
**SUSTAINABILITY
CHALLENGES**

in a New Reality

**BAKKER &
VARGAS LLOSA**

Definitions

**ASTOR
PIAZZOLLA'S**

100 years

**HOW FORESTS
CAN SAVE**

Our Planet

THE FIRST YEAR OF A NEW CENTURY



OUR FIBER

OUR COMPANY

CMPC is a global enterprise that manufactures and markets fiber products derived from certified sustainable plantations and recycled materials, including wood, pulp, paper, packaging, and tissue.

This magazine has been jointly developed by the company and Softpower Connections Consulting (SPC).

Our Fiber (OF) seeks to strengthen the company's bond with each one of its stakeholders, discussing a range of industry-related topics and addressing the daily challenges we face as professionals and citizens.

We hope that you enjoy reading this issue.

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CHALLENGE WATER FOR CHILE

**71% OF RURAL AREAS IN ARAUCANÍA
DO NOT HAVE ACCESS TO DRINKING WATER.**

**DESAFÍO LEVANTEMOS CHILE AND CMPC SEEK TO TACKLE
THIS ISSUE FOR OVER 200 FAMILIES, IMPROVING THEIR
AND THEIR COMMUNITY'S DEVELOPMENT.**



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Creating
natural
value

MORE THAN A SINGLE CHALLENGE, MORE THAN A SINGLE SOLUTION.

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E D I T O R I A L

CMPC started the first year of its new century committed to get involved and lead the future in a world that has recently undergone irreversible changes. We understand that businesses are part of an ecosystem, and that the effects of their decisions go beyond their operations. That is why we aim to strike a balance between social, economic, and environmental concerns.

The challenges are the same in all the countries where CMPC operates: water availability (particularly for human consumption in rural areas), biodiversity protection, interculturalism, and the development of local capabilities to foster human fulfillment. The company's commitment to "create natural value" acknowledges the possibilities present in different territories, including natural resources, communities, staff, clients, and authorities, to name a few.

As heirs of a hundred-year-old company, we have the capability, the reputation, and the duty to plan ahead for another 100 years, leading the construction of this new reality. In this issue of OF, we reflect upon these challenges and the role businesses should play in building a more sustainable world for the coming generations.

SUSTAINABILITY CHALLENGES AFTER COVID-19

BY LUIS ALVAREZ

The worst economic crisis since the 1930s challenges governments and businesses to find a form of recovery that ensures our planet's survival. Enormous cooperation efforts will be required to balance the needs of the world economy, global society, and physical environment.



Coronavirus or COVID-19 —the deadly virus that broke out from the unknown city of Wuhan to spread around the globe— has already left a cruel trail of millions of deaths and a world sinking into the worst economic crisis since the Great Recession. It has posed colossal challenges to both governments and businesses, which strive to recover from its consequences without neglecting the goals set to preclude our planet's environmental collapse.

Everything that had been decided, written, or done concerning climate change suddenly seemed to have been put on hold amid the efforts to hold back the disease propagation through severe restrictions.

Global efforts to strengthen health systems could not prevent more than 2.6 million deaths and 120 million cases, many of which will have long-term effects.

Lockdowns brought economies to a standstill, which radically affected employment rates. In its Global Risks Report, the WEF estimated that, by Q2 2020, 495 million jobs had been lost, that is, 14% of all jobs on the planet.

For its part, the World Bank, in its Global Economic Prospects 2021, points out that the pandemic will push up to 100 million additional people into extreme poverty, while several multilateral agencies, such as the IMF, estimate that economic activity has

fallen by 3,5%, and that global recovery will only reach pre-COVID-19 levels in 2022.

When herd immunity is achieved by means of vaccination or at least restrictions can be loosened, governments and businesses will find themselves in a new world: poorer, heavily indebted, with millions of jobs lost for good, and unprecedented forms of social interaction.

In *The Age of Sustainable Development*, the economist Jeffrey Sachs states that 7.2 billion people are striving to prosper in an increasingly interconnected global economy, whose income distribution is extremely unequal.

The crisis will be at its worst during the first years after the pandemic. For this reason, the interaction of three complex systems —world economy, global society, and physical environment—, which Sachs identifies as the basis for sustainable development, will demand enormous efforts for global coordination and cooperation.

The 17 Goals for Sustainable Development should be at the core of this global cooperation, if we are to achieve its final purpose of “improving everyone's life, leaving no one behind.” These goals were set by the UN in 2015, and include, among other things, the eradication of poverty, climate change, gender equality, environmental protection, urban design, economic growth, and strong institutions.

THE DAY AFTER

The pandemic’s devastating effects will still be felt for the first half of 2021, until mass vaccinations enable us to return to a life with fewer movement restrictions. However, governments as well as businesses want to draw a few lessons out of all this.

CO2 emissions dropped by 8%, and many statespersons realized that it is possible to make greater efforts to achieve the goal of carbon neutrality by 2050.

In the sad aftermath of COVID-19, the world can still cherish some good news, such as Joe Biden’s early announcement that the US will rejoin the Paris Agreement, and make climate change a national security priority. Biden also vowed to fully replace the US government fleet with electric vehicles, and dealt fossil fuels companies a blow by suspending oil and gas leasing on public lands and waters. Other important messages were the creation of the position of Presidential Envoy for Climate—for which the former Secretary of State John Kerry was appointed—and his decision of hosting a Leaders’ Climate Summit on Earth Day (22 April), focused on major greenhouse gas emitters. The latest news on the subject pointed out that the summit will take place online.

According to The Economist, China is responsible for half of the coal consumption worldwide, and its government has charged Chinese businesses with developing clean energy technologies that outperform the existing ones. Even more, it has compelled foreign companies to use them.



“Biden also vowed to fully replace the US government fleet with electric vehicles, and dealt fossil fuels companies a blow by suspending oil and gas leasing on public lands and waters”.



In September 2020 at the UN, Xi Jin Ping promised to achieve carbon neutrality by 2060; and, three months later, set more ambitious goals for fossil fuels, renewable energy, and forest stock, vowing to reach net-zero emissions by 2030.

In February, the European Commission approved a €750 billion aid package to promote economic recovery, which specifies that 37% of investments must be linked to the green economy and 20% to surmount the challenges posed by the digital transition. On several occasions, the EU has expressed its strong commitment to policies aimed at protecting the environment. “What kind of recovery do we want for Europe? And my answer is that we must aim for a green, a digital and a fair recovery. The need for a greener economy predates the pandemic”, said Ursula von der Leyen, the President of the European Commission, at a conference in February.

Latin America produces less than 10% of global greenhouse gas emissions, although these doubled between 1998 and 2018. Climate Action Tracker—an organization that monitors the emissions of the EU and 36 other countries— asserts that the administration of the

Brazilian President Jair Bolsonaro is neglecting the urgent need of tackling climate change in his country, surmising that he has found in the pandemic the perfect excuse to eschew environmental regulations. For its part, the Mexican government suspended the commissioning of 28 wind and solar power plants, arguing that the fall in demand produced by COVID-19 has led to latency issues in the electricity supply. This decision, which will hold for an indefinite period, will discourage private investment in renewable energy and promote the use of older fossil fuel power plants.

Good prospects concerning the reduction of emissions took a turn at the end of February, when a UN report on climate change warned that only 75 of the 200 countries that had to do so updated their carbon-cutting plans, which represents 30% of emissions worldwide. This means hardly any progress at all, and is far from the goals of the Paris Agreement.

A beacon of hope is that the UN expects top emitters like the US and China to update their plans to cut greenhouse gas emissions this year, and to present them in the COP26 Climate Summit which will take place in November in Glasgow, Scotland.



Álvaro Vargas Llosa at CMPC

THE FIRST YEAR OF A NEW CENTURY

According to the international analyst Álvaro Vargas Llosa, our society is now facing three great challenges: climate change, growing populism, and unprecedented levels of debt. However, he believes all these obstacles can be surmounted.

On the occasion of its 100th anniversary, CMPC encouraged all its collaborators to get involved and lead the future in a world that has recently undergone irreversible changes. And, a year afterwards, this invitation was restated at a seminar in March: Companies should not only address their own issues, but also those of society as a whole, of which they are a part.

At the online event, speeches were given by CMPC's President, Luis Felipe Gazitúa, and its CEO, Francisco Ruiz-Tagle, and the renowned Peruvian analyst Álvaro Vargas Llosa expounded his view of the global situation.

Francisco Ruiz-Tagle pointed out that the challenges faced by CMPC in Chile are similar to those found in other countries where the company operates, namely water availability (particularly for human consumption in rural areas), biodiversity protection, interculturalism, and the development of local capabilities to foster human fulfillment. He added that "climate change is evidently a challenge we face as a species, to which our company cannot only contribute by reducing its environmental impact, but also through its sustainable products and carbon-fixing plantations".

CMPC's President, Luis Felipe Gazitúa, underscored that businesses are part of an ecosystem and that the effects of their decisions go beyond their operations. Therefore, according to him, the need for a consolidated sustainable development model—balancing the claims of social, economic, and environmental challenges—has become "increasingly urgent". Gazitúa also highlighted CMPC's new slogan: "Creating Natural Value", which acknowledges the possibilities present in different territories, including natural resources, communities, staff, clients, and authorities, among the most important.

TRENDS SHAPING THE FUTURE

According to Vargas Llosa's analysis, three main trends are shaping the future right now: climate change, populism, and global debt.

Concerning the environment, the analyst pointed out that the progress made in reducing emissions is not enough, despite the rise of renewable energies and the efforts made in recent years. Meanwhile, the effects of climate change have become increasingly visible, and could eventually have catastrophic consequences, ranging from conflicts arising from mass migrations in the most affected regions to famine in poor countries, where the majority of the population lives in rural areas and depends upon agriculture for its subsistence. For instance, 60% of the population in Sub-Saharan Africa lives in rural areas.

Vargas Llosa asserted that the transformation of the energy matrix will take decades. Reducing CO2 emissions by 60% in 20 years will cost around 70 trillion USD. 20 trillion USD have already been allocated for this purpose, but "where will the remaining 50 trillion come from?" To bring home this figure, Vargas Llosa remarked that the world's GDP is about 85 trillion USD.

To meet emissions reduction targets, energy use should drop by 25%, and, with gargantuan efforts, developed countries have managed to reduce it only by 10%. On the other hand, energy consumption in developing countries has increased by 60%, and understandably so, since they are growing, he explained. Moreover, green energies are still inefficient, and their storage also generates carbon. "I don't want to convey pessimism, but realism", he declared. "We have not yet found a feasible solution to achieve the 60%-reduction goal. None of this discredits the measures that are underway right now, or means that we should stop trying".

Vargas Llosa asserted that the transformation of the energy matrix will take decades. Reducing CO2 emissions by 60% in 20 years will cost around 70 trillion USD. 20 trillion USD have already been allocated for this purpose, but "where will the remaining 50 trillion come from?"



GROWING POPULISM AND DEBT

The rise of populism is another trend that constitutes a challenge for society. For Vargas Llosa, this phenomenon can be explained by the disintermediation caused by social media, where —he argues— every single one of us can be their own political party or media outlet, which has weakened our institutions. In addition, we have to consider automation, which is still concentrated in few countries, and the COVID-19 pandemic, which has pushed 125 or 130 million vulnerable middle-class people back into extreme poverty. The combination of these factors provides a fertile breeding ground for populism.

The third trend are the current unprecedented levels of debt, fed by the expansionary monetary policy that followed the subprime mortgage crisis. Vargas Llosa stated that global debt equals 400% of the world's GDP. This poses a high inflation risk, which has already been transmitted to financial assets, but not yet to consumer goods. The balance sheets of the Big Four Banks —the Federal Reserve, the European Central Bank, the Bank of England, and the Bank of Japan— represent 55% of their economies, that is, more than five times what they were in 2008 (10%). The way out of this is full of dangers: "If the incentives are withdrawn, a recession will ensue", he argued; and, if they are not, we will experience high inflation rates.

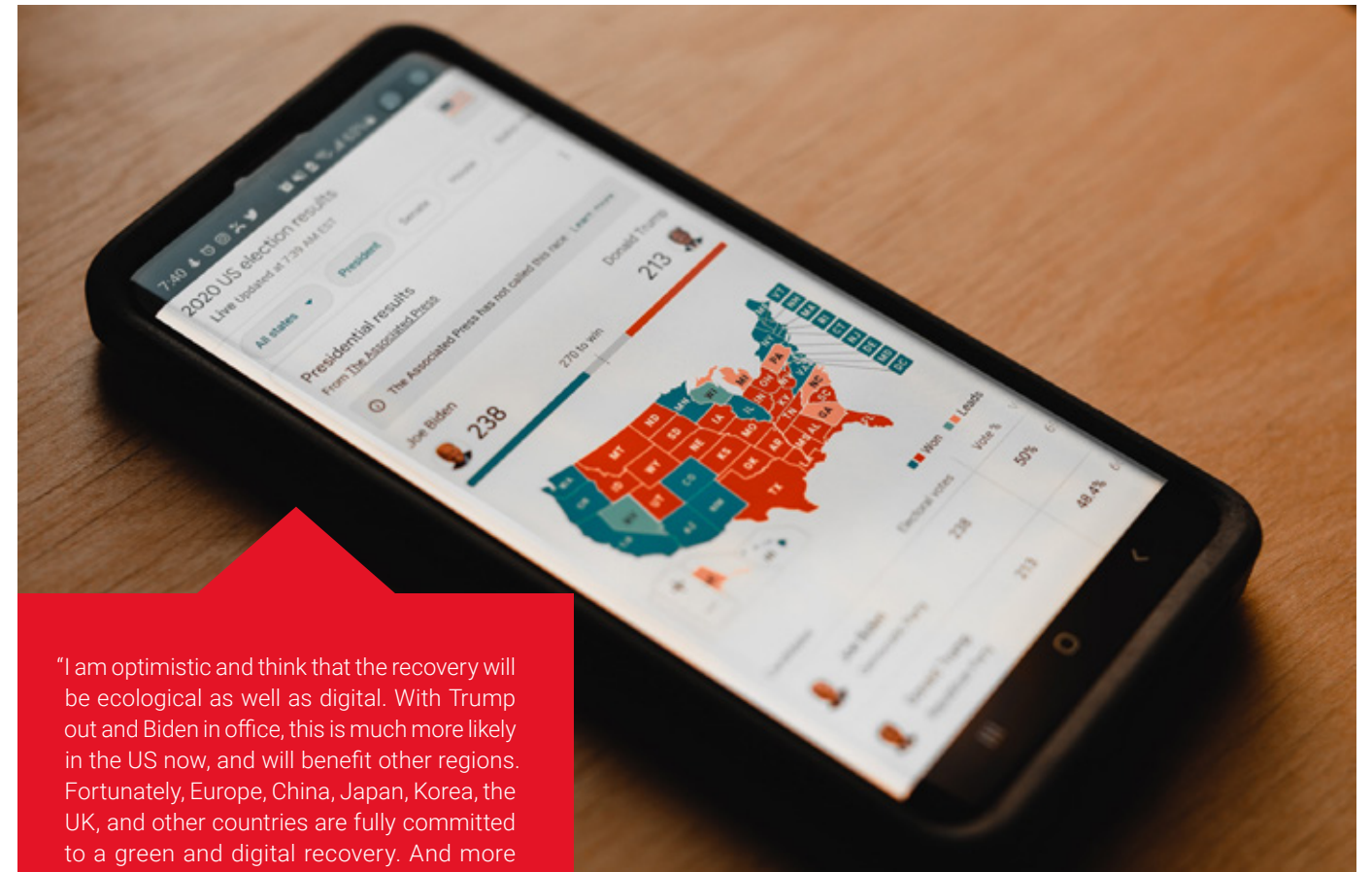
Despite these risks, Vargas Llosa seemed to be convinced that a solution can be found. "I am an optimistic person. A realist with his feet on the ground, who wants to collect data from reality, tackle and attack them. And who firmly believes that all these challenges can be overcome and all these opponents defeated", he said.



The Future According to Jeffrey Sachs



Jeffrey Sachs has been dubbed “probably the most important economist in the world” by The New York Times, and “the best-known economist in the world” by the Time Magazine. A 2011 survey by The Economist classed professor Sachs among the three most influential living economists in the world during the first half of the 21st century. Sachs is an undisputed leader in sustainability issues, and directs the Center for Sustainable Development at Columbia University, among his many responsibilities.



“I am optimistic and think that the recovery will be ecological as well as digital. With Trump out and Biden in office, this is much more likely in the US now, and will benefit other regions. Fortunately, Europe, China, Japan, Korea, the UK, and other countries are fully committed to a green and digital recovery. And more countries will continue to join that alliance.”



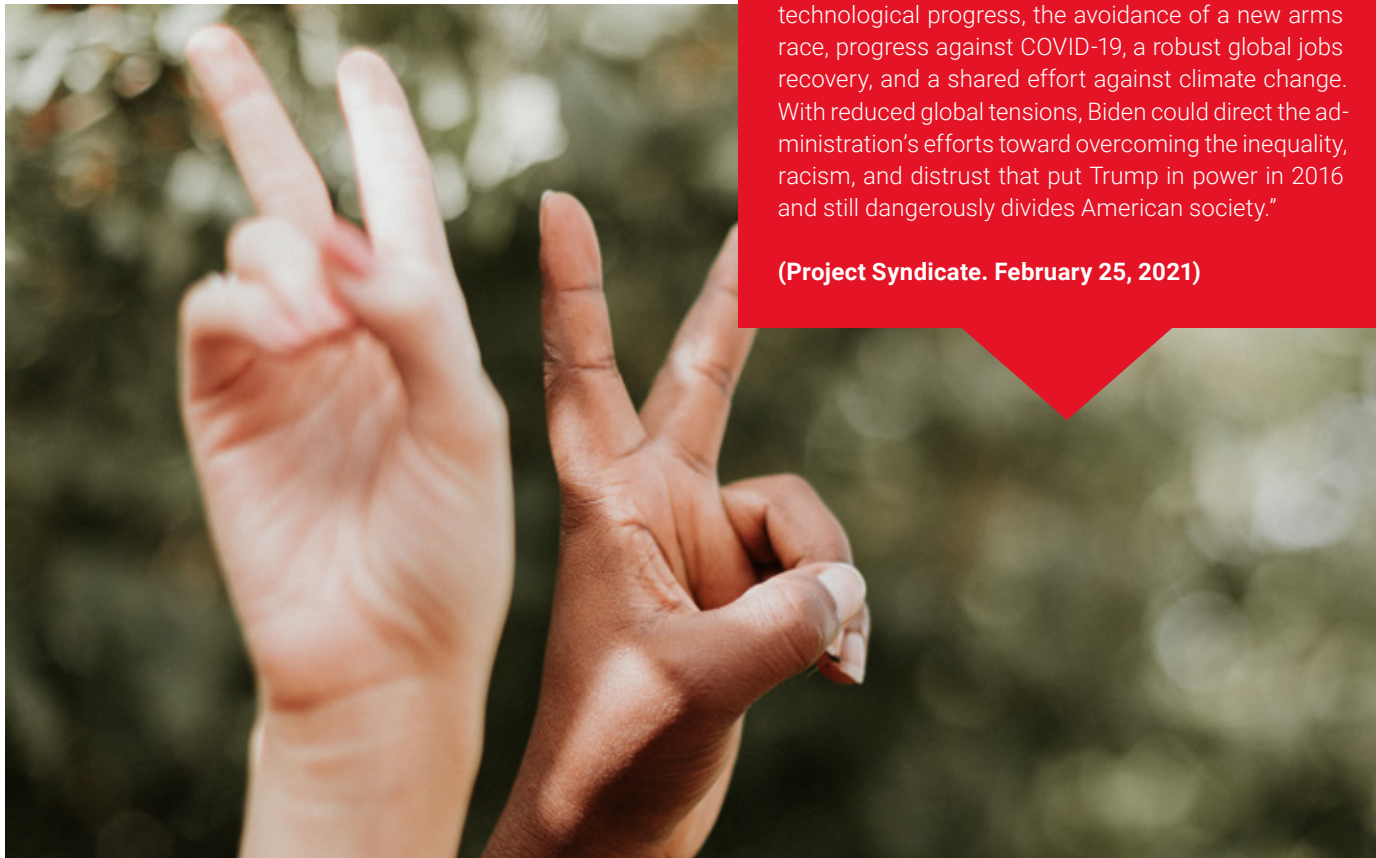
“We need a new philosophy and a political and economic strategy based on sustainable development, which involves combining investment, social justice, and environmental sustainability. This requires a mixed economic system —market plus state—, in which the public sector guarantees all basic economic needs (health, education, social security) and environmental regulations to stop climate change, pollution, and biodiversity loss.”

(Interview with the Spanish online newspaper Ethics. March 2021)



"So, let us enter 2021 with real yet cautious optimism. Let us resolve to extend the public-health successes of the Asia-Pacific region and the new vaccines developed in the US, Europe, Russia, and China to benefit the entire world. Let us resolve to set aside the hatreds that have undermined global cooperation, and join forces to overcome the inequality, poverty, exclusion, and environmental destruction that threatens the world. Let us redouble our support for the UN, to build a future based on peace, human rights, and sustainable development. And for those in the US, let us begin to heal a wounded and divided nation".

(Project Syndicate. January 4, 2021)



"Cooperation is not cowardice, as American conservatives repeatedly claim. Both the US and China have much to gain from it: peace, expanded markets, accelerated technological progress, the avoidance of a new arms race, progress against COVID-19, a robust global jobs recovery, and a shared effort against climate change. With reduced global tensions, Biden could direct the administration's efforts toward overcoming the inequality, racism, and distrust that put Trump in power in 2016 and still dangerously divides American society."

(Project Syndicate. February 25, 2021)



"The sustainable-development mission should engage the public and private sectors worldwide, marshaling the idealism, energy, and digital savvy of today's young people. To provide the demand stimulus and technological breakthroughs needed to spur the post-COVID-19 global recovery and prolonged economic advance will require ambitious long-term goals and plans, key intermediate milestones, and the financing needed to achieve them. At the start of 2020, Europe adopted just such a mission approach with its European Green Deal (EGD) and accompanying program for research and investment (Horizon Europe).

My colleagues and I in the US chapter of the United Nations Sustainable Development Solutions Network have recently laid out a Zero-Carbon Action Plan (ZCAP) that charts a technological, financial, and employment pathway for decarbonizing the US energy system by 2050. Like the moonshot and subsequent US technology missions (including the creation of the Internet and the sequencing of the human genome), ZCAP envisions a public-private partnership to accomplish four key objectives: shifting all power generation to zero-carbon sources, mainly wind and solar energy; adoption of electric vehicles; converting buildings from oil and gas heating to electricity; and switching from coal, oil, and gas in industry to hydrogen and other "green" (zero-carbon) fuels.

There will be three major UN gatherings in 2021: on biodiversity conservation (in Kunming, China in May), food systems (at UN headquarters in September), and on climate (in Glasgow in November). All are opportunities to launch our generation's bold mission for sustainable development. To seize them, governments, academia, and businesses worldwide should work together intensively in the coming months to chart out the pathways to the future we want and need so much."

(Project Syndicate. December 2020)

#Movethedate



ENERGY

How we power ourselves.



CITIES

How we design and manage cities.



PLANET

How we help nature thrive.



FOOD

How we feed ourselves.



POPULATION

How many of us there are.

KEY FACTS ABOUT

WHAT IS IT?

Earth Overshoot Day is the exact date on which human consumption of ecological resources and services, in a particular year, exceeds what the Earth can regenerate within a year.

In 2020, the Earth Overshoot Day was August 22. This deficit is maintained through the consumption of ecological resources and the accumulation of waste, mainly CO2 in the atmosphere.

WHO CALCULATES IT?

The Earth Overshoot Day is calculated by the Global Footprint Network (GFN), an international sustainability organization that seeks to help humanity live within the Earth's limits and respond to climate change.

SINCE WHEN?

Since 2003, GFN has been committed to providing scientific knowledge to 50 countries, 30 cities and 70 global partners, in order to promote high-impact political and investment decisions. CC35 coordinates this for the 600 million Spanish- and Portuguese-speaking people living in Latin America. CC35 is an international organization that, through local diplomacy between capital cities, endeavors to integrate the response to climate change in the Americas, with the purpose of complying with the Paris Agreement.

IS THERE A SOLUTION?

Due to our increasing ecological debt, GFN affirms that our goal should be to postpone the date of the overshoot day by 5 days every year.

According to the organization, this would enable humanity to live within the Earth's regeneration capacity by 2050.

For instance, they claim that reducing CO2 emissions produced by fossil fuels by 50% would postpone the date by 93 days.



We would #MOVETHEDATE of Earth overshoot day, if we:

- ✓ PREVENTED FOOD LOSS AND FOOD WASTE.
- ✓ PREFERRED PLANT-BASED FOODS.
- ✓ ADOPTED AGROECOLOGICAL AND REGENERATIVE PACTICES.

These contribute to healthy, sustainable, and affordable diets for all.

HALF THE EARTH'S BIOCAPACITY IS USED TO FEED US

EARTH OVERSHOOT DAY

Country Overshoot Days 2020:

When would Earth Overshoot Day land if the world's population lives like.



"Companies and countries that understand and manage the reality of operating in a one-planet context are in a far better position to navigate the challenges of the 21st century".

Mathis Wackernagel, Cofounder of GFN.

3,800

million years ago, life appeared for the first time on Earth.

104%

is how much world population has increased since 1970.

-58%

is how much the medium size of other vertebrate populations has decreased since 1970.

60%

of humanity's ecological footprint is carbon.



How Forests Can Save Our Planet

The World Bank recently asserted: “All countries have opportunities to reduce emissions at very low costs. [...] it is even often possible to reduce emissions at a negative cost”.

Meanwhile, the effects of climate change become increasingly apparent around the globe. The Intergovernmental Panel on Climate Change (IPCC) estimates that the average temperature of the Earth’s surface has increased by 0,3° to 0,6°C in the last 100 years, and forecasts that global warming will cause significant changes in climate behavior in the coming century.

This rise in global temperature is mainly caused by the increase in the concentration of greenhouse gases in the atmosphere—and 65% of it is attributed to CO2 alone.

Nonetheless, according to IPCC our planet’s ecosystems do their job, directly affecting the global carbon cycle. According to a FAO report, “an estimated 125 gigatonnes of carbon are exchanged annually between vegetation, soils, and the atmosphere, accounting for two-fifths of the total exchange of carbon between the earth and the atmosphere”. 80% of this exchange takes place in forests.

THE SEARCH FOR STRATEGIES

According to data collected by Chile’s National Forest Corporation (CONAF), forest ecosystems assimilate carbon by capturing CO2 from the atmosphere and taking it up in their biomass. Carbon is stored in living —trunks, branches, foliage, and roots— as well as in dead biomass —dead leaves, deadwood, soil, and forest products.

The carbon fixed in soils and green waste of forest ecosystems constitutes an important part of the total carbon reserves. In our world’s forests, the carbon stored in soils almost doubles the amount of carbon stored in vegetation.


In recent decades, many forest regions in temperate zones (like Europe and some parts of North America) have become carbon sinks due to the plantation of new forests, the resurgence of forests on old fields, and the increase in growing stock in existing forests. On the other hand, tropical forests have become a significant source of carbon emissions.

If forecasts on Earth surface temperature and its impact on forest distribution and composition come true, experts point out that “management strategies will need to accommodate the prospect of rapidly shifting climate zones and ecosystem margins”.

A BIT OF HISTORY

During international negotiations in 1990, the possibility of mitigating climate change through global forestry activity was first put forward. For this purpose, studies were commissioned to determine and measure the function of forests, at the same time that a mechanism for international cooperation was proposed.

In 1992, the United Nations Framework Convention on Climate Change (UNFCCC) was approved in view of the growing concerns about global warming around the world. The Convention’s aim is to stabilize greenhouse gas concentrations at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system. The industrialized and transition country Parties to the UNFCCC committed to produce national inventories of their greenhouse gas emissions and carbon sinks, as well as to take action to meet voluntary emission reduction targets. At the third Conference of the Parties to the UNFCCC (COP), which took place in Kyoto in December 1997, a legally binding treaty was signed, namely the Kyoto Protocol. 39 developed countries committed to reduce their greenhouse gas emissions between 2008 and 2012 by at least 5%, using 1990 as baseline. The Parties can achieve this goal either by reducing their emission sources or by protecting or increasing greenhouse gas sinks. The Protocol allows for the inclusion of variations arising from human activity directly related to land use, land use change, and forestry (including afforestation, reforestation, and deforestation).



“While the most effective means to reduce atmospheric concentrations of CO2 is the reduction of emissions from fossil fuel combustion, [...] the conservation of existing forest carbon stocks has technically the greatest potential for rapid mitigation of climate change.”

THE EXPERIENCE IN CHILE

“International studies have found that forests, along with oceans, are one of the greatest carbon sinks in the world, accounting for 25% of global carbon sequestration. Hence the interest in preserving and improving our forests’ capacity through different measures that we as human beings can take, such as increasing forest surface or improving forest conditions to maintain or increase carbon sequestration over time.” So says Georgina Trujillo, Coordinator of Monitoring, Reporting, and Verifying at CONAF’s Climate Change and Environmental Services Department.

She explains that CONAF implements UNFCCC guidelines for climate change, which, based on the REDD+ policy framework, aim at reducing emissions from deforestation and forest degradation and at increasing carbon sequestration through forest management, conservation, and enhancement, in order to improve forest quality and enlarge permanent forest cover. “Chile has the possibility of increasing forest cover. Other countries do not, especially developed countries.”

Gabriela Soto, Head of the Climate Change and Environmental Services Department, highlights that the REDD+ framework contains results-based payments, which reward countries for “doing their job” in reducing emissions and increasing carbon assimilation. In Chile, the principles of the REDD+ framework are embodied in the National Strategy for Climate Change and Forest Resources (ENCCRV). “The Green Climate Fund (GCF) was established by the UNFCCC with two lines, adaptation and mitigation, and a combination of both. We submitted a funding application for the first one and got it. After implementing these actions in the territories, we will be eligible to apply for further payments, since carbon sequestration will increase.”

The GCF is not the only body that provides results-based payments, but it is one of the most important, since it is subject to the UNFCCC. “Funds are raised from contributions by developed countries, and then distributed among developing countries to help them improve the quality and quantity of their forests and thus enhance carbon sequestration”, Trujillo adds.

The project started in August 2020 and will last 6 years. Funds for results-based payments are managed according to a benefit distribution system, where all small- and medium-sized enterprises are entitled to apply, which in Chile is complemented by the Native Forest Bill.

What is rewarded is the country’s performance in reducing its net emissions (gross emissions minus carbon sinks) over a given period of time. “The global impact Chile can have is rather low, but the impact of climate change on the country is very high. In other words, we do not contribute much, but are very exposed to the effects of climate change. The main thing is that everyone should contribute. The REDD+ framework made the game rules very clear”, Trujillo points out.

Soto adds that CONAF’s and REDD+’s field of action in Chile are native forests: “Our field of action are native forests, because donors so required, and the participatory process, in which civil society took part, also pointed in that direction”.



THE FUTURE

Gabriela Soto believes that “we are now aware as a society that, if we do not do something about it, our and our children’s future will not be good. Globally, there are concrete actions afoot like this one, results-based payments. Other mechanisms, such as carbon pricing, are also important steps, although their global implementation might take a while. But at least there is awareness, willingness, and innovation: the ideas of circular economy and nature-based solutions are now popular and businesses are latching on to them. Consumers are more aware and they punish companies that have failed to implement changes”.

Daniel Montaner from CONAF’s Monitoring, Reporting, and Verifying adds that Chile’s setting the goal of becoming a carbon-neutral country by 2025 “is a very significant advance. Time frames could be questioned, but at least we have a roadmap with lots of work to achieve it”.

The United Nations cooperation Programme on Reducing Emissions from Deforestation and Forest Degradation in developing countries (UN-REDD) was launched in 2008. It is based upon the technical knowledge and organizing power of FAO and the United Nations Development (UNDP) and Environment Programmes (UNEP). The UN-REDD Programme supports nationally led REDD+ processes and promotes the informed and meaningful involvement of all stakeholders, including indigenous peoples and other forest-dependent communities, in national and international REDD+ implementation. Under this Programme, country-readiness efforts have begun to show significant results that should lead to actions for results-based payments.



BUSINESS AS A FORCE FOR GOOD

BY MARCELA CORVALÁN

The pandemic and the mass disruptions it is causing in society are an unprecedented opportunity to rethink business models and speed up transformations with a greater focus on inclusion and regeneration.





The COVID-19 pandemic has caused health services to collapse, damaged economies, and created political instability due to fear and unemployment. The priority of many governments now is to implement vaccination processes as quickly as possible, while keeping the number of cases under control and reactivating their economies.

However, the pandemic and the mass disruptions it is causing in society are an unprecedented opportunity to rethink business models and speed up transformations with a greater focus on inclusion and regeneration. A social and green recovery, as some companies have already proposed.

A recent study by the OCDE concluded that integrating environmental and social inclusion issues into the measures taken for recovery will benefit everyone: governments could achieve their environmental goals and make progress towards sustainability, while, at the same time, stimulating economic activity and reducing inequality.

Businesses can now play a leading role in these transformations. Sustainability considered in its three dimensions –social, economic, and environmental– is currently an integral part of business strategies.

In the words of Unilever CEO Paul Polman: “Business can in fact be a tremendous force for good and make a huge contribution to solving the biggest problems facing our people and planet. Actually, this is the only way for business to be accepted in society and it should always strive to have a net positive impact.”

In a recent interview with Mongabay, Polman explained his vision: “Businesses thrive when they serve all their stakeholders: citizens, employees, suppliers, partners, those who make up the extended value chain. When you make your business relevant to the needs of the communities and societies you serve, then everyone benefits, including shareholders.” The difference between this multistakeholder model and the traditional one favoring shareholders is evident: “I described it at the time as creating value through values, versus pursuit of value at any cost”, Polman points out.

Polman highlighted the response given by the business community to the pandemic, naming several instances of cooperation in the private sector with the purpose of protecting lives and means of subsistence. “If this crisis has taught us anything, it’s that the emphasis on the ‘S’ –social– in ESG is even more important than before. And, as we think about how we can build back better, it’s worth remembering that fortunately we already have a business plan, the Sustainable Development Goals. Worth at least \$12 trillion and 380 million jobs a year by 2030 –at a time when we need them most.”

The task ahead is so momentous, that it requires the joint participation of the world’s corporate community. CMPC is part of the World Business Council for Sustainable Development (WBCSD), which in 2019 announced ambitious environmental goals. During the last year, criteria were adjusted to bring them in line with WBCSD’s Vision 2050, a practical framework based on reality and intended to guide business actions in the coming decade.

According to this framework, companies should make key mentality changes in order to lay the foundations for genuine transformations in support of the Sustainable Development Goals. These transformations include acknowledging the need for reinventing the current capitalist model, valuing corporate resilience and the capacity to accept change and adapt to it, and fostering regenerative thinking to restore our social and natural environments.

“10 years ago, we thought of sustainability as individual themes, like climate change or water. Today, we are all talking about the need for system transformation and the interdependencies between these challenges have become much clearer”, asserted Peter Bakker, President of WBCSD, in his keynote address at Greenbiz21. “But do we actually know what systems transformation is, and, more importantly, do we have a clear enough view of how we actually transform systems? Vision 2050 has undertaken that work very thoroughly.”

Why 2050? Because it is estimated that by that year 9 billion people will be living on the Earth and, without thoroughgoing change, they will not be able to do so properly.

The financial world has no doubt that there is no future without sustainability. In his latest letter to investors, Larry Fink, CEO of the global investment manager Blackrock, put forth that we are at the brink of a structural change in finance, brought about by climate change. In short, climate risk and its socioeconomic consequences are an investment risk.

In his letter, Fink explains that climate risk impinges upon the physical world as well as the global system financing economic growth. And his conclusion is that, due to the growing impact of sustainability on returns, sustainable investment is the strongest foundation for his clients’ portfolios. This holds even though we still do not know which forecasts are more accurate or whether any effects have not been taken into account.

Another key factor in sustainability is greater transparency for investors and other stakeholders. “Each company’s prospects for growth are inextricable from its ability to operate sustainably and serve its full set of stakeholders”, writes Fink. In a single phrase: transparent, responsible, long-term capitalism.



Why 2050? Because it is estimated that by that year 9 billion people will be living on the Earth and, without thoroughgoing change, they will not be able to do so properly.

PETER BAKKER

Business-as-usual is not an Option

Our society faces three priority sustainability challenges: climate emergency, loss of nature, and inequality. And companies must play an important role in the response we give to them.



Peter Bakker heads the World Business Council for Sustainable Development (WBCSD), an international association of more than 200 leading companies from all sectors –including CMPC– that work together to accelerate the transition to a sustainable world.

Bakker, a recognized business leader, was CEO of TNT NV, the global transportation and logistics company until June 2011. Today, in addition to heading WBCSD, he is the UN Global Ambassador Against Hunger, champion of SDG 12.3 (reduce food waste) and president of War Child in the Netherlands.

Four months ago, WBCSD decided to align its membership conditions with three pressing challenges for society (climate emergency, loss of nature and inequality), adding new requirements for its members. The pandemic, Bakker explains, did not stop the climate emergency, so WBCSD are encouraging companies to implement science-based plans to transform the economic system and achieve a green recovery, while remaining committed to the highest standards in corporate governance and transparency.

– What is your assessment of the role that companies have played during the pandemic?

Business was at the forefront during the pandemic and played an important role in several ways. Firstly, with its immediate response: we saw companies all around the world demonstrating their responsibility towards society by deploying all their care, critical know-how, reach and resources. Businesses everywhere were looking after their employees and creating contingency plans to map the risks in their operations. Secondly, business played a role in the short-term recovery and in building resilience, for example with short-term supply chain resilience plans. Finally, we also saw companies place a growing importance and having a greater awareness for sustainability issues during the pandemic.

– At some point it was thought that there would be a reduction in emissions due to the slowdown in productive activities in the pandemic, but apparently this was not the case. Have we wasted time?

It is true that the climate emergency has not stopped for COVID-19: emissions are heading in the direction of pre-pandemic levels

following a temporary decline linked to lockdowns all over the world. However, business has not wasted time during this pandemic: despite COVID-19 and all the insecurities it brought, we still saw a spike in companies making net-zero commitments, taking action and calling governments to take action for a green recovery as well. We all understand that there is no chance –and simply no possibility– to go back to business as usual.

At WBCSD, with our SOS 1.5 project, we have developed a business roadmap to help companies design and implement their journeys to achieve net-zero emissions before 2050. We also redefined our membership criteria to make net-zero alignment mandatory – all of it in the middle of the pandemic. To recover from COVID-19, we must remember that it is essential to pair our recovery efforts with climate and nature action. Returning to business-as-usual is not an option if we want an economy that protects our planet and people. We need to harness a green recovery which accelerates a resilient, net-zero carbon recovery with nature at the center.

– We have seen increased urgency in calls for decarbonization. Have the efforts of the last few years been successful?

There are many routes that lead to decarbonization and we can see that businesses are going further than governments in many respects, with thousands of companies setting science-based decarbonization targets, committing to climate risk disclosure and aligning their investments and governance with ambitious strategies and plans.

The transition to the circular bioeconomy is one of the routes to decarbonization. The bioeconomy refers to the use of biological resources to produce food and feed, products, and energy. In a circular bioeconomy, biological resources are renewables, sustainably managed, recovered and reused as much as possible.

The recent report on the circular bioeconomy developed by our Forest Sector Group (FSG) - of which CMPC is a member – presents an estimated economic opportunity for bio-based products to complement or even substitute conventional ones worth USD \$7.7 trillion by 2030. There are opportunities, and companies are increasingly seeing these.

— Are the SDGs a good guide or did they fall behind?

The SDGs continue to serve as a compass to navigate the COVID-19 crisis. They address fundamental challenges of inequality, poverty, people’s and our planet’s health and help to build forward better for a more resilient future.

The private sector has a critical role to play in determining whether the SDGs are realized over the course of the next decade and in making sure they do not fall behind. At WBCSD, together with our members, we are working on making the SDGs actionable for business. This is linked with the refresh of our Vision 2050 work for a world in which more than 9 billion people live well and within planetary boundaries. This vision is making the SDGs actionable for business.

Having a regional approach to realizing the SDGs is also crucial. In 2019, we launched the Forest Sector SDG Roadmap at the High-Level Political Forum in New York. CMPC CEO Francisco Ruiz-Tagle played a leading role in this. In December 2020, FSG released the first Implementation Report for the SDG Roadmap. The report provides evidence of FSG members’ commitment to implementing the actions in the SDG Roadmap, takes stock of the status of implementation of the different actions among FSG members, and sets a baseline against which to track progress over time.

— What should be the goals and metrics for measuring progress on environmental issues?

There are several ways to measure global progress on environmental issues. For example, in its annual progress report, the UN publishes a ranking of countries on their progress towards each SDG goal. Here, we can read that there has been progress in terms of putting in place policy, financial, and institutional processes in support of achieving the environmental dimension of the SDGs.

When it comes to business, we can also see companies measuring progress by tracking disclosures of emissions, and by using and reporting on environmental, social and governance (ESG) information.

"At WBCSD, together with our members, we are working on making the SDGs actionable for business. This is linked with the refresh of our Vision 2050 work for a world in which 9+ billion people live well and within planetary boundaries".



— The pandemic also revealed enormous inequality, globally and locally. Is the social aspect of sustainability just as urgent as the environmental one?

There are three priority sustainability challenges that our society faces: climate emergency, nature loss and inequality. Each of these is a challenge on its own, and they are also all interconnected. It is true that the social aspect – the so-called “S” in Environmental, Social and Governance (ESG) issues – came to the forefront with the pandemic, and rightfully so. COVID-19 has played an important role in highlighting growing inequalities and has exposed the myth that everyone is in the same boat. We are all in the same storm, but not the same boat. And this needs to change, also for being able to tackle the environmental challenges together.

— Do companies have a role in reducing inequality?

Business depends and thrives on social cohesion and stability, which relies on respecting human rights, advancing dignity, equality, economic inclusion, and opportunity. As a priority, we need to tackle inequality of income and opportunity, unleashing productivity, innovation and growth, and improving social outcomes. Companies have an important role to play in this. Inequality is eroding trust in our key institutions and represents an increasingly significant threat to the continued license to operate of both business and democracy itself.

— The World Business Council for Sustainable Development established new criteria for members. What are these new criteria and why did you decide to toughen them now?

Together with our over 200 global leading member companies, including CMPC, we are raising the bar of business commitment to sustainability through the set of new criteria put forward and accepted as part of WBCSD’s membership conditions. The set of five new comprehensive criteria are:

1. Set an ambition to reach net-zero greenhouse gas (GHG) emissions, no later than 2050 and have a science-informed plan to achieve it.
2. Set ambitious, science-informed, short and mid-term environmental goals that contribute to nature/biodiversity recovery by 2050.
3. Declare support for the UN Guiding Principles on Business and Human Rights by having in place a policy to respect human rights and a human rights due diligence process.
4. Declare support for inclusion, equality, diversity, and the elimination of any form of discrimination.
5. Operate at the highest level of transparency by disclosing material sustainability information in line with the Task Force on Climate-Related Financial Disclosures (TCFD) and align Enterprise Risk Management (ERM) with environmental, social, and governance-related (ESG) risks.

The five criteria reflect the three top priority sustainability challenges for business: climate emergency, nature loss and inequality. Next to that, we expect our member companies to strive to the highest standards in corporate governance and transparency. The conditions will let our member companies focus on putting credible science-based action plans into motion to transform our economic systems. Approving the new membership criteria was a first major step: now we need to keep the momentum going and step up the critical work needed for that.

— In this new world, should we also review the way we human beings live? Are our cities people friendly and ecofriendly? Should we rethink urban development?

Around the world, urbanization leads to unaffordable housing, pressure on resources, gridlocked urban transport systems, air pollution, lack of access to clean water, and many other issues. The challenge in the coming years will be to increase building occupancy, as well as developing compact and connected built environments that support the immense shift to city living that is predicted by 2050. Smaller living spaces in a dense urban environment are beginning to become the trend. In the building and construction sector, we can see a growing demand for engineered wood products such as cross-laminated timber (CLT). We need to rethink urban development in a way that infrastructure and buildings increasingly integrate and respect biodiversity, cities and buildings pave the way towards net-zero carbon, and we shift towards circular living spaces that minimize consumption and waste, so that respect for human rights is embedded across the construction and materials sectors globally.

The Highest Sustainability Standards

CMPC'S NEW COMMITMENT

Striking the right balance between economic, social, and environmental needs is not an easy task for businesses. However, CMPC decided to tackle this challenge and lead the transformation needed to achieve the longed-for sustainability in its operations.



“By no means can a company survive in the long term without purposefully embracing sustainability as a central element in its business strategy”.

There is no doubt that one of the main concerns of today’s world is the environmental sustainability of our planet. Ominous prospects are foreshadowed by a series of events that threaten its integrity, such as high CO2 emissions, water pollution, and climate change, among others.

Collective efforts are required to countervail this situation. In these, businesses should play a key role, striving to strike a balance between three fundamental pillars: social, economic, and environmental issues.

The main goal of these efforts is to create new ways of managing productive activities, in order to protect natural resources and ensure their availability over time, while at the same time meeting financial targets and fostering good relations with communities. By no means can a company survive in the long term without purposefully embracing sustainability as a central element in its business strategy.

Nicolas Gordon, Head of Sustainability at CMPC, asserts that last year the company’s sustainability efforts were redoubled, since the effects of the climate crisis have become more evident. Businesses are now experimenting the impact climate change has on their operations and territories, as well as the threat it poses to their business models and survival over time. “We should join efforts”, says Gordon. “We will not achieve our goal if all of us do not work together.”

Global efforts were first focused on controlling pollutant emissions. “We have achieved a lot in this matter, thanks to the increasing number of agreements and the new initiatives on carbon-neutrality. Nonetheless, we still have to persist with this, since in 2020 emissions remained high. We are concerned about the incapability of reducing these rates”, he points out.

All of this is greatly affected by the international context. “The election of Joe Biden as President of the US is very relevant, as well as their rejoining the Paris Agreement. It is an incomparable gesture for the rest of the world”, highlights Gordon.

This is compounded by other aspects, such as the social. According to the executive, the full consequences of the pandemic have still not been felt, which he believes will last for the rest of the decade. Moreover, businesses have had to adopt a human rights perspective, implementing related policies and protection processes within as well as in their extended value chains. Here we find issues like human trafficking and child labor, gender equality goals, inclusion of staff with functional diversity, and corporate risk management.



CMPC'S MOBILE MEDICAL CLINICS.

Concerning governance in the private sector, the World Business Council for Sustainable Development (WBCSD) established new criteria for its members. “Before, not being involved in controversies was sufficient. This approach was adequate, if we consider that not all companies could afford to lead the way. Now the standards have been raised: we are given encouragement and the duty to develop concrete plans and carry them out”, he states.

For this reason, new criteria will be applied to businesses as of January 2023. Among these, there is the reduction of emissions with concrete targets to reach carbon neutrality, and commitments to avoid biodiversity loss as well as forest and soil degradation. For CMPC, their business and the environment are inseparable. “For instance, if we protect our plantations from fire, we also protect native forests at the same time. If we restore the capabilities —ecosystem functions such as water supply, pollination, and so on— we strengthen both worlds”, he explains. “25% of our assets are protected areas, and these worlds are interlinked.”

CMPC has put the highest standards in place to reach these targets. Its Board of Directors has a Sustainability Committee, which holds quarterly meetings to review the company’s performance in relation to its yearly targets, to assure the achievement of its long-term goals.

CMPC'S NEW COMMITMENT

In Chile, CMPC is one of the firms that have taken decisive steps in the last decade to make progress towards sustainability. The company resolved to get involved in this new field and lead this much-needed transformation.

This is what the company’s CEO, Francisco Ruiz-Tagle, pointed out in a letter sent to all collaborators, entitled “It Is Time to Get Involved and Lead the Future”. In this missive, he said that the main players in society cannot be indifferent to the consequences of the current worldwide health and economic crisis.

Thus, CMPC supplements the ambitious environmental goals announced in 2019 with new social goals. The company has actively helped the community deal with the pandemic, especially in the regions where its operations are based. In April 2020, CMPC acquired six surgical mask manufacturing machines for Argentina, Brazil, Chile, Mexico, and Peru.

Another initiative is CMPC Solidaria, which provides meals for senior citizens who are unable to meet their basic needs. Moreover, goods were donated to the Chilean National Service for the Elderly (SENAMA), National Service for Children (Sename), Teletón (NGO for child rehabilitation), and local cardboard and paper collectors.

CMPC implemented health measures in several districts, joined the “Mobile Medical Clinics” project, and set up a former office building in the city of Los Ángeles, BíoBío, as a field hospital.

HISTORICAL LANDMARK

The goals achieved by CMPC concerning environmental sustainability —which are very broad and become more ambitious every year— go hand in hand with greater transparency towards all its stakeholders. Accordingly, a few months ago Softys, one of its subsidiaries, published its first Sustainability Report, which represents a landmark in the history of the conglomerate. In the document, the company declares that its operations are based on three fundamental pillars: innovation in quality, commitment to sustainability, and being approachable and close to communities.

Consequently, the report establishes a Business Plan for 2020-2023, that is, a business strategy to guide its management and inspire further sustainable growth. “With this plan, we look with confidence towards the future, since it brings together our strategic partners in a vision that integrates social, environmental, and economic aspects”, states the publication.

The strategy aims at maintaining profitability with strong foundations, which enables sustainable economic growth by producing shared value with and for all its stakeholders. To this end, the Business Plan 2020-2023 defines five guiding principles:

- Brands: Build brands that create value.
- Go-to-Market: Execute the selling point with passion.
- Competitiveness: Strengthen discipline and agility to win.
- Culture: Live out a culture that inspires the greatest performance.
- Sustainability: Develop capabilities for responsible management in ESG (Environmental, Social, and Corporate Governance) matters.

The desire behind these principles is that the company becomes the best version of itself, through innovative brands that cater to their consumers, collaborators and the environment, creating sustainable value for clients and shareholders alike.

“Among the environmental figures, the company highlighted the work done to protect 64 plant and animal species in the Barba Negra Natural Reserve, in the state of Rio Grande do Sul, with 3,800 hectares of High Conservation Value Areas”.

SUSTAINABILITY AT THE CORE

Along with the publication of Softys’ first Sustainability Report, other events that have taken place in the last year reflect the progress made by the firm.

For instance, in July 2020 CMPC was included by Vigeo Eiris in the Best Emerging Market Performers Ranking, which lists the 100 companies that best comply with ESG criteria, in a universe of 967 assessed companies, across 35 industries and in 31 countries. CMPC is one of the three companies in the Forest Products & Paper industry, as well as one of the nine Chilean companies across all industries, that made it to the prestigious index.

The conglomerate has also been included in the Dow Jones Sustainability Index (DJSI) and MILA since their beginnings (2015 and 2017, respectively), as well as in the Emerging Markets DJSI since 2019. CMPC is also listed in the FTSE4GOOD (since 2015) and MSCI Chile (since 2014) indices. In 2019, the company was ranked among the 72 best companies worldwide for water security and transparency by the prestigious organization CDP (formerly Carbon Disclosure Project), the so-called Water A-List.

Another step on the way towards sustainability was taken in September, when CMPC published a sustainability report of its operations in Brazil, which includes pulp and tissue plants.

CMPC Brazil’s report shared circular economy indices that show a 99.7% recovery rate for industrial waste and 6,000 metric tons of paper recycled in its operations. These figures are the result of the 180 new jobs created as part of the company’s circularity efforts to reuse the byproducts of its operations, including the production of organic fertilizer, soil amendments, hydrated lime, MDF boards, and other inputs for the cement industry.

Among the environmental figures, the company highlighted the work done to protect 64 plant and animal species in the Barba Negra Natural Reserve, in the state of Rio Grande do Sul, with 3,800 hectares of High Conservation Value Areas. Moreover, the firm also stated that 83% of the energy used at the Guaíba mill is self-generated.

The report also showed that CMPC is committed to 88 local urban and rural communities —including two traditional qui-

lombo communities—, having spent several million USD in yearly social projects aimed at improving education and quality of life, as well as in income generating initiatives.

In October 2020, the Biopackaging and Sack Kraft division subscribed the Clean Production Agreement (APL) for containers and packaging. This is a voluntary compact between businesses and relevant Chilean public bodies —such as the Agency for Sustainability and Climate Change (ASCC) and the Center for Containers and Packaging (CENEM)— that strives to put clean production protocols in place at Sack Kraft’s plant in Chillán, by taking specific measures and meeting targets within a stipulated time frame. This step is in line with CMPC’s goal of becoming a Zero-Waste-to-Landfill company by 2025.

Last year, the company also joined with CDP to launch a pilot sustainability program in its supply chain. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. CMPC declared that over 100 of its most critical suppliers of raw materials and other inputs and services were encouraged to report on their environmental performance concerning the three main areas covered by CDP questionnaires: Climate Change, Water Security, and Forests (deforestation).

Another step forward was the announcement that CMPC’s Biopackaging division launched a new project aimed at finding alternative fibers to be used as raw materials for its molded pulp trays. Known as the Fibras Project, the work group conducted laboratory and industrial tests during 2020 to assess the feasibility of incorporating fiber waste from the reject stream (not used in paper production) of the productive processes at Softys’ tissue plant in Talagante. According to CMPC, the aforementioned plant rejects enough fiber to supply 30-40% of the total required for molded pulp products.

The cherry on top came at the end of 2020, when CMPC was classed as the second most sustainable Forest and Paper company worldwide by the Dow Jones Sustainability Index. The firm improved by 6 points its performance in this prestigious index, compared to the previous year.

“This tremendous result is the best proof that the path taken by CMPC a few years ago is the right one. For us, sustainability is not only part of the business. We are convinced that, without sustainable performance, there simply is no business”, said the CEO of CMPC, Francisco Ruiz-Tagle.

CEO OF CMPC:

“IT IS TIME TO GET INVOLVED AND LEAD THE FUTURE”

“Although the feeling of uncertainty prevails around the world, we at least know for certain that we are going through the most critical event of modern times, simultaneously and with equal intensity for all humanity”, stated CMPC CEO, Francisco Ruiz-Tagle.

In a letter sent to all the company’s collaborators —entitled: “It Is Time to Get Involved and Lead the Future”—, Ruiz-Tagle declared that the main players in society cannot be indifferent to the consequences of the current worldwide health and economic crisis.

“Of course, the result of this whole situation cannot be considered harmless or trivial. The first and most serious impacts are human, social, and economic. We have not only had to mourn the loss of invaluable human lives, but also to witness the decline in the living standards of millions of people, which exposes once again the cracks in our development”, he noted.

Moreover, Ruiz-Tagle added that “other effects related to behavioral changes, people’s increased technology absorption, geopolitical movements, and corporate restructuring, to name a few, are also evident. To this, we should add many consequences that still cannot be gauged, but certainly will shape a very different reality from the one we knew before entering this complex and challenging pandemic phase”.

In this context, he expressed his conviction that “due to its capacity, size, importance and impact on the territories where it operates, CMPC should play a leading role in foreseeing these changes. More than that, it should contribute to bringing about change, by identifying opportunities early, and adapting the ways we work and understand the world”.

He stated that “as heirs of a hundred-year-old company, we have the capability, the reputation, and the duty to plan ahead for another 100 years, leading the construction of this new reality”.

For this reason, the CEO announced that a consultation process will take place within the company. Experiences will be collected, and changes and opportunities identified, to produce an action plan that will help the company lead the construction of this new world. “I think that leading the way into this new world is of the greatest importance, not only due to possible opportunities, but also because we are already experiencing high social expectations concerning the role of companies in this context, and because we have realized that many social challenges still persist, which must be proactively addressed in the framework of public-private cooperation”, said Ruiz-Tagle.

For this reason, he said that “it is not wide of the mark to claim that we will not only be expected to use our best efforts to maintain endowments and salaries, pay our suppliers on time, and make shareholders bear the costs of the crisis. We will also be expected to lead the economic recovery, fostering job creation and investment projects. And, as if this did not suffice, we will be expected to do so in a socially responsible, inclusive, and sustainable manner”.

“In short,” he concluded, “not only what we do will matter, but also how we do it and how we take responsibility for issues that had hitherto been regarded by most of us as pertaining to governments or NGOs, rather than to businesses. What issues do I mean? For instance, greater equality, inclusion, and sustainability”.

The CEO of CMPC clarified that his extensive reflection is not only a matter of social awareness. “I am talking about the core of our business. What we seek is to build a company capable of lasting another hundred years, and that involves improving profits, efficiency, financial capabilities, attracting and retaining clients and consumers, adding talent and quality to our operations”.

It is this “excellence” that, according to Ruiz-Tagle, “should also be expressed in our environment, and, most importantly, become a development factor that enables us to identify challenges and opportunities in the new world that will emerge after the pandemic”.

Finally, he stated that, “rather than go back to a “new normal,” we will go into a “new reality”. And in this new reality the areas for growth, efficiency, integration, and recognition still remain to be mapped. And that will be accomplished by those who get ahead of the facts.





Mud Silk: An Earthy Treasure

BY
MARCELLA
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Mud silk combines every nuance of climate and soil in a precious textile that embodies a new form of luxury.

There is a very old tradition from Southeast Asia that goes against mainstream fabric production and consumption and is relevant and luxurious today. For starters, it has many poetic names that refer to the process and the feeling of wearing it on the skin: perfumed cloud silk, Xiangyun Sha (香云纱), Liang Chou (蔴绸), Chou Zai, Liang Sha, Bamboo Sha, tea silk, lacquered silk, Canton silk, mud cloth, gummed silk, gambiered Canton gauze, fragrant cloud silk cloth, "clothing that makes a noise when the body moves", "clothing that makes people feel like floating clouds", singing silk cloth and soft gold, among others. A piece of good Xiang Yun Sha garment can last for a lifetime, getting softer and more comfortable with time.

Like its names, the properties of mud silk are many: it is fresh, glossy, paper like yet soft, comfortable to the skin, light, easy to wash, waterproof, cool in the summer, and pleasant on the skin, thanks to a part of the process that involves a special dye bath. Mud silk varies in weight from dense to light and airy. Its sheen also changes over time the longer it is worn and the more it is washed. The lustrous finish increases with age, the color becomes darker and the texture softens. The wet fabric exudes its own fragrance too – a faint echo of the ground yam with which it is dyed. As its color increases in intensity over time, one is reminded of the patina acquired by leather. In fact, the best quality fabric is stored for years. Properly aged tea-silk is as rare as fine wine and sought after by collectors worldwide.

The base textile, traditional southern Chinese silk, are handmade in a closed-loop ecosystem, in which the silkworms that spin the superfine threads eat the leaves of mulberry trees planted by ponds, the fish in the ponds eat the worm poop, and in turn fertilize the mulberry trees. In Asia, which produces the lion's share of silk, the boiled pupae are fried up and eaten as a low-carbon protein source.

All over Southeast Asia, production of gummed silk requires: the availability of tannin-rich mud from a source such as a subtropical river delta; intense sunshine to bake the mud on the cloth; and, commonly, a base dye or colorant, whether gambier (*uncaria gambir*), Ju-Liang root, or indigo. The Mekong River, flowing from China, along the Laos-Myanmar and Laos-Thailand borders, then across Cambodia to a rich delta in southern Cambodia and Vietnam, provides the appropriate conditions, as does Thailand's Chao Phraya River.

In Foshan city, Guangdong province of China, mud silk dates back to the Ming Dynasty in the fifth century. Centuries ago fishermen noted that their nets, when treated with yam juice from a fibrous native tuber (*dioscorea cirrhosa*), not only did not rot, but turned black from being in contact with the river mud. Thus, this method was applied to silk and has been kept alive within the region, where sub-tropic river deltas carry a special iron-rich mud that adheres to the silk.



Few textile processes in the world are so involved with every nuance in climate as mud silk. From silk itself and natural plant dyes (both renewable resources) through river mud, space, and sunshine to the work of many people, mud silk can be considered a 100% ecological textile. The lengthy process takes 40 steps, which include weaving, repeated dyeing, dipping and drying under the sun. The relationship with the natural environment is an essential part of the process, since mud and sunshine cause a chemical reaction when mixed with the extract of Ju-Liang root (*dioscorea rhipogonioides*), which gives silk its unique character, texture, caramel color and anti-bacterial qualities. The whole process takes approximately twenty days, is entirely handmade, and led by master dyers with more than 10 years of experience. The drying process is so closely related to sunlight, wind direction, and humidity that it can only be performed between April and October. If sunshine is too strong or temperature too high, the fiber dries up and the gauze gets crisp. Considering all these nuances, there are only about 100 days a year suitable for manufacturing mud silk, which explains its rarity.

The fabric has two different sides: a glossy black face resembling leather or paper, and a matte orange-brown reverse, achieved using *dioscorea cirrhosa* from Guandong, a medicinal tuber known for its antibacterial and antiviral properties.

The Ju-Liang used for mud silk are for the most part wild and usually take 7 years to grow. The black side has a thin dark resin-like film on its surface, which is water-resistant, durable, and easy to take care of. Climate change has direct effects on this ancient cultural practice, for two main reasons: alterations in the iron levels of rivers due to overuse, and shifting seasons, which make it difficult for artisans to plan in advance and respond to abrupt weather changes.

**The whole process
takes approximately
twenty days, is entirely
handmade, and led
by master dyers with
more than 10 years of
experience.**



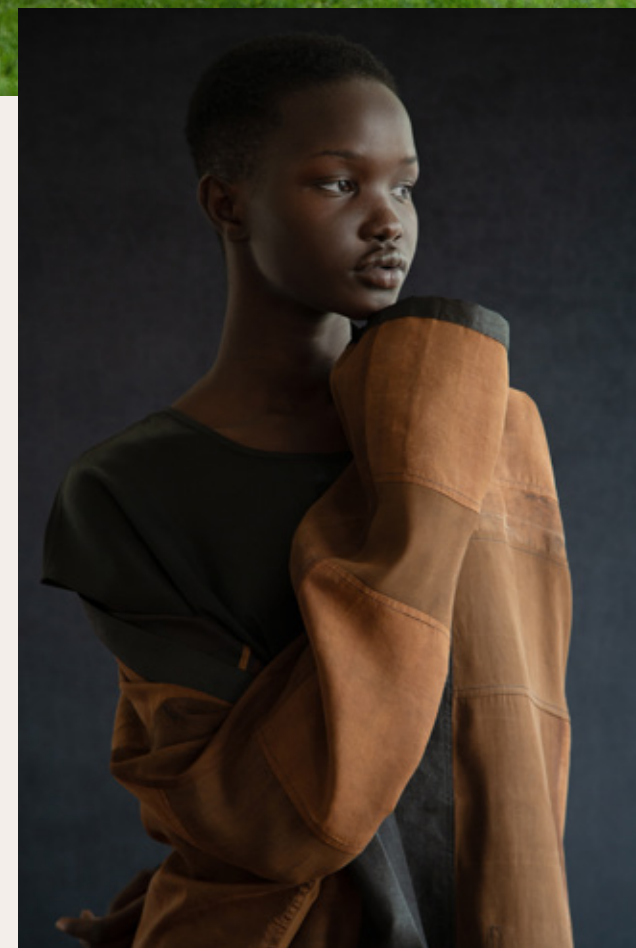


The lengthy seasonal manual process starts with drying the yams, and is followed by grinding and simmering them in a large clay basin until the water turns orange and the fabric takes in all the color. Then the fabric is laid down to dry and prepared to receive the many layers of mud from the Pearl River. This gives the fabric a lacquered texture that is compacted with a thin layer of anthracite coal. For one week, the fabric is soaked and sprayed with dye about thirty times, and with hot Shuliang yam juice three times, to obtain the expected color density.

In China, mud silk has gone in and out of fashion throughout history. According to historical records, Xiang-yun-shā was available as early as the 5th century, and these textiles, as well as the garments fabricated from them, were then exported from Canton. The whole silk industry in Canton pushed the development of printing, dyeing, machinery and garment manufacturing in China. Culturally, mud silk was considered the most luxurious textile during the Ming Dynasty (14th–17th century). The ease of its care made it very popular in the Qing Dynasty (1644-1911). In the 1920s, the upper classes adopted it for its characteristics and its noble look. The silk industry reached its peak from 1918 to 1930, with thousands of silk factories and over 500 dyeing factories, at a price point more expensive than gold and becoming

an icon of urban elites. However, production stopped during the Cultural Revolution (1966-1979) and only resurfaced about 15 years ago, motivated by the inclusion of the technique as part of China's National Intangible Cultural Heritage in 2009 and the newly built silk museum in Guangdong. The price of mud silk has always been high, actually about three times higher than the price of cotton fabrics. Therefore, mainly merchants and wealthy people wear mud silk. In old Guangzhou, loose top and pants can be seen on opera singers, tea-makers, bankers, silk dealers, and workers in all kinds of professions. In 1979, the government re-opened the factories. More than 20 factories were opened yet they soon closed, because their products did not meet quality standards: some of them used synthetic fabric, losing the environment-friendly essence of silk. Demand even for high-quality textiles was very low, since most designers and consumers were looking the other way towards fast fashion.

The future of Xiang Yun Sha lies in reaching new consumers who understand that our planet's resources are limited, and value silk's special qualities as well as its tradition. The cultural legacy, sustainability, and exclusivity of this precious textile provides a unique opportunity for mud silk to stand out as a shining exemplar of the new Made in China 2025.



Noir presents editions seasonally, according to the availability of the fabric and the different hues that the Pearl River carries each year. Mud silk feels like wearing liquid, or being embraced by the wind.

WWW.NOIR-HANDMADE.COM
@NOIR.HANDMADE



Excuse Me, I Am the Forest

BY
RAFAEL
OTANO

*Happiness only belongs
To those who know the heart of the forest.*

Sergio Macías



The Greeks, and later the Romans, considered forests as sacred and magical spaces. Harmonious temples were built in them, from where legends arose with stories of heroes and gods. Ovid, writer of the myths of Olympus, bequeathed us a trail of forest tales in his marvelous *Metamorphoses*. Those forests are inhabited by river nymphs, tree dryads and beneficial genii. The immortals wander in them in search of young and innocent girls. Artemis and other mythical female characters find a secret space: a territory of rebellion against the domination of men.

VEGETABLE SCENERIES

The forest is perhaps the deepest metaphor for human peripetia. It is shelter, water, humidity, a health reservoir, a concert of birds, a corner of madness, hunting, liberation, labyrinth. It is not surprising that the medieval Game of Goose makes the journey through the forest and its dangers the most important process of life. Dice by dice, square by square, the game's pieces are entangled in the chance of existence. The adventure culminates in forests that house cemeteries in which the mortal-immortal remains live in a supreme chemical and more than chemical embrace with nature.

Science has provided a vision of the forest and the glade born from the transformations that take place there. Forest trees neutralize carbon, supply vital oxygen charges and promote biodiversity. Beyond these basic functions, they provide the context for the worldview of peoples whose existence has had an atavistic link to this natural scenery.

Forest legends pointing to mysterious dimensions, where characters feel the disconcerting call of the trees and birds in their

flesh. Somewhere on the Old Continent, a monk leaves his enclosure, goes into a nearby forest. He is alone and suddenly hears the chirping of a lost bird. He listens to it spellbound, almost as if in a dream. He wakes up from that surprising ecstasy: it seems that it is almost night. He must quickly return to the discipline of his monastery. When he arrives at the door, something seems strange, he does not recognize the brother at the door, but neither does the doorman know who he is. The abbot is asked to identify this monk, who may well be an impostor. He tells his story; the information is searched in the chronicles of the monastery. Indeed, such a monk disappeared a hundred years ago without a trace. The moment listening to the songbirds in the forest had lasted a century.

Forests remove us from space and also from the web of time: that is their spell.

This is the almost mystical version of the forest. There is a more pragmatic one: forests as an exploitable economic resource. Wood, its main treasure, has always responded to many of the needs of human beings: it has created chimneys fires and braziers, it has created chimney fires and braziers; built ships, houses, and workshops; manufactured furniture and tools; and produced arts and crafts and musical instruments. All this is the result of a civilizing drive that still persists. Wood is one of our inseparable companions :wherever we turn our eyes, we will almost inevitably verify the endearing presence of wood. In addition, there is pulp, the raw material for other noble elements, such as cardboard and nothing less than writing and printing paper – that paper which is always within reach and resists despite the overwhelming emergence of the digital phenomenon, not wanting to abandon us.

For the Mapuche of the Chilean Araucanía region, as for so many ancient peoples of the continent, forests are hierophanies, but this does not prevent their tenants from accepting the provisions and gifts that the trees and fermented soils offer them.

SPIRITUAL SPACE

Where does the love for these solemn structures of living and protective fronds come from? Forests are one of the most exciting expressions of nature: these informal legions of trees provoke introspectiveness; a joyful alertness to each and every one of our senses. To cross the forests is to find leisureliness, secrecy and silence: the perception of the sacred is gained in every step. Our world of hurry and impatience can hardly incorporate the forest as an element of life. The city assimilates the beach, even the challenging mountains, but not so easily the vegetation.

However, in vast territories of our America there is a special respect for the forest as an uncontaminated space, as an arcane and numinous reality. The forests and jungles have constituted the traditional habitat of a great part of the original peoples of the New Continent. The inhabitants of those latitudes, even those who arrived in successive migrations, carry the forest –lived, mourned or told– very deep inside. Whether you live in a small town or in the bustle of a megalopolis, the forests and jungles with their scents and leaves linger in your mind. And also in your gestures and your skin. The former inhabitants of these earthly residences cannot let go of the emotion of feeling their origin, be it real or learned, nor of the spiritual geography that populates their memory. The forest grows from substantial humus from many pre- and post-Columbian peoples.

The romantic readings of the 19th century, reinforced by various utopian constructs, make forests a literary theme that has captivated certain 20th-century Latin American narrators and poets. This deep influence creates a collective sense of belonging: forests and jungles and other elements become signs of identity and for many countries national pride resides more in nature as such than in human initiatives. This group pride is linked to the love of what has not been intervened, what is not subject to economic or utilitarian exploitation. The forest and nature are not regarded by these populations as an economic opportunity, but rather as a gift received and a lyrical patrimony of collective existence. This almost religious attitude is very far from that which sees an intensive business of berries.

The forest is a spiritual and sacred space for many ancestral peoples, but this has not prevented its having practical uses for them. For the Mapuche of the Chilean Araucanía region, as for so many ancient peoples of the continent, forests are hierophanies, but this does not prevent their tenants from accepting the provisions and gifts that the trees and fermented soils offer them. Its discreet exploitation fosters a saving attitude towards the natural asset, a desire to leave what has been inherited to one's own descendants. Future generations are seen as a community extended through space and time.



FLOWERS, HERBS AND FIREWOOD

Dealing with the forest is, on the one hand, a matter of caring and limiting the use of its resources, in exchange for, on the other, the benefits of plants for families and communities. The triad “flowers, herbs, and firewood” —ubiquitous in indigenous stories— sums up very well what community members receive from the forest. Flowers represent beauty, herbs health, and firewood the warmth of the hearth. Without a doubt, this interpretation of their symbolism is very elementary. Beyond their material nature, a very particular spiritual relationship is transmitted through rhythms, prayers, and ritual celebrations: the forest, with its sacred trees, is regarded as a protector, an intrinsically indigenous space whose loss entails the mutilation of the communities’ souls.

Our relationship with forests and jungles has been debated since the 19th century, and increasingly so since the last third of the 20th century, with the industrial/manual and intervention/conservation conflicts typical of the successive leaps into modernity. In Brazil and the other countries in the Amazon region, tensions have had —and still have— the most dramatic overtones. Gigantic deforestation operations, the displacement of tribal communities, and huge trade in meat and leather, to name a few, have been reported by first world media and entered into our global environmental awareness. But the problem is extended throughout the region.



The literature born more directly from the reality of thickets and their atavistic tenants is fundamentally oral. In the first half of the 19th century, Hans Christian Andersen and the Grimm brothers collected their materials from oral traditions stemming from the Middle Ages, when they set out to write down Danish and German folk tales and organize them in edited collections. This literature created new mental dwelling spaces for children and teenagers, as well as expanded their narrative repertoire. The the crux of the matter is that there were stories in the manner of “Once upon a time there was a Forest Ranger”, “There was a Fickle Wolf”, “Peter was called the Parakeet on the Branches”, or “All squirrels fear the Furry Hunter”. Of course, these simple stories can also be addressed to older recipients who might enjoy more complex plots, but, behind them, the positive co-existence between the various kingdoms of nature will always be present: And they will activate the many ways of imagining that coexistence.

The digital universe is creating a huge audiovisual and participatory space that nourishes and gives new life to children’s and young people’s stories. Written or oral storytelling responds to this challenge with weapons printed in ink and the living language of saliva and tears. Printed or spoken language is not only inexhaustible, but also has great power to evoke, portray, and charm. It is the cheapest and handiest educational tool. Audiovisual language and written narrative are not mutually exclusive, but rather coexist and complement each other.



The persuasive discourse in defense of nature has been introduced as an educational and political element into the design of the future, that is, of the present. This discourse, with its many faces, knocks on the doors of children’s schools or of academic centers for young people. It also knocks, of course, on the doors of companies and governments. How this speech is interpreted and assimilated is a crucial issue. Herein lies a great question for science, as well as a challenge to the capacity for understanding of different sensitivities and interests, to avoid our being locked in a dead-end confrontation. And, as always, it is also an invitation based on history for the most powerful to take the first steps, distinguishing, in this case, between forests and forest plantations.

The tales born from values and characters belonging to the forest (human and non-human), expressed in different formats, constitute essential tools to activate the sense of nature in coming generations, and also act as mediators between the various stakeholders interested in its management. Many things happen beyond the sounds and silences of the forest: they have their own and sometimes strange laws, broaden our capacity to understand, and break the dumb dimension of our brain. The stories of thickets stimulate divergent thinking, suspend ideas and prejudices, and legitimize an outlook at times bordering on magic. The perception of the forest integrates nature, and human beings feel the happiness of communion with all orders of life. For our urban and denaturalized society, these domains of flora and fauna represent an opportunity to recover or expand the wealth of the microcosm itself.



SNOW WHITE BY THE BROTHERS GRIMM

“Of course, these simple stories can also be addressed to older recipients who might enjoy more complex plots, but, behind them, the positive co-existence between the various kingdoms of nature will always be present: And they will activate the many ways of imagining that coexistence.”



ROMANTICISM AND VICTORIANISM

The romantic period with its collections of traditional stories, as well as the Victorian period with its didactic storytelling for homes and schools, fueled the imagination of children and young people. In our own fertile literary space, however, a universally accepted canon of stories and legends for all generations in Latin America has not yet taken shape. Despite the existence of many native storybooks and classics such as *Cuentos de la Selva* by Horacio Quiroga, schools and libraries do not have a catalog of stories that our family of countries can recognize as a common tradition: the kind of stories shared by little hikers in starry summer nights or by the fireside in a winter afternoon.

Currently, the difficulties in accepting a shared informal canon of stories are of political or national, rather than of racial or religious nature, due to prejudices and mistrust that prevent boys and girls from uniting around common feelings that go beyond their homelands or political beliefs. Our liberal society is putting obstacles in the way of this free and somewhat heterodox exercise of fantasy. The stories collected by romantic folklorists, haunted by supernatural characters and events (elves, goblins, gnomes, fairies, witches, and so on), were accepted by a religious milieu that was not at all in tune with the multiple worlds contained in them, and that, nevertheless, considered them a suitable tool for children's entertainment and stimulating their mental flexibility and power.

It is noteworthy that the breakthrough of the Latin American novel, under the accurate label of “magical realism”, and the subsequent and varied development of other genres has not been mirrored in children's literature. Educationally-minded storytellers, some of whom are excellent, are not sufficiently published beyond their country's borders. There is still no mutual influence that could create a main street, or rather a main square, where the stories of all our nations could meet in a polyphonic choir for our younger generations. In this set of stories, one of the protagonists would always be the forest, along with its inhabitants and landscapes.

Where does the heart of the forest beat? Any place and corner of the thickets is the center and axis around which the forest canopy gravitates.



CUENTOS DE LA SELVA
BY HORACIO QUIROGA.

Astor Piazzolla

100 YEARS OF THE REVOLUTIONARY BANDONEON

BY
BÁRBARA
GUTIERREZ

Innovation has not always been deemed praiseworthy. This was well known to the Argentinian composer and bandoneon player Astor Piazzolla, whose musical proposal, too divergent for his time, earned him harsh criticism from the tango purists. He was called “the enemy of feet”, since, in the eyes of his critics, it was impossible to dance to his music, clearly influenced by jazz and his classical training in New York.





POPULAR AND CLASSICAL

Piazzolla had an excellent musical training and composed both popular and classical pieces throughout his life, until the so-called “New Tango” took shape.

When he left for Paris in 1954 to study with Nadia Boulanger, Piazzolla found out that his pieces were being performed by French accordion players. When Dizzy Gillespie visited Argentina in 1956 and attended a performance by the Octeto Buenos Aires, directed by Piazzolla, he was absolutely astonished: he could not believe that every single sounding note was being read out of the score and not improvised. Gillespie spread the news among his colleagues, and in 1965, when Piazzolla was touring the US, he met jazz musicians who already considered him a prodigy. The international Montreux Jazz Festival of 1986 is a landmark in his biography. The quintet had to play with the vibraphonist Gary Burton, after an electrifying performance by Miles Davis. After 10 minutes of enraptured silence, they received a standing ovation from the audience.

THE CELEBRATION

For the series of concerts organized on the occasion of the centenary of his birth, entitled “Astor Piazzolla 100 años”, Omar García, the musical director of the Quinteto Astor Piazzolla (QAP), has selected 26 original pieces composed between 1953 and 1989. As he stated on the media, “the great variety of his music, its astounding structure and sound, its rhythmic richness, and the adaptations that have transformed it into chamber music performed all over the world, make this work a never-ending source of emotions, impulses, abstract images, and self-representation”.

WHERE CAN YOU BRING THIS BACK TO LIFE?

<https://quintetoastorpiazzolla.com/piazzolla-100-anos/>

The website “Piazzolla 100” is already up. There you can get to know and find out more about this great Argentinian composer: unknown facts about his life and his family, and testimonials by musicians all over the world who have been influenced by his artistic sensibility.

www.piazzolla100official.com

On social media, look for Piazzolla100 (Instagram and Facebook), Piazzolla100th (Twitter) and Piazzolla100 (YouTube).



“Those who are most unsuccessful in life are the people who set out to be different from others. I think you are born different, you cannot make yourself different.”

“That’s it, boy, become a musician. Be poor, but be happy”, said Astor to his grandson, the now famous Daniel “Pipi” Piazzolla, when he had to choose a career and took the path of music for good.

100 years after his birth in Mar del Plata, Argentina, all this is part of the story of someone who is now globally acclaimed as one of the most important composers of the first half of the 20th century. Today, Piazzolla is regarded as having modernized tango, enriching it with the formal language of avant-garde music and infusing it with a new style, which made it universal.

Studies on Piazzolla point out that his innovative career would not have been possible without the friendship and collaboration of other great contemporary Argentinian composers, like Alberto Ginastera. Before that, Piazzolla’s solid training in avant-garde music was based upon his experience performing in tango orchestras in his youth, particularly in the ensembles directed by Francisco Lauro, Gabriel Clausi, and, above all, the renowned Aníbal Troilo.

From the mid-1950s until his death in 1992, Astor Piazzolla produced very significant pieces, both with and without vocals, such as “Chiquilín de Bachín” (“Little Guy at Bachín’s”), “Preludio para el año 3001” (“Prelude to the Year 2003”) and “Balada para un loco” (“Ballad for a Madman”) —which was first performed more than 50 years ago and has established itself as one of the top 100 most popular songs in Latin America—, as well as true masterpieces like “Adiós, Nonino” (“Goodbye, Nonino”) and “Libertango” (“Free-tango”), among many others.



JUAN PABLO MOHR:

Smiling at the Sky

BY
PABLO
ALVAREZ

The Chilean Guinness World Record holder for climbing without supplementary oxygen went missing in K2, one of the fourteen summits above 8,000 m that were his passion and driving force.

Like every legend, Juan Pablo left a legacy. Similar to the fourteen 8,000ers, he had a dream called “Chile’s Sixteen”: a project aiming to build world-standard shelters in the highest summits of every region in his home country. By 2020, he had already climbed eleven of them, including Chile’s tallest mountain, which also happens to be the tallest volcano in America: Ojos del Salado (6,893 m).

One of them was from Pakistan: the first person to climb Narga Pargat’s 8,125 m in midwinter. Another one was from Iceland: the first Icelander to reach the second and the fourth tallest peaks on Earth. The third was from Chile: Guinness World Record holder for climbing Lhotse and Everest in less than a week without the use of supplementary oxygen or Sherpa support.

The three wanted to achieve the next goal in their lives: to become the first to reach K2’s summit in winter. But, after twelve days of intense search and rescue, they were declared dead by the Pakistani authorities. Hundreds of candles were lit in Pakistan to pay homage to the three mountain climbers.

Meanwhile, the funeral of the record holder —Juan Pablo Mohr— was broadcasted in Chile.

In front of the altar, he can be seen up in the mountains in pictures framed in different sizes. Those are his trophies: neither cups nor medals, but humble records of his smile in summits higher than 8,000 m.

THE FIVE 8,000ERS

Throughout his life, Juan Pablo Mohr was named in a series of newspaper headlines referring to danger.

“They Fear Hell Less and Less” reads the title of one of the earliest press releases that the Digital Library of Congress holds under his name. In that article by the local newspaper El Mercurio, he is reported to have been the best Chilean competitor at Andes Infernal’s Ultra Skyrunning in 2016, which at the time was the race held at the highest altitude in the world (5,424 m).

Despite his good performance in this field, he grew weary of the mental strain of competing with others. “In the mountains, there is no such rivalry, because you are competing with yourself. You don’t have to hurry up or worry about getting a place or a medal. Rather, you go at your own pace and enjoy it to the utmost”, he said in an interview with OF Magazine in 2019.

Mohr’s “pace”, however, was extreme. His first “eight-thousand-er” —as the fourteen existing mountains above 8,000 m are called— was Annapurna I, considered the most dangerous for having a fatality rate of 32% (one death per two safe returns). By 2014, it had already claimed tens of lives, and Juan Pablo and his fellow mountaineer Sebastián Rojas almost died due to an avalanche.

Not one or two or three. It took them five attempts to become the first Chileans to reach Annapurna’s summit, when they only had one chocolate bar left. His photo-medal shows the yellow North Face equipment covering everything but his smile.

Despite the expedition’s success, the mountain climber recalled that he learnt a lesson from that experience: “Right when the avalanche came to us, when we reached the bottom, we learnt that Ueli Steck, one of the most influential alpinists, had died. He was one of the best mountain climbers and he died. We then realized how vulnerable we were at the moment. We thought: ‘If it happened to him, why wouldn’t it happen to us?’” (OF 2019).

This lesson was engraved in Juan Pablo’s mind. His next 8,000er attempt seemed moderate in comparison: Dhaulagiri. By then, the athlete was already sponsored by CMPC, as he would continue to be for the remainder of his career.

When he was in Camp 1, he was told that the Italian Simone La Terra had gone lost in the mountain. He did not mind missing a weather window to reach the summit, and went to look for the alpinist, who was finally found dead near Camp 2.

At several interviews, Juan Pablo talked about “listening to the mountain”. That expedition had already claimed one life and, when they were about to reach the summit, his rope mate dehydrated and started feeling very unwell. As they were so close, Mohr even suggested:

“And if you wait for me here?”

After saying this, he reconsidered. “I had to accompany him. Just imagine it. I would never have forgiven myself, if something had happened to him while I was going up”, he said to OF in 2019.



His second 8,000er that year was almost like a rematch. He made the most of the weather conditions and reached the summit of Manaslu, the eighth tallest in the world. Another smile, another headline, and a video in which Mohr dedicated this new achievement to his children, blowing a kiss at the camera.

By that moment, he was already obsessed with the fourteen 8,000ers, to the point that he had resolved to climb at least five of the remaining ones within 100 days. “I want to climb all fourteen 8,000ers without supplementary oxygen”, he said that year in an interview with Capital magazine. “Which one commands my greatest respect? Well, K2, the second-highest mountain on Earth and one of the most technically difficult.”

The first two out of those five 8,000ers established Mohr’s place in the history of mountaineering. With a double expedition to Lhotse and Everest, he did not only become the first Chilean to reach the highest summit on Earth without the use of supplementary oxygen or Sherpa support: he also obtained a Guinness World Record for climbing both mountains in less than a week under those conditions.

Nonetheless, two tragedies attended the joy of that achievement. As they were descending, he and his fellow mountaineer Sergi Mingote helped a couple of alpinists who were exhausted. One of them had pulmonary edema and died in Juan Pablo’s arms. Then, seven days after reaching the summit of Everest, he found out that his father had been diagnosed with lung cancer. He cancelled all the plans concerning the three remaining 8,000ers and accompanied his father during the last three weeks of his life.



Mohr’s next achievement was dedicated to him, as a personal settling of scores: his second attempt in Dhaulagiri. He made history once more, becoming the first Chilean to climb it without supplementary oxygen or Sherpa support. The summit, surrounded by clouds, looks like heaven itself. There, smiling as usual, he shouted: “Here’s my dad. I love you, old man!”

An injury and the pandemic stopped Juan Pablo Mohr for a while, so 2020 was a very introspective year for him. “Life is very fragile”, he said last year in an interview with a Chilean newspaper (La Tercera). “I would like to invite everyone to stay healthy and enjoy life, as we can lose it at any time. This reflects my life philosophy to some extent: you should make the most out of it, since when it’s over it’s over, be it crossing the street or up a mountain.”

The social media accounts of mountain climbers sometimes look like epitaphs. Every now and then, there is a post paying tribute to a fellow athlete who has recently passed away in the mountains. A new guardian angel. Juan Pablo’s last post of this kind was dedicated to his friend Sergi Mingote, who died in K2 when both of them travelled there with the dream of becoming the first in history to climb it in winter.

Then came what we already know: the twelve harrowing days during which all of Chile harbored the hope that their young mountaineering legend would come back alive from K2.

Like every legend, Juan Pablo left a legacy. Similar to the fourteen 8,000ers, he had a dream called “Chile’s Sixteen”: a project aiming to build world-standard shelters in the highest summits of every region in his home country. By 2020, he had already climbed eleven of them, including Chile’s tallest mountain, which also happens to be the tallest volcano in America: Ojos del Salado (6,893 m).

This dream will not remain unfulfilled due to his passing away, since CMPC has already announced that they will continue Mohr’s legacy by building two shelters every year, in cooperation with Fundación Deporte Libre, Club 14 Ocho Mil and The North Face.

THE FUTURE

At the end of the broadcast of Juan Pablo’s funeral, several children can be seen. They play around the camera, creating landscapes. They laugh and look happy. Comments on Instagram highlight the attitude children have during tough times.

Juan Pablo Mohr told OF that he thought the future of mountaineering lies there: “Newer generations come with lots of strength, above all the children of mountaineers. I make mine train very hard. They are three —11, 9 and 7 years old— and they love it. We even have a climbing wall at home. I’m sure they’ll want to surpass all my records when they grow up.”

“Which one commands my greatest respect? Well, K2, the second-highest mountain on Earth and one of the most technically difficult.”

SOFTYS RELEASES ITS FIRST SUSTAINABILITY REPORT



Paul Polman, former Unilever CEO pointed up Softys' commitment to sustainable businesses and stated that "Covid exposed the flaws in our system, and brands have a great role to play in overcoming them".

With Paul Polman as keynote speaker, Softys —a CMPC subsidiary that manufactures personal hygiene and care products— recently released its first Sustainability Report, which details the company's progress in 2019 and the first quarter of 2020. The publication of this report is part of Softys' 2020-2023 Sustainability Strategy, which in turn is consistent with CMPC's Sustainability Strategy as a whole.

CMPC and Softys Chairman, Luis Felipe Gazitúa, asserted that "what society expects of companies must become the purpose driving each of our actions, and we at Softys have embraced this with determination in our commitment to innovate for the sake of people, which is reflected in this, our first Sustainability Report".

Softys CEO for the Region, Gonzalo Darraidou, said that "this report makes our challenges and management in environmental, social and governance issues transparent to our various stakeholders, and will undoubtedly become a powerful internal management tool. In addition, it feeds into our corporate narrative, highlighting that sustainability is a strategic lever for Softys, the core of our business and operation".

At the event, guest speaker Paul Polman, former CEO of Unilever and a global leader in corporate sustainability, stressed Softys' contribution in the field: "Humanity is currently facing historic challenges. The climate crisis and growing inequality are issues that must be on the agenda of all those who lead, not just states but also companies. And it is very motivating to see that important regional players in Latin America are becoming leaders in this area, embracing sustainability as the cornerstone of their business strategies." Polman pointed out that "Covid exposed the flaws in our system, and brands have a great role to play in overcoming them." In this context, he pointed at Softys' mask campaign during the pandemic, noting that "it has operated 6 mask production machines and donated over 15 million of these in the region. They did not have to, but did so out of their great sense of responsibility, and we want to thank them for that".



THE PROGRESS SO FAR

Softys' 2020-2023 Sustainability Strategy has 4 pillars, namely to facilitate a better quality of life, to co-build a sustainable economic environment, to promote the development of local communities, and to protect the home we share. These pillars will guide concrete measures and targets set through to 2023.

The company is already implementing different actions on all four fronts, one of which is the manufacture and donation of masks in five countries to help address the Covid-19 contingency in the region.

In its Water Challenge, Softys invites entrepreneurs from all over the world to find solutions to provide access to drinking water to the neediest communities in Latin America. The first version of this competition took place in 2020, and the implementation of the winning solutions will be announced soon. This social investment project embodies Softys' care purpose, which is expressed in the motto: "There is no hygiene without water".

Softys' contributions to CMPC's sustainability commitments are concrete and ambitious. The latter aims to become a zero-waste-to-landfill company by 2025, cut greenhouse gas emissions by 50% by 2030 and reduce the use of industrial water per ton of product by 40% by 2025. In the words of its CEO, these goals enable Softys "to imagine another 100 years for our company and to fulfill an ambitious promise: the best care for a better tomorrow".

BEST WOOD ARCHITECTURE OF 2020

“The Wood Design & Building Awards program is an opportunity to discover and celebrate the world’s best wood architecture, in diverse locations and with a wide variety of typologies,” said Andrew Bowerbank, Vice-President of Market Development for the Canadian Wood Council. “Each year’s jurors are tasked with deciding which projects embody the most creative, innovative and well-executed examples of building with wood. As you can see this year, with more than 30 award winners, there is an amazing abundance of beautiful and functional design, using wood”.



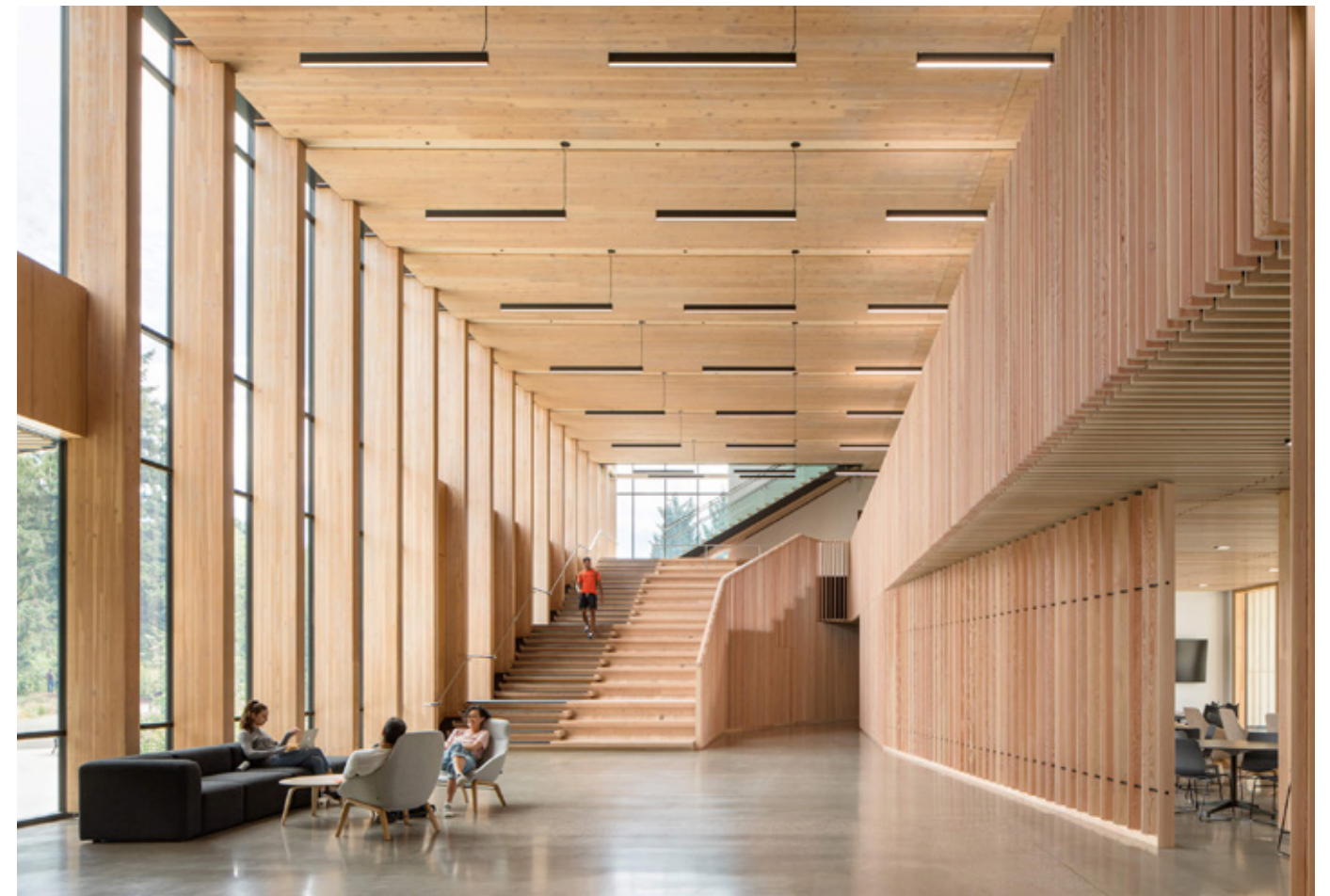
PATINOIRE DU PARC DES SAPHIRS, BOISCHATEL, QUEBEC, ABCP ARCHITECTURE



NATURAL LIBRARY IN ZHESHUI VILLAGE, ZHESHUI VILLAGE, CHINA, LUO STUDIO.



THADEN SCHOOL BIKE BARN, BENTONVILLE, ARKANSAS, MARLON BLACKWELL ARCHITECTS.



OREGON STATE UNIVERSITY FOREST SCIENCE COMPLEX, CORVALLIS, OREGON, MGA | MICHAEL GREEN ARCHITECTURE.

WHAT IS IT LIKE NOT TO HAVE DRINKING WATER?



The initiative, launched in southern Chile by CMPC and its partner Desafío Levantemos Chile, is focused on executing high-impact projects within a limited time frame, benefiting around 600 people.



"Today, my dream of an irrigated greenhouse has come true, and it's wonderful", says Beatrix Prado Huaiquil from the Lolcura community in Araucanía, benefitted by the initiative.

Beatriz lives in her Ruka Lif Mogen ("Clean house, clean life") just off the R22 motorway, roughly 7 km from Villa Mininco in the municipality of Collipulli. Like her, approximately 150 families now have access to potable water for the first time in their lives, used both for drinking and irrigation.

"Here in the countryside we really get as much as we can out of our water. I like to have lettuce, onions, basil, coriander, celery, parsley, cucumbers, and zucchini. I love growing vegetables. One year I had a lot, even melons and watermelons, gorgeous sweet fruit. Not having water for my plants was truly exhausting, and I didn't have the means to install irrigation technology. But this will turn things around and change my life", says Bárbara, looking at her 100-m2 greenhouse. From this growing season on, she will now have an irrigation system in place.

According to a national survey (Casen), Araucanía is one of the poorest regions in Chile. There, 71% of households in rural communities do not have access to drinking water. In order to address this, Desafío Levantemos Chile in conjunction with CMPC, continues to promote and drive the initiative "Water for Chile", to provide water to communities in Araucanía and Biobío.

After completing these projects benefiting about 600 people, a ceremony was held at Ruka Lif Mogen, which began with a Lletlipun, that is, a Mapuche prayer requesting the protection of the finished works and the communities.

"Water is a vital resource and these projects have addressed a major need", declared the executive director of Desafío Levantemos Chile, Nicolas Birrel. "What once was a dream has now come true through concrete, high-impact, sustainable projects for these communities. This success encourages us to keep working even harder to provide scalable and innovative solutions, collaborating with the families for them to have a better quality of life".

CMPC CEO, Francisco Ruiz-Tagle, asserted: "having easily accessible drinking water is not only necessary for human growth, but is fundamental to social development. It is also a basic element in entrepreneurship and essential to human dignity. It is well known that there is a strong correlation between inequality and access to basic services."

Ruiz-Tagle also added that "Desafío Agua para Chile" will not only help improve the quality of life of these communities by making drinking water available in their homes, but also by increasing their income, since several projects will enhance crop production through irrigation technology.

The Secretary of the Community of Lolcura, Ana Mellado, expressed her gratitude for the development and installation of the potable water system, saying "we have spent many years living without water resources, so being able to water a small area such as a greenhouse is for us a huge improvement, compared to when we had to carry water in buckets from the well".

ROUTE 22, VILLA MININCO: A DEVELOPMENT HUB

Although water for human consumption is a priority for these communities, water for productive purposes is also very important to them. For this reason, "Desafío Agua para Chile" has also focused on providing irrigation solutions. Such was the case of the communities adjacent to the R22 motorway, in the vicinity of Villa Mininco, municipality of Collipulli.

Eric Huaiquil Rojas, President of the Ignacio Levío community, was effusive in his endorsement of the initiative: "I work in agriculture, and I sell the majority of my produce. The biggest issue we have is the lack of water, and this project satisfied the multiple needs of the families in the community. As far as I'm concerned, I'm grateful to CMPC and Desafío Levantemos Chile for all their help. The truth is we really didn't expect it, so now having an irrigation pump to water my crops is a great joy for me".

C M P C N E W S

CMPC Reports on Its 2019 Sustainability Performance in Brazil

The company discloses environmental, social and circular economy figures for its Pulp and Softys divisions in Brazil.

CMPC's subsidiary in Brazil, which includes pulp and tissue operations, published a report on its 2019 sustainability performance. This is part of CMPC's comprehensive sustainability communications strategy, which caters to its stakeholders through various reports and publications, as well as through active participation in external sustainability assessments and ratings.

The report begins with a description of the company's presence in four Brazilian states. CMPC Pulp is located in Guaíba and carries out forestry operations in 71 localities in the state of Rio Grande do Sul, directly employing 6,600 people. Softys, CMPC's tissue and personal care division, is based in Mogi das Cruzes and Caieiras in the state of São Paulo, Mallet in Paraná, and Jaboatão dos Guararapes in Pernambuco, creating a total of 4,200 direct jobs.

The document also contains general figures for the company in Brazil: 45,000 employees and contractors, US\$ 268 million in investments and expenditure on goods and services, engagement with 88 urban and rural communities—including two traditional quilombo communities—, and US\$ 3 million in social investments aimed at improving education, income, and quality of life.

The report also presents some key operational performance indicators, such as the production of 1.8 million metric tons of pulp and 52,000 tons of paper. Of these, 1.7 million tons of pulp and 2,600 tons of paper were exported, while the rest was placed on the local Brazilian market.



Some key environmental figures include the protection of 64 plant and animal species in the Barba Negra Natural Reserve, and of 3,800 hectares of High Conservation Value Areas, as well as the use of 83% self-generated energy at the Guaíba mill.

CMPC Brazil also shared circular economy indicators, such as the recovery of 99.7% of industrial waste and the recycling of 6,000 tons of paper. These numbers are the result of the 180 new jobs created as part of the company's circularity efforts to utilize byproducts for the production of organic fertilizers, soil amendments, hydrated lime, MDF boards, and other inputs for the cement industry, among others.

CMPC Has Been Included in the EU Ecolabel's List of Assessed Pulp

CMPC is part of the updated list that contains pulps assessed for use in EU Ecolabel graphic and tissue paper. Pacifico BSKP and Santa Fe BEKP in Chile, and Guaíba BEKP in Brazil have been approved for use by customers with the EU Ecolabel, as per the European Commission Decision (EU) 2019/70. The EU Ecolabel's list containing the approved CMPC pulps can be found in the following link: <https://eupulps.net>

The EU Ecolabel is awarded to goods that have reduced environmental impact during their entire life cycle, and comply with the management criteria established by the European Commission for goods and services. These have high standards for waste management, air emissions and effluents, fuel and electricity efficiency, and the regulated use of certified wood and chemicals to protect both health and the environment. The inclusion of CMPC pulps in this list comes in addition to the previous award of the Nordic Ecolabel.



CMPC Ranked among Vigeo Eiris' Best Emerging Market Performers

In July 2020, CMPC was included in Vigeo Eiris' Best Emerging Market Performers Ranking among the 100 best performing companies according to Environmental, Social and Governance (ESG) criteria. The universe considered by the assessment provider contains 843 companies, from 32 sectors and 31 countries. CMPC is one of three companies from the Forest Products & Paper industry and one of nine Chilean companies across sectors that made it into the prestigious index last year.

The Best Emerging Market Performers index comprises the highest scoring companies across 330 key ESG indicators grouped into 38 criteria, such as efficient energy and resource use, human and labor rights, and waste management, to name but a few. Companies can also fail to qualify for this index if they are subject to critical or recurrent controversies which they have failed to address.

This is another important acknowledgement of CMPC's leading efforts in integrating sustainability at the core of its business strategy. The company has been included in the Dow Jones Sustainability Indices for Chile and MILA since their inception in 2015 and 2017, respectively, as well as in the DJSI Emerging Markets Index since 2019. It is also listed in the FTSE4GOOD (since 2015) and MSCI Chile (since 2014) indices. In 2019, CMPC was recognized among the top 72 best-in-class companies globally in water security and transparency by the prestigious organization CDP (formerly known as Carbon Disclosure Project), the so-called Water A List.



Vigeo Eiris is one of the most widely recognized international providers of ESG research and services for investors, government entities and private corporations. Its methodology is designed to assess the level of integration of sustainability factors into the overall business strategy and day-to-day operations. Since 2019, Moody's owns a majority stake in the company.

Dow Jones Sustainability Index Lists CMPC as the Second Most Sustainable Forestry Company in the World

CMPC was listed as the second most sustainable forestry company in the world by the Dow Jones Sustainability Index. The company scored 6 points higher in the prestigious indicator compared to the previous year.

"This tremendous result is the best proof that the path taken by CMPC a few years ago is the right one. For us, sustainability is not only part of the business. We are convinced that, without sustainable performance, there simply is no business", said the CEO of CMPC, Francisco Ruiz-Tagle.

Likewise, the Head of Sustainability, Nicolás Gordon, stated that, "in 2019, we set long-term sustainability goals in the most relevant aspects of a much broader sustainable development strategy, which we are implementing at a steady pace at CMPC. We are honored to have received this recognition, which reaffirms that we are on the right track, demonstrating leadership and resilience, even in years as complex as the current one".

In addition, the company was included in the Dow Jones Sustainability Index Chile for the sixth, in the MILA Pacific Alliance for the fourth, and in the Emerging Markets index for the second consecutive year. This shows that CMPC has been leading the forestry category in these three areas.

In 2020, this family of stock market indices brought together 1,386 companies that demonstrate strong leadership in sustainability issues across sectors. Of these, 36.4% are from Asia, 26.1% from Europe, 25.7% from North America, and only 9.8% from Latin America. Taken together, these 1,386 companies represent 33% of global market capitalization.

Overall, CMPC scored a total of 71 points, improving by six points its 2019 DJSI result, and rising 17 points in the general ranking to the 92nd percentile of its industry.

C M P C N E W S

CMPC Obtains 'A' Ratings from CDP in Three Environment-Related Categories

CMPC has obtained the highest rating granted by the global environmental non-profit organization CDP, being placed on the "A List" for both combating deforestation and protecting water resources. It has also been awarded an A- in climate change, which is also within the leadership range.

CDP (formerly Carbon Disclosure Project) promotes the sharing of corporate and governmental information to reduce greenhouse gas emissions and protect water resources and forests. CDP assesses companies and assigns them a score using the following scale: A (leadership), B (management), C (awareness) and D (disclosure).

"At CMPC we are very proud of having been included on CDP's A List once again this year. Now more than ever, we are committed to implementing our sustainable development plan, even in a year as complex as 2020. We aim to offer the best solutions based on renewable fibers, as well as achieve the ambitious environmental goals we have set. We believe that sustainability is essential for corporate resilience in the near future", stated CMPC CEO Francisco Ruiz-Tagle.



CMPC established its Climate Change Policy in 2019. One of its key goals consists in moving toward a low-carbon economy, based on renewable resources and circular business models. The company has also committed to reducing its absolute greenhouse gas emissions by 50% by 2030, taking 2018 as baseline emissions. This will be achieved by means of operational improvements, energy efficiency measures, and fossil fuel replacements, among others.

CMPC Assessed as World Leader in Sustainability by SAM CSA

For the first time in its history, the company has been listed in the SAM Sustainability Yearbook 2021, now part of S&P Global, due to achieving the second place in DJSI 2020 for Forest and Paper Products.

CMPC has once again been recognized for its leadership in sustainability. For the first time in its history, the company has been included in the SAM Sustainability Yearbook 2021, now part of S&P Global, which carries out the corporate sustainability assessment Dow Jones Sustainability Index (DJSI).

In last year's CSA, over 7,000 companies worldwide, across 61 industries, were assessed for this annual report, which was published in February 2021.

CMPC obtained this recognition after being assessed as the second most sustainable company in Forest and Paper Products by DJSI 2020. The company was placed third in the industry within the list of companies considered by this year's Sustainability Yearbook.

The Head of Sustainability at CMPC, Nicolás Gordon, stated that "this new achievement reaffirms our profound commitment to sustainability, which every day becomes more important to us, being at the core of our business strategy".



To make it to the Yearbook, companies had to be within the top 15% of their industry, and get a score no lower than 30% below the most sustainable company therein. CMPC scored 67, which placed it third in its industry.

The Global Head of ESG Research & Data at S&P Global, Manjit Jus, "congratulate[d] CMPC for achieving a place within the Sustainability Yearbook 2021. With over 7,000 assessed companies, being included in the report is in itself a recognition of excellence in corporate sustainability".

CLEANER PRODUCTION

Softys to Certify Its Packaging Manufactured in Chile as Recyclable

The measure will make the packaging and wrapping of Elite, Confort, Nova, Babysec, Ladysoft and Cotidian products more environmentally responsible, in addition to promoting recycling among consumers.

Softys —a CMPC subsidiary that produces personal hygiene and care products under household brands like Elite, Babysec and Confort— announced its commitment to certify the wrapping and packaging of its products made in Chile as recyclable, which began materializing in January.

This commitment will allow Softys' best-known brands in Chile —Elite, Confort, Nova, Ladysoft and Coditian— to have their packaging certified as recyclable and bear an ecolabel, also known as #Elijoreciclar, which will promote recycling by consumers.

Each package must pass through an independent certification process to obtain the seal, whereby it is verified (1) that at least 80% by weight of the packaging is made of recyclable materials, (2) that said materials can be separated from the rest of the packaging, and (3) that there is a demand for these materials in the recycling industry.

CLEAN PRODUCTION AGREEMENT

With this measure, the company complies with the so-called Eco-Labeling Clean Production Agreement led by the Chilean Environment Ministry, the Manufacturers' Association (Sofofa) and the Agency for Sustainability and Climate Change, which resulted in the launch of the eco-label, an initiative that 37 companies in the country have already adhered to.

"At Softys, we seek to deliver the best care for a better tomorrow, which extends not only to our customers and consumers, but also to the environment and the world around us. That is why, in line with our 2020–2023 Sustainability Strategy, it is a great achievement to comply with an initiative that not only involves making sustainability a key attribute of the value of our brands —in this case through the recycling of packaging and wrapping—, but also educating consumers in circular economy models," asserted Nicole Sansone, Corporate Manager of Personal Care and Sustainability.

In this way, Softys is starting to implement its 2020-2023 Sustainability Strategy, a roadmap launched in mid-2020 and which has four concrete pillars: to facilitate a better quality of life, to co-build a sustainable economic environment, to promote the development of local communities, and to protect the environment. The last pillar connects with the Sustainability Commitments of CMPC as a whole, especially its goal to become a company with zero industrial waste to landfill by 2025.



Softys specializes in the production and sale of hygiene and personal care products —such as toilet paper, napkins, paper towels, cloths, diapers for children and adults, and feminine protection—, in addition to being a major supplier for hospitals and other health centers of items such as face masks and alcohol sanitizers. It is a major player on the Latin American stage, selling its products on over 20 markets and having industrial operations in 8 countries.

C M P C N E W S



CMPC Biopackaging and Its Sack Kraft Division Making Strides toward Zero Waste Management

Sack Kraft is a division of CMPC Biopackaging and regional provider of industrial paper sacks and bags in Argentina, Chile, Mexico and Peru. Its production plant in Chillán, Chile, complies with the Clean Production Agreement for Containers and Packaging, a compact voluntarily subscribed by the company, other players in the industry, and the relevant local public bodies, such as the Agency for Sustainability and Climate Change (ASCC) and the Center for Containers and Packaging (CENEM). The main aim of this agreement is to put clean production processes in place in Sack Kraft's local operations, by taking specific measures and meeting targets within a stipulated time frame.

Since 2018, Sack Kraft Chile has adhered to the APL plan in order to reduce waste and increase its valuation. This commitment is in line with CMPC's sustainability goals, especially those relating to waste, namely "To be a Zero-Waste-to-Landfill Company by 2025, by reducing waste, valuing byproducts and strengthening circular models". Moreover, the whole process has been designed to provide skills training for direct and indirect collaborators, create alliances with local environmental managers, handle and reduce imported packaging, and improve integrated management systems.

In Chile, the progress on reducing waste and increasing by-product valuation is monitored by the Ministry of the Environment (MMA) by means of the Recycling Promotion Bill and its attendant Extended Producer Responsibility (REP). For Sack Kraft, this new regulatory standard has been an opportunity to improve management tools in adapting to its requirements, including compliance with APL Zero Waste to Landfill. It has also contributed to product and process innovation by valuing and reintegrating byproducts into the production chain. For instance, an eco D-SACK was developed, which led to the creation of an eco-design department for sacks and bags production.

Other important initiatives include:

- Creating a Compensation Policy for potential impacts resulting from Sack Kraft's growth.
- Pretreating and recycling 10 tons of poly-material per month, in collaboration with Corrugados Cordillera, another CMPC Biopackaging subsidiary, which manufactures paper.
- Studying and assessing the negative environmental impacts of other kinds of waste (such as office paper, plastic film and cardboard), in order to segregate them at source in properly managed areas.
- Implementing the strictest requirements for the plastic film used in the packaging of raw materials.

All of the foregoing is the result of consistent improvements and management that requires coordination among internal collaborators, suppliers and other strategic allies to build skills, innovate, and segregate waste at source.

After two years in force, it is estimated that these measures have reduced the waste sent to landfills between 6% and 11%.



CMPC Biopackaging and Its Corrugated Molded Pulp Division Innovate with APL Zero Waste and the Fibras Project.

Within the framework of the Clean Production Agreement for Zero Waste to Landfill (APL in Spanish), the Corrugated division of CMPC Biopackaging, which produces molded pulp trays, has launched the Fibras Project aimed at finding alternative fibers to be used as raw materials.

During 2020, laboratory and industrial tests were conducted to assess the feasibility of incorporating fiber waste from reject streams (not used in paper production) of productive processes at Softys' plant in Talagante, Chile. The trials were successful. Likewise, procedures for obtaining environmental authorization to incorporate and store these new inputs are already underway. Through this initiative, which requires recipe adjustments and the use of auxiliary equipment, a significant volume of rejected fiber will be sent to the molded pulp mill for the manufacture of new trays for apples and other products.

The fiber rejected by the Talagante plant every year could supply 30-40% of the total required by Molded Pulp to manufacture its products. The remaining 60% could be obtained from another CMPC subsidiary, Cordillera, but the technical feasibility of this still needs to be assessed by a study of the rejected material. Another project of interest for this division is Semilleros, which uses rejected fibers

and paper sludge to produce seedbeds that biodegrade directly into the soil to be used at Forestal Mininco's Carlos Douglas nursery. This project is currently in its industrial design phase and is expected to be fully operational in three to four months.

In order to reach APL Zero Waste to Landfill, Corrugated and Molded Pulp (formerly Chimolsa) relies on a service company for permanent supervision of waste management at the plant. In addition, an intensive internal campaign to build a culture of waste reduction and recovery is now in place, which involves training and raising awareness about segregation at source. Infrastructure in segregation and storage areas has been standardized, and equipped with proper signage and sanitation.

Within this context, online waste traceability through truck orders and weight records is being constantly improved. Furthermore, progress in the delivery of compostable bags for organic waste is being made, with the objective of handling 100% of these in-house. To date, 4.28 tons of organic waste have been processed in local green areas.

On the other hand, there has also been a significant increase in waste generation due to the COVID-19 pandemic, which was an unexpected challenge for all of us.

In the end, the main goal shared by both the CMPC Biopackaging and Softys divisions is to obtain the Zero Waste certification, by recovering 100% of the fibers rejected by the latter.





WE KEEP MAKING PROGRESS TOWARDS A MORE SUSTAINABLE FUTURE

In 2020, CMPC was ranked **the second most sustainable Forest & Paper company in the world**, and included in the Dow Jones Sustainability Indices (DJSI) for the sixth consecutive year.

Thus, we are today leading **DJSI Chile, MILA Pacific Alliance and Emerging Markets** in the Forest & Paper industry of this prestigious international index family.

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

OUR CHALLENGE IS TRANSPORT MOBILE CLINICS

Desafío Levantemos Chile and CMPC have taken the initiative in supporting COVID vaccinations in the remotest areas of Biobío and Araucanía, by making available two Mobile Medical Clinics to the national health service.



Join the action at desafiolevantemoschile.org



OUR