



CODE OF ETHICS

Approved by the Board of Directors of
Celulosa Arauco y Constitución S.A.

Version updated as of December 20, 2016

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| | |
|--|----|
| Introduction | |
| Letter from the President & Chief Operating Officer | 4 |
| Our Values | |
| Our Vision | 6 |
| What define us | 6 |
| Our Values | 7 |
| Our Commitments | 8 |
| Application and Scope | |
| Scope of Application | 10 |
| Interpretation and Updating | 10 |
| Fundamental Principles | |
| Free Competition | 12 |
| Company Representation | 14 |
| Conflict of Interest | 15 |
| Gifts and Presents | 16 |
| Supplier Relations | 17 |
| Client Relations | 18 |
| Relationship with the Environment | 19 |
| Management of Information | 20 |
| Accuracy of Information | 22 |
| Personal Integrity | 23 |
| Corporate Criminal Liability | 24 |
| Protection of the Company's Assets | 25 |
| Ethics Committe | 27 |
| Compliance Regulation | 29 |
| Code of Ethics Commitment Letter | 31 |



INTRODUCTION

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INTRODUCTION



Letter from the President & Chief Operating Officer

Throughout our entire history, ARAUCO's actions, from day-to-day activities to great accomplishments, have been and shall continue to be governed by the strictest ethical and integrity principles, and respect of all applicable laws.

As a part of our ongoing purpose of strengthening the trust vested upon ARAUCO by our employees, clients, shareholders and investors, suppliers and communities, we must continuously review and improve all those aspects that contribute to ensure the transparency of our activities.

The following pages contain the Code of Ethics of ARAUCO, which includes principles and policies of action that must guide decisions and actions of each person who is a part of this Company.

The principal objective of this Code of Ethics is to establish a general ethical framework for employees in each and every activity of ARAUCO.

We are all bound by this Code of Ethics, not only in terms of ensuring that all of our activities fulfill the requirements of the legislation of each country in which we conduct business, but also in order to assure the application of the highest standards and principles of corporate social responsibility.

Finally, I am sure that the spirit and integrity that we have always sought in our business – and that are reflected in these principles and guidelines – shall allow us to continue maintaining and improving the fine reputation that we have built throughout the years with our clients, suppliers, shareholders, collaborators, and, generally, with the community in which we conduct business.

Cristián Infante
President & Chief Operating Officer

OUR --- VALUES



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OUR



VALUES

Our vision

Contribute to the improvement of people's lives through the development of timber products.

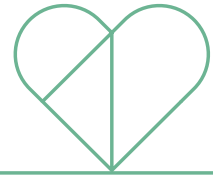
What defines us

We produce and manage renewable forestry products.

We are a global company that assumes the challenges of having a global presence.

We create products that improve people's lives for the challenges of a sustainable world

OUR



VALUES

Safety: Always a priority.

We place people's safety first in all our decisions. Only then do we consider that our work is well done. Our goal is zero accidents.

Commitment: We work with passion.

We take on challenges and work with passion, putting all our effort into fulfilling them. At ARAUCO we are honest and hard working people, and we keep our word.

Excellence and Innovation: We want to be better.

We are leaders in our enterprises, because we challenge our abilities. We set demanding goals for ourselves, and we are efficient and innovative in reaching them.

Teamwork: Together we are more.

We respect people, and we value each and everyone's contribution. By working as a team, we move forward and reach higher. We recognize our shortcomings and ask for help when we need to.

Good citizenship: We respect our surroundings and create value.

We work with a long-term vision in mind. We respect our neighbors and the environment, and contribute to social well-being around us.



Our Commitments

- Maximizing the return to our shareholders by means of efficient, responsible and quality management in all of our processes, applying systems and procedures that ensure the maximization of the value of our business.
- Promoting the sustainable use of natural resources, investing in research, technological innovation and training, in order to prevent and reduce, progressively, continuously and systematically, the environmental impacts of our activities, products and services.
- Delivering quality products and services to all clients, and encouraging our suppliers to become a part of ARAUCO's value and quality chain.
- Ensuring both occupational health and safety of our employees and our collaborating companies' employees, attempting to progressively and continuously reduce the safety risks of our operations and services.
- Generating proper conditions for the development of all Company employees, promoting work environments based on respect, honesty, professional quality, training and team work.
- Developing permanent relationships and mutual collaboration with the communities in which our operations are located, incorporating their concerns and needs into our decision-making process, and supporting their development.
- Maintaining transparent and honest communications with the various Company stakeholders.
- Complying with applicable legal requirements, as well as other commitments that regulate our business, and, to the extent possible, positively exceed established standards.
- Maintaining and applying systems and procedures that allow us to manage our business' risks, regularly assessing our performance in all processes, taking all corrective measures promptly, and providing transparent and timely information about our progress.
- Informing, training and involving our employees, contractors and suppliers in the compliance of these commitments, so as to implement this policy with the collaboration and effort of all.

APPLICATION --- AND SCOPE



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APPLICATION AND SCOPE



Scope of Application

This Code of Ethics **describes the basic obligations applicable to each of us regarding ARAUCO**. It has not been conceived to address every single possible situation, nor as a summary of all applicable laws and regulations. Therefore, under no circumstance is this Code to be considered to replace or repeal other internal policies, and/or procedures. In contrast, this Code complements and/or integrates them.

This Code is applicable to Celulosa Arauco y Constitución S.A. and its subsidiaries (“ARAUCO”), as well as to all of their directors, executives and employees.



Interpretation and Updating

When dealing with problems related to business practices, employees must always use their common sense and good judgment, and seek guidance in case of non-certainty about how to proceed in a specific situation. **All persons subject to this Code are responsible for acknowledging, abiding by, complying and ensuring the fulfillment of its provisions.**

- ▷ The adequate protection of the Company’s corporate interests **obliges that all timely report**, through the channels that shall be detailed herein, **any situation or behavior that may constitute a breach of this Code**.
- ▷ In certain cases, the provisions set forth in this Code may imply standards above or additional to those established by law. Applicable laws shall be fully observed for all matters which are not specifically addressed in this Code. Likewise, applicable laws shall contribute to the Code’s content or compensate its silence.
- ▷ **The content of this Code of Ethics shall be complied with, without exception**. Nonetheless, ARAUCO may set forth, if necessary, under certain circumstances and through the relevant formal channels, stricter behavior requirements for its employees.
- ▷ **Any inquiries or questions regarding the interpretation of this Code shall be submitted before the Ethics Committee**, which will be responsible for determining the meaning and scope of its provisions.

Furthermore, the Ethics Committee shall be responsible for evaluating any regulatory modification, and proposing the corresponding amendments to the Code’s content to the Board of Directors.



FUNDAMENTAL --- PRINCIPLES

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FUNDAMENTAL PRINCIPLES

Free Competition



ARAUCO promotes and respects free competition, not only to strictly comply with applicable legislation, but also as a healthy business practice and a fundamental principle which must govern all aspects of its business dealings. Competition stimulates efficiency and creativity, allowing the establishment of fair and equitable relationships with the parties with which we conduct business, mainly comprised by clients and suppliers of goods and services.

Competitive actions must be governed by ARAUCO's business objectives and by market considerations in which it conducts its activities. None of its employees must stray from violating the aforementioned principles. **Hence, when participating in negotiations, preparing or signing agreements or contracts, or performing business actions of any kind wherein doubts that they may result in a breach of legislation, market or competition regulations, the legal representative of the corresponding business unit must first be consulted.**



Although interaction with competitors may be necessary, unavoidable and perfectly legitimate, the above instruction is hereby reiterated and specially emphasized with regards to addressing the scope and purpose with the legal representative of the corresponding business unit.

Generally, ARAUCO's commercial strategies shall be oriented towards satisfying its customers' expectations, attempting to legitimately broaden its market base, as well as maximizing its profits and presence. If the Company holds, or it might hold, a strong position in a given market or geographical region, additional precautions must be taken regarding measures that may be interpreted as an intention to exclude or damage competitors. Furthermore, **it is hereby prohibited to develop business commercial strategies which utilize, in any way, abusive behaviors in its relationship with suppliers and clients**, whether regarding prices, contractual provisions or others of a similar nature.



Company Representation

- ▷ **ARAUCO's employees act on behalf of the Company exclusively regarding situations for which they have been authorized or empowered to do so**, whether because of the nature of their position or by explicit delegation. Therefore, employees must refrain from acting on behalf of the Company when they have not been authorized.

Employees must be especially zealous in stating that they are conducting themselves in a personal capacity, when they are aware that their own acts may be mistaken for actions performed on behalf of the Company.

The following non-inclusive list of employee actions that could be confused with Company actions include support of political campaigns, issuing statements via public media, participating in activities organized by social or community entities of any kind, making donations, submitting requests before authorities, etc. Employees must be particularly careful when dealing with government officials and public authorities where it is necessary to verify whether the employee is authorized to act on behalf of ARAUCO.

Conflict of Interest



- ▷ **Conflicts of interest may arise when ARAUCO employees, as well as their spouses or relatives in the second degree by both blood and marriage, have a considerable investment or hold a board or managerial position in other companies with which ARAUCO intends to have commercial relations.** In case of conflict of interest, ARAUCO's employee shall refrain from participating in the decision making process on behalf of ARAUCO, notifying his/her direct supervisor of the relationship so that the respective decision is not made by the conflicted employee. If ARAUCO decides to carry out the referred transaction, it shall be carried out under market conditions.



- ▷ **It is forbidden for ARAUCO's Personnel to offer or give gifts to public or private officials (domestic or foreign), as well as receive them from those officials,** when such gifts may be reasonably understood as an incentive, when such action involves a breach of laws, regulations and ARAUCO and its affiliates' policies, or when such action may risk or affect ARAUCO's good image and reputation.

However, gifts may be accepted or given when such action is customary and up to a limit of USD100.

According to ARAUCO's marketing policies and strategies, corporate gifts and presents are given to its clients and suppliers. These corporate gifts and presents are authorized only if they represent the Company's corporate image, and are exclusively intended for such clients and suppliers.

Invitations to dinners or events related to work meetings are an exception to the above rule. The foregoing exception applies, provided that such invitations do not involve, under any circumstance, a commitment or influence, or when due to their condition, nature or frequency, they may be interpreted as a deliberate act intended to affect the employee's independence, impartiality or judgment.

In case of questions, the Ethics Committee shall be consulted.

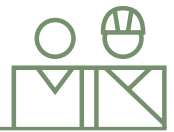


Supplier Relationships



▷ **The relationship between ARAUCO's employees and its suppliers shall be kept strictly independent and in accordance with the Company's interests.** Therefore, no type of compromise nor partiality with regards to a supplier should be assumed, but always favor the Company parameters for quality, profit and budget.

The selection and hiring of suppliers shall always be based on the Company's needs and on technical, professional and ethical criteria, taking into account objective factors such as competence, price and quality.



- ▷ **Commitment to the satisfaction of ARAUCO's clients shall be reflected in our respect of their rights and in the constant search for solutions with regards to their interests,** always in accordance with the Company's profitability and development objectives.

In order to preserve the highest level of trust by our clients, ARAUCO adheres to the fundamental policy of treating all commercial and business information as clients' exclusive and confidential property, if applicable. ARAUCO shall maintain the confidentiality of such information, except when its disclosure has been legally authorized or required. This commitment shall continue even after the employment or commercial relationship with ARAUCO has been terminated.



Relationship with the Environment

ARAUCO and its members are permanently, actively and responsibly committed to the protection of the environment.

ARAUCO considers the environmental aspects of the regions where it operates. Thus, ARAUCO has adopted good practices standards, values and commitments.

Likewise, within ARAUCO's policies, the compliance with legal requirements, particularly applicable environmental regulations and the application of responsible standards in all cases in which laws and regulations do not exist, are taken into account.

Finally, since the Company is committed to the protection of the environment, **each employee must perform his/her activities trying to minimize their impact on the environment, and taking into consideration the compliance with applicable laws.**





Management of Information

The stock exchanges and stock markets in which ARAUCO participates, whether in Chile or abroad, have enacted laws, rules and regulations regarding the use and disclosure of confidential corporate information.

The purpose of such regulations is to protect the transparency that should rule the market, providing complete and precise information on material business matters, so people may take proper investment decisions, **and ensure that ARAUCO's personnel with access to confidential information shall not use such information for their own benefit or for the benefit of third parties.** In this sense, ARAUCO has adopted and implemented the Manual for the Management of Market Information, as required by Norma de Carácter General (General Regulation) N° 211 of 2008, issued by Superintendencia de Valores y Seguros de Chile (Chile's Superintendence of Securities and Insurance).



The information regarding operations of both ARAUCO and its clients is private; thereby, its disclosure to third parties could be detrimental to the interests of both ARAUCO and the persons with whom the company maintains commercial relationships or negotiations. ARAUCO's policy limits the number of persons with access to privileged information and tends to minimize the procedures between the creation and disclosure of such information.

Therefore, it is the duty of every employee to keep all documents and/or securities to which he/she has access safe, strictly following every aspect of ARAUCO's internal regulations. Each time the disclosure of this information is necessary for business, or mandatory by law, the relevant advice and authorization of the Ethics Committee or of the relevant area manager shall be obtained.



Accuracy of Information

- ▶ ARAUCO's policy is that both the parent company, as well as all of its subsidiaries and their personnel, complies with the law and the internal policies related to the accuracy and integrity of accounting financial records and their updates.

Our accounting and legal books, as well as our operational records and any other information needed for management, shall be reliable and abide by our policies and procedures.

Operations conducted between ARAUCO and its subsidiaries, or with third parties, shall be conducted in a timely manner and accurately recorded in our accounting books, in accordance with applicable accounting and legal principles, rules and practices. **It is strictly prohibited, under all and any circumstance, to forge information and/or to provide inaccurate data.**

Information provided by the Company's personnel to its direct supervisors, to its internal and external auditors, as well as the documents required by other institutions or organizations, must be timely, accurate, serious, reliable and complete. Each employee is responsible for providing information in a clear and transparent manner.

Personal Integrity



- ▶ ARAUCO's Personnel shall maintain an exemplary behavior, both inside and outside the Company. **The Company demands that respect is to be given to all collaborators, and, in turn, requires from them an honest and responsible behavior in all daily activities.** The above shall prevail even when it is carried out under the pretext of a benefit in favor of the Company or a third party.

ARAUCO's policy promotes and values personal dignity, rejecting discriminatory attitudes from ARAUCO's personnel based on race, religion, gender, age, nationality, kinship, civil state, disability, etc., with regard to collaborators and applicants. The prohibition of arbitrary discrimination includes recruitment and hiring procedures, as well as employment terms and conditions, such as tasks to be carried out, training, wages, benefits, promotion, transfers, discipline and treatment.

Sexual harassment is especially prohibited by ARAUCO. Any ARAUCO employee that believes that he/she has been a victim of such conduct is entitled to proceed in accordance with the complaint procedures set forth in the relevant Internal Regulation of Order and Security or other relevant regulation.



Corporate Criminal Liability

- ▷ According to the law, in certain cases the Company could be liable for the perpetration of certain crimes by its employees while they are executing their tasks. Among such crimes is money laundering, financing of terrorism, bribery of either foreign or domestic public officials, and receiving stolen goods. To that end, the Company has implemented a complete and adequate Crime Prevention Model in order avoid the perpetration of these conducts.

Accordingly, **the Company expressly prohibits any conduct that may lead the Company to face criminal charges due to actions perpetrated by its owners, controllers, responsible individuals, executives, representatives, or individuals who perform management or supervision tasks.**

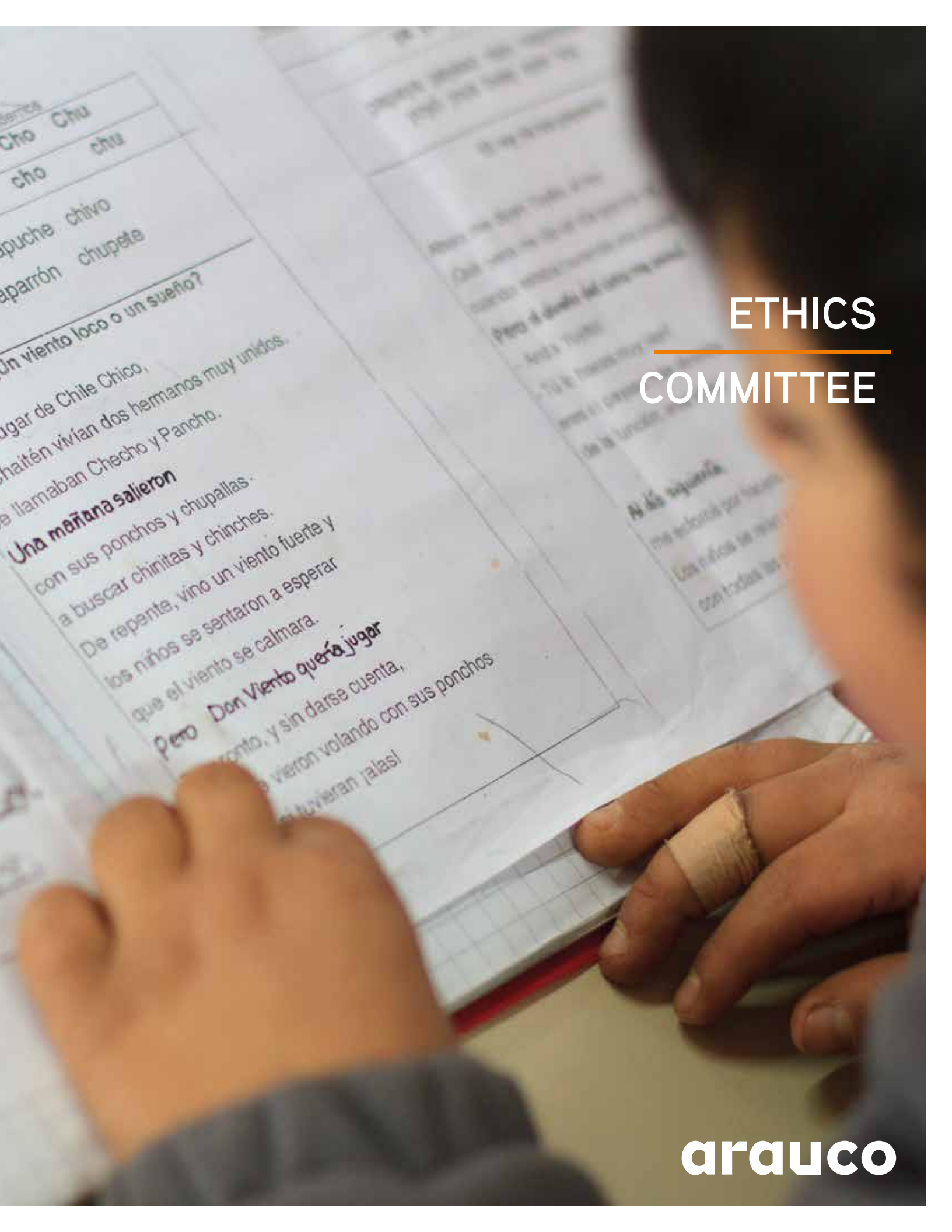
Likewise, any and all individuals who are under the direct orders or supervision of any of the abovementioned persons is included in the previous prohibition.



Protection of the Company's Assets

- ▶ **It is the duty of Arauco's employees to adequately protect and use all of the company's assets.** Employees must only use the company's assets to perform their work duties. Likewise, each employee must be extremely careful with the company's assets that they operate in order to prevent thefts, robberies, damages, losses or other situations that could generate damages for the Company.





| | |
|---------|---------|
| Cho | Chu |
| cho | chu |
| apuche | chivo |
| aparrón | chupete |

¿Un viento loco o un sueño?

Un lugar de Chile Chico,
allí vivían dos hermanos muy unidos.
Los llamaban Checho y Pancho.

Una mañana salieron
con sus ponchos y chupallas
a buscar chinitas y chinches.
De repente, vino un viento fuerte y
los niños se sentaron a esperar
que el viento se calmara.

Pero Don Viento quería jugar
y sin darse cuenta,
los niños vieron volando con sus ponchos
muchas palas!

ETHICS COMMITTEE

ETHICS



COMMITTEE

The Ethics Committee is responsible to ensure the proper dissemination and enforcement of this Code of Ethics, which means that it shall:


- Promote the values and behaviors encouraged by the Code of Ethics.
- Act as a consulting body.
- Channel cases to the appropriate departments and authorities.
- Approve corrections that guarantee the consistency of this Code.
- Review Personnel's clarifications request.

In addition, the Ethics Committee has the following functions:

- Updating and amending the Code of Ethics.
- Investigating and recording cases selectively.
- Promoting consistency at a global level in the interpretation and application of the Code of Ethics.

The Board of Directors of ARAUCO is responsible for appointing the members of the Ethics Committee. The Board of Directors has appointed the Second Vice-Chairman, the Chief Executive Officer, the President & Chief Operating Officer, and the General Counsel to the Ethics Committee.

In the cases set out above, everyone is entitled to inform any member of the Ethics Committee, whether by letter or in person, of breaches to this Code and each case shall be treated with absolute confidentiality and total discretion.

The image shows two workers in safety gear (hard hats, ear protection, and high-visibility vests) standing on a yellow metal platform. They are positioned next to a large industrial tower with a red and white corrugated metal exterior. The background features a clear blue sky and a distant landscape with trees. The text 'COMPLIANCE' and 'REGULATION' is overlaid on the right side of the image, separated by a horizontal line.

COMPLIANCE
REGULATION

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COMPLIANCE



REGULATION

ARAUCO employees, including employees of its subsidiaries, have the obligation to comply with this Code of Ethics, as well as the applicable policies, legislation currently in enforced and the relevant Internal Regulations.

The breach of the provisions set forth in this Code shall be considered, where appropriate, as a labor infringement, notwithstanding the potential violation that may arise from the provisions set forth in legislation and of the civil or criminal liability derived from each particular case.

You should not be complacent with inappropriate behavior of others. Hence, when in possession of information regarding violations to this Code, such information shall be submitted to your direct supervisor, the Senior Vice-President Human Resources & EHS, General Counsel or any member of the Ethics Committee, or direct this information in accordance to ARAUCO's Complaint Reporting Procedures.

A copy of this Code of Ethics shall be given and/or made available to each ARAUCO employee at the time of hiring.

CODE OF ETHICS

COMMITMENT LETTER



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Code of Ethics Commitment Letter

I hereby state that I fully understand this ARAUCO Code of Ethic and the importance and context of the rules contained herein. I understand that fulfilling this Code is mandatory for all ARAUCO Personnel. In addition, I recognize that by complying with this Code of Ethics, we all contribute to create a better work environment in which we can grow, both personally and professionally.

I hereby state that I fulfill the ethical standards set forth herein, including the disclosure of any conflict of interests, whether current or potential.

Finally, in case of questions regarding the interpretation and enforcement of the rules and policies set forth in this Code, I hereby agree to consult with the Ethics Committee.

Place and Date:

.....

Signature:

.....

Printed Name:

.....

.....

Company:

.....

Business Unit:

.....

Name of Supervisor:

.....