

Arauco Wood Limited (Arauco)	Date 01.01.2023
Topic Arauco UK Tax Strategy	Version 1.0



Arauco UK Tax Strategy

At Arauco, it is our policy to conduct all of our business in an honest and ethical manner. For Arauco, the ethical duty to contribute, in a timely manner and in accordance with the law, to the generation of tax revenues to meet public, economic, and social needs is a priority, while simultaneously addressing the duty to deliver returns to investors. Our Values outline the standards and behaviors that Arauco upholds as a company and are demonstrated throughout our employee base. The tax operating principles and guidelines governing the management of our tax affairs are fully aligned with our wider commercial, reputational, and business practices and are consistent with our commitment to corporate responsibility.

Arauco pursues an approach that is fully oriented to complying with applicable tax laws in the countries in which it operates and interpreting those laws with the goal of responsibly mitigating tax risks. This means that Arauco aims to:

- ensure the taxation of all operations is strictly in accordance with the taxable events established by law.
- act in good faith in every action, operation, or transaction and in every interaction with the tax authority.
- use the tax benefits and exemptions that the legislator has established in favor of taxpayers, ensuring strict compliance with their requirements.
- prepare and file all tax returns (and other reporting obligations), in the time and manner required, and meet all tax payment obligations established by law in a timely manner.
- prepare and keep the documentation required by the tax law and the instructions of the authority.

Risk management and governance arrangements in relation to UK taxation

- The Global Tax Department and CFO are responsible for ensuring that appropriate tax policies, processes, and systems are in place.
- The Global Tax Department works with other functions across the Arauco group to manage tax-related risks in the same way as other operational risks facing Arauco.
- The Global Tax Department is adequately staffed, has clearly defined roles, and has the required skills and support to carry out its role effectively.



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- Regular training is provided to ensure that members of the Group Tax Department are capable of identifying and managing the tax risks faced as a result of the ever-changing tax obligations both in the UK and overseas.
- In situations where the tax law is uncertain or its interpretation is of material significance, we seek advice from appropriately qualified external advisers.

Attitude towards tax planning and risk appetite

Arauco undertakes to conduct its business activities in accordance with the laws and regulations in all jurisdictions where it operates.

Arauco will only undertake tax planning and transactions that are driven by commercial rationale and are within the accepted interpretations and expectations of applicable laws and guidance (noting that there may be legitimate differences in the interpretation of relevant tax legislation or regulation, which Arauco will aim to resolve to the extent practicable prior to entry into any such planning or transaction).

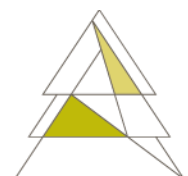
Arauco's appetite for risk in relation to taxation, and particularly UK taxation, is consistent with the desire to achieve certainty in our tax affairs and to meet the aims set out overleaf.

Relationship with His Majesty’s Revenue and Customs (‘HMRC’)

Arauco is committed to working with HMRC in a transparent and collaborative manner at all times. We ensure that our UK tax reporting and compliance obligations are met in a full and timely manner, with appropriate disclosures made wherever required.

We will, to the extent possible, discuss any material tax issues that may arise with HMRC and work towards a solution in advance of our filing submissions. Where a dispute arises with HMRC, Arauco seeks to resolve such issues in a collaborative manner.

Where appropriate, Arauco will also enter into consultations with HMRC to assist with the shaping of future legislation and tax policy.



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This statement is published in accordance with the requirements of Paragraph 16 Schedule 19 Finance Act 2016.

