFFERENT EVALUATORS
ACCORDING TO THE TYPE AND LEVEL OF
INTERACTION WITH THE EVALUATED. THIS
PROCESS WAS PILOTED IN TWO AREAS OF
THE COMPANY.

NUMBER
OF PEOPLE
EVALUATED

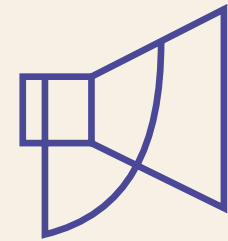


	MEN		WOMEN	
EXECUTIVES AND MANAGERS	283		44	
PROFESSIONALS AND TECHNICIANS	3,326		1,066	
OTHER EMPLOYEES	8,648		739	
TOTAL	12,257		1,849	

The Company encourages open and timely communication as a critical element to keep the organization in alignment and committed to the new challenges and reflect the desired organizational culture through its corporate values.

ARAUCO's organizational culture is reflected daily through the different activities, extended meetings, and presentations made by the organization's leaders. This culture is constantly reinforced through several communication channels such as the corporate Intranet, ARAUCO Voices, e-mails, displays, bulletin boards, and, especially, live and streaming presentations by the Company's top leaders.

In addition, the Company promotes workers' involvement and commitment to the Company. ARAUCO considers their work results regarding extended meetings facilitated by plant managers and leaders, continuous improvement workshops, scholarship programs for workers and their children, several contests in ARAUCO's internal communications media, the OHS model "Together for a better life" that encourages workers to take a leading role regarding their safety, the organizational climate survey, and the dialogue processes promoted at ARAUCO.



ORGANIZATIONAL CLIMATE

The organizational climate allows us to assess how people are doing at ARAUCO and to identify opportunities for improvement and strengths in their relations with their work environment.

In 2021, we decided to transform how we measure Organizational Climate to enhance our teams' and leaders' dynamism, experience, and relevance. This survey was then applied in Chile, Argentina, Brazil, Mexico, North America, and the different commercial offices worldwide, increasing favorability by one point compared to the previous year, with 93% of global participation.

Among the Company's strengths are team collaboration and commitment, and one area where there is still room for improvement is the employees' perception of their wages. The goal for 2022 is to frame the organizational climate as part of the employee experience, a task that will be measured and developed through pulse surveys.

On the other hand, ARAUCO aims to continue providing a better experience for its employees and therefore decided to implement verification pulses as part of the climate survey to provide targeted support and to learn how the organizational climate has evolved considering the results and the current state of the teams.

MILESTONES INTERNAL COMMUNICATIONS 2021

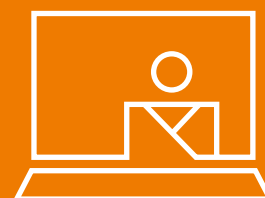


CONTINUATION OF **COVID-19 PREVENTION CAMPAIGNS AT A GLOBAL LEVEL**, DESIGNED TO GUARANTEE THE HEALTH OF ALL THE PEOPLE WHO WORK IN THE COMPANY'S FACILITIES.



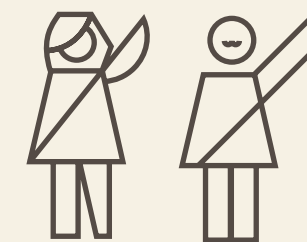
WE HAVE IMPLEMENTED SEVERAL SAFETY CAMPAIGNS. THESE INCLUDED A SAFE DRIVING CAMPAIGN, A **360° SAFETY CAMPAIGN** TO REINFORCE GOOD PRACTICES BASED ON THE "TOGETHER FOR A BETTER LIFE" MODEL, AND THE **ABC PRACTICES** STANDARDIZATION.

HELPING IN THE CULTURAL CHANGE BY ESTABLISHING A **MIXED WORK MODEL** FOR ALL PEOPLE WHO CAN WORK FROM HOME THROUGH THE "**ARAUCO WITH ME, JOIN THE MIX**" WORLDWIDE CAMPAIGN. THE OBJECTIVE IS TO ESTABLISH A 3X2 FLEXIBLE WORKING DAY THAT COMBINES OFFICE, FIELD, AND HOME-BASED WORK.



LAUNCH OF THE "**I AM ARAUCO**" CAMPAIGN IN **CHILE, ARGENTINA, AND BRAZIL**, FEATURING ARAUCO'S EMPLOYEES AS THE MAIN ACTORS. THEY, THROUGH THEIR STORIES, TALK ABOUT THEIR WORK AND HOW THEY CONTRIBUTE WITH PRODUCTS TO IMPROVE PEOPLE'S LIVES WORLDWIDE.

WE ARE PROMOTING THE **GENDER AGENDA** TO ESTABLISH A GENDER PERSPECTIVE IN ALL OF THE COMPANY'S PROCESSES AT A GLOBAL LEVEL.



MORE THAN **4,000** EMPLOYEES HAVE VOLUNTARILY JOINED WHATSAPP ARAUCO IN CHILE.

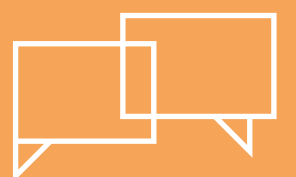
WE HOSTED CORPORATE EVENTS, SUCH AS A **CONTINUOUS IMPROVEMENT WORKSHOP REGARDING TIMBER**; A FIRE PREVENTION PROGRAM DURING THE FIRE SEASON; BROADCASTING OF THE **LINE 1 SHUTDOWN OF THE ARAUCO PULP MILL**; STREAMING OF ARAUCO'S RESULTS, AND NEWS BY THE GENERAL MANAGER AND THE VICE PRESIDENTS OF THE COMPANY'S DIFFERENT UNITS.

THE RENEWAL OF **ARAUCO'S VOICES** NEWSLETTER WAS INTENDED TO REACH ALL WORKERS COMPREHENSIVELY AND GLOBALLY.



THE COMPANY PARTICIPATED IN **DIALOGUES ABOUT THE FUTURE OF WOOD** IN CHILE, AN ORGANIZATION NETWORK FOCUSED ON ENHANCING THE VALUE OF THE FORESTRY INDUSTRY. MORE THAN **6.000** ARAUCO WORKERS WERE INVOLVED IN THESE DIALOGUES.

THE "**ARAUCO DIALOGA**" PROGRAM STARTED BY DISCUSSING CRITICAL ISSUES IN THE FORESTRY INDUSTRY IN CHILE. THIS INITIATIVE WAS GUIDED BY THE GENERAL MANAGER AND HAS SUBSEQUENTLY PROGRESSED THROUGH CASCADING COMMUNICATION.



EMPLOYEE PARTICIPATION IN **ARAUCO'S SPONSORSHIP OF THE CHILEAN FOOTBALL TEAM** THROUGH CONTESTS AND RAFFLES IN WHICH EMPLOYEES ACTIVELY PARTICIPATED.

MILESTONES
ORGANIZATIONAL
CLIMATE
2021

THE **CLIMATE SURVEY** WAS
MODIFIED TO FOCUS ON
PEOPLE, TEAMS, AND THEIR
RELATIONSHIP WITH BOTH
LEADERSHIP AND THE COMPANY.



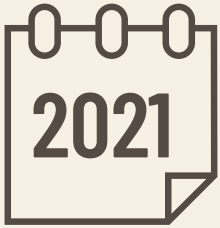
RESTRUCTURING OF
THE QUESTIONNAIRE,
COMPRISING **25**
QUESTIONS AND **SIX**
FACTORS AS OF 2021.

14,169
WORKERS
PARTICIPATED

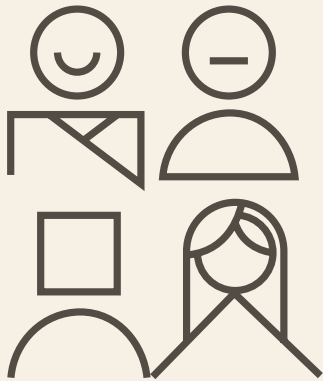
WE USE THE
SAP-QUALTRICS
PLATFORM, CAPTURING
DATA WITH ABSOLUTE
CONFIDENTIALITY.

THE SETTING OF
THE RESULTS
CLASSIFICATION
SCALE
(DISTRIBUTION
BY QUARTILES).

ORGANIZATIONAL
CLIMATE
INDICATORS



	PARTICIPATION	GLOBAL OUTCOME
CHILE AND SALES OFFICES	8,652	80
ARGENTINA	1,369	77
BRAZIL	2,388	89
NORTH AMERICA	1,152	75
MEXICO	608	87



SELECTION PROCESS

ARAUCO aims to attract talent. To this end, it uses selection methods to identify the capabilities within each role that contribute to the different business challenges. The company has a Recruitment and Selection Policy in place that favors equal opportunity and provides a standard that promotes transparency, efficiency, and fairness in all the company's recruitment processes, whether internal or external, ensuring that vacant positions are filled with the best and most suitable applicants, following ARAUCO's profiles and values.

The Recruitment and Selection Policy considers several principles that aim to ensure non-discrimination during the selection process. These include that the company does not practice any form of discrimination, basing talent selection on personal capacity or suitability under article 2 of the Labor Code. In addition, the company aims to attract the most significant number of applicants and prevents privileges in the selection process, ensuring that all new hires and vacancies are covered according to the established procedure (internal or external).

ARAUCO conducts the selection processes using selection criteria consistent with the skills and competencies required by the position profile and the organization's values to match the requirements of the position optimally. In addition, candidate recommendations made by executives, internal personnel, suppliers, and authorities are considered respectfully but unequivocally unbiased. Finally, the organization's image is safeguarded throughout the entire selection process, also involving appropriate attention to unsuccessful candidates in the selection process.

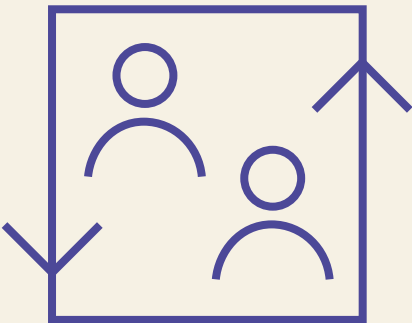


INTERNAL MOBILITY

The Company supports the employees' interest in seeking professional development opportunities within the Company. Thus, it reinforces the commitment and management support to motivate and identify workers who display adequate performance and have the potential for development. Therefore, allowing employees to acquire further knowledge, take on new challenges, and contribute their knowledge and skills to other areas and businesses. Hence, internal recruitment is a relevant strategy to fill the positions available in the Company.

In 2021, 99 people changed positions through ARAUCO's Internal Mobility Program. This process is conducted through the Internal Mobility Portal, found within the Success Factors Platform, where available jobs are announced.

In addition, attraction and selection have played a crucial role in strategic projects such as CIMA in the Forestry Area, Raíz de Talentos in the pulp business, and the Apprenticeship Program of the Laminated Beams Project in the timber business.



INTERNAL
MOBILITY
INDICATORS
2021



INTERNAL
MOBILITY
INDICATORS



POSITIONS FILLED BY
INTERNAL STAFF (PROMOTION
OR HORIZONTAL MOVEMENT)

MEN
858



WOMEN
94



MEN
873



WOMEN
137



NUMBER OF INTERNAL
TENDERS PUBLISHED

NUMBER OF MOBILITY
EMPLOYEES
(INCLUDING DIRECT
PROMOTION)

% OF VACANCIES
INTERNALLY FILLED

CHILE

276

1,010

36%



IN 2021 THE
COMPANY
EMPLOYED

147

PEOPLE WITH
SOME TYPE OF
DISABILITY,
INCLUDING

25

WOMEN AND

122

MEN.

INCLUSION

In 2021, ARAUCO began working on gender diversity by assessing the current situation in the organization, according to different thematic areas such as recruitment and selection; training and organizational development; compensation and wages; infrastructure; the conciliation of work, personal and family life; and harassment protocols.

Based on the information gathered, we will develop a work plan in 2022 to incorporate a gender perspective in all of our processes.



CONTRACTORS WORKERS

The primary role of contractor companies is to support the plants in meeting their needs to maintain the focus on production; these companies perform maintenance work, transportation of the finished product, people, and specialized services.

There are different types of management according to the kind of company and area. However, in general, there are monthly follow-ups on their performance at the level of service, debt (DICOM and TGR), work compliance, and follow-up of collective negotiations, among others.

In 2021, we worked on developing a supplier section on the ARAUCO website, where relevant documentation will be available for suppliers to be familiar with, as well as a general explanation regarding the contracting and relations processes.

ARAUCO aims to establish a more direct management mechanism with them, promoting feedback through a supplier management model.

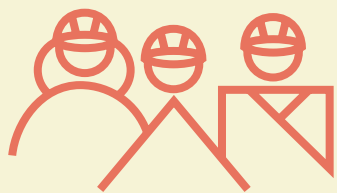




05

**OCCUPATIONAL
HEALTH AND
SAFETY**

SAFETY



To ARAUCO, “Safety is our primary value,” and this is also how the Company’s employees, live, demonstrating in their daily activities their empowerment and leading role in prevention, as expressed in the corporate management model, “Together for a Better Life,” a model based on three guiding principles: Empowered Workers, Safe Teams and Work Well Done, i.e., safe, and productive at the same time.

The Model is currently in operation in all countries where ARAUCO has operations after being implemented in the United States and Canada in 2021.

By 2022, the Company expects to continue to consolidate the implementation of the “Together for a Better Life” Model, the five Key Rules, and the new corporate standards.

During the pandemic, we redoubled our occupational health and safety efforts. We are focusing on the campaign “I take care of myself, I take care of you, and I let myself be taken care of,” which has allowed us to work on various plans that involve mutual care to prevent COVID-19. In 2022, we expect to continue working closely with the respective health authorities, encourage preventive behaviors, promote vaccination, and maintain and reinforce the protocols in force.



CULTURAL
 CHANGE
 COMMITTEES



THE COMPANY HAS COMMITTED TO BUILDING A SAFETY CULTURE BY IMPLEMENTING MANAGEMENT STANDARDS AND ENCOURAGING ACTIVE PARTICIPATION IN THE CULTURAL CHANGE COMMITTEES. THE COMMITTEES CONTINUE TO MEET IN LINE WITH THEIR MANAGEMENT SYSTEMS, MONITORING CULTURAL PROGRESS IN THEIR RESPECTIVE PLANTS AND FOREST AREAS. IN ADDITION, THEY HAVE DEVELOPED INITIATIVES SUCH AS INVITING LEADERS AND SAFE TEAMS TO FOLLOW-UP MEETINGS, INVOLVING THE BUSINESS VICE PRESIDENTS AND CORPORATE MANAGERS IN PROGRESS, AND CREATING OPPORTUNITIES FOR RECOGNITION.



"IN 2021, THE COMPANY AIMED TO CONTINUE TO DEEPEN THE CULTURE OF A JOB WELL DONE. IN ADDITION, TO PREVENT HIGH-POTENTIAL MISHAPS. THROUGH THE WORK TEAMS, CONDUCTING ADEQUATE PLANNING AND RISK IDENTIFICATION BEFORE STARTING THEIR DAILY ACTIVITIES IN EACH FACILITY AND FORESTRY AREA. LIKEWISE, WE CONTINUE TO CONSOLIDATE THE "TOGETHER FOR A BETTER LIFE" MODEL THROUGH ABC PRACTICES, 123, AND VISIBLE LEADERSHIP. IN 2022, WE EXPECT TO CONTINUE CONSOLIDATING THE 123 PRACTICE AND, IF POSSIBLE, THE VISIBLE LEADERSHIP".

PABLO CROXATTO
TECHNICAL MANAGER
OCCUPATIONAL HEALTH
AND SAFETY



**SAFETY
ALWAYS FIRST**



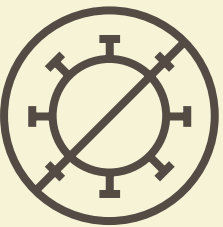
MILESTONES SEGURIDAD 2021



UPDATING AND
 STANDARDIZATION OF
**CORE
 REGULATIONS**
 IN ALL BUSINESSES
 AND COUNTRIES.

DEVELOPMENT OF THREE NEW
 CORPORATE OPERATIONAL
 STANDARDS: HUMAN-MACHINE
 INTERACTION, FALLING
 OBJECTS FROM HEIGHT,
 AND UNCONTROLLED
 ENERGY RELEASE.

CONTINUED ACTIVE SEARCH
 FOR COVID-19 CASES IN
 ALL OUR FACILITIES IN
 CHILE AND PROMOTING
 PREVENTIVE BEHAVIORS.



WE ARE MAKING
 FURTHER PROGRESS IN
 CONSOLIDATING SAFE
 EQUIPMENT AND
**ABC
 PRACTICE**



IMPLEMENTATION OF THE
 "TOGETHER FOR A BETTER
 LIFE" MODEL IN THE UNITED
 STATES AND CANADA.

45,447

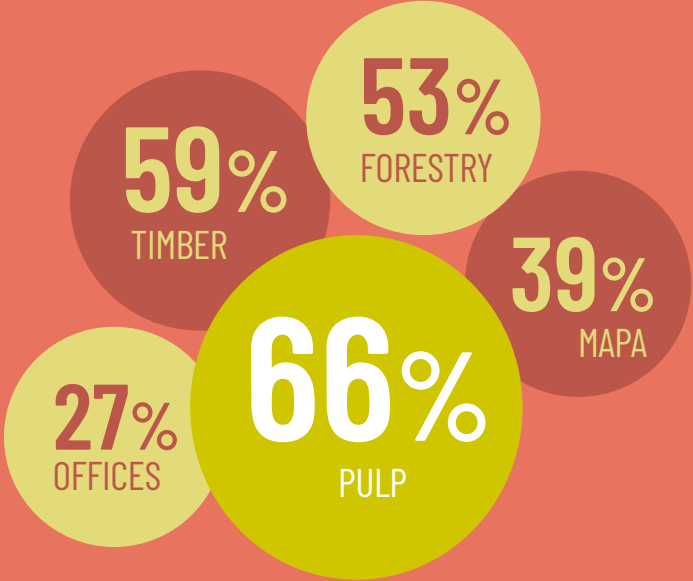
OCCUPATIONAL HEALTH AND
 SAFETY TRAINING COURSES,
 INCLUDING MORE THAN

36,275

HOURS OF TRAINING, ON
 CRITICAL REGULATIONS, EOC,
 AND IAP PRECURSORS,
 AMONG OTHERS.

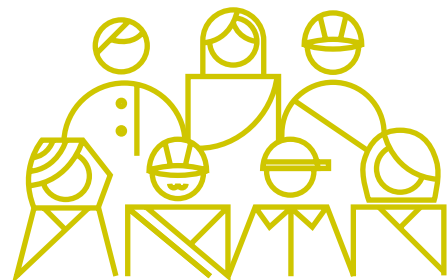


ACHIEVE
50%
 OF PEOPLE WITH A COMPLETE
 VACCINATION SCHEME
 AGAINST COVID-19 IN CHILE
 AND OTHER COUNTRIES.



TOGETHER
FOR A BETTER
LIFE MODEL

COMPOSED OF FOUR
COMMITMENTS AND **16 WORKING
AREAS** THAT ORGANIZE DAILY
ACTIVITIES, SEEKING TO EMPOWER
WORK TEAMS SO THEY CAN TAKE
A LEADING ROLE REGARDING
THEIR SAFETY.



ABC
PRACTICE

IT ALLOWS THE DEVELOPMENT
OF THE HABIT OF IDENTIFYING
HIGH POTENTIAL INCIDENT (HPI)
PRECURSORS, I.E., INCIDENTS
THAT COULD GENERATE SERIOUS
INJURIES, PERMANENT DISABILITIES,
OR FATALITIES. THE OBJECTIVE
IS TO CORRECT THEM PROMPTLY,
THUS HELPING TO REDUCE THE
OCCURRENCE OF HPAIS WITHIN
THE COMPANY.



123
PRACTICE



AFTER AN HPI OCCURS, A LEARNING CARD IS
GENERATED AND SHARED AMONG ALL THE
SAFETY TEAMS TO KNOW THE UNDERLYING
CAUSES, LEARN FROM THEM, AND AVOID
FUTURE OCCURRENCES IN ALL THE
FACILITIES AND FOREST AREAS OF CHILE AND
OTHER COUNTRIES.




VISIBLE
LEADERSHIP

ENCOURAGES AN ACTIVE ROLE
OF SAFETY TEAM LEADERS IN
THE CULTURAL CHANGE PROCESS
THROUGH FIELD ACTIVITIES THAT
GUIDE THE TEAMS TOWARDS
A JOB WELL DONE.



FREQUENCY
AND WORK-
RELATED
ACCIDENT
INDICATORS

ACCIDENTS
 FREQUENCY RATE
 BY BUSINESS
 AREA AND
 COUNTRY

COUNTRY	 FORESTRY	 WOOD PULP	 TIMBER	CONSOLIDATED
CHILE	3,5	4,6	4,6	4,6
ARGENTINA	2,7	9,0	9,0	9,0
BRAZIL	1,2	-	-	-
NORTH AMERICA	-	-	-	-
MEXICO	-	-	-	-
CONSOLIDATED	3,1	5,4	5,4	5,4



SAFETY PREVENTION

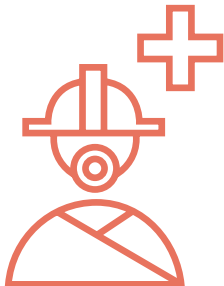


ARAUCO permanently seeks to identify unsafe behaviors and conditions managed by workers and the Occupational Health and Safety teams. High-potential incidents are also investigated to identify underlying causes and subsequently analyzed for applicability to the rest of the Company.

In addition, ARAUCO continually updates safety standards in critical activities through safety sheets and monitors accident prevention indicators and actions in the event of safety violations.

In addition, we encourage cultural change through corporate practices: ABC, 123, and visible Leadership, as well as through campaigns, and dialogue sessions, among others.

OCCUPATIONAL HEALTH



ARAUCO works in several areas related to occupational health. For example, the company conducts proper environmental monitoring, consisting of identifying, evaluating, and controlling the risks that workers may be exposed to. In addition, medical surveillance is employed to prevent or detect disease in the subclinical or pre-symptomatic phase to take the appropriate measures to reverse the effects or delay the disease's progression to a clinical stage. The medical surveillance program is aimed at workers exposed to conditions that put them at risk of suffering occupational illnesses.

Workers who perform high-risk activities are medically evaluated to determine if their health condition permits them to perform such activities safely. As part of the control implementation process, each worker is trained on the risks to which they are exposed and the measures available to minimize the risk of suffering adverse effects.

In addition, ARAUCO has implemented several programs focused on the workers' health, such as the Hearing Conservation Program, the Respiratory Protection Program, the Rehydration Program in industrial and forestry units, and the Ergonomics Programs that were interrupted due to the pandemic but subsequently have been resumed. Furthermore, workers are routinely trained to use personal protective equipment properly.

In addition, all of ARAUCO's facilities have first aid rooms or polyclinics with available health professionals and staff. ARAUCO also has general health insurance for its employees to cover common pathologies.

MILESTONES
 SAFETY
 2021



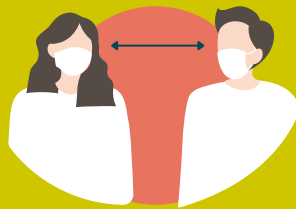
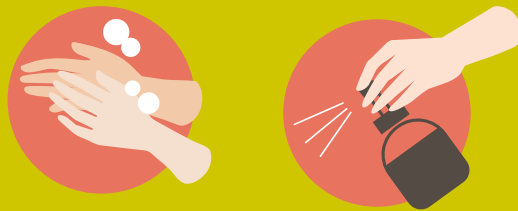
IN 2021, ARAUCO EXPERIENCED A 21% DECREASE IN THE FREQUENCY INDEX (FI) AND AN INCREASE IN THE SEVERITY INDEX 3 (SI3) OF 138% COMPARED TO 2020. FURTHERMORE, THE CORPORATE BENCHMARK HOLDS THE FI IN A HIGHER CATEGORY AND SI3 IN A STANDARD CATEGORY. IN ADDITION, THE COMPANY ACHIEVED A LOST TIME INCIDENT RATE OF 3.8 AND 382.9 LOST DAYS PER MILLION HOURS WORKED. IN 2021, THERE WERE A TOTAL OF 16 FACILITIES WITH SEVERITY AND/OR FREQUENCY INDICATORS AT A WORLD-CLASS LEVEL: ASERRADERO EL COLORADO (CHILE), ASERRADERO HORCONES II (CHILE), BIOFOREST (CHILE), PLANTA QUÍMICA PGSM (ARGENTINA), JAGUARIAÍVA (BRAZIL), MATO GROSSO DO SUL (BRAZIL), PLANTA PALLETS (MEXICO), BISCOE (USA), CAROLINA PB (USA), GRAYLING PB (USA), EUGENE (USA), DURAFLAKE (USA), BENNETSVILLE MDF (USA), MONCURE (USA), SAULT STE. MARIE (CANADA) AND ST. STEPHEN (CANADA). IN ADDITION, IN 2021, 13 FACILITIES ACHIEVED MORE THAN ONE-YEAR ACCIDENT-FREE: BIOFOREST (CHILE), PLANTA QUÍMICA PGSM (ARGENTINA), MATO GROSSO DO SUL (BRAZIL), PLANTA PALLETS (MEXICO), BISCOE (USA), CAROLINA PB (USA), GRAYLING PB (USA), EUGENE (USA), DURAFLAKE (USA), BENNETSVILLE MDF (USA), MONCURE (USA), SAULT. STE MARIE (CANADA) AND ST. STEPHEN (CANADA).



HOWEVER, DURING THIS SAME REPORTING PERIOD, THE COMPANY MOURNED THE WORK-RELATED DEATHS OF FERNANDO JAVIER GIACOMOZZI GONZÁLEZ (RIP), A TRUCK DRIVER WHO WORKED FOR THE CONTRACTOR COMPANY TRAMSA, WHICH PROVIDES SERVICES TO ARAUCO; SERGIO RAMÓN VERA (RIP), A WORKER OF TUPIENA S.A., WHO WORKED AS A FORKLIFT OPERATOR AT THE WAREHOUSE AT THE PULP PLANT IN PUERTO ESPERANZA, ARGENTINA; MS. ANA MARÍA PARDO (RIP), KITCHEN ASSISTANT FOR THE COMPANY TNB, AT THE TENO PLANT; AND MR. JACKSON KNOEPKE (RIP), WHO WORKED AS A MAINTENANCE COORDINATOR AT THE PIEN PLANT IN BRAZIL.

MILESTONES OCCUPATIONAL HEALTH 2021

WE CONTINUE TO
 IMPLEMENT SAFETY
 MEASURES TO HELP
 PREVENT COVID-19.



WE INTRODUCED A HEALTH AND SAFETY
 PROTOCOL, INCLUDING ADEQUATE PHYSICAL
 DISTANCING; CLEANING, DISINFECTION, AND
 SANITIZATION PROGRAMS FOR WORKSPACES,
 EQUIPMENT, AND TOOLS; ADAPTATION OF
 WORKSTATIONS IN OFFICES. IN ADDITION,
 WE ENCOURAGE TELEWORKING; WE
 REDUCE THE NUMBER OF WORKERS ON
 THE PERSONNEL TRANSPORT BUSES; WE
 REINFORCE CLEANING EQUIPMENT IN THE
 FACILITIES; AND ENFORCE THE MANDATORY
 USE OF MASKS.

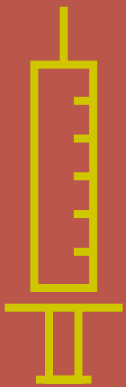


IN BRAZIL, THE MONITORING
 OF HEARING, RESPIRATORY
 PROTECTION, REHYDRATION, AND
 OCCUPATIONAL HEALTH MEDICAL
 CONTROL PROGRAMS CONTINUED
 TO BE IMPLEMENTED.

ALL FACILITIES CONTINUE
 TO OFFER PCR EXAMINATIONS.
 MORE THAN
450,000
 PCR TESTS WERE
 TAKEN IN CHILE.



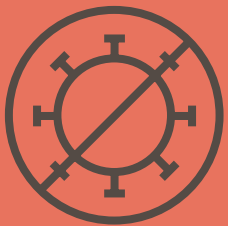
IN CHILE, WE CONTINUE
 TO PROMOTE THE
 VACCINATION OF
 OUR WORKERS AND
 CONTRACTORS.



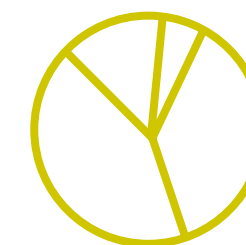
A PERMANENT VACCINATION CENTER
 HAS BEEN OPENED AT THE MAPA
 PROJECT, WHICH HAS PROVIDED
 SERVICES TO PROJECT WORKERS
 AND WORKERS AT THE HORCONES
 COMPLEX, VACCINATING MORE THAN

18,000
 PEOPLE AGAINST THE
 CORONAVIRUS.

ALL FACILITIES CONTINUE
 TO IMPLEMENT THE
 CORONAVIRUS PREVENTION
 PROGRAM.



JOINT COMMITTEES



ARAUCO maintains Health and Safety Joint Committees (CPHS) in Chile, Argentina, Brazil, Mexico, and North America, representing 100% of company employees in those countries. These committees identify, analyze, and prevent the dangers of work-related accidents and occupational illnesses. In addition, all these countries, except for Argentina, have legal bodies that regulate their actions.

CPHS committees play an essential role in managing health and safety at ARAUCO, operating as a technical organization for joint and harmonious participation between the company and its workers, actively participating in committees for cultural change to define and follow up on safety plans determined at each of the facilities and forestry operations.

Moreover, they collaborate in preventing accidents and occupational illnesses, thus playing a crucial role in reinforcing a preventive culture by managing issues that make industrial facilities and forestry areas increasingly safer.

JOINT
 COMMITTEES'
 INDICATORS



		N° OF JOINT COMMITTEES	% OF REPRESENTATION
CHILE		37	100%
ARGENTINA		6	100%
BRAZIL		10	100%
NORTH AMERICA		4	100%
MEXICO		9	100%



06

COMMUNITY,
ENGAGEMENT
AND DIALOGUE



COMMUNITY, ENGAGEMENT AND DIALOGUE



ARAUCO HAS A COMMUNITY RELATIONS MODEL WHOSE PRIMARY PURPOSE IS TO CONTRIBUTE TO THE DEVELOPMENT OF THE COMMUNITIES OF WHICH IT IS A PART. THE MODEL CREATES **SHARED VALUE** THROUGH PROGRAMS WITH HIGH STANDARDS AND TECHNICAL EXCELLENCE THAT GENERATE SIGNIFICANT LONG-TERM BENEFITS FOR THE COMMUNITIES THROUGH A MODEL BASED ON DIALOGUE AND PARTICIPATION.

THROUGH THE IMPLEMENTATION OF PROGRAMS, INSTALLATION OF CAPABILITIES, AND GENERATION OF ALLIANCES IN THE DIFFERENT PLACES WHERE THE COMPANY IS PRESENT, WE SEEK TO CONTRIBUTE TO THE WELL-BEING, DEVELOPMENT, AND SUSTAINABILITY OF THE ENVIRONMENT, REACHING AN INVESTMENT OF **US\$ 10 MILLION** BY 2021.

OUR PROGRAMS PRIORITIZE INITIATIVES THAT BENEFIT A LARGE GROUP OF PEOPLE UNDER DIFFERENT WORK AREAS DEFINED ACCORDING TO THE REALITY OF EACH OF THE COUNTRIES WHERE ARAUCO OPERATES. AS A RESULT, WE CONTRIBUTE TO LOCAL DEVELOPMENT, **CREATING OPPORTUNITIES FOR RELATIONSHIPS** THAT ALLOW US TO MAINTAIN HONEST COMMUNICATION WITH THE RELEVANT STAKEHOLDERS.



LOCAL DEVELOPMENT PROJECTS

The company has identified opportunities to intensify its contribution to the 17 Sustainable Development Goals (SDGs) through various local, sustainable development initiatives, integrating this challenge into the Company’s sustainability strategy.



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

EDUCATION

EDUCATION HAS TRANSFORMATIVE POWER IN SOCIETY AND IS THE PRIMARY DRIVER OF DEVELOPMENT. FOR MORE THAN 30 YEARS, ARAUCO HAS CONTRIBUTED TO IMPROVING THE QUALITY OF EDUCATION THROUGH PROGRAMS AT SCHOOL AND TECHNICAL LEVELS.



CHILE
ARAUCO
EDUCATIONAL
FOUNDATION

FOR 32 YEARS, WE HAVE BEEN PLACING
TEACHERS AT THE CENTER, AS ESSENTIAL
ACTORS OF EDUCATIONAL CHANGE. THEIR
FOCUS HAS BEEN TO STRENGTHEN THE
SKILLS AND METHODS OF TEACHERS
IN SERVICE, ULTIMATELY LEADING TO
IMPROVEMENTS IN STUDENT LEARNING.

WE ARE IN 34 COMMUNES

+ 5,141 TEACHERS TRAINED + 575 SCHOOLS HAVE PARTICIPATED
+ 101,940 CHILDREN HAVE BENEFITED FROM THE PROGRAM.

IN 2021, 50 ACTIVITIES WERE HELD THROUGH THE DIFFERENT NETWORKS:

- NETWORKING AMONG STAKEHOLDERS TO ADDRESS THE NEEDS OF THE TERRITORIES USING WORKSHOPS.
- STRENGTHENING OF THE “ORQUESTANDO SUEÑOS” NETWORK AND SUPPORT FOR ORCHESTRAS OF CONSTITUCIÓN, TALCA, CURANILAHUE AND VALDIVIA.
- LIBRARIES AND MOBILE LIBRARIES IN 19 COMMUNITIES TO PROMOTE READING DURING THE PANDEMIC.

PROGRAM TO STRENGTHEN SCHOOL LEADERSHIP PRACTICES:

Since 2019, this program has contributed to the education of more than 8,500 students in ARAUCO and Curanilahue, in alliance with the Municipalities and the government, by working with 23 public schools, 129 principals, and teachers.

TEP CHALLENGE (POSITIVE SCHOOL TRAJECTORY):

The TEP challenge was launched in 2020 at Table #6 of Compromiso País, where the ARAUCO Foundation was asked to build a strategy to help reduce school dropout rates. During the period March 2020 and March 2021, the pre-pilot plan, created by ARAUCO in alliance with the Center for Advanced Research in Education (CIAE) of the University of Chile and the Andalién Sur Local Education Service, resulted in a 45% reduction in dropout rate. Given the promising results, the work will be increased from 12 to 67 schools in 2021.

EDUCATION-
RELATED
PROGRAMS



CHILE

CAMPUS ARAUCO

PROFESSIONAL INSTITUTE LOCATED IN THE
COMMUNE OF ARAUCO, ESTABLISHED THROUGH
AN ALLIANCE BETWEEN DUOC UC AND ARAUCO
TO STRENGTHEN PROFESSIONAL TECHNICAL
TRAINING BY LINKING EDUCATION WITH
PRACTICAL TRAINING IN THE WORKPLACE
IN AREAS RELATED TO THE PRODUCTIVE
POTENTIAL OF THE REGION.

6 PROGRAMS TAUGHT (INCLUDING THREE DUAL)
226 STUDENTS ENROLLED IN 2021
502 STUDENTS TRAINED AND GRADUATED

SCHOOLS OF EXCELLENCE
SINCE 1981, ARAUCO HAS FOUNDED AND
OPENED THREE SCHOOLS: ARAUCO,
CONSTITUCIÓN, AND CHOLGUÁN.
+1,200 STUDENTS TRAINED EACH
2 YEAR SCHOOLS (ARAUCO AND
CONSTITUCIÓN) ARE AMONG THE TOP
100 PDT 2021 SCHOOLS NATIONALLY
AND THE TOP **5** IN THEIR
RESPECTIVE REGIONS -
1 NATIONAL SCORE IN 2021.



ARGENTINA

YOUTH EDUCATION AND
SUSTAINABILITY PROGRAM

THIS PROGRAM IS AIMED AT HIGH SCHOOL
STUDENTS AND TEENAGERS WHO ARE
NEITHER WORKING NOR STUDYING. THE
PROGRAM SEEKS TO ENCOURAGE YOUNG
PEOPLE TO DEVELOP PROJECTS FOCUSED ON
CARING FOR THE ENVIRONMENT.

CONTINUOUS
TEACHER TRAINING
PROJECT

EARLY AND PRIMARY EDUCATION,
THIS PROGRAM SEEKS TO
IMPROVE THE BASIC EDUCATION
DEVELOPMENT INDEX (IDEB). SO FAR,
2,681 TEACHERS FROM
12 DIFFERENT MUNICIPIOS.

arauco

IN 2021, WE MADE **74**
VISITS TO SCHOOLS AND **3** WORKSHOPS,
IN WHICH **368** YOUNG GRADUATES
ACTIVELY PARTICIPATED.

HISTORY BOOKSHELF
PROJECT

THE PROGRAM FOCUSED ON ELEMENTARY
SCHOOL STUDENTS, AIMING TO ENCOURAGE
READING IN PUBLIC SCHOOLS.

IN 2021, 10 SCHOOLS WERE EQUIPPED
WITH WOODEN SHELVES CONTAINING 100
CHILDREN'S BOOKS.



BRAZIL



ARGENTINA EDUCATIONAL PROGRAM "GREEN CLUB"

FOCUSED ON ELEMENTARY SCHOOL CHILDREN WHERE, IN COLLABORATION WITH SCHOOLS AND MUNICIPALITIES, ACTIVITIES ARE CARRIED OUT TO PROMOTE THE CARE NATURAL ENVIRONMENTS.

IN 2021, WE WORKED WITH 28 SCHOOLS, AND 3 WORKSHOPS WERE HELD, REACHING 1,150 CHILDREN.



BRASIL ARAUCO ENVIRONMENTAL EDUCATION PROJECT

THIS PROGRAM AIMS TO PROMOTE ENVIRONMENTAL AWARENESS AND ACHIEVE BEHAVIORAL CHANGES TOWARD THE CONSERVATION OF ECOSYSTEMS IN SCHOOL COMMUNITIES.

IN 2021, 1,454 STUDENTS PARTICIPATED FROM 48 SCHOOLS AND 9 DISTRICTS.

HOUSING PROGRAM



CREATED 11 YEARS AGO, THE OBJECTIVE IS TO PROMOTE HIGH-STANDARD HOUSING SOLUTIONS FOR WORKERS AND NEIGHBORING COMMUNITIES OF ARAUCO, ARTICULATING THE PARTNERSHIP BETWEEN THE PUBLIC AND PRIVATE SECTORS IN THE PROCESS.

10 PROJECTS FINALIZED AND DELIVERED / 2,325 HOMES HANDED OVER TO DATE / +2,000 FAMILIES BENEFITED

DURING 2021:
351 homes were completed in the first stage of construction in Curanilahue - +300 families will benefit - 6 projects in different design and construction stages representing +2,000 homes in the Cañete, Curanilahue, Lebu, Los Álamos, Tomé and Penco (Biobío region) and Constitución (Maule region).

TRANSITION HOUSING PROGRAM:
Also, because of the explosive increase in illegal occupations for housing purposes in the ARAUCO province, intermediate solutions have been coordinated with the municipalities of Los Alamos, ARAUCO, and Lebu for a temporary solution for 240 families who are now waiting to obtain their permanent housing.

QUALITY OF LIFE

WE WORK IN DEVELOPING HIGH-STANDARD PROJECTS THAT PROMOTE HARMONIOUS DEVELOPMENT AND A BETTER QUALITY OF LIFE IN THE NEIGHBORING COMMUNITIES OF THE FACILITIES BY ARTICULATING PARTNERSHIPS WITH VARIOUS PARTICIPATORY BODIES.



KNOW OUR PROJECTS RELATED TO QUALITY OF LIFE

QUALITY
OF LIFE-
RELATED
PROGRAMS

VALDIVIA 0

THIS CLIMATE MITIGATION AND ADAPTATION PROJECT, LED BY THE SUSTAINABLE VALDIVIA CONSORTIUM (CVS) AND SUPPORTED BY ARAUCO, SEEKS TO CREATE THE CONDITIONS AND FOLLOW-UP REQUIRED FOR VALDIVIA TO BECOME A PIONEERING CITY IN THE REDUCTION AND CAPTURE OF GREENHOUSE GASES (GHG) AT THE COMMUNITY LEVEL. IN ADDITION TO IDENTIFYING A RESILIENT ECONOMY THAT PURSUES THIS OBJECTIVE.

OBJECTIVES

01

TO PERIODICALLY MEASURE THE CITY'S CARBON FOOTPRINT, INCLUDING ITS BIOLOGICAL INFRASTRUCTURE ASSETS.



02

TO COLLABORATIVELY MANAGE THE CITY'S PUBLIC AND PRIVATE SECTORS ON AN AMBITIOUS EMISSIONS REDUCTION JOURNEY.



03

TO SOCIALIZATE THE RESULTS AND IDENTIFY RESILIENT ECONOMIES.



04

TO ADAPT THE CITY TO THE IMPACTS OF CLIMATE CHANGE, INCLUDING SOCIAL WELFARE METRICS OVER TIME.



CHILE

MORE INFORMATION AT:
WWW.ACTIVAVALDIVIA.CL

ARGENTINA



WASTE COLLECTION IN
PUERTO PIRAY

THIS PROJECT FOCUSES ON IMPROVING THE PUBLIC INFRASTRUCTURE AND EQUIPMENT OF THE PUERTO PIRAY COMMUNITY. IN 2021, WE DONATED A NEW TRUCK TO THE MUNICIPALITY FOR WASTE COLLECTION. IN ADDITION, WE SIGNED AN AGREEMENT WITH THE LOCAL CITY AND THE MISIONES ROAD DIRECTORATE TO IMPROVE THE ACCESS ROAD TO PIRAY.

EYE HEALTH CARE
EQUIPMENT FOR
THE ELDERLY

THE EARLY FOLLOW-UP OF GLAUCOMA CASES WITH A POTENTIAL RISK OF PROGRESSION TO BLINDNESS PROVIDES DATA THAT ALLOW PROPER MANAGEMENT OF THIS DISEASE. THANKS TO THE CONTRIBUTION OF ARAUCO AND OTHER INSTITUTIONS TO THE CLINICAL HOSPITAL COMPLEX OF THE FEDERAL UNIVERSITY OF PARANÁ, IT WAS POSSIBLE TO ACQUIRE TOMOGRAPHY EQUIPMENT TO PERFORM EXAMS, IN ADDITION TO THE PURCHASE OF ANTI-ANGIOGENIC AMPOULES USED IN THE TREATMENT OF DISEASES.

+ 8,400 OLDER ADULTS BENEFITED PER YEAR
THANKS TO THESE DONATIONS.



BRAZIL

OPEN FOREST

Based on participation and dialogue with ARAUCO’s neighboring communities, in 2021, the Company opened part of its forestland to develop community-driven activities. The goal is for neighbors to enjoy the environmental, social, and cultural values provided by the forests while promoting the care and conservation of nature.

THREE PILLARS

SPORTS AND RECREATION



TOURISM AND CULTURE

EDUCATION AND RESEARCH



SCAN HERE AND TO WATCH THE EL COLORADO BIKE PARK VIDEO



As of 2021, Parque Oncol, the Company’s protected wildlife area, became part of Los Ríos Regional Council of Protected Areas.

“WE OFFER ALL THE EXPERIENCE GAINED OVER DECADES OF COLLABORATIVE WORK WITH NEIGHBORS, SOCIAL ORGANIZATIONS, EDUCATIONAL INSTITUTES, UNIVERSITIES, NGOs, PUBLIC AND PRIVATE INSTITUTIONS AND SO MANY OTHERS INTERESTED IN CONSERVATION AND WHO SHARE THE VISION THAT WILDLIFE PROTECTED AREAS CONTRIBUTE TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE NEIGHBORING COMMUNITIES.”



MARCELA WULF,
ASSISTANT MANAGER
FOR PUBLIC AFFAIRS

WWW.PARQUEONCOL.CL



PRODUCTIVE DEVELOPMENT AND SOCIAL ENTREPRENEURSHIP

ARAUCO'S PRESENCE IN THE TERRITORIES IS INTENDED TO INCREASE OPPORTUNITIES FOR ENTREPRENEURSHIP, EMPLOYMENT, AND DEVELOPMENT.



ACERCAREDES FOUNDATION

The Foundation seeks to have an impact on territories located far from large cities. To do this, the Foundation follows a logic of network articulation, understanding the challenges that arise in the areas where it is located and connecting the skills and experience of the global ecosystem to serve organized communities, local entrepreneurs, and social innovators.

The Foundation offers two programs to promote entrepreneurship.



LEARN
MORE ABOUT
**DESPENSA
SILVESTRE**



DESPENSA SILVESTRE:

The purpose of this program is to raise the visibility and value of forest trades, providing formal and secure access to ARAUCO's forestry heritage to beekeepers and gatherers of forest products, allowing the development and conservation of their economic activity with identity and cultural character, while simultaneously contributing towards the development of their productive and entrepreneurial abilities.

**IN 2021, WE WORKED WITH
103 GATHERERS, AND 20 BEEKEEPERS
JOINED THE COMMUNITY**



JUEGA LOCAL:

This new program, launched in 2021, seeks to connect the supply of local goods and services with the requirements of ARAUCO's industrial and forestry activities, through the support and training of SMEs and entrepreneurs in the regions where ARAUCO has operations.

**DURING THIS FIRST YEAR:
83 COMPANIES WERE TRAINED -
5 ARE NEW SUPPLIERS OF ARAUCO -
276 BOARDING HOUSES AND LODGES ARE
PART OF THE ALOJA LOCAL PROGRAM.**

PRODUCTIVE DEVELOPMENT AND SOCIAL ENTREPRENEURSHIP



CUCHA CUCHA

IN 2021, **CUCHA CUCHA** CONTINUED ITS WORK WITH SMALL PRODUCERS IN THE ITATA VALLEY, ESTABLISHING ITSELF AS A DEVELOPMENT PLATFORM FOR WINE TOURISM AND VITICULTURE THROUGH THE MARKETING OF BULK WINES AND WINE TOURISM.

IN THIS REGARD, THE COLLABORATIVE PRODUCTION OF COUNTRY WINE BY THE “**MEGA COOPERATIVA,**” AN ORGANIZATION THAT BRINGS TOGETHER MORE THAN **120 PRODUCERS** FROM **5 TOWNS** IN THE ITATA VALLEY. IN ADDITION, WE HELD **EIGHT DAYS** OF THE “SPARKLING WINE UNDER THE STARS” TOUR, A WINE TOURISM EVENT AIMED AT PROMOTING THE VALLEY BY DISSEMINATING IMPORTANT CHILEAN HISTORICAL MILESTONES IN THIS AREA.

arauco

ALMA DEL ITATA

FOR THE PAST **FIVE YEARS**, THE PROGRAM HAS SOUGHT TO INCREASE WINEMAKERS’ SALES IN THE ITATA VALLEY COMMUNES, WITH A **WINE STORE LOCATED IN RÁNQUIL**. THIS SPACE HAS BECOME AN IMPORTANT MARKETING CHANNEL, WHERE PRODUCERS SELL APPROXIMATELY 30% OF THEIR ANNUAL PRODUCTION. IT HAS ALSO BECOME A TOURIST ATTRACTION IN THE VALLEY. IN THE LAST YEAR, THE ALMA DEL ITATA STORE HAS CONSOLIDATED ITSELF AS AN ESSENTIAL SHOWCASE SPECIALIZING IN HERITAGE WINES. IT HAS ALSO INCREASED THE PARTICIPATING WINERIES AND ITS RANGE OF PRODUCTS.



 WWW.ALMADELITATA.CL



MAPUCHE COMMUNITY

ARAUCO ACKNOWLEDGES INDIGENOUS PEOPLE AS A LIVING AND DYNAMIC CULTURE. THEREFORE, WE SEEK TO PROMOTE MUTUAL UNDERSTANDING AND MAINTAIN CHANNELS OF PARTICIPATION AND PERMANENT DIALOGUE WITHIN A FRAMEWORK OF DEEP RESPECT.



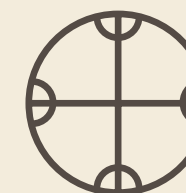
The Mapuche Program aims to generate development experiences and shared value with the 375 communities ARAUCO interacts with through a unique relationship policy. From this perspective, it promotes a series of projects under the auspices of a Mapuche Advisory Council.

The most recent project involved the Association of Mapuche Communities of Loncoche. Together, we started the construction of a ceremonial space, or Künü, in Mapudungun.

WHAT IS THE KÜNÜ?

It's a ceremonial space that aspires to bring together and disseminate the Mapuche identity, as well as a space for dialogue and meeting, promoting interculturality and harmonious relations among those who visit and experience it.

Award-winning architect Alejandro Aravena designed the structure of the Künü, composed of 42.3 and 19.7 feet high intertwined wooden masts, built on concrete foundations, creating a semi-circumference with 80 flagpoles around the "rewe", representing the connection to the universe during the ceremony.



DIALOGUE AND
ENGAGEMENT
PROCESSES



STAKEHOLDERS

ARAUCO promotes active participation of its different stakeholders and considers their perceptions, interests, and expectations. For this purpose, ARAUCO has created several formal and ongoing opportunities for dialogue.

In addition, the Company is in continuous communication with its neighbors to identify and minimize its operations' and actively seek opportunities to increase its contribution to local development.

In Chile, to measure reputation and learn how its neighbors evaluate the present and future of their communities, ARAUCO applies the Local Reputation Index in prioritized communities, using this information as an essential input for business management. shareholders and investors



COMMUNICATION MECHANISMS WITH KEY STAKEHOLDERS



COMMUNITIES

- DIALOGUE ROUNDTABLES
- COMMUNITY CONSULTATIONS
- PARTICIPATORY MONITORING OF COMMITMENTS
- OPEN HOUSE
- PLANT GENERAL SHUTDOWNS
- COMMUNICATION AND RESPONSE CHANNELS



MAPUCHE COMMUNITIES

- MAPUCHE DIALOGUE ROUNDTABLES
- MAPUCHE COMMUNITY CONSULTATIONS
- PARTICIPATORY MONITORING OF COMMITMENTS
- KÜNÜ
- COMMUNICATION AND RESPONSE CHANNELS



AUTHORITIES, UNIONS, NGOs
AND UNIVERSITIES

- DIALOGUE ROUNDTABLES
- PLANT GENERAL SHUTDOWNS
- FORESTRY ROUNDTABLES AND EOC
- CORPORATE INVOLVEMENT WITH EXTERNAL INITIATIVES
- PARTICIPATION IN PUBLIC POLICIES

COMMUNICATION AND RESPONSE CHANNELS

TO MAINTAIN ONGOING COMMUNICATION WITH ITS STAKEHOLDERS, ARAUCO HAS DEVELOPED SEVERAL CHANNELS, PLATFORMS, AND TOOLS, WHICH ACTIVELY MANAGE TO FACILITATE THE DISSEMINATION OF INFORMATION OF INTEREST AND THE TIMELY RECEPTION OF QUESTIONS AND CONCERNS. TELEPHONE LINES, WEBSITES, E-MAIL BOXES, AND SOCIAL MEDIA ACCOUNTS, SUCH AS **FACEBOOK, INSTAGRAM, YOUTUBE, AND TWITTER, ARE AVAILABLE.**

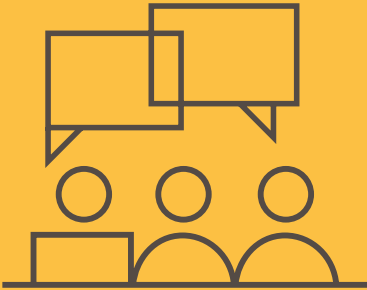
IN 2021, THE INTEGRATED MANAGEMENT SYSTEM USED IN CHILE RECEIVED **7,895 CONTACTS** THROUGH THE CALL CENTER AND WEB PLATFORM.



ENGAGEMENT & DIALOGUE PROCESS

ROUNDTABLES

REGULAR MEETINGS WITH NEIGHBORING COMMUNITIES OF INDUSTRIAL FACILITIES AND FORESTRY ASSETS TO DISCUSS ISSUES RELATED TO THE OPERATIONS' SOCIO-ENVIRONMENTAL MANAGEMENT, THOSE OF INTEREST TO INDIGENOUS COMMUNITIES, AND LOCAL DEVELOPMENT. SOME OF THESE ROUNDTABLES ALSO INCLUDE PUBLIC AND PRIVATE INSTITUTIONS, MUNICIPALITIES, COMPANIES, AND LOCAL ORGANIZATIONS AND ADDRESS ISSUES SUCH AS WATER MANAGEMENT, IMPACT, FORESTRY OPERATIONS MITIGATION, AND PRODUCT DEVELOPMENT PROJECTS, AMONG OTHERS.



PARTICIPATORY MONITORING OF COMMITMENTS

WE HAVE MADE SIGNIFICANT PROGRESS IN STRENGTHENING INSTRUMENTS AND PROCEDURES THAT ALLOW US TO PLAN OUR SOCIO-ENVIRONMENTAL MANAGEMENT, IDENTIFYING THE FOREST OPERATION'S IMPACTS TO MANAGE THEM IN A PARTICIPATORY MANNER TO PREVENT OR MITIGATE THEM. IN THIS REGARD, PARTICIPATORY MONITORING ENSURES THAT DAY-TO-DAY OPERATIONS ARE CONDUCTED ACCORDING TO THE AGREEMENTS MADE WITH THE RESPECTIVE COMMUNITIES, CONSIDERING THE COMMUNITY CONSULTATION PROCESS.

A GENERAL PLANT SHUTDOWN ALSO CONSIDERS OPPORTUNITIES FOR PARTICIPATION AND DIALOGUE, INVOLVING PLANNED AND COORDINATED WORK WITH MUNICIPALITIES, CHAMBERS OF COMMERCE AND TOURISM, AND OTHER LOCAL GROUPS. FOR EXAMPLE, IN COORDINATION WITH THE HEALTH AUTHORITY, DUE TO THE PANDEMIC SITUATION IN 2020 - 2021, WE WORKED WITH REPRESENTATIVES OF ACCOMMODATION AND FOOD ESTABLISHMENTS TO SUPPORT THEM IN ADOPTING COVID-19 PROTOCOLS. AS A RESULT, THEY COULD ADEQUATELY AND SAFELY PROVIDE CARE TO THE WORKERS.

PLANT GENERAL SHUTDOWN

FORESTRY ROUNDTABLES AND COE



ARAUCO REGULARLY PARTICIPATES, TOGETHER WITH OTHER PUBLIC AND PRIVATE ORGANIZATIONS, IN FORESTRY ROUNDTABLES AT THE PROVINCE LEVEL AND IN EMERGENCY OPERATIONS COMMITTEES (COE) AT THE COMMUNITY LEVEL, ADDRESSING ISSUES RELATED TO FIRE PREVENTION AND OTHER EVENTS, AS WELL AS COORDINATION TO RESPOND TO EMERGENCIES.

OPEN HOUSES



COMMUNITY INFORMATION AND RELATIONSHIP SPACES ARE DESIGNED TO MAINTAIN A CLOSE DIALOGUE WITH FOREST AND INDUSTRIAL OPERATIONS' NEIGHBORS. THIS PROGRAM ALLOWS, FIRSTLY, TO KNOW THEIR INTERESTS AND MEET THEIR NEEDS AND, SECONDLY, TO PROMOTE PROGRAMS, PROJECTS, AND INITIATIVES THAT THE COMPANY DEVELOPS IN THE TERRITORIES WHERE IT OPERATES.

CORPORATE COMMITMENTS TO EXTERNAL INITIATIVES

ARAUCO recognizes the value of working in alliance with other actors, particularly when addressing complex challenges with multiple viewpoints.

The company maintains a permanent relationship with academic institutions, NGOs, and trade unions, with which it seeks to promote networking and multi-sector cooperation.

PARTICIPATION IN PUBLIC POLICIES

ARAUCO participates in discussing issues relating to its business and any of the aspects contained in its Sustainability Strategy. The company also presents its position regarding regulations that may influence its operations or economic performance by participating in Chilean trade associations in Chile, such as the Chilean Wood Corporation (CORMA) and the Chilean Federation of Industry (SOFOFA).

In Argentina, the company actively participates in the Argentinean Forestry Association and the Argentinean Pulp and Paper Producers Association.

In Brazil, the company presents its ideas to national business chambers, such as the Brazilian Trees Industry (IBÁ). Contacts in the Paraná area are made through the Association of Forestry Businesses of Paraná (APRE).

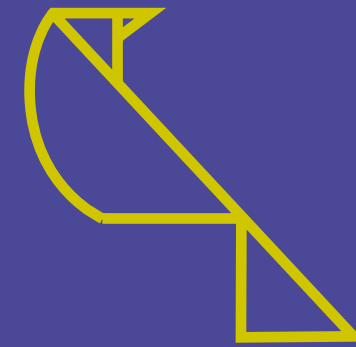
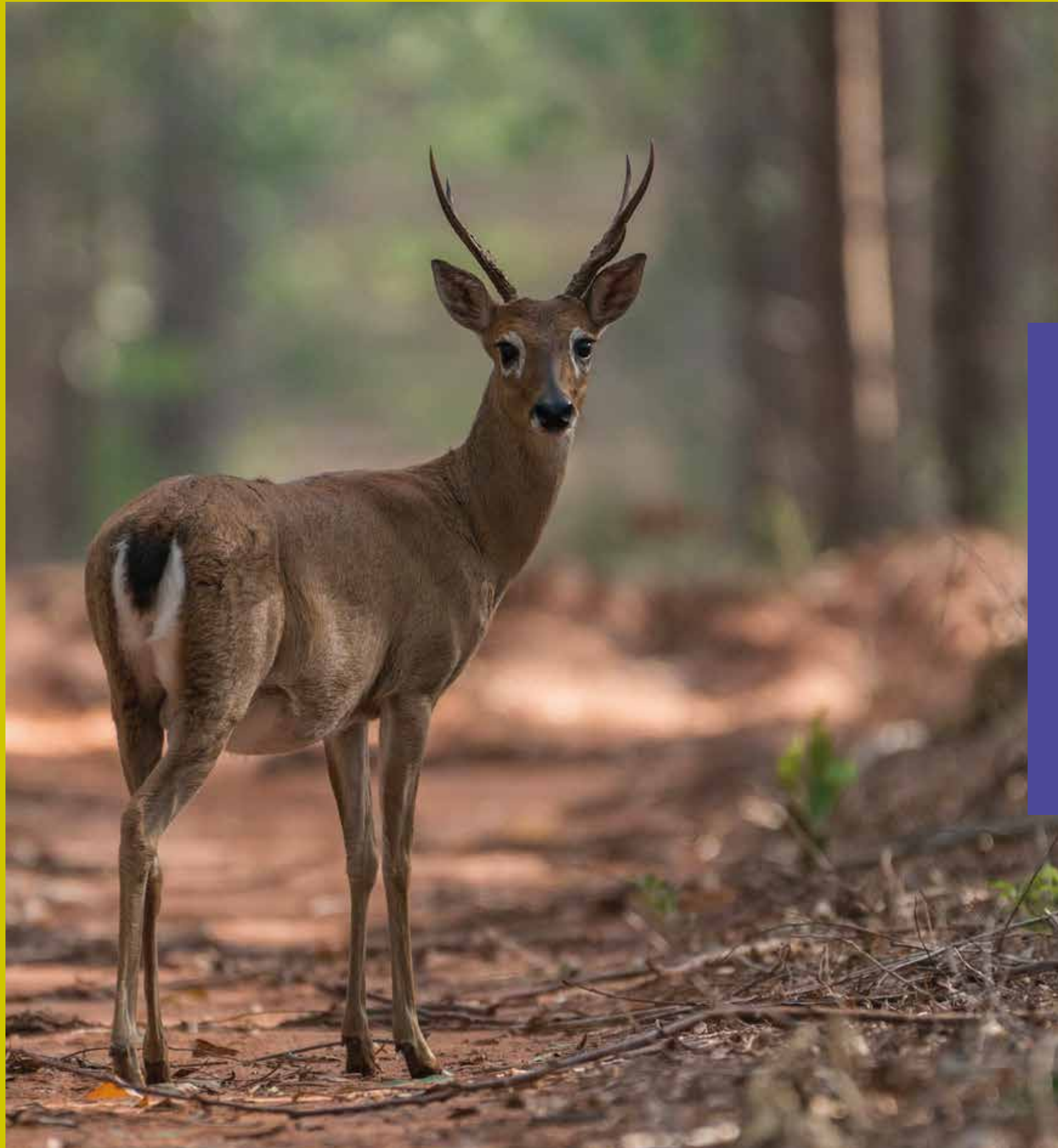
In North America, ARAUCO offers input into the National Formaldehyde rulemaking process, the CARB ATCM rulemaking process, the Composite Panels Association (CPA), and LEED workshops.

MEMBERSHIPS

ARAUCO actively participates in more than 98 trade associations and social organizations in the countries where it is present. The company also engages with universities, communication media, scientific centers, NGOs, and local governments.



arauco



07

**ENVIRONMENTAL
MANAGEMENT**



ENVIRONMENTAL MANAGEMENT



ARAUCO believes that the generation of products from natural and renewable resources such as wood plays a crucial role in the sustainable development of the planet, even more so amid the climate emergency we are facing. Likewise, the generation of products based on renewable sources, global presence, sustainable resource management, and the application of management standards that ensure the continuous improvement of environmental performance is the basis of the Company's environmental management.

As the first forestry company to become carbon neutral, ARAUCO has designed a sustainability strategy focusing on the complementarity between the conservation of native forests and sustainable production, creating products from renewable and noble natural resources such as wood. By working with renewable resources, ARAUCO's operational management is closely related to the ecosystems in which it is located and its ability to make timely decisions that will impact its future, always with a long-term vision.

ARAUCO has two work areas that cover the Company's entire value chain, from the forestry area, in charge of the responsible management of plantations and the protection and care of ecosystems, to the industrial area, which is responsible for the production of a variety of products and their distribution to sales outlets.

As part of the main milestones for 2021, we highlight the certification of carbon neutrality for 2019, with a net capture of 13 million tons of CO₂, and the announcement made in the framework of COP 26 in Glasgow, Scotland, which will allow us to reduce, through a portfolio of projects, 1 million tons of CO₂ by 2030.



2019 NET EMISSIONS
-13 MMt CO₂

CAPTURES

REACH
1+2+3
+ FIRES

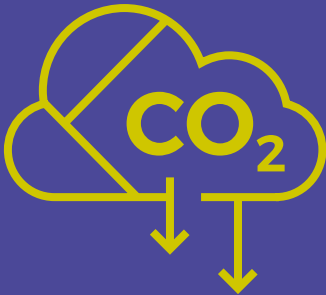


EMISSIONS

4,7



ARAUCO'S CARBON FOOTPRINT



NOTE: THESE VALUES CORRESPOND TO THE RECALCULATION OF THE 2019 FOOTPRINT THAT WAS REALIZED IN 2021.

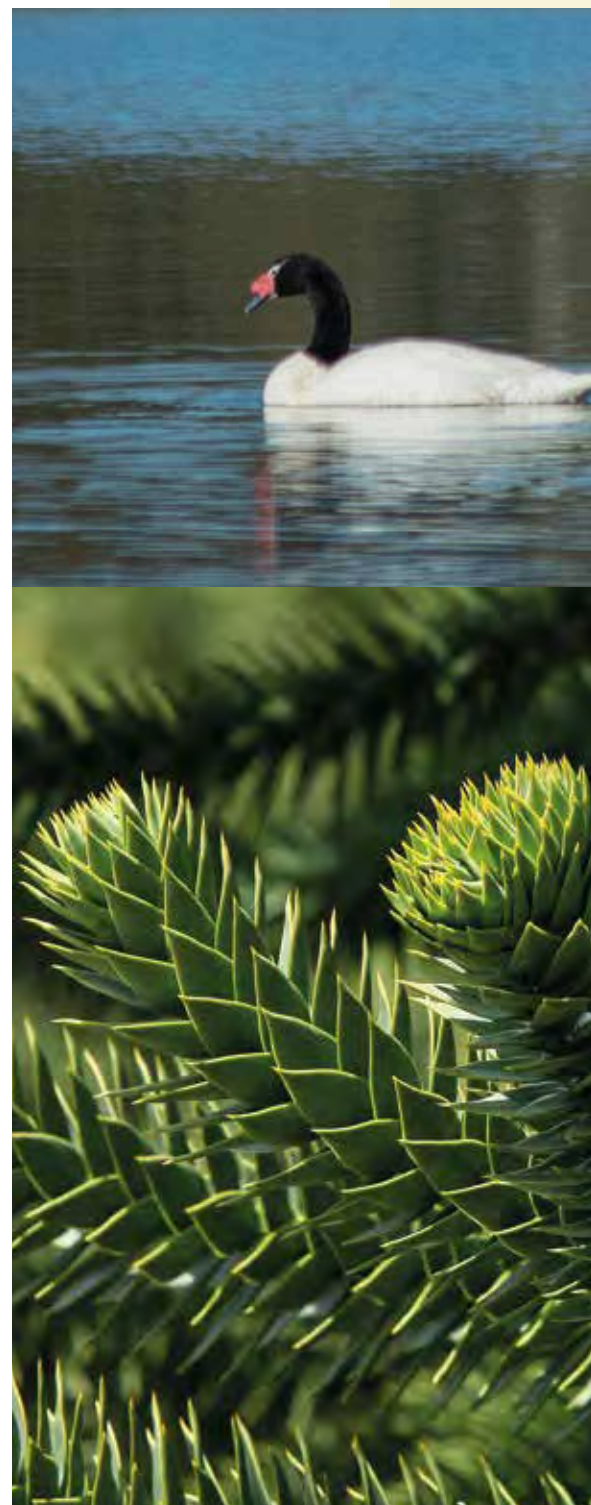


	<div>2019</div>	<div>2020</div>
DIRECT EMISSIONS (SCOPE 1)	TON CO ₂ EQ	TON CO ₂ EQ
	1,240,267	1,276,321

	TON CO ₂ EQ	TON CO ₂ EQ
DIRECT EMISSIONS (SCOPE 2)	486,647	420,932

	TON CO ₂ EQ	TON CO ₂ EQ
DIRECT EMISSIONS (SCOPE 3)	2,732,931	2,388,617

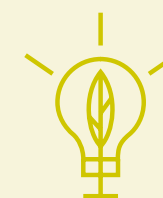
INCLUDED GASES
CO₂, CH₄, N₂O, REFRIGERANTS



"THE WORLD HAS BEEN CLEAR. IT HAS PRESENTED US WITH COMPLEX CHALLENGES THAT REQUIRE REAL COMMITMENTS THAT MEET THE DEMANDS OF CLIMATE URGENCY.

AS THE FIRST FORESTRY COMPANY TO BECOME CARBON NEUTRAL, ARAUCO HAS DESIGNED A SUSTAINABILITY STRATEGY FOCUSING ON THE COMPLEMENTARITY BETWEEN THE CONSERVATION OF NATIVE FORESTS AND SUSTAINABLE PRODUCTION, CREATING PRODUCTS FROM RENEWABLE AND NOBLE NATURAL RESOURCES SUCH AS WOOD. BY WORKING WITH RENEWABLE RESOURCES, ARAUCO'S OPERATIONAL MANAGEMENT IS CLOSELY RELATED TO THE ECOSYSTEMS IN WHICH IT IS LOCATED AND ITS ABILITY TO MAKE TIMELY DECISIONS THAT WILL IMPACT ITS FUTURE, ALWAYS WITH A LONG-TERM VISION.

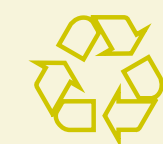
EFFORTS TO PROGRESS TOWARDS A CIRCULAR AND SUSTAINABLE BIOECONOMY OVER TIME AIM AT A CLIMATE ACTION PLAN WITH THREE MAIN GOALS:



FIRSTLY, IT IS RELATED TO THE MITIGATION OF EMISSIONS BASED ON SCIENCE, PROGRESSIVELY REPLACING FOSSIL FUELS IN PRODUCTION PROCESSES AND INCORPORATING A MORE SIGNIFICANT PROPORTION OF CLEAN AND RENEWABLE ENERGIES INTO THE MATRIX. WE ACCOMPLISHED THE FIRST ACTION OF THE PLAN A FEW DAYS AGO WITH THE ARRIVAL IN CHILE OF THE FIRST 100% ELECTRIC FORESTRY TRUCK.

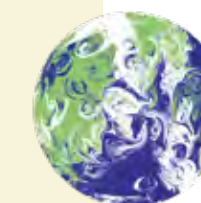
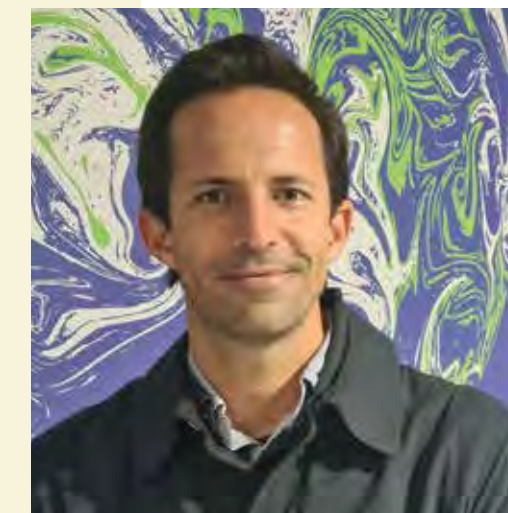


REGARDING THE CONSERVATION AND ECOSYSTEM RESTORATION AXIS, OUR CENTRAL COMMITMENT IS BASED ON THE RESTORATION OF 25 THOUSAND HA OF NATIVE FOREST, A GOAL CONSISTENT WITH THE CONTRIBUTIONS DETERMINED AT THE NATIONAL LEVEL (NDC). IN ADDITION, THERE IS A COMMITMENT TO AVOID THE EXTINCTION OF NATIVE SPECIES SUCH AS THE FOX AND DARWIN'S FROG AND TO PROTECT EMBLEMATIC SPECIES SUCH AS THE ARAUCARIA AND RUIL.



THE LATEST AREA OF FOCUS IS THE CIRCULAR BIOECONOMY, WHERE THE COMPANY HAS ESTABLISHED THE GOAL OF ZERO WASTE BY 2030".

NICOLÁS JOBET
CLIMATE ACTION
LEADER



**UN CLIMATE
CHANGE
CONFERENCE
UK 2020**

IN PARTNERSHIP WITH ITALY

FORESTRY ENVIRONMENTAL MANAGEMENT



For ARAUCO, responsible forestry management plays a vital role in the sustainable development of the planet, since wood is not only a renewable resource but, also capable of capturing and storing CO₂.

ARAUCO acknowledges the importance of its forestry heritage and adheres to responsible forest management with the highest international environmental, social, and economic standards. For this purpose, ARAUCO has developed a strategy to preserve the ecosystemic balance of its territories, prioritizing soil care, ecological conservation and restoration, and the sustainable use of water, both in terms of quality and quantity.

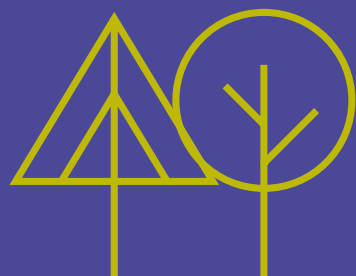
The above can be achieved if the social and environmental value of forests is provided due to the prioritization of ecosystem services; dialogue and engagement with neighbors, teachers, authorities, communities, the tourism sector, and company professionals; and social and economic development that will create opportunities for the territory.

Within this context, in 2021, the Company decided to implement the Protected Productive Landscapes model in Chile, initially adopted in ARAUCO's forestry properties in Argentina, with highly successful results.

The Company maintains an ongoing Monitoring and Assessment System to establish work plans and specific actions for continuous improvement. Also, in Chile, Argentina, and Brazil, ARAUCO participates in the Forestry Dialogue, which brings together forestry businesses, NGOs, universities, and other stakeholders to promote practical actions associated with forestry production. In addition to broadening the scale of environmental conservation and restoration efforts, generating benefits for the people who participate in this dialogue and for society in general.



MILESTONES 2021 FORESTRY ENVIRONMENTAL MANAGEMENT



DESIGN OF THE PROTECTED PRODUCTIVE LANDSCAPE MODEL FOR CHILE, TO BE IMPLEMENTED IN 2022.

IN **CHILE**, EXTERNAL AUDITS WERE CONDUCTED ON SUSTAINABLE FOREST MANAGEMENT FOR THE FSC® (FORESTAL ARAUCO FSC® LICENSE CODE: FSC® - C108276) AND CERTFOR/PEFC STANDARDS.

IN **BRAZIL**, THE COMPANY MAINTAINED ITS FSC® CERTIFICATIONS (ARAUCO FOREST BRASIL CAMPO DO TENENTE AND SENGÉS FSC® LICENSE CODE: FSC®-010303 AND ARAUCO FLORESTAL ARAPOTI FSC® LICENSE CODE: FSC®-C010673) AND CERFLOR WITH **99% SUCCESS RATE**.

WE INCORPORATED ENVIRONMENTAL INDICATORS INTO OPERATIONAL PERFORMANCE BOARDS AND DIALOGUES.



WE DEVELOPED AN **ENVIRONMENTAL TRAINING PROGRAM IN 2021**, A TRAINING INITIATIVE FOR ARAUCO'S WORKERS TO CONTRIBUTE TO A SUSTAINABLE CULTURE.

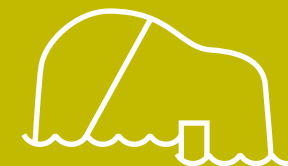
A SERIES OF "**ARAUCO DIALOGA**" WITH OPERATIONS WORKERS TO RAISE AWARENESS ABOUT THE CONTRIBUTION OF THE FORESTRY SECTOR AND ARAUCO'S ROLE IN THE FIGHT AGAINST CLIMATE CHANGE.

30% PROGRESS IN THE RESTORATION OF NATIVE FORESTS IN CHILE.

WE SIGNED SEVERAL AGREEMENTS WITH RESEARCH INSTITUTIONS (CONICET, INTA, UNIVERSITIES) FOR **CHILE'S SUSTAINABLE PRODUCTION AND CONSERVATION PROGRAMS**.

IDENTIFICATION OF THE PRESENCE OF **DARWIN'S FOX**, AN ENDANGERED SPECIES, IN THE NORTH OF THE NAHUEL BUTA MOUNTAIN RANGE (NATRAL SECTOR IN BAJO LOS RÍOS), IN CHILE.

IN ADDITION, WE HAVE DESIGNED A CONSERVATION PLAN FOR **THE QUIVOLGO AVES, AN ARCHAEOLOGICAL MONUMENT** LOCATED ON THE COAST OF THE MAULE REGION OF CHILE, NEAR CONSTITUCIÓN, FOR WHICH A CONSERVATION PLAN WAS APPROVED BY THE COUNCIL OF NATIONAL MONUMENTS AND HAS BEEN DEVELOPED.



THE **QS PLATFORM PROVIDED ACCESS** TO INFORMATION ON THE SOIL FRAGILITY AND FERTILITY AT THE LAND LEVEL TO ACHIEVE GOOD OPERATIONAL PLANNING.

IN ARGENTINA, WE IMPLEMENTED A **SOIL MONITORING SYSTEM** TO DEVELOP OR ADAPT A MONITORING PROCEDURE FOR FOREST HARVEST DISTURBANCES IN FORESTRY PLANTATIONS IN THE DELTA AND MISIONES AREAS. DURING THE YEAR, FOUR WILLOW PLANTATION PLANTATIONS WERE SAMPLED, FOCUSING ON UNDERGROWTH BIOMASS, BULK DENSITY, ORGANIC CARBON AND NUTRIENTS, AND HYDRAULIC CONDUCTIVITY, AMONG OTHERS



WE DEVELOPED A **NATIVE FOREST MANAGEMENT STRATEGY** IN COLLABORATION WITH THE UNIVERSIDAD AUSTRAL DE CHILE, SUGGESTING SEVERAL PRINCIPLES AND CRITERIA IN ADDITION TO THOSE ALREADY ACQUIRED IN SUSTAINABLE FOREST MANAGEMENT OF PLANTATIONS. THESE ALSO INCLUDE PRIORITIZING NATIVE FOREST AREAS WHERE WE CAN CONTRIBUTE TO LOCAL COMMUNITIES AND BIODIVERSITY.

TOGETHER WITH THE INSTITUTE OF ECOLOGY AND BIODIVERSITY (IEB), AN ASSESSMENT WAS MADE OF AREAS WHERE IT IS A PRIORITY TO CONSERVE AND RESTORE NATIVE VEGETATION TO ENSURE THE **PROVISION OF MULTIPLE ECOSYSTEM SERVICES IN CENTRAL CHILE**.

TOGETHER WITH THE NAHUEL BUTA FOUNDATION, WE SUPPORTED THE **BIOACOUSTIC MONITORING PROJECT**, CONSISTING OF INSTALLING A SENSOR SYSTEM (MICROPHONES) IN THE TREETOPS OF THE CARAMAVIDA AAC, CAPABLE OF SELF-SUPPLYING ELECTRICITY AND SENDING INFORMATION ONLINE.



PROTECTED PRODUCTIVE LANDSCAPES



The protected productive landscape is a way of viewing the territory on a landscape scale, enabling the integration of production with the conservation of the environment and biodiversity within a context of economic and social promotion and development. Its main objective is to be able to define the way of doing things from a local point of view, according to the challenges of each territory, seeking to be, from the productive point of view, the main actors in the successful development of the different places where the company operates.

DIALOGUE

TO ACHIEVE THIS,
ARAUCO HAS DESIGNED
THE OPERATION IN 22
LANDSCAPES, RAISING
5 MAJOR CHALLENGES
FOR THEM:

DEVELOPMENT OF
STRATEGIC ALLIANCES WITH
THE TERRITORY, BASED ON A
PERMANENT DIALOGUE.

INCORPORATE PROCESSES
OF BEST PRACTICES AND
ONGOING IMPROVEMENT IN
ENVIRONMENTAL MATTERS,
BIODIVERSITY MONITORING,
AND SOCIO-ENVIRONMENTAL
VARIABLES.



PROTECTION

PRODUCE

LAND USE PLANNING
AND MANAGEMENT OF
THE OPERATION AT A
LOCAL LEVEL.

KNOW ABOUT

EXTENSIVE INTERNAL
AND EXTERNAL
COMMUNICATION, TO
KNOW AND HELP PEOPLE
KNOW ARAUCO.



CONTRIBUTE

BASED ON WHAT WE
DO, IN A MEANINGFUL
RELATIONSHIP WITH THE
DIFFERENT COMMUNITIES.

WHAT IS A
PRODUCTIVE
PROTECTED
LANDSCAPE?



WHAT IS A
PRODUCTIVE
PROTECTED
LANDSCAPE?

It is a clearly defined area that includes both production and environmental protection areas in harmony and is linked to the environment and social development. They are regulated using a management model that contributes towards integrating elements specific to each location as well as the efforts and cooperation between the public and private organizations involved in the territory.

Every landscape is used to plan, including productive activity. As a result of the operation, human, economic, technical, and other resources necessary for preserving the natural environment and developing economic and social strengthening activities are generated. Thus, forest management, in this case, the entire process, from planting to supply, becomes part of the “solution” and not the reason for the conflicts. These landscapes include local identity, product attributes, and other specific and traditional economic activities (agricultural, fruit, industrial, mining, livestock), communities, and social and cultural aspects, as well as the environmental elements of ARAUCO and other stakeholders.

WHY DEVELOP
THIS MODEL?

Because we seek responsible and sustainable management of forestry production, ensuring that it contributes to and supports the social and environmental development of the territories.

HOW DOES
IT WORK?

Twenty-two areas were identified to implement this model, and the structure of the patrimonial site was changed, leaving different programs under Heritage Management. In turn, the heritage areas were formed by:

CONSTITUCIÓN	CHILLÁN	ARAUCO	VALDIVIA
5 LANDSCAPES	6 LANDSCAPES	7 LANDSCAPES	4 LANDSCAPES
35 COMMUNES	35 COMMUNES	21 COMMUNES	30 COMMUNES

KNOW MORE ABOUT ARAUCO'S STRATEGY REGARDING NATIVE FORESTS AND HCVAs

29% of ARAUCO's forestland accounts for native forests. Its protection and conservation are fundamental in maintaining ecosystem services, preserving biodiversity, and achieving sustainable development. For that purpose, the company has a Biodiversity and Ecosystem Services policy protecting native forests in Chile, Argentina, and Brazil. Some of this heritage is managed as private parks open to the public, High Conservation Value Areas (HCVA), and protected areas.

In addition, these areas are identified on maps, and any interventions that could damage them are prevented through monitoring activities.

Regarding forest management, ARAUCO maintains the no conversion of native forest commitment in addition to the company's restoration program. In the future, this commitment will help increase forest remnants, prioritizing threatened species and areas that are essential for biodiversity or of great importance to communities and other stakeholders.

HIGH CONSERVATION VALUE AREAS (HCVA)

ARAUCO's heritage includes multiple environmental and social values, several of which are especially significant and critical, which is why they are designated as High Conservation Value areas (HCVA). The Company maintains HCVAs distributed over 133,000 ha (328,650 acres) of the Company's estate.

IDENTIFICATION

CHARACTERIZATION OF THE EXISTENCE, OR LACK OF EACH CATEGORY OF HIGH CONSERVATION VALUE, BASED ON AN ANALYSIS OF EXISTING INFORMATION, AND/OR THE COLLECTION OF DATA IN CASES WHERE THERE IS A LACK OF INFORMATION.

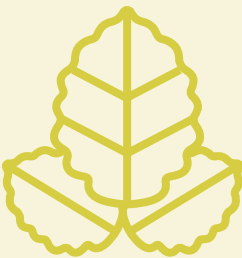
THE PURPOSE OF THESE AREAS IS TO PRESERVE OR IMPROVE THE HIGH VALUES IDENTIFIED IN THEM. TO ACHIEVE THIS, A METHODOLOGY IS USED CONSIDERING:

83 K
NATIVE TREES WERE
PLANTED IN CHILE
IN 2021



MANAGEMENT PRACTICES

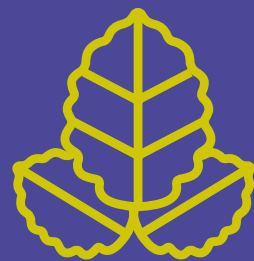
APPROPRIATE MANAGEMENT PRACTICES ARE DEFINED TO MAINTAIN OR INCREASE THE VALUES PREVIOUSLY IDENTIFIED.



MONITORING

AN EFFECTIVE MONITORING SYSTEM IS IN PLACE TO ENABLE DECISION-MAKING TO MAINTAIN AND IMPROVE THE IDENTIFIED VALUES. MONITORING IS GUIDED BY THE OPERATIONAL OBJECTIVES OF THE MANAGEMENT PLAN AND REQUIRES THE DEFINITION OF INDICATORS TO EVALUATE THE CONDITION OF THE HCVAS. THE HVCAS INCLUDED IN THE COMPANY'S ASSETS ARE UNDER THE CATEGORIES RECOGNIZED BY FSC® AS HAVING HIGH CONSERVATION VALUES.

LEARN MORE ABOUT ARAUCO'S STRATEGY TO PROTECT NATIVE FORESTS.



01

IN BRAZIL, ARAUCO OWNS MORE THAN **77,000 ACRES** THAT ARE **NATIVE FORESTS**. THAT IS **37% OF ARAUCO'S TOTAL LAND AREA** IN THE COUNTRY, ALL OF WHICH ARE **ANTES DE** PROTECTED PROTECTED BY LAW (BRAZILIAN FORESTRY CODE - FEDERAL LAW 12,651/2012) AND CONSIDERED PERMANENT PRESERVATION AND LEGAL RESERVE AREAS. THIS IMPLIES THAT THESE AREAS CAN ONLY BE MANAGED FOR ENVIRONMENTAL CONSERVATION AND RESEARCH PURPOSES.

02

IN ARGENTINA, ABOUT **45% OF THE RELATED LAND** IS NATURAL AREAS COMPOSED OF NATIVE FORESTS, HCVAS, ECOLOGICAL BELTS, WETLANDS, DRAINAGE AREAS, AND PROTECTIVE FORESTS. THE ACTIONS DEVELOPED IN THESE AREAS ARE MAINLY FOR PATRIMONIAL PROTECTION, RESEARCH, CONSERVATION, AND ENVIRONMENTAL EDUCATION, CONSIDERING THE ENVIRONMENTAL VALUES OF NATIVE FORESTS DEFINED BY THEIR LOCATION, BIOLOGICAL DIVERSITY, AND PROVISION OF ENVIRONMENTAL SERVICES, WHICH IS REFLECTED IN A **NATIVE FOREST MANAGEMENT PLAN**.

03

ON THE OTHER HAND, THE **NATIVE FOREST RESTORATION PROGRAM** IN CHILE INCLUDES THREE WORK AREAS RELATED TO THE **25 THOUSAND ACRES** DECLARED AS RESTORED AFTER 1994. AS A RESULT, WE HAVE MADE PROGRESS IN RESTORING **7,563 ACRES** FROM 2012 TO DATE. FURTHERMORE, THE **15 THOUSAND ACRES OF NATIVE FOREST AFFECTED BY FIRES**, OF WHICH MORE THAN **80% HAVE RECOVERED THEIR COVERAGE**, EVEN IN SOME CASES MATCHING PRE-FIRE LEVELS, AND 10 THOUSAND ACRES OF COVERAGE IN PROTECTION ZONES. ARAUCO'S MAIN OBJECTIVE IS TO **INITIATE RESTORATION PROCESSES IN AREAS THAT ARE RELEVANT FOR BIODIVERSITY** OR ECOSYSTEM SERVICES. THIS POSES A SIGNIFICANT CHALLENGE GIVEN THAT IT REQUIRES AN INTEGRATED VIEW OF THE TERRITORY THAT FIRST IDENTIFIES THE MAJOR RESTORATION SITES AND THEN DEFINES THE SITE-SPECIFIC STRATEGY AT THE LOCAL LEVEL.

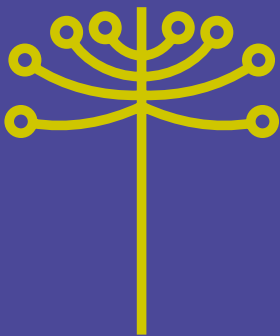






04

IN ARGENTINA, A 16-YEAR ACTIVE AND/OR **PASSIVE NATIVE FOREST RESTORATION PLAN IS MANAGED**, COVERING **3,300 ACRES** ASSOCIATED WITH THE PROTECTION OF WATERSHEDS AND OTHER CRITICAL OR SENSITIVE AREAS, SUCH AS STEEP SLOPES, SLOPES, WATERCOURSES, AND BIOLOGICAL CORRIDORS REQUIRED TO AVOID LANDSCAPE FRAGMENTATION.



NATIVE FOREST
AND HIGH
CONSERVATION
VALUE AREAS
(HCVAs)



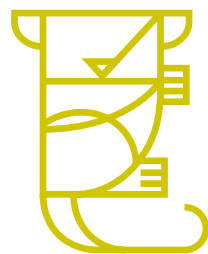
COUNTRY	 NATIVE FOREST SURFACE AREA (IN HA)	 % OF NATIVE FOREST OF THE FORESTLAND	 AREAS OF HIGH CONSERVATION VALUE (IN HA)	 HCVAs		
				BIOLOGICAL	SOCIAL	CULTURAL OR RELIGIOUS
CHILE	294,000	26%	59,662	36	19	51
ARGENTINA	118,942	45%	64,717	48		
BRAZIL	77,763	36,8%	8,581,22	13		

BIODIVERSITY MONITORING

ARAUCO protects threatened species that have been identified and sighted in its forestland. The biodiversity strategy involves improving knowledge through monitoring activities and engagement with researchers; sharing, communicating, and working together with relevant stakeholders and local actors, and protecting through best practices in management and specific activities when required.

In 2021, the Company's commitment was to ensure the persistence of the species that inhabit ARAUCO's land, with particular emphasis on those with conservation problems (threatened and near-threatened).

In Brazil, fauna monitoring activities (birds, mammals, reptiles, and amphibians) were resumed in forestry units after the suspension of activities due to the COVID-19 pandemic. For 2022, the goals are:



CONTINUE MONITORING
**BIODIVERSITY (MAMMALIAN
FAUNA AND AVIFAUNA) IN
HCVAs;**

KNOW THE **REPTILES
AND AMPHIBIANS
(HERPETOFAUNA) THAT
EXIST IN HCVAs;**

SURVEY AND COMPARE
**FAUNA MONITORING DATA IN
PLANTATIONS AND NATIVE
FORESTS;**

CONTINUE MONITORING
AND CONTROLLING
**THREATS FROM HUNTING,
FISHING, FOREST FIRES,
AND OTHER RISKS TO
BIODIVERSITY.**

FORESTLAND PROTECTION AND FIRE PREVENTION

Rural fires represent an enormous risk with potential damage to plantations, forests and native fauna, infrastructure, industries, homes, and human lives. This risk has increased over the years because of climate change. The main factors are the decline in rainfall and the significant temperature increase.

To face this threat, the company has a powerful rural fire prevention and protection program in Chile. This program is based on three fundamental pillars: Education and Dissemination, Fuel Management, and Coordinated Reaction. In addition, the company works together and collaboratively with other institutions and organizations, both public and private, understanding that fires have no owners and affect everyone.

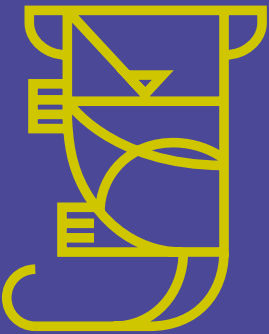
Regarding fuel management, ARAUCO has created a structural protection network throughout the territory. For example, we have generated barriers and checkpoints through protection belts in inhabited areas adjacent to plantations and industrial complexes, where a fuel-cutting band and a buffer strip (planting with preventive silvicultural actions) are annually maintained. In addition, forestland protection conglomerates aim to reduce propagation and facilitate firefighting.

Lastly, surveillance patrols are conducted on red alert days due to high temperatures, winds, and poor humidity to achieve a coordinated response. Moreover, community crews have been assembled to work in close coordination with the Fire Department, and simulation training for emergencies is being provided.

Additionally, ARAUCO seeks to address the fires with the different resources available in the area, initiating firefighting in the shortest possible time. In this way, it aims to reduce fire spread as soon as it starts.

Furthermore, ARAUCO is part of the Community Prevention Network. This organization articulates preventive work in 350 Local Prevention Committees, where neighbors, local authorities, CONAF, firefighters, police, and various companies, among others, work together in 77 of the country's communities to prevent rural fires.

IUCN
RED LIST
SPECIES
IUCN RED
LIST SPECIES












	CHILE		BRAZIL		ARGENTINA	
	 FAUNA	 FLORA	 FAUNA	 FLORA	 FAUNA	 FLORA
CRITICALLY ENDANGERED	13	7	5	1	0	1
ENDANGERED	45	21	11	14	3	2
VULNERABLE	40	16	31	11	35	0
NEARLY THREATENED	13	10	42	7	15	2
MINOR CONCERN	21	19	564	265	137	1
PROVINCIAL PROTECTION	0	0	0	0	9	7

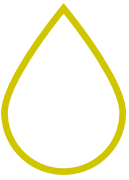
FIRE PROTECTION PLAN RESOURCES



TYPE OF RESOURCES

		arauco		
		CHILE	ARGENTINA	BRAZIL
	LOOKOUT TOWERS	136	27	14
	SURVEILLANCE AND PREVENTION STAFF	120	22	74
	FIRE CREWS	157	6	16
	N° OF FIRE FIGHTERS AND TOWER STAFF	2,000	41	155
	TRUCKS	117	2	15
	SKIDDERS	12	0	1
	AIRPLANES	12	0	0
	HELICOPTERS	24	0	2
	SUPPORTING VEHICLES	11	8	24
TOTAL BUDGET (IN US\$)		60,178,992		7,744,588

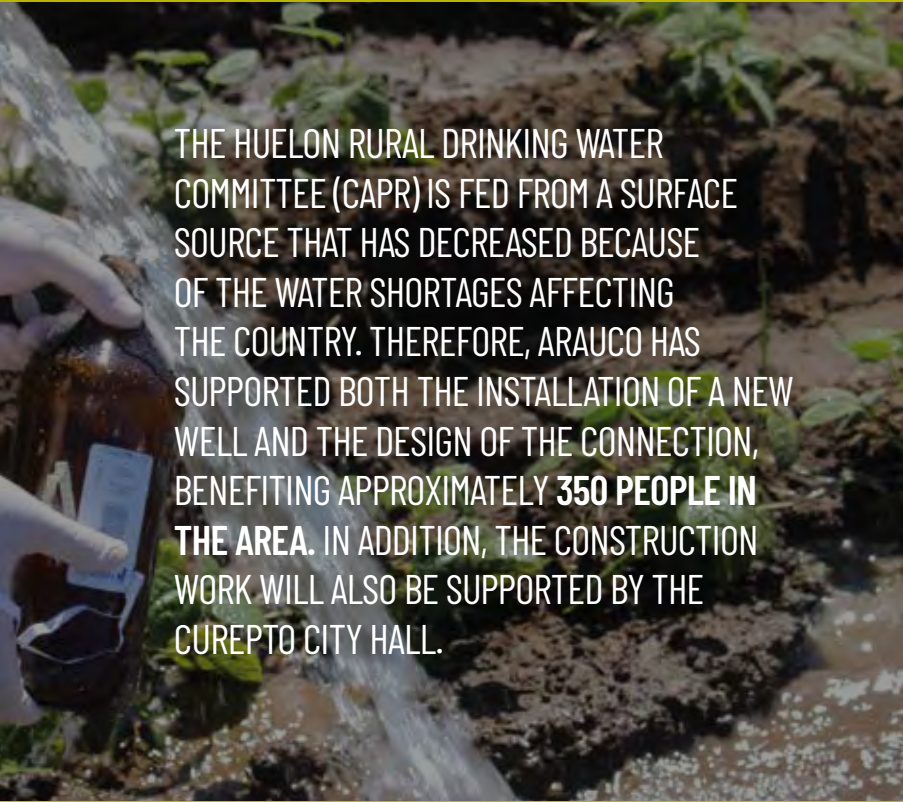
WATER MANAGEMENT



Water is an essential element for the life of the planet’s flora and fauna, not to mention human development. In the face of climate change, there is a growing global awareness of the importance of sustainable water management.

When discussing water management, it is essential to mention that forests and plantations have beneficial effects on the hydrological cycle. Forest and plantations help retain moisture, reduce soil loss, regulate water temperature in riverbeds, promote osmosis, and improve water quality to provide better drinking water. For seven years, ARAUCO has been developing a water management strategy in Chile called Desafío Agua (Water Challenge), involving projects of different scales.

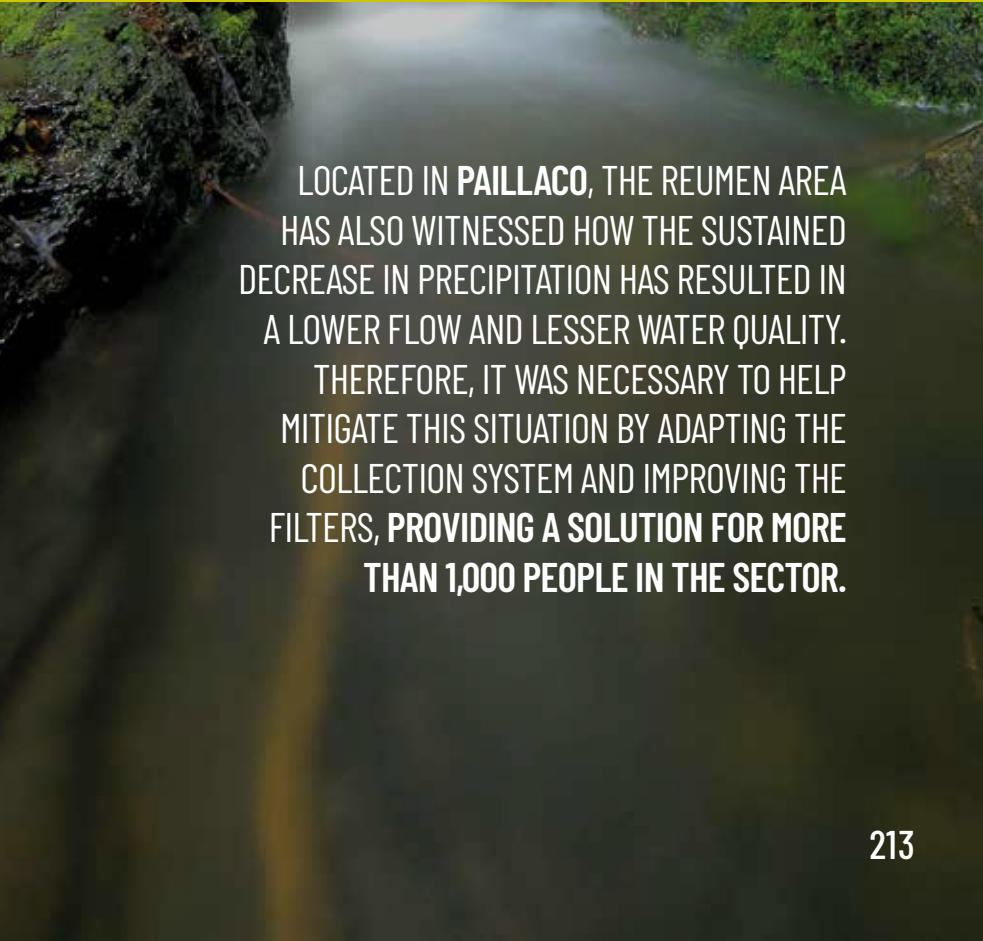
LEARN ABOUT SOME OF THE PROJECTS UNDERTAKEN BY THE **WATER CHALLENGE IN CHILE** DURING 2021.



THE HUELON RURAL DRINKING WATER COMMITTEE (CAPR) IS FED FROM A SURFACE SOURCE THAT HAS DECREASED BECAUSE OF THE WATER SHORTAGES AFFECTING THE COUNTRY. THEREFORE, ARAUCO HAS SUPPORTED BOTH THE INSTALLATION OF A NEW WELL AND THE DESIGN OF THE CONNECTION, BENEFITING APPROXIMATELY **350 PEOPLE IN THE AREA**. IN ADDITION, THE CONSTRUCTION WORK WILL ALSO BE SUPPORTED BY THE CUREPTO CITY HALL.

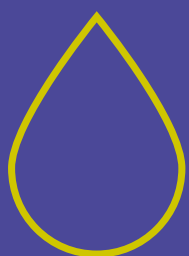
THE **NUEVA ALDEA** COMMUNITY HAS ASKED ARAUCO, THE CITY HALL, AND THE WATERWORKS DEPARTMENT OF ÑUBLE TO SUPPORT THE BOARD’S EFFORTS TO UPGRADE ITS DRINKING WATER SYSTEM, **IMPROVING THE QUALITY OF LIFE OF 150 PEOPLE**.

THE **SANTA ROSA DE LEBU** CAPR IS ONE OF MORE THAN 1,000 SYSTEMS BEING DEVELOPED IN THE CONTEXT OF ARAUCO’S HERITAGE. THE COMPANY HAS PUT ITSELF AT THE SERVICE OF THE COMMUNITY TO PROVIDE THEM WITH THE NECESSARY SERVICES AND BENEFICIAL INTERESTS, SO, THROUGH **THE BIOBÍO WATERWORKS DEPARTMENT**, THE GOVERNMENT CAN ALLOCATE THE REQUIRED AMOUNTS FOR THE CONSTRUCTION OF THESE PROJECTS. THE RESOURCES WILL BE PROVIDED DURING 2022 FOR **MORE THAN \$1,5 MILLION, BENEFITING CLOSE TO 1,800 PEOPLE**.



LOCATED IN **PAILLACO**, THE REUMEN AREA HAS ALSO WITNESSED HOW THE SUSTAINED DECREASE IN PRECIPITATION HAS RESULTED IN A LOWER FLOW AND LESSER WATER QUALITY. THEREFORE, IT WAS NECESSARY TO HELP MITIGATE THIS SITUATION BY ADAPTING THE COLLECTION SYSTEM AND IMPROVING THE FILTERS, **PROVIDING A SOLUTION FOR MORE THAN 1,000 PEOPLE IN THE SECTOR**.

MILESTONES WATER MANAGEMENT 2021



THE FIRST TRAINING WORKSHOP WAS HELD IN THE CONSTITUCIÓN AREA OF CHILE, OPEN TO THE EMPEDRADO NEIGHBORS TO LEARN HOW TO DEVELOP RAINWATER HARVESTING SOLUTIONS. THIS WORKSHOP BROUGHT TOGETHER **25 NEW INSTRUCTORS** WHO WERE TRAINED TO TAKE THIS KNOWLEDGE TO THEIR COMMUNITIES AND IMPLEMENT THE TECHNIQUES LEARNED.



IN CHILE, WE SUPPORTED **25 NEW COMMUNITIES** WITH PROJECTS OF DIFFERENT SCALES, INCLUDING THE HUELON RURAL DRINKING WATER COMMITTEE (CAPR), THE CAPR NUEVA ALDEA, CAPR DE SANTA ROSA DE LEBU, AND THE CAPR DE REUMEN.

THE PRESENTATION OF THE **WATER CHALLENGE PROGRAM** AT THE WATER CONGRESS 2021 ALLOWED ARAUCO'S WATER STRATEGY IN CHILE TO BE SHARED WITH ACADEMIA AND OTHER PRODUCTIVE SECTOR LEADERS.

FOR THE SECOND CONSECUTIVE YEAR, **ARAUCO PARTICIPATED IN THE TECHNICAL COMMITTEE OF THE GEF COASTAL WETLANDS PROJECT**, AN INVITATION EXTENDED BY THE MINISTRY OF THE ENVIRONMENT FOCUSING ON THE ROCUANT ANDALIÉN WETLAND.

CLOSURE OF THE VOLUNTARY WATERSHED MANAGEMENT AGREEMENT IN RANQUIL, AN INITIATIVE PROMOTED BY THE SUSTAINABILITY AND CLIMATE CHANGE AGENCY (ASCC). **FOR FIVE YEARS, ARAUCO WORKED WITH OTHER PUBLIC AND PRIVATE ORGANIZATIONS** ON THE GOVERNANCE AND DEVELOPMENT OF INITIATIVES SUCH AS THE CREATION OF THE FIRST COMMUNITY UNION OF RURAL DRINKING WATER COMMITTEES, WATER QUALITY ANALYSIS, SUPPORT FOR THE GENERATION OF ENGINEERING DESIGNS, AND THE EXECUTION OF WORKS FOR THESE COMMITTEES, AND TRAINING.



AS PART OF THE TRAINING PROGRAM FOR WATER AND SOIL MONITORS, THE TRAINED MONITORS IN THE **CHILLÁN AREA** CONTINUED TO DEVELOP **NEARLY 40 NEW INDIVIDUAL PROJECTS**.

TO COMPLY WITH THE DECREES ISSUED BY THE GENERAL WATER MANAGEMENT, WE BEGAN INSTALLING THE SYSTEMS REQUIRED BY THE AUTHORITY FOR **THE CENTRALIZED MONITORING OF GROUNDWATER WITHDRAWALS**. IN THE FORESTRY AREA, THESE DECREES APPLIED TO **BIOFOREST'S CAMPS AND OFFICES**.



AS PART OF THE AUDUBON/CODEFF PROJECT, **"PROTECTION AND RESTORATION OF CRITICAL SITES FOR MIGRATORY SHOREBIRDS IN THE BIODIVERSITY HOTSPOT OF SOUTH-CENTRAL CHILE" (PAC-HRA)**, THE PLAYA NEGRA PROPERTY IN PENCO WAS OFFERED FOR AN ENVIRONMENTAL EDUCATION WORKSHOP OPEN TO CHILDREN FROM THE CONCEPCIÓN AREA.

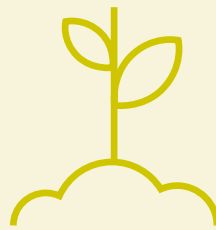
BRASIL

IN BRAZIL, WE HAVE STANDARDIZED THE **HYDROLOGICAL MONITORING SYSTEM** ADOPTED BETWEEN PARANÁ, AND MATO GROSSO DO SUL, WHICH PREVIOUSLY HAD DIFFERENT METHODOLOGIES, AND THE WATER MONITORING PROCESS HAS BEEN INCORPORATED.

WE ARE IMPLEMENTING A NEW HYDROLOGICAL MONITORING MODEL IN ARAUCO'S AREAS OF PARANÁ, AND MATO GROSSO DO SUL IN BRAZIL. THIS NEW MODEL WILL ALLOW US TO COMPARE WATER QUALITY AND QUANTITY RESULTS IN AREAS WITH DIFFERENT LAND USES (COMMERCIAL PLANTATIONS AND NATIVE VEGETATION) AND THUS VERIFY HOW THE COMPANY'S MANAGEMENT MAY OR MAY NOT INFLUENCE LOCAL WATER RESOURCES.



SOIL MANAGEMENT



Forest soils are ARAUCO's most valuable resource and a significant carbon retainer. As they accumulate water and nutrients, they are the basis for the development and growth of the company's plantations and the productivity of the sites. In addition, having a vegetative cover, whether plantation or native forest, helps to generate foliage and root cover that protects forest soils from erosion.

ARAUCO is aware of the importance of soils and avoids leaving them uncovered after a forestry harvest for an extended period. Therefore, site preparation and establishment activities are undertaken promptly after the harvest.

The company uses the best silvicultural practices in all its operations, intending to prevent and/or mitigate significant impacts and preserve the soil's own characteristics to maintain and/or improve productivity.

For example, in Brazil, there is a hazardous and non-hazardous waste management plan that includes storage and disposal guidelines. The principal hazardous wastes generated in the production process (harvesting, forestry, and mechanical maintenance) are soil and other solids contaminated with oil and grease, as well as used oil. The soil and solids are destined for the co-processing process and the used oil for oil refining.

ENVIRONMENTAL RESEARCH

Because of their scale, as well as their species richness and biodiversity, our sites are virtual laboratories for knowledge generation and the protection of the most diverse species and ecosystem services.

It is essential to know, through scientific research, what effect this area has on the environment. Therefore, it is crucial to monitor that the renewable products that originate from the plantations positively impact their place of origin.

Critical elements to research are plantation effects on water, biodiversity, carbon, and soil. In addition, such research is more valuable if done with scientists from other institutions, seeking synergies that originate from sharing data, research, and addressing fundamental questions.

By sharing its research, more stakeholders learn about the sustainable forest management practices that the Company is implementing, building confidence in the industry. In addition, disseminating research and existing knowledge within the Company allows each of its employees to be part of the challenge that plantations and ARAUCO face in fighting climate change by capturing carbon from the atmosphere and transforming it into products that replace other polluting alternatives. Furthermore, it contributes to providing water to communities and preserving native species and ecosystems for future generations.



MAIN RESEARCH AREAS



POPULATION ECOLOGY OF BIRDS IN THE **WETLAND OF THE CARAMPANGUE RIVER U DE CHILE.**



ECOSYSTEM STUDIES OF THE LARAQUETE ESTUARY: **ZOOPLANKTON BIODIVERSITY, HEALTH CONDITION, AND SEAWATER INTRUSION DYNAMICS. UDEC.**

THE INTERACTION OF THE RIVER AND THE CARAMPANGUE WETLAND. **UDEC**



VALIDATION OF ENVIRONMENTAL RANGES IN VEGETATIONAL FORMATIONS OF THE **CARAMPANGUE WETLAND. PUC.**

EXPERIMENTAL **AQUACULTURE INCORPORATION OF JAPANESE OYSTERS (CRASSOSTREA GIGAS) AND NORTHERN OYSTERS (ARGOPECTEN PURPURATUS)** FOR THE PRODUCTIVE DIVERSIFICATION OF AMERB 1 OF THE LARAQUETE CREEK DIVERS UNION. **UDEC.**



OCEANOGRAPHIC FORCING OF MARINE SPECIES STRANDING IN **THE ARAUCO GULF - ANALYSIS AND FORMULATION OF A RISK INDEX. UDEC.**

CONSULTING AND FACILITATION FOR THE GENERATION OF THE MANAGEMENT PLAN FOR THE ARAUCO-DESEMBOCADURA **CARAMPANGUE RIVER WETLAND NATURE SANCTUARY. UDEC**



EMPOWERING **LOCAL SOCIO-ENVIRONMENTAL** MANAGEMENT OF THE PREGA, 2021. **UDEC.**

SPATIAL AND TEMPORAL VARIABILITY OF THE **SUBTIDAL BENTHIC BIODIVERSITY** IN THE AREA ADJACENT TO THE ARAUCO PLANT OUTFALL: FINAL PHASE YEAR 2021. **UDEC.**



EXPANSION OF ARTIFICIAL REEF UNITS IN THE AMERB OF THE INDEPENDENT **FISHERS' UNION OF CALETA ARAUCO. UDEC.**



HARMFUL ALGAL BLOOMS: CAUSES AND CONTINGENCY PROTOCOL. **UDEC.**

CIRCULATION AND MIXING IN THE ARAUCO GULF: **THE ROLE OF METEOROLOGICAL AND REMOTE FORCING. UDEC.**

INDUSTRIAL ENVIRONMENTAL MANAGEMENT

Environmental management in industrial processes is a vital issue for ARAUCO, focusing its efforts on environmental monitoring, management, continuous improvement, and compliance with environmental regulations, especially in the areas of odors, liquid waste, atmospheric emissions, and solid waste. The Company has also set itself the challenge of moving towards a preventive culture, where environmental issues are part of the planning at all levels of the organization and optimizing compliance with operational criteria by continually improving environmental standards.

IN 2021, THE COMPANY INVESTED **US\$ 55.3** MILLION IN ENVIRONMENTAL PROJECTS, INCLUDING IMPROVEMENTS TO THE ODOR AND EFFLUENT MITIGATION SYSTEM.



ENVIRONMENTAL MONITORING

All ARAUCO facilities have environmental indicators associated with the consumption of inputs and materials, the generation of solid and liquid waste, and water and energy consumption, among others. In addition, effluents and emissions are continuously monitored, and the quality of several matrices, such as air, soil, and water, are analyzed to ensure compliance with environmental commitments and appropriate environmental oversight.

The pulp mills have monitoring, surveillance, and/or environmental research programs to ensure appropriate tracking of the quality of the bodies that receive effluents, both fluvial and marine. These programs are executed according to the frequency and deadlines previously established by the environmental authority. The monitoring results and specific environmental information, as shown in the respective environmental qualification resolutions (RCA), are available to the environmental authorities. Environmental monitoring and surveillance are also conducted at the timber business plants.

Additionally, the company’s monitoring and research activities are strengthened by incorporating the opinion of third-party experts who contribute complementary background information regarding the company’s ecosystem. Such is the case of the public-private roundtable developed with fishermen in areas next to Nueva Aldea’s underwater outlet pipe and the Carampangue wetland in ARAUCO, Chile, and the monitoring program for the Cruces river wetland in Valdivia led by Universidad Austral de Chile.

MILESTONES 2021 INDUSTRIAL ENVIRONMENTAL MANAGEMENT



IN CHILE, THE VIÑALES COMPLEX HAS AN EMISSIONS REDUCTION PROJECT CERTIFIED UNDER THE VCS STANDARD THAT **CAN REDUCE 223,000 TCO2E PER YEAR.**



WE OBTAINED **FSC CHAIN-OF-CUSTODY** CERTIFICATION IN MULTISITE MODE, INCLUDING THE **FIVE PULP MILLS IN CHILE, THE HEAD OFFICE, AND SALES MANAGEMENT.**

WE ARE SWITCHING FROM CERTFOR TO PEFC CHAIN-OF-CUSTODY CERTIFICATES, AIMING TO WORK TOWARDS **THE PEFC INTERNATIONAL STANDARD.**



THE WASTE REVALORIZATION RATE IN THE PULP AND PAPER BUSINESS IN **CHILE AND ARGENTINA IS 55.6% AND 30%, RESPECTIVELY.**

THE PULP MILL IN ARGENTINA HAS BEGUN A PROJECT TO MANUFACTURE CERAMIC BRICKS BY **REUSING ASHES AND SODIUM CARBONATE.**



IN CHILE, SURPLUS ENERGY GENERATED DURING 2021 ACCOUNTED FOR **1% OF THE TOTAL GENERATION OF THE NATIONAL ELECTRICITY SYSTEM (SEN).**

IN CHILE, THE NUEVA ALDEA PULP MILL CREATED A WATER COMMITTEE TO COORDINATE ACTIONS AND SHORT-, MEDIUM- AND LONG-TERM **STRATEGIES TO OPTIMIZE AND REDUCE WATER CONSUMPTION.** IN ADDITION, ARAUCO'S PULP MILL HAS IMPLEMENTED PROJECTS TO REDUCE WATER CONSUMPTION AND REUSE CLEAN PROCESS WATER. AT THE VALDIVIA PULP MILL, THE FIRST STEPS ARE BEING TAKEN TO REUSE EFFLUENTS FOR IRRIGATION (EDR) AND REDUCE WATER CONSUMPTION.



WE COMPLETED THE TRAINING AND ENVIRONMENTAL EDUCATION PROGRAM FOR OPERATORS AND MAINTENANCE PERSONNEL OF THE **EFFLUENT TREATMENT PLANTS.**

WE HAVE DEVELOPED A SERIES OF **INITIATIVES TO REDUCE EFFLUENT** DIVERSIONS TO SPILL OR EMERGENCY LAGOONS.

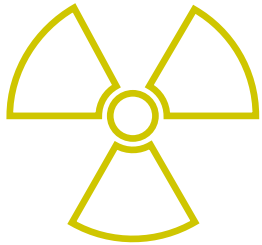
AT THE LICANCEL PLANT, WE CONDUCTED A PILOT PLANTATION IRRIGATION SYSTEM USING TREATED EFFLUENT AND EFFLUENT RECIRCULATION. IN ADDITION, RESEARCH PROJECTS ARE BEING DEVELOPED TO MOVE FORWARD IN THE REUSE OF EFFLUENTS AND PLANTATION IRRIGATION USING TREATED EFFLUENT AT OTHER PULP MILLS.

WE DEVELOPED A PROGRAM OF **ENVIRONMENTAL TRAINING FOR OPERATORS AND MAINTENANCE WORKERS**, AIMING TO PROGRESS IN A WORKERS' CULTURAL CHANGE, ENCOURAGING THE INCORPORATION OF ENVIRONMENTAL ISSUES IN DECISION-MAKING IN PROCESSES AND MAINTENANCE ACTIVITIES IN THE AREAS.

THE IMPLEMENTATION OF **ABC AND 123 PRACTICES** CONSISTS OF MANAGEMENT TOOLS THAT SEEK TO INCORPORATE, IN THE PLANT'S ACTIVITY PLANNING, THE IDENTIFICATION OF POTENTIAL INCIDENTS OR ENVIRONMENTAL EVENTS THAT COULD OCCUR TO ADEQUATELY CONTROL THE RISKS OF THEIR OCCURRENCE.



WASTE MANAGEMENT



As announced in the COP26 commitments, one of the Company’s strategic priorities is waste reduction and management, in addition to reuse and recycling for later use in other types of products.

Waste generated by industrial plants can be hazardous or non-hazardous. The removal, transportation, and disposal of hazardous waste are performed by specialized and authorized companies and are reported to the authorities for compliance with regulations.

In the Pulp business, ARAUCO evaluates its non-hazardous industrial waste through different transformation processes. The result is a product that can be used in various production processes, such as the manufacture of cast concrete and cement, soil and PH improver at forestry and farming sites, and the production of fertilizers and micro fertilizers.

Regarding hazardous waste, the main initiative is the valuation of waste oil, which is transformed into alternative fuel for boilers and others. In addition, the wood products business segment has outlined a strategy to increase the percentage of recycling and reuse while reducing the amount of waste that goes to the final disposal. To this end, the Company is developing a treatment process for co-processing or revaluating non-recyclable waste.

To move towards a circular economy, the pulp and paper business is working to increase the percentage of reuse of non-hazardous industrial waste to a target of 100% reuse by 2030. This is relevant as it contributes to reducing the final waste disposal, increasing the useful life of deposits, and making the most of the resources in such waste. In the case of the wood business, we are working on evaluating bark (organic waste) from our production processes.

ENERGY MANAGEMENT

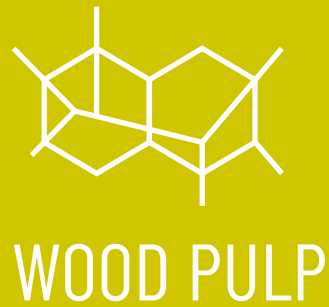
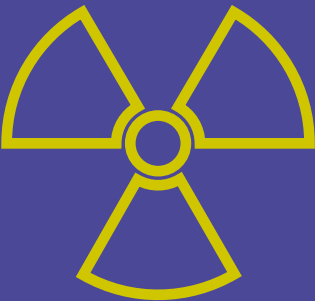
ARAUCO embraces the global challenge of achieving at least 70% renewable energy sources by 2030 and is aware of the importance of optimizing and making energy consumption more efficient in its processes.

For over 20 years, the Company has been contributing to the decarbonization of the energy matrix by generating non-conventional renewable energy (NCRE) from biomass and inorganic compounds recovered from its processes. ARAUCO is one of the main NCRE generators in Chile and transfers its surpluses to the electricity systems of the different countries where it has an industry.

The Company is currently working to achieve greater efficiency in its processes to reduce energy consumption and improve its environmental performance.



HAZARDOUS
WASTE AND
NON-HAZARDOUS

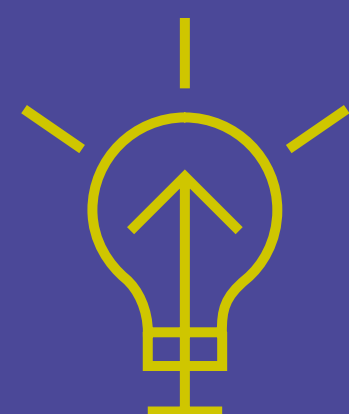


TIMBER



HAZARDOUS WASTE	1,205	1,348	1,049
NON-HAZARDOUS WASTE	349,385	442,810	392,945
HAZARDOUS WASTE	988	747	867
NON-HAZARDOUS WASTE	57,665	37,685	62,801

PULP ENERGY CONSUMPTION IN KWH



CHILE

ARGENTINA

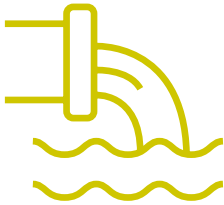
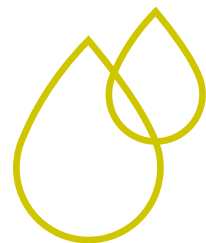


	2019	2020	2021
FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES (IN GJ)	6,611,738	6,187,954	6,332,013
FUEL CONSUMPTION FROM RENEWABLE SOURCES (IN GJ)	73,268,954	71,946,727	73,862,777
GJ ENERGY PURCHASES FOR ELECTRICITY, HEAT, COOLING, AND STEAM	269,176	160,083	123,769
GJ ENERGY GENERATION FOR ELECTRICITY, HEAT, COOLING, AND STEAM, AND NOT CONSUMED	8,733,556	9,416,493	9,277,664
GJ ENERGY SALES FOR ELECTRICITY, HEAT, COOLING, AND STEAM	1,627,945	1,738,696	1,826,655
TOTAL ENERGY CONSUMPTION [GJ]	90,300,783	89,449,953	91,422,878
TOTAL ENERGY CONSUMPTION COSTS (IN US\$)	6,080,050		
FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES (IN GJ)	738,322	419,071	403,733
FUEL CONSUMPTION FROM RENEWABLE SOURCES (GJ)	10,122,997	862,055	856,698
GJ ENERGY PURCHASES FOR ELECTRICITY, HEAT, COOLING, AND STEAM	226,962	282,065	252,705
GJ ENERGY GENERATION FOR ELECTRICITY, HEAT, COOLING, AND STEAM, AND NOT CONSUMED	908,507	0	0
GJ ENERGY SALES FOR ELECTRICITY, HEAT, COOLING, AND STEAM	0	0	0
TOTAL ENERGY CONSUMPTION [GJ]	11,996,789	1,563,191	1,513,136

WATER CONSUMPTION

In a scenario of climate change, where Latin America is among the regions most affected by water shortages, the continuous improvement and efficient use of water is a priority for ARAUCO. For this purpose, the Company has a system of constant monitoring of the resource in the basins that constitute sources of water supply while conducting studies to understand the effects of climate change in these basins and implementing initiatives to maximize the efficient use of the resource.

The Company is currently working on several projects, such as the pilot irrigation and recirculation plan implemented at the Licancel Plant, to maintain operational continuity given the water shortage caused by the condition of the Mataquito River.



EFFLUENTS

The effluent management resulting from the industrial plants is another relevant aspect of ARAUCO. Effluents are appropriately treated and permanently monitored to ensure the emission levels that are defined and regulated by specific environmental norms. All of these efforts are complemented by scientific research programs.

These programs are associated with sampling and measuring environmental variables using the authority's recognized laboratories. In addition, through operational improvements at the industrial plants, we seek to strengthen and increase the reliability of the plants' control systems to ensure the containment of possible spills and prevent them from reaching the effluent treatment system. Thus, ensuring the stability of the treatment systems and improving their environmental performance.

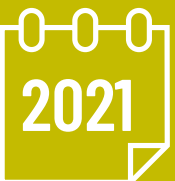
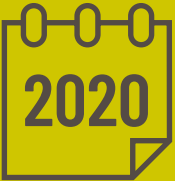
All pulp mills include primary and secondary treatment for their liquid effluents. Two pulp mills additionally incorporate tertiary treatment: Valdivia, permanently, and Nueva Aldea, when the effluent is discharged into the river and not into the sea. Plants in the wood products business segment also treat their wastewater, whether in wood pulp mill systems or their own, such as biological reactors, activated sludge, sedimentation tanks, and/or equalization basin, to be discharged into the system or disposed of appropriately. For example, Teno Mill and El Colorado Sawmill have physical-chemical treatment systems that include recirculation and zero discharge.

No spills that have generated significant impacts on watercourses or natural habitats were recorded during 2021.

WATER
CONSUMPTION



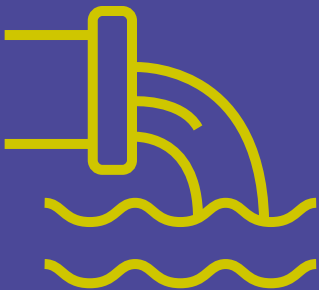
WOOD PULP



M³ EXTRAÍDOS
DE UNA ZONA DE
ESTRÉS HÍDRICO

EXTRACTION: TOTAL MUNICIPAL WATER SUPPLIES (OR OTHER WATER SERVICES)	0	0	0	0
(B) EXTRACTION: FRESH SURFACE WATER (LAKES, RIVERS, ETC.)	151.8	157.4	152.2	0
(C) EXTRACTION: FRESH GROUNDWATER	1.6	0.1	0.0484	0
(D) EXTRACTION: SEAWATER	0	0		
(E) DISCHARGE: WATER RETURNED TO THE EXTRACTION SOURCE WITH A QUALITY SIMILAR TO OR HIGHER THAN THE QUALITY OF THE RAW WATER EXTRACTED (ONLY APPLIES TO A, B, C, AND D).	0	0		
WOOD PULP TOTAL NET WATER CONSUMPTION	153.4	157.5	152.2	0



EFFLUENT
DISCHARGES
ACCORDING TO
DESTINATION



WOOD PULP
DISCHARGES BY
DESTINATION

	M³ TOTAL DISCHARGE	M³ DISCHARGES IN WATER-STRESSED AREAS
SURFACE WATER (RIVERS)	42,235,326	0
GROUNDWATER	0	0
SEA WATER	94,875,962	0
THIRD-PARTY WATER (IF APPLICABLE)	0	0
TOTAL	137,111,288	0

WASTEWATER
(MILLION M³)

	2019	2020	2021
 WOOD PULP	131.6	137.9	137.1
 TIMBER	4,5	3,9	2,5

AIR EMISSIONS AND ODORS



ARAUCO continuously monitors TRS gas emissions from its pulp mills and maintains operational control to minimize odor events associated with these gases, thus fully complying with the emission standards established by current regulations and environmental qualification resolutions for each mill. In addition, atmospheric emissions of particulate matter are controlled through mitigation equipment such as gas scrubbers and electrostatic precipitators, with an efficiency close to 100%.

In addition, emissions in the wood plants, in the sawing and remanufacturing processes, are minimized by employing bag filters, which collect sawdust to be used as biomass fuel. In addition, as part of the Company's investment plan, significant investments continue to be made, either to improve the performance of emission abatement equipment or to install new equipment, such as a new electrostatic precipitator for recovery boiler two at ARAUCO's pulp mill in Chile.

In this sense, the goal is to optimize production and combustion processes to minimize atmospheric emissions. Special attention has been paid to abatement systems through rigorous control, internal reporting, and analysis of the failure causes of these control systems, to address them in a timely and appropriate manner and prevent their recurrence.

In 2022, a series of projects for improvement will be addressed, such as adjustments in emission control logic, and interventions in electrostatic precipitator discharge dredges, among other initiatives. In terms of odors, the objective is to avoid generating odor emissions that could affect the quality of life of the communities neighboring the pulp mills and to reduce further the number of TRS gas vents, whether concentrated or diluted.

ENVIRONMENTAL RESEARCH



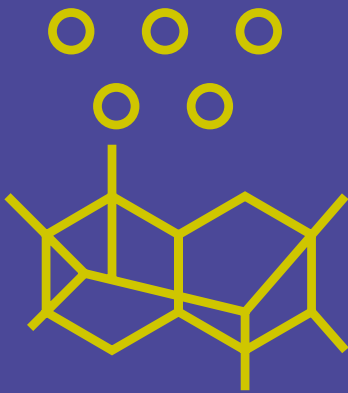
ARAUCO maintains permanent Environmental Monitoring Programs to contribute to knowledge and address the challenges posed by climate change and its impact on communities.

We understand that promoting scientific research in the natural environments where we are present and where we are users of the ecosystem services, they offer, builds trust and reaffirms the Company's commitment to the environment of its operations for the community.




Along these lines, it is essential to highlight that some of them are voluntary commitments (PREGA, PIMEX, Monitoring of the Cruces River Wetland) conducted by universities and/or university consortiums, ensuring that the results identified are interpreted adequately and according to the quality required by the authority. On the other hand, this associativity guarantees the quality of results. Furthermore, it increases the scientific knowledge of the ecosystems where they operate and transfers relevant scientific and technological knowledge to the communities, thus becoming essential community management tools that help improve environmental management and decision-making.

Moreover, the experience shows that regardless of whether the authority requires the studies, the synergy with research projects has improved the understanding of natural phenomena concomitant with industrial activity such as climate change, especially in the marine environment. In others, the coexistence of industrial and small-scale production activity in the same receiving body environments has been recorded.

ATMOSPHERIC EMISSIONS
WOOD PULP



CHILE

			
NOX (NO ₂)	7,164.25	7,070.9	6,958.0
SOX (SO ₂)	2,719.96	3,300.9	3,250.2
MP	2,293.73	1,664.9	1,818.1
TRS (S)	24.53	30.1	32.0

MAIN LINES OF WORK



UNIVERSIDAD DE CONCEPCIÓN, PIMEX, A MARINE RESEARCH PROGRAM OF EXCELLENCE. THE PIMIEX PROGRAM DEVELOPS DIFFERENT RESEARCH AREAS ASSOCIATED WITH STUDYING MARINE FAUNA BIODIVERSITY.



PREGA IS A RESEARCH PROGRAM FOR THE ECOSYSTEMIC RESEARCH OF THE ARAUCO GULF. THE PREGA PROGRAM DEVELOPS DIFFERENT PROJECTS IN THE MARINE AND ESTUARINE ECOSYSTEM. THE UNIVERSIDAD DE CONCEPCIÓN, THE UNIVERSIDAD DE CHILE AND THE PONTIFICIA UNIVERSIDAD CATÓLICA DE CHILE ARE PART OF PREGA.



THE CONSORTIUM UNIVERSIDAD AUSTRAL DE VALDIVIA AND UNIVERSIDAD DE CONCEPCIÓN ARE INVOLVED IN THE DEVELOPMENT OF ENVIRONMENTAL MONITORING RESEARCH OF THE WETLANDS OF THE CRUCES RIVER AND TRIBUTARY RIVERS.



08

SCOPE

SCOPE

For the fourteenth consecutive year, ARAUCO publishes its Sustainability Report, considering information between January 1 and December 31, 2021, regarding its economic, social, and environmental performance, using the G4 Essential of the Global Reporting Initiative (GRI).

In addition, the report provides an account of the communication in progress as part of the company’s commitment to the Global Pact and the Sustainable Development Goals.

Consolidated information regarding the industrial and forestry operations of Chile, Argentina, Brazil, Mexico, the United States, and Canada was reviewed, compiled, and presented to prepare this document. The performance of Montes del Plata and SONAE ARAUCO operations are excluded because this report only covers partnerships in which the company exercises control; however, processes and projects of Montes del Plata and SONAE ARAUCO are described when appropriate.

GRI recommendations were followed in data measurement techniques and calculations to present social and environmental information. In financial matters, the company used internationally accepted accounting standards such as the International Financial and Reporting Standards (IFRS). This information is presented in US dollars and was calculated using the average dollar value for the reporting period.

This report was prepared following the GRI Standards Core option. The company did not hire an external body to validate this report.

CONTENT DEFINITION

To prepare this report and define topics, a systematic review was made of the Company’s strategy, as expressed through corporate presentations and articles published in internal media and complemented with the organizational climate survey.

As sources of information for external audiences, the Company reviewed topics surveyed by its stakeholders, mainly through ARAUCO’s Local Reputation Index (Inre-la), articles in print, digital media, and social networks.

Through this consultation and review process, it was possible to distinguish several relevant aspects for different stakeholders, which were grouped around nine major themes, which are addressed in depth.

TOPICS IDENTIFIED:

 <p>GLOBALIZATION AND EFFICIENCY</p>	 <p>CLIMATE CHANGE</p>	 <p>EMPLOYMENT</p>
 <p>WASTES</p>	 <p>WATER</p>	 <p>TRAINING</p>
 <p>ENGAGEMENT AND DIALOGUE</p>	 <p>WILDFIRE PROTECTION</p>	 <p>SAFETY</p>

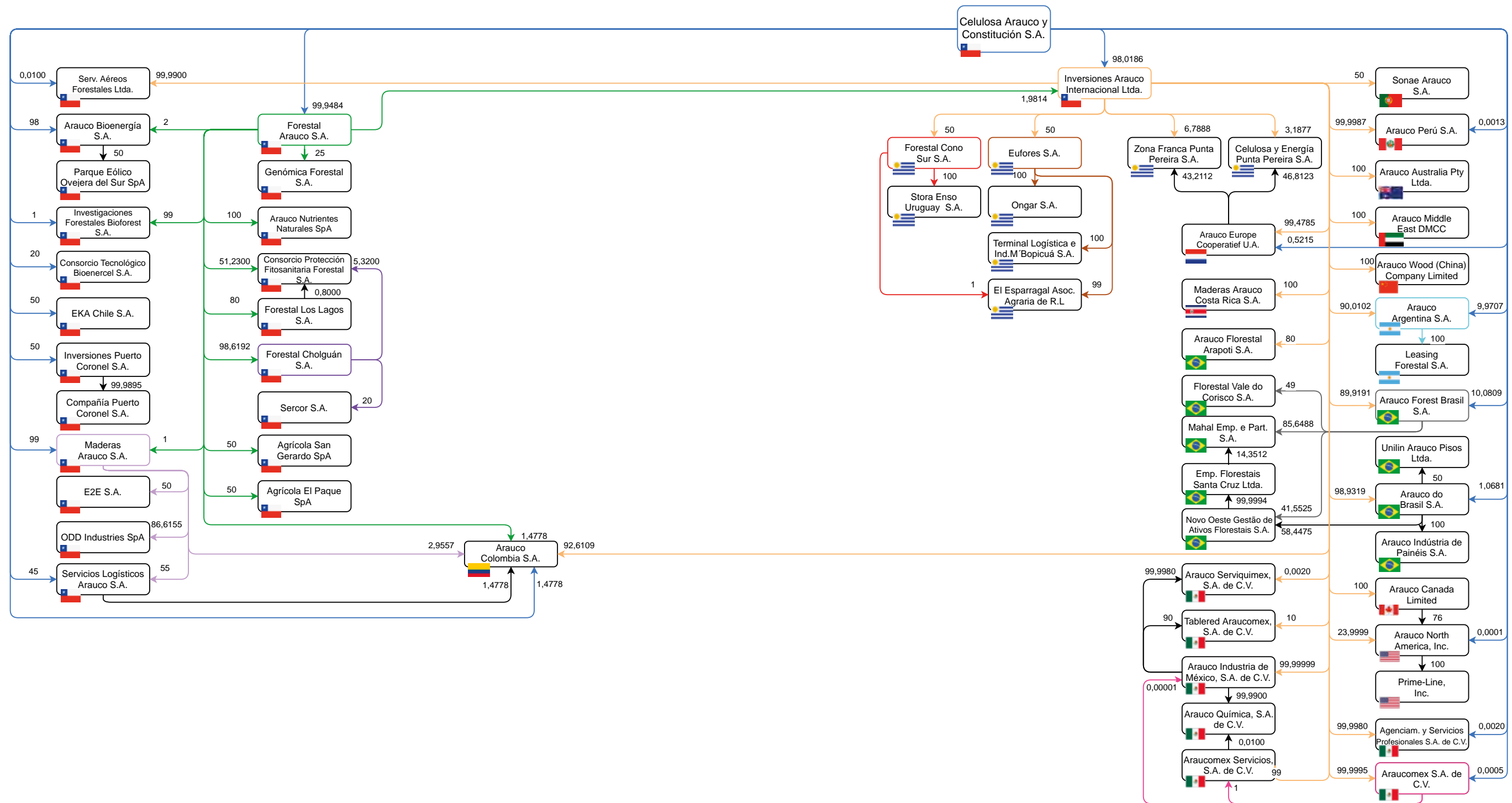


09

APPENDIXES

SHAREHOLDING & SUBSIDIARIES

BY 12/31/2021



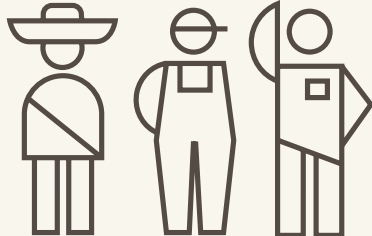
MEMBERSHIP AND NETWORKS

ARGENTINA

- Argentina Green Building Council (AGB) **www.argentinagbc.org.ar**
- Asociación Forestal Argentina (AFOA) **www.afoa.org.ar**
- Asociación de Fabricantes de Celulosa y Papel, Argentina (AFCP) **www.afcparg.org.ar**
- Federación Argentina de la Industria de la Madera y Afines (FAIMA) **www.faima.org.ar**
- Cámara Argentina de la Industria de la Madera Aglomerada (CAIMA)
- Cámara Argentina de Aserraderos de Maderas, Depósitos y Afines **www.cadamda.org.ar**
- Cámara de Comercio Argentino Chilena UIA - Unión Industrial Argentina
- Centro de Investigaciones del Bosque Atlántico (CEIBA) **www.ceiba.org.ar**
- Instituto de Biología Subtropical (IBS)
- Centro de Investigación y Experimentación Forestal (CIEF)
- Instituto de Pesquisas e Estudos Florestais (IPEF)
- CAMCORE Cooperative - Cooperativa de Mejoramiento Genético y Silvicultura
- Instituto Nacional de Tecnología Agropecuaria (INTA)
- Consorcio de Protección Forestal Iguazú
- FSC® Internacional, miembro de la Cámara Económica Sur
- Facultad de Ciencias Forestales de la Universidad Nacional de Misiones
- Facultad de Ciencias Exactas Químicas y Naturales (UNaM)
- Facultad de Ciencias Exactas y Naturales de la Universidad de Buenos Aires



- Fundación Temaikén **www.temaiken.com.ar**
- Cuerpo de Guardaparques del Ministerio de Ecología de la Provincia de Misiones
- Fundación Vivienda Digna
- Una Nochebuena para Todos
- Fundación Mediterránea
- Fundación Vida Silvestre Argentina
- Reserva Yaguaroundí
- Reserva Curindy
- Administración de Parques Nacionales
- Aves Argentinas-Asociación Ornitológica de La Plata Guira Oga
- Asociación Amigos de Guapoy
- Unión Argentina de Trabajadores Rurales y Estibadores **www.uatre.org.ar**
- Comité de Cuenca Hídricas del Arroyo Tabay
- Comité de Cuenca Hídricas del Arroyo Tupicúa
- Consorcio Forestal Corrientes Norte
- Asociación de Bomberos Voluntarios de Libertad
- Colegio de Ingenieros Forestales
- APF - Aglomerado Productivo Forestal Misiones y Corrientes. (Participamos en el APF a través de AFoA. Actualmente APSA aporta en un proyecto de investigación en Manejo Integrado de Plagas).
- Asociación Civil Consejo de Manejo Responsable de los Bosques y Espacios Forestales
- CEADS (Consejo Empresario Argentino para el Desarrollo Sostenible) **www.ceads.org.ar**



AUSTRALIA

- Glue Laminated Timber Association of Australia **www.gltaa.com**

BRAZIL

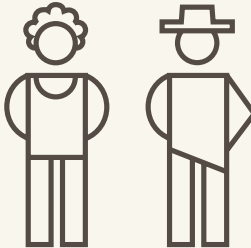
- Associação das Empresas da Cidade Industrial de Araucária **www.aeciar.com.br**
- Associação Paranaense de Empresas de Base Florestal (APRE) **www.apreflorestas.com.br**
- Associação Brasileira de Normas Técnicas **www.abnt.org.br**
- Associação de Usuários de Informática e Telecomunicações **www.sucesu.org.br**
- Associação Sul-Mato-Grossense de Produtores e Consumidores de Florestas Plantadas (REFLORE) **www.reflore.com.br**
- Diálogo Florestal Paraná – Santa Catarina **www.dialogoflorestal.org.br**
- Forest Stewardship Council (FSC®) **www.fsc.org**
- Federação dos trabalhadores nas Indústrias do Estado do Paraná
- Indústria Brasileira de Árvores (IBÁ) **www.iba.org**
- Federação da Agricultura e Pecuária do Estado do Mato Grosso do Sul – FAMASUL
- Sindicato dos Oficiais Marceneiros e Trabalhadores do Estado do Paraná – SOMPAR
- Sindicato dos Trabalhadores nas Indústrias da Extração de Madeira do Estado do Paraná – SITIEMP
- Sindicato dos Trabalhadores nas Ind. Madeiras, Moveleiras e

Similares de Jaguariáva-PR – SITIM

- Sindicato dos Oficiais Marceneiros de São José dos Pinhais – SOMSJOP
- Sindicato dos Trabalhadores nas Indústrias Químicas e Farmacêuticas do Estado do Paraná – STIQFEPAR
- Sindicato Trabalhadores Ind. Construção Civil e do Mobiliário – STICM
- Sindicato dos Oficiais Marceneiros e Trabalhadores Nas Inds. de Serrarias e de Moveis de Madeira de Ponta Grossa - Sintramadeira Pg

CHILE

- Asociación de Industriales del Centro, Región del Maule **www.asicent.cl**
- Junta de Adelanto del Maule, Región del Maule **www.juntaadelantodelmaule.cl**
- Acción Empresas **www.accionempresas.cl**
- Cámara Chilena de la Construcción de Valdivia **www.cchc.cl**
- Cámara Chileno Argentina **www.camarco.cl**
- Cámara Chileno Brasileña de Comercio **www.camarachilenobrasileña.cl**
- Cámara Chileno-Británica de Comercio **www.britcham.cl**
- Cámara Chileno-China de Comercio, Industria y Turismo **www.chicit.cl**
- Cámara Chileno Norteamericana de Comercio **www.amchamchile.cl**



- Cámara de Comercio Italiana de Chile
www.camit.cl
- Cámara de Comercio e Industria de Valdivia
www.cciv.cl
- Cámara de la Producción y del Comercio Biobío
www.cpcbiobio.cl
- Controladora de Plagas Forestales
www.cpf.cl
- Corporación de Adelanto y Desarrollo de la Provincia de Arauco
www.corparauco.cl
- Corporación Chilena de la Madera
www.corma.cl
- Corporación para el Desarrollo Productivo de La Araucanía
www.corparaucania.cl
- Corporación por el Desarrollo de Valdivia
www.codeproval.cl
- Corporación Industrial para el Desarrollo Regional del Biobío
www.cidere.cl
- Fundación Belén Educa
www.beleneduca.cl
- Fundación Integrare
www.integrare.cl
- Icare
www.icare.cl
- Red Pacto Global Chile
www.pactoglobal.cl
- Sociedad de Fomento Fabril
www.sofofa.cl
- Pontificia Universidad Católica de Chile
www.uc.cl
- Universidad de Chile, Facultad de Economía y Negocios
www.fen.uchile.cl
- Visión Valdivia
www.visionvaldivia.cl
- Asociación Gremial de Contratistas Forestales / ACOFOR AG
www.acoforag.cl
- Corporación Privada de Desarrollo de la Región del Biobío / CORBIOBIO
www.corbiobio.cl
- Instituto Regional de Administración de Empresas / IRADE
<https://irade.cl>

COLOMBIA

- Fedemaderas
www.fedemaderas.org.co
- Cámara Colombo-Chilena de Comercio
www.colombochilena.com

NORTH AMERICA

- Association of Woodworking & Furnishing Suppliers
www.awfs.org
- Composite Panel Association
www.compositepanel.org
- North American Wholesale Lumber Association
www.lumber.org **www.nawla.org**
- WMA - World Millwork Alliance
www.worldmillworkalliance.com
- North American Building Material Distribution Association
www.nbmda.org

MEXICO

- Asociación Nacional de Fabricantes de Tableros de Madera A.C.
www.anafata.com.mx
- Asociación Nacional de Importadores y Exportadores de Productos Forestales A.C.
www.imexfor.com
- Cámara Mexicana-Chilena de Comercio e Inversión
www.camaramexicanachilena.com.mx
- Cámara Nacional de la Industria de la Madera
www.cnim.mx

PERU

- Cámara Peruana de la Construcción
www.capeco.org



GRI INDEX

FOR THE ESSENTIAL OPTION OF GRI
STANDARDS AND GLOBAL AGREEMENT

GENERAL CORE CONTENTS	PAGE NUMBER	GLOBAL AGREEMENT PRINCIPLE
ORGANIZATION PROFILE		
102-1 Organization's Name	258	
102-2 Activities, brands, products and services	35-75; 88-97	P9
102-3 Location of the organization's headquarters	258	
102-4 Location of operations	12-13	
102-5 Ownership and legal form	22-33; 258	P10
102-6 Markets served	12-13;	
102-7 Size of the organization	10-13; 72-83	
102-8 Information on Employee and other worker	100-103	P1; P4; P5; P6
102-9 Supply chain	81-83	
102-10 Significant changes to the organization and its supply chain	45-83	
102-11 Precautionary Principle or Approach	186-187	P7
102-12 External initiatives	182-183	
102-13 Membership in associations	106-107; 142-144	
STRATEGY		
102-14 Statement from senior decision-makers	8-10	
102-15 Main impacts, risks, and opportunities	39-41	

GENERAL CORE CONTENTS	PAGE NUMBER	GLOBAL AGREEMENT PRINCIPLE
ETHICS AND INTEGRITY		
102-16 Values, principles, standards and norms of behavior	8-11; 34-37; 115	
STAKEHOLDER ENGAGEMENT		
102-40 Stakeholders list	176-177	
102-41 Collective bargaining agreements	129	P3
102-42 Identifying and selecting stakeholders	176-179	
102-43 Approach to stakeholders' engagement	176-181	P1; P2
102-44 Key topics and concerns raised	244-245	P2
REPORTING PRACTICES		
102-45 Entities included in the consolidated financial statements	244	
102-46 Definition of the report contents and topic boundaries	245	
102-47 List of material topics	245	
102-48 Restatements of information	244	
102-49 Changes in reporting	244	
102-50 Reporting period	244	
102-51 Date of most the recent report	244	
102-52 Reporting cycle	244	
102-53 Contact point for questions regarding the report	258	
102-54 Claims of reporting in accordance with the GRI Standards	244	
102-55 GRI content index	254-256	
102-56 External assurance	No external validation	

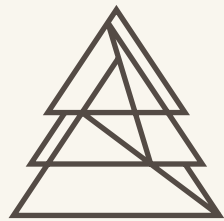
INDEX GLOBAL GRI
FOR THE ESSENTIAL OPTION OF GRI
STANDARDS AND GLOBAL AGREEMENT

STANDARD SPECIFIC CONTENTS

MATERIAL ASPECT	MANAGEMENT APPROACH AND INDICATORS	PAGE NUMBER	OMISSIONS	GLOBAL AGREEMENT PRINCIPLE
GRI 201: ECONOMIC PERFORMANCE				
	Management approach	76-83		
	201-1 Direct economic value generated and distributed	78-79		
	201-2 Financial implications and other risks and opportunities posed by climate change	39-41		P7
	201-3 Defined benefit plan obligations and other retirement plans	105		
	201-4 Financial assistance received from the government		ARAUCO does not receive financial aid from the state.	
GRI 303: WATER AND EFFLUENTS				
	Management approach	212-230		
	303-1 Interactions with water as a shared resource	212-215;230-235		
	303-2 Management of water discharge-related impacts	231;234-235		
	303-3 Water Extraction	232-233		
	303-4 Water discharge	234-235		
	303-5 Water consumption			

MATERIAL ASPECT	MANAGEMENT APPROACH AND INDICATORS	PAGE NUMBER	OMISSIONS	GLOBAL AGREEMENT PRINCIPLE
GRI 306: EFFLUENTS AND WASTE				
	Management approach	224-227; 231-235		P8
	306-1 Water discharge according to quality and destination	234-235		
	306-2 Waste by type and disposal method	226-227		
	306-3 Significant spills	231		
	306-4 Transport of hazardous waste		Not reported, as it is not material.	
GRI 401: EMPLOYMENT				
	Management approach	100-129		
	401-1 New recruitments and staff turnover	124-127		
	401-2 Benefits for full-time employees not given to part-time or temporary employees		Not reported, as it is not material.	
	401-3 Parental leave		Not reported, as it is not material.	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY				
	Management approach	132-153		
	403-1 Representation of workers on formal worker-employer health and safety committees	150-151		
	403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	142-143		
	403-3 Workers with a high incidence or high risk of diseases related to their activity	144-145		
	403-4 Health and safety issues addressed in formal agreements with labor unions	144-143		

LEGAL CONSTITUTION



Celulosa ARAUCO y Constitución S.A. was established by public deed issued on October 28, 1970, by Santiago public notary Ramón Valdivieso Sánchez, and modified by public deed on May 6, 1971, issued by Santiago notary public Sergio Rodríguez Garcés. The Chilean Securities and Insurance Superintendent (SVS) authorized the company's existence through Resolution N° 300-S, issued on August 18, 1971. Extracts of these deeds were recorded in Folio 6.431, N° 2.993 of the 1971 Commercial Register of the Real Estate Registry Office of Santiago (Santiago Land Record Office). The respective extract was also published in the Official Gazette on September 4, 1971.

- Company Name: Celulosa ARAUCO y Constitución S.A.
- Chilean Tax Identification N° (RUT): 93.458.000 -1
- Legal Address: Av. El Golf 150, piso 14, Las Condes, Santiago, Chile
- Type of Entity: Corporation
- Inscription in the Securities Register: N° 042, July 14, 1982

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A photograph of a man with a beard and short brown hair, wearing a light blue button-down shirt, holding a baby. The man is looking off to the side with a slight smile. The baby is wearing a white long-sleeved shirt. They are positioned in front of a white wooden plank wall and a white knitted blanket. A semi-transparent overlay is placed over the center of the image, divided into a yellow left half and a dark grey right half. The website address 'WWW.ARAUCO.COM' is on the yellow side, and the 'arauco' logo is on the dark grey side.

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