Celulosa Arauco y Constitución S.A.

Formed in 1979, Arauco is one of the world’s leading forestry industry companies. With five primary core businesses, including forestry, wood pulp, sawn timber, panels, and energy, Arauco has customers in 75 countries. Arauco operates mostly in South America, specifically Chile, Argentina, Brazil, and Uruguay.

Develop a climate change strategy reflective of Arauco’s aspirations to be a social, environmental, and business leader.

**Project Methodology**

1. **What does it mean to be a leader?**
   - Collaboration within industry
   - Advocacy for policy change
   - Transparency throughout operations
   - Employee and cultural engagement
   - Innovation and thought leadership
   - Commitments to improve

2. **What climate change threats does forestry pose?**
   - Biodiversity
   - Land Degradation & Deforestation
   - Operational Intensity

3. **How are competitors responding?**
   - What are forestry companies doing to combat climate change?
   - • Energy from biomass (co-generation)
   - • Wood pulp recycling
   - • Forest management systems
   - • Species cross-breeding
   - • Renewable energy
   - • Carbon offsets and credits

**Recommendations**

- Develop a single and unifying message to enable a greater coordination and collaboration on sustainability efforts within their core businesses
- Provide customers a platform to compare Arauco’s forest management certification programs with their competitors
- Explore the feasibility (economically and environmentally) of a wood product recycling program for wood pulp and panels businesses
- Leverage Santiago Climate Exchange (SCX) membership to foster forestry specific business & environmental cooperation, and broaden reach beyond Latin America
- Certification Comparison
- Wood Take-Back/Recycling Program
- Roadmap to Climate Change Leadership
- Inspiring Mission Statement
- Quantitative Measures & Goals
- Engage Stakeholders in Decision-Making
- Engage stakeholders across multiple platforms, and develop and enact action plans that incorporate their environmental concerns
- Short Term: Meet with key core business representatives to author a mission
- Long Term: Establish regular intervals to periodically vet their mission
- Develop a comprehensive set of quantitative metrics that measure key biodiversity, deforestation & land degradation, & operational indicators
- Eliminate use of fossil fuels, and become a net energy producer (via biomass and other cogeneration techniques) without carbon offsets