

Compañía Manufacturera de Papeles y Cartones (CPMC) Chile

Sectors: Pulp, Paper and Paperboard Mills

Active

This profile is actively maintained

Send [feedback](#) on this profile

By: Environmental Paper Network

Created on: Sep 23 2019

Last update: Jun 28 2022

Contact:

nature@banktrack.org

Sectors Pulp, Paper and Paperboard Mills

Headquarters



Ownership

CMPC is a publicly traded company controlled by **the Matte Group** with a 55.5% stake

Subsidiaries

Bosques del Plata – Chile
CMPC Celulosa – Chile
CMPC Celulosa Riograndense – Chile
CMPC Madera – Chile
CMPC Pulp – Chile
Forestal Minico – Chile

Website

<https://www.cmpc.com/>

CMPC (Compañía Manufacturera de Papeles y Cartones) is a pulp and paper company in Santiago de Chile. Together with [Arauco](#), it is one of the two biggest plantation companies in Chile. The company exports its products globally and operates in four business areas: wood, pulp, paper & paper products and tissue. The company's forest assets are located in Brazil, Chile and Argentina, and its manufacturing operations are located in Chile and Brazil. CMPC's cellulose plants in Sante Fe and Laja are powered by biomass plants. [CMPC Celulosa](#) produces wood pellets and other wood biomass in several Latin American countries and exports them to Europe and Africa.

Impact on human rights and communities

Violent conflicts: CMPC's activities in Chile are linked to numerous conflicts with the Mapuche population as well as [murders](#) and other [violent incidents](#) causing political and social conflicts. CMPC has a long history of involvement in land conflicts in Chile, dating back to the 1970s. At the time, the military dictatorship distributed hundreds of thousands of hectares to plantation companies, without consulting or compensating the traditional owners of these lands, many of which were Indigenous Mapuche people. [Local groups](#) such as Arauco Malleco Coordination (CAM), Lafkenche Mapuche Resistance (RML), Weichan Auka Mapu (WAM) demand the return of the land occupied by CMPC. According to Mapuche activists, Forestal Mininco, the forestry arm of CMPC, [hired paramilitary forces](#) to face the demand of land restitutions by Indigenous communities, intensifying the conflict.

Indigenous lands: With the support of the military dictatorship, forestry companies like CMPC and [Arauco](#) acquired large tracts of land in Chile destined to become monoculture forestry plantations. The industry is ever-growing and the impacts of Indigenous territories continues. The CMPC holding company alone owns 170,000 hectares of the approximately [450,000 hectares](#) in the Araucanía region in Chile. Tree plantations in the traditional Mapuche territory account for an area [three times greater](#) than the Indigenous lands recognised by the state. Most of the tree plantations have been established on traditional Mapuche lands. The communities affected by this industry are claiming their right to tenure over the lands occupied by the plantations, which were usurped from them both during the colonial era and following the military coup of 1973. The conflicts about land rights have resulted in the [criminalisation of community members](#) and leaders who have occupied disputed landholdings.

According to the forestry commission of the Coordinating Committee of Mapuche Territorial Organizations and Identities, [“the territorial conflict](#) with the forestry companies is a fight for survival, for rights, dignity, recognition, and the possibility of autonomous development. For the coordinating committee, stopping the expansion of the forestry sector is also a means of preventing this activity from provoking even greater impoverishment, environmental damage and cultural deterioration for the Mapuche people and vast sectors of society.”

Impact on nature and environment

Loss of forests caused by plantations: Chile is home to the second largest coastal [temperate rainforest](#) on the planet. Over half of these rich coastal forests have been cleared, according to the World Resources Institute, in a process that has accelerated over the last half century. Timber plantations expanded by a factor of ten between 1975 and 2007. They now occupy 43% of the Southern-central Chilean territory.

A [scientific analysis](#) of satellite images of native forests in the Nahuelbuta Mountain Range between the Bio Bío and Araucanía regions reported that, in the 25 years between 1986 and 2011, a third of natural forests were replaced by timber monocultures. A [similar study](#) reported a 33.2% loss of natural forests in the Cordillera de Nahuelbuta.

The expansion of industrial plantations at the cost of natural forest is not reported as deforestation, because the Food and Agriculture Organisation (FAO) of the United Nations includes tree plantations in its [definition of forest cover](#). However, this [land use change](#) has dramatically impoverished the rich biodiversity that once shaped these regions.

Impact on water tables: The land often populated by the Mapuche people is progressively [drying out](#), because the industrial plantations that surround it distort the natural functioning of the water table. For example, eucalyptus requires an average of [30 litres](#) of water every day. When planted at a density of 400 trees per hectare, a plantation may absorb 12,000 litres per hectare every day. Pine requires less, although like other plantation species, it still requires large amounts of water, as well as nutrients, to maintain its rapid rate of growth. Therefore monoculture tree plantations, especially at industrial scale, affect entire landscapes, impacting on the water table, reshaping flora and fauna and modifying soil quality. Moreover there is no such remedy for the water shortage of natural forests. This is concerning, since the degradation of the water table is happening in conjunction with higher temperatures caused by global climate change.

Forestal Mininco, the forestry arm of CMPC, has made use of the water of the surrounding Mapuche communities for over 14 years by [diverting the channels](#) for irrigation of their eucalyptus and pine plantations. The Mapuche people blame this for their continuous severe droughts and consequent loss of their crops, alongside the remaining natural forests.

Drought and forest fires: A further threat to natural forests, caused by industrial tree plantations draining the land and exacerbated by climate change, is the growing risk of [forest fires](#). Scientists have found that non-native pine and eucalyptus forests planted to supply pulp and timber mills in central Chile are contributing to the massive fires. Other studies have indicated that Chile’s plantations are affecting [anthropogenic climate change](#), the growing area of urban-rural interface (areas where housing and vegetation formations converge or mix) and the increase in forest plantations of species of high flammability, among others” and that “the conversion of land to rapid growth plantations increases the risk of fires.”

Biomass use: CMPC operates multiple biomass power plants like the [Santa Fe Biomass Power Plant](#) in Bio Bio, Chile. The company’s subsidiary, [CMPC Celulosa](#), also produces wood pellets and other wood biomass in several Latin American countries and exports these products to Europe and Africa. The production and combustion of wood biomass is associated with numerous social and environmental conflicts. Wood biomass is anything but carbon neutral and ecologically sustainable. In fact, biomass combustion burns [more CO2](#) per unit of energy than fossil fuels, further fueling climate change. In addition to deforestation to produce wood for burning, [large forested areas](#) are also being burned or cleared to grow crops as biomass. The demand for woody biomass contributes to land grabbing, which threatens the rights, interests, and livelihoods of Indigenous Peoples and local communities.

Impact on pandemics

Wood biomass is associated with high rates of deforestation as well as monocultures of various crops. There is a growing body of evidence that shows the connection between deforestation and an increased risk for [disease outbreaks and pandemics](#). For example,

monocultures like eucalyptus plantations reduce biodiversity leaving species like rats and mosquitoes, which are more likely to spread dangerous pathogens, to thrive. This biodiversity decline results in a loss of natural disease regulation and poses a risk for human, animal and environmental health.

Bank policies

The following bank investment policies apply to this project:

JPMorgan Chase

Environmental and social policy framework

Oct 8 2021 | JPMorgan Chase

Bank policy

Mitsubishi UFJ Financial Group (MUFG)

Revision of the MUFG Environmental and Social Policy Framework

Apr 1 2022 | MUFG

Bank policy

Scotiabank

Global human rights statement

Nov 2 2021 | Scotiabank

Bank policy

Itaú-Unibanco

Responsible investment policy

(in Portuguese)

Dec 20 2021 | Itau-Unibanco

Bank policy

UBS

Environmental and social risk policy framework 2021

May 3 2021 | UBS

Bank policy

BNP Paribas

Policy on biodiversity

May 3 2021 | BNP Paribas

Bank policy

Banco Santander

Human rights policy

Jul 20 2020 | Banco Santander

Bank policy

Soft commodities sector policy

Jan 21 2020 | Banco Santander

Bank policy

BNY Mellon

Environmental sustainability policy statement

Sep 30 2021 | BNY Mellon

Bank policy

Human rights statement

Feb 28 2022 | BNY Mellon

Bank policy

Credit Suisse

Statement on human rights

Mar 5 2019 | Credit Suisse

Bank policy

Statement on Biodiversity

Apr 22 2021 | Credit Suisse

Bank policy

DZ Bank

Human rights policy

Date listed represents date as accessed on website

Jan 24 2022 | DZ Bank

Bank policy

Deutsche Bank

Environmental and Social Policy Framework

Jul 27 2020 | Deutsche Bank

Bank policy

HSBC

Human rights statement

Feb 22 2022 | HSBC

Bank policy

The Chilean pulp industry, which includes CMPC and Forestal Mininco but also its competitors, is heavily dependent on governmental support in the form of favourable legislation and subsidies. A large part of this support was provided by the 1974 Decree 701, which promoted the expansion of plantations through generous land distribution and large subsidies. The subsidies covered 75% of the production costs of plantations and it exempted the sector from taxes. [This Decree was extended](#) several times until 2015.

Financiers

Institution type Finance type Year [Expand all details](#)

BBVA

Spain

[Profile](#)

[Website](#)

[Details](#)

Type

Amount

Description

Date

Date end

Source

Debt – corporate loan

USD 60 million

Revolving credit facility

2021

Not available

source: forests & finance

[link](#)

BNP Paribas

France

[Profile](#)

[Website](#)

[Details](#)

Type

Amount

Description
Date
Date end
Source
Equity – share owner/manager
USD 0.2 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Bond issue – underwriter
USD 194 million
Total amount in bond issuance 2020-2022
2021
Not available
source: forests & finance
[link](#)

Debt – corporate loan
USD 60 million
Revolving credit facility
2021
Not available
source: forests & finance
[link](#)

BPCE Group

France

[Profile](#)

[Website](#)

[Details](#)

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 2.1 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

BTG Pactual

Brazil

[Profile](#)

[Website](#)

[Details](#)

Type
Amount
Description
Date
Date end
Source

Equity – share owner/manager
USD 2.3 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Banco de Chile

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 117 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Bank of America

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond issue – underwriter
USD 194 million
Total amount in bond issuance 2020-2022
2021
Not available
source: forests & finance
[link](#)

Bank of Montreal (BMO)

Canada

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Equity – share owner/manager
USD 0.2 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Bank of New York Mellon

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 4.9 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Equity – share owner/manager
USD 6.2 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Credicorp

Bermuda

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 0.25 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Equity – share owner/manager
USD 0.3 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Credit Suisse Group

Switzerland

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond owner/manager

USD 2.2 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

Equity – share owner/manager

USD 4 million

As of September 2022

2022

Not available

source: As of September 2022

[link](#)

Crédit Agricole

France

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond owner/manager

USD 10.2 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

Equity – share owner/manager

USD 3.9 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

DZ Bank

Germany

[Profile](#)

[Website](#)

Details

Type

Amount
Description
Date
Date end
Source
Bond owner/manager
USD 6 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Deutsche Bank

Germany

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 1.8 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Goldman Sachs

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 1.2 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Equity – share owner/manager
USD 0.5 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Bond issue – underwriter
USD 194 million
Total amount in bond issuance 2020-2022
2021
Not available
source: forests & finance
[link](#)

HSBC

United Kingdom

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 0.7 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Intesa Sanpaolo

Italy

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 4.5 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Itaú-Unibanco

Brazil

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Equity – share owner/manager
USD 6.2 million
As of September 2022
2022
Not available
source: Forest & Finance database
[link](#)

JPMorgan Chase

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 0.4 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

La Banque Postale

France

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 0.1 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Mitsubishi UFJ Financial Group (MUFG)

Japan

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Equity – share owner/manager
USD 0.1 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Bond issue – underwriter
USD 278 million
Total amount in bond issuance 2020-2022
2020
2021
source: Forest & Finance database

[link](#)

Debt – corporate loan
USD 60 million
Revolving credit facility
2021
Not available
source: forests & finance

[link](#)

Morgan Stanley

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Equity – share owner/manager
USD 0.6 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Royal Bank of Canada (RBC)

Canada

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 0.7 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Santander

Spain

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond owner/manager

USD 0.5 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

Equity – share owner/manager

USD 8.4 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

Bond issue – underwriter

USD 111 million

Total amount in bond issuance 2020-2022

2021

Not available

source: forests & finance

[link](#)

Scotiabank

Canada

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Equity – share owner/manager

USD 2.5 million

As of September 2022

2022

Not available

source: forests & finance

[link](#)

Debt – corporate loan

USD 60 million

Revolving credit facility

2021

Not available

source: forests & finance

[link](#)

Bond issue – underwriter
USD 167 million
Total amount in bond issuance 2020-2022
2020
Not available
source: Forest & Finance database

[link](#)

Sumitomo Mitsui Banking Corporation (SMBC)

Japan

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 60 million
Revolving credit facility
2021
Not available
source: forests & finance

[link](#)

UBS

Switzerland

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 9.7 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Equity – share owner/manager
USD 2.5 million
As of September 2022
2022
Not available
source: Forest & Finance database

[link](#)

Blackrock Advisors

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 10.6 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Equity – share owner/manager
USD 104 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Principal Financial Group

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 14.1 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

Equity – share owner/manager
USD 101 million
As of September 2022
2022
Not available
source: forests & finance

[link](#)

State Street Corporation

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Equity – share owner/manager
USD 166 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Vanguard

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond owner/manager
USD 1.5 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)

Equity – share owner/manager
USD 66 million
As of September 2022
2022
Not available
source: forests & finance
[link](#)
