

SUSTAINABLE BOND REPORT 2024

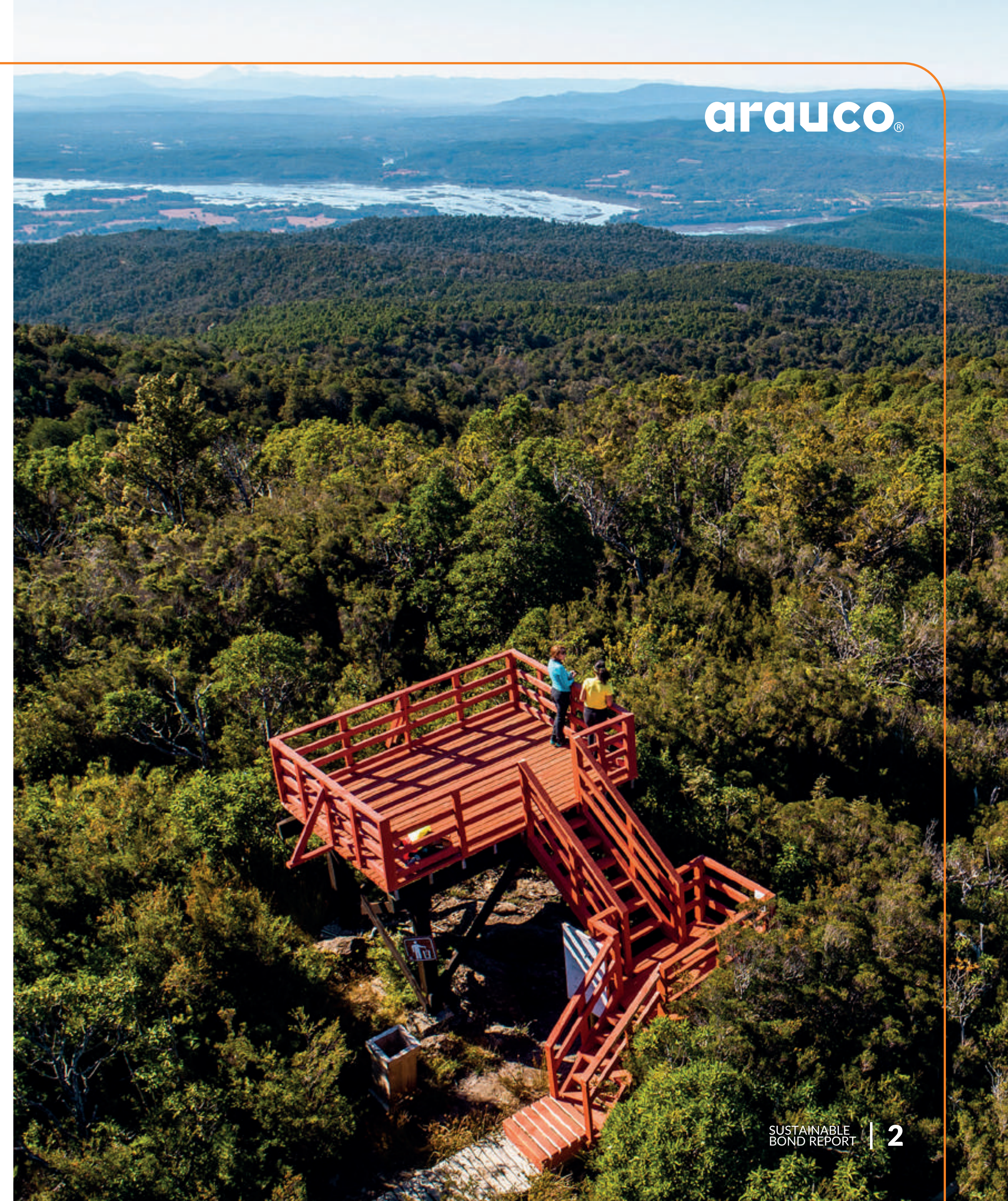
renewables
for a
better life

arauco®



Contents

1. This is ARAUCO
2. Our Strategy
3. Framework Categories
4. KPIs
5. Figures Summary
6. Categories
7. Disclaimer



1. This is ARAUCO

At ARAUCO, we are inspired by the possibility of creating a more sustainable world by using a renewable resource as essential as wood.

This inspiration comes from a deep respect for nature and from the certainty that, if we manage our forests and resources responsibly, we can offer sustainable solutions that improve people's quality of life, help protect the planet and generate a positive impact in the communities where we operate.

We are inspired by the challenge of addressing major global issues—such as climate change, biodiversity loss, and the need to shift toward a low-carbon economy—and turning those challenges into opportunities for innovation.

We are inspired by the potential of wood — a resource that grows, regenerates, stores carbon and can replace fossil-based materials—to replace fossil-based materials in industries such as paper, construction, packaging, furniture, clothing, retail, and energy. Because we know that every product we make from wood is a renewable solution that contributes to a cleaner, more sustainable future.

We are inspired by our people and communities because the success of our business depends on the well-being of those who work with us and those who live in the areas where we operate. That is why we are committed to fostering a safe, inclusive, and collaborative culture, and to creating shared value through dialogue and engagement.

We are inspired by the opportunity to lead by example, demonstrating that it is possible to build a business model that simultaneously generates economic, social, and environmental value. We strive to be a key player in the transition toward a circular economy, where every action we take leaves a positive impact for future generations.

And of course, we remain deeply inspired by our vision - Renewable for a Better Life - as we continue transforming wood into solutions that benefit people and the planet.

Our vision
Renewable for a better life.

Our Purpose

From nature and renewables, we contribute to people and the planet.



Creating Value Through the **Full Use of the Tree**



Pulp:

Several types of printing and writing paper, tissue paper, packaging paper, filters and fiber cement products, diapers, and feminine hygiene products, among others.



Wood and Panels:

Sawn wood products, plywood, remanufactured wood, and moldings with varying levels of finish, appearance, and value-added processing.



Energy:

Energy from biomass (branches, bark, sawdust, lignin).



We Are ARAUCO

We are a company that produces and manages renewable forest resources. By making full use of them, we operate across areas such as pulp, wood, panels, and energy. Our products provide sustainable solutions that help our customers meet the demand for goods with positive environmental impacts.



arauco®

3.857

customers across five continents.

Comercial Offices

in 13 countries and 15 with sales representatives.

Pulp

6

mills in Chile and Argentina including 8 energy plants. ¹

1

mill in Uruguay through a joint operation with Stora Enso, including a power plant.

4.5

million tons produced in 2024

Energy

1,078MW

is our maximum installed energy generation capacity.

Wood

19

panel mills in Chile, Argentina, Brazil, Mexico, the United States and Canada.

4

power plants in Chile and Argentina.

7

sawmills in Chile and Argentina, including 4 remanufacturing production facilities. ²

2

resin mills in Argentina and Brazil.

7.9

million m³ of wood and panels produced in 2024.

1

chemical plant and 1 pallet plant in Mexico.



9

panel mills and a sawmill in joint venture with Sonae ARAUCO in Spain, Germany, Portugal and South Africa. ³

Forest and plantations

1.7

million hectares of forest assets in South America (Chile, Argentina, Brazil, and Uruguay). ⁴

482

thousand hectares of native forests and protected areas of high social and environmental value.

First forestry company certified as **carbon neutral** in the world.

USD 12 million

in social investment.

USD 51 million

in environmental investment.

USD 6.5 billion

in sales

31%

EBITDA margin.

1.1

million productive hectares.

29%

is native forest and protected areas.

151

high conservation value areas.

1

R&D Center in Chile.

18,928

direct collaborators.

2,156

collaborating companies with 39,690 workers.

USD 4.5 billion

paid to local suppliers in the countries where we operate.

¹ In 2023, operations at the Licancel pulp mill in Chile were indefinitely suspended.

² In June 2024, operations at the El Colorado sawmill, Chile, were indefinitely suspended.

³ In South Africa, one of the plants is not operational.

⁴ ARAUCO's forest base in the state of Mato Grosso do Sul is composed of Mahal-owned properties, usufruct rights, and surface rights.

2. Our strategy

Our Strategic Model

We base our business on the renewable bioeconomy, where wood is the central raw material for developing sustainable products that serve a wide range of industries.

Our operations and products are designed to:

- Ensure business continuity through responsible forest management: We conserve **integrated and resilient landscapes** and ensure their long-term regeneration and vitality.
- Produce **sustainable, carbon-storing products**: Pulp, wood, panels, and renewable energy are part of our portfolio.

- Maximize the use of renewable resources: We develop solutions that **replace fossil-based materials**, retain carbon, and help mitigate climate change.
- Seize opportunities in global markets: We strengthen our competitiveness through **innovation, responsibility, and sound management**.
- Create a positive impact on local communities: We contribute to **the social, economic, and environmental development** of the areas where we operate.

- Adopt **international standards**: We apply the best practices in risk management and compliance with our commitments.

Thus, the management of our plantations and forests—and the responsible, renewable production of our goods—is the foundation of our sustainability model.

This model includes actions and commitments that contribute positively to the well-being of society and the environment through sustainable solutions, products, and alternatives that improve quality of life.



Our Pillars: ARAUCO's Strategy

From nature and renewables,
we contribute to people and the planet.



Planet

Climate Action
Toward a Low-Carbon Economy

- Business that Captures Carbon
- Carbon Neutral
- Renewable Energy
- Products that Replace Fossil-Based Materials and Carbon Capture as a Service

Positive Nature
Protecting Biodiversity

- Conservation 500,000 hectares
- Restoration
- Monitoring and No Extinction
- Certified Wood Supply

Circular Bioeconomy
Responsible and Natural Production

- Zero Waste by 2030
- Our Products Replace Plastic
- Sustainable Wood Construction
- Textile Fiber for Fashion
- Responsible Water Consumption and Supply



People

Workers
The Driving Force Behind a Safe, Healthy and Professionally Fulfilling Work

- Occupational Health and Safety
- Ongoing Training and Development
- Diversity and Inclusion
- Digital Transformation

Communities
Creating Shared Value

- Quality Education
- Sustainable Local Entrepreneurship
- Dialogue and Participation
- Infrastructure Projects and Water Access
- Intercultural Engagement

Customers
Meeting the Demand for Sustainable Products

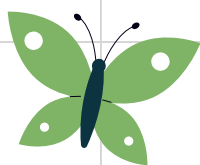
- High-Quality Products
- Timely Service
- Sustainability Certifications Across the Value Chain
- Innovation in New Wood-Based Products

Suppliers
Promoting a Responsible Supply Chain

- Responsible Supply Chain
- Play Local
- Strategic Partnerships for Joint Innovation
- Support for Access to Sustainability Certifications

Investors
Ensuring the Attraction of Sustainable Investment










- Sustainable Financing
- Profitable Long-Term Investments
- Risk Management
- Transparency






Sustainability Goals

Dimension	SDG	Commitments and Goals	Progress 2024
People			
Workers		Aim to be a World Class company in safety indicators.	The accident rate was 0.47, representing an 11.3% reduction compared to 2023.
		Promote diversity within ARAUCO by increasing female representation and fostering an inclusive culture through recruitment, training, and a development and support plan to create value and well-being.	Female representation in the workforce reached 15% of total employees.
		Enable continuous professional development for high performance, growth, and future employability, with a focus on responsible leadership.	9,458 employees received training during the year.
Communities		Support the development of the municipalities where we operate.	Continued implementation of our local development programs in communities where we are present.
		Expand the reach of our “Water Challenge” program.	By 2024, we implemented 145 collective solutions benefiting 55,000 people.
		Maintain formal and ongoing dialogue mechanisms.	280 community consultations with 1,292 neighbors in Chile, Argentina, and Brazil.
Customers		Ensure 100% of our facilities are certified with a chain of custody.	100% of our facilities are certified.

SDG: Sustainable Development Goals

Dimension	SDG	Commitments and Goals	Progress 2024
		Maintain over 95% of certified heritage under responsible forest management.	91% of our productive land, both owned and leased, is certified. The certification coverage dropped compared to 2023 due to the sale and acquisition of land in Brazil, which is currently undergoing certification.
		Continue investing and innovating in new wood-based products.	Investment projects in Chile, Argentina, Brazil, and Mexico.
Suppliers		Maintain over 75% of purchases from SMEs in Chile across the five regions where we operate.	75% of SME purchases in Chile were made in the five regions where ARAUCO has industrial and forestry operations.
		Continue expanding the 'Play Local' program to other countries where ARAUCO operates.	In Brazil, purchases totaling USD 77 million were made from 1,138 micro and small businesses.
Investors		Maintain over 90% of certified supplied wood.	85% of the wood supplied was certified.
		Invest USD 100 million in R&D by 2030.	USD 38 million invested in R&D through Bioforest in 2024.
Planet			
Climate Action		Continue reducing CO ₂ emissions by 2030.	ARAUCO's carbon footprint across all operations was 5.99 million tCO ₂ eq, including scopes 1, 2, and 3. Carbon neutrality certification for 2021 and 2022 has been approved, and the 2023 certification is in progress.
		Increase energy efficiency to reduce energy intensity in the pulp and energy business by 25% by 2050 in Chile (compared to 2019).	Improvement opportunities were identified, some implemented and others in development.
		Reduce energy consumption in the Wood business in Chile by 1.3% by 2027.	Five initiatives are underway in the Wood business to reduce energy use through technology upgrades, adaptation, and equipment standardization.

Dimension	SDG	Commitments and Goals	Progress 2024
Biodiversity Conservation		Protect and conserve approximately 500,000 hectares (1.2 million acres) of native forest for preservation, protection, and/or conservation.	We currently protect and conserve 482,000 hectares (1.19 million acres) of native forest and areas of high social and environmental value.
		Restore 25,000 hectares 62 thousand acres) of native forest by 2050 in Chile.	To date, 10,951 hectares (27 thousand acres) of native forest in Chile have been restored or are in the process of restoration.
		Maintain and expand the network of High Conservation Value Areas (HCVAs).	Currently, we have 151 HCVAs covering 129,680 hectares (320 thousand acres). The number decreased compared to last year, due to the sale of forest assets in Brazil. A new HCVA was added in Uruguay: Los Palmares del Este, Rocha.
		Account for and inventory natural capital within our forest assets in Chile by 2024.	We presented our first valuation of ecosystem services in Chile: timber, carbon, water, recreation, and non-timber forest products (NTFPs).
		Maintain and enhance conservation and increase biodiversity, focusing on 22 flora and fauna species within our Chilean forest assets.	Based on the management of 29 HCVAs containing key species, monitoring showed population numbers were at least maintained.
Customers		Continue progressing toward the goal of 100% recovery of non-hazardous waste by 2030.	71% of non-hazardous solid industrial waste was recovered in 2024 across the Pulp & Energy and Wood businesses.
		Advance in strategic and efficient water management.	Projects for water recirculation and reuse are ongoing.

3. Framework Categories

Sustainability Bonds are bonds where the proceeds will be exclusively applied to finance or re-finance green projects, social projects or a combination thereof. The Sustainability Bond Guidelines (SBG), administered by the International Capital Market Association (ICMA), recommend alignment of Sustainability Bonds with the four core components of both the Green Bond Principles, 2018 (GBP) and Social Bond Principles, 2018 (SBP), collectively known as “The Principles”. The GBP and SBP outline eligible project categories for green and social projects, respectively. The Principles are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green Bonds, Social Bonds and Sustainability Bonds. Our Sustainability Bonds are aligned with the SBG.

For more information, please visit

<https://www.icmagroup.org/green-social-and-sustainability-bonds/>

The GBP eligible green project categories, and the SBP eligible social project categories selected include:

Green:

- Sustainable Land Use and Forest Management
- Sustainable Water Management
- Pollution Prevention and Control
- Preservation of Natural Resources and Biodiversity
- Renewable Energy

Social:

- Affordable Housing
- Access to Essential Services
- Socioeconomic Advancement and Empowerment – Local Entrepreneurship



4. KPIs

Green Impact Indicators

1.7 million hectares across Chile, Argentina, Brazil, and Uruguay make up our forest assets.

29% of this land corresponds to native forests and protected areas of high social and environmental value, which are safeguarded to ensure their preservation for future generations.

120,244 hectares of High Conservation Value Areas (in 151 HCVAs) distributed throughout our forestry assets.

Restoration of **17,199** ha of native forest. **10,951** hectares of native forest in Chile have been restored or are in the process of restoration, **4,105** ha in Argentina, **1,923** ha in Brazil, and **220** ha in Uruguay.

91% of our productive land, both owned and leased, is certified.

71% of non-hazardous industrial solid waste was recovered in 2024 in the Pulp, Energy, and Wood businesses.

87% of the energy consumed comes from renewable sources.

1,047 GWh injected into the National Electric System in Chile in 2024 (1% of total energy consumption in the system).

4.5 million ADT of pulp produced in 2024.

7.9 million cubic meters of wood produced in 2024.

Our total carbon footprint across all operations was **6.1 million tCO₂eq** in 2024.

Social Impact Indicators

USD **12** million invested in social initiatives in 2024.

Dialogue tables held with **3,200** people on socio-environmental topics.

Open House and **Open Company** events in Chile, Uruguay, and Brazil.

Education and Development

Arauco Educational Foundation: 35 years of impact, benefiting **10,788** students in 2024.

Schools of excellence: **2** schools ranked among the top 100 in Chile's 2024 PAES (University Selection Test).

Campus ARAUCO and **Inacap:** Technical and dual education programs for students.

Educational programs in Brazil, Argentina, and Mexico: Over **4,000** students impacted.

Environment and Quality of Life

Desafío
Agua
(Chile): **55,000** people benefited
through improved
access to water.

Bosque
Abierto: **63,246** visitors in Chile and 1,148 in
Argentina participated in educational
and recreational activities.

Housing: **514** new homes under
construction.

Productive Development and Engagement

Juega
Local:
USD **611** million in purchases from
SMEs in Chile and USD 77
million from SMEs in Brazil.

4,478 million USD in purchases from
national suppliers, with 67% of
raw materials certified.



5. Figures Summary

The table below summarizes the amount allocated to eligible green and social projects, categorized as defined on our Sustainability Bond Framework. The following projects are completed. Figures are in UF, as of June 30, 2025.

Projects	Investment 2023 (UF)
Sustainable Land Use and Forest Management	8,722,681.38
Sustainable Water Management	296,682.92
Pollution Prevention and Control	689,415.42
Renewable Energy	464,865.87
Access to Essential Services	187,835.44
Affordable Housing	7,601.03
Socioeconomic Advancement and Empowerment - Local Entrepreneurship	9,338.44
Total	10,378,420.49

* The UF is a unit of account that is linked to and adjusted daily to reflect changes in the Chilean consumer price index Reported by the Instituto Nacional de Estadísticas (Chilean National Institute of Statistics).



6. Categories

Sustainable Land Use and Forest Management



Expenditures in this category are related to sustainable forest management across ARAUCO's certified plantation areas, including the acquisition, planting, and maintenance of seedlings, soil management, and silvicultural practices up to harvest.

Investments also support research and development of improved genetic material to enhance productivity and resilience, as well as fire prevention and control programs, ranging from community education to strategic, long-term planning at the landscape level.

ARAUCO's operations are grounded in the responsible use of renewable resources. Its forestland in Chile, Argentina, Brazil, and Uruguay is managed under internationally recognized certifications, ensuring compliance with the highest environmental and social standards. Management practices

are designed to integrate productive, environmental, and social value while preserving ecosystem integrity.

In 2023, ARAUCO managed 1.7 million hectares (4.1 million acres) of forests, with 508.738 hectares (1.26 million acres) (29%) designated as conservation, protection, or native forest areas. The company also planted 131.6 million trees across Chile, Argentina, Brazil, and Uruguay, reinforcing its commitment to sustainable forestry practices.

During this period, the company monitored 157 High Conservation Value Areas (HCVAs), which are critical to maintaining biodiversity and ecological connectivity.

As part of its restoration efforts, ARAUCO reached 8,506 hectares (21,019 acres) of native forest under restoration in Chile and 4,120 (10,181 acres) in Argentina. In addition,

93% of its assets were certified, highlighting the company's adherence to international sustainability standards.

In 2023, ARAUCO also reinforced its forest protection strategy through investments in fire prevention and control, including new watch towers, water trucks, and support for local fire brigades. The company further advanced research in genetic improvement to enhance forest productivity and resilience, while continuing to monitor conservation plans and restoration programs across its forest assets.

These forests form the foundation of ARAUCO's business and play a vital role in global climate change mitigation by capturing and storing carbon, protecting biodiversity, and supporting resilient ecosystems for future generations.

**Allocated
amount:**

8,722,681.38 UF

Forest patrimonial distribution and certified coverage as of december 31, 2023

Country	Area	Certification Coverage	Detail of the local landscape and protected areas (consisting of remnants of native ecosystems, such as shrublands and native forests that are within the company's area)
Chile	1,021,177 hectares, of which 594,338 hectares are productive forest plantations.	FSC® ⁽¹⁾ y/o PEFC for 1,006,124 hectares.	Protected areas total 285,341 hectares.
Argentina	264,439 hectares, of which 129,159 hectares are productive forest plantations.	FSC® ⁽²⁾ y/o PEFC for 262,565 hectares.	Protected areas total 119,578 hectares.
Brazil	308,485 hectares, of which 158,212 hectares are productive forest plantations.	FSC® ⁽³⁾ y/o PEFC for 203,434 hectares.	Protected areas total 98,889 hectares.
Uruguay	138,084 hectares, of which 87,615 hectares are productive forest plantations.	FSC® ⁽⁴⁾ y/o PEFC for 137,000 hectares.	Protected areas total 4,930 hectares.

It includes all the company's forest area.
⁽¹⁾ License code: FSC®C108276. ⁽³⁾ License Code: FSC®C010303 and FSC®C131921.
⁽²⁾ License code: FSC®C128100. ⁽⁴⁾ License Code: FSC®C016979.

Sustainable

Water Management

Expenditures related to sustainable water management included projects aimed at improving water use efficiency, reducing water consumption in industrial processes, and advancing the reuse and recirculation of treated effluents in 2023.

These initiatives also encompassed research and pilot programs to innovate wastewater treatment technologies and to ensure sustainable water supply across ARAUCO's operations.

Efficient water management remains a top priority, particularly under conditions of water scarcity. To this end, ARAUCO maintains a comprehensive monitoring system for water basins, allowing for continuous evaluation of water quantity and quality. Control and mitigation measures are applied rigorously to ensure compliance with environmental regulations regarding effluent discharges and water withdrawals.

In 2023, efforts were concentrated on strengthening projects and plans focused on reducing water consumption and optimizing effluent reuse, including the development and evaluation of alternatives for recirculating treated effluents back into industrial processes. A pilot for effluent treatment and recirculation is currently under investigation within the Pulp and Energy area.

Wastewater treatment systems at ARAUCO's industrial sites include primary, secondary, and, in some cases, tertiary treatment stages—such as at the Valdivia and Nueva Aldea pulp mills—designed to meet or exceed regulatory standards for parameters like Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), total suspended solids, halogenated organic compounds, nitrogen, and phosphorus.

Operational improvements in 2023 also enhanced the robustness of control, containment, and recovery systems to prevent and mitigate potential spills, ensuring stable and effective effluent treatment performance. External, authorized environmental laboratories conducted regular audits and verifications of effluent quality and discharge volumes, providing additional validation of compliance.

In 2023, the Arauco mill's Line 2 advanced a project to reduce and reuse process water, complementing ongoing initiatives in Chile to consolidate the reuse of treated effluents for irrigation of forestry and agricultural plantations. Several Chilean panel plants — including El Colorado, Cholguán, Viñales, Valdivia, Horcones, and Teno — operated physicochemical recirculation systems that achieved 100% reuse of treated wastewater.





In Brazil, the Jaguariaíva and Piên mills maintained industrial and sanitary wastewater treatment plants, while the Montenegro and Araucaria facilities reused treated effluents in emission control processes, with Araucaria also reusing water from resin production. Additionally, the Ponta Grossa unit recovered water through an industrial evaporation process for reuse in steam generation.

In Mexico, the Durango MDF plant and Zitácuaro chemical plant operated closed-loop treatment systems, enabling internal reuse of process water, while in Argentina, panel operations complied with permitted discharge parameters through biological treatment systems.

In 2023, ARAUCO also reinforced water management with operational and infrastructure improvements, including desludging services, water quality analyses, new water trucks, wastewater automation, and upgrades to stormwater and emergency lagoon systems, further strengthening efficiency, compliance, and risk prevention.

These measures collectively reduced freshwater withdrawals and strengthened ARAUCO's capacity to operate efficiently under conditions of increasing water scarcity and minimizing environmental impact.

Allocated amount: **296,682.92 UF**

Pollution

Prevention and Control

Expenditures related to pollution prevention and control in 2023 included projects to reduce atmospheric emissions, improve operational controls, enhance emission abatement equipment, and strengthen monitoring programs for air quality, odors, and atmospheric pollutants. Investments also targeted spill containment systems and continuous improvement in the management of industrial waste and environmental impacts.

ARAUCO maintains rigorous control over emissions of particulate matter through highly efficient mitigation equipment such as electrostatic precipitators, which achieve efficiencies close to 100%. For odors, especially gases known as Total Reduced Sulfur (TRS)

generated during pulp production, the company operates containment, collection, and treatment systems designed to reduce the frequency and intensity of odor releases, minimizing the impact on nearby communities. In 2023, TRS emissions remained well below regulatory limits.

Continuous monitoring of key atmospheric emissions, including recovery boilers and lime kilns, supports strict compliance with environmental standards. Routine operational inspections, odor rounds, and collaboration with external community monitors strengthen early detection and response to odor events. Several facilities maintain ambient air quality monitoring stations that include TRS measurement.



In the Wood products area, emissions from sawing and remanufacturing processes are effectively controlled using bag filters that capture sawdust, which is then repurposed as biomass fuel, contributing to circular economy goals.

In addition, training programs for operators and maintenance personnel focus on the best environmental practices, including emission reduction and noise control, as part of the Strategic Initiatives Plan on emissions and air quality. These programs complement ongoing maintenance and upgrade projects for abatement systems to continuously improve performance.

Regionally, specific projects in 2023 further reinforced ARAUCO's commitment to environmental stewardship. In Canada, at the St. Stephen mill, the company launched a comprehensive air quality monitoring program in partnership with the Province of New Brunswick, systematically tracking emissions over a 14-month period to strengthen compliance and transparency.

In Chile, ARAUCO expanded its innovative External Environmental Monitors Program, which equips local community members with tools and training to identify and report potential odor events, thereby enhancing collaboration and ensuring faster, more effective responses.

Meanwhile, in Uruguay, the company continued operating monito-

ring cabins in Conchillas and Puerto Inglés, which measure air quality and a range of environmental parameters—including wind speed, direction, temperature, and humidity—to anticipate and prevent odor situations.

In 2023, ARAUCO also reinforced waste and emissions management through investments in safe waste collection and disposal, landfill expansion, fugitive dust and bark control, and improvements in lime handling and monitoring systems, further strengthening environmental performance and risk prevention.

These initiatives highlight ARAUCO's proactive approach to addressing environmental impacts while building trust and engagement with surrounding communities.



During 2023, reported emissions of key atmospheric pollutants showed some increases compared to the previous year, reflecting operational factors and increased production, with continuous efforts to identify and implement improvement opportunities.

Allocated amount: 689,415.42 UF

Access to Essential Services

This category includes expenditures related to community development, social infrastructure, and inclusive access to essential services. Projects range from education and job training to water access, emergency assistance, and healthcare programs in communities where ARAUCO operates.

In 2023, ARAUCO invested USD 13 million in social initiatives. A core part of this investment supported the ARAUCO Educational Foundation, which continues to promote quality public education in Chile. As of 2023, the Foundation had benefited over 121,340 children by training more than 6,100 teachers and supporting over 659 schools in 34 municipalities.

ARAUCO also maintains three educational institutions (in Arauco, Constitución, and Cholguán), attended by more than 1,200 students annually. These schools are recognized for academic excellence and comprehensive student development.

Campus ARAUCO, a technical and vocational training center created in partnership with Duoc UC, continued to bridge classroom learning and on-the-job experience. As of 2023, more than 800 students have graduated from this program,



**Allocated
amount:**

187,835.44 UF

supporting long-term employability and regional workforce development.

On the water access front, ARAUCO's rural drinking water program benefited over 51,000 people across 42 communes in 2023. Projects range from improving school and community water systems to conducting engineering and hydrogeological studies, ensuring long-term water security for vulnerable populations. In addition, efforts are underway to advance methods for measuring water parameters in forest basins located near community water catchments.

In Argentina, the company continued its youth engagement programs, including environmental education and job skills workshops, supporting the development of sustainable solutions and employment opportunities for young people.

These efforts were carried out in close collaboration with municipalities, rural water committees, neighborhood associations, educational foundations, and local community organizations, ensuring that investments reached the territories and groups most in need and reflect ARAUCO's commitment to creating shared value through inclusive and sustainable community development.

Affordable **Housing**

Key milestones achieved in 2023 included the delivery of 363 homes in Curanilahue, progress on approximately 1,200 homes under design or construction across six projects, and the pilot implementation of the UBB-E2E model as a replicable solution for rural families. To date, the program has contributed to the delivery of around 2,460 homes, demonstrating ARAUCO’s commitment to sustainable housing solutions, post-disaster recovery, and multi-sector partnerships that improve quality of life in the territories where it operates.

Expenditures related to affordable housing in 2023 included the delivery of emergency shelter modules for families affected by large-scale wildfires, the construction of a permanent rural home using the UBB-E2E industrialized housing model, and direct support for community housing committees to advance collective housing initiatives. These committees — including Anti-

huala, Fusión Industrial, and Rivera de Antilhue — received technical and administrative assistance to participate in public housing programs, while partnerships with municipal governments helped strengthen local housing strategies and address urgent shelter needs identified by community leaders.

As part of these efforts, ARAUCO also contributed land for community benefit: 16 properties were granted under usufruct or commodatum agreements, covering 17 hectares, and four additional properties — equivalent to 72 hectares — were transferred to municipalities, directly benefiting nearly 10,000 people.

These actions formed part of ARAUCO’s broader Habitability and Territory Program, aimed at expanding access to safe and dignified housing while fostering integrated territorial development.

Allocated
amount:

7,601.03 UF



Socioeconomic Advancement and Empowerment - Local Entrepreneurship

In 2023, ARAUCO allocated resources to a series of programs and territorial initiatives aimed at strengthening the productive, commercial, and management capacities of small and medium-sized enterprises in the communities where it operates. Efforts focused on delivering training in business planning, marketing, digital tools, financial management, and innovation, combined with personalized mentoring that helped entrepreneurs professionalize their operations and access new markets.

A special focus was placed on recognizing traditional forest-based trades. Through the Despensa Silvestre initiative, beekeepers and gatherers are granted formal and safe access to ARAUCO's forest assets, enabling

them to preserve and develop their economic activities with a strong cultural and identity-based character, while also receiving support to strengthen their productive and entrepreneurial capacities. To date, this initiative has benefited 452 gatherers and beekeepers.

This work is complemented by the Mapuche Program, designed to provide ARAUCO teams with tools to foster effective engagement with Mapuche communities. The program seeks to implement shared value and development experiences, supporting daily community management by helping small landowners and neighbors in the collection of non-timber forest products. As part of this commitment, the company has also developed training programs for employees

and contractors to promote a deeper understanding of, and respectful engagement with, the Mapuche people.

Additionally, the Juega Local initiative, implemented in Chile and Brazil, promotes the procurement of goods and services from local suppliers, thereby strengthening the economies of the territories where the company operates. In 2023, 80% of SME purchases in Chile were concentrated in the five regions with industrial operations.

Through these initiatives, ARAUCO not only fostered economic diversification and strengthened the resilience of local economies but also contributed to the creation of inclusive business ecosystems that generate long-term socioeconomic benefits in its areas of influence.



Allocated amount: **9,338.44 UF**

Renewable Energy

Expenditures in this category are related to the design, construction, operation, and maintenance of renewable energy projects, particularly those based on biomass and emerging solar initiatives. These investments strengthen ARAUCO's ability to self-supply energy for its operations while contributing renewable surpluses to national grids, advancing climate change mitigation objectives.

For more than 20 years, ARAUCO has generated renewable energy from forest biomass, a clean, safe, and efficient energy source. In 2023, 87% of the company's total energy consumption came from renewable sources. Across Chile, Argentina, Uruguay, and Brazil, ARAUCO's pulp and wood mills produced both steam and electricity through cogeneration, ensuring energy self-sufficiency and injecting significant renewable surpluses into local power systems. In Chile alone, ARAUCO contributed 1,250 GWh to the National Electric System (SEN), representing approximately 1% of the country's total energy demand.

Installed renewable energy capacity reached 904 MW in Chile, 82 MW in Argentina, and 91 MW in Uruguay (in joint operation with Stora Enso), complemented by the first solar pilot plant in Jaguariaíva, Brazil, which generated 2,196 GJ of clean energy in 2023. At the Arauco Mill (MAPA



project), the commissioning of Line 3's two generators produced 635 GWh, of which 175 GWh were delivered to the national grid.

The company also advanced innovation projects such as the Viento Sur Wind Project in the Arauco province of Chile, designed to install 43 wind turbines of up to 5 MW each, which continued to progress through regulatory and legal processes during 2023.

Additionally, ARAUCO's cogeneration projects fueled by forest biomass residues, including black liquor, are registered under internationally recognized standards such as the Kyoto Protocol's Clean Development Mechanism (CDM) and the Verified Carbon Standard (VCS). These projects achieve annual certified emission reductions of approximately 650,000 tons of CO₂, making ARAUCO the first forestry company in Chile to issue CER carbon credits.

In addition to these projects, in 2023 ARAUCO carried out significant investments to enhance energy efficiency and the reliability of its renewable generation infrastructure. These included major overhauls of biomass-based turbo generators, rotor and AVR replacements, LED lighting upgrades, and improvements in medium-voltage connections. The commissioning of a new connection between the Arauco Mill and the 220/66 kV substation further strengthened the company's ability to inject renewable surpluses into the national grid.

Through these initiatives, ARAUCO reaffirms its role as one of Chile's largest generators of Non-Conventional Renewable Energy (NCRE), leveraging biomass, solar, and wind energy to reduce dependence on fossil fuels, lower carbon emissions, and contribute actively to the decarbonization of regional energy systems.

**Allocated
amount:**

464,865.87 UF

7. Disclaimer

Disclaimer

Readers are encouraged to refer to the documents filed by ARAUCO with the United States Securities and Exchange Commission, including its most recent filing on Form 20-F, which identifies important risk factors that could cause actual results to differ materially from those contained in any forward-looking statements. Readers are also encouraged to review our Integrated Report and Sustainability Report, available on our corporate website.

All forward-looking statements are based on information available to ARAUCO as of the date of this report. ARAUCO undertakes no obligation to update such statements. References herein to “U.S.\$” refer to United States dollars. Discrepancies between totals and the sum of individual figures in tables are due to rounding. This report is unaudited.

Forward-looking statements involve inherent risks and uncertainties. These statements are based on current plans, estimates, and projections, and therefore readers should not place undue reliance on them. Actual results may differ materially from those expressed or implied in such statements due to various factors beyond our control. These include, but are not limited to our ability to service debt and comply with financial covenants, capital expenditure funding and implementation, customer retention and global market conditions, fluctuations in international prices of wood and pulp, availability of energy and raw materials, macroeconomic conditions in countries where we operate, currency exchange volatility and inflation, the impact of interest rate changes, environmental, health, and safety regulations, pandemics or natural disasters such as earthquakes, floods, or wildfires.

Forward-looking statements in this report speak only as of the date they are made, and we disclaim any obligation to update or revise any of them in light of new information, future events, or other circumstances.



Contact

For further information, please contact:
investor_relations@arauco.cl

Phone: (562) 2461 7438

Marcelo Bennett

Treasurer

marcelo.bennett@arauco.com

José Manuel Guzmán

Investor Relations

jose.guzman@arauco.com

Gonzalo Garrido

Finance Analyst

gonzalo.garrido@arauco.com

arauco®

