

Sustainability
Report
2020



Our sustainability from the first-person perspective

A **cmpe** company.



(102-1, 102-3, 102-5)
Legal name:
CMPC Tissue S. A.
Chilean Tax ID Number (RUT): 96.529.310-8
Head Office: Agustinas 1343, Santiago, Chile
Contact telephone:
+56 2 2441 2000
Corporate website:
<https://www.softys.com/>
Type of company:
Closely-held Corporation.
Incorporation: Incorporated by public deed dated February 24, 1988, before the Notary public of Santiago Mr. Sergio Rodríguez Garces, under the name of “Forestal e Industrial Santa Fe S.A.”. On January 6, 1998, the Extraordinary Shareholders Meeting of the company agreed to change the corporate name to “CMPC Tissue S.A.”, which was reduced to a public deed on January 27, 1998, before the Notary public of Santiago, Mr. Raul Perry Pefaur. In an Extraordinary Meeting of Shareholders held on January 11, 2019, and reduced to a public deed on January 28 of the same year, before the Notary Public of Santiago Mr. Rene Benavente Cash, was incorporated as a fictitious business name: Softys.

(102-53)
Contact:
If you have any doubts or queries about this Sustainability Report, please contact Maria Jose Ochagavia, Softys’ Deputy Manager of Regional Sustainability, at mochagavia@softys.com.

Our sustainability
from the
first-person
perspective

”

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In memoriam

This Sustainability Report is a tribute to the five direct employees and also to our seven indirect employees -Jessica (Peru), Wendy (Mexico), Christian (Peru), Basilio (Peru), Jorge (Argentina), Amauri (Brazil) and Javier (Peru)- that we have seen leave to date as a result of the Covid-19 pandemic, of which seven were in 2020. We send our sincere condolences to their families and friends.

| | | |
|--|---|---|
| Hércules Ramos Massive Sales 51 years June 2, 2020 Rio de Janeiro, Brazil | Sebastián Gámez Finished Products Warehouse Operator 38 years July 7, 2020 García, Mexico | Deiner Valdéz Asset Control Operator 38 years 15 February 2021 Lima, Peru |
| Juan Sinarahua Warehouse distribution 40 years May 2021 Lima, Peru | Ariel Ramazzotti Conversion 49 years May 2021 Zarate, Argentina | |

To them and their families, we are deeply grateful for their work, commitment, and dedication to the great Softys family.

WORDS FROM OUR CHAIRMAN OF THE BOARD OF DIRECTORS

Luis Felipe Gazitúa A.

*Chairman of the Board of
Directors of Empresas CMPC
and Softys
(102-14)*

I am pleased to greet you again in this presentation of Softys' second Sustainability Report.

As is well known, at Empresas CMPC we have promoted a sustainability strategy that aims not only to comply with and ensure the highest environmental operating standards, but also to respond to the requirements of the company's different publics and stakeholders and, in short, to consolidate our position as development players in the territories where we are present.

In this sense, the role played by Softys is fundamental and is in line with its core purpose of promoting innovation for the care of people, an

MEANWHILE, WE MAINTAIN AND REINFORCE OUR COMMITMENT TO HYGIENE AND THE CARE FOR PEOPLE AND THE COMMUNITIES IN WHICH WE OPERATE, AS WE PROVED IN 2020.

objective that has become particularly relevant in the context of the pandemic that has affected the world since the beginning of 2020.

This pandemic has been, on the one hand, a factor of complexity for our operation, but also an opportunity to ratify our commitment to caring for people, both within our operations, plants and offices, as well as for our clients and consumers.

In fact, the health of our employees has been a priority materialized in different prevention measures, a concern that has also been extended to our service companies, focusing not only on their physical health, but also on their mental health.

I extend an affectionate thank you to all our Softys collaborators for the commitment they have shown during all this time and I also extend my sincere and deepest condolences to all the families and teams that have been affected by the departure of a member or a loved one.

We are confident that the greater assimilation of care and protection measures, as well as the gradual

THIS PANDEMIC HAS BEEN, ON THE ONE HAND, A FACTOR OF COMPLEXITY FOR OUR OPERATION, BUT ALSO AN OPPORTUNITY TO RATIFY OUR COMMITMENT TO CARING FOR PEOPLE, BOTH WITHIN OUR OPERATIONS, PLANTS AND OFFICES, AS WELL AS FOR OUR CLIENTS AND CONSUMERS.

progress of vaccination campaigns in different countries, will allow us to begin to glimpse the end of a pandemic that has brought us pain, worries, difficulties and challenges, but that will leave us with a greater appreciation for all those simple moments of life that we yearn for today.

Meanwhile, we maintain and reinforce our commitment to hygiene and the care for people and the communities in which we operate, as we proved in 2020 through different initiatives, which included, for example, the decision to maintain the prices of our products in times of unusual demand



“ I WOULD LIKE TO THANK
ONCE AGAIN THE ENTIRE
SOFTYS TEAM THAT
HAS MADE IT POSSIBLE
FOR US TO CONTINUE
OUR OPERATIONS AND
THUS RESPOND TO THE
NECESSARY COMMITMENT
TO SUPPLY OUR CLIENTS
AND CONSUMERS”.

I WOULD ALSO LIKE TO HIGHLIGHT THE LAUNCH OF THE FIRST 100% RECYCLABLE AND BIODEGRADABLE PACKAGING FOR OUR ELITE TOILET PAPER, WHICH ALLOWS US TO REDUCE THE USE OF SIGNIFICANT TONS OF PLASTIC. WITH THIS INITIATIVE, THE ONLY ONE OF ITS KIND IN LATIN AMERICA.

that characterized the beginning of the pandemic, as well as maintaining the work source for all our collaborators.

Along with this, we strengthened our supply chain in order to secure inputs for the production of our products which, in times of uncertainty, were in high demand.

Also, we started the production of face masks in Argentina, Brazil, Chile, Mexico and Peru, as we reported in our 2019 Sustainability Report, and we made a donation of 15 million of these masks at the most complex moment of the pandemic when these products were scarce in the markets. We contribute to different organizations with our products, and we were present as we are every year at the Teleton in Chile, because it is a commitment to society that we assume through our brands.

And because we know that this is a global crisis today, and that the last 200 years, of great economic growth in the world, have also been of huge impact on the environment, we continue to work to achieve the environmental goals we have set for ourselves in this area:

- To be a zero waste company by 2025.
- Reduce our use of industrial water by 25% by 2025.
- Reduce our greenhouse gas emissions by 50% by 2030.

Added to this are new commitments associated with our collaborators, which we signed up to in 2020:

- Increase the proportion of women by 50% by 2025.
- Increase the proportion of women in management positions by 50% by 2025.
- Achieve 2.5% inclusion of people with disabilities out of the total number of employees by 2025.

I cannot end these words without mentioning that in 2020 we also completed one of our most important projects at the regional level, such as the Softys Water Challenge, an initiative that seeks to provide innovative solutions for access to drinking water for the most deprived communities in the region, and that during 2020 had more than 500 applications, 20 projects validated together with the Centro de Innovación de la Universidad Católica de Chile (Innovation Center of the Universidad Católica de Chile) and 3 winning projects that today can generate a tremendous impact in the territories.

I would also like to highlight the launch of the first 100% recyclable and biodegradable packaging for our Elite toilet paper, which allows us to reduce the use of significant tons of plastic. With this initiative, the only one of its kind in Latin America, we ratify our commitment to the environment and take another step towards products that help consumers to be responsible with the planet.

I would like to thank once again the entire Softys team that has made it possible for us to continue our operations and thus respond to the necessary commitment to supply our clients and consumers.

We are aware of the challenges that this pandemic has created for us, but we also know that we will emerge stronger, demonstrating an enormous and valuable ability to adapt and resilience.

Thank you very much.

Thank you very much,
Luis Felipe Gazitúa A.
Chairman of the Board of Directors of
Empresas CMPC and Softys

GREETINGS FROM OUR CEO

Gonzalo Darraidou Díaz

CEO of Softys

It is with great pride that I present to you today our second Sustainability Report, which gives an account of our ESG management – environmental, social, and governance – during 2020, a year that will undoubtedly remain in everyone’s memory, and which was marked by great transformations: political, economic, operational, behavioral, and even personal; changes that were often complex, but which at other times emerged as a great legacy of the Covid-19 pandemic.

And the fact is that major crises are also tremendous opportunities, which today we see reflected in our Softys culture, which has become more flexible, dynamic, open, and innovative. It is also reflected in the commitment and dedication of our employees, which has been exceptional during this period, and which makes us feel the #TodosSomosSoftys

IN THIS COMPLEX YEAR, WE HAVE EXPERIENCED SUSTAINABILITY FROM THE FIRST-PERSON PERSPECTIVE.

(#WeAreAllSoftys) in a concrete way, which clearly fills all of us who are part of this company with satisfaction.

In this complex year, we have experienced sustainability from the first-person perspective. The purpose of care that guides us has taken on special relevance and deep meaning, not only from the perspective of what we deliver to our employees, but also the care we give to our contractors, suppliers, the communities that surround us, the environment, and of course, our consumers and clients.

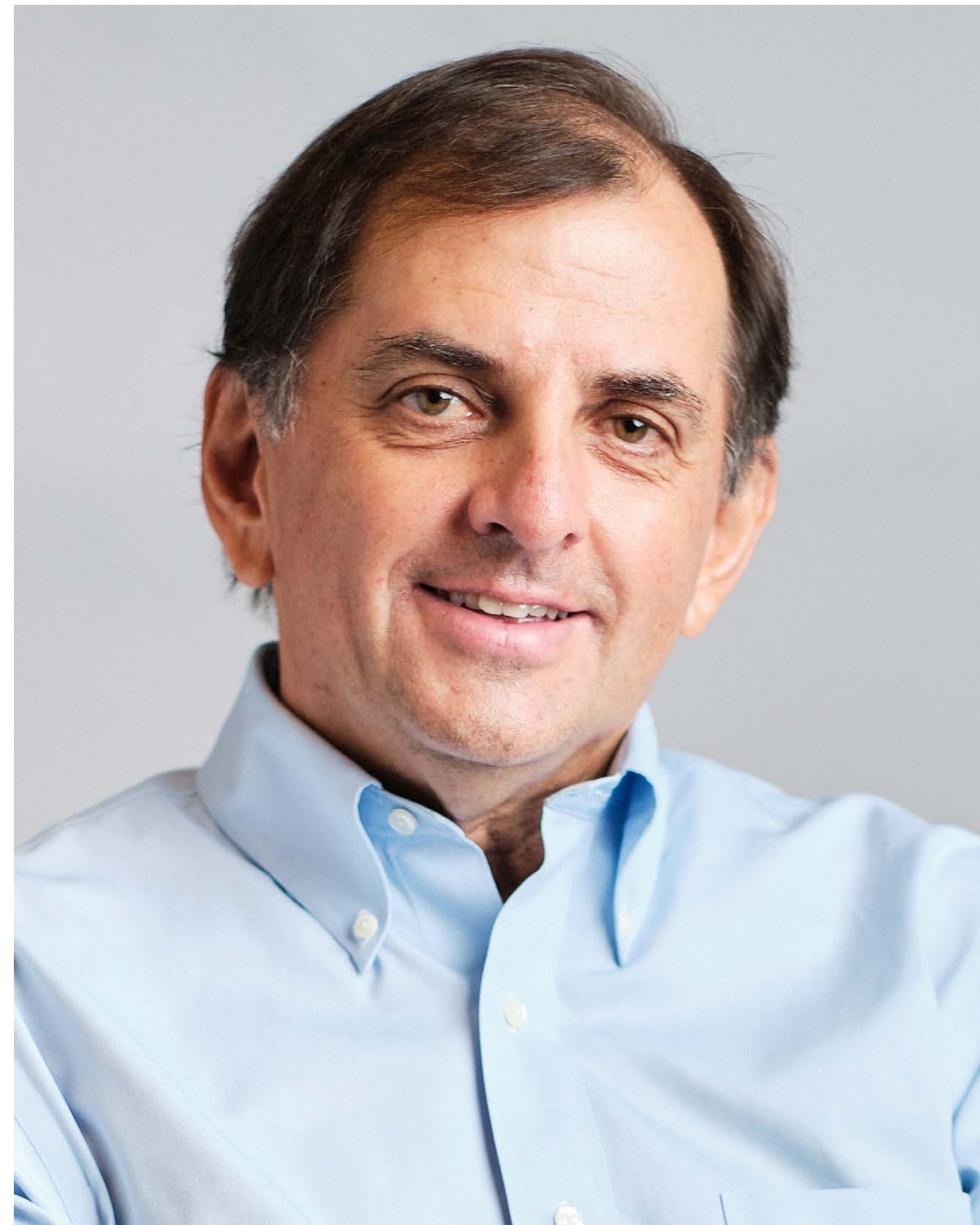
We want to facilitate a better life for all people, a dream that during 2020 materialized in significant advances and launches, such as “Elite Eco”, wrapped 100% in paper, which today allows us to reduce our use of plastics in primary packaging, making sustainability a key attribute of the value of our brands and bringing it closer to our clients and consumers.

Also, the joint work with the Ministry of the Environment of Chile and Sofofa, where under a Clean Production Agreement we were able to collaborate in

WE WILL CONTINUE WORKING SO THAT CARE IS A PART OF OUR OPERATIONS AND OF WHAT WE DELIVER TO OUR CUSTOMERS AND CONSUMERS, AS WELL AS TO ALL OUR STAKEHOLDERS.

the development of ecolabeling for packaging, which allows us to contribute to SDG 12 of the United Nations 2030 Agenda “Responsible Consumption and Production”, educating consumers on reducing, reusing, recycling and recovering materials, from a circular economy logic.

Along the same lines, and because we want to reach our clients and consumers with the best brands and products, in 2020 we saw a significant acceleration in digital sales, which boosted our e-commerce channels, with a 128% increase compared to 2019 in the B2C segment, a channel that during 2021 we will further improve.



We know that we have a responsibility to co-build a sustainable economic environment, and this was especially accomplished thanks to the work of our Away From Home business unit, which joined forces with the prestigious Bureau Veritas consulting firm to create the “SafeGuard Elite Professional” seal, certifying the adoption of biosafety protocols in the facilities of our corporate clients, so that they could restart their operations safely, both for their workers and their clients, generating a virtuous circle of collaboration.

Also, I would like to highlight our participation in the Carbon Disclosure Project (CDP) of Empresas CMPC, which allowed us to strengthen our Responsible Procurement pillar, promoting transparency processes by our suppliers, specifically in the areas of forests, water security, and climate change, which allows us to ensure disclosure and management processes that lead to continuous ESG improvement in our supply chain.

“Innovating for your care” is our promise, and the pandemic challenged us further to be creative, fast, and flexible, which made the flagship face masks project a reality. In 2020, we invested in face mask manufacturing lines in five of our countries of operation, enabling us to secure local supply of this important personal care product and to deliver 15 million face masks free to public healthcare services, civil society organizations, and government entities at the worst moment of the pandemic. Also, we strengthened our hygiene line by launching alcohol gel, liquid, and bar soaps under our regional Elite brand, all products that became key in 2020 for combating Covid-19.

Even in the midst of the pandemic, we remained committed to promoting the development of local communities, which we did with our Softys Water Challenge. This project was launched at the beginning of the year in partnership with Fundación Amulen (Amulen Foundation) and called on entrepreneurs from all over the world to come up with solutions for providing access to drinking water for the most deprived communities in Latin America. Thanks to this ambitious project, we received more than 500 applications from innovators around the world, we accelerated 20 solutions thanks to a partnership with the Centro de Innovación de la Universidad Católica de Chile (Innovation Center of the Universidad Católica de Chile), and today we are implementing the winning solutions in Chile, Peru and Brazil, because we know that “without water, there is no hygiene”.

We feel responsible for contributing to the protection of our common home and to ensure the future of our planet. That is why we have ambitious environmental commitments for 2025 and 2030. In this line, and under our goal of reducing our industrial use of water by 40% by 2025, in 2020 we managed to reach 20.89 m3 of withdrawal per ton of product, which brings us closer to our goal of 15 m3 per ton of product. Special mention to Softys Chile that in its Puente Alto and Talagante plants showed reductions of more than 20% in water use, achieving a reduction of 16.7% compared to 2019. Special mention to Softys Chile, whose Puente Alto and Talagante plants showed reductions of more than 20%.

In terms of waste, and because we want to be a company with zero industrial waste to landfill by 2025, we increased recovery by 2% in 2020. We still have a long way to go, but I would like to highlight

Softys Colombia’s tremendous work in this area, whose waste recovery exceeded 95% for the Gachancipa and Santander de Quilichao plants, which was recognized with the Gold Seal of Zero Waste certification from the Basura Cero Global (Global Zero Waste) organization.

Finally, in terms of emissions, and aligned with the goal of reducing 50% of our greenhouse gas emissions, scopes 1 and 2, by 2030, the reduction in indirect emissions is noteworthy thanks to the purchase of non-conventional renewable energy certificates (NCRE) to support 100% of the electric power for the period 2020-2027, both in Chile and Peru.

We live sustainability in the first-person perspective because to achieve the goals we have set as a company, we must all be aligned. In this Sustainability Report, you will be able to feel this in greater detail, because the protagonists themselves tell the story, showing us that their daily work is what will allow us to build “the best care, for a better tomorrow”.

I cannot end these lines without expressing my most sincere condolences to the families of our deceased collaborators and contractors; we dedicate this document especially to them, and for them, we will continue to take all necessary precautions to prevent the spread of this disease, and thus continue materializing our purpose of care.

I leave with you our Sustainability Report 2020.

Thank you very much,
Gonzalo Darraidou Díaz
CEO of Softys

“ IN THIS COMPLEX YEAR, WE HAVE EXPERIENCED SUSTAINABILITY FROM THE FIRST-PERSON PERSPECTIVE. THE PURPOSE OF CARE THAT GUIDES US HAS TAKEN ON SPECIAL RELEVANCE AND DEEP MEANING, NOT ONLY FROM THE PERSPECTIVE OF WHAT WE DELIVER TO OUR EMPLOYEES, BUT ALSO THE CARE WE GIVE TO OUR CONTRACTORS, SUPPLIERS, THE COMMUNITIES THAT SURROUND US, THE ENVIRONMENT, AND OF COURSE, OUR CONSUMERS AND CLIENTS”.

01

Innovating
for your
care

WE ARE SOFTYS, A LEADING GLOBAL COMPANY IN LATIN AMERICA, WITH MORE THAN 10,000 EMPLOYEES UNITED IN A SINGLE GREAT PURPOSE: TO DEVELOP BRANDS THAT PROVIDE THE BEST CARE THAT PEOPLE NEED IN THEIR DAILY LIVES AND AT EVERY STAGE OF THEIR LIVES.

10,503
Direct
Collaborators.

8
Countries with industrial
operations in Latin
America.

20
Industrial
Plants.

16
Commercial
Offices.

1,851
Contractors
on average.

WE ARE SOFTYS AND CARING FOR YOU IS OUR PURPOSE

(102-2, 102-7)

WE ARE SOFTYS, A LEADING GLOBAL COMPANY IN LATIN AMERICA, WITH MORE THAN 10,000 EMPLOYEES UNITED IN A SINGLE GREAT PURPOSE: TO DEVELOP BRANDS THAT PROVIDE THE BEST CARE THAT PEOPLE NEED IN THEIR DAILY LIVES AND AT EVERY STAGE OF THEIR LIVES.



Our purpose: “to develop brands that deliver the best care that people need in their daily lives and at every stage of their lives” mobilizes us towards a sustainable future, with people at the core: our collaborators, contractors, communities that surround us, our common home, the environment, suppliers and strategic partners, which translates into generating shared value for our shareholders and all our stakeholders, greater profitability for our business and, of course, a path that projects us in the short, medium and, long term.

We have 20 industrial operating plants in eight Latin American countries, from where we produce and market products from our three business units: Consumer Tissue, Personal Care, and Away From Home reaching more than 500 million consumers around the world with hygiene and cleaning solutions.

Our presence extends to more than 20 markets, with 16 commercial offices, located in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, and Uruguay.

Our presence extends to Asia in China, through a representative office that seeks to capture knowledge and synergies with the Asian market through four specific pillars: 1. trends and new technologies, 2. working closer to our suppliers for the development of innovation, 3. identifying new suppliers to have better costs and quality in materials, and 4. capitalizing on learning and practices of companies in our industry, both commercially and operationally.

We are a CMPC company



We are part of Empresas CMPC, a global company with more than 100 years of experience in delivering sustainable solutions based on renewable resources, with three business units:

CMPC has a presence in 11 countries around the world; it has industrial operations in eight Latin American countries and three commercial offices in Asia, Europe, and the United States.

The company owns, directly or through some of its subsidiaries, 100% of the shares of Softys.



CMPC CELULOSA

Responsible for the company's forest assets. Manufactures and markets pulp and Wood-based products with renewable solutions, which are used as raw material for other products.

CMPC BIOPACKAGING

Produces packaging solutions, using virgin or recycled natural fibers, providing safe transportation to its clients.

SOFTYS

It manufactures and markets Consumer Tissue, Personal Care, and Away From Home products to provide the best care that people need in their daily lives and at every stage of their lives.




Our global presence
(102-4, 102-6, 102-8)

| | |
|--------|-------------------|
| PANAMA | Commercial office |
|--------|-------------------|

| | | |
|------------------------|------------------------|-------------------|
| COLOMBIA | | 567 collaborators |
| Location | Plant | |
| Santander de Quilichao | Santander de Quilichao | ✓ |
| Gachancipa | Gachancipa | Commercial office |

| | | | |
|-----------|-----------|-------------------|-------------------|
| ECUADOR | | 231 collaborators | |
| Location | Plant | ✓ | Commercial office |
| Guayaquil | Guayaquil | | office |

| | | | |
|-----------------------|-----------------------|---|-------------------|
| PERU | | 1,290 collaborators | |
| Location | Plant |  | |
| San Vicente de Cañete | Cañete | | Commercial office |
| Arequipa | Papelera Panamericana | | |
| Santa Anita | Santa Anita | | |

| | |
|---------|-------------------|
| BOLIVIA | Commercial office |
|---------|-------------------|

| | | | |
|-------------|-------------|---|--|
| CHILE | | 2,253 collaborators | |
| Location | Plant |  | |
| Talagante | Talagante | Commercial | |
| Puente Alto | Puente Alto | office | |

Note: In Chile, the employees of the Corporate are included.

| | | |
|-----------------|-----------------|---|
| MEXICO | | 1,819 collaborators |
| Location | Plant |  |
| Altamira | Altamira | Commercial office |
| García | García | |
| Santa Catarina | Santa Catarina | |
| Valle de Mexico | Valle de Mexico | |

| | |
|-----------|-------------------|
| GUATEMALA | Commercial office |
|-----------|-------------------|

| | |
|--------------------|-------------------|
| DOMINICAN REPUBLIC | Commercial office |
|--------------------|-------------------|

| | |
|-------------|-------------------|
| EL SALVADOR | Commercial office |
|-------------|-------------------|

| | |
|-----------|-------------------|
| NICARAGUA | Commercial office |
|-----------|-------------------|

| | | |
|-----------------|-----------------|---------------------|
| BRAZIL | | 2,487 collaborators |
| Location | Plant | ☑ |
| Caieiras | Caieiras | Oficina comercial |
| Recife | Recife | |
| Guaíba | Guaíba | |
| Mogi das Cruzes | Mogi das Cruzes | |
| Mallet | Sepac | |

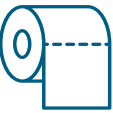
| | |
|----------|-------------------|
| PARAGUAY | Commercial office |
|----------|-------------------|

| | | |
|----------|-------------------|-------------------|
| URUGUAY | 340 collaborators | |
| Location | Plant | Commercial office |
| Pando | Pando | |

| | | | |
|-----------|---------|---------------------|--|
| ARGENTINA | | 1,516 collaborators | |
| Location | Plant | ✔ Commercial office | |
| Naschel | Naschel | | |
| Zarate | Zarate | | |

SOFTYS IS AMONG THE TOP 5 PRODUCERS OF TISSUE AND PERSONAL CARE PRODUCTS IN THE LARGEST LATIN AMERICAN MARKETS.

Our business units



CONSUMER TISSUE

At Consumer Tissue we develop products based on tissue paper, material from recycled and virgin fibers, accessible to all our consumers. We have toilet paper, napkins, facial tissues, disposable towels, and others. These stand out for their high quality, softness, absorption, and performance in hygiene and cleaning tasks in the home and family.

Our main sales channels are wholesale supermarkets, retailers, and distributors. And, of course, with increasing strength, e-commerce channels.

Regional brands



Local brands



PERSONAL CARE

Our Personal Care unit offers products that provide the best care to give protection and autonomy in the categories of child care, adult care, women's care, and pets with regionally recognized brands, at every stage of your life.

Our products: diapers, women's care products, incontinence products, among others, are distributed to wholesale supermarkets, retailers, distributors, drugstores and pharmacies, e-commerce channels, among other platforms.

Regional brands



Local brands



AWAY FROM HOME

We seek to deliver professional hygiene and cleaning solutions to our clients -companies and institutions- who rely daily on our products with quality, safety, innovation, and efficiency characteristics. That is why, we have a clear purpose: "We make the care outside the home, an engine of development and welfare for companies and society".

We have toilet paper, paper towels, medical bed sheets, napkins, soaps, dispensers, alcohol gel, cleaning lines, and starting in 2020, face masks, among other products.

We have a robust distribution network, which allows us to serve hospitals, clinics, restaurants, hotels, industries, offices, airports, shopping malls, educational establishments, and other institutions with an efficient, reliable, timely, and convenient service.

Regional brand



Local brand



40 YEARS WITH YOU

Our history



"I joined Softys in March 1990 in the Conversions area. Since that day Softys has become my second home. To celebrate 30 years working here is a great pride and achievement on a personal level, it provides many opportunities to grow and develop, but the best thing is the sense of family, the permanent companionship, the teamwork, and the care there is for each employee."



CHILE

1980

We began manufacturing tissue products in Puente Alto, Metropolitan Region (Chile).

1983

We began manufacturing Babysan diapers.



ARGENTINA

1991

We acquired the diaper manufacturer Química Estrella San Luis S. A. in Argentina, becoming our first investment outside Chile.



URUGUAY

1994

We acquired the tissue paper company Ipusa in Uruguay.



CHILE

1995

We started up two new tissue paper factories, one in the municipality of Talagante (Chile) and the other in the town of Zarate, province of Buenos Aires (Argentina). We acquired La Papelera del Plata S.A., a Tissue paper and Children's Diapers company.



PERU

1996

We started operations of tissue products in Peru with our subsidiary Protisa.

1998

We began manufacturing tissue paper in Peru, in the new Santa Anita plant, located in the city of Lima.



ARGENTINA

1999

We installed a second paper machine in Argentina, becoming one of the main manufacturers of tissue products in Latin America.



MEXICO

2006

We entered the Mexican market with the acquisition of tissue paper and diapers manufacturer Absormex.



COLOMBIA

2007

We entered the Colombian market with the acquisition of Drypers Andina, which manufactures and sells baby diapers.



"I joined the plant on April 1, 1980, when I did summer work and was offered to stay. I was only two semesters away from finishing my degree, so I stayed while I finished my studies at night. I look back and realize that in the most important milestones of my life I was at Softys Chile. It has been and is for me an achievement and a source of pride to belong to this great paper family and that the senior management considers me a worthy representative of the history and DNA of this great company and still with the strength to continue contributing to this great work. I feel that people who join Softys should see this company as a working university and a great family that takes care and respects you."



"I joined Melhoramentos Papéis in 1999 and I have been able to perceive the changes of this great company over time. From the beginning, I was proud of it, even for my parents, who knew it would give me career development and professional learning. Now working in a company with more than 100 years of tradition in the market, characterized by excellence and innovation and care for its talents makes me feel even more proud."



"I came to work at Softys as a tube making machine operator in November 2010, the year the Gachancipa plant started operations. Soon after, I assumed the role of lead operator and currently I work as a process technologist. This year has been very challenging for all of us, we have had to transform problems into opportunities and I have felt the support of the company. Also, we won the Softys Cup, which shows that the work of each one of us is bearing fruit, that we are going in the right direction. We are not laying bricks we are building cathedrals. I am very proud to work in this company, where you can challenge yourself and learn."



"I joined Softys on January 6, 2020, as a demand planner. Two months later telework was declared due to the pandemic spread. I learned to build relationships with my co-workers from afar and have been able to realize the real commitment Softys has to caring for each of us. The communication has been very fluid, but what I am most positively struck by is the raising of each person's needs to create a safe working environment."



ECUADOR

2008

We started industrial operations in Ecuador, with a tissue and diaper conversion plant.



BRAZIL

2009

We acquired Melhoramentos Papéis, a tissue products manufacturer in Sao Paulo, Brazil.

We inaugurated the Personal Care plant in Lima, Peru.



COLOMBIA

2010

The new Gachancipa tissue paper plant in Colombia starts operations.



URUGUAY

2016

We received the first ISO 50001 certification at Ipusa for our energy management system in Uruguay.



PERU

2017

Together with the community, we inaugurated a modern plant of tissue products in the town of San Vicente de Cañete (Peru).

2018

Our subsidiary Protisa issued the first green bond on the Lima stock exchange for a total of approximately USD 30 million. The bond proceeds were used to refinance sustainability projects for the Cañete and Santa Anita plants (Peru).



BRAZIL

2019

Acquisition of Serrados e Pasta e Celulose Ltda. (Sepac), in Parana (Brazil), and of Papelera Panamericana en Arequipa S. A. (Panam), in Arequipa (Peru). Opening of the new conversion plant at our subsidiary in Mexico, Valle de Mexico.



PERU

2020

Launch of our 2020-2023 Sustainability Strategy for all of Latin America, along with our first Softys Sustainability Report.

- We started production of face masks in Argentina, Brazil, Chile, Mexico, and Peru donating this important supply in the midst of the Covid-19 pandemic.
- We received the first "Zero Waste" certification for the Gachancipa and Santander plants in Colombia.



"I started working as a contractor in Santa Anita plant and after two years I was hired by Softys as an assistant in the diaper machine 40 in Santa Rosa. Currently, I work at the new diaper machine 60 in zone 2. In these 5 years at Softys, I have seen how the plants have been modernizing and acquiring new technology to deliver better products. It means a lot to me to work here, it has changed my life, I think it creates great opportunities for everyone and it is a great place to work."



"I joined the company less than 10 months ago in the new area of Data & Analytics, which has been very challenging, as we have had to establish new concepts and implement them. Having joined in the pandemic, I have not had the opportunity to experience office life in person or meet the people I work with personally. However, I have managed to virtually build human relationships and I have discovered a great team. For me, the work challenges during the pandemic were fundamental to keep me motivated, given the context. My message is that I am happy to be here, where despite the distance I feel very much part of it."

LEARN ABOUT OUR STRATEGIC GUIDELINES

(102-16)



VISION

> AT SOFTYS WE INSPIRE TO GIVE OUR BEST, ACHIEVING BENCHMARK PROFITABILITY THROUGH INNOVATIVE BRANDS AND CARE FOR OUR CONSUMERS, COLLABORATORS AND ENVIRONMENT, GENERATING SUSTAINABLE VALUE FOR CLIENTS AND SHAREHOLDERS.

PROMISE

PURPOSE

> TO DEVELOP BRANDS THAT DELIVER THE BEST CARE THAT PEOPLE NEED IN THEIR DAILY LIVES AND AT EVERY STAGE OF THEIR LIVES.

VALUE PROPOSITION

WE TAKE CARE OF WHAT WE LOVE. BY DOING WHAT TAKES CARE OF US.

INNOVATING FOR YOUR CARE.

Corporate brand pillars

TO ACHIEVE OUR PURPOSE, WE RELY ON THREE FUNDAMENTAL PILLARS THAT INSPIRE US TO MEET THE CHALLENGES OF THE FUTURE.

THESE PILLARS ARTICULATE OUR BEHAVIOR, CONNECTING SUSTAINABILITY WITH OUR OPERATION, OUR SUPPLY CHAIN WORK, OUR COMMUNITY AND ENVIRONMENTAL APPROACH.



INNOVATION IN QUALITY

We innovate in processes and strategies, emphasizing continuous improvement at a technological and personal level, and around the needs of consumers.



COMMITMENT TO SUSTAINABILITY

We ensure that all our actions are within the framework of respect for the environment, from robust management of the environmental, social, and economic dimensions.



ACCESSIBILITY AND CLOSENESS TO PEOPLE

We care about being always close and available to people and their needs, in all places they are and at a value convenient to their possibilities.

Value Proposition



WE TAKE CARE OF WHAT WE LOVE. BY DOING WHAT TAKES CARE OF US.

The value proposition is a reflection of our organizational culture of care, put into practice daily for our employees. It is based on five differentiating commitments, identifying us and outlining our actions in all the functions and geographies in which we are present, making the “Softys Experience” a constant in every moment of the working life of those who are part of the company.

Our differentiating commitments



CARE

We are guided and inspired by the care for people: our collaborators, consumers, clients, and the care for our environment.

We believe that through care, new opportunities are opened that allow us to transform lives.

MARIO SUÁREZ,
Head of Roll Conversion,
Softys Argentina

“At Softys we are guided and inspired by **caring** for ourselves, for others, and for the environment. Our differentiating commitment is based not only on caring for our collaborators, but also on the commitment to take care of what we love the most: “our family.” With our products, we reach each of your homes, with the best quality and innovation.”



TRUST

We believe and trust in the talent and capacity of each and every one of our team members, and we create environments that allow us to develop that potential. We collaborate and work as a team because together we are stronger.

SDENKA MORENO,
Head of Supply Chain Distribution,
Softys Peru

“For me, **trust** is a key word in the more than 10 years I have been working at Softys and that is what has been inculcated in me. To accomplish different roles since I was an intern to my current position as head I have felt genuine trust to delegate and manage teams. This has enabled my professional development and personal growth.”



TRANSCENDENCE

With humility and generosity, we work to give sustainable value to the business, knowing that in every effort and action we are shaping the Softys of the future.

ROBERTO LÓPEZ,
Production Manager,
subsidiary in Mexico

“We are given the opportunities and tools to **transcend**. We have the opportunity to learn, pass on knowledge and leave a mark, participate and witness the development of people. We have also managed to replicate and share best practices among the plants, which shows the growth mindset of the organization.”



ACHIEVEMENT AND EXCELLENCE

We are people of action in search of excellence and we love what we do. We are brave to take risks, with agility and discipline, opening spaces for innovation and creativity.

JULIÁN GONZÁLEZ,
Head of Sanitary Products, Softys Colombia

“For me, **achievement and excellence** is the ability to reach set objectives, highlighting the quality of the process, thus always giving an added value to make it worthy of great esteem. This year Softys Colombia won the Softys Cup. For me it represents a source of pride and gives me a dose of adrenaline in my daily life, giving me an extra motivation to continue doing things in the best way possible.”



INTEGRITY

We honor our history and act with integrity and transparency. Always.

KARINA SÁNCHEZ,
Head of Product Development,
Softys Corporate

“For me, the word **integrity** is a very broad concept and at the same time very valuable. It considers everything from responsibility and commitment to emotional tones that ultimately is where as a person and as a company you can establish the limit of what is right. At Softys there is a strong focus on what is right, in caring for ourselves and others.”



Softys
Naschel, Argentina

THIS YEAR WE LAUNCHED THE “COLABORADORES MUY VALIOSOS”, CMV (VERY VALUABLE COLLABORATORS) PROJECT, A RECOGNITION PROGRAM THAT ALLOWS US TO INSTITUTIONALIZE AND REINFORCE OUR DIFFERENTIATING COMMITMENTS AND SOFTYS CULTURE IN ALL SUBSIDIARIES. THIS PROGRAM CREATES A COMMON SPACE THAT, VIRTUALLY, BRINGS US ALL TOGETHER AND MAKES US FEEL CLOSE AND CONNECTED, AT TIMES WHEN PHYSICAL DISTANCE HAS BEEN UNAVOIDABLE, ALLOWING US TO GIVE 2,600 RECOGNITIONS THROUGHOUT THE REGION IN 2020.

2020-2023 Business Plan

The vision of our 2020-2023 Business Plan is to inspire maximum performance by caring for our consumers, collaborators, and environment creating sustainable value for clients and shareholders, with efficient profitability and brands with a high regional presence.



BRANDS

-

Build brands that create value.



GO-TO-MARKET

-

Execute with passion the point of sale.



COMPETITIVENESS

-

Strengthen our discipline and agility to win.



SUSTAINABILITY

-

Enhance capacities for responsible management in ESG dimensions (environmental, social, and governance).



CULTURE

-

Live a culture that inspires maximum performance.

IN JULY 2020, AND GIVEN ALL THE CHANGES WE HAD TO MAKE AS A BUSINESS DUE TO THE COVID-19 PANDEMIC, WE ADJUSTED OUR BUSINESS PLAN AND CREATED THE “NEW GAME PLAN”, WHICH WAS MADE KNOWN TO OUR EMPLOYEES IN A REGIONAL ONLINE MEETING, WHICH COMMUNICATED AND RE-ENERGIZED THE ORGANIZATION IN TIMES OF CRISIS.

INSPIRING RESULTS



| | |
|------------------------|--|
| MATERIAL ISSUE¹ | Sustainable growth ^{MAT} (103-1, 103-2, 103-3) |
|------------------------|--|

Why is it material?

To develop brands that deliver the best care, it is important to maintain adequate profitability that ensures our operation over time. To that end, we base on continuous improvement, providing efficiency to our processes, and a focus on generating value for all our stakeholders.

At Softys we know that what really drives an organization is not only profitability for its shareholders, but also meeting the expectations and needs of its different stakeholders: clients, consumers, employees, local communities, and strategic partners with sustainable growth that integrates a vision of caring for the planet and people.

Thus, we have been expanding our business and positioning ourselves among the leading producers of consumer tissue and personal care in Latin American markets.

| | |
|--------------------------------------|---|
| OUR GUIDES TO MANAGE THIS MAT | <ul style="list-style-type: none">• 2020-2023 Business Plan• 2020-2023 Sustainability Strategy |
|--------------------------------------|---|

1. **Do you know what MAT is?**
Every time you find the MAT logo it means that we are talking about a material issue. If you want to know more about them go to the section.

ECONOMIC ENVIRONMENT AND PERFORMANCE

Sustainable growth ^{MAT}

2020 has been a year of multiple complexities and challenges as a result of the Covid-19 pandemic. Consumer Tissue and Personal Care showed growth in their sales volumes, with a record of 820 thousand tons of tissue paper and 7,303 million units of sanitary products, due to the purchase and demand of our products that satisfy basic needs at the beginning of the pandemic.

Our Away From Home business unit was the most impacted: due to mobility restrictions and confinements that particularly affected its hotel, restaurant and airport clients, among others, resulting in a 40% drop in sales volumes compared to 2019.

Faced with this scenario, we refocused and further strengthened our role as hygiene experts, to support our Clients towards a safe return. Thus, the face mask production project became a new impetus, gi-

ven the need for this important supply for the operational viability of different organizations.

Likewise, and although Softys was affected by the devaluation of local currencies, we were clear in decreeing that we would not raise the prices of our essential products to support people 100% in this global scenario, a time when they were most in need of our support and commitment, which lasted during the most critical months of the pandemic.

In parallel, there was a positive effect on the pulp price which, added to our TPM operational efficiency program, made us increase Ebitda by approximately 40% compared to 2019.

MAIN FINANCIAL PERFORMANCE INDICATORS IN MILLIONS OF USD

| INDICATOR | 2019 | 2020 |
|---|-------|-------|
| Consumer Tissue sales volume (thou- sands of tons) | 726 | 820 |
| Personal Care sales volume (millions of units) | 6,337 | 7,303 |
| Sales | 2,094 | 2,068 |
| Ebitda | 201 | 277 |
| Equality | 1,017 | 1,056 |
| Debt | 1,621 | 1,515 |
| Asets | 2,638 | 2,572 |

Source: Softys Corporate Administration.

AVERAGE MARKET SHARE (VALUE)

| MARKET | CONSUMER TISSUE | | PERSONAL CARE | |
|-----------|-----------------|------|---------------|------|
| | 2019 | 2020 | 2019 | 2020 |
| Argentina | 43.5 | 44.3 | 16.6 | 18.4 |
| Brazil | 6.7 | 5.7 | 4.4 | 5.8 |
| Chile | 68.9 | 66.9 | 27.8 | 32.0 |
| Colombia | 9.4 | 9.7 | 3.4 | 3.4 |
| Ecuador | 20.6 | 16.0 | 10.6 | 8.8 |
| Mexico | 14.0 | 13.8 | 3.3 | 2.1 |
| Peru | 45.5 | 42.3 | 27.8 | 30.9 |
| Uruguay | 85.1 | 85.0 | 53.8 | 58.0 |

Source: Management Control Softys.

Note 1: Tissue information corresponds to toilet paper for Argentina, Chile, Peru, and Mexico from Scantrac as of December 2020.

Note 2: Personal Care information corresponds to baby diapers and is an estimate for Sell in countries.

We create value for our stakeholders

(201-1)

| | 2019 | | 2020 | |
|--|--------------------------------|-------------------|--------------------------------|-------------------|
| | AMOUNT (MILLIONS OF USD) | PERCENTAGE (%) | AMOUNT (MILLIONS OF USD) | PERCENTAGE (%) |
| Total economic value generated (EVG) | | | | |
| Total income | 2,098,091 | -- | 2,073,385 | |
| Total economic value distributed (EVD) | | | | |
| Collaborators | 225,332 | 10.7% | 218,022 | 10.5% |
| Suppliers and contractors | 1,971,931 | 94.0% | 1,893,298 | 91.3% |
| Local governments | 42,661 | 2.0% | 17,910 | 0.9% |
| Financiers | 203,960 | 9.7% | 439,481 | 21.2% |
| Shareholders | 0 | 0.0% | 0 | 0,0% |
| Community | Community engagement | 0 | 0 | 0.0% |
| | Donations | 1,201 | 1,647 | 0.1% |
| | Total communities | 1,201 | 1,647 | 0.1% |

Source: Softys Corporate Administration.

Note 1: The value distributed is greater than the value generated (100%) because the payment to suppliers considers the associated taxes. Operating income is net.

Note 2: Payment to suppliers considers the associated taxes and operating income is net.

Note 3: The donations correspond to Softys products in each of the countries: Cotidian diapers, babysec, babysec wet wipes, PH Elite and Higienol, face masks, and others.

TAX PAYMENT

We contributed to local economies with tax payments in the territories where we operate. In 2020, this amount decreased to USD 27,391,000.

TAXES PAID (thousands of USD)

| COUNTRY | 2019 | 2020 |
|-----------|--------|--------|
| Argentina | 7 | 17 |
| Brazil | - | 1,483 |
| Chile | 31,311 | 12,913 |
| Colombia | 3,935 | 3,576 |
| Ecuador | - | - |
| Mexico | 893 | 2,885 |
| Peru | 4,305 | 6,139 |
| Uruguay | 337 | 378 |

Source: Softys Corporate Administration.

Note 1: A modification was made to the taxes paid in 2019, calculating the direct taxes (income tax including advance payments).

Note 2: In Chile, the reduction in tax payments is explained by the fact that the year 2020 closed with a tax loss.



Softys
Puente Alto, Chile

COMMITTED TO OUR LEADERSHIP

Our Board of Directors
(102-18, 102-23, 102-26)

MADE UP OF SEVEN MEMBERS RE-ELECTED IN APRIL 2019, FOR THREE YEARS. AMONG ITS RESPONSIBILITIES ARE SOFTYS' STRATEGIC PLANNING, THE ANNUAL BUSINESS PLAN, FOLLOW-UP OF OUR BUSINESS PLAN, AND THE BUDGET FOR ITS EXECUTION.



1.



2.



3.



4.



5.



6.



7.

-
1. LUIS FELIPE GAZITÚA ACHONDO
Chairman
Business Administration
Age: 65 years
Chilean Tax ID Number
(Rut): 6.069.087-1

-
2. FRANCISCO RUIZ-TAGLE EDWARDS
Director
Business Administration
Age: 57 years
Chilean Tax ID Number
(Rut): 7.052.877-0

-
3. PABLO TURNER GONZÁLEZ
Director
Business Administration
Age: 61 years
Chilean Tax ID Number
(Rut): 7.056.349-5

-
4. BERNARDO MATTE IZQUIERDO
Director
Lawyer
Age: 37 years
Chilean Tax ID Number
(Rut): 15.637.711-2

-
5. JORGE MATTE CAPDEVILA
Director
Business Administration
Age: 39 years
Chilean Tax ID Number
(Rut): 14.169.037-K

GENDER

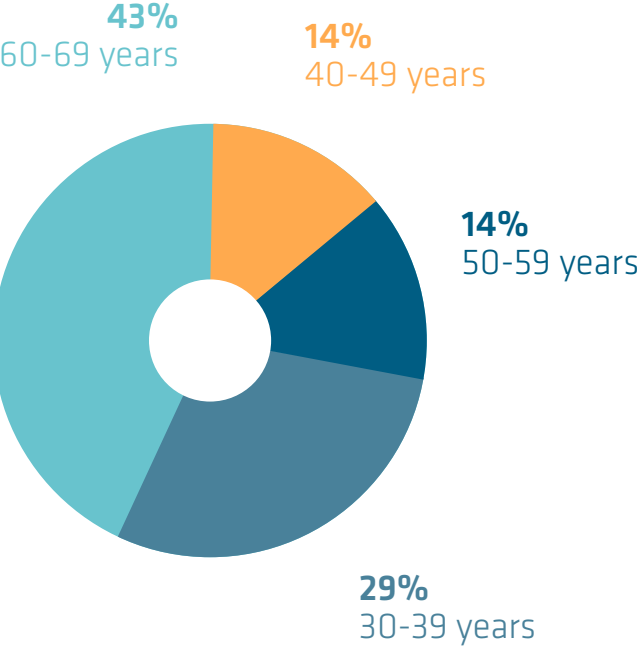
14%
Women

86%
Men

NATIONALITY

100%
Chileans

AGE RANGE



Because we strongly believe that ethics and free competition are fundamental for business development, in October 2020, our Board of Directors held an extraordinary meeting, in which training on free competition matters was given by the expert lawyer Mario Ybar Abad and Softys' Compliance Officer, Héctor Hernández.

BOARD OF DIRECTORS MEETINGS

- Meetings are held once a month on an ordinary basis.
- Extraordinary meetings are held whenever required.
- Board meetings are attended by the CEO, the Corporate Finance and Administration Manager, and the Corporate Legal Manager.
- Also, the members of the Board of Directors meet periodically with the CEO, the Corporate Finance and Administration Manager, and the country managers.

SENIOR EXECUTIVES

(102-19, 102-20)

"IN THIS COMPLEX YEAR, WE HAVE SEEN HOW CARE HAS TAKEN ON GREATER RELEVANCE FOR THE WHOLE OF SOCIETY. WE HAVE ALSO SEEN HOW THIS WORD HAS TAKEN ON A SPECIAL AND POWERFUL MEANING FOR ALL OF US WHO WORK AT SOFTYS. WE HAVE NEVER FELT SO MUCH SENSE AND PRIDE IN OUR PURPOSE AND WE HAVE NEVER LIVED IT SO MUCH IN OUR DAILY ACTIONS AS THIS 2020, WHICH GAVE US GREAT CHALLENGES AND WONDERFUL EXPERIENCES. TO ALL OUR TEAM, THANK YOU VERY MUCH."

Softys Senior Executive Team



GONZALO DARRAIDOU
CEO
Business Administration
Chilean/ 59 years
Chilean Tax ID Number
(Rut): 8.808.724-0
Appointment date:
01/12/2015



FELIPE ARANCIBIA
Corporate Finance
and Administration
Manager



PEDRO MUZZIO
Industrial Development and
Supply Chain Corporate
Manager



CRISTÓBAL SOMARRIVA
Corporate Legal
Manager



SEBASTIÁN REYES
General
Manager
Softys Chile



LUIS DELFIM DE OLIVEIRA
General
Manager Softys
Brazil



MAYE ALESSANDRINI
People and
Organization Corporate
Manager



ALFREDO BUSTOS
Data and Analytics
Corporate Manager



RENATO TYSKI ZAPSZALKA
Director General
Softys Sepac



GUSTAVO SCHMIDT
General Manager
Mexico



JORGE VALDIVIESO SCOTT
Development and
M&A Corporate
Manager



RAFAEL SCHMIDT
Tissue, Innovation
and Commercial
Development Corporate
Manager



PEDRO URRECHAGA
Andean and Río
de la Plata Region
General Manager



NICOLE SANSONE
Personal Care and
Sustainability Corporate
Manager



JOSÉ MIGUEL PORRAZ
Away From Home
Corporate Manager



JUAN LA SELVA
General Manager
Softys Argentina



EDUARDO ARCOS
General Manager
Softys Ecuador



RICARDO VENEGAS
General Manager
Softys Peru



MARIANO PAZ
General Manager
Softys Uruguay



ANDRÉS ORTEGA
General Manager
Softys Colombia

Our committees



SOFTYS EXECUTIVE COMMITTEE

-
Scheduled monthly between the CEO and the Corporate Managers.



SOFTYS COORDINATION COMMITTEE

-
Is held 2 or 3 times a year, for 5 days, and it is integrated by the CEO, the Corporate Managers, and General Managers of the countries.



SOFTYS COMPLIANCE COMMITTEE

-
Starting March 2020, we have this committee to ensure compliance with free competition regulations within the Company. It is made up of a Softys Director, a CMPC Director, CMPC Chief Legal Officer, and Softys Corporate Legal Manager. Softys Compliance Officer also permanently attends this Committee.



SOFTYS SUSTAINABILITY COMMITTEE

-
This committee guides and monitors the progress of the 2020-2023 Sustainability Strategy. It is led by the CEO and made up of by the corporate managers of Industrial Development and Supply Chain, Legal, Corporate Finance and Administration, People and Organization, Andean and Rio de la Plata Region, Personnel Care and Sustainability, the Sustainability Assistant Manager, and the Sustainability Manager of CMPC.

OUR EXECUTIVES ALSO PARTICIPATE IN DIFFERENT COMMITTEES OF OUR PARENT COMPANY CMPC, SUCH AS THE MANAGEMENT COMMITTEE, IT STRATEGIC COMMITTEE, TAX COMPLIANCE COMMITTEE, FINANCIAL PLANNING COMMITTEE, INTERNAL AUDIT COMMITTEE, RISK MANAGEMENT COMMITTEE, SUSTAINABILITY COMMITTEE, AND CORPORATE AFFAIRS COMMITTEE, AMONG OTHERS².



“Covid-19 hit us at times of social crises around the world, which accelerated the population’s sense of uncertainty. The question is how do we navigate through the pandemic? And the answer lies in leadership, both in governments and in companies. In companies, every team must know where it is heading and have the support of being listened to solve the challenge, for which internal communication is fundamental and, of course, having a committed leader.”

- CHARLES THOMAS CLEVELAND
Lieutenant General, Commander
of U.S. Army Special Operations
Command

VISITED US IN 2020



OUR STANDARDS OF INTEGRITY



MATERIAL ISSUE

Ethics and Integrity ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

An honest, responsible, and loyal conduct translates into excellence in management, also favoring solid and honest business relationships based on credibility, all of which contributes to the growth of our company and society as a whole. That is why, we constantly reinforce ethics and compliance, fundamental aspects of our daily work, and the way we do business.

At Softys we work to foster a culture of integrity and responsibility, based on ethical conduct and reinforced by unrestricted compliance with current regulations in the different jurisdictions where we have operations and business relationships.

OUR GUIDES TO MANAGE THIS MAT

- Code of Ethics
- Corporate Integrity Policy
- Free Competition Manual
- Crime Prevention Model
- Principles of Advertising Ethics
- Integrity and Compliance Program

INTEGRITY AND COMPLIANCE PROGRAM

(102-17; 205-2; 206-1)

Ethics and Integrity ^{MAT}

Our Integrity and Compliance program aims to articulate and systematize efforts to prevent, detect and respond to acts or behaviors contrary to corporate values, internal regulations, and applicable laws. To that end, we seek to train, disseminate and reinforce in our collaborators the Corporate Integrity and Probity Policy and all the elements that are part of our culture of integrity.

Also, we maintain specific compliance programs for Chile and Peru on free competition, associated with the collusion cases that occurred in those countries, which are implemented in each case by a designated Compliance Officer. Both companies are in the process of implementing these programs with the support of external advisors.



CHILE

Within the framework of the Crime Prevention Model, we conducted more than 20 workshops, all of them eminently practical and with their respective evaluations, follow-up of their controls, and constant review of our processes.

In terms of free competition, we complied 100% with our plan for the year 2020 and the requirements established for Softys by the ruling of the Court of Defense of Free Competition.



PERU

In Peru, we successfully carried out the plan committed to with Indecopi on free competition, complying with the established requirements, including the 60-hour course on Free Competition for 64 employees and the annual exam on Free Competition taken by 142 employees, both given by the Universidad del Pacifico. We also presented the final annual report to Indecopi.



We gave a lecture on the economic foundations of free competition by Massimo Motta, professor at the Pompeu Fabra University, Head of Competition at the European Commission. More than 1,000 employees participated in this training and free competition was explained from the point of view of the economics underlying the institutional framework.

“Competition law does not prevent companies from achieving and exercising a dominant position: the expectation of enjoying high profits and market power is the driving force behind innovation and development. Competition law prevents the abuse of a dominant position, that is, the obstruction of market performance.”

MASSIMO MOTTA
Former Head of Competition of the European Commission.

VISITED US IN 2020



Also, we have general compliance activities that Softys develops with the leadership of its Compliance Officer, within the framework of the programs defined by the Compliance Management of CMPC. There, the Corporate Integrity and Probity Policy, the Crime Prevention Model, and the Free Competition Manual are presented and disseminated through workshops or courses for all employees.

CRIME PREVENTION MODEL AND CORPORATE PROBITY

- More than 80 practical workshops held, with more than 1,300 employees trained.
- General virtual courses for all our executives, subject to evaluation and passing.

FREE COMPETITION

- 3 training sessions, subject to evaluation and passing, with special emphasis on the ruling of the Tribunal de la Libre Competencia, TDLC (Court of Defense of Free Competition) aimed at managers, assistant managers, executives and collaborators with high executive, administrative, and decision making responsibility in business matters.
- Training for the Board of Directors of Softys.
- Group discussions on free competition issues related to the exercise of certain functions, with specific sessions per country, taught by external free competition specialists lawyers.
- General e-learning courses for our executives, subject to evaluation and passing.

EMPLOYEES TRAINED IN CORPORATE INTEGRITY AND PROBITY POLICY DISSEMINATION WORKSHOPS

| WORKSHOPS ON ETHICS AND INTEGRITY | 2019 | 2020 |
|---|------|-------|
| Crime Prevention Model (CPM) ³ or anti-corruption workshop | 144 | 307 |
| Free competition workshop | 205 | 685 |
| Corporate probity - anti-corruption workshops LATAM | S/I | 1,154 |

Softys Compliance Area.

3. It is a model based on Law No. 20,393 of Chile, which aims to conduct and establish a conduct based on the principles that we have defined as part of the culture of Softys, to ensure compliance with the law and the prevention of criminal actions carried out by any member of the organization.

REPORTING HOTLINE

(205-3)

As part of our Crime Prevention Model, we have a reporting channel available on our website, so that any person or stakeholder can report events or conducts that constitute, or may constitute, a violation of Softys' principles and values, corporate regulations or applicable laws. The information provided through this means is strictly confidential and has the option of being anonymous.

Who receives the reports is the Responsible for the Crime Prevention Model: Chief Legal Officer of Empresas CMPC. The investigation is carried out by our Legal Department together with CMPC's Compliance Department, who are in charge of following up on the cases and generating the corresponding resolution, as established in the Corporate Integrity and Probity Policy. Our company does not take or tolerate retaliation against people who report.

During the period, no cases of corruption have been reported. Those claims that have been deemed admissible and resolved have resulted in corrective measures.

NUMBER OF CLAIMS RECEIVED

| TYPE OF CLAIM RECEIVED | 2019 | 2020 |
|------------------------|------|------|
| Anonymous | 19 | 78 |
| Not anonymous | 14 | 45 |

| NUMBER OF CLAIMS INVESTIGATED | 2019 | 2020 |
|-------------------------------|------|------|
| Not admissible | 18 | 65 |
| Resolved (investigated) | 15 | 58 |

| STATUS OF CLAIMS RECEIVED | 2019 | 2020 |
|--|------|------|
| Open (under investigation) | 0 | 0 |
| Closed | 33 | 123 |
| Total | 33 | 123 |
| Number of claims sanctioned | 10 | 30 |
| % of measures that received corrective actions | 100% | 97% |

Source: Softys Compliance Area.

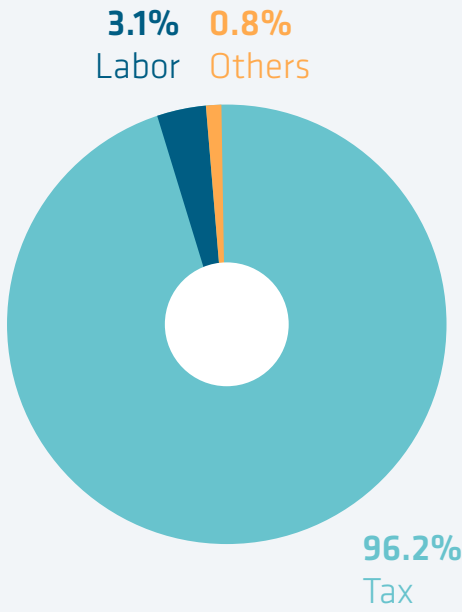
Note: The "not admissible" category includes cases that do not correspond to the reporting hotline or those cases with insufficient background information to investigate.

REGULATORY COMPLIANCE

(307-1, 419-1)

In 2020, we paid USD 2,181,099 in tax, labor, customs, environmental, and transportation fines. The total amount of environmental fines was USD 8,318.

TYPE OF FINES



Source: Softys Legal Management.

Note 1: In the "Others" category are fines related to environmental, customs and transportation matters.

Note 2: The environmental fines were issued in Softys Chile and our subsidiary in Mexico.



Softys
Puente Alto,
Chile

02

The best care,
for a better
tomorrow

WE WANT TO DELIVER THE BEST CARE. TO ACHIEVE THIS, WE PUT ALL OUR ENERGY AND EXPERIENCE INTO WORKING TODAY TO BUILD A BETTER TOMORROW, THROUGH RECOGNIZED, LOVED AND VALUED BRANDS THAT GENERATE THE GREATEST SOCIAL IMPACT AND THE LEAST ENVIRONMENTAL IMPACT.

2nd
Report.

4
Pillars of the 2020-2023
Sustainability Strategy.

20
Material
issues.

6
Prioritized
SDGs.

86
GRI
indicators.

OUR NORTH IN SUSTAINABILITY

Sustainable Development Goals

To develop our 2020-2023 Sustainability Strategy, launched in July 2020 we followed a path of hard work and deep conviction, based on environmental, social, and governance (ESG) issues which was undoubtedly the best kick-off for our future roadmap.

As a result of this work and in line with the 2018 Materiality Study, developed by CMPC for its three business units, we identified 26 relevant ESG issues, which are based on the due diligence methodological framework recommended by the Organization for Economic Co-operation and Development (OECD).

To complement and deepen our understanding of the issues specific to the hygiene and care industry, we developed a benchmark of best practices and in-depth interviews with the different areas and countries where we operate, which allowed us to identify our work priorities, the level of maturity of these issues within the organization, and to define our contribution to the United Nations 2030 Agenda, in line with the Sustainable Development Goals (SDGs).

↓

1

NO POVERTY

2

ZERO HUNGER

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

10

REDUCED INEQUALITIES

11

SUSTAINABLE CITIES AND COMMUNITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

14

LIFE BELOW WATER

15

LIFE ON LAND

16


PEACE, JUSTICE AND STRONG INSTITUTIONS

17

PARTNERSHIPS FOR THE GOALS

THE GLOBAL GOALS
For Sustainable Development

OUR CONTRIBUTION TO THE PRIORITIZED SDG'S

| SDG | SDG TARGET | SOFTYS GOAL | TARGET |
|--|--|---|---|
|  | 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction, and management of national and global health risks. | SGOOD HEALTH AND WELL-BEING An SDG that is at the heart of Softys, which is expressed in our purpose to “give the best care daily, and at every stage of people’s lives”. We exist to provide the best care, to promote health and hygiene as drivers of development. | |
|   | 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life. 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. | GENDER EQUALITY Nearly 20% of our employees are women, so we know that we have important challenges in this area. We already have targets associated with increasing the number of women in our staffing and women in leadership positions in all our countries of industrial operation. At Softys Sepac there is 30% female participation, which inspires us and serves as an example for our entire organization. Also, thanks to our Softys Water Challenge, we expect to make a significant impact on gender issues at the community level, as water collection is a strongly feminized task. | <ul style="list-style-type: none">• Increase the proportion of women by 50% by 2025.• Increase the proportion of women in leadership positions by 50% by 2025 (platforms AD, A, B, C).• Achieve 2.5% of the staffing with people with disabilities by 2025. |
|  | 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all. 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. | CLEAN WATER AND SANITATION “Without water, there is no hygiene, and therefore no health, no care. In this line, we work hard on reducing the industrial use of water at our plants, as well as on water safety by our suppliers, from a supply chain perspective, and also focusing on the communities that surround us. | <ul style="list-style-type: none">• Reducing our industrial use water by 40% by 2025.• Implement at least 2 Softys Water Challenge solutions in rural locations without potable water by 2021. |
|  | 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil to minimize their adverse impacts on human health and the environment. 112.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. | RESPONSIBLE PRODUCTION AND CONSUMPTION Under this SDG, we frame our sustainable management from an inner perspective, on how we produce our brands and products. Also, from a life cycle approach, we are concerned about what happens when our brands and products reach clients and consumers, where promoting responsible consumption is crucial. | <ul style="list-style-type: none">• To be a zero industrial waste to landfill company by 2025.• Launch the first 100% recyclable and biodegradable packaging for our Elite line in 2021. |
|  | 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning | CLIMATE ACTION We know that we are going through a climate emergency and that as a company we have a role to play, which is linked to Empresas CMPC’s sustainable commitments to which we adhere with special impetus. | <ul style="list-style-type: none">• Reduce our greenhouse gas emissions by 50% by 2030. |
|  | 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries. 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. | PARTNERSHIPS TO ACHIEVE OUR OBJECTIVES SDG related to the importance of working collaboratively between public and private stakeholders and civil society organizations to achieve the proposed goals. | <ul style="list-style-type: none">• To annually develop partnerships that contribute to sustainable development, aligned with our purpose of care. |

Strategic approach
to sustainability at
CMPC

WE ARE INSPIRED TO DELIVER THE BEST CARE WITH OUR BRANDS AND PRODUCTS, AND ALSO WITH THE WAY WE OPERATE, BECAUSE THE CARE WE EXPECT TO DELIVER TO OUR CLIENTS AND CONSUMERS ALSO EXTENDS TO OUR EMPLOYEES, PARTNERS, THE ENVIRONMENT, AND THE COMMUNITIES THAT SURROUND US. WE DREAM OF A FUTURE CO-BUILD BY ALL OF US, WHERE WE CAN DEVELOP OUR FULL POTENTIAL AND THUS DELIVER “THE BEST CARE, FOR A BETTER TOMORROW”.



SUSTAINABILITY AT CMPC

(102-11)

At Empresas CMPC, sustainability is understood as the generation of internal and external value, articulated and put into practice through its corporate purpose, known as the 3Cs⁴:

4: To learn more about CMPC's purpose, go to: <https://www.cmpc.com/en/>

CREATE
The best solutions
for people's genuine
needs.



COEXIST
With our stakeholders,
creating opportunities
for mutual development.

CONSERVE
Our environment, because we
understand that our work depends on
natural resources.

Under this path, and with our purpose as a roadmap, we developed our 2020-2023 Sustainability Strategy, a process that fills us with pride and in which all areas of the company participated.

Our 2020-2023 Sustainability Strategy is aligned in time and priorities to our 2020-2023 Business Plan, materializes its sustainability dimension, and defines our ESG action areas, in line with CMPC's Sustainability Strategy.

This purpose connects 100% with our work at Softys, and invites us to relate to our environment, collaborators, communities, territories, and ecosystems.

THE 2020-2023 SUSTAINABILITY STRATEGY PERMEATES THE ENTIRE ORGANIZATION, TO DEVELOP PROJECTS THAT COMBINE EFFICIENCY AND COST REDUCTION WITH ENVIRONMENTAL BENEFITS.

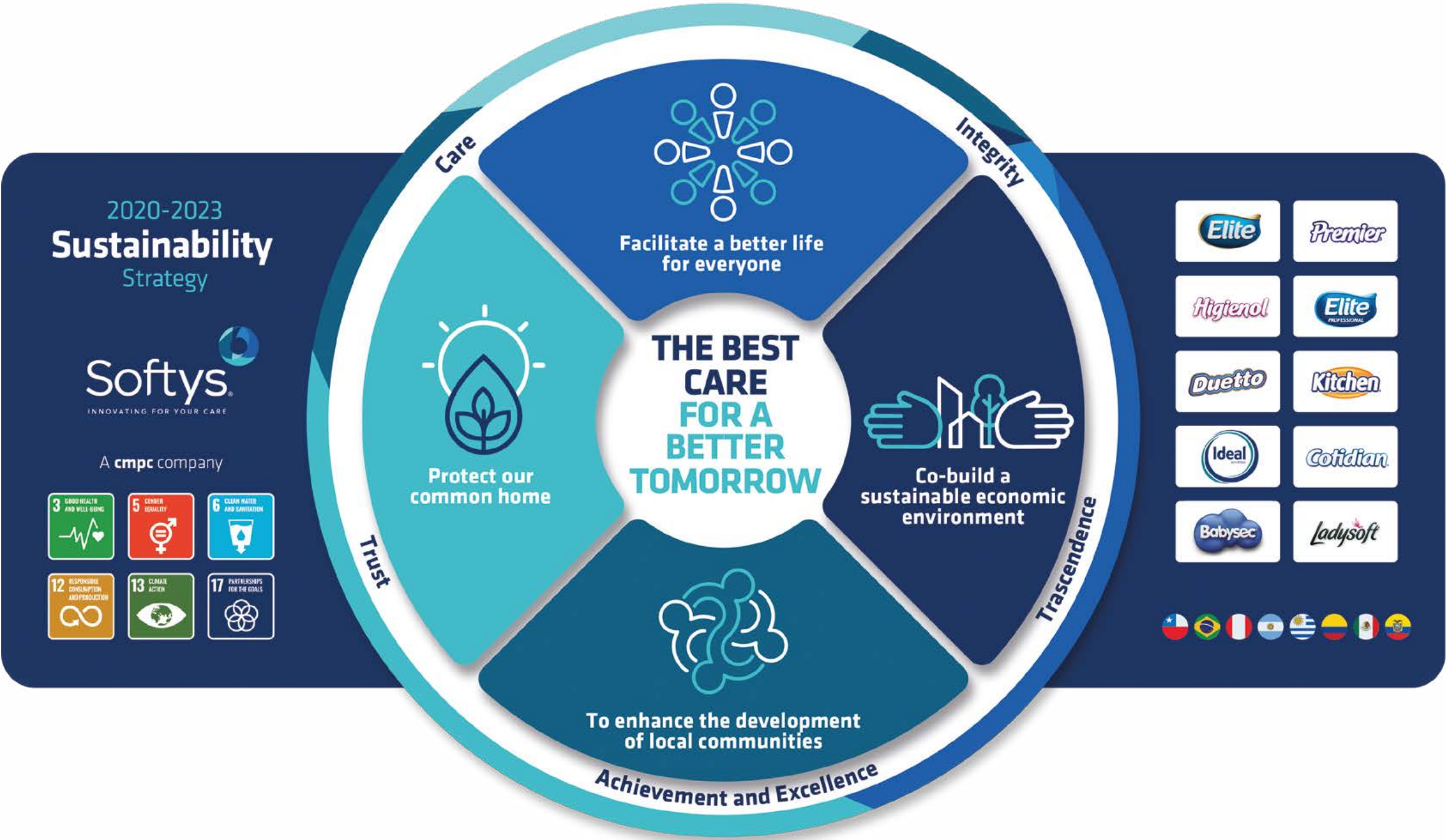


Softys
Cañete,
Peru

Our 2020-2023 Sustainability Strategy

The best care, for a better tomorrow.

Under this dream, we defined four pillars that form Softys’ 2020-2023 Sustainability Strategy, which applies to all 8 countries of industrial operation.



FACILITATING A BETTER LIFE FOR EVERYONE

We exist for people, we accompany and care for them throughout their lives, which applies to both our employees and our clients. That is why it is important to us that everyone has access to a better life and to contribute from their differences in the building of a better world.

CO-BUILD A SUSTAINABLE ECONOMIC ENVIRONMENT

We are all Softys. We know that our sustainability depends not only on what happens in our plants but also on the impacts produced from an “end-to-end” perspective. That is why, we promote the generation of virtuous and collaborative relationships that will allow us to work as a network, from an open ecosystem logic.

TO PROMOTE THE DEVELOPMENT OF LOCAL COMMUNITIES

We live in community, so we seek to build a close and proactive relationship of mutual trust, and we understand our role as corporate citizens in the local development of the countries where we are present.

PROTECT OUR COMMON HOME

We work to minimize the impacts we generate on the planet and the environment, which is expressed in ambitious goals to reduce emissions, water use and waste, among other measures.

VISITED US IN 2020



“The ultimate purpose of a business is first and foremost to serve society. It is not possible to have a robustly functioning business in a world of increasing inequality and poverty, which applies to climate change as well. The good thing is that, alongside our moral obligation to address these global challenges, there is a business opportunity.”

PAUL POLMAN
Former CEO of Unilever and
Director of IMAGINE
At the launch ceremony
of the First Sustainability
Report 2019

SUSTAINABILITY AT THE CORE OF OUR CULTURE

To coordinate, manage and monitor the progress of the 2020-2023 Sustainability Strategy, during 2020 we created two committees, one at the corporate level and one at the regional level. Softys Corporate Sustainability Committee aims to:

- Follow up on the Sustainability Strategy
- Review and accelerate progress towards meeting objectives and goals.
- Approve initiatives and associated investments
- Improve regional governance to move forward in a coordinated and more in-depth manner, year by year

It is held quarterly and has the leadership of the CEO and the participation of six Corporate Managers, and is coordinated by Softys Sustainability Management. This Committee is, in turn, in

coordination with the Sustainability and Environmental Management of Empresas CMPC⁵.

The committee began its activity in the second half of 2020 and met on two occasions (September and December) to review in-depth each of the pillars of the 2020-2023 Sustainability Strategy, key indicators associated with ESG material issues, ongoing and future projects, among other matters.

Also, the Regional Sustainability Committee is led by Softys Corporate Sustainability Management and composed of representatives from each country in which we operate. This committee, which also met twice during 2020, followed up on the objectives, goals, and local investments required to develop and implement the Sustainability Strategy in each location.

5. At Empresas CMPC there is a Sustainability Board of Directors Committee, led by: Luis Felipe Gazitúa, Chairman of the Board of Directors of Empresas CMPC and Softys, whose objective is to directly supervise the implementation of the company-wide sustainability strategy, as well as to verify compliance with the objectives and goals set.

SOFTYS CORPORATE SUSTAINABILITY COMMITTEE



Softys
Gachancipa,
Colombia

THE METHODOLOGY BEHIND OUR 2020 SUSTAINABILITY REPORT

(102-10, 102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49,102-50, 102-51, 102-52, 102-54, 102-56)

2020 METHODOLOGY

For the preparation of this Sustainability Report we updated the 2019 materiality, focusing on three key stages:



IDENTIFY

We developed a process of identifying secondary information in which we incorporated a benchmark of industry best practices, along with a press review focused on different topics of the hygiene and care industry, as well as the period’s milestones, especially addressing the context of the pandemic and the progress made by Softys to face it.



PRIORITIZE

We delved deeper into all of our ESG matters, to look into the progress and management of 2020, as well as to identify future challenges. This stage included interviews with 13 executives, with a more specific focus on material issues that had not been covered in such depth in the 2019 Sustainability Report.



REVIEW

We determined 20 material issues, which contain and group the 26 relevant issues identified in the 2018 materiality study conducted by Empresas CMPC. The Grupo Motor (Driving Group) -which leads, mobilizes, and detects the information for our report- reviewed the material issues to be included in two meetings in which a total of 50 collaborators participated.

Softys material issues

ENVIRONMENTAL



Water



Waste



Emissions



Energy



Materials and packaging

SOCIAL



Health and safety



Inclusion and diversity



Talent and performance



Life Work Balance



Community engagement



Local development



Client and consumer experience



Product quality and safety



Brand value

GOVERNANCE



Ethics and integrity



Advertising ethics

ECONOMIC



Sustainable growth



Responsible procurement



Digital transformation



Product innovation

MATERIAL ISSUE (MAT):

These are the issues that reflect the significant economic, environmental and social impacts of an organization and that also substantially influence stakeholder assessments and decisions. Subsequently, they are put into a double-entry matrix with a graphic scheme that presents a prioritization of the issues. (GRI)⁶.



DATA SHEET

We prepared this report in accordance with the “essential” option of the GRI Standards, and it considers the numerical information of our management from January 1 to December 31, 2020. Also, it presents Softys’ information for the ten principles of the United Nations Global Compact, an organization of which we have been a member since 2018 through Empresas CMPC.

The entities included in this document are those companies that constitute our company, which have been identified in the presentation of each country in which we operate.

It does not consider a specific external assessment, however, it is based on the indicators assessed in the framework of the 2019 Integrated Report of Empresas CMPC.

Thanks to this complete methodological process, our 2020 Sustainability Report complies with the five GRI reporting principles: (1) context, (2) balance, (3) completeness, (4) materiality, and (5) stakeholder inclusiveness.

03

Facilitating a better life for everyone

WE EXIST FOR PEOPLE, WE ACCOMPANY AND CARE FOR THEM IN THEIR DAILY LIVES, AND AT EVERY STAGE OF THEIR LIVES. THIS SAME CARE IS EXTENDED TO OUR COLLABORATORS, CONTRACTORS, CLIENTS AND CONSUMERS, IN ORDER TO FACILITATE A BETTER LIFE FOR EVERYONE.

18.9%
Of women in the staffing.

27.3%
Of women in leadership positions.

10%
Of women promoted.

0
Fatalities in direct collaborators and contractors.

55%
Of employees unionized.

7
Products launched.

INCLUSION AND DIVERSITY AS DRIVERS OF OUR DEVELOPMENT

The best care, for a better tomorrow

**MATERIAL
ISSUE**

Inclusion and diversity ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

Culture is a company’s differentiator. It is what makes it unique. The development of this culture is strengthened by the process that each employee undergoes from the moment they identified as a candidate until they leave the company. We know that the greatest value of a company is in its people, who from their diversity enrich the organizations, activating the power of innovation.

The achievement of the objectives we set at Softys is only possible with high performance teams, which are formed by recognizing and promoting the differences of each one of them, to have visions that enrich Softys culture of care.

Our multilatina and care-focused culture promotes diversity of talents and allows us to have an inclusive environment.

**OUR GUIDES TO
MANAGE THIS
MAT**

- CMPC Diversity & Inclusion Policy
- Softys Interview Manual

We are multilatinos

Inclusion and diversity ^{MAT}
(405-1)

To promote an inclusive and diverse culture, it is key to install capabilities and reflections that will allow us to make our biases visible and raise awareness on this important issue. Therefore, we conducted a six-module course on inclusion and diversity, which was made available to all our collaborators. In 2020, 1,500 people participated in this training, a figure we expect to increase in 2021.

GENDER

We are working on strategies to incorporate more women in the staffing and in decision-making positions.
Currently, we have 1,987 women, which corresponds to 18.9% of Softys.



MULTICULTURALISM

We are multilatina company with 20 nationalities and 190 employees who have a different nationality from the country where the work.
We hope to continue promoting this cultural diversity, as it enriches the work environment and promotes innovation.



PEOPLE WITH DISABILITIES

We have 98 collaborators with disabilities, which represents 0.93% of our staffing. We seek to increase these figures by adapting our workplace to include these people.

OLDER ADULTS

We consider it relevant to have new talents, but also to highlight the great work experience of older adults and their contribution to the organizations. We currently have 197 people over 60 years old, which corresponds to 2% of our staffing.



D&I initial scope groups

“I joined Softys in 1976 and in these almost 45 years in which I have worked in different positions, I can only say that I am proud. It is a company that values me as a person, regardless of my age. It has allowed me to develop and achieve my family and work objectives and I have even been able to travel to Argentina, Peru, Ecuador, Brazil, and Italy. I believe that Softys provides the possibilities so that we can develop ourselves.”

RUBÉN
VÁSQUEZ,
Softys Chile,
Talagante plant



Progress on our corporate goals

THE GOALS WERE ADJUSTED FOR EACH OF OUR SUBSIDIARIES, ACCORDING TO THEIR REALITY AND CONTEXT, WHICH DEVELOPED LOCAL PLANS AND STRATEGIES TO ACHIEVE THESE COMMITMENTS.



Our inclusion and diversity goals

- Increase the proportion of women by 50% by 2025.
- Increase the proportion of women in leadership positions by 50% by 2025.
- Achieve 2.5% of the workforce with people with disabilities by 2025.



“I joined Softys in 2017 as a line end operator in diaper machine 5, then I started to cover the process control position where I was trained. I think there is no disadvantage for the incorporation of women into operations, the teams are quite welcoming and we maintain a very pleasant environment. We just need the opportunity to show that we can do all the tasks. The most important thing is to train ourselves to know how to do all the work on the machine. I like working at Softys, I feel that I am efficient and collaborate with the production.”



- VERÓNICA VANESA SOLOA, Softys Argentina, Naschel plant -

2020 STAFFING

| LEVEL | EXECUTIVES | | PROFESSIONALS AND TECHNICIANS | | OPERATORS | | TOTAL | |
|--------|------------|-----|-------------------------------|-------|-----------|-------|-------|-------|
| | Women | Men | Women | Men | Women | Men | Women | Men |
| Gender | 22 | 86 | 1,003 | 2,077 | 962 | 6,353 | 1,987 | 8,516 |
| Total | 10,503 | | | | | | | |

| WOMEN IN THE ORGANIZATION | | % OF WOMEN | | TARGET |
|---------------------------|-------|------------|-------|--------|
| 2019 | 2020 | 2019 | 2020 | 2025 |
| 1,823 | 1,987 | 18.4% | 18.9% | 27.5% |

| WOMEN IN LEADERSHIP POSITIONS | | % OF WOMEN IN LEADERSHIP POSITIONS | | TARGET |
|-------------------------------|------|------------------------------------|-------|--------|
| 2019 | 2020 | 2019 | 2020 | 2025 |
| 132 | 148 | 27.3% | 27.3% | 41.0% |

“I started working at Sepac in 2013 as an office assistant and had the opportunity to cover different functions in the area and learn all the process flows. In October 2020, I was promoted to billing coordinator. At first, I felt the drivers’ doubts when dealing with the problems directly with them, I realized that they did not accept a woman in a position that had been traditionally for men. But the organization supported me and always believed in me, and today everyone respects me as a professional. Sepac is a human company, this is expressed in the care and great focus on inclusion.

Being promoted represented the recognition of my work, my effort, and the development I have had in the company. I think that everyone should believe in their dreams because with effort and dedication it is possible to achieve them”.



- JANETE TUREK CHANDOCHA, Billing Coordinator, Softys Sepac -



SOME OF OUR 2020 ACTIONS

At Softys Brazil, we strengthened the hiring of women in the production areas, selecting 22 women in the young apprentice programs and 23 in operational areas. At Softys Chile and Softys Ecuador, in turn, we trained workers and leaders in terms of unconscious biases and have prioritized internal mobility and female leadership. Also, we conducted a series of talks on sexual harassment.

ALSO, IN 2020, 16 WOMEN TOOK LEADERSHIP POSITIONS, WHICH ALLOWS US TO ADVANCE IN THE NUMBER OF WOMEN IN DECISION-MAKING POSITIONS BY 2025.

HIGHLIGHTS 2020



63%

of the Executive Committee is made up of women.



32%

of the company’s general staffing are women.



1º

We incorporated the first female forklift operator into the company.



50%

of the front-line is made up of women.



30%

of Softys Sepac’s staffing are women

PEOPLE WITH DISABILITIES

To advance in this goal, we conducted training for the People and Organization Management teams, including those who lead the recruitment processes, and we improved the publication of job offers on recruitment portals.

Together with CMPC, we implemented a tool in our regional selection platform that allows people with disabilities to indicate aspects that contribute to a better experience in the selection process and upon joining the company, to make the appropriate adjustments.

SOME OF OUR 2020 ACTIONS

Together with an external consultant, at Softys Brazil we intensified the search for candidates with disabilities, generating an exhaustive mapping to identify the areas that can receive these professionals and give them the best experience. At Softys Chile, meanwhile, we conducted a job position and functional profiles analysis for workers with disabilities. Also, we partnered with external organizations to increase recruitment and hiring, and we provided support to employees with disability credentials and disability pensions. In Softys Uruguay we achieved the approval of projects to adapt our facilities to allow access and movement of people with disabilities.



- FABIANO ROMANIW, Softys Sepac Mallet plant -



MEXICO

1º

We made the first hiring of a person with motor disability in Mexico.



BRAZIL

4.1%

of Softys Sepac's staffing corresponds to people with disabilities.

| PEOPLE WITH DISABILITIES | | % OF PEOPLE WITH DISABILITIES | | TARGET |
|--------------------------|------|-------------------------------|-------|--------|
| 2019 | 2020 | 2019 | 2020 | 2025 |
| 84 | 98 | 0.84% | 0.93% | 2.5% |

“Softys was one of the first organizations that allowed me to have a steady job. It always cares about my wellbeing and helping me to develop my work optimally. Today I can only thank them. More and more people with disabilities are hired by Softys, adapting the positions to their conditions and giving them all the necessary support to be able to feel valuable.”

OUR TRANSCENDING CULTURE



MATERIAL ISSUE

Talent and performance ^{MAT}
Life Work Balance ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

The Covid-19 pandemic has undoubtedly accelerated the need to create labor strategies that achieve work-family balance. As pointed out by the ILO and the UNDP⁷, one of the greatest challenges in the current labor environment is the reconciliation of family, personal and work life, mainly in Latin America and the Caribbean, which contributes to the reduction of labor gaps, gender inequalities and the promotion of talent management and performance vital for the development of large companies and their collaborators⁸.

At Softys we work hard to develop a positive work culture that we are all part of, which is supported by a clear and concrete value proposition for our employees. Today we strengthen this more than ever during the pandemic, with initiatives that promote care from home, in the plant, both physically and psychologically, programs that extend to all our employees and their families.

OUR GUIDES TO MANAGE THIS MAT

- Mi Fibra Platform
- Organizational environment studies
- Regional care programs

Talent and performance ^{MAT}
(401-1, 404-1, 403-3)



Putting our corporate purpose into practice means having the best talent. To that end, we have programs that cover the entire life cycle of our collaborators, from their recruitment and selection to their exit, so that they can develop their maximum potential even in other places. These processes have undergone modifications as a result of the pandemic, mainly the strengthening of digital platforms.



- BENJAMÍN HERRERA, Motorist Patio Raw Materials. Puente Alto, Chile -



TALENT ATTRACTION

We want to position ourselves as an employing brand, for which we are updating our talent attraction procedures, standardizing them, and establishing regional definitions to ensure competency-based hiring.

We seek to ensure that flows and processes are correctly outlined to improve the candidate experience and facilitate the work of the attraction and selection areas. Thus, we deepened our communication using LinkedIn and launched our new external recruitment portal quieroser.softys.com, showing all active vacancies and the Softys culture.

In May 2020, we conducted an Employers for youth survey, targeting professionals up to the age of 35, to measure our employing brand, in which we achieved improved results across all countries.

Also, in 2020 we strengthened the Softys Youth Experience internship program, expanding it to four of our countries of operation so that young talent can live the experience of being part of a team with a multilatina hallmark.



SELECTION

At Softys we make selections considering the competencies, background, knowledge, merit, and requirements of each position. And to make them as neutral as possible, we train talent attraction teams in inclusion regulations, disability concepts, and unconscious biases in the selection process.

In addition to this, we developed a Softys Interview Manual, to homogenize and clarify the guidelines required for a collaborator profile, evaluating candidates in a standardized manner. Also, to determine the competencies, traits, and potential of Softys applicants and employees, we implemented virtual evaluations. This allows us to have more agile and efficient attraction processes.



ONBOARDING

We implemented the onboarding module for new Softys employees in the Mi Fibra (My Fiber) platform, which allows us to automate and digitize the flows that are part of the integration process of a collaborator, thus caring for the experience of all users involved.



DEVELOPMENT

Trainings for our collaborators are diverse and meet the needs of each area. In 2020, the Mi Fibra portal was implemented for all CMPC employees, where these trainings are available. Also, we launched the course Tu fibra suma (Your fiber adds up), whose objective is to train employees with the new experience measurement model, which was designed in line with the organization's purpose.

IN 2020, WE INCREASED THE NUMBER OF PEOPLE TRAINED BY 28.8% AND THE NUMBER OF TRAINING HOURS BY 18%.

| 2020 TRAINING | | NUMBER OF TRAINED EMPLOYEES | TRAINING HOURS |
|---------------|-------------------------------|-----------------------------|----------------|
| Sex | Men | 7,604 | 140,636 |
| | Women | 1,892 | 32,056 |
| | Total | 9,496 | 172,692 |
| Level | Executives | 383 | 3,186 |
| | Professionals and technicians | 3,390 | 91,022 |
| | Operators | 5,723 | 78,486 |
| | Total | 9,496 | 172,692 |

Source: People and Organization Area (P&O).



EVALUATION

We have two evaluation models, one for executives, professionals, and technicians and the other for operators. The first model consists of an evaluation of both functional objectives and corporate competencies and is useful for aligning expectations of the goals to be achieved for each person in their position, and for people management processes.

The second model consists of a management evaluation, which considers competencies and is being implemented in some operations. The purpose of this is to evaluate behaviors in the operation, so that employees can have feedback on their work, improve their development and promote an environment of accountability, trust and the search for continuous improvement.



RETENTION AND COMMITMENT

We have a talent and succession management model that aims to build a strong and diverse team to ensure the achievement of our goals.

Each manager evaluates the talent indicators and, subsequently, they are reviewed at a work table to identify and collectively calibrate the results. In this way, development plans can be made for each professional. From the talent sessions, potential successors are identified for critical positions in the organization.

In 2020 we strengthened the identification of leaders, formalizing the succession process and all talent indicators.

| TURNOVER | 2019 | 2020 | 2020 PROMOTIONS | NO. OF PROMOTIONS | % OF STAFFING |
|----------|-------|-------|-----------------|-------------------|---------------|
| Women | 24.7% | 17.4% | Women | 198 | 10% |
| Men | 20.3% | 18.1% | Men | 1,157 | 14% |
| Total | 21.3% | 18.0% | Total | 1,355 | 13% |

Source: People and Organization Area (P&O).

| YEAR | 2019 | 2020 |
|--|-----------|-----------|
| Job category | Evaluated | Evaluated |
| Executives, professionals, and technicians | 2,600 | 2,667 |
| Operators | 2,770 | 2,949 |
| Total | 5,370 | 5,607 |

Source: People and Organization Area (P&O).
Note 1: Sepac is not included in the 2019 calculation.
Note 2: 100% of eligible employees were covered in both segments.

More than **280** professionals have an agreed professional development plan, which allows each of them to have direct participation and responsibility for their professional growth, along with guidance, orientation and organizational support.

More than **230** professionals were also identified by the leaders as possible successors for other positions in the future, so that with those plans we can internally support their mobility and promote internal growth.

Life Work
Balance ^{MAT}

Until 2019 we measure our work climate based on the model used by Great Place To Work (GTPW). However, in 2020 and to know the employees' perception of the work environment faster -which in times of the pandemic became relevant- we initiated a new instrument that measures the work experience at Softys, built based on employees' commitment to the workplace, attitude towards the organization and their identification with the company, and considers three conditions in the work environment under which they work: their own or individual environment, social environment or teamwork, and the organization's global environment.

Work experience model



COMMITMENT
AT WORK

Corresponds to the energy and enthusiasm that people feel when performing their work. It is directly related to high performance.



IDENTIFICATION WITH
THE COMPANY

Refers to the degree of belonging that the person perceives about the organization, similar to the sense of family. Its impact can be seen in aspects such as quality-oriented and a job well done.



ATTITUDE TOWARDS THE
ORGANIZATION

Is defined as the employee's evaluation of the job and what it means in his life. Positive results correlate with employee permanence within the organization and negative results correlate with increased turnover.



THE MEASUREMENT WAS CARRIED OUT USING AN ONLINE SURVEY, IN WHICH 89% OF THE TOTAL STAFFING PARTICIPATED AND THE RESULT WAS 84% SATISFACTION WITH THE WORK ENVIRONMENT. THIS REFLECTS AN EXPERIENCE THAT IS VALUED AND CREATES IDENTITY AND COMMITMENT WITHIN THE ORGANIZATION.



SOFTYS CUP



In 2020, the first cup -for the 2019 management- was awarded to Softys Peru for achievements in different fields of action such as results, business improvements, culture experience, among others. This award seeks to recognize the achievement and excellence of the outstanding work of a team and to demonstrate the what, how and why of the purpose, along with reinforcing our common culture and multilatina identity.

In 2021, the cup was awarded to Softys Colombia for its work during 2020 and the last five years. Showing an outstanding performance aligned to our differentiating commitments, showing value generation in a creative way to deliver care to consumers, collaborators and communities.

Winning the cup has created an atmosphere of great pride and camaraderie in the country that wins it, it shows that doing things well and with conviction is rewarded, recognized and celebrated, so when the cup is won, it travels between areas and plant teams, so that all employees can celebrate the great milestone with the cup in their hands.

To ensure the confidentiality of the capture and processing of results, we worked with an external organization.



BENEFITS AND INCENTIVES (401-2; 401-3)

To deepen the care experience for our collaborators, we have a benefits and incentives program called “Nos cuidamos” (We take care of us), which is different in each plant and operates at a Latin American and local level. The program has eight types of company-wide benefits, which are adapted to the local reality, involving their families and promoting a work environment connected to their needs:



Health



Food



Transportation



Days off



Product discounts



Bonuses and allowances



Insurance



Flexible hours

This year we experienced the need to make our personal and professional lives more compatible. That is why we provided the working conditions and the necessary flexibility to adapt to new work contexts.

Also, in 2020, we worked on company-wide programs aimed 100% on physical, emotional, and psychological care in line with the Covid-19 pandemic and the situation experienced by our employees during the year.

SOFTYS FLEX

This year we all faced changes in our ways of working from one moment to another. At Softys, we transformed our work methods and implemented a series of measures to support our employees in these new formats.

In 2020, our Softys Flex program, which sought to enhance work according to labor objectives and goals, had a total expansion due to the Covid-19 pandemic. On March 15, 1,750 employees began to work remotely, to reduce contagions, limiting as much as possible the number of people entering the plants, which could be applied especially for administrative, commercial and high-risk positions, whose functions allowed it.

Therefore, we conducted training on how to use digital tools and methodologies to improve effectiveness. Also, we provide office work tools (computers, chairs, internet, screens, among others) and we launched the home office protocol for the entire region, which provides recommendations for ergonomic and practical ways of working. This was complemented with measurement in July, which allowed us to have diagnostic information on the main strengths and difficulties of this new modality, as well as a conversation guide to support remote feedback.

LAUNCHING OF CONECTADOS (CONNECTED)

Conectados is a hybrid working program (telework and in-person) that seeks to implement the best ways of working beyond the pandemic and allow each one to give the best of themselves to achieve results while maintaining work-family balance. It was developed in a collaborative and multidisciplinary manner.

EMOTIONAL SUPPORT PROJECT (PAE, FOR ITS ACRONYM IN SPANISH)

The PAE program provides a completely free, unlimited, confidential, and voluntary telephone line for consultations and sessions with mental health professionals in the context of the Covid-19 pandemic and its effects. This program is for all collaborators and their direct families, and in 2020 more than 900 people were attended. Brazil stood out for its use.

WELLNESS REGIONAL (REGIONAL WELLNESS)

Wellness Regional was created as a space to incorporate online leisure activities, to unify the initiatives that were being carried out in each of the countries of operation. Thus, this platform was made available to employees, with five sections and a wide variety of workshops, talks and entertainment, among others.

- Sports
- Emotional support
- Entertainment
- Health
- Active breaks at work

EMOTIONAL SUPPORT FOR SOFTYS LEADERS

Together with the new Softys competency model, which guides the leadership required by the organization and which defines seven competencies with their local specifications for good performance management, 23 emotional support empowerment workshops were held in 2020 for all team leaders at Softys plants. The workshops, in which 319 leaders participated, provided support and tools to help teams in times of crisis.



PARENTAL LEAVE

This commitment, which became stronger during the pandemic, also extends to those who resumed their work after their periods of parental leave. In 2020, 243 employees took parental leave.

NUMBER OF PEOPLE WHO TOOK PARENTAL LEAVE 2020

| CATEGORY | WOMEN | MEN |
|--------------------------------|-------|-----|
| People who had children | 74 | 240 |
| People who took parental leave | 80 | 163 |

Source: People and Organization Area (P&O).

Note 1: Maternity leave ranges from 84 to 120 days depending on the country and covers both prenatal and maternity leave, except in the case of Ecuador, which only has maternity leave. In the case of Chile, the woman can transfer part of her legal leave to the father for a maximum of 12 weeks, on a half-day basis.

Note 2: Male parental leave ranges from 2 to 13 days from the child's date of birth.

Note 3: 6 people had children during 2019, so in 2020 they were still in maternity leave.

UNIONIZATION AND COLLECTIVE BARGAINING (102-41)

We foster freedom of association in each subsidiary, so collective bargaining is conducted independently and in environments where the search for communication and agreements is favored. At Softys, we have 21 unions⁹ in the eight countries where we have operations, and in 2020 we had no episodes of strikes or shutdowns of activities in any of the locations where unions are present.

UNIONIZED WORKERS

| 2019 | 2020 |
|------|------|
| 61% | 55% |

Source: People and Organization Area (P&O).

Note: Calculation 2019 does not include Sepac

WORKERS COVERED BY COLLECTIVE BARGAINING

| 2019 | 2020 |
|------|------|
| 66% | 60% |

9. Number of unions considers the one at the Papelera Panamericana plant in Peru.

WE CARE FOR OUR COLLABORATORS

The best care, for a better tomorrow

MATERIAL TISSUE

Occupational health and safety ^{MAT} (103-1, 103-2, 103-3)

Why is it material?

According to the Labor Organization (ILO) and the United Nations Development Program (UNDP)¹⁰, one of the greatest challenges in today's workplace is the reconciliation of family, personal, and work life, especially in Latin America and the Caribbean. The Covid-19 pandemic has increased the challenge as occupational health and safety are considered key to the economic and sustainable growth of countries.

At Softys we work to implement a preventive health and safety culture. Our processes are reviewed and managed under the concept of continuous improvement, allowing us to adopt the best practices and standards on these matters. During 2020, due to the pandemic, health and safety took on special relevance, which led us to update our preventive practices and focus even more of our efforts on caring for our employees within our facilities.

OUR GUIDES TO MANAGE THIS MAT

- Softys Care Management System
- Covid-19 health and safety protocols
- Special Regulations for Contractors and Subcontractors

10. ILO and UNDP (2009), Work and family: towards new forms of reconciliation with social co-responsibility at: <https://www.oitcinterfor.org/en/node/5679>

HEALTH AND SAFETY MANAGEMENT SYSTEM

(403-1, 403-2, 403-5, 403-9, 403-10)

Since 2020, we have had a new Softys Care Management System (SIGECUS, for its acronym in Spanish) which -based on ISO 14001 and 45001 standards- has 32 standards classified into: main, for critical processes, and safe work systems. These are mandatory for all our operations and compliance is audited at a corporate level.

12

main standards

These are the main standards of the system, among which leadership and commitment, event management, change management, hazard management, and emergency response risk management stand out.

9

standards for critical processes

They establish the minimum technical guidelines for developing safe work procedures. Some of them are machine safety and protection, Yankee processes, and storage.

11

standards for safe work systems

Based on the Bow Tie analysis, which describes the causes and consequences of a risk, they define the minimum controls that must be considered, such as work permits, hoisting, work at height, high voltage, and electrical safety.

Santiago Valenza, Diapers Area Naschel Plant Softys Argentina



At Softys we want to position the preventive culture and the importance of caring for our people, so we work under a four-focus model.



LEADERSHIP
Key to create a preventive culture in teams.

RISK DETECTION AND MANAGEMENT
Supported by the TPM methodology, systematic search for inconveniences that result in accidents.

PROCESSES
Improve the conditions of the processes, deepening their knowledge and through continuous improvement in management.

BEHAVIOR
To detect deviations in employee behavior to correct them in time.

10. ILO and UNDP (2009), Work and family: towards new forms of reconciliation with social co-responsibility at: <https://www.oitcinterfor.org/en/node/5679>

IN 2020 WE HAD 0 FATALITIES, APPLICABLE TO BOTH DIRECT EMPLOYEES AND CONTRACTORS.

Our management system focuses on both the safety and health of the people who work at our facilities, identifying the presence of and exposure to agents that can cause occupational diseases and defining ways to prevent them.

Our work in occupational health and safety includes both our collaborators and contractors, who are constantly trained in these matters.

CRITICAL RISKS IDENTIFIED

- Trapping by parts and pieces of moving equipment
- Fall from height
- Asphyxiation by confined space entry
- Hit by self-propelled loading equipment
- Crushing by lifting operations
- Electrocution
- Fire

PREVENTIVE INDICATORS

| | 2019 | 2020 |
|--------------------------------------|-------|--------|
| Collaborators trained in safety | 6,867 | 8,379 |
| % of collaborators trained in safety | 77% | 91% |
| Contractors trained in safety | s/i | 11,348 |

Source: Occupational Health and Safety, Environment and Quality Area.
Note: For contractors trained in safety, it was considered the inductions that were given to every person that enters to work, as well as to all contractors, not only to the operations contractors.

All measures taken are aimed at preventing our employees and contractors from suffering an accident. In this regard, in 2020 there were no fatalities and we managed to reduce the number and severity of accidents among our employees and contractors.

OUR GOAL IS TO REDUCE THE FREQUENCY RATE TO 3.0 BY 2023 AND UNDER 1.6 BY 2025 AMONG OUR DIRECT EMPLOYEES AND CONTRACTORS.

MAIN OCCUPATIONAL HEALTH AND SAFETY FIGURES

| | COLLABORATORS | | CONTRACTORS | |
|---|---------------|------------|-------------|-----------|
| | 2019 | 2020 | 2019 | 2020 |
| Occupational diseases | 0 | 3 | s/i | 0 |
| Fatalities | 0 | 0 | 1 | 0 |
| Lost time accidents | 84 | 85 | 31 | 16 |
| Lost days due to accidents | 3,783 | 2,803 | 443 | 368 |
| Lost days due to accidents plus charge | s/i | 1,400 | s/i | 0 |
| Accident rate Number of lost time accidents *100 / Average staffing level | 0.9 | 0.9 | 1.8 | 0.9 |
| Lost work rate Días perdidos por accidentes/ Dotación promedio*100 | 42.0 | 30.4 | 25.1 | 19.9 |
| Índice de frecuencia Days lost due to accidents / Average staffing level x 100 | 3.97 | 3.84 | 7.43 | 3.56 |
| Frequency rate Number of lost time accidents *1,000,000 / effective hours worked | s/i | 126.6 | s/i | 81.9 |
| Hours worked | 21,137,490 | 22,109,452 | 4,172,024 | 4,490,389 |
| Average staffing | 8,995 | 9,218 | 1,760 | 1,851 |

Source: Occupational Health and Safety, Environment and Quality Area.
Note 1: Of the three occupational diseases, one corresponded to Softys Colombia and two to Softys Chile. All were confirmed by the specialist medical body in each country and were duly endorsed.
Note 2: In 2020 the data considers Sepac's operation.
Note 3: Data considers direct contractors of our operations, not including third party services (cleaning, cafeteria, guards, others).



Softys
Cañete,
Peru

Managing Covid-19

Following the pandemic declaration by the World Health Organization (WHO) in March, Softys implemented several measures to prevent the spread of Covid-19 in our industrial plants. However, at the end of 2020, 1,037 direct and indirect collaborators had Covid-19, of which 7 died.

COVID-19 COMMITTEES

We created several crisis committees, both at the corporate level and in each of the operations and plants, to monitor the progress of the virus in each of the locations and detect needs accordingly. The committees set up at the plants are led by joint committees, occupational health and safety teams, the People and Organization area, and other union and contractor representatives. A total of more than 700 of these committees were held during 2020.

Also, we created a Covid management protocol - which is periodically updated and was in its thirteenth version at the end of December - that takes into account the recommendations of the WHO, the Pan American Health Organization (PAHO), the Centers for Disease Control and Prevention (CDC), and Softys medical advisors. Thanks to this protocol, we have kept a very high percentage of our people healthy and free of infection, besides achieving Covid-19 biosafety certification in all our plants, proving the soundness of the application of preventive measures to tackle the virus.

2020 AUDITS

The application and daily compliance with our Covid-19 protocols were audited in each of our plants by Bureau Veritas, granting the Covid-19 biosafety certification. In the Pando plant (Uruguay), the audit was carried out with the Instituto Uruguayo de Normas Técnicas (Uruguayan Institute of Technical Standards), a local certifier. In all cases, the excellence of the protocol and the high degree of adherence observed in all Softys employees were recognized.

CARE AMBASSADORS

The monitoring and implementation of the Covid-19 protocols were carried out by care ambassadors, collaborators who safeguarded the protection of people at each plant.



We have developed many measures to protect our employees:

- Shifts only with critical personnel, enabling teleworking for those roles where possible.
- Adjustment of shifts and schedules to avoid overcrowding.
- Access to plants only for people essential for operational continuity.
- Extreme care for personnel with greater exposure to people and who, due to health situations, are identified as being at risk.
- Delivery of Care Kit to collaborators (face masks, thermometer, Covid prevention information, etc.).
- Care talks with medical advisors on topics such as support for parents, healthy nutrition, handling of remote equipment, emotional support, among others.
- Surveys and testimonials from employees working remotely.
- Talks and workshops on support and uncertainty management.
- Delivery of office supplies to employees' homes.
- Conducting regional virtual meetings to address issues such as resilience, adaptation, and reconciliation.
- Series of talks with expert doctors on different topics related to the pandemic, according to corporate guidelines and local realities: more than 5 talks and 615 participants during the period.

“This year was particularly difficult, both personally and at work. I had Covid-19. I was joining the organization and my adaptation period was complex due to the confinement. However, at all times I had and felt the support of Softys, which put my health and everyone's care first. I had a very close follow-up by the medical team while I was infected until I was discharged from the hospital.

Working in a company that is always concerned about its employees has been a pleasant surprise and an excellent place to work and develop”.



- NATALIE CASTILLO, Mexico, Monterrey Office -

“I recommend four care measures that you can take together with your family: (1) correct and permanent use of the mask (2) minimum distance of two meters (3) frequent hand washing with soap and water or alcohol gel (4) keep the rooms ventilated. Maintaining these behaviors will help us. At Softys we are concerned about caring for you and your family, the main message we have is not to let our guard down at work or in our daily life”.

- JIMMY CHIPANA, Softys Occupational Physician -

VISITED US IN 2020



Softys
Sepac,
Brazil

IN TERMS OF DISTANCING MEASURES

- Complete prohibition of physical contact when greeting each other.
- Supervisors with the obligation to monitor and enforce the application of protocols.
- Avoidance of meetings as much as possible and generation of specific indications for operational meetings (that could not be suspended).
- Elimination of employee travel abroad for work-related reasons, except for situations that, being permitted by law, were expressly validated by the respective CEO to the worker in question.

IN TERMS OF OPERATIONS

- Changes and adaptation of signage in plants and offices, based on our Covid-19 protocol.
- Design of the “Back to Better” office return plan, with modifications to site signage, the definition of return dates, maximum capacity, etc.
- Delivery of specific indications for common areas (locker rooms, cafeterias, etc.).
- Specific instructions for support and service personnel (bus drivers, cafeteria staff, access gate control).

- Adapting and reinforcing company transportation for employees working at the plant.
- Development of capacity protocols for shuttle buses.
- Plant certification by Bureau Veritas.
- Specific protocol for management and implementation of critical projects by own staff and contractors

IN TERMS OF COMMUNICATION CHANNELS

- Definition of additional communication channels.
- Conversations with the CEO in the eight countries of Softys industrial operations, with a total of 1,600 people connected, resulting in a Q&A document.
- Six face to face and streaming meetings with the General Managers of the countries.
- Sending to collaborators of newsletters “Informarnos es cuidarnos” (To be informed is to take care of ourselves) with relevant material related to the virus.
- More than 15 bulletins with information and recommendations.
- More than 60 regular messages from the CEO.



MATERIAL
ISSUE

Innovation ^{MAT}
Client and consumer
satisfaction ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

Innovation is key to address current and future challenges, allowing us to develop sustainable solutions for global problems as well as for those of our clients and consumers. Our purpose is innovating for your care, so improving that experience in daily life and at every stage of people’s lives motivates and mobilizes us to improve our products, finding better solutions through innovation.

OUR GUIDES TO
MANAGE THESE MAT

- Innovation model
- Client and brand research

INNOVATING FOR
OUR CLIENTS AND
CONSUMERS

Innovation ^{MAT}
(SOFTYS 3)



At Softys we have an innovation model that allows us to create care and hygiene solutions based on a logic of continuous improvement, which also contributes to the efficiency of our operation. This model has four focuses and six stages:



PERFORMANCE IMPROVEMENT

Allowing us to provide the best solution to our consumers within the main purchasing factors of the category (softness, performance, comfort, skin care, etc.).



COST EFFICIENCY

Processes, technology, and materials that achieve greater efficiency and relevant cost savings.



DIFFERENTIATION /
SUSTAINABILITY

Innovative products and solutions that create value and promote our brands, caring for people and the environment.



NEW BUSINESS AREAS OR
CATEGORIES

Allowing us to provide new or better solutions to our clients and consumers.



IGOR LIENLAF,
Head of Innovation
and Development
of Corporate
Products

Sustainability

AN ATTRIBUTE OF THE
VALUE OF OUR BRANDS

INNOVATING FOR YOU

“In 2020, we embedded sustainability as a pillar of our innovation funnel, which is key as it becomes a core pillar of our innovation model, across all three business units - Consumer Tissue, Personal Care, and Away from Home. This has meant, even in a few months, important progress in the incorporation of sustainability as a key attribute of the value of our brands, which personally motivates me a lot because I know that this is the path we

have to follow as Softys, achieving an impact that transcends the economic. Having this pillar is a challenge for all of us, which we have to take on, incorporating criteria that will allow us to make this a reality and measuring the ‘health of the funnel’ according to the relative importance of this type of projects in the complete innovation scheme. We know that the major brands of the future will be those that manage to integrate this vision, so each of our business areas and brands has the challenge of making sustainability a key attribute of their value, where innovation is a concrete tool to make it a reality.”

The best care, for a better tomorrow.

NEW 2020 PRODUCTS

COMMITTED TO CARING FOR PEOPLE, IN 2020 WE LAUNCHED ALCOHOL GEL AND ELITE LIQUID AND BAR SOAPS, BESIDES FACE MASKS, ALL ESSENTIAL PRODUCTS FOR COVID-19 PREVENTION AND HYGIENE AT HOME.



CONSUMER
TISSUE

- Alcohol gel.
- Soap line, in liquid and bar format.



AWAY FROM
HOME

- Launch of cleaning line, with products for floors, disinfectants, dishwashers, and industrial cleaning.
- Face masks.



PERSONAL
CARE

- Launch of the “I’m going to sleep” diaper in the baby care category.
- Relaunch of the wet wash glove in the e-commerce channel.
- Launch of refill format for Babysec Super Premium and Premium wet wipes.



| 2019 | 2020 |
|---|---|
| More than 1,000 innovative ideas received | More than 500 innovative ideas received |
| 4 award-winning ideas | 5 award-winning ideas |
| 2,206 attendees | 3,427 connected |

SOFTYS INNOVATION CHALLENGE

We have a challenge for our employees that seeks to capture innovation ideas that materialize our purpose of care, creating new products, improving the current portfolio, and improving process efficiencies, among other practices that create value for Softys.

THE WINNING IDEAS OF THE INNOVATION CHALLENGE 2019 SAW THEIR IMPLEMENTATION POSTPONED DUE TO THE SANITARY CONTINGENCY, BUT THE ROLL NAPKIN INNOVATION DEVELOPED AT SOFTYS PERU WILL BE LAUNCHED IN THE FIRST QUARTER OF 2021.





The pandemic has exposed major flaws in the system overall, but it has confirmed that adaptation and innovation are powerful tools to bring about change to meet new client needs. We have to pay attention to technology because automation continues and the emergence of new digital channels, which did not exist before, is increasing. The whole system is about a transformation or evolution that we have never seen before”.

WALTER ROBB, co-founder and former CEO of Whole Foods Market 4th version of Softys Innovation Week 2020

VISITED US IN 2020



SOFTYS INNOVATION WEEK

We also have our innovation week, an event in which different topics are discussed and delved deeper with first-class guests, who share their experience and vision on global trends and future challenges. Presentations over the past few years have been:

| 2017 | 2018 | 2019 | 2020 |
|---------------------------------|------------------------------------|--------------------------------------|---|
| “Building the future together” | “The future is with you“ | “The new E-Economy is here” | “The future of retail in times of crisis” |
| Uri Levin (Creator of Waze) | Mitch Lowe (Co-founder of Netflix) | Nadia Shouraboura (Former Amazon VP) | Walter Robb (Co-founder and former CEO of Whole Foods Market) |
| Robin Chase (Creator of Zipcar) | Jimmy Wales (Founder of Wikipedia) | Porter Erisman (Former Alibaba VP) | |
| 1,292 attendees | + 700 attendees | 2,206 attendees | 3,427 attendees |

INNOVATORS FOR CARE

In 2020 we developed in Chile, together with Channel 13, mini video clips of people who became “super caregivers” in the midst of the pandemic: invisible heroes who came to the aid of others with innovative ideas in the context of the sanitary crisis. This initiative sought to promote collaboration and creativity as a way out of the difficult situation that thousands of people were experiencing.



Client and consumer experience^{MAT}

CLIENT EXPERIENCE (SOFTYS 1)

At Softys we deliver our products to more than 17,457 clients worldwide, in the mass consumer and institutional business. The evaluations we make are specialized in each of these segments, to have effective feedback, which allows us to maintain a continuous improvement in our processes. In this line, and despite the context of the pandemic, the organization had excellent results, especially in Peru and Chile.

EVALUATION OF CONSUMER GOODS BRANDS - B2C BUSINESS

APPROACH

We use the Advantage methodology, which measures satisfaction with the business service delivered and their perception of strategic alignment, people, category development, consumer marketing, distribution and shopper marketing, supply chain, customer service dimensions. This survey is made to the main retailers and results in a ranking as a company, within all the consumer goods companies evaluated.

INSTITUTIONAL BUSINESS EVALUATION - B2B BUSINESS

APPROACH

Using a TRIM client satisfaction evaluation, the level of corporate image and reputation, service/products, purchasing process, shipments and after-sales are measured, and indicators of the brand and its competition are obtained. This survey is conducted with direct and indirect clients and distributors to learn about the relationship, the service, and in what aspects Elite Professional should invest or improve with its main clients.

METHODOLOGY

The study consists of the application of surveys to the main retailers that are carried out annually to senior and middle management and executives directly related to the suppliers. This is how the business relationship, the joint strategy, and the level of service compared to other consumer goods companies and the most critical aspects for improvement are known.

The study consists of conducting surveys every two years in the eight markets in which the company operates. The resulting score indicates how strong the company’s relationship with its clients is. Strong relationship: index higher than 87.5. Moderate relationship: index between 12.5 and 87.5. Weak relationship: index lower than 12.5.

RESULTS

| COUNTRY | 2019 | 2020 |
|-----------|------|------|
| Argentina | 14 | 8 |
| Brazil | 9 | 9 |
| Chile | 4 | 2 |
| Mexico | 15 | 16 |
| Peru | 3 | 4 |

| COUNTRY | ÍNDICE 2018 |
|-----------|-------------|
| Argentina | 76 |
| Brazil | 60 |
| Chile | 75 |
| Colombia | 62 |
| Ecuador | 65 |
| Mexico | 73 |
| Peru | 75 |
| Uruguay | 76 |

Source: Strategic Trade Area.

Source: Strategic Trade Area.

Note: Due to the pandemic, the survey was suspended in 2020.

- CARLOS URIBE,
Professional
Unit Sales
Manager, Softys
Colombia
-

Closer to our clients

ENSURING HYGIENIC CONDITIONS
FOR COVID-19

“With the arrival of the Covid-19 pandemic, places that were used to the transit of hundreds of people were forced to close and take sanitary measures to reopen. The El Dorado airport in Bogota, Colombia was no exception. The challenge of maintaining our operation with the highest sanitary standards was a constant priority. Elite Professional met those needs by expertly advising the airport and installing more than 500 alcohol gel dispensers and 80 disinfection stations, replacing air dryers with roll hand towels, and providing Covid-19 prevention information, among other measures. It was an expert partner in hygiene and cleaning solutions, so relevant in these times. Thus, the largest air terminal in Colombia and one of the most important in Latin America is now one of the main clients of our institutional division. All thanks to the work of the sales and service team that led a consultative selling, which addressed issues of cost in use, product per-

formance, and availability of dispensers in addition to the immediacy and flexibility to negotiate. These are the experiences that make us strategic partners and allow us to state that we support El Dorado airport in its operation; and in line with the resolutions required by the national government, which ratifies our commitment to the satisfaction of our clients. Indeed, our goal is to be 100% available to our clients, to be close to them to support and advise them with comprehensive solutions that create value and consolidate long-term business relationships. Our Away From Home business seeks to be the best partner for its clients. This premise united us with Bureau Veritas and allowed us to offer the “Safe-Guard Elite Professional” seal, to certify the incorporation of different biosecurity elements and protocols that allow our clients to restart their operations safely, both for them and for their clients. This was carried out, in 2020, with the Madam Tusan restaurant and other hotels and casinos in Peru, which proves our priority to deliver the best care for each of our clients.”

- DENISSE FAUNDEZ,
Marketing
Instore
Corporate
Manager
-

Working for our clients

ADVANTAGE

“To be among the top five retail suppliers is part of our strategic plan, and to achieve this we seek absolute internal alignment, which allows us to work on the key aspects that build a best-in-class business relationship. This has been consistent over time (for the past five years), allowing us to be close to clients, develop long-term strategic relationships, and capture value together. Our operations in Chile, Argentina, and Peru have accepted this challenge and have made progress mainly in three areas:

- 1. Business relationship:** by implementing robust JBP processes and T2T meetings of Softys senior executives with clients’ leadership teams.
- 2. Supply chain:** by improving service and increasing the visibility of information.
- 3. Category development:** by sharing key information on our categories, with which we seek to create growth and joint value.

IT IS VERY INSPIRING TO SEE HOW COUNTRIES AND ORGANIZATIONS ARE EVOLVING, IMPROVING IN ALL THEIR CAPABILITIES, BUSINESS RELATIONSHIP FORMS, PROCESSES, ETC. ON THEIR WAY TO BEING TRULY STRATEGIC PARTNERS OF OUR CLIENTS, CAPITALIZED IN BETTER BUSINESS RESULTS.”

CONSUMER EXPERIENCE

2020 was a year of changes in consumer behavior and their relationship with brands. The difficult year put pressure on consumers to look for cheaper, higher-performing products and promotions, resulting in lower brand loyalty. Nevertheless, Softys brands remained constant in their evaluation, both in Consumer Tissue and Personal Care.

In the case of Babysec, the brand grew Brand Power and partnerships for Chile, Peru and Uruguay, which positioned it as the most convenient brand.

APPROACH

We developed a study of our consumer goods brands. This quantitative study includes the main categories of the Tissue and Personal Care business areas and allows us to identify their main positioning and brand power indicators.

METHODOLOGY

For the study, we analyzed the Elite, Higienol/Confort, Noble, and Babysec brands in the relevant markets through an online panel survey.

RESULTS

| TOILET PAPER | | | |
|--------------|--------------|--------------|---------------|
| Country | 2019 Ranking | 2020 Ranking | Annual change |
| Argentina | 1 | 1 | 0 |
| Brazil | 3 | 4 | -1 |
| Chile | 1 | 1 | 0 |
| Mexico | 5 | 5 | 0 |
| Peru | 2 | 2 | 0 |
| Uruguay | 1 | 1 | 0 |

| DIAPERS | | | |
|-----------|--------------|--------------|---------------|
| Country | 2019 Ranking | 2020 Ranking | Annual change |
| Argentina | 3 | 3 | 0 |
| Brazil | s/i | 4 | - |
| Chile | 3 | 1 | 2 |
| Peru | 2 | 2 | 0 |
| Uruguay | 1 | 1 | 0 |

- Source: Strategic Trade Area.



THE VALUE OF OUR BRANDS



MATERIAL TISSUE

Brand value ^{MAT}
Advertising ethics ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

In the last four decades, companies have seen the importance of mainstreaming sustainability. Not only in their operations, but also in what they deliver to clients and consumers, where brands play an important role.

Consumer decisions are increasingly influenced by environmental, social and business ethics criteria, and consumers are becoming more aware of the impact of the products and brands they consume. As a result, price and quality are no longer the only determining variables when it comes to making a purchase.

These arguments have led many organizations to understand the relevance of joining this change, integrating sustainability as a brand value, making it a strategic lever for business development. This is what we will do at Softys, because we know that sustainability is transversal.

OUR GUIDES TO MANAGE THIS MAT

- Softys 2020-2023 Sustainability Strategy
- Sustainability Goals
- Principles of Advertising Ethics

Brand value ^{MAT}
(SOFTYS 2)

We know that in a consumer goods company, sustainability must also be part of the brand story. Consumers are changing, a trend that is increasingly stable and accelerated, giving their preference and purchase decision to those brands and companies that are doing well, whether from an economic, environmental or social angle.

Therefore, it is essential to highlight how sustainability becomes a key attribute of the value of our brands, since they are our greatest asset, so it is vital to understand how we think about them and how we activate them in the future.

Three major strategic frameworks call on us to work on this issue with particular strength:

1. Given our consumer goods nature, brand value is one of Softys own material issues.
2. One of the priorities of our 2020-2023 Business Plan is “to build brands that create value, thus facilitating a better life for people”, an idea that is reinforced by our corporate purpose.

3. To incorporate sustainability into the DNA of our business, it is not enough to include it in our operations; we must also include it in the marketing, communication, and development of our brands and products for our clients and consumers.

Also, for an organization like Softys, whose nature is of consumer goods, making sustainability a key attribute of its brands' value is increasingly relevant, as it allows us to differentiate products that tend to be commoditized.

Given this, in 2020 we began the development of a proposal for “sustainable brand value” in which, after an extensive literature review, identifying benchmarks and global best practices, as well as interviews with our multiple stakeholders, we developed a conceptual framework that will allow us to define our roadmap in this area, which we expect to publish in 2021.



TANIA ACUÑA,
Lead of
Sustainability
and
Environment,
Softys Chile

Clean Production Agreement

FOR ECOLABELING OF PACKAGING

“We understand that as producers we must be responsible for the packaging we put on the market, as it will become waste unless circular economy processes are implemented. Therefore, as an early response to one of the instruments established in the Extended Producer Responsibility Law (EPR), the ecolabeling of packaging is created, which seeks to educate consumers, influencing their purchasing preferences and promoting a recycling culture at the national level. In this way, together with 30 other organizations, we joined the Clean Production Agreement (APL, for its acronym in spanish) of the Ministry of the Environment and Sofofa to develop and implement ecolabeling in Chile. This includes

two components: a recyclability seal and recycling information. To receive the seal and its certification, three requirements were defined for recyclability, separability, and demand. For APL participants, the goal was to evaluate and certify five types of products to receive the seal. At Softys, we managed to certify 131 product types. We are proud to say that 98% of our product packaging is recyclable. To achieve this goal, it is essential to educate consumers, to communicate to them what, how, and where they can recycle the packaging we give them. This will also allow the recycling industry to grow and the consumer to really get the opportunity to have a responsible and sustainable consumption.”



Advertising ethics ^{MAT}

(417-2, 417-3)

Our products reach millions of consumers in Latin America, so there is no doubt that our communication and advertising have a function and an impact. Our messages aim to introduce our products, their characteristics, and differential qualities to consumers so that they make an informed purchase and meet their standards and needs.

We know that we reach a mass audience, so communicating the qualities of our products truthfully is of great importance. It is here where advertising ethics becomes a fundamental principle, allowing us to use these media to deliver a message about our products without misleading the public or creating false needs, respecting and promoting consumer rights.

Given the above, in early 2020 we launched the Softys Principles of Advertising Ethics, a document that was signed by all the agencies we work with.

PRINCIPLES OF CARE IN ADVERTISING ETHICS



WE CARE FOR PEOPLE IN THEIR PRIVACY



WE ACCOMPANY PEOPLE AT EVERY STAGE OF THEIR LIVES



WE RESPECT PEOPLE'S PROPERTY

Also, we have the due authorization to use the image rights and voices of the natural persons that appear in our campaigns, and if they are minors, we have the authorization of their parents. Likewise, we have the licenses or authorizations for the use of the music (in any of its versions) contained in the campaigns, by the holder(s) of the copyright and/or related rights associated with it.

WE ARE CAREFUL TO ENSURE THAT OUR CAMPAIGNS DO NOT INCLUDE GENDER REPRESENTATIONS OR STEREOTYPES. THEREFORE, IF A CAMPAIGN IS AIMED AT MINORS, WE TAKE SPECIAL CARE TO ENSURE THAT THE ADVERTISED PRODUCT AND THE TYPE OF ADVERTISING ARE APPROPRIATE FOR CHILDREN AND YOUTH AUDIENCES.

04

Promote the development of local communities

WE ARE PART OF THE COMMUNITIES THAT SURROUND US, SO WE SEEK TO BUILD A PROACTIVE, CLOSE AND MUTUALLY TRUSTING RELATIONSHIP. TO THIS END, WE PROMOTE THE DEVELOPMENT OF OUR LOCAL COMMUNITIES THROUGH COMMUNITY ENGAGEMENT PLANS AND LOCAL DEVELOPMENT PROJECTS THAT PROVIDE THEM WITH THE BEST CARE.

| | | |
|--|--|--|
| 1st Social investment project that provides drinking water solutions for human consumption in Latin America. | 3 Winning projects. | 15 million Face masks were donated across the region, in the midst of the Covid-19 pandemic. |
| 18 Plants with community management diagnostics. | 9 Plants with community and territorial diagnostics. | 37 Associations and memberships. |

PROMISE THAT CROSSES TERRITORIES

The best care, for a better tomorrow

MATERIAL ISSUE

Community engagement ^{MAT}
Local development ^{MAT}
(103-1, 103-2, 103-3)

Why is it material?

The accelerated increase in world population, urbanization, and new technology results in a growing number of communities with inadequate and overburdened infrastructure and services (waste, water and sanitation systems, transportation, among others)¹¹.

In this sense, and considering that communities are complex systems, with many problems and, in some cases, with less decision-making ability. Therefore, collaborative work between stakeholders present in the territory is key to community development.

The relationship and healthy coexistence with the communities are fundamental aspects in Softys, which redounds to the purpose of care and the promise of sustainability. Caring for people and the trust we build with our neighboring communities are two differentiating commitments that form the basis and guide our relationship with them.

OUR GUIDES TO MANAGE THESE MAT

- 2020-2023 Sustainability Strategy Softys
- Community engagement and local development diagnosis
- Donations Policy
- Local development programs

IN 2020, WE SET OUT TO STRONGLY REINFORCE OUR WORK IN THE SOCIAL AREA, THUS MATERIALIZING THE DREAM OF PROMOTING THE DEVELOPMENT OF LOCAL COMMUNITIES, THE MAIN FOCUS OF OUR 2020-2023 SUSTAINABILITY STRATEGY.

Our baseline was the comprehensive review of the status of our community management at 18 plants in the region, carried out in November and December 2019. This work was delved deeper in 2020 through a Regional Community Engagement Diagnosis, which initially focused on 9 plants priority plants in the region according to the degree of exposure and community management, and aimed to survey (1) the main issues of local interest (2) development indicators (3) the impact of the actions and initiatives developed by Softys, among other relevant points.

11. United Nations Population Fund, "Urbanization." Available at: <https://www.unfpa.org/urbanization>





This knowledge of the territories, realities, and problems of the communities that surround us will allow us to develop a community engagement and local development policy for Softys in 2021, which will cover the eight countries where we have industrial operations and which seeks to continue giving impetus to our promise of **“the best care, for a better tomorrow”**.

This Community Engagement and Local Development Policy will, in turn, be accompanied by a Community Engagement Toolkit, guidelines, and directives that will allow this policy to be implemented in the territory, taking into account local relevance.

Also, because the realities of the communities that surround us are different, we will create Community Engagement plans for each country and plant, which will be developed jointly by the Corporate Sustainability Management and the local teams.

Finally, and because we know how important it is to leave installed capacities in this matter to develop continuous improvement processes, in 2021 we will develop a robust training program, in which we will train key stakeholders in each country, which will allow us to improve our management in this area, so relevant for our company’s sustainability.

Community Engagement^{MAT}
(413-1)

At Softys, we understand our role as corporate citizens, and we know that the communities neighboring our plants can be directly affected by our operations. For this reason, **we seek to build a long-term relationship, whose pillars are care, trust, transparency, and integrity**, and therefore differentiating commitments that we continue to materialize with all our stakeholders.

At Softys, given the local reality, each of our plants implements actions and initiatives aimed at building a proactive relationship, which starting in 2021 we expect to standardize with our community engagement and local development policy.

Also, we have community engagement programs that are carried out locally, and which, given their trajectory and impact in the territories, are highlighted by our neighbors. In 2020, this management was mainly focused on the prevention of Covid-19. Some of them are:

PUERTAS ABIERTAS (OPEN DOORS) PROGRAM

On-site and virtual plant tours. In 2020, these activities reached 250 employee’s family members connected to the broadcast and 8 people from the community.

VIRTUAL CHATS

Talks focused on promoting integral health, prevention of Covid-19, stress and anxiety management, which benefited 1,045 people.

VIRTUAL WORKSHOPS

Workshops on different topics, mainly aimed at empowering women. In 2020, they focused on microenterprise development and household income and benefited 130 people.

We also have three community education programs in Argentina and Peru:

ZARATE’S SHELTER HOUSE¹²

In 2020, we reinforced our support to the development of 200 children of the Hogar Casa de Abrigo de Zarate (Zarate’s shelter home), with teaching boxes and unlimited access to an educational platform with playful content that we developed in partnership with the Fundación Garrahan (Garrahan Foundation)¹³.

ACERCARSE (COME CLOSER)

Program through which, in 2020, we reached 300 public elementary school students in Campana, Zarate, and Lima with teaching materials on environmental issues, complemented with training for teachers in the same schools.

EDUCACIÓN PARA EL ÉXITO (EDUCATION FOR SUCCESS)

In partnership with the NGO Cedro (Cedar), we developed the project “Education for success” in three schools in Santa Anita (Peru), intending to promote permanence in school and provide information about their basic rights.

The program benefited 212 students, 232 teachers were trained and 171 families were made aware of their rights.

12. The Children’s Day, organized by Softys within the framework of this initiative, was declared “of Solidary Interest” by the Honorable Concejo Deliberante (Honorary Deliberating Council) of Naschel.

13. Garrahan Foundation presented an award to Papelera de la Plata for its solidarity and ecological commitment in the “Programa de Reciclado y Medio Ambiente” (Recycling and Environment Program).

Local
development ^{MAT}
(SOFTYS 4)

OUR PURPOSE IS THE CARE AND WE ARE CONVINCED THAT HEALTH AND HYGIENE ARE DRIVERS OF DEVELOPMENT AND WELLBEING. THEREFORE, OUR VALUE PROPOSITION IS CLOSELY RELATED TO PROMOTING THIS CARE AND HYGIENE IN PEOPLE AND THEIR COMMUNITIES, WHICH HAS MATERIALIZED IN IMPORTANT REGIONAL PROJECTS, SUCH AS OUR SOFTYS WATER CHALLENGE, WHICH WE HOPE TO CONTINUE TO IMPLEMENT IN THE FUTURE.



(6.1)



(17.17)

ONE DROP CAN CHANGE EVERYTHING, A SOLUTION CAN TOO

We know that access to water is an enabling factor for people's health and hygiene and, therefore, a decisive factor for development. Therefore, Softys Water Challenge is an initiative that seeks to bring drinking water to the communities most deprived of this basic resource in Latin America.

This project, in turn, is part of the efforts that Softys is leading in the area of water efficiency, water risk management, and water safety in the supply chain, among other aspects, and which are oriented towards the goal of reducing industrial use of water by 40% by 2025, one of Empresas CMPC's sustainable commitments.

In 2020 Softys Water Challenge, in partnership with Fundación Amulén (Amulén Foundation) and the Centro de Innovación UC (UC Innovation Center), invited entrepreneurs from all over the world to propose solutions for access to drinking water. The process ended in April with more than 500 applications from 31 countries, of which 85 projects complied with 100% of the rules of the competition and moved on to the next stage.

Between May and July, and thanks to the support of the UC Innovation Center, a 100% online accelerator process was implemented, given the restrictions of the Covid-19 pandemic, for the 20 best projects selected by a high-level technical jury.

Finally, in August, the 2020 Softys Water Challenge awards ceremony took place, with more than 3 thousand people connected to the live webcast, and USD 45,000 were distributed among the three winners, who will also be able to implement their solutions in different communities in Latin America. These projects will also be financed by Softys, thus materializing our commitment to "promote the development of local communities".



VISITED US IN 2020

"Water is the number one natural resource. It is at the top of the pyramid. 97.5% of the planet's water is salt water and only 2.5% is fresh water. And almost all of this percentage corresponds to ice or snow, 30% is groundwater and only 0.3% is in the rivers and lakes to which we have access. Today more than ever we see that the ground is thirsty, entire cities are thirsty. None of our cities and countries are guaranteed to have water permanently. Some reassure themselves that the solution is to desalinate the ocean, but what is the cost of this action? Without a doubt, this solution will not work for all of us. An important challenge, one of the most important, is that none of us as citizens can wait for the answers to come to us. We all have to be part of building our future. If there is no water, there is no life."

-
YOLANDA KAKABADSE
co-founder of Sistema B Ecuador, former
president of WWF and IUCN.
Softys Water Challenge 2020 Awards
Ceremony
-



3 WINNING PROJECTS



Isla Urbana

Designs and installs rainwater harvesting systems on the roofs of houses, providing an alternative source of drinking water to vulnerable communities efficiently and sustainably.

- NABINI VERA,
Isla Urbana
Communications
Director
-

“Thank you very much, I am very happy, what a great emotion, I want all of Latin America to harvest rainwater, something that is so necessary! More than 1.5 million people will be able to take advantage of the rain. Everywhere we are living a very difficult situation in water issues, which is becoming more acute every year. On a personal level, we believe that it can expand and reach different places and find a window through which we can enter, it is something very nice. In our eleventh year, it’s time to start looking beyond our borders, and thanks to Softys Water Challenge we can achieve that.”



USD 20,000 AND
THE POSSIBILITY
OF IMPLEMENTING
THEIR PROJECT
WITH THE
FINANCING AND
SUPPORT OF
SOFTYS.



Remote Waters

Seawater or groundwater purification technology that makes it potable, clean, and safe for communities with limited access to this resource. It consists of a purifier that is easy to operate and transport, which treats contaminated or salty water.

- PABLO
CASSORLA,
Remote
Waters
Founder
-

“Thank you very much for the news. I am very grateful for the recognition. I believe that all technology is complementary and contributes to delivering water to the rural sector.”



AWARD
RECEIVED:
USD 15.000



Watergen

A device that produces drinking water from generators that take advantage of the environment’s humidity to transform it into drinking and purified water. It can provide water for domestic or community use.

- FÉLIX
ALLENDES
VÁSQUEZ,
Watergen
-

“What good news, excellent news! What we do are ethical solutions and this fills our hearts with joy when we materialize our first project. I am moved by social action, my whole life has been related to social action issues, so this is a huge emotion.”



AWARD
RECEIVED:
USD 10.000



No water,
no hygiene

SOFTYS WATER CHALLENGE

MARÍA JOSÉ
OCHAGAVÍA,
Sustainability
Corporate
Deputy
Manager

“No water, no hygiene, no care”. Because we know that the lack of water correlates with other relevant variables for the development of people and their communities, such as access to education or gender equity, this premise gave rise to the Softys Water Challenge in 2020.

This project also makes a concrete contribution to SDG 6 “Clean water and sanitation” of the UN 2030 Agenda, specifically target 6.1 - “By 2030, achieve universal and equitable access to safe and affordable drinking water for all” - to which we are committed with our 2020-2023

Sustainability Strategy. To delve deeper into this project, we interviewed María José Ochagavía, Assistant Manager of Regional Sustainability.

Tell us, how was the development of the Softys Water Challenge?

These were months of hard work. We began in January with a regional launch of the initiative at an event sponsored by COP25. Then, we celebrated the arrival of more than 500 applications from 31 countries, a number we never imagined; and later, the acceleration of the 19 pre-selected projects, with representation from 4 continents; and the awards ceremony in August, by streaming, with

“OUR LINKAGE WITH PROBLEMS THAT DIRECTLY AFFECT SO MANY COMMUNITIES IN THE REGION AND WHICH CORRELATE WITH OTHER PROBLEMS EQUAL OR MORE COMPLEX, SUCH AS POVERTY, ACCESS TO EDUCATION OR GENDER EQUITY, ALLOWS US TO DIMENSION THE HUGE RESPONSIBILITY AND HORRIBLE IMPACT THAT WE CAN GENERATE, SO I CAN ONLY STATE THAT IT IS A PRIDE TO LEAD PROJECTS OF THIS KIND.”

more than 3 thousand people connected worldwide and in which we knew the winning projects. All very different, but with a common objective: to provide drinking water to the communities most deprived of this basic resource in the region.

And in the midst of all this turmoil, the pandemic! How were they able to manage it?

Indeed, in the midst of all this a pandemic that changed plans significantly, but which we managed to overcome with a selection and acceleration process that was 100% remote. The support of the UC Innovation Center was crucial, not only for taking all the support to digital but also for the one-on-one contact they had with each entrepreneur during the process, keeping this Challenge alive for a long period.

How did you announce the winning solutions?

The original idea was to organize a two-day Boot camp at the UC Innovation Center, which would be attended by the ten finalist entrepreneurs and the international jury that would choose the three winning projects.

Here flexibility and adaptability once again played a key role and we ended up generating a 100% online awards event, which included the tremendous participation of Yolanda Kakabadse as keynote speaker, reaching many more people than we imagined at the beginning for a face-to-face event.

Specifically, what was the attendance?

We had 2,480 people connected through Softys.tv and 15,990 through La Tercera Online, from different countries and latitudes. We would never have reached these figures in a face-to-face event, so certainly the ability to adapt has its friendly side. The event was broadcast on August 20 and simultaneously interpreted into Portuguese.

Can you give us a heads up on the implementations coming up in 2021?

Indeed, the heart of the Softys Water Challenge lies in providing access to drinking water solutions to the most deprived communities in Latin America. In this sense, we are already implementing the Isla Urbana

project in two communities in Chile and evaluating possible implementations in Brazil, Peru, and Argentina which we hope to be able to implement as soon as possible.

How has it felt, personally, to lead a project of these characteristics?

This has been a project that has been led from many sides, but it is indeed inspiring to see in concrete actions how organizations activate their purposes, how they manage their material issues, and make them the focus of the discussion. The Softys Water Challenge has undoubtedly been a good reflection of this.

Our involvement with problems that directly affect so many communities in the region and that correlate with other equally or more complex problems, such as poverty, access to education or gender equity, allows us to measure the enormous responsibility and huge impact we can have, so I can only add that it is a source of pride to lead projects of this nature.

TOGETHER: FURTHER, FASTER

Building partnerships

TO DEVELOP OUR DREAM, BUILDING PARTNERSHIPS WITH DIFFERENT INSTITUTIONS AND ORGANIZATIONS IS KEY TO MOVE FORWARD FASTER AND WITH GREATER IMPACT, VERY MUCH IN LINE WITH SDG 17 OF THE 2030 AGENDA, WHICH REMINDS US OF THE IMPORTANCE OF PARTNERSHIPS TO ACHIEVE OUR GOALS.

These contributions are not made to campaigns, political parties, or candidates, nor authorities or lobbying organizations. In this sense, 2020 was marked by donations associated with protection against Covid-19, such as cleaning and personal care products.



FACE MASK DONATION

Once the World Health Organization (WHO) declared the Covid-19 pandemic, Softys quickly thought about how to contribute and support our neighbors who needed it most, understanding that we were facing a growing shortage of products that satisfy basic needs.

As a result, in April 2020 we started the production of face masks in Argentina, Brazil, Chile, Peru, and our subsidiary in Mexico which was followed by a commitment to donate 15 million of them across Latin America, allowing us to deliver a timely and quality supply in times of shortage to different public services and healthcare organizations.

It was a major project, which allowed us to materialize our purpose of care and created a tremendous sense of pride in our collaborators, who saw how their daily work was transformed into concrete support for so many healthcare institutions that needed it. It was also a project recognized by different organizations and entities in the countries where we operate:

- **Argentina:** appreciation on behalf of the Honorable Concejo Deliberante del Partido de Zarate, for our solidarity and commitment to the local community. Appreciation from the Garrahan Foundation for the donation of masks to that institution.
- **Brazil:** Ética No Negócios (Ethics Not Business) Award, for the donation activities and timely response to the needs of the population.
- **Colombia:** Cruz del Samán de Oro (Golden Saman Cross) award in Santander de Quilichao, for the activities carried out on behalf of the citizens and in support of the municipality.



Delivery of masks to the Chilean Gendarmerie.



WE REALIZED THAT WE CAN LIVE BY SOFTYS' PURPOSE AND MAKE IT A PRIORITY. YOU CAN'T IMAGINE HOW PROUD AND EXCITED WE WERE WITH THE FIRS SET OF FACE MASKS.

FERNANDO
LAVALLE,
Assistant
Manager Sanitary
Production,
Softys Peru

With you in
difficult times

FACE MASK MACHINE

With the arrival of the coronavirus pandemic, no country was spared from the sanitary crisis and, as a company, Softys helped to get through it together. Thus, during the beginning of the state of emergency, it was detected that there was a lack of availability and access to face masks, a fundamental item for people's protection. In line with its values of care for people, the organization

sought a solution: to manufacture this item locally, putting into practice more than ever the purpose of care. Based on the above, an investment was made for the installation of six manufacturing machines, which allowed us to commit and deliver 15 million face masks across Latin America. Peru was one of the countries where one of the machines was installed and Fernando La-

valle, who led the Operations team for this project, tells us about his implementation experience.

How was this project received by the team?

It was indeed a project that we were asked to carry out as quickly as possible. This always causes difficulties, but understanding the scope and potential impact, we knew that we had to get it up and running quickly.

We purchased a pleated face mask machine from a supplier in Asia and brought it to Peru to start it up at the Personal Care plant in Lima. This involved preliminary engineering work and adapting the facilities for production in record time.

What benefits did this project bring?

We were able to produce a total of 7,846,000¹⁴ face masks in Peru, which allowed us to donate, in the midst of the peak of the health crisis, in cooperation with Cenares, three million masks to people who needed them so badly, due to the scarcity of the product at that time.

Also, we were able to protect all our personnel daily with our face masks and go to the market to supply the needs of our consumers. I believe we provided answers to all the stakeholders with whom we interact.

What would you highlight about this project?

What stood out the most was the flexibility and speed of response of the teams in all the countries to commit to the project and respond to a very important need of the population, focusing on caring for people.

We realized that we can live by Softys' purpose and make it a priority. You can't imagine how proud and excited we were with the first set of face masks.

14. Production as of September 2020.

Associations and memberships
(102-12, 102-13)

ARGENTINA

- Asociación del Crédito Industrial Argentino, ACIA (Argentine Industrial Credit Association).
- Asociación de Industrias de Marca, ADIM (Brand Industry Association)
- Asociación de Fabricantes de Celulosa y Papel, AFCP (Pulp and Paper Manufacturers Association)
- Cámara de Dirigentes de Información y Crédito, CADIC (Chamber of Information and Credit Leaders)
- Unión Industrial de Zarate (Zarate Industrial Union)
- Cámara de Comercio Argentino - Chilena (Argentine-Chilean Chamber of Commerce)
- Cámara de SociedaZes Anónimas (Chamber of Corporations)
- Grupo AcercaRSE (AcercaRSE Group)

MEXICO

- Cámara Nacional de las Industrias de la Celulosa y del Papel (National Chamber of the Pulp and Paper Industries)
- Asociación de Industriales del Sur de Tamaulipas, A.C. (South Tamaulipas Industry Association)
- Cámara Nacional de Autotransporte de Carga, CANACAR (National Cargo Transportation Chamber)
- Industriales Asociados del Parque Mitras, A.C. (Parque Mitras Industrial Associates)
- Cámara de la Industria de Transformación, CAINTRA (Transformation Industry Chamber)
- Cámara Mexicana Chilena de Comercio e Inversión, A.C. (Mexican-Chilean Chamber of Commerce and Investment)

PERU

- Cámara de Comercio de Lima (Lima Chamber of Commerce)
- Sociedad Nacional de Industrias (National Industries Association)
- Asociación Nacional de Anunciantes, ANDA (National Advertisers Association)
- Comité de Operación Económica del Sistema Interconectado Nacional, COES (Economic Operation Committee of the National Interconnected System)
- Cámara de Comercio Peruano-Chilena (Peruvian-Chilean Chamber of Commerce)
- Asociación de Buenos Empleadores, ABE (Good Employers Association)
- Asociación Peruana de RRHH, APERHU (Peruvian HR Association)

ECUADOR

- Guayaquil Chamber of Commerce
- Fedexpor

URUGUAY

- Asociación de Fabricantes de Papel, AFP (Paper Manufacturers)
- Cámara de Industrias del Uruguay (Uruguay Chamber of Industries)
- Centro de Estudios de la Realidad Económica y Social CERES (Center for the Study of Economic and Social Reality)
- Cámara Comercial Industrial Agraria Pando, CCIAP (Pando Industrial Agrarian Chamber of Commerce)

CHILE

- Asociación Gremial de Industrias Proveedoras, AGIP (Trade Association of Suppliers)
- Asociación Nacional de Avisadores de Chile, ANDA (Chilean National Association of Advertisers)
- Santiago Chamber of Commerce

BRAZIL

- Associação Brasileira das Indústrias de Higiene Pessoal, Perfumaria e Cosméticos, ABIHPEC (Brazilian Association of Personal Hygiene, Perfume and Cosmetics Industries)
- Indústrias Brasileiras de Árvores, IBA (Brazilian Tree Industries)
- Associação Brasileira Técnica de Papel e Celulose, ABTCP (Brazilian Pulp and Paper Technical Association)

COLOMBIA

- Asoenergía
- Prodensa -Corporación Prodesarrollo del Norte de la Sabana Northern Savannah Development Corporation)
- ACRIP - Federación Colombiana de Gestión Humana (Colombian Federation for Human Resources)
- Cámara de Comercio e Industria Colombo-Chilena (Colombian-Chilean Chamber of Commerce)



Softys
Guayaquil
Ecuador

05

Protect our common home

THE IMPACTS OF CLIMATE CHANGE ARE ALREADY NOTICEABLE, ENVIRONMENTALLY, SOCIALLY AND ECONOMICALLY. OUR POSITION IS TO BE PART OF THE SOLUTION AND ACTIVELY CONTRIBUTE TO THE REDUCTION AND MITIGATION OF THE IMPACTS WE GENERATE TO THE PLANET DUE TO OUR OPERATION, BECAUSE PROTECTING OUR COMMON HOME IS EVERYONE'S TASK.

40%

Reduction of industrial use of water per ton of paper by 2025.

0

Non-hazardous waste to landfill by 2025.

50%

Reduction in GHG emissions of Scopes 1 and 2 by 2030.

1st

Environmental bulletin.

50

Collaborators participate in Tissue Manufacturing and Personal Care Academy.

5.3%

Reduction in energy consumption compared to 2019.

ONE TEAM, GREAT RESULTS

Environmental management

The best care, for a better tomorrow

MATERIAL
ISSUE

- Water^{MAT}
 - Emissions^{MAT}
 - Energy^{MAT}
 - Waste^{MAT}
 - Materials and packaging^{MAT}
 - Product quality and safety^{MAT}
- (103-1, 103-2, 103-3)

Why is it material?

As stated by the UN, through the 2030 Agenda, climate change is affecting every country on every continent. Some of its consequences are disrupting world economies, affecting the lives of millions of people, and impacts on natural ecosystems. Weather patterns are changing, sea levels are rising and climatic events are becoming more extreme.

The latest World Meteorological Organization (WMO) data released indicates that levels of carbon dioxide (CO₂) and other greenhouse gases in the atmosphere rose to new highs last year, which will continue to impact our common home.

At Softys, we decided to take action on this issue that we are all called to take responsibility for. That is why, starting in 2019, we have ambitious goals that translate into the implementation of projects to reduce water use, generating fewer emissions, being efficient in the use of materials, and making them environmentally friendly, as well as minimizing waste.

OUR GUIDES TO
MANAGE THESE MAT

- Climate Change Policy
- Environmental Policy
- Corporate goals
- TPM

To achieve our ambitious environmental sustainability goals, we must increase our collective awareness of the environmental impacts that our operations can produce and ways to mitigate them. This implies coordinated and systematic work, for which we need to standardize practices at the regional level in our countries of operation, which in 2020, we saw reflected in three relevant activities:

1. ENVIRONMENTAL RISK MAPPING

To minimize our impact on the environment, make our processes more efficient, and align environmental management with the guidelines provided by the TPM (Total Performance Management) methodology in our operations, we carried out an environmental risk mapping in the different production lines, an initiative that required involvement of all our plants. This project, led by the local and regional environmental teams and the leaders of the Safety, Health, and Environment pillar identified each of the points where spills, leaks, escapes, or emissions with a potential impact on the environment could happen.

After identification, we represented these risks on maps that are kept at the production lines to facilitate the spatial location of these potential risks for



Jhonny de León
Pando Plant,
Softys Uruguay

machine operators and, together with the process leaders and the environmental community, to create appropriate strategies for their prevention and contingency plans. We are currently in the process of standardizing these maps to have a common format for all plants.

2. FIRST ENVIRONMENTAL NEWSLETTER

In November 2020, we published our first Environmental Newsletter, an informative document that shares the best practices of our plants with the rest of the subsidiaries quarterly, to promote continuous improvement processes within Softys.

The publication is structured in two sections: the first provides general information about the company and the compliance with environmental goals, and the second provides educational information for employees and their families.

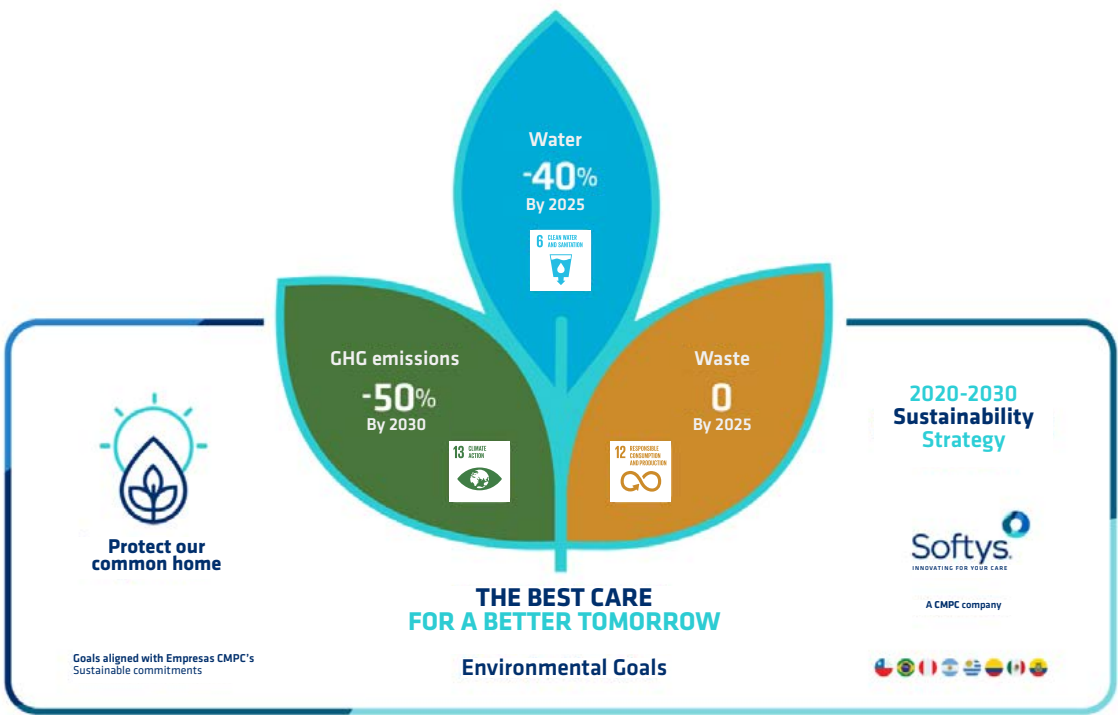
They are distributed via e-mail to all Operations and Supply Chain Management and to each subsidiary's Environmental leader to be shared with each plant's collaborators.

THE ENVIRONMENTAL BULLETIN REPORTS ON PROGRESS IN THE COMPLIANCE OF EMPRESAS CMPC'S SUSTAINABLE COMMITMENTS, TO WHICH SOFTYS ADHERES WITH SPECIAL STRENGTH: (1) TO BE A COMPANY WITH ZERO INDUSTRIAL WASTE TO LANDFILL BY 2025 (2) TO REDUCE OUR INDUSTRIAL USE OF WATER BY 40% BY 2025 AND (3) TO REDUCE OUR GREENHOUSE GAS EMISSIONS BY 50% BY 2030, IN SCOPE 1 AND 2.



3. MONITORING CORPORATE GOALS

As a fundamental part of environmental management, in 2020 we worked with all Softys subsidiaries to ensure the regional and local exploration of different options that will allow us to comply with the deadlines and reductions committed to Empresas CMPC in terms of water, waste, and emissions complemented with investment projects that support such compliance.



WE WILL REDUCE INDUSTRIAL USE OF WATER PER TON OF PRODUCT BY 40% BY 2025.



WATER USE REDUCTION GOAL PERFORMANCE

| | BASELINE 2018 | 2019 | 2020 | 2025 |
|-------------------------|------------------|-------|-------|--------------|
| Performance (m³/t) | 27.3 | 25.1 | 20.9 | 16.39 (-40%) |
| Annual variation (m³/t) | | -2.2 | -6.4 | -10.91 |
| % of progress to goal | | 20.1% | 58.7% | 100% |

Source: Sustainability Management.

WE WILL REDUCE OUR ABSOLUTE GREENHOUSE GAS EMISSIONS (DIRECT AND INDIRECT) BY 50% BY 2030.



EMISSION REDUCTION GOAL PERFORMANCE

| | BASELINE 2018 | 2019 | 2020 | 2030 |
|--|------------------|-------|-------|------------|
| Performance (MtCO ₂ e) | 644 | 588 | 556 | 322 (-50%) |
| Annual variation (MtCO ₂ e) | | -54 | -88 | 322 |
| % of progress to goal | | 16.8% | 27.3% | 100% |

Source: Sustainability Management.

WE WILL BE A ZERO WASTE TO LANDFILL COMPANY BY 2025.



ZERO WASTE GOAL PERFORMANCE

| | BASELINE 2018 | 2019 | 2020 | 2025 |
|-----------------------|------------------|---------|---------|--------------|
| Performance (t) | 396,758 | 455,526 | 385,189 | Zero (-100%) |
| Annual variation (t) | | 58,768 | -11,569 | -396,758 |
| % of progress to goal | | -14.8% | 2.9% | 100% |

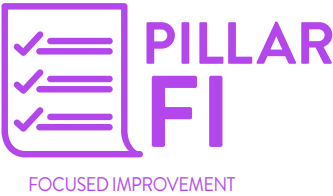
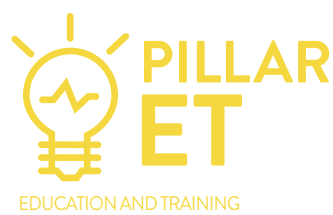
Source: Sustainability Management.

DURING 2020, WE SIGNED 12 COLLABORATION AGREEMENTS WITH VARIOUS WORLD-CLASS COMPANIES, UNIVERSITIES AND ORGANIZATIONS TO WORK ON OPEN INNOVATION SCHEMES THAT CONTRIBUTE TO ACHIEVING OUR CORPORATE GOALS. ONE OF THE PROJECTS WE ARE WORKING ON IS REDUCING THE USE OF INDUSTRIAL WATER IN OUR OPERATIONS THROUGH NEW CIRCUIT CLOSURE TECHNOLOGIES.

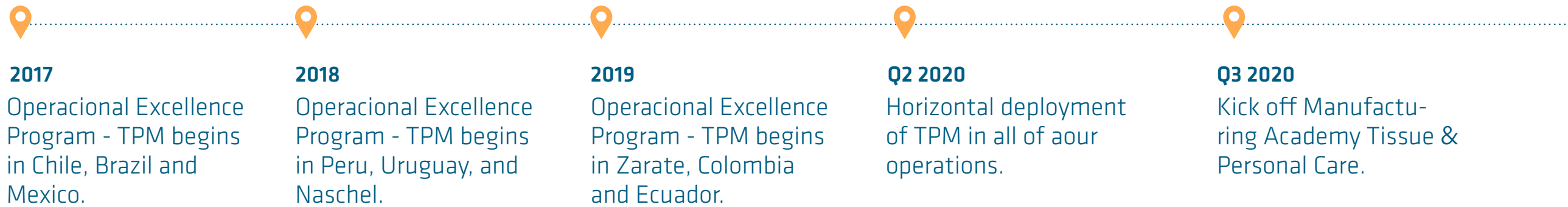
TPM: MAKING SUSTAINABILITY A REALITY ON THE PLANT FLOOR

TPM is an integrated management system consisting of a set of tools structured in pillars, which are executed following ordered and coordinated steps.

Its objective is to solve the problems of the operation, attacking its losses (gaps between the objectives and the real situation) focusing on the plant floor, in a prioritized manner according to the needs of the business, to make all our processes more efficient in all their variables.



TPM IMPLEMENTATION TIMELINE



TPM IS A SYSTEM THAT REACHES ITS MAXIMUM PERFORMANCE LEVELS IN THE MEDIUM TERM (5-8 YEARS), SINCE IT IS A PROCESS OF ORGANIZATIONAL CHANGE AND COMPANY-WIDE LEARNING, WHICH CREATES VALUE THROUGH A CULTURE OF OPERATIONAL EXCELLENCE, LEADING TO A COMPREHENSIVE AND SUSTAINABLE WAY OF OPERATING.

AT THE END OF 2020, WE LAUNCHED THE TISSUE & PERSONAL CARE MANUFACTURING ACADEMY, WHICH MANAGES THE KNOWLEDGE OF THE PROCESSES OF THESE BUSINESS AREAS TO ENSURE OPERATIONAL EXCELLENCE BASED ON BEST PRACTICES. THE PILOT INVOLVED THE PARTICIPATION OF 50 EMPLOYEES FROM ALL OVER LATIN AMERICA AND WE EXPECT TO REACH 2,060 PEOPLE BY 2023, INCLUDING MENTORS, TRAINERS AND OPERATIONS EMPLOYEES.

THE MODEL WE IMPLEMENTED HAS AROUND 350 TISSUE & PERSONAL CARE MANUFACTURING CONTENTS, FOR A PRACTICAL TRAINING FOCUSED ON EMPLOYEES, PROMOTING THEIR COLLABORATIVE LEARNING AND DEVELOPMENT.



“THE MOST RELEVANT ACHIEVEMENT HAS BEEN THE SUBSTANTIAL INCREASE IN THE PRODUCTION LINE EFFICIENCY, REACHING 70% AND MAINTAINING AN AVERAGE ABOVE 60%. THIS WAS PARTICULARLY IMPORTANT IN 2020 GIVEN THAT, DUE TO THE PANDEMIC, OUR PRODUCTION WAS INCREASED BY THE DEMAND FOR OUR PRODUCTS, WHICH CONTRIBUTED SIGNIFICANTLY. ALSO IN TERMS OF QUALITY, WE HAVE HAD AN AVERAGE QUALITY INDEX OF 95%”.

WALTER RAMIREZ,
Head of TPM
Area, Softys Peru

Our new integrated management system

OPERATIONAL EXCELLENCE AT ALL TIMES

In search of better results, Softys had implemented different strategies that had been ineffective because the efforts were not systematic and did not incorporate a holistic view of management. TPM was the methodology used to start working on performance and the way of operating in all plants, aiming at operational excellence and stakeholder satisfaction: consumers and clients, collaborators, local communities, and shareholders.

In that sense, how did you get started in TPM work and how have you seen its implementation?

“TPM started in 2017 gradually and in 2019 it was integrated into all plants. I had to lead the implementation in Lima and it has been a great responsibility. It meant new challenges, but also great satisfaction. The change of culture on the plant floor is evident in many ways, from the tidiness of things to the way of dealing with a problem and being able to solve it,” says Walter.

“It is not an easy task to bring about a change in the way things are done, but we have managed to learn and improve results, showing that the effort is worthwhile,” he adds.

What benefits have you identified from TPM?

“Having a culture of continuous improvement brings many benefits. Thanks to TPM, we can follow up on machine failures, which we can report in an agile manner. This ultimately empowers every employee on the production lines, which results in greater efficiency, quality, and safety.”

“It also allows us to identify problems, get to the root cause, and avoid recurrence. It is a point of view that we were not used to, it provides us with tools to apply in the processes and thus improves product quality, production line safety and process efficiency, which also reduces the environmental impact”.

The implementation of TPM has given great results in all Softys plants. What results would you highlight since the implementation in Lima?

“The most relevant achievement has been the substantial increase in the production line efficiency, reaching 70% and maintaining an average above 60%. This was particularly important in 2020 given that, due to the pandemic, our production was increased by the demand for our products, which contributed significantly. Also in terms of quality, we have had an average quality index of 95%”.

“Operational excellence makes it possible to achieve and sustain the highest levels of performance in the long term, as it is a process of cultural change and company-wide learning that seeks to create value with excellence. The improvements are holistic: it seeks zero accidents to people and the environment, where “I take care of myself, I take care of you and they take care of me” is our best motto;

our purpose of caring is tangible in our product quality to continue enjoying the preference of clients and consumers; it allows us to do more with fewer resources to reduce operating losses and deliver the desired results; it creates an environment of trust in which job security, stability, and autonomy in decision making are certainties for our collaborators. TPM is our culture that makes sustainability a reality on the plant floor.

WATER FOR FUTURE DEVELOPMENT

Water ^{MAT} (303-1; 303-2; 303-3, 303-4, 303-5)

Water resources are under unprecedented pressure in most countries. According to World Bank data, the population is growing rapidly, which will confront the world with a 40% deficit between expected demand and available water supply by 2030.

Climate change worsens the situation by altering hydrological cycles and water availability, and water stress is increasing in many parts of the world.

At Softys, our commitment is to be as efficient as possible in the industrial use of this resource. This means making adjustments to our processes and making investments that contribute to achieving our goal. In the last three years, we have reduced our withdrawal by 19%.

As water withdrawal decreases, so do the levels of discharges we make through surface water, mainly.

IN 2020, WE MANAGED TO REDUCE 3,505,951 M³ OF WATER WITHDRAWAL, WHICH IS EQUIVALENT TO APPROXIMATELY FILLING 1,000 OLYMPIC-SIZE SWIMMING POOLS.

OUR GOAL IS TO REDUCE OUR INDUSTRIAL USE OF WATER PER TON OF PRODUCT BY 40% BY 2025.

SUSTAINABILITY GOAL IN WATER

| CATEGORY | 2018 | 2019 | 2020 |
|--------------------------------------|------------|------------|------------|
| Withdrawal (m³) | 22,753,595 | 21,856,119 | 18,350,168 |
| Production (t) | 832,608 | 871,407 | 878,564 |
| Withdrawal per ton of product (m³/t) | 27.3 | 25.1 | 20.9 |

Source: Sustainability and Environmental Area CMPC.

WATER WITHDRAWAL PER SOURCE IN M³

| Surface water | | | Groundwater | | |
|---------------|------------|--|-------------|-----------|--|
| 2018 | 13,763,496 | | 2018 | 8,990,099 | |
| 2019 | 13,472,146 | | 2019 | 8,383,973 | |
| 2020 | 11,413,764 | | 2020 | 6,936,404 | |

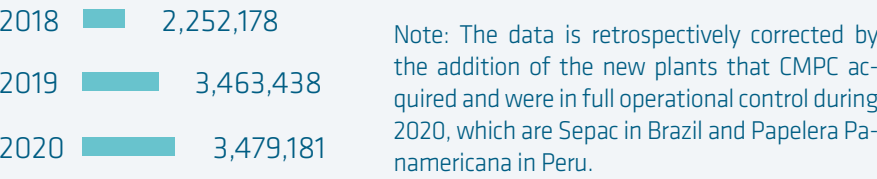
Source: Sustainability and Environmental Area CMPC.

Note: Water supplied by third parties corresponds to external industrial networks, which in turn also draw from surface or underground sources.

WATER DISCHARGE EVOLUTION IN M³



WATER USE IN M³



WATER USE DEFINITION

Industrial water use is understood as the water used by the organization that is no longer available at the source or to the community. Reporting the volume of water consumed can help the organization understand the overall magnitude of the impact of its withdrawal on downstream water availability.

Source: Global Reporting Initiative (GRI).

IT SHOULD BE NOTED THAT, IN OUR CASE, THE PRODUCTS ARE SOLIDS, SO THEY DO NOT CONTAIN WATER BEYOND THE NATURAL MOISTURE OF THEIR INPUTS. IN THE MANUFACTURING PROCESSES, MOST OF THE WATER IS LOST THROUGH EVAPORATION, AND A SMALLER PROPORTION REMAINS IN THE SLUDGE RESIDUES, IN BOTH CASES REMAINING AVAILABLE IN THE ECOSYSTEM. THEREFORE, THERE IS A NON-CONSUMPTIVE USE OF WATER.



Softys Pando, Uruguay

Zooming in on water scarcity

With the support of CMPC, we developed a review to identify the water stress levels of the basins in which we operate. According to the Water Risk Atlas platform and the supreme decrees announced by the Ministry of Public Works in Chile (MOP, for its acronym in spanish), from our 10 plants with industrial use of water, only Softys Puente Alto and Softys Talagante are located in a water scarcity area because the water withdrawal is carried out in the Maipo River basin. The rest of our plants are located in areas without water stress.

SOFTYS CHILE FACILITIES BY 2020 HAD A BIG CHALLENGE TO REDUCE THE USE OF INDUSTRIAL WATER IN THEIR PROCESSES. GIVEN THIS, THE PROJECTS WERE MAINLY BASED ON RECIRCULATING WATER IN PAPER MANUFACTURING, IN ADDITION TO INCREASING THE EFFICIENCY OF OUR PAPER MACHINES. THIS HAS ALLOWED THE PUENTE ALTO PLANT TO REDUCE ITS INDUSTRIAL WATER USE BY 20% COMPARED TO 2019, WHILE IN TALAGANTE THE REDUCTION WAS 22%.

80% OF WATER WITHDRAWAL FOR INDUSTRIAL USE TAKES PLACE IN AREAS WITHOUT WATER STRESS.

WATER WITHDRAWAL PER WATER SCARCITY AREA 2020 IN M³

| CATEGORY | WITHOUT WATER STRESS | WITH WATER STRESS | TOTAL |
|---------------------------|----------------------|-------------------|------------|
| Surface water | 9,941,699 | 0 | 9,941,699 |
| Groundwater | 4,655,366 | 2,281,038 | 6,936,404 |
| Supplied by third parties | 0 | 1,472,065 | 1,472,065 |
| Total | 14,597,065 | 3,753,103 | 18,350,168 |

Source: Sustainability and Environmental Area CMPC.

Note 1: The data includes the Altamira, Gachancipa, Uruguay, Cañete, Santa Anita, Mogi, Caieiras, Zarate plants, as well as the new acquisitions Sepac in Brazil and Papelera Panamericana in Peru.

Note 2: The data is retrospectively corrected by the addition of the new plants that CMPC acquired and were in full operational control during 2020, which are Sepac in Brazil and Papelera Panamericana in Peru.

WATER DISCHARGE BY WATER SCARCITY ZONE IN M³

| CATEGORY | WITHOUT WATER STRESS | WITH WATER STRESS | TOTAL |
|---------------|----------------------|-------------------|------------|
| Surface water | 10,122,020 | 2,223,095 | 12,345,115 |
| Third parties | 1,164,204 | 1,208,415 | 2,372,619 |
| Sea | 153,254 | 0 | 153,254 |
| Total | 11,439,478 | 3,431,510 | 14,870,988 |

Source: Sustainability and Environmental Area CMPC.

Caring for water is everyone's responsibility

WATER RECIRCULATION PROJECT AT SOFTYS PERU

“We are aware that today, more than ever, we have to take care of water. Because the scarcity of this resource, so important for the development of life and the preservation of ecosystems, is a global problem that affects us all.

For this reason, and in line with our commitment to “protect our common home”, this water recirculation initiative was created, which seeks to contribute to the irrigation of the 16,000 m² of green areas of the Cañete plant, through the use of treated water from our domestic sewage water treatment plant.

WITH THIS PROJECT, WE HAVE ELIMINATED THE DISCHARGE FROM THIS PLANT TO THE SEA AND HAVE REUSED 3,450 M³ OF WATER IN 2020, WHICH IS EQUIVALENT TO 138 WATER TRUCKS.”

FRANCK ANCHIRAICO, Projects Instrumentation Area Supervisor, Softys Peru

Our water discharge

WATER QUALITY

At Softys, we work in strict compliance with the legislation in force in all operating locations, where discharge parameters vary according to the regulations of each country.

Our measurements are taken at specific times, so variations in values that are not attributable to specific causes are identified.

At the Caierias plant (Softys Brazil), a new wastewater treatment plant is under construction to improve water quality indicators. The work was carried out in conjunction with the local authority and in compliance with all the respective procedures.

Also, at the Papelera Panamerica plant, the new wastewater treatment plant project currently underway will be replaced by a much more efficient one that will achieve discharge parameters much lower than those established by local regulations.



Softys Zarate, Argentina

WATER QUALITY IN T/YEAR

| PARAMETER | 2018 | 2019 | 2020 |
|--------------------------------|-------|-------|-------|
| Chemical Oxygen Demand (COD) | 4,501 | 5,466 | 5,164 |
| Biological oxygen demand (BOD) | 833 | 1,061 | 863 |
| Total suspended solids (TSS) | 239 | 310 | 377 |

Source: Sustainability and Environmental Area CMPC (SoFI platform).

Note 1: Information from Softys' new acquisitions: Sepac in Brazil and Papelera Panamericana in Peru are added to the 2020 data.

Note 2: The coronavirus pandemic caused that some of the laboratories that perform wastewater quality measurements did not operate for several months of the year. Because of this, in some cases, month-by-month measurements are not available and this is why an average was used to make the calculations.

At Softys Argentina's Zarate plant, a new paper machine was incorporated, which resulted in the addition of several aerators to the effluent treatment ponds, creating a greater presence of dissolved oxygen, which helps to further degrade the organic compounds in suspension present in the effluent causing a decrease in their concentration. Also, the MP4 has a new recirculation system that saves water and allows filter cleaning.

This double-width machine produces tissue papers in a weight range of 13 - 45 g/m² at the pope, with a moisture content of 6% and a maximum speed

of 2,000 mpm. The MP4 was in operation in three weeks, a first for Softys, which usually had a start-up curve of several months (4 to 6 months) to reach constant working speeds.

An investment of 126 million dollars was made in the machine, which is ready for future additions of the necessary elements to produce structured papers or technology that will help to increase the quality of the final products, among other process improvements.

REINALDO URIBE
Process and
Project Manager

“This is a project that undoubtedly brings enormous benefits from a social, environmental, and economic point of view and is a good reflection of our operation's sustainability. The machine has managed to reduce accident and frequency rates, reaching levels of 0.7 and 0.28 respectively, lower than in previous years. On the other hand, it allows us to reduce the overall water use of the Zarate complex from 37 to 20 m³/t, in line with our corporate goal, and to self-generate energy for 4,200 MWh/year. It also allows us to increase paper capacity production by 60,000 tons per year, reaching 35,538 tons in 2020. Added to all of the above, we strictly complied with the projected schedule, developing the project in a total of 27 months from its approval to its start-up.

Thanks to the Zarate MP4 project I had the opportunity to meet more than 30 professionals of different ages and experiences, all very committed to their job and working as a great team. This is what fills me with pride and was by far the best award.”



CÉSAR VELAZCO,
Head of Paper
Machine, Softys
Argentina

Reflection of our operating sustainability

PAPER MACHINE NO. 4

“With a special focus on the efficiency of natural resources, this 2020 we started up paper machine No. 4 (MP4) in our operations in Zarate plant (Argentina), a project that we began to develop in 2018.

This state-of-the-art machine complies with environmental emission indexes and is also aligned with Softys’ water reduction goal, which is part of Empresas CMPC’s sustainable commitments. Its average water consumption is 4.67 m³/t, equivalent to 25% of what other paper machines consume, which allows us to reduce the water use of the entire plant to 17 m³/t.

It also produces significant savings in electric power, thanks to the inclusion of a turbine system that uses the water flow coming from the intake box to generate a maximum power of 72 kWh/t

and a saving of 50 kWh/t for 19 g/m² product.

Also, we installed a vacuum generation system using a turbine that replaces the traditional pumps and is essential to achieve water and energy savings.

Its capacity is 242 tons of paper per day, which represents a 50% increase in the production capacity of the Zarate plant. Also, this macro project contributed to improving the productivity of the paper processing lines in the conversion area by 5% to 7%.

I am proud to be part of the team that started up the new paper machine, one of the company’s most important projects over the past few years. While I was learning and training in other subsidiaries in the region, I also shared experiences with this tremendous group of people, preparing us for the future.”

OUR CONTRIBUTION TO CLIMATE ACTION

Our emission reduction goal
(305-1, 305-2, 305-3)

Emissions MAT

According to the UN, we are facing a triple planetary crisis: climate, nature, and pollution. As a result, in the renowned Paris Agreement, many countries committed to reducing their greenhouse gas (GHG) emissions.

Along these lines, our goal sets us important challenges in direct emissions (Scope 1) and indirect emissions from consumption and distribution (Scope 2), where we are already making initial progress.

Since 2017, we have measured our carbon footprint based on the corporate accounting and reporting standard GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The standard groups greenhouse gas emissions into 3 scopes.

DID YOU KNOW?

SCOPE 1: GHG EMISSIONS THAT COME FROM OWN SOURCES OR ARE CONTROLLED BY THE COMPANY. EXAMPLE: FOSSIL FUEL COMBUSTION IN FIXED OR MOBILE SOURCES, AND UNINTENTIONAL LEAKS FROM AIR CONDITIONING EQUIPMENT, AMONG OTHERS.

SCOPE 2: GHG EMISSIONS ASSOCIATED WITH ELECTRIC POWER CONSUMPTION, I.E. THE ENERGY WE PURCHASE AND THE STEAM GENERATED BY THIRD PARTIES.

SCOPE 3: GHG EMISSIONS FROM SOURCES THAT ARE NOT OWNED OR CONTROLLED BY THE COMPANY. EXAMPLE: TRANSPORTATION OF FINISHED PRODUCTS, AIR OR LAND TRAVEL FOR BUSINESS PURPOSES, TRANSPORTATION OF SUPPLIES, AND GENERATION AND TRANSPORTATION OF WASTE, AMONG OTHERS.

EMISSIONS SUSTAINABILITY GOAL IN MTCO₂E

| CATEGORY | 2018 | 2019 | 2020 |
|----------|------|------|------|
| Scope 1 | 406 | 396 | 396 |
| Scope 2 | 238 | 192 | 160 |
| Total | 644 | 588 | 556 |

Source: Sustainability and Environmental Area CMPC.

Thanks to our efforts in energy matters, in 2020, we achieved a 1.4% reduction in our Scope 1 and 2 emissions, reaching a total reduction in the latter of 7.5%, due to the purchase of green attribute for industrial operations in Chile, which means new contracts for the supply of 100% renewable electric power.



| CARBON FOOTPRINT IN MTCO ₂ E | | |
|--|-------|-------|
| CATEGORY | 2019 | 2020 |
| Scope 1 | 396 | 396 |
| Scope 2 | 192 | 160 |
| Scope 3 | 2,215 | 2,162 |
| Total | 2,803 | 2,717 |

Source: Sustainability and Environmental Area CMPC.

We also release other gases such as nitrogen oxide (NO_x), sulfur dioxide (SO₂), and particulate matter (PM) into the air. In this sense, and given the inclusion of our new plants in the calculation (Papelera Panamericana and Sepac), we detected an increase in NO_x, which is also explained by the operation of our new paper machine at the Zarate plant, Softys Argentina. On the other hand, we noticed a decrease in SO₂, which is explained by the fact that the hood of one of the paper machines in Softys Uruguay, which is one of the main sources of emissions of this pollutant, stopped working. At the same time, there was an increase in particulate matter due to problems in the biomass boiler, which meant that only one paper machine was in operation in 2020.

| OTHER EMISSIONS IN TONS | |
|----------------------------|------|
| CATEGORY | 2020 |
| NO _x | 539 |
| SO ₂ | 14 |
| PM | 384 |

Source: Sustainability and Environmental Area CMPC.

Note 1: Plants included in the calculation: Zarate, Naschel, Caieiras, Mogi, Talagante, Puente Alto, Altamira, Garcia, Cañete, Santa Rosa, Pando and Sepac.

Note 2: Santa Catarina does not have fixed sources such as kilns and boilers; it only has a diaper machine that is in the process of being migrated and, for this reason, no study was conducted and no emissions were measured. Cali does not generate emissions due to its processes. Santa Anita does not have fixed sources such as kilns and boilers, so they do not monitor emissions. Guayaquil and Tortuguitas do not measure fixed sources. Papelera Panamericana, Recife and Guaiba do not monitor emissions due to legislation.

Committed to climate change mitigation

100% NCRE

“The 2030 greenhouse gas (GHG) emissions reduction goal is very ambitious, as is the expected growth for the same period both in volume and production. To achieve progress in this area cost-effectively, in 2020 we focused on reducing indirect emissions associated with the purchase of electric power for our operations in Chile and Peru.

In the case of Chile, we tendered the purchase of non-conventional renewable energy (NCRE) certificates to support 100% of the electric power from current contracts for the period 2020-2027. The official balance and validation of the national electrical coordinator is carried out for each year in March of the following year.

In the case of Peru, we carried out a tender process for the electric power supply of the Cañete, Lima, and Arequipa plants from January 1, 2021 to 2025, which was awarded including the certification of non-conventional renewable energy resource (RER) for 100% of its energy.

THE ENVIRONMENTAL CHALLENGE OF OUR REGION, AND PARTICULARLY OF OUR COMPANY, IS GIGANTIC. CONTRIBUTING, EVEN WITH A LIMITED INITIAL IMPACT, BUT CREATING A SEED THAT CAN GROW AND BECOME A GREAT CONTRIBUTION GIVES GREAT SATISFACTION.”

REINALDO URIBE
Corporate
Operational Control
Assistant Manager,
Softys



VICENTE LEYBA, Supply Chain Director, Subsidiary in Mexico

100% optimization

VALLE DE MEXICO PLANT

In 2020 Softys invested in a new facility, the Valle de Mexico Plant, in the municipality of Cuautitlan Izcalli, which helps to bring down CO₂ emissions by reducing the distance traveled to supply clients.

This facility, apart from operating as a paper conversion center, has an annual production and distribution capacity of 100 thousand tons. Besides the benefits of having a plant in a central area of the country, it is expected to create direct and indirect jobs for more than 500 people.

To learn more about the impact and benefits of this project, we talked to Vicente Leyba, responsible for its design and execution.

When and how was this initiative born?

In June 2018, when the Board of Directors of Softys approved the Stage 1 Logistics Optimization project which, with the opening of a new production plant and distribution

center, sought to generate savings, reduce our carbon footprint and improve service levels.

ALL THESE BENEFITS TRANSLATE INTO LOWER FREIGHT COSTS, AN IMPROVEMENT IN OUR PROFITABILITY AND, OF COURSE, LESS IMPACT ON THE ENVIRONMENT IN TERMS OF CO₂ EMISSIONS.

What are the main benefits of this plant?

Having these new facilities in a strategic area such as the center of the country allowed us to avoid traveling more than 2.6 million kilometers, thus contributing to reducing our carbon footprint and supplying central, western and southeastern Mexico.

Also, we were able to generate over-budget logistics savings of USD3.015 billion, and we shipped 7,471 transports from the plant.



Softys
Canete,
Peru

Energy^{MAT}
(302-1)

Non-renewable energy types - mainly oil, coal, and gas - can become one of the major contributors to global warming. At Softys, we are working to change this model, moving towards an efficient, 100% renewable energy use that protects our planet.

Our energy consumption reached 3,423 GWh in 2020, showing a reduction of 5.3% compared to the previous year. The main energy source consumed is natural gas, of non-renewable origin, which accounts for 60% of total energy consumption.

ENERGY CONSUMPTION
BY FUEL TYPE IN GWH

| CATEGORY | 2019 | 2020 |
|-------------|---------|---------|
| Natural gas | 2,069.9 | 2,043.0 |
| Electricity | 953.6 | 847.0 |
| Biomass | 442.0 | 431.3 |
| Steam | 129.7 | 96.6 |
| LPG | 17.4 | 3.7 |
| Diesel | 2.8 | 1.4 |
| Oil 6 | 0.2 | 0.2 |
| Kerosene | 0.5 | 0.2 |
| Total | 3,616.0 | 3,423.4 |

Source: Corporate Operational Management

Note 1: 2019 data are corrected from those reported in the previous report due to some under-calculations.

Note 2: The electric power recorded corresponds to electric power purchased from third parties, it does not include the electric power generated in the Altamira and Talagante plants turbines.



DIANA SALVATIERRA, Jefe Prevención de Riesgos, Softys Ecuador

“We implemented the energy efficiency project, aligned with the corporate goals of CMPC/Softys and in compliance with local regulations. Energy consumption is an important part of the company’s costs and greenhouse gas emissions, so using LED lighting that consumes less energy brings us a double benefit: economic and environmental. Phase 1 of the project involved the Distribution Center and is 100% implemented, generating energy savings of 25%. Phase 2 includes the replacement of the lights at the Guayaquil Plant, which is underway according to the approved schedule for 2021. The overall progress of the project is 40%.”

Energy efficiency project
REPLACEMENT OF LED LIGHTS

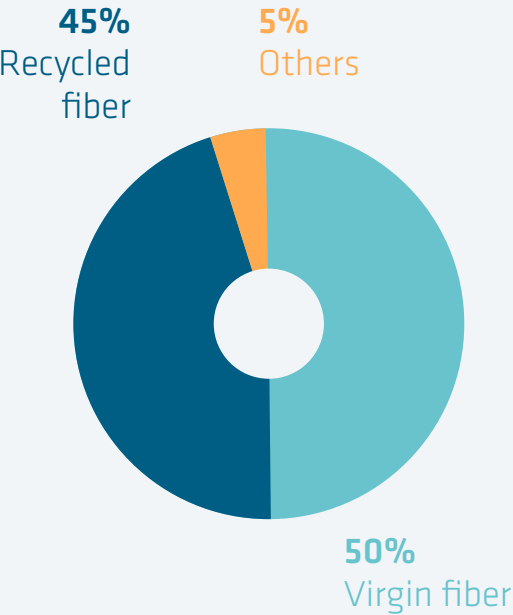
DETERMINED ACTIONS TOWARDS CIRCULAR ECONOMY

Waste ^{MAT} (306-1, 306-2, 306-3, 306-4, 306-5)

At Softys, we use recycled pulp fibers obtained from old or recovered post-consumer paper (office paper, printing paper, magazines, brochures, boxes and cases, printing press trimmings, etc.) for the production of tissue products. We also use virgin pulp fiber, a renewable material from certified sustainably managed forests, which allows us to achieve the desired properties and qualities of our products.

In this way, we operate as a very important recycler of materials that, if not reused, would end up in municipal landfills, where they are second only to organic waste in terms of amount. As a consequence of this use of recycled fibers, the main waste from our tissue paper production is generated: fiber sludge.

SHARE OF COMPOUND IN THE USE OF FIBERS



DID YOU KNOW?

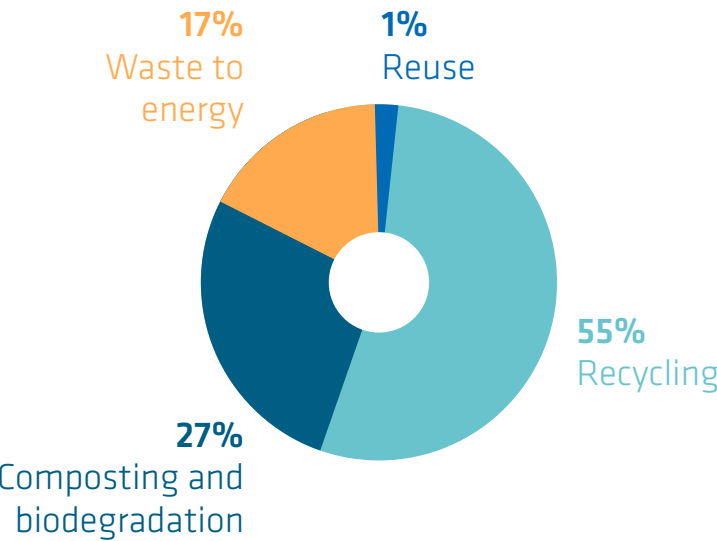
FIBER SLUDGE IS THE RESULT OF THE PURIFICATION OF OUR INDUSTRIAL DISCHARGES. IT IS A WET MATERIAL CONTAINING DEGRADED AND DAMAGED FIBERS FROM RECYCLED OR OLD PAPER - THAT CANNOT BE REUSED TO MAKE TISSUE PAPER - AS WELL AS MINERAL LOADS AND OTHER MINOR POLLUTANTS OF THE SAME ORIGIN. APPROXIMATELY 0.5 TONS OF WET SLUDGE ARE PRODUCED PER TON OF TISSUE PAPER MANUFACTURED, EQUIVALENT TO 5 QUINTALS OF FLOUR.

ALSO, PAPER SLUDGE CAN BE USED FOR MANUFACTURING COMPOST AND BUILDING BRICKS.

We are aware of the importance of eliminating waste; given the negative impact, it has on ecosystems. That is why we support Empresas CMPC's sustainable commitments with special impetus. In particular, to being a zero non-hazardous waste to landfill company by 2025. This compels us to find the best recovery methods, so that they become useful materials for other uses, activities or industries, or to reuse them in our production chain.

Our hazardous waste is disposed of in specialized secure landfills authorized by the appropriate environmental and health authorities. These correspond to 0.2% of our waste.

WASTE RECOVERY BY TREATMENT METHOD



WASTE BY TYPE IN TONS

| CATEGORY | 2018 | 2019 | 2020 |
|---------------|---------|---------|---------|
| Non-hazardous | 459,315 | 541,410 | 477,017 |
| Hazardous | 764 | 1,061 | 1,008 |
| Total | 460,078 | 542,470 | 478,025 |

Source: Sustainability and Environmental Area CMPC.

Note: Given the incorporation of Sepac and Papelera Panamericana, the data published in the 2019 Sustainability Report is corrected retrospectively.

NON-HAZARDOUS WASTE BY METHOD OF TREATMENT IN TONS

| CATEGORY | 2018 | 2019 | 2020 |
|----------------|------|------|------|
| Recovery | 14% | 16% | 19% |
| Final disposal | 86% | 84% | 81% |

Source: Sustainability and Environmental Area CMPC.

WE CURRENTLY RECOVER 19% OF OUR WASTE, COMPARED TO 81% THAT GOES TO LANDFILLS. THE CHALLENGE IS NOT MINOR, BUT WE ARE MAKING STEADY PROGRESS: WE ADVANCED FOUR PERCENTAGE POINTS IN RECOVERY COMPARED TO OUR BASELINE IN 2018, WHEN WE RECOVERED ONLY 15%.

OF THE 91,828 TONS OF WASTE WE RECOVERED, EQUIVALENT TO 6.2 TOWERS OF PISA, 55% WAS RECYCLED.

27% IS COMPOSTED AND BIODEGRADED.

Towards 2025 we are making progress in composting

PARTNERSHIPS TO ACHIEVE OUR OBJECTIVES

“Before the start-up of the composting plant, Softys Uruguay disposed of its paper sludge in the municipal landfill of Cañada Grande, Local Government of Canelones.

This project consisted of the construction of a 7,000 m² greenhouse and the supply of the necessary equipment to operate the composting plant. The plant complies with the provisions of the local environmental authority (Dinama), which establishes that landfill disposal of waste must be considered as the final option, once the corresponding efforts and studies have been carried out to rule out other options.

Following the implementation of this initiative, we will send all the paper sludge from our plant for composting (2020 average: 570 t/month), while the Local Government of Canelones will send municipal plant waste from pruning of public spaces (190 t/month).

In this way, and mainly with the objective of “Zero Waste 2025”, this project is born from the synergy between public and private stakeholders who share a problem to solve, to transform an environmental problem into a resource, recycling the nutrients of these materials to incorporate them in production systems, in public recreation areas or as coverage of final disposal sites”.

MIGUEL VIGNOLO,
Project Manager,
Softys Uruguay



MARCOS VINICIUS,
TPM Process
Leader, Softys
Brazil

More awareness,
fewer trims

TRIMMING REDUCTIONS

“Since 2019, we find ourselves working on reducing the trimmings in our plants because we understand that generating less waste only brings benefits. Thus, we started the ‘Padrino de Linea’ (Line Sponsors) project. Collaborators who, together with a series of measures, support in the difficult task of awareness-raising in the team.

Some of the activities we carried out to reduce trimmings at the Caieiras plant were: we parameterized the vision system, reducing the volume of products discarded at the beginning and guaranteeing their complete process; we started the product analysis after packaging at an hourly interval, reducing the volume of products that fail due to packaging-related problems; we worked on standardization and strongly on the LILA activity (cleaning, inspection, lu-

brication and operational adjustments standard), which reduced small downtimes and false starts; and we created the “Enemigos del Recorte” (Enemies of Trimming) logo.

This awareness-raising campaign enabled us to reduce Personal Care trimmings in Brazil by 44%, closing the year with an average of 3.7%, which translates into the fact that in 2020, we stopped producing more than 10,398 tons of trimmings, equivalent to almost half a month’s production and 1.02 times the Eiffel Tower.

“IN A YEAR OF PANDEMIC, THIS PROJECT WAS ABLE TO HELP THE COMPANY LOWER THE IMPACTS OF REDUCED DEMAND FOR OTHER CATEGORIES AND MAKE OUR PROCESS MORE PROFITABLE.”



Our solid waste is not only composed of paper sludge. From the Personal Care area, another waste we generate are the discards or trimmings of our products, both women’s care products and diapers for babies and adults, which are composed of different materials, making their recovery an even greater challenge.

For recovery, we must first separate the individual components: on the one hand, we isolate the organic waste (from pulp) and, on the other hand, we separate raw materials such as plastics and super absorbent, which are used to create new recycled raw materials for industrial use.

It is estimated that a diaper takes between 150 and 300 years to degrade. At Softys we are moving forward to contribute to solving this problem, with projects to manufacture other products based on the trim material and in which the support and joint work with our suppliers has been fundamental.

At Softys Colombia we developed solutions for agricultural and pet products thanks to the super absorbent, while with the discarded plastic we developed tutoring stakes for growing trees; projects that are in full development. Currently less than 1% goes to landfill.

We know the importance of communicating our progress to our stakeholders. Bringing information simply and tangibly is part of the mission we have assumed as a consumer goods company.

This is why we partnered with Discovery Channel in the Click Sustentable (Sustainable Click) initiative, through five micro-videos that tell the experiences of different people who are already working towards a more conscious world and in which we take the opportunity to reinforce our commitment to SDG 12 “Responsible Consumption and Production”, giving consumers concrete advice on how to consume in a more sustainable way and with less impact.





- RAMIRO
RUSSI, Head of
Sustainability,
Softys Colombia
-

Zero waste

WE RECOVER WHAT WE
GENERATE

The use of waste in operations is not new. Having a focus on environmental care, but also cost optimization is what Softys Colombia has been doing for many years, being a competitive advantage with the rest of the companies in the industry.

The 2020-2023 Sustainability Strategy gave Softys the necessary framework and context for the subsidiary's progress in waste recovery to move forward, supporting its efforts and programs with a zero waste certification.

“THIS PROJECT IS THE FIRST STEP IN THE CONSOLIDATION AND POSITIONING OF SOFTYS IN COLOMBIA AS A SECTORAL BENCHMARK IN SUSTAINABILITY AND CIRCULAR ECONOMY ISSUES. BEING PART OF THIS ACHIEVEMENT AND KNOWING THAT WE ARE BUILDING A STRONG BRAND, AWARE OF ITS GLOBAL AND LOCAL ENVIRONMENT, AND COMMITTED TO THE ENVIRONMENT IS A SOURCE OF PRIDE.”

We talked to Ramiro Russi, Head of Sustainability at Softys Colombia, who led the structuring and implementation of a new zero waste management system in 2020.

“This year we implemented a project in parallel in our two plants: Santander de Quilichao and Gachancipa, structuring a management system that will be based on the zero waste certification manual, using an Agile methodology; the PM4R of the Inter-American Development Bank (IDB).

This simple but efficient way of working allowed us to identify what we had and what we needed to structure our management system and achieve this certification in record time.”

What results have been achieved with this project?

Today, with satisfaction we can say that we are the company certified in this ICONTEC zero waste program with the highest percentage of waste recovery: Gachancipa with 99.4% and Santander de Quilichao with 96.5%”.

What does this project mean for Softys Colombia in terms of sustainable innovation?

“This project is the first step in the consolidation and positioning of Softys in Colombia as a sectoral benchmark in sustainability and circular economy issues. Being part of this achievement and

knowing that we are building a strong brand, aware of its global and local environment, and committed to the environment is a source of pride.”

It is worth mentioning that Ramiro also designed the zero waste information system (SIBC, for its acronym in Spanish) and the Business Intelligence platform that captures all the waste information for Colombia and automatically creates reports in real time (a development for which we were widely recognized by the Organización Basura Cero Global (Global Zero Waste Organization) and ICONTEC.

THE CERTIFICATION OF OUR SUPPLIES

Materials and packaging ^{MAT}

(301-1, 301-2, 301-3)

For the manufacture of our products we use mainly virgin pulp fiber from sustainable forest management, and recycled fibers recovered from old waste paper, recyclable materials, and others. At Softys we ensure that we use fibers and materials from operations that meet FSC® criteria, and in six of our countries of operation, we already have FSC Chain of Custody certification (Argentina FSC-C155634, Brazil FSC-C089458 y FSC-C155634, Chile FSC-C106570, Mexico FSC-C140356, Peru FSC-C155634 and Uruguay FSC-C155634) and are currently in the process of obtaining the certification in the other two.

DID YOU KNOW?

FSC (FOREST STEWARDSHIP COUNCIL) CHAIN OF CUSTODY CERTIFICATION VERIFIES THAT THE PRODUCTS THAT WE SELL WITH THE FSC LABEL CONTAIN ONLY FIBER MATERIALS FROM FORESTS MANAGED WITH DEFINED SUSTAINABILITY CRITERIA AND RECYCLED FIBER OPERATORS WITH APPROPRIATE PROCESSES, ENSURING TRACEABILITY THROUGHOUT THE ENTIRE SUPPLY CHAIN.

For our tissue products (in both consumer goods and away from home use), we used virgin and recycled fibers, in a ratio of approximately 50/50 in 2020, which was due to the reduced availability of recovered fiber as a result of the Covid-19 pandemic that affected the paper and cardboard collection circuit. We also use other fiber materials such as cardboard for the core of the rolls, other corrugated cardboard tubes and boxes, and boxboard cases.

In short, a toilet paper or paper towel is 100% made of renewable and biodegradable materials, except for its packaging, in which we use mainly plastics due to its resistance and quality to protect them.

In parallel, our Personal Care products (baby diapers, women's care products, adult diapers, etc.) are made of approximately 61% fluff pulp and 39% other materials, such as nonwovens, polyethylene, adhesives, tapes, elastics, and super absorbent polymers (sodium polyacrylate SAP). In terms of packaging, we mainly use plastic materials, due to the weight of the products and the strength required to contain them and maintain both quality and safety.



Maybelline Solís García, Altamira Plant, Subsidiary in Mexico

TYPES OF PACKAGING



PRIMARY PACKAGING

- In immediate contact with the products.



SECONDARY PACKAGING

- Groups several primary packages for palletizing and protection.



TERTIARY PACKAGING

- Wraps the pallet (stretch film), allows protected storage until the time of sale.

MATERIALS USED BY ORIGIN IN TONS

| | CONSUMER TISSUE | % | PERSONAL CARE | % |
|------------------------|------------------|-------------|----------------|-------------|
| Virgin fiber (pulp) | 517,416 | 50% | 70,975 | 61% |
| Recycled fiber (paper) | 464,673 | 45% | 0 | 0% |
| Other materials | 45,977 | 5% | 44,848 | 39% |
| Total | 1,028,066 | 100% | 115,823 | 100% |

Source: Operations Area.

MANUFACTURING AND PACKAGING MATERIALS IN TONS

| | CONSUMER TISSUE | % | PERSONAL CARE | % |
|---|------------------|-------------|----------------|-------------|
| Pulp and paper materials (fibers, cardboard, boxes) | 1,046,980 | 92% | 72,521 | 40% |
| Plastic materials in packaging | 31,383 | 3% | 7,593 | 4% |
| Chemicals and adhesives (super absorbent, adhesives, etc.) | 60,229 | 5% | 58,360 | 31% |
| Other materials (nonwoven, polyethylene, elastic tapes, etc.) | -- | -- | 44,848 | 25% |
| Total materials used | 1,138,592 | 100% | 183,322 | 100% |

Source: Operations Area.



PARTICIPATING IN THIS HUGE CHALLENGE IS SOMETHING THAT FILLS ME WITH PRIDE, BECAUSE OF THE TREMENDOUS EFFORT I HAVE SEEN FROM MY COWORKERS, MAINLY FROM OPERATIONS WHERE THE L250 TEAM, QUALITY, AND MAINTENANCE GAVE EVERYTHING TO ACHIEVE SUCCESS.

“
RHIDA LIRA,
Head of Product
Development,
Softys Chile
”

New Eco Elite paper packaging

LATIN AMERICA'S FIRST 100% RECYCLABLE AND BIODEGRADABLE TOILET PAPER

Softys created the first 100% recyclable and biodegradable packaging in Latin America for Elite toilet paper, which seeks to replace plastic with paper in primary packaging.

In this section we have an interview with Rhida Lira, Head of Product Development at Softys Chile, who led the project as part of the Softys Development area, responsible for coordinating

the production, developing materials with suppliers, collaborating with the business case, and seeing the tests on the machines among other activities.

Tell us Rhida what this new product has meant for Softys?

This product is a pioneer in its packaging in the tissue industry in Chile. Undoubtedly, it supports the promise of

innovation and care that we have at Softys and our commitment to the circular economy. With this product, we can have a fully biodegradable product at the point of sale.

This project is part of Softys sustainable innovation progress and is a milestone on the path to a circular economy.

How was this commitment born?

Under the “Protect our common home” pillar of our 2020-2023 Sustainability Strategy, we have committed to take responsibility for the waste we generate. Under this logic, it is important to manage not only production waste but also the waste that reaches our consumers directly.

This innovation allows us as a company to improve our goals related to reduce environmental impacts.

What are the environmental benefits of this project?

The development of this packaging allows us to dispose of 15 tons less waste into the environment, equivalent to the daily waste generation of approximately 11,905 people and opens the door to further developments of this type, which will allow us to become a more sustainable company in the medium term.

How long did it take the teams to develop this project?

The project lasted about 18 months from the origin of the idea to its final implementation. During

this time there were many stages that we had to complete before the launch, such as the technical-economic feasibility, the development of the business case, and its final approval. Finally, we performed the pilot tests, identified the improvements, tested the product, and manufactured it for the first time.

Participating in this huge challenge is something that fills me with pride, because of the tremendous effort I have seen from my coworkers, mainly from Operations where the L250 team, Quality, and Maintenance gave everything to achieve success.

DELIVERING TRUST

Product quality and safety ^{MAT} (SOFTYS 5)

Delivering safe high-quality products to our consumers is the most important thing, especially for a company whose purpose is the care and whose products come into contact with sensitive parts of people’s skin.

To fulfill this commitment, we have had a Regional Quality Department since the beginning of 2020, whose mission is to manage quality during all stages of the production process, from purchasing supplies to delivering finished products to clients and consumers, with a focus on preventive management, based on education, training, and autonomy of the work teams. Also, we rely on suitable laboratories and testing that monitor and supervise our products permanently, ensuring that they are released only if they comply with the defined quality specifications.



Softys
Cañete,
Peru

QUALITY CONTROLS

- **Raw materials and supplies:** we control raw materials according to their composition and characteristics; this is done through periodic reviews and in conjunction with suppliers.
- **Product in process:** we measure the quality in paper manufacturing (jumbos), before entering the conversion process. At this stage, we evaluate the weight, moisture, whiteness, and strength of the paper among others.
- **Production process:** we carry out a third control during manufacturing in two instances: through automatic control devices (cameras, scanners, among others) and by the people who make up the quality teams, having as the main tool the methodology of the MQ (Quality Maintenance) pillar of TPM.
- Also, production operators carry out different self-monitoring of process characteristics, with periodic audits carried out by the Quality teams.
- Our machines and processes comply with all the standards defined in our quality management system and good manufacturing practices, which allow us to manufacture products that are safe for their intended use. We also have quality inspectors at our plants who monitor the strict application of quality standards and carry out product controls in accordance with specific sampling protocols.
- **Finished product control:** we carry out constant sampling and random assessments of finished products in all categories, measuring parameters such as softness, whiteness, the position of elements, dimensions, packaging, weight, absorption,

among others, to ensure that they are within the established limits. To that end, we have laboratories in each plant with the necessary equipment to measure the different physical and performance variables.

- **Control at the point of sale:** the last control measures the quality of the existing products at the different points of sale, to ensure that they reach our clients with the same quality as when they left our plants.
- We carry out this assessment once a year, through a panel of experts who check the product and make comparisons with what each country reports as its internal quality level. This feedback is used to continuously improve our processes. Finally, we have external audits that we carry out once a year, in addition to our internal review and monitoring processes.

NEW ACTIVITIES

In 2020, we carried out different activities to share best practices among our subsidiaries. We created the Quality Community, made up of the top quality representatives in each country, who are responsible for the strategic planning and execution of all activities aimed at improving the quality of our products.

Also, we created the Quality Incident Management Procedure, which defines the guidelines to be followed in the event of a major or minor quality incident, whether internal or external.

Along with this, we worked on the development of Softys’ Quality Policy, which was implemented in November 2020 and will contribute to standardize our processes in each plant.

The work was multidisciplinary and integrated the areas of Quality Assurance, Legal Management, Business Management and Operations and Innovation Management. In this way, we were able to define an internal procedure for dealing with quality incidents and their associated management, which aims to improve communication with our consumers and act quickly to correct non-conformities.

ALL THESE ACTIVITIES CONTRIBUTE TO REDUCING THE COMPLAINT RATES OF OUR PRODUCTS.

COMPLAINT RATE

| QUALITY MEASURES | 2020 |
|--------------------------------|------|
| Consumer Tissue complaint rate | 5.9 |
| AFH complaint rate | 1.9 |
| Personal Care complaint rate | 1.5 |

Source: Quality Assurance Area.
Note 1: Complaints per 1,000 tons sold in Consumer Tissue and AFH.
Note 2: Complaints per 1,000/units sold in Personal Care.

06

Co-build a sustainable economic environment

IN ORDER TO BUILD A SUSTAINABLE ECONOMIC ENVIRONMENT, IT IS NECESSARY TO ACT TOGETHER WITH OUR STAKEHOLDERS, WHERE WORKING WITH ALL THE PLAYERS IN OUR SUPPLY CHAIN TAKES ON SPECIAL RELEVANCE, BASED ON A LOGIC OF CONTINUOUS IMPROVEMENT.

8,823
Suppliers.

3,105
Micro and SME.

463
Critical suppliers.

31

Average payment days to
Micro and SME suppliers.

6.2%

Of sales were made using
e-commerce.

5

Online sales
channels.

The best care, for a better tomorrow

MATERIAL
ISSUE

Responsible procurement ^{MAT}
Digital transformation ^{MAT}

(103-1, 103-2, 103-3)

Why is it material?

Sustainable supply chain management ensures compliance with current regulations and contributes to the creation of long-term environmental and social value, which is key to ensuring continuity of operations and managing business costs.

Also, technology plays a fundamental role in the evolution of the entire value chain, from the digitalization of purchasing processes to the platforms for selling the product to clients. Digital transformation is a comprehensive and complex process that not only considers the incorporation of technological tools, but also a view of continuous cultural and operational improvement.

OUR GUIDES
TO MANAGE
THESE MAT

- Corporate Integrity and Probity Policy
- Code of Ethics
- Code of Conduct for Suppliers
- Crime Prevention Model
- General Terms and Conditions for Contracting Services
- General Terms and Conditions for the Supply of Goods
- Environmental Guide for Suppliers
- Purchasing Procedure
- Special Regulations for Contractors and Subcontractors in Chile

HAND IN HAND
WITH OUR
SUPPLIERS

Responsible
sourcing ^{MAT}

(102-9, 204-1, 414-1)

Our suppliers are key to the development of our business and an indispensable part of our production chain, which is why we seek to build a long-term relationship with them that creates shared value.

Starting in 2020, the supplier payment process will be managed directly from Softys, facilitating communication with our suppliers and streamlining payment systems.

SUPPLIER FIGURES
BY CATEGORY

| CATEGORY | 2020 |
|--|-------|
| Total suppliers | 8,823 |
| Critical suppliers | 463 |
| Micro and SME | 3,105 |
| Average days of payment to suppliers | 50 |
| Average days of payment to Micro and SME | 31 |

Source: CMPC Corporate Administration.

Note: In Chile the average payment of Micro and SME does not exceed 7 days.



Larissa Fernández,
Pando Plant,
Softys Uruguay

CRITICAL SUPPLIERS: are the ones that supply raw materials, materials, and services belonging to categories relevant to the production process, due to the size of the expense or its socio-environmental impact.

LOCAL SUPPLIER: national suppliers, whether manufacturers, distributors, importers or service providers, who supply the local Softys subsidiary in each country.

SME SUPPLIER: smaller suppliers, within the local regulations and legislation definitions in force in the subsidiary's country.

The year 2020 was marked by hard work to maintain the supply chain to secure supplies for the production of our products, most of which are to satisfy basic needs.

The first step was to define the critical supplies for operations and prepare different contingency plans. Additionally, at the beginning of the pandemic, we had to urgently secure personal protective equipment (PPE) for 100% of our collaborators and service providers at our facilities.

The contingency plans we carried out were as follows:

- Development of alternative suppliers of supplies, materials, spare parts, and services.
- Standardization and simplification of supply specifications.
- Increase in inventory levels (safety stock).
- Multi-sourcing (demand sharing with many suppliers), for the procurement of essential supplies and materials in other regions, to mitigate risks at a global level.
- Development of local suppliers.
- Collaboration with strategic suppliers of critical supplies.

At the regional level, we adopted the following measures in our subsidiaries:

- Sending a letter to Softys' main suppliers for raw materials, supplies, services, materials, and spare parts to inform them of the prevention and operational continuity measures implemented and requesting their support and commitment to maintaining the supply chain of products that satisfy the basic needs of our consumers.
- Covid Softys protocol communication session to contractor suppliers.
- Training for plant service providers with the adopted protocols.
- Surveying with plant service providers to learn about their internal protocols for managing the Covid-19 pandemic.



Softys
Naschel,
Argentina

MAIN RESULTS OF THE
HEALTH AND SAFETY SURVEY
SENT TO SUPPLIERS

| | |
|------------------------------------|--|
| SURVEY OBJECTIVE | To learn about suppliers' internal management protocols for the Covid-19 pandemic. |
| NUMBER OF SUPPLIERS THAT RESPONDED | A response rate of 89% of the 717 invited. |
| MAIN RESULTS | <ul style="list-style-type: none">• 91% of suppliers have communicated and trained their employees.• 89% carry out health controls of their collaborators (survey or temperature taking).• 89% have their own health and safety protocols.• 85% ensure that their employees are aware of the protocols to be followed.• 66% of the protocols were prepared with specialized healthcare advice. |

Suppliers that did not meet 100% of the requirements surveyed were provided with support and advice to fully comply with the protocols.

Also, we kicked off our work on this matter by creating a responsible procurement procedure and a Softys supplier criticality matrix, both of which we expect to launch in 2021.

WE DEFINED ECOVADIS AS
A PARTNER TO IMPLEMENT
A PROGRAM TO ASSESS
AND AUDIT SOFTYS
CRITICAL SUPPLIERS IN
SUSTAINABILITY.

The Responsible Procurement Program considers the following milestones:

- Identify Softys supplier categories.
- Define the categories to be evaluated according to the risks identified in each industry.
- Evaluate suppliers in the categories considered critical.
- Consolidate evaluation results.
- Prepare the corresponding action plans to mitigate the risks.
- Plan the continuity of the program for 2022.

Also, we implemented the Ariba Sourcing and Contract modules that electronically carry out price negotiations (tenders and quotations) and supply contracts with suppliers.

The following steps were taken for its successful implementation:

- Identification of the purchasing processes in all subsidiaries.
- Design of the purchasing process to be implemented.
- Change management plan.
- Training of the purchasing team and suppliers.

- Development of user manuals and communication plan for users.
- A weekly follow-up to monitor the adoption of the system.

In 2020, we achieved that more than 70% of transactions and spending were done using the Ariba tool. For 2021, it is planned to promote the adoption of the Ariba Network by suppliers, which is a communication and business management tool. Also, it is expected to implement Ariba SLP (Supplier Lifecycle Performance), a module of SAP Ariba, which evaluates suppliers' initial onboarding, performance, and operational continuity.

SOFTYS BUSINESS
PARTNER AWARD

In January 2020 we held the first edition of the Softys Business Partner Award, an event that was attended by more than 250 guests from 18 countries, including collaborators, suppliers and executives from our company and Empresas CMPC.

The main objective of this meeting was to strengthen the bonds of trust, as well as to improve communication with supplier companies and to recognize the outstanding suppliers of 2019 in five categories:

- Innovating for our care.
- Excellence in service.
- Sustainability.
- Value creation.
- Operational efficiency.

This event had an evaluation of 4.8 points out of a total of 5.0. This indicates the success we achieved with this activity, which seeks to bring us closer to our suppliers and strengthen responsible procurement.



Promote supplier evaluation

“From the Procurement area, we are connecting our work to Softys 2020-2023 Sustainability Strategy guidelines, by making progress in responsible procurement matters together with our suppliers, starting with the most critical ones. Given the above, in 2020, together with Empresas CMPC, we participated in the Carbon Disclosure Project (CDP) program, a specialized consulting firm in environmental evaluation of suppliers in the areas of water security, forests, and climate change in which 34 Softys supplier companies participated. For 2021, we seek to delve deeper into our supplier evaluation in ESG matters, which we will do thanks to the support

of EcoVadis, with which we will officially launch Softys Responsible Procurement program, and will analyze the environmental, social, ethical, and supply chain performance of our suppliers from a continuous improvement logic and to move forward ‘together for sustainability’. It is inspiring to bring this vision to our procurement work, as it creates a shared benefit, both for our strategic partners-in our case our suppliers-and for our stakeholders: collaborators, local communities, and the environment. I believe that promoting innovation and sustainability ensures our supply chain and operational continuity in the long term.”

“
- PATRICIO BARRIGA,
Procurement
Center of Excellence
Assistant Manager.
-

CLOSER
TO YOU

Digital
transformation ^{MAT}
(SOFTYS 6)

At Softys we have been working on digital advances to improve the experience of our consumers and clients. In 2020 we built a formal structure, with a leader in the field in each country, to ensure and consolidate the implementation, development, and deepening of e-commerce. Along with this, we achieved that our sales through this channel reached 6.2% of Softys’ total sales. We have a sales model for B2C clients and another for B2B clients.

B2C CLIENTS

In 2020, we were able to implement an ambitious development plan in all countries, opening official stores in Mercado Libre, entering last milers such as Cornershop, Rappi, and Pedidos Ya. Brazil led the development of the “Pure Player” model, expanding coverage in online stores such as Magalu and other large chains. All this work allowed us to position our brands in the main online sales portals, which is consolidated with the development of Club Softys (e-commerce sales channel) for all countries in Latin America, which will be launched in Argentina, Colombia, Ecuador, Mexico, and Peru.

128.06%
was the increase in B2C digital sales.

2.9%
of B2C sales are digital.

B2B CLIENTS (AFH)

In the Away From Home business, we started an improvement plan focused on the usability of B2B sites. For this purpose, a survey was carried out for each country, to capture the common needs of users and deliver an optimal and user-friendly solution. In November, an e-commerce site for direct purchasing focused on small and medium-sized companies was launched in Chile, which will be replicated in other countries in the region. Finally, in Argentina, Brazil, Chile, Peru, and Uruguay a plan was also launched to open official marketplace stores, making professional products available for purchase by small companies.

34.0%
of B2B business sales are digital.



LEARN ABOUT OUR FOUR ONLINE SALES CHANNELS



www.clubsoftys.cl

Our first online sales portal, which initially worked as an e-commerce platform exclusively for our employees and then expanded to consumers in Chile.

At the end of 2020, we made a change of warehouse to enable the integration of multiple logistics operators, to meet the demands of our clients such as same-day shipment and delivery.



www.lojasoftys.com.br

This platform started with the collaborator sales model and was quickly extended to all consumers in Brazil, also including the possibility of purchasing products from our Elite Professional institutional business.

The site has shown excellent results, with a very good conversion rate, showing an intuitive and pleasant experience for the user. In October, the subscription model was activated, attracting 100 consumers who migrated to a recurring purchase model.



www.tiendasoftys.cl

In Chile, a B2B platform was developed for wholesale clients, which has been well evaluated by clients in 2020.



www.mitiendacotidian.cl

A site specializing in Cotidian products, which has seen its sales quadruple in one year and was our first site with a subscription model.

In 2020 we added new products to the portfolio such as wet wash gloves, available exclusively on this site.



www.eliteprofessional.cl

In November 2020, the B2B2C platform was launched in Chile, a site focused on small and medium-sized companies so that they can access a professional solution for their businesses without having to request evaluations or credits. This option allows these businesses to purchase Elite Professional products directly online and with cash payment.

Having the data of our clients and consumers also imposes a high level of responsibility on us. That is why we have strict procedures, policies, and protocols for data protection and cybersecurity which are constantly reviewed and monitored by the IT areas of Empresas CMPC. Each company website is subjected to an external ethical hacking process, in which vulnerabilities and risks to which we may be exposed are identified, assessed, and corrected.

All our collaborators have an important security role to play. This is why we constantly carry out training on cybersecurity, focusing mainly on the detection of phishing.

To embark on the digitalization required by the company, we created an e-commerce strategy, which was launched in August and communicated to more than 150 people in the company. Also, we trained approximately 60 employees from the marketing and digital media teams in the social media management tool, Social bakers.

Also, we enabled a more user-friendly visualization in the Fiori sales application, a tool that simplifies and speeds up the sales work of our collaborators.

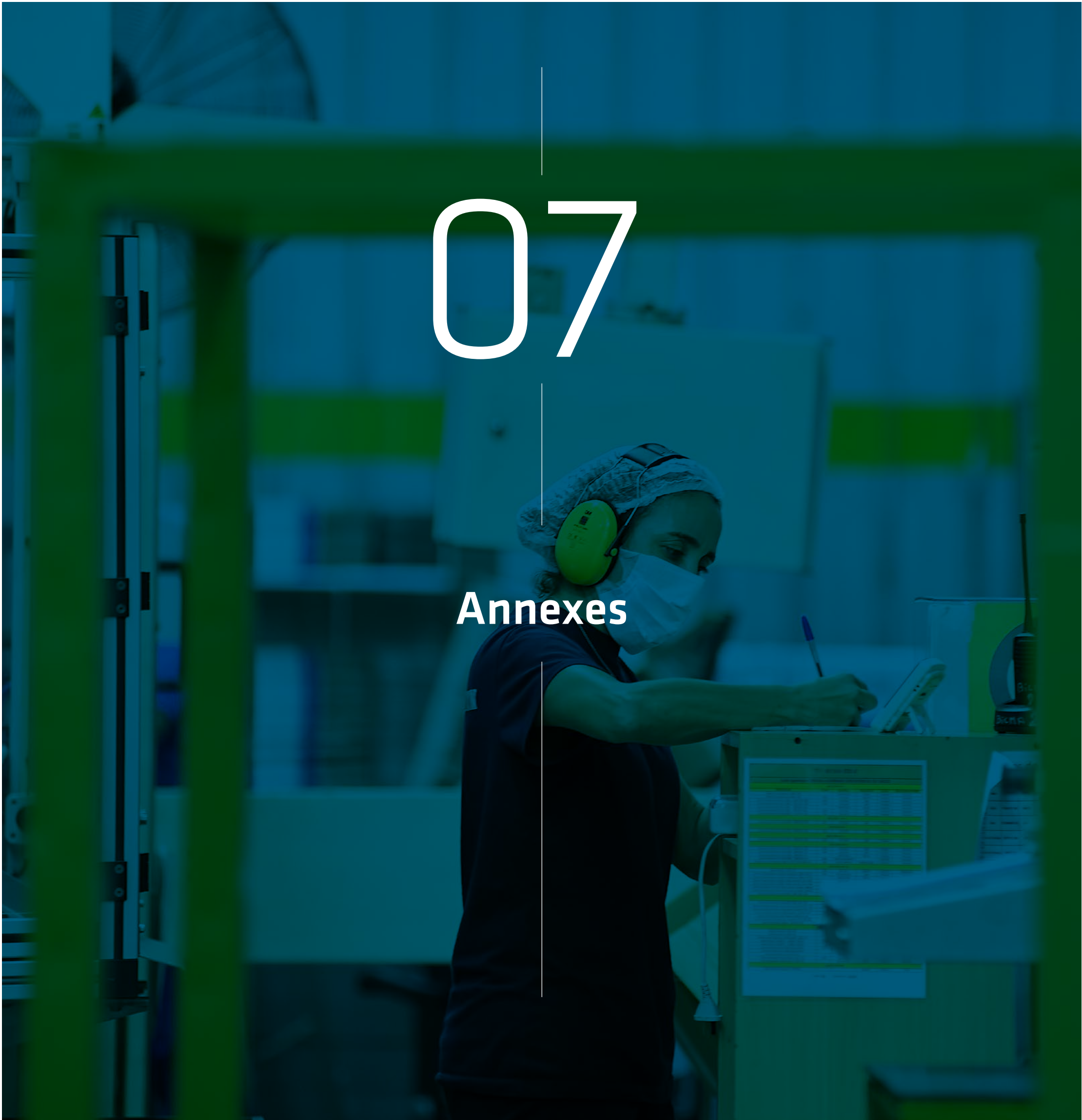
WE WANT TO THANK!

All of those who made this 2020 Sustainability Report possible, we are infinitely grateful for their work and commitment, which allows us to report annually and systematically Softys ESG information to our different stakeholders. An exercise in transparency that also becomes a great internal management tool.

- Waldo Matamala
- Luis Toro
- Javier Poblete
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- Jose Luis Gutierrez
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- Patricio Barriga
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- Cristóbal Somarriva
- Héctor Hernández
- Juan Caillabet

- Tomás Amiama
- Florencia Estrella
- Reinaldo Uribe
- Lissete Araos
- Wladimyra Villanueva
- María Cisneros
- Quezia Fernandez
- Tania Acuña
- Ramiro Russi
- María Elisa Rivero
- Diana Salvatierra
- Evelyn Robles
- Carolina Treviño
- Tiago Fernández
- Virginia Fynn





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Kellun

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Dioslascría design