

Santiago, September 25th, 2019.

Dear Customers, Representatives and Friends,

As one of the mayor forestry companies in the World we are proud to share the announcement we have made yesterday at the UN Climate Action Summit in New York:

To become Carbon Neutral by 2020

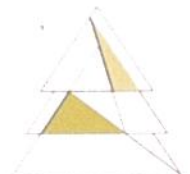
We strongly believe it is our responsibility and duty towards our planet and future generations to take a real step forward to deal with the current climate crisis.

Please find enclosed the press release issued.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Strausz".

Ricardo Strausz
Marketing & Commercial Director
Arauco



ARAUCO ANNOUNCES CARBON NEUTRALITY BY 2020 AND BECOMES THE WORLD'S FIRST FORESTRY COMPANY TO ACHIEVE THIS GOAL

ARAUCO made important announcements during the 2019 UN Climate Action Summit held in New York, strengthening the company's leadership in environmental matters and measures to deal with the climate crisis.

ARAUCO announced its commitment to achieve carbon neutrality by 2020, meaning the company aims to capture more greenhouse gas emissions than its emissions at a global level, which in addition to being a significant contribution and real step forward to deal with the climate crisis, position ARAUCO as the world's first forestry company to achieve this important goal.

Charles Kimber, ARAUCO's Senior Vice President for Commercial and Corporate Affairs said "we're very proud of this announcement, it is the fruit of the work we've been conducting for decades to permanently improve our environmental performance in different business areas and production processes in Chile and the world".

In addition to this important milestone, the company announced it will join the SCIENCE BASED TARGETS, a global initiative that aims for companies to reduce their greenhouse gas emissions based on climate science, to limit the planet's increase in temperature.

"The magnitude of the emergency we're experiencing on our planet demands that we push for an even more ambitious agenda. Therefore, in addition to our commitment to carbon neutrality, ARAUCO has decided to join the Science Based Targets. To do so, we have outlined an ambitious objective: to reduce our emissions at an annual rate of 2.5%, which means we have to continue to drive improvements to reduce the greenhouse gas emissions of our operations", said Kimber.

Even though these goals have been set for next year, reaching them has been long-term work for the company, with clear and meaningful objectives. In this sense, Kimber adds, "there are two complementary ways to reduce the planet's rising temperature and at ARAUCO we've been working on both for a long time: driving improvements that have allowed us to reduce our operation's greenhouse gas emissions, and at the same time increasing the capture of CO₂ using our plantations and native forest".

During the 90's the company began to conduct pioneering work in emissions reduction: by incorporating clean and renewable biomass-based energy, thus contributing to the necessary decarbonization of the country's energy matrix.

"This has allowed for 92% of the company's energy matrix in Chile today to be comprised of clean and renewable energy. Now we want to go even further with Vientos Sur, our windfarm energy project that will have an installed capacity of more than 215 MW".



In addition, there is a need to increase the capture of CO₂: "Trees are one of the strongest strategies to advance in climate change mitigation, since they are the planet's largest biological infrastructure and best CO₂ capturers. There is no other technology in the world today able to replicate photosynthesis. All trees without distinction, native or in plantations, know how to do their job. The best way to fight climate change is with more nature and promoting wood as the material of the future".

ARAUCO has a long history of environmental work, with milestones that include the generation of clean and renewable energy in its production processes, the implementation of improvements and the use of new technologies at mills and processes, waste reduction and the work performed by trees as great capturers of CO₂ and the subsequent storage capacity of products made from wood.

"We firmly believe that the way to face the climate emergency we're currently experiencing is through joint work that involves the public world, the academic world, civil society and private businesses. In this sense, we want to be part of the solution, with concrete actions that are in line with scientific evidence", said Charles Kimber.

