

# Empresas Copec S.A.

Empresas Copec S.A.'s (Empresas Copec) ratings reflect its sound credit profile and the strong business positions of its main operating subsidiaries Celulosa Arauco y Constitucion S.A. (Arauco; BBB/AA[cl]/Negative), Copec S.A. (BBB/Negative) and Abastible S.A. The ratings incorporate the sound record of dividends received from them, as well as from minority investments.

The Negative Outlook incorporates the risks from Arauco's Sucuriu project, which is expected to increase net leverage above 3.0x during the investment period. The new investment shows willingness to maintain higher leverage for a longer than expected periods, driven by a more aggressive investment strategy. The Negative Outlook could Stake longer to resolve due to its dependence on the project's progress.

## Key Rating Drivers

**Project Sucuriu to Increase Pulp Capacity:** The Sucuriu project, with its 3.5-million-ton pulp capacity, is strategic for Arauco. This positions the company as the second-largest pulp producer with a competitive cost structure. However, it carries high execution risks and spans a lengthy investment cycle from 2024 to 2027, while the volatility of pulp prices adds to the financial uncertainty.

The construction of the project is on time and budget as of June 2025, reaching 10% of advance. The project's capex of USD4.6 billion is being financed with a mix of debt, operational cash flow generation and a capital increase from Empresas Copec for up to USD1.2 billion, including USD300 million already received in 2024.

**Leverage Close to Sensitivities:** Fitch projects Empresas Copec's net leverage to remain close to 3.0x during the construction of Arauco's new pulp mill, peaking at above 3.0x in 2027, according to Fitch calculations, above the company's rating sensitivities. The sizable project reflects a more aggressive investment approach compared to historical trends, and could lead to higher leverage than Fitch projects if pulp prices fall below expectations or if the company encounters additional challenges, such as unexpected stoppages, forestry fires, or reduced cash flow generation from Empresas Copec's other businesses.

**Robust, Diversified Asset Portfolio:** Empresas Copec's credit profile is supported by a strong and diversified asset portfolio, with leading market shares in its key businesses of forestry products, liquid fuel distribution and liquefied gas (LG). Arauco is the world's third-largest market pulp company and third-largest producer of panels. Copec is the leading fuel distribution company in Chile (A-/Stable) and Colombia (BB+/Negative). Abastible is the largest distributor of LG in Chile, Colombia, Peru (BBB/Stable) and Ecuador (CCC+), and recently entered the Spanish (A-/Positive) and Portuguese (A-/Positive) markets.

**Strong Record of Dividends Receipts:** Empresas Copec maintained a solid record of dividends received from Arauco, Copec and Abastible. The company also benefited from cash flow from a minority investment in AGESA (40% participation) and from its Mina Justa investment in Peru. Dividends averaged about USD578 million in the last five years, and Empresas Copec has received USD391 million of dividends in 1H25. Fitch expects Dividends between USD550 million and USD650 million during the Sucuriu project construction, considering Arauco's dividend policy reduction to 30%.

## Ratings

### Empresas Copec S.A.

Long-Term IDR	BBB
Long-Term Local-Currency IDR	BBB
National Long-Term Rating	AA(cl)

### Outlooks

Long-Term Foreign-Currency IDR	Negative
Long-Term Local-Currency IDR	Negative
National Long-Term Rating	Negative

[Click here for the full list of ratings](#)

## ESG and Climate

### Highest ESG Relevance Scores

Environmental	4
Social	3
Governance	3
2035 Climate Vulnerability Signal:	37

## Applicable Criteria

- [Chilean Equity Rating Criteria \(July 2024\)](#)
- [Corporate Rating Criteria \(June 2025\)](#)
- [Sector Navigators - Addendum to the Corporate Rating Criteria \(June 2025\)](#)
- [National Scale Rating Criteria \(December 2020\)](#)

## Related Research

- [Global Corporates Macro and Sector Forecasts: April 2025 Update \(April 2025\)](#)
- [Global Corporates Sector Forecasts Monitor - July 2025 \(July 2025\)](#)

## Analysts

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**Stable Holdco Leverage:** Empresas Copec has USD1.5 billion of debt at the holding company level as of March 31, 2025. The holding company has a strong liquidity position, with USD430 million of cash. Empresas Copec services interest and maturities of its debt directly from its subsidiaries Copec and Abastible, as the holding company's debt relates to bond issuances in Chile which were lent to Empresas Copec's subsidiaries through intercompany loans on a back-to-back basis. Fitch expects net debt at the holding level to dividends received to remain between 1.3x and 1.5x during the construction of Sucuriu Project.

**Pulp Price Volatility:** Fitch expects BEKP prices will reach USD600 per tonne in 2025, down from USD625 per tonne in 2024. Tariff uncertainties in the first half of 2025 led to price fluctuations and paper producers delaying purchases. Prices have fallen to about USD 500/ton, and Fitch expects some recovery by year-end. A more significant recovery will depend on sustained demand growth, which is unlikely until there is greater visibility into tariff policies and global economic conditions. Despite this, sector fundamentals remain solid. Fitch does not expect any new capacity to enter the market until 2028, supporting upward price trends despite slower demand growth.

## Financial Summary

(USD 000)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	30,765,182	29,179,313	28,114,745	27,512,721	27,607,804	27,866,269
EBITDA margin (%)	10.8	6.3	10.0	10.3	12.0	11.4
EBITDA leverage (x)	2.6	4.7	2.9	3.2	3.1	3.4
EBITDA net leverage (x)	2.1	3.7	2.2	2.7	2.7	3.0
EBITDA interest coverage (x)	9.1	3.8	5.9	5.8	6.0	5.4

Source: Fitch Ratings, Fitch Solutions

## Peer Analysis

Arauco, the third-largest market pulp producer globally, accounted for 58% of Empresas Copec's EBITDA, in the LTM ended March 31, 2025. Another 33% of EBITDA is from Copec, a diversified fuel business with operations in Chile, Colombia, Peru and Ecuador. The diversification and stability of the fuel business allows the company to have more leverage for its rating level than pure forestry and pulp peers, such as Suzano S.A. (BBB-/Positive), Empresas CMPC S.A. (BBB-/Stable) and Klabin S.A. (BB+/Stable).

Similar to other Latin American pulp producers, Arauco's cash production costs are among the lowest in the world, mainly in softwood pulp, ensuring long-term competitiveness. In the fuel business, the company is the market leader in Chile and Colombia and has a growing presence in Peru, Ecuador and Central America with stable cash flow generation and dividend payments to the holding company. Empresas Copec's liquidity has been strong.

## Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
Eldorado Brasil Celulose S.A.	BB/Stable	bb	bb+	bbb	bbb	bb+	b+	bbb	bb	bb
Empresas CMPC S.A.	BBB/Stable	a	bbb	bbb	bbb	bbb+	bbb	bbb	bbb	bbb+
Empresas Copec S.A.	BBB/Negative	a-	bbb	bbb	bbb+	bbb+	bbb	bbb+	bbb	bbb
Klabin S.A.	BB+/Stable	bb+	bbb	bbb-	bbb-	bbb	bb+	bbb-	bb	bbb-
LD Celulose S.A.	BB-/Stable	bb-	bbb-	bbb-	bbb	bb+	b	bbb	bb	bb
Stora Enso Oyj	BBB-/Stable	aa	bbb	bb+	bbb	bbb-	bbb	b+	bb+	bbb
Suzano S.A.	BBB-/Positive	bb+	bbb	bbb	bbb	a-	bb+	a-	bbb	bbb

Source: Fitch Ratings

Relative Importance of Factor: Higher (Red), Moderate (Blue), Lower (Light Blue)

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
Eldorado Brasil Celulose S.A.	BB/Stable	0	+1	+3	+3	+1	-2	+3	0	0
Empresas CMPC S.A.	BBB/Stable	+3	0	0	0	+1	0	0	0	+1
Empresas Copec S.A.	BBB/Negative	+2	0	0	+1	+1	0	-2	0	0
Klabin S.A.	BB+/Stable	0	+2	+1	+1	+2	0	+1	-1	+1
LD Celulose S.A.	BB-/Stable	0	+3	+3	+4	+2	-2	+4	+1	+1
Stora Enso Oyj	BBB-/Stable	+7	+1	-1	+1	0	+1	-4	-1	+1
Suzano S.A.	BBB-/Positive	-1	+1	+1	+1	+3	-1	+3	+1	+1

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR (Red), Within one notch of IDR (Blue), Better positioned than IDR (Light Blue)

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Net debt at the holding level to dividends received above 3.0x;
- Consolidated net leverage above 3.0x for a sustained period;
- Additional debt at the holding level to finance Project Sucuriu.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Although unlikely, positive rating action could occur if Empresas Copec is able to maintain consolidated net leverage below 2.0x on a sustained basis.

## Liquidity and Debt Structure

**Strong Liquidity Position:** Empresas Copec maintains a strong liquidity position at the individual and consolidated level. The company had USD524 million of cash and marketable securities at the holding company and USD1.672 billion on a consolidated basis as of March 31, 2024. The largest holder of cash at the subsidiary level is Arauco, with USD605 million.

Empresas Copec has significant amortizations of USD1.7 billion in the short term, mainly related to Abastible and Arauco, and USD700 million in 2025. The company issued bonds in the local market to refinance Abastible's maturities, and Arauco is expected to pay its maturing debt with proceeds from the sale of forestry assets in Brazil. Liquidity is further improved by an unused committed credit facility that totals USD375 million, due in 2026.

## ESG Considerations

Empresas Copec S.A. has an ESG Relevance Score of '4' [+] for Energy Management as the company sells excess energy to the grid from cogeneration based upon a renewable resource, which has a positive impact on the credit profile, and is relevant to the rating[s] in conjunction with other factors.

Empresas Copec S.A. has an ESG Relevance Score of '4' for Exposure to Environmental Impacts as Chilean forestry companies are exposed to forest fire risk, which has a negative impact on the credit profile, and is relevant to the rating[s] in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

## Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The fiscal 2025 revenue-weighted Climate.VS for Empresas Copec for 2035 is 37 out of 100, suggesting low exposure to climate-related risks in that year. For more on how we perceive climate-related risks in the agribusiness, packaged food and beverages sector see our [Agribusiness, Packaged Food and Beverages – Long-Term Climate Vulnerability Signals](#) report.

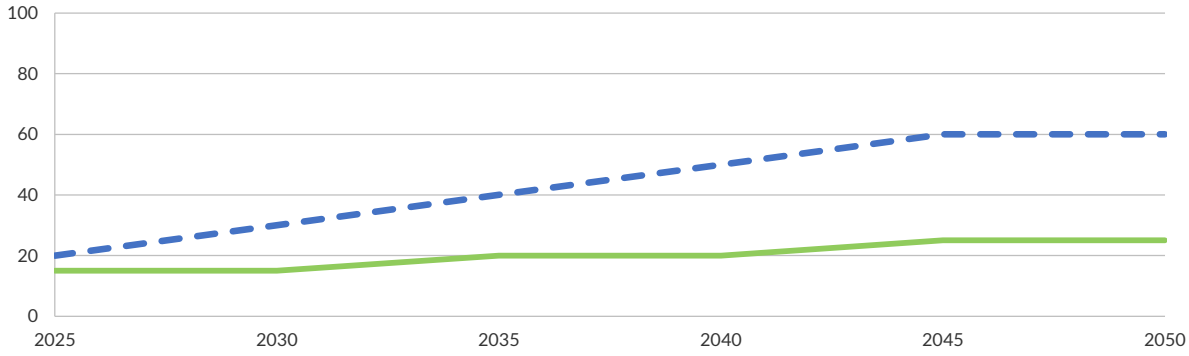
**Climate.VS Evolution**

As of March 31, 2025

(Climate.VS)

— Agricultural commodity trading and processing

- - - Fuel retail



Source: Fitch Ratings

## Liquidity and Debt Maturities

### Liquidity Analysis

(USD 000)	2025F	2026F	2027F
<b>Available liquidity</b>			
Beginning cash balance	2,071,573	-735,823	-2,913,161
Rating case FCF after acquisitions and divestitures	-1,634,198	-1,232,338	-571,607
<b>Total available liquidity (A)</b>	<b>437,375</b>	<b>-1,968,161</b>	<b>-3,484,768</b>
<b>Liquidity uses</b>			
Debt maturities	-1,173,198	-945,000	-1,070,000
<b>Total liquidity uses (B)</b>	<b>-1,173,198</b>	<b>-945,000</b>	<b>-1,070,000</b>
<b>Liquidity calculation</b>			
Ending cash balance (A+B)	-735,823	-2,913,161	-4,554,768
Revolver availability	—	—	—
<b>Ending liquidity</b>	<b>-735,823</b>	<b>-2,913,161</b>	<b>-4,554,768</b>
Liquidity score (x)	0.4	-2.1	-3.3

Source: Fitch Ratings, Fitch Solutions, Empresas Copec S.A.

### Scheduled Debt Maturities

(USD 000)	December 31, 2024
2025	1,173,198
2026	945,000
2027	1,070,000
2028	400,000
2029	780,000
Thereafter	4,358,202
<b>Total</b>	<b>8,726,400</b>

Source: Fitch Ratings, Fitch Solutions, Empresas Copec S.A.

### Key Assumptions

- Consolidated capex, including acquisitions, of USD3.1 billion in 2025, USD3.2 billion in 2026 and USD2.4 billion in 2027;
- Pulp sales volume of 4.6 million tons in 2025 and 4.8 million tons in 2026;
- Average net hardwood pulp prices of USD600/ton in 2025 and USD700/ton in 2026. Spread of USD150 a ton between hardwood and softwood pulp;
- Fuel volumes around 21.3 million cubic meters in 2025 and 21.6 million in 2026;
- Dividend pay-out ratio of 30% of net profit;
- Capital increases from Empresas Copec to Arauco for USD300 million in 2025, 2026 and 2027;
- No asset sales considered in the base case.

## Financial Data

(USD 000)	2022	2023	2024	2025F	2026F	2027F
<b>Summary income statement</b>						
Gross revenue	30,765,182	29,179,313	28,114,745	27,512,721	27,607,804	27,866,269
Revenue growth (%)	24.1	-5.2	-3.7	-2.1	0.3	0.9
EBITDA before income from associates	3,330,094	1,841,564	2,798,338	2,834,821	3,324,682	3,172,869
EBITDA margin (%)	10.8	6.3	10.0	10.3	12.0	11.4
EBITDA after associates and minorities	3,473,270	2,038,969	3,034,529	3,024,821	3,454,682	3,302,869
EBIT	2,322,753	842,807	1,522,640	1,520,852	1,971,294	1,778,879
EBIT margin (%)	7.6	2.9	5.4	5.5	7.1	6.4
Gross interest expense	-295,155	-268,830	-432,935	-524,962	-575,885	-612,672
Pretax income including associate income/loss	1,930,936	447,059	1,560,686	1,185,890	1,525,409	1,296,207
<b>Summary balance sheet</b>						
Readily available cash and equivalents	1,562,686	1,927,537	2,071,573	1,530,125	1,133,787	1,137,181
Debt	9,018,255	9,491,468	8,726,400	9,795,991	10,631,991	11,206,991
Net debt	7,455,569	7,563,931	6,654,827	8,265,866	9,498,204	10,069,810
<b>Summary cash flow statement</b>						
EBITDA	3,330,094	1,841,564	2,798,338	2,834,821	3,324,682	3,172,869
Cash interest paid	-382,176	-543,097	-517,651	-524,962	-575,885	-612,672
Cash tax	-568,995	-137,430	-336,994	-320,190	-411,861	-349,976
Dividends received less dividends paid to minorities (inflow/outflow)	143,176	197,405	236,191	190,000	130,000	130,000
Other items before FFO	-66,488	325,890	-573,035	-200,000	-200,000	-200,000
FFO	2,559,811	1,869,090	1,731,398	1,979,669	2,266,937	2,140,221
FFO margin (%)	8.3	6.4	6.2	7.2	8.2	7.7
Change in working capital	-1,504,721	-6,462	563,121	-201,227	-11,246	-30,570
CFO (Fitch-defined)	1,055,090	1,862,628	2,294,519	1,778,442	2,255,691	2,109,651
Total non-operating/nonrecurring cash flow	-	-	-	-	-	-
Capex	-1,733,364	-1,332,025	-1,308,207	-	-	-
Capital intensity (capex/revenue) (%)	5.6	4.6	4.7	-	-	-
Common dividends	-	-458,812	-327,981	-	-	-
FCF	-678,274	71,791	658,331	-	-	-
FCF margin (%)	-2.2	0.2	2.3	-	-	-
Net acquisitions and divestitures	-411,696	335,926	310,398	-	-	-
Other investing and financing cash flow items	-360,974	-745,322	-440,515	-	-	-
Net debt proceeds	839,788	183,806	-364,619	1,092,750	836,000	575,000
Net equity proceeds	6,909	47,828	569	-	-	-
Total change in cash	-355,972	268,556	490,743	-541,448	-396,338	3,393
<b>Calculations for forecast publication</b>						
Capex, dividends, acquisitions and other items before FCF	-2,145,060	-1,454,911	-1,325,790	-3,412,639	-3,488,029	-2,681,257
FCF after acquisitions and divestitures	-1,089,970	407,717	968,729	-1,634,198	-1,232,338	-571,607
FCF margin after net acquisitions (%)	-3.5	1.4	3.5	-5.9	-4.5	-2.1
<b>Gross Leverage ratios (x)</b>						
EBITDA leverage	2.6	4.7	2.9	3.2	3.1	3.4
(CFO-capex)/debt (%)	-7.5	5.6	11.3	-13.3	-9.3	-2.3
<b>Net Leverage ratios (x)</b>						
EBITDA net leverage	2.1	3.7	2.2	2.7	2.7	3.0
(CFO-capex)/net debt (%)	-9.1	7.0	14.8	-15.7	-10.4	-2.5
<b>Coverage ratios (x)</b>						
EBITDA interest coverage	9.1	3.8	5.9	5.8	6.0	5.4

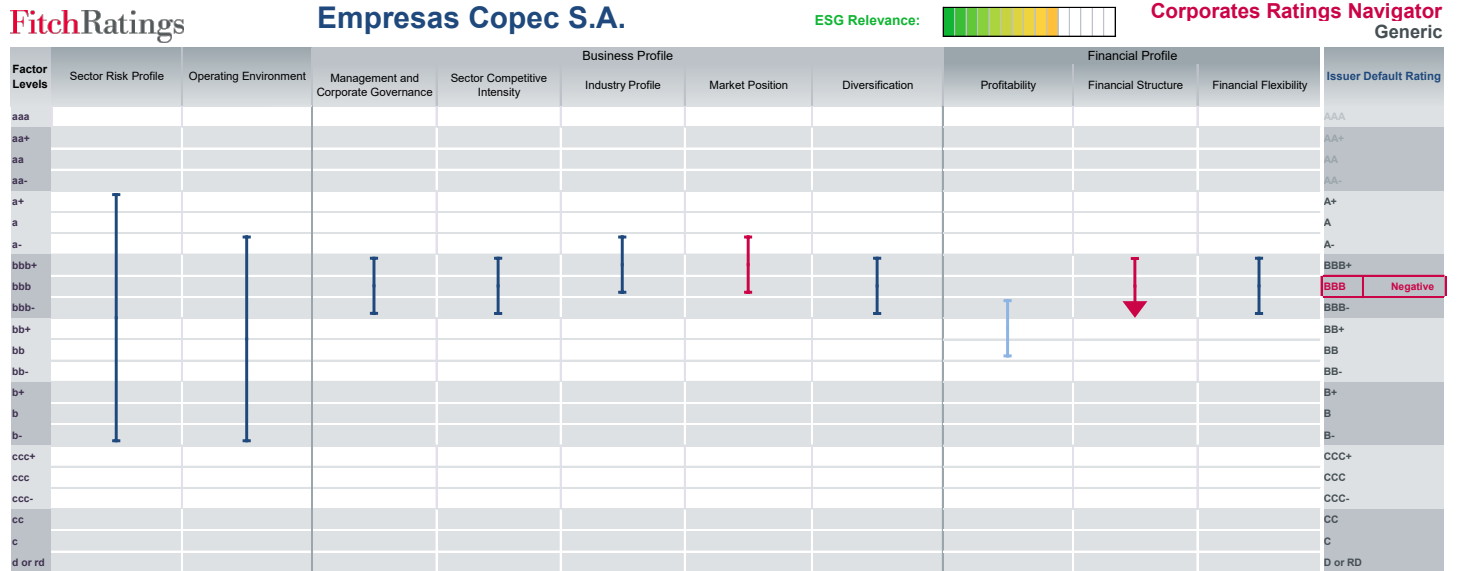
CFO – Cash flow from operations  
Source: Fitch Ratings, Fitch Solutions

## How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

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## Ratings Navigator



**Bar Chart Legend:**

Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	↑ Positive
■ Higher Importance	↓ Negative
■ Average Importance	↕ Evolving
■ Lower Importance	□ Stable

Operating Environment			Management and Corporate Governance						
a	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.	a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.		
a-	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.	bbb+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.		
b-	Systemic Governance	a	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'a'.	bbb	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.		
ccc+				bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.		
				bb+	Financial Sponsor Attitude (LBO only)	n.a.			
Sector Competitive Intensity			Industry Profile						
a-	Industry Structure	bbb	Larger number of competitors with some track record of price discipline in downturns.	a	Long-Term Growth Potential	bbb	Mature industry. Traditional markets may be under some pressure but opportunities arise in new markets.		
bbb+	Barriers to Entry/Exit	bbb	Moderate barriers to entry. Incumbents are generally strongly established but successful new entrants have emerged over time.	a-	Volatility of Demand	bbb	Demand volatility in line with economic cycles.		
bbb	Relative Power in Value Chain	bbb	Balanced relative bargaining power with suppliers and customers.	bbb+	Threat of Substitutes	a	Substitutes exist but are of lower fundamental quality.		
bbb-				bbb					
bb+				bbb-					
Market Position			Diversification						
a	Market Share	a	Top-three player in most markets or leader in a well defined and protected niche.	a-	Geographic Diversification	bbb	Some geographical diversification but imbalance between growth and mature markets.		
a-	Competitive Advantage	bbb	Some competitive advantages with reasonably good sustainability.	bbb+	Product/End-Market	bbb	Exposure to at least three business lines or markets but with some performance correlation.		
bbb+	Operating Efficiency	bbb	Return on invested capital in line with industry average.	bbb					
bbb				bbb-					
bbb-				bb+					
Profitability			Financial Structure						
bbb	EBITDA Margin or EBITDAR Margin	b	15%	a-	EBITDA Leverage or EBITDAR Leverage	bbb	3.0x		
bbb-	EBIT Margin	b	7%	bbb+	EBITDA Net Leverage or EBITDAR Net Leverage	bbb	2.5x		
bb+	FFO Margin	bb	10%	bbb	FFO Leverage	bbb	3.5x		
bb	FCF Margin	b	-0.5%	bbb-	(CFO-Capex)/Debt	bb	7.5%		
bb-	Volatility of Profitability	bbb	Volatility of profits in line with industry average.	bb+	Funding Structure (LBO only)	n.a.			
Financial Flexibility			Credit-Relevant ESG Derivation						
a-	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.	Empresas Copec S.A. has 2 ESG rating drivers and 12 ESG potential rating drivers					
bbb+	Liquidity	bbb	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.	+	Energy management	key driver	0	issues	5
bbb	EBITDA Interest Coverage	bbb	7.0x	+	Impact of climate change and extreme weather events on assets and operations	driver	2	issues	4
bbb-	EBITDAR Fixed Charge Coverage			+	GHG emissions; air quality	potential driver	12	issues	3
bb+	FX Exposure	bbb	Some exposures of profitability to FX movements and/or debt/cash-flow match. Effective hedging in place.	+	Water and wastewater management	not a rating driver	0	issues	2
				+	Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product				
				+	Human rights, relationships with communities and/or land right holders; access and affordability				
							0	issues	1

**How to Read This Page:** The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Showing top 6 issues  
For further details on Credit-Relevant ESG scoring, see page 3.

Credit-Relevant ESG Derivation

Empresas Copec S.A. has 2 ESG rating drivers and 12 ESG potential rating drivers

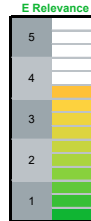
- + ➔ Empresas Copec S.A. has exposure to energy productivity risk which, in combination with other factors, impacts the rating.
- ➔ Empresas Copec S.A. has exposure to extreme weather events which, in combination with other factors, impacts the rating.
- ➔ Empresas Copec S.A. has exposure to emissions regulatory risk but this has very low impact on the rating.
- ➔ Empresas Copec S.A. has exposure to water management risk but this has very low impact on the rating.
- ➔ Empresas Copec S.A. has exposure to waste & impact management risk and supply chain management but this has very low impact on the rating.
- ➔ Empresas Copec S.A. has exposure to land rights/conflicts risk, access/affordability risk or human rights violations risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating	
key driver	0	issues	5	
driver	2	issues	4	
potential driver	12	issues	3	
not a rating driver	0	issues	2	
	0	issues	1	

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	GHG emissions; air quality	Diversification; Profitability; Financial Structure; Financial Flexibility
Energy Management	4	Energy management	Diversification; Profitability; Financial Structure; Financial Flexibility
Water & Wastewater Management	3	Water and wastewater management	Diversification; Profitability; Financial Structure; Financial Flexibility
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product	Diversification; Profitability; Financial Structure; Financial Flexibility
Exposure to Environmental Impacts	4	Impact of climate change and extreme weather events on assets and operations	Diversification; Industry Profile; Profitability; Financial Structure; Financial Flexibility

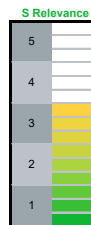


How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance. The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

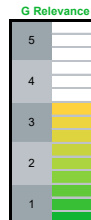
Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Human rights; relationships with communities and/or land right holders; access and affordability	Management and Corporate Governance; Market Position; Diversification; Profitability; Financial Flexibility
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Customer privacy; data security; product quality and safety; customer welfare; selling practices and product labeling	Management and Corporate Governance; Sector Competitive Intensity; Market Position; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; supply chain management - labor; employee diversity and inclusion	Operating Environment; Diversification; Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	3	Employee health and safety	Diversification; Profitability; Financial Flexibility
Exposure to Social Impacts	3	Shifting social preferences; social resistance to major projects or operations that leads to delays or cost increases	Operating Environment; Industry Profile; Market Position; Diversification; Profitability



Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

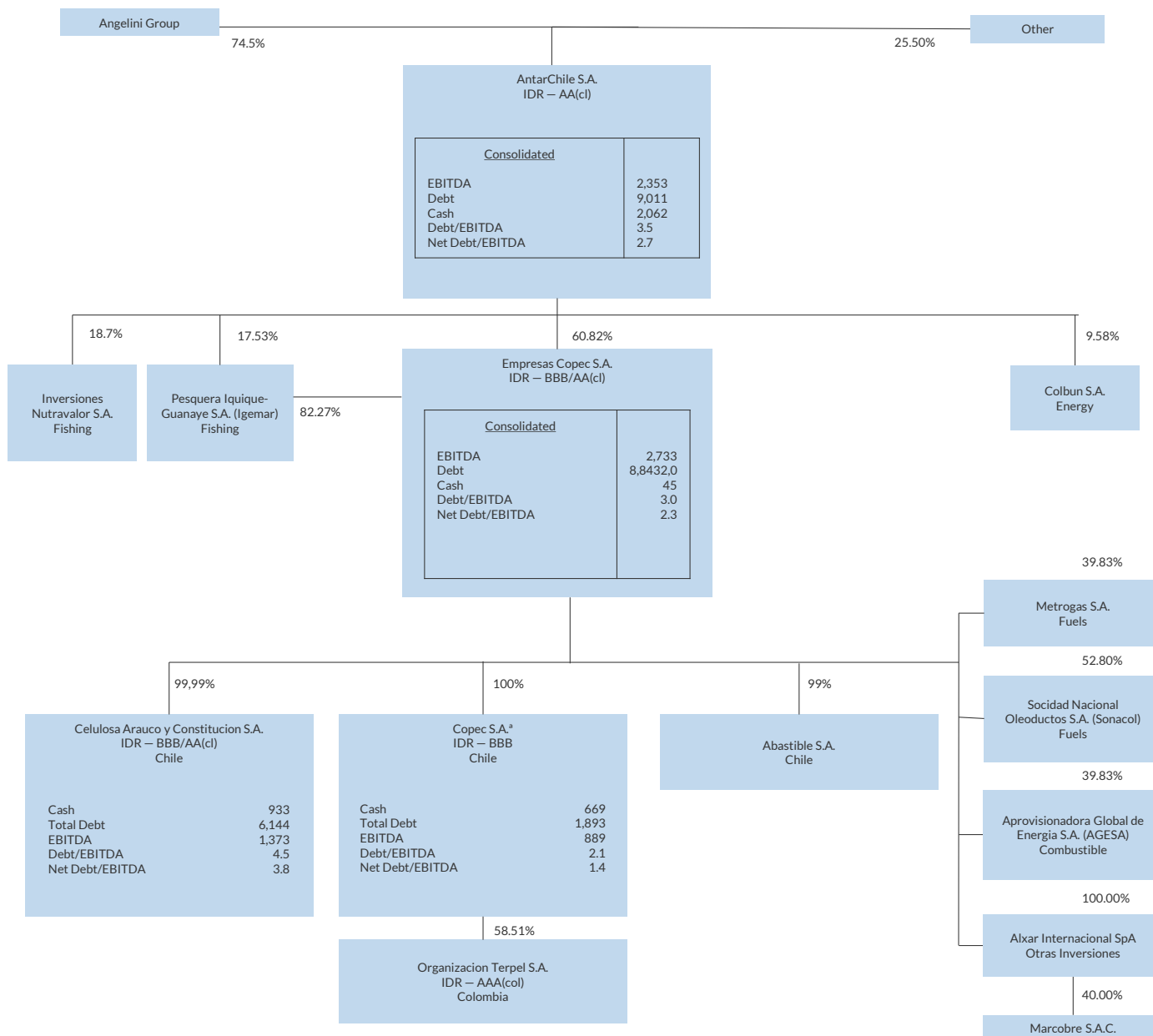


CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

## Simplified Group Structure Diagram

### Organization Chart- Empresas Copec S.A.

(USD Mil., as of March 2025)



<sup>a</sup> Financials as of December 2024

Note: Copec Individual debt includes intercompany debt of Abastible and Copec S.A.

Source: Fitch Ratings, Fitch Solutions, Empresas Copec, Arauco, Copec.

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USD Mil.)	EBITDA margin (%)	EBITDA leverage (x)	EBITDA net leverage (x)	EBITDA interest coverage (x)
Empresas Copec S.A.	BBB						
	BBB	2024	28,115	10.0	2.9	2.2	5.9
	BBB	2023	29,179	6.3	4.7	3.7	3.8
Suzano S.A.	BBB	2022	30,765	10.8	2.6	2.1	9.1
	BBB-						
	BBB-	2024	7,656	47.9	4.8	3.8	4.7
Empresas CMPC S.A.	BBB-	2023	8,083	42.9	4.8	3.5	3.6
	BBB-	2022	9,687	55.2	3.0	2.4	6.8
	BBB						
Eldorado Brasil Celulose S.A.	BBB	2024	7,743	19.1	3.8	3.3	5.3
	BBB	2023	8,100	15.8	4.4	3.7	5.7
	BBB	2022	7,821	26.4	2.3	2.0	9.5
Klabin S.A.	BB						
	BB	2024	1,029	45.7	0.7	0.3	10.8
	BB	2023	1,170	37.7	1.2	0.6	6.2
Stora Enso Oyj	BB-	2022	1,465	56.8	1.0	0.7	10.4
	BB+						
	BB+	2024	3,346	39.9	5.2	4.3	3.8
Stora Enso Oyj	BB+	2023	3,664	33.4	5.6	3.8	3.2
	BB+	2022	3,894	38.1	3.9	3.1	4.9
	BBB-						
Stora Enso Oyj	BBB-	2024	9,405	8.7	6.9	4.6	4.7
	BBB-	2023	10,294	5.1	10.0	5.4	4.0
	BBB-	2022	12,458	18.5	1.7	0.9	21.5

Source: Fitch Ratings, Fitch Solutions

## Fitch Adjusted Financials

(USD 000 as of December 31, 2024)	Notes and formulas	Standardised values	Lease treatment	Other adjustments	Adjusted values
<b>Income statement summary</b>					
Revenue		28,114,745	–	–	28,114,745
EBITDA	(a)	3,005,494	-207,156	–	2,798,338
Depreciation and amortization		-983,413	148,227	–	-835,186
EBIT		1,581,569	-58,929	–	1,522,640
<b>Balance sheet summary</b>					
Debt	(b)	8,747,571	–	-44,330	8,703,241
Of which other off-balance-sheet debt		–	–	–	–
Lease-equivalent debt		–	–	–	–
Lease-adjusted debt		8,747,571	–	-44,330	8,703,241
Readily available cash and equivalents	(c)	2,071,573	–	–	2,071,573
Not readily available cash and equivalents		–	–	–	–
<b>Cash flow summary</b>					
EBITDA	(a)	3,005,494	-207,156	–	2,798,338
Dividends received from associates less dividends paid to minorities	(d)	236,191	–	–	236,191
Interest paid	(e)	-576,018	58,367	–	-517,651
Interest received	(f)	124,549	–	–	124,549
Preferred dividends paid	(g)	–	–	–	–
Cash tax paid		-336,994	–	–	-336,994
Other items before FFO		-573,597	562	–	-573,035
FFO	(h)	1,879,625	-148,227	–	1,731,398
Change in working capital		563,121	–	–	563,121
CFO	(i)	2,442,746	-148,227	–	2,294,519
Non-operating/nonrecurring cash flow		–	–	–	–
Capex	(j)	-1,308,207	–	–	-1,308,207
Common dividends paid		-327,981	–	–	-327,981
FCF		806,558	-148,227	–	658,331
<b>Gross leverage (x)</b>					
EBITDA leverage	b/(a+d)	2.7	–	–	2.9
(CFO-capex)/debt (%)	(i+j)/b	13.0	–	–	11.3
<b>Net leverage (x)</b>					
EBITDA net leverage	(b-c)/(a+d)	2.1	–	–	2.2
(CFO-capex)/net debt (%)	(i+j)/(b-c)	17.0	–	–	14.9
<b>Coverage (x)</b>					
EBITDA interest coverage	(a+d)/(-e)	5.6	–	–	5.9

CFO - Cash flow from operations

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of USD1208540 thousand.

Source: Fitch Ratings, Fitch Solutions, Empresas Copec S.A.

## Parent Subsidiary Linkage Analysis

### Key Risk Factors and Notching Approach

Parent	Empresas Copec S.A.
Parent LT IDR	BBB
Subsidiary	Celulosa Arauco y Constitucion S.A.
Subsidiary LT IDR	BBB
Path	Stronger Parent
Legal incentive	Low
Strategic incentive	High
Operational incentive	Medium
Notching matrix outcome	Top Down-1
Override applied	No
Notching approach	—

LT IDR – Long-Term Issuer Default Rating  
Source: Fitch Ratings

### Path SP Subsidiary Notching Matrix

Strategic incentives and operational	Both low	One medium, one low	Both medium or one high, one low	One strong, one medium	Both high
With low legal incentive	Standalone	BU+1 <sup>a</sup>	BU+2 <sup>a</sup>	TD-1 <sup>b</sup>	Equalized
With medium legal incentive	BU+1 <sup>a</sup>	BU+2 <sup>a</sup>	TD-1 <sup>b</sup>	Equalized	Equalized
With high legal incentive	Equalized	Equalized	Equalized	Equalized	Equalized

BU – Bottom-up, notched from the lower SCP; TD – Top-down, notched from the parent consolidated profile.

<sup>a</sup>BU rating outcomes are capped at TD-1, where the subsidiary's SCP is more than one notch away from the parent consolidated profile. Where the subsidiary's SCP is one-notch below the parent consolidated profile, the subsidiary's rating will be equalized.

<sup>b</sup>TD-1 rating outcomes will be equalized where the subsidiary's SCP is one-notch below the parent consolidated profile.

Source: Fitch Ratings

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