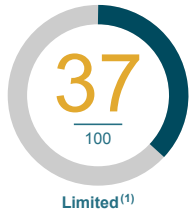


Company and Sector Performance

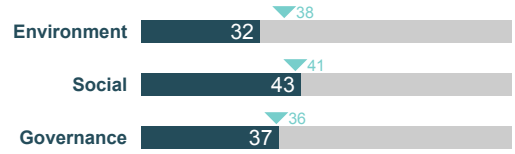
Company performance Sector average performance Sector performance

ESG OVERALL SCORE

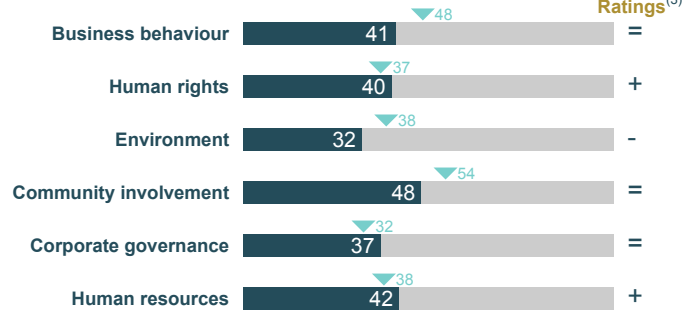


Information rate	66%
sector average	71%
Cooperation level ⁽²⁾	Not responsive
High severity controversies	No
Rank in Sector	5/8
Rank in Region	114/860
Rank in Universe	943/4201

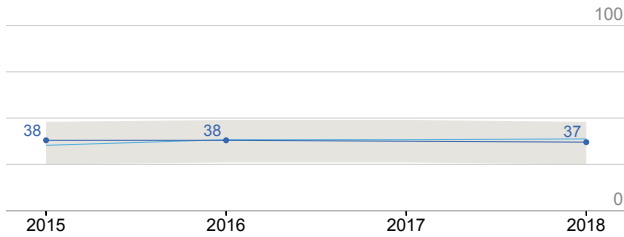
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



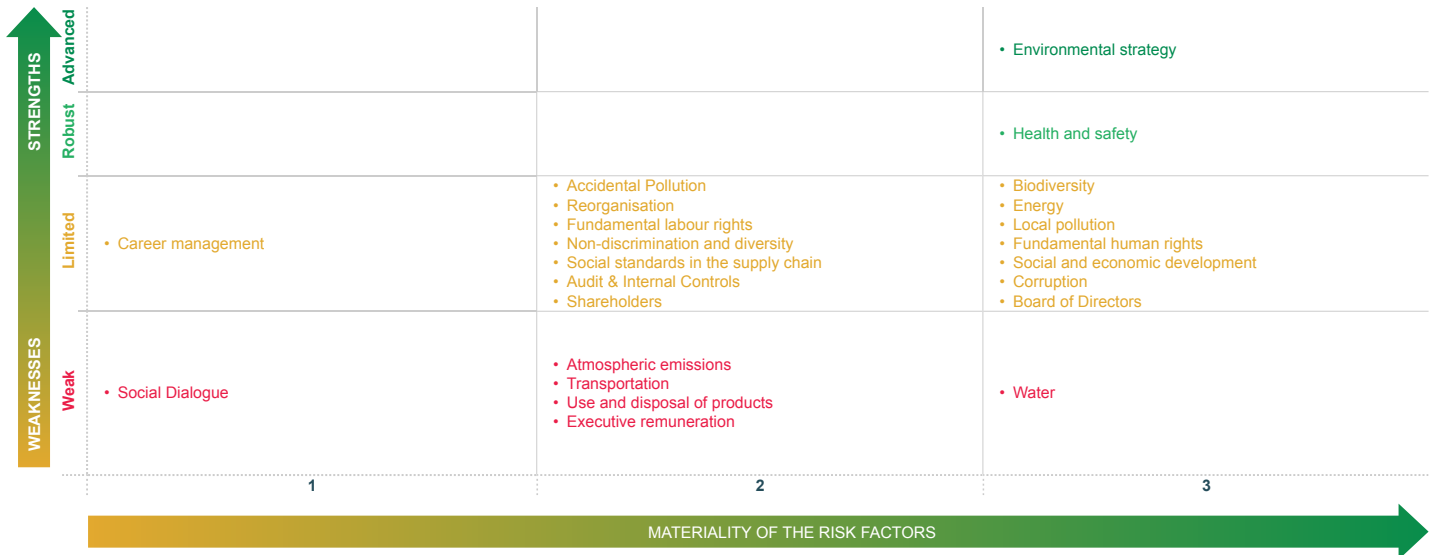
HISTORICAL PERFORMANCE



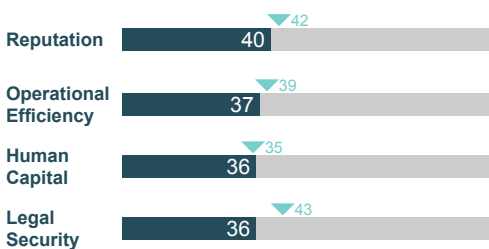
Company inclusion in Vigeo Eiris indices ⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Community Involvement	Masisa has allocated significant means to address social and economic development through development initiatives, community consultation and social impact assessments, and these are allocated in the majority of Company sites .	↗
Health and Safety	The Company complies with the OHSAS 1001 standard for occupational health and safety, and has internal health and safety competitions as well. Masisa also shows improving trends in its accident severity rate and recordable injury frequency rate.	↗
Water Resources	Masisa makes some general statements on reducing its water consumption, however only limited systems seem to be in place to address this issue. While its water consumption has decreased over the past five years, the Company has not disclosed quantitative data on discharges to water.	↘
Environmental Management Systems	The Company has achieved certifications in accordance with ISO 14001 standards in a high percentage of its plantations and industrial operations.	→

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "+", "+"
 (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

			Overall score 37/100				Trend	Score	Leadership	Implementation	Results
Weight											
Environment			→	32	28	35	22				
E	ENV1.1	3	Environmental strategy	↗	71	58	83	N/A			
E	ENV1.4	3	Biodiversity	↗	45	65	27	42			
E	ENV2.1	3	Water	→	23	15	30	25			
E	ENV2.2	3	Energy	→	42	48	30	48			
E	ENV2.6	3	Local pollution	→	37	30	58	22			
E	ENV1.2	2	Accidental Pollution		36	0	58	49			
E	ENV2.4	2	Atmospheric emissions		0	0	0	0			
E	ENV2.7	2	Transportation		0	0	0	0			
E	ENV3.1	2	Use and disposal of products		0	0	0	0			
Human Resources			→	42	30	45	51				
S	HRS3.2	3	Health and safety	↗	50	42	63	44			
S	HRS2.3	2	Reorganisation	→	47	12	48	81			
S	HRS1.1	1	Social Dialogue		22	0	0	65			
S	HRS2.4	1	Career management	↘	30	58	31	0			
Human Rights			→	40	47	21	53				
S	HRT1.1	3	Fundamental human rights	→	49	51	30	65			
S	HRT2.1	2	Fundamental labour rights	→	34	37	0	65			
S	HRT2.4	2	Non-discrimination and diversity	→	34	51	30	22			
Community Involvement			↗	48	37	65	42				
S	CIN1.1	3	Social and economic development	↗	48	37	65	42			
Business Behaviour (C&S)			↘	41	40	29	53				
G	C&S3.1	3	Corruption	↘	35	41	20	43			
S	C&S2.4	2	Social standards in the supply chain	↘	49	39	42	67			
Corporate Governance			→	37	45	34	32				
G	CGV1.1	3	Board of Directors	↗	48	30	69	44			
G	CGV2.1	2	Audit & Internal Controls	↘	37	49	33	30			
G	CGV3.1	2	Shareholders	→	37	67	18	26			
G	CGV4.1	2	Executive remuneration	↗	22	43	0	22			

■ Weak (0-29/100)
 ■ Limited (30-49/100)
 ■ Robust (50-59/100)
 ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark

Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
BRFIBRACNOR9	Fibria	=	=	++	++	+	=	48
ZAE000006284	Sappi	=	++	=	+	++	+	47
BRSUZBACNOR0	Suzano Papel e Celulose	=	=	++	+	+	-	42
BRKLBNCNDAM18	Klabin S/A	=	+	-	=	+	=	39
CL0000001314	Empresas CMPC	=	=	-	+	=	=	37
CL0000000183	Masisa	-	+	+	=	=	=	37
US151191AZ66	Celulosa Arauco y Constitucion	-	+	+	+	=	=	35
BMG653181005	Nine Dragons Paper Industries	--	-	-	-	-	-	25

General information

MASISA S.A. created in 1960 under the name "Maderas Aglomeradas Ltda" as the first producer of agglomerated panels in Chile. The Company manufactures and markets

wood panels for furniture and interior architecture in Latin America.

Selected financial data

Key data	Revenues	EBIT	Employees
2016	USD 959.8m	USD 199m	8,988
2015	USD 1,052.5m	USD 53.8m	N/A
2014	USD 1,544.6m	USD 6.5m	5,065
2013	USD 1,364.7m	USD 90.1m	N/A
2012	USD 1,349m	USD 55.9m	4,325

Main shareholders	2018
Viva Trust	67%
BTG Pactual Chile SA Administradora General de Fondos	5.72%
BICE Inversiones Administradora General de Fondos SA	3.28%

Geographical Breakdown	Turnover 2014	Employees
Venezuela	24%	N/A
Chile	22.8%	N/A
Brazil/Argentina/Mexico	33.4%	N/A
Others	19.8%	N/A

Main economic segment	Turnover 2016
Industrial	56.2%

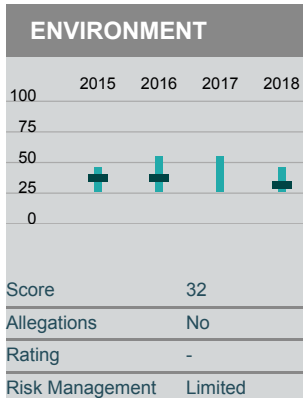
Main economic segment	Turnover 2016
Forestry	31.3%
Financing, Adjustments and Others	12.5%

Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	No Info	N/A
Executive remuneration linked to CSR performance	No Info	N/A
3-year energy consumption trend (normalized to turnover)	N/A	↘
Ratio of payments to employees vs. shareholders (3-year trend)	N/A	N/A
Percentage of independent Board members	55.5	N/A
Percentage of women on Board	12.5	N/A
Percentage of women in Executive team	0	N/A
Percentage of women in workforce	16.2	N/A
Percentage of employees covered by collective agreements on working conditions	50	N/A
3 year trend for safety at work	↘	N/A
Involvement in armament	No	N/A
Transparency on payment of tax	Insufficient	N/A
Management of social risks in supply chain	Limited	N/A

CSR performance per domain

■ Sector performance
■ Company performance
 Rating : min- / max ++

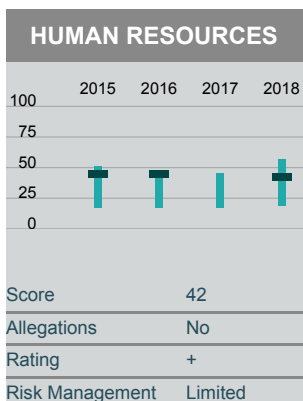


Key issues

The main environmental issue in this sector is clearly biodiversity (ENV 1.4) since the problem of deforestation is a major worldwide challenge. The last old-growth forests are being logged in several regions; and in addition, illegal logging is still a huge problem in developing and emerging countries. As a result, hundreds of plant and animal species are endangered. Several environmental stakeholders still consider that companies do not address sustainable forest management in an efficient way, even if certifications standards are more and more adopted by companies. However, these standards, including FSC (Forest Stewardship Council), are also being criticized for not being reliable enough. Related to this, since many paper producers procure wood and pulp from specialised suppliers, it is very important that they apply traceability guidelines (the 'chain of custody') to their supply chain.

Company performance

- Masisa's performance in the Environment domain is limited in absolute terms, which is a deterioration compared to the previous review.
- Masisa commits to the majority of its responsibilities in terms of environmental protection, and has been ISO 14001 certified in the majority of its operations. In terms of 'Biodiversity', the Company works with the WWF to implement 'New Generation Plantations' and map its 'High Conservation Value Forests'. Finally, the Company only allocates limited measures to address 'Water', 'Energy use and GHG emissions' and 'Local pollution', leaving the issues of 'Atmospheric Emissions', 'Transportation' and 'Use and Disposal of Products' completely unaddressed.
- No allegations for the Company were identified in the period under review.

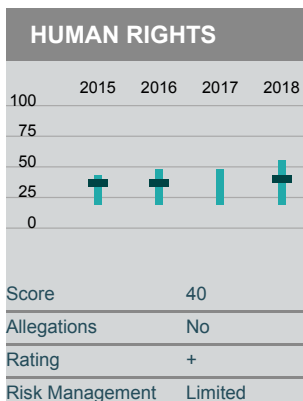


Key issues

Forest work is one of the most hazardous occupations, with a higher incidence of fatal or major injuries than in many other sectors. Therefore, the improvement of health and safety conditions (HRS3.2) is a major issue. Besides, the Forest Products and Paper sector has gone through many restructuring changes (mergers and acquisitions, consolidation of core business and divestment of non core activities, etc.) which can have strong impacts on human resources. Following the economic downturn in 2008-2009, the sector is slowly recovering, thus the responsible management of restructurings (HRS2.3) still needs to be addressed.

Company performance

- Masisa's performance in the Human Resources domain is limited in absolute terms, which is consistent compared to the previous review.
- Employees work under a certified health and safety management system. Accident frequency and severity rates decreased between 2012 and 2016. The issue of stress prevention remains however unaddressed in Masisa's reporting. No major reorganisation was conducted during the period under review, and while it does not explicitly commit to minimize lay offs it provides counselling, networking and job-hunting skills for employees in case of reorganization.
- No allegations for the Company were identified in the period under review.



Key issues

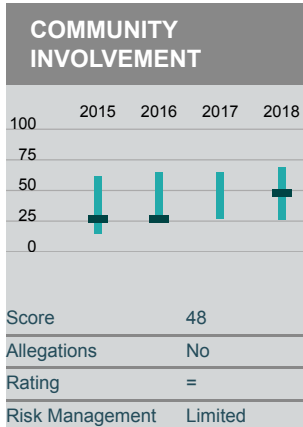
A very important issue for the sector is the respect of indigenous and property rights (HRT1.1). Indeed, land tenures have always been an issue for the sector, with several controversies linked to logging on lands claimed by indigenous communities. According to the United Nations, the livelihoods of over 1.6 billion people depend on forests and forests are home to 300 million people around the world.

Company performance

- Masisa's performance in the Human Rights domain is limited in absolute terms, which is consistent compared to the previous review.
- The Company's Statement of Business Principles addresses all relevant issues at stake in the Human Rights domain for the Company. While it is unclear which measures are allocated to address 'Fundamental Labour Rights', 'Fundamental Human Rights' are addressed through grievance mechanisms and local stakeholder consultations. Finally, while the share of women in management positions is disclosed for 2016, more historical data is needed to determine a trend.
- No allegations for the Company were identified in the period under review.

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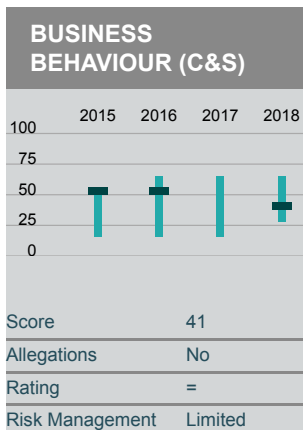


Key issues

Big pulp and paper companies have the ability to invest in plantations on a scale and at a speed that can have an impact on landscapes and rural economies and livelihood. Forestry operations can also be highly controversial. Growing industrial plantations on territories that local communities derive their economic livelihood from, is only one example of questionable practices. For this reason, it is important to assess the kind and scope of community development initiatives that companies have developed in order to promote the social and economic development of their surrounding communities, as well as to mitigate the impacts of their operations on these communities (CIN1.1).

Company performance

- Masisa's performance in the Community Involvement domain is limited in absolute terms, which is an improvement compared to the previous review.
- The Company's Sustainable Development Policy addresses the 'promotion of social and economic development', which is managed through local community educational programs, social impact assessments and community consultation projects. Finally, while the Company does not operate in jurisdictions considered by the OECD as not compliant enough on tax transparency rules, it does not report transparently on taxes paid.
- No allegations for the Company were identified in the period under review.

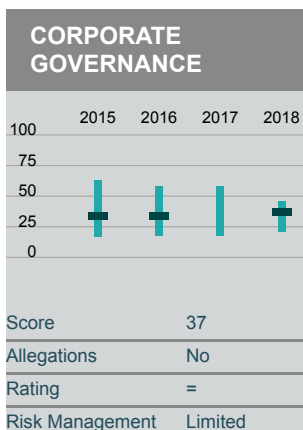


Key issues

The most important business behaviour issue in the forest products & paper sector relates to illegal logging - often linked to corruption practices and fraud (C&S3.1). Although many countries have legislation in place to protect forest reserves and prevent illegal logging, corruption ensures that it continues. Forest-related corruption has many manifestations and occurs where governance systems are weak or not enforced. Companies are thus required to have effective management resources in place to manage related risks.

Company performance

- Masisa's performance in the Business Behaviour domain is limited in absolute terms, which is a deterioration compared to the previous review.
- While the Company addresses the 'Integration of Social Factors in the Supply Chain' and 'Corruption' through formalised commitments, the company only has allocated significant measures to manage the former, while Corruption is only managed through a dedicated confidential hotline. Finally, the indicators reported by Masisa for both issues are not representative enough.
- No allegations for the Company were identified in the period under review.



Key issues

*** Vigeo recently updated its Corporate Governance evaluation model to better assess the level of integration of environmental and social risk factors in the governance framework. ***

Corporate governance is critical to ensuring that a well functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system, the protection of Shareholders Rights and the establishment of Executive Remunerations which align executives' and company's interests.

Company performance


- Masisa's performance in the Corporate Governance domain is limited in absolute terms, which is consistent compared to the previous review.
- Over half of the Board of Directors and its related committee members are considered independent, and the roles of Chairman and CEO are separated, with the Chairman being considered independent. The Audit Committee seems to have a comprehensive role for monitoring financial, operational and legal risks, but the internal control system does not seem to cover CSR issues. With respect to shareholders rights, Masisa respects the "one share - one vote" principle and does not make references to anti-takeover devices. Finally, disclosure of individual executive remuneration data for senior executives is insufficient.
- No allegations for the Company were identified in the period under review.

CSR performance per criterion

Detailed Analysis

Environment	10
ENV1.1 Environmental strategy and eco-design	10
ENV1.2 Pollution prevention and control (soil, accident)	12
ENV1.4 Protection of biodiversity	13
ENV2.1 Protection of water resources	15
ENV2.2 Minimising environmental impacts from energy use	17
ENV2.4 Management of atmospheric emissions	18
ENV2.6 Management of local pollution	19
ENV2.7 Management of environmental impacts from transportation	20
ENV3.1 Management of environmental impacts from the use and disposal of products/services	21
Human resources	22
HRS1.1 Promotion of labour relations	22
HRS2.3 Responsible management of restructurings	24
HRS2.4 Career management and promotion of employability	25
HRS3.2 Improvement of health and safety conditions	27
Human rights	29
HRT1.1 Respect for human rights standards and prevention of violations	29
HRT2.1 Respect for freedom of association and the right to collective bargaining	31
HRT2.4 Non-discrimination	33
Community involvement	35
CIN1.1 Promotion of the social and economic development	35
Business behaviour (C&S)	37
C&S2.4 Integration of social factors in the supply chain	37
C&S3.1 Prevention of corruption	39
Corporate governance	41
CGV1.1 Board of Directors	41
CGV2.1 Audit & Internal Controls	43

CGV3.1	Shareholders	45
CGV4.1	Executive Remuneration	46

-  Involvement in allegations
-  Involvement in allegations with evidence of corrective measures

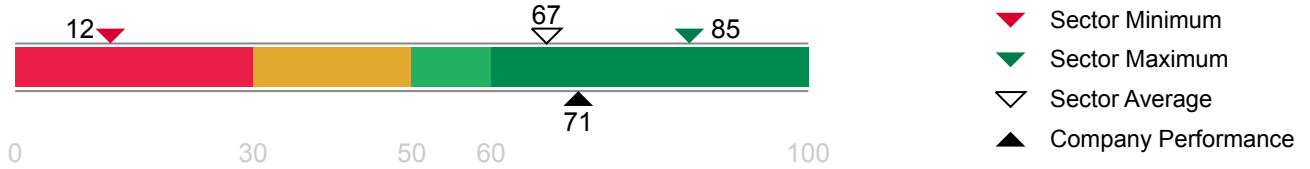
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Environment

Score: 32

ENV1.1 Environmental strategy and eco-design

(score: 71, weight: 3)



Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Safety, Environment, Occupational Health and Quality (SEOQ) Management Policy and its Forest Management Plan.

Relevance of environmental strategy

The company commits to the majority of its responsibilities in terms of environmental protection:

- Pollution prevention and control (soil, accident)
- Management of environmental impacts from the disposal of products/services
- Certification of forests
- Protection of biodiversity
- Protection of water resources
- Minimising environmental impacts from energy use
- Management of atmospheric emissions
- Waste management
- Management of local pollution
- Management of environmental impacts from transportation

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Corporate Forest Manager of each country in charge of forestry operations, undertakes this commitment.

Environmental Management System

The company has allocated significant resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

Masisa's plantations are certified in accordance to ISO 14001 and FSC standards.

Coverage of certified environmental management systems

More than 75% of the company's sites/offices have a certified environmental management system.

All of MASISA's plantations are certified in accordance with the ISO 14001 standard (except Forestal Argentina). All Masisas's industrial plants located in Chile, Argentina, Brazil, Venezuela and Mexico are covered by ISO 14001 certifications. This accounts for 85% of operations being covered by the standard.

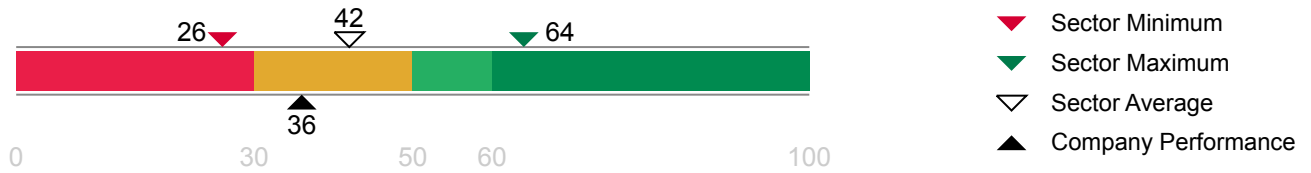
Leadership	58
Visibility	65
Relevance	65
Ownership	30

Implementation	83
Means & resources	65
Coverage	100

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ENV1.2 Pollution prevention and control (soil, accident)

(score: 36, weight: 2)



Relevance of commitments on accidental pollution prevention and control

The company does not disclose any commitment to accidental pollution prevention and control.

Means allocated to accidental pollution prevention and control

Basic resources are allocated to accidental pollution prevention and control:

- risk assessment
- specific training
- pollution control audits (f.i. to detect leaks)
- implementation of risk prevention procedures (emergency plans, simulation exercises)

- installation or maintenance of pollution prevention devices (such as containment basins, etc)
- review of historically polluted soil (f.i. to identify remediation needs)

MASISA has permanent forest fire prevention and fighting programs, which are intensified in critical periods, for which the company has a forest fire prevention and control system to minimize the damage caused by fires.

Coverage

The company has allocated resources to pollution prevention and control throughout the company.

Existence of accidental and/or historical pollution

The company does not disclose data on its environmental incidents and nothing was found in public sources.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Leadership	0
Relevance	0

Implementation	58
Means & resources	30
Coverage	100

Results	49
Performance	65
Trends	30

ENV1.4 Protection of biodiversity

(score: 45, weight: 3)



Relevance of the commitment

The company's commitment towards biodiversity protection covers the main impacts of its activities:

- degradation, destruction or fragmentation of fragile or specific ecosystems and habitats
- impacts on populations' dynamics
- soil erosion
- natural species contamination
- indirect negative effects (due to suppliers' operations)

Managerial tools allocated to biodiversity protection

The company has implemented some relevant measures to integrate biodiversity in the management of its operations, including:

- Environmental impact assessments and/or risk mapping
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

- During 2016, the Company has continued with the New Generation plantations project managed by the World Wildlife Fund. This project seeks sustainable management and design of plantations.
 - Masisa recognizes its High Conservation Value Fores (HCVF) according to FSC's principle 9 and the criteria defined by Proforest Handbook validated by the WWF. The areas have been mapped by the "Fundación Hábitat y Desarrollo". Masisa states that it carries continuous reviews to assess the existence or absence of HCV attributes.

Local measures taken to protect biodiversity on operation sites

The company has implemented limited measures to limit the impacts of its operations on biodiversity such as:

- inventory of endangered species
- set aside any identified critical habitat
- use of alternative harvesting techniques
- adaptation of the operations schedule so as to minimise disturbance to wildlife

- The company makes the identification and protection of rare, threatened or endangered species, and then are classified as endangered, vulnerable, rare and inadequately known.

Coverage of means allocated to biodiversity protection

The company has implemented these measures in a minority of sites or operations.

These measures are being developed in Chile and Argentina, but it remains unclear if the programs also take place in Brazil and Venezuela, where Masisa has 50.2% of their total forestry hectares.

Means allocated to ensure biodiversity protection along the fibre supply chain (from wood and pulp suppliers)

Information obtained from company and public sources regarding means allocated to biodiversity protection along the fibre supply chain is insufficient.

Coverage of the fibre supply chain

Information obtained from company and public sources regarding the percentage of company's suppliers covered by such measures is insufficient.

Results with regard to biodiversity protection: part of virgin fibers purchased or produced by the company that comes from reliable certified forests

Average (25-49%)

The company states that its forest unit is certified in accordance with FSC, so that it can be considered that 100% of the wood produced by the company itself is certified. As regards wood purchased, Masisa counts with the FSC Chain of Custody certification for operations in Chile, Brasil and Venezuela. It remains unclear what exact percentage of virgin fibers purchased or produced by the company comes from certified forests.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Leadership	65
Relevance	65

Implementation	27
Means & resources	32
Coverage	15

Results	42
Performance	65
Trends	30

ENV2.1 Protection of water resources

(score: 23, weight: 3)



Relevance of the company's commitment in terms of reducing its water consumption

The company's commitment to reduce its water consumption is general.

Relevance of the company's commitment in terms of reducing its water emissions.

The company does not disclose any commitment with regard to its water emissions.

Means allocated

The company has limited measures in place to reduce water consumption and/or pollution.

Masisa has set up monitoring systems on water consumption and water emissions. Also, the company has a treatment effluent plants, in which the resulting water is recycled to be used again.

Coverage

The company has taken such measures in a minority of sites.

It remains unclear what percentage of sites benefit from water reuse systems.

Water consumption

The company's water consumption (x1000 cubic meters), normalised to production (cubic meters), has decreased by 18% over the past five years, to stand at 0.0059 (1000m3/m3) in 2016.

Suspended solids discharged into water

The company does not disclose quantitative data on suspended solids discharged into water.

Nitrogen* (N) discharges into water

The company does not disclose quantitative data on nitrogen discharges into water.

Phosphorus (P) discharges into water

The company does not disclose quantitative data on phosphorus discharges into water.

Wastewater Oxygen Demand (COD or BOD)

The company does not disclose quantitative data on wastewater oxygen demand.

Organic chlorine compounds (AOX)

The company does not disclose quantitative data on wastewater organic chlorine

compounds.

Leadership	15
Relevance	15

Implementation	30
Means & resources	30
Coverage	30

Results	25
Performance	25

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ENV2.2 Minimising environmental impacts from energy use

(score: 42, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company's commitment to reduce its energy consumption is general.

Relevance of the company's commitment in terms of reducing its GHG emissions.

The company has set quantified targets with regard to its GHG emissions, and these cover the entire group.

Masisa aims to have 5% of its energy consumption to come from fossil fuel sources by 2025 (baseline 16%). The company also aims to improve its energy efficiency of its resources and materials by four and ten times by 2050 (baseline 2002).

Means allocated.

The company has limited measures in place to reduce its energy consumption and/or GHG emissions.

Masisa discloses the origin of the energy used in its productions. Additionally, the company uses recycled biomass to generate energy.

Coverage

The company has taken such measures in a minority of sites.

There is no evidence that these measures are implemented at a majority of sites.

Energy consumption

The company's energy consumption, normalised to production (in cubic meters), has decreased by 5% between 2014 to 2016, to stand at 1.03 (MWh/m3).

GHG emissions (direct AND indirect*, when applicable)

The company's GHG emissions (direct and indirect), normalised to production (in cubic meters), have remained stable between 2012 to 2016, to stand at 0.021 (ton CO2 eq / m3) in 2016.

Leadership	48	Implementation	30	Results	48
Relevance	48	Means & resources	30	Performance	48
		Coverage	30		

ENV2.4 Management of atmospheric emissions

(score: 0, weight: 2)



Relevance of the company's commitment in terms of reducing its atmospheric emissions.

The company does not disclose any commitment with regard to its atmospheric emissions.

Means allocated

Information obtained from company and public sources regarding means allocated to reducing air emissions is insufficient.

Coverage

Information obtained from company and public sources regarding the percentage of sites covered by such actions is insufficient.

Volatile Organic Compounds (VOC) emissions

The company does not disclose quantitative data on VOC emissions.

Emissions of substances responsible for acid rain (SO₂, NO_x, NH₃ - ammonia)

The company does not disclose quantitative data on emissions of substances responsible for acid rain.

Leadership	0	Implementation	0	Results	0
Relevance	0	Means & resources	0	Performance	0
		Coverage	0		

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ENV2.6 Management of local pollution

(score: 37, weight: 3)



The company's commitment relative to controlling its local pollution focuses on some of the relevant nuisance sources of local pollution for the sector:

Relevance of the company's commitment to reducing its local pollution

- Noise and/or vibrations
- Odours
- Dust
- Landscape aesthetics

Means allocated

The company has limited measures in place to reduce its local pollution.

Masisa has implemented electrostatic precipitators and acoustically isolated equipment. In addition, the company has constructed Wind protected courts to store particulate material.

Coverage

The company has taken such measures throughout the company.

Dust emissions

The company does not disclose data on dust emissions at the company's sites.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Odour emissions

The company does not disclose data on odour emissions at the company's sites.

Leadership	30	Implementation	58	Results	22
Ownership	30	Means & resources	30	Performance	22
		Coverage	100		

ENV2.7 Management of environmental impacts from transportation

(score: 0, weight: 2)



Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products and/or raw materials

The company does not disclose any commitment with regard to the environmental impacts related to the transport of its products and/or raw materials.

Means allocated to minimising the environmental impacts

Information obtained from company and public sources regarding means allocated to minimising the environmental impacts related to the transport of its products and raw materials is insufficient.

- Measures to reduce pollution (car maintenance, alternative fuels, driver training, etc.)
- Rationalisation of transport flows
- Improvement of production transport mix (alternatives to road transport)
- Improvement of personnel transport mix
- External evaluation of the impacts of product transportation and logistics supply chain

Coverage

Information obtained from company and public sources regarding the percentage of sites/products covered by such actions is insufficient.

Energy consumption or CO2 emissions related to transportation

The company does not monitor energy consumption or CO2 emissions from transportation.

Trend in transport mix

Information obtained from company and public sources regarding the company's transport mix is insufficient to determine a trend.

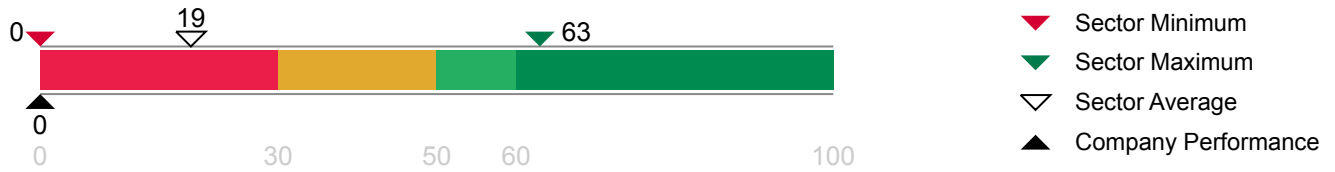
Leadership	0	Implementation	0	Results	0
Relevance	0	Means & resources	0	Performance	0
		Coverage	0	Trends	0

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ENV3.1

Management of environmental impacts from the use and disposal of products/services

(score: 0, weight: 2)



Relevance of commitments related to the disposal of products.

The company does not disclose any commitments related to the disposal of its products.

Measures implemented on the disposal of products.

Information obtained from company and public sources regarding measures implemented to limiting the environmental impacts related to the disposal of its products is insufficient.

Coverage with regard to measures affecting the elimination of the product

Information obtained from company and public sources regarding the percentage of sites covered by measures affecting the elimination of the product is insufficient.

Share of recycled fibre in paper production

Information disclosed on the share recovered paper used compared to virgin fibre in paper production is insufficient to determine a trend.

While Masisa states that it has Scientific Certification Systems for all its MDF products and MDF moldings at its mills in Argentina and Chile, guaranteeing that a certain percentage of the product content comes from recycled wood, the exact percentage is not disclosed.

Leadership	0
Relevance	0

Implementation	0
Means & resources	0
Coverage	0

Results	0
Performance	0

Human resources

Score: 42

HRS1.1 Promotion of labour relations

(score: 22, weight: 1)



Visibility of commitment

The company does not disclose any commitment to promote labour relations.

Relevance of commitment

The company does not disclose any commitment to promote labour relations.

Ownership of commitment

The company does not disclose any commitment to promotion of labour relations.

Coverage of employee representative bodies

Information obtained from company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Information obtained from company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

Information obtained from company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

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Collective agreements on working conditions cover between 51 and 75% of its employees.

Coverage of collective agreements on working conditions

Approximately 100%, 70%, 48%, 69% and 66% of employees in Brasil, Chile, Mexico, Argentina and Venezuela respectively are covered by trade union collective bargaining agreements. Employees in Peru Ecuador and Colombia are not unionised. While it is currently unclear how many employees are covered by bargaining agreements worldwide, it can be inferred that this percentage is at least 50%.

Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Scope	0
Coverage	0

Results	65
Performance	65

HRS2.3 Responsible management of restructurings

(score: 47, weight: 2)



Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.

Involvement with employee representatives

The company commits to informing and consulting employee representatives on reorganisations. However, no commitment to negotiate with employee representatives on reorganisation is visible.

Masisa states that lay off conditions are validated with its union leaders.

Means allocated to prevent and manage reorganisations

The company has allocated basic measures to limit the impacts of reorganisations:

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

- Masisa provides counselling, networking and job-hunting skills.

Coverage

These means are allocated for all the company's employees affected by the reorganisations.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Result of the company's commitment to manage reorganisations responsibly

Employment has increased over the past three years, and no evidence of reorganisations has been found.

Leadership	12	Implementation	48	Results	81
Relevance	0	Means & resources	30	Performance	81
Ownership	30	Coverage	65		

HRS2.4 Career management and promotion of employability

(score: 30, weight: 1)



Visibility of commitment

The company has issued a formal commitment to promote career management and training in its Corporate Training Procedure, but it is not published publicly.

Relevance of commitment

The company's commitment to promoting career management and training is general.

- Anticipate short and long-term employment needs and skill requirements
- Promote career development
- Ensure training, life-long learning and employability
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

The Head of Human Resources is part of the company's Board or Executive Committee and line managers are evaluated on their performance in terms of human resources management.

The Head of HR, Wladimiro Woyno, is part of the company's Executive Committee and line managers are evaluated on their performance in terms of human resources management. Managers' performance assessment is conducted through a 360 degree evaluation, which leads to performance rating on business, people management objectives, leadership and organizational competencies.

Career management systems

The company has set up an internal job opportunity marketplace. Moreover employees have regular performance assessment interviews. The annual individual performance evaluations are based on objectives, organizational competencies and leadership competencies.

Coverage of career management systems

These career management systems cover a minority of the company's employees. During 2014, 25% of Masisa's employees have participated in the annual individual performance evaluation.

Types of training provided to non-managers

The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

Means allocated to training for all employees

Information disclosed on performance indicators related to training per employee is insufficient.

Mobility / turnover

The company does not disclose quantitative data on performance indicators such as employee turnover or mobility rates.

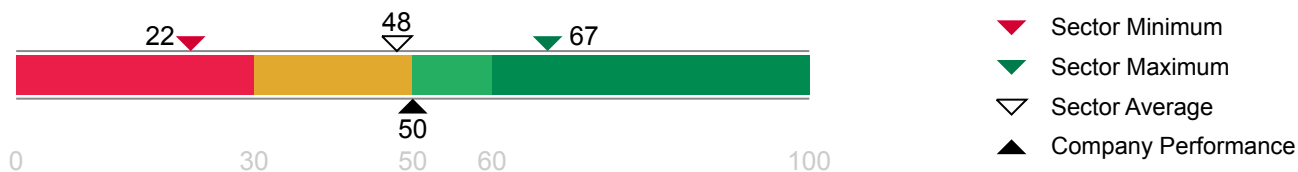
Training delivered during the year under review

The company does not report on the total percentage of employees having received training over the course of the year under review.

Leadership	58	Implementation	31	Results	0
Visibility	65	Means & resources	32	Performance	0
Relevance	30	Scope	30		
Ownership	100	Coverage	30		

HRS3.2 Improvement of health and safety conditions

(score: 50, weight: 3)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues in its: *SEOQ Management Policy.*

Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- prevent occupational disease
- reduce stress/promote well-being
- promote health & safety within subcontractors

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system and employee incentives:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

- *The company has a monthly incident tracking. All incidents are reported to the managers and unit managers so that they can analyze them and take preventive actions.*

- *All Masisa's operations have a health management and security system under the OHSAS 18001 standard. This certification encompasses training, risk assessments and internal H&S audits.*

- *The Company has internal Health, Environment and Safety competitions for all of its forestry and industrial units in Latin America. This assesses incidents, investigation of safety incidents, management of risks and behaviors, accident frequency and severity, waste and CO2 emissions.*

Coverage of health and safety system

There is no evidence that the health and safety measures cover all the company's main contractors.

Information obtained from company and public sources regarding means allocated to reduce stress is insufficient.

Means allocated to reduce stress at work

- Employee assistance programme / hotline (stress only)/counselling
- Job redesign (work organisation)
- Monitoring of absenteeism/rate of occupational disease; assessment of stress through analysis of internal H&S data
- Stress management training
- Awareness campaigns and information
- Measures to improve ergonomics
- Detection of stress: Identification of stress sources/risks assessments
- Avoidance of overtime
- Employee oriented flexibility (work/life balance)
- Employee participation tools (opinion surveys, dedicated teams, workshops)

Coverage of means allocated to address mental health

Information obtained from company and public sources regarding the percentage of employees that benefit from means allocated to address mental health is insufficient.

Accident frequency rate

The company's accident frequency rate has decreased but not continuously over the past five years by 6%, to stand at 0.61 in 2016.

Accident severity rate

The company's accident severity rate has decreased over the past five years by 96%, to stand at 13.6 in 2016. This figure currently is below the sector average.

Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

Fatality rate

The company does not disclose quantitative data on fatality rates

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

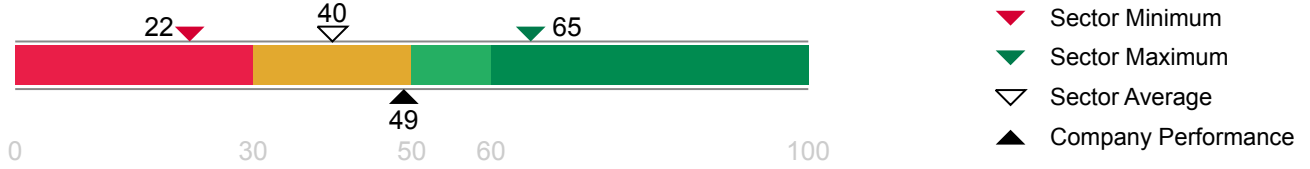
Leadership	42	Implementation	63	Results	44
Visibility	65	Means & resources	71	Performance	44
Relevance	30	Coverage	43		
Ownership	30				

Human rights

Score: 40

HRT1.1 Respect for human rights standards and prevention of violations

(score: 49, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Statement of Business Principles. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to respect and promote human rights in society is general.

- respect the right to privacy
- respect the right to personal security
- respect property rights and resettlement
- prevent cruel, inhuman, or degrading treatment
- respect freedom of expression
- prevent complicity in human rights violations
- respect of indigenous rights including consultation and cultural heritage
- respect of indigenous peoples rights including indigenous peoples' right to Free Prior and Informed Consent (FPIC)

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

A dedicated committee composed by operation, legal, CSR and forestry management departments is meeting every month to treat eventual conflicts and oversee Masisa's global respect of Indigenous Rights.

Means allocated

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:

- awareness-raising programmes for employees
- external investigation of allegations
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- consult local independent and representative stakeholders

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- facilitate free, prior and informed consent (FPIC)
- human rights capacity building for local communities
- external audits/verification

- Masisa has implemented a Community Relations and Dispute Resolutions procedures in 2014, but these procedures are not disclosed. In addition, the company has hired a Mapuche sociologist in order to develop new strategies of engagement with indigenous communities.

Coverage

The company has set up such systems in parts of its operations, including in some high-risk areas in terms of human rights abuses.

These programmes are being developed in Chile, in Araucania's Region.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Leadership	51
Visibility	65
Relevance	30
Ownership	65

Implementation	30
Means & resources	30
Coverage	30

Results	65
Performance	65

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 34, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Statement of Business Principles. Additionally, The company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment

The company's commitment addresses some of its responsibilities:

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135, or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace
- prevent violations of the freedom of association and the right to organize

Ownership of commitment

The Managers and the Human Resources Management department are in charge of this commitment.

Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- occasional risk mapping
- occasional internal audits
- regular risk mapping
- regular internal audits
- external audits/verification
- external investigation of allegations
- cooperation with unions: joint audits, joint grievance procedures etc.

Promotion of collective bargaining

Information obtained from company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

- Introductory training; awareness raising campaigns
- Reference in employee contract to labour rights
- Means allocated to employees representatives in order for them to exercise their function
- Dedicated intranet for all employees

- Infrastructure/time to exercise these rights
- Collaboration with trade unions on the promotion of labour rights

Coverage

Information obtained from company and public sources the percentage of the company where such labour rights systems and programmes are in place is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	65
Performance	65

HRT2.4 Non-discrimination

(score: 34, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Statement of Business Principles. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

The Management Team is in charge of this commitment.

Means allocated

The company has set up basic measures to prevent discrimination and promote diversity:

- awareness raising campaigns
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures

- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- The company has implemented a women labour inclusion programme in partnership with the National Service for Women and the city hall of Cabrero, Chile. This programme trains the women in order to integrate them to the Cabrero's plant of Masisa.

- Masisa monitors the share of women in the direct workforce.

- During 2015, Masisa monitored the salary gap between men and women in executive, professional, tactic and support positions through the different countries where it operates.

Coverage

This programme has being developed in Chile, which accounted for 22.8% of the company's revenues in 2014.

Results in terms of gender distribution

Information disclosed on performance indicators such as the share of women in management positions is insufficient to determine a trend.

15.4% of women accounted for management positions in 2016, however more historical information is needed to determine a trend.
Of note, the gender balance has remained stable between 2014 and 2016, standing at 16.2% in 2016.

Results in terms of employment of disabled persons

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

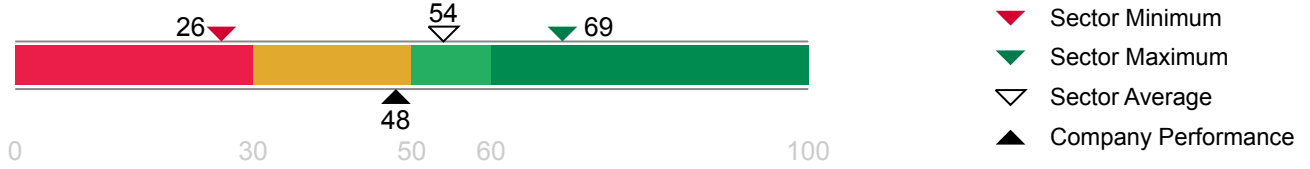
Leadership	51	Implementation	30	Results	22
Visibility	65	Means & resources	30	Performance	65
Relevance	65	Coverage	30	Trends	0
Ownership	30				

Community involvement

Score: 48

CIN1.1 Promotion of the social and economic development

(score: 48, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

Sustainable Development Policy.

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy (infrastructure, health, environment, education at community level)
- Promote the creation and development of local businesses / preference for local suppliers
- Promote the employment and training of local personnel (capacity building)
- Reduce the social impacts related to site closures, openings, and restructuring
- Community engagement
- Implement a responsible tax strategy

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The CSR Corporate Management is in charge of this commitment. The Operational Managers (Industrials and Forestry) are in charge of implementing this commitment.

Means allocated

The company has allocated significant means to address social and economic development, including:

- Social development initiatives (health, education at community level, environment, ..)
- Development of infrastructures
- Local purchase programs
- Measures to recruit and train local personnel (capacity building)
- Community engagement

- *The Company supports universities and schools in Mexico, Argentina and Chile with environmental education, corporate responsibility management programs, and adult schooling. Masisa also supports local carpenters in Chile and Venezuela with education projects.*

- *The Company engages with traditional indigenous authorities through interviews, conversations and meetings with local authorities in order to know and understand to them and conflict associated to different sites.*

Geographical coverage

These means are allocated in the majority of company sites.

Scope of community engagement

The company has established a relevant community engagement plan for its production sites, that includes:

- Social impact assessment
- Community consultation
- Training and/or awareness raising of relevant employees
- Grievance mechanisms

- Masisa has implemented a Development Action Plan, which identifies the critical issues for the welfare of the community.
 - Local indigenous Mapuche authorities are consulted in regards to possible conflicts or demands when it comes to Company sites.

Performance trend

The company does not monitor/report indicators on social and economic development.

Transparency of tax reporting

The company reports only on gross taxes paid. There is no breakdown on a regional or country basis.

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company does not operate in any location considered by the IMF as 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

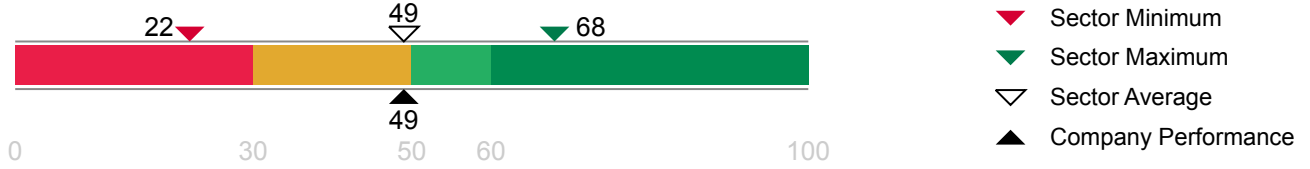
Leadership	37	Implementation	65	Results	42
Visibility	65	Means & resources	65	Performance	57
Relevance	30	Scope	65	Trends	0
Ownership	30	Coverage	65		

Business behaviour (C&S)

Score: 41

C&S2.4 Integration of social factors in the supply chain

(score: 49, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its:

Safety, Environment, Occupational Health and Quality (SEOQ) Management Policy.

Relevance of commitment

The company's social requirements for suppliers are general and refer only to applicable laws or corporate social policies.

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has set up significant measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

- *The company states that it has integrated its business principles in the contractual clauses of its critical suppliers.*
 - *Masisa has development plans with its suppliers. The company helps the suppliers to improve health and safety.*
 - *Masisa conducts assessments related to social issues of the company's critical suppliers. The results of these evaluations are published and rated from an "A" score to a "D" score.*

Information disclosed on the share of social problems in the supply chain that were addressed by corrective measures is insufficient.

Share of corrective measures / problems uncovered

During 2016, supplier evaluations detected only 4 suppliers with a "D" score out of 421 suppliers evaluated. The Company states that the suppliers with the lowest score on their evaluations are asked to develop an action plan and in some cases, that Masisa has decided to cease working with them. However, it is still unclear how many of these 4 suppliers were addressed by corrective measures.

Allegations against suppliers

A review of stakeholder sources did not reveal any social allegations against the company's suppliers.

Coverage of measures to integrate social factors into the supply chain

The measures implemented cover a minority of purchases/suppliers.
It is unclear which suppliers benefited from development programs.

Audits of suppliers

The company includes social aspects in its standard quality audits of suppliers.
In 2014, the company conducted social audits for its suppliers, focusing on legal, social and environmental issues.

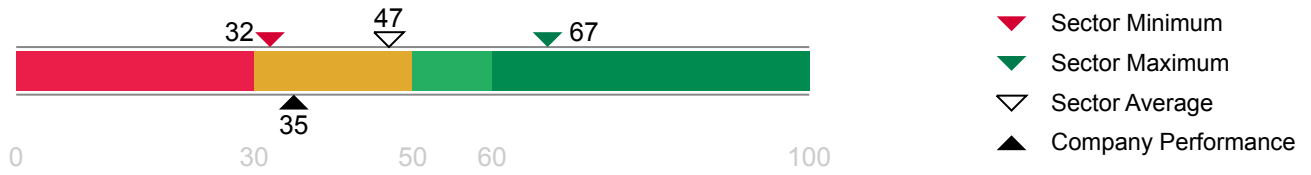
Coverage of social audits

Masisa's social audits covers 11.4% of its suppliers that purchase twice or more times per year.

Leadership	39	Implementation	42	Results	67
Visibility	65	Means & resources	48	Performance	67
Relevance	30	Coverage	30		
Ownership	30				

C&S3.1 Prevention of corruption

(score: 35, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to preventing corruption in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Corporate Governance Code. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to preventing corruption addresses only part of its responsibilities:

- giving / receiving bribes
- restriction of facilitation payments
- nepotism
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- financing of political parties
- prohibition of facilitation payments

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Risk and Audit Committee (which is part of the Board), is ultimately responsible for tracking, investigating and responding to complaints and claims.

Involvement of employees

The company has not instituted programmes for relevant employees on corruption prevention.

Means allocated

The company has a reporting system to prevent corruption that include:

- approval procedures for gifts, etc. by an independent department
- external audits (by an independent, external specialised organisation)
- external investigations of allegations
- the possibility to contact internal audit, legal or compliance departments directly

& confidentially

- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- risk assessment of company vulnerability
- due diligence on joint ventures
- due diligence in evaluating contracts/suppliers
- systems for appointment/remuneration of agents
- identify and black list known bribe payers

- through the Business Principles Canal, the stakeholders have the possibility to leave a confidential report, which will directly reach the Risk and Audit Committee.

Coverage

The measures implemented cover all significant parts of the company.

Reporting

Masisa discloses the number of complaints received by the business Principle Canal and the number of cases closed, but it is not clear what share of these problems were related to corruption issues.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Leadership	41
Visibility	65
Relevance	30
Ownership	30

Implementation	20
Means & resources	15
Coverage	30

Results	43
Performance	43

Corporate governance

Score: 37

CGV1.1 Board of Directors

(score: 48, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee No specific committee is in charge of director nomination, which might raise concerns.

Independence of the Board Chairman The roles of Chairman and CEO are separated, and the Chairman is considered independent.

Responsibility allocated over CSR issues Information on the responsibilities allocated over CSR issues is insufficient.

Share of independent shareholder-elected Board members [LISTED COMPANIES] In accordance with standards advocated by Vigeo, the Board is more than 50% independent.
Five members of the 9-member Board are considered independent.

Diversity of the skills and backgrounds of the Board The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

- Roberto Salas was President of the Development Area of the World Business Council for Sustainable Development. Andreas Eggenberg is a member of Grupo ECOS, which is focused on selected sustainable development segments as renewable energy. Héctor Vargas does independent council on corporate governance.

Training and expertise provided to board members Training is provided upon joining the Board.
Elected Directors have an induction process that aims to internalize the strategy, vision, values, policies, processes, legal obligations and operations of the Company.

Regular election of Board members [LISTED COMPANIES] Board members are elected at least every three years and these elections are not staggered.

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Board members are eligible for re-election following 3-year terms

Evaluation of Board's functioning and performance

Performance is evaluated regularly by a third party.

Self evaluation is performed every year, and this process is assisted by an external independent organism.

Review of CSR issues at Board meeting

Information obtained from company and public sources regarding the review of CSR issues at board meetings is insufficient.

- Energy use and GHG emissions
- Biodiversity
- Water
- Local pollution
- Social and economic development of communities
- Corruption
- Health and safety

Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%

Seventeen Board meetings were held during the last fiscal year, and attendance rates are 100% for all directors, except for Mr. Eggenberg (94.11%) and Mr Carey (88.23%)

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Andreas Eggenberg	President		X											X
Roberto Salas	CEO	X												
Rosangela Mac Cord	Vice-President Audit Committee President		X			X	X		X					
Claudio Cabezas Corr			X				X							X
Alejandro Carrillo			X			X								X
Jorge Carey Tagle			X						X					
Ramiro Urenda Morgan	Directors' Committee Chairman		X				X							X
Hector Vargas Icaza			X			X								X

CGV2.1 Audit & Internal Controls

(score: 37, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

All members are non-executive directors, and the majority, including the committee's chair, are independent.

The Directors' Committee performs the duties of an Audit Committee, while the Risk & Audit Committee manages risks and monitors the internal controls environment of operations.

Two members of the 3-member Directors' Committee are considered independent. Two members of the 3-member Risks & Audit Committee are considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial and/or audit experience, but lack relevant operational experience in the sector.

Operational and CSR risks covered by the company's internal controls system

The system covers the standard issues related to financial, operational, and legal risks.

- Energy use and GHG emissions
- Biodiversity
- Water
- Local pollution
- Social and economic development of communities
- Corruption
- Health and safety

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks

Information obtained from company and public sources regarding the management of the CSR risks is insufficient.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board

- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Independence of the firm's external auditors

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

CGV3.1 Shareholders

(score: 37, weight: 2)



Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.
Exceptional General Meetings may be called by shareholders representing the minimum percentage required by law in respect of the total issued shares with voting rights (10%).

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.
The following items are not put to a vote at the AGM:
- Executive remuneration
- Extraordinary transactions

Presentation of CSR strategy to shareholders and investors

The company's CSR strategy has not been presented to shareholders and investors.

- Energy use and GHG emissions
- Biodiversity
- Water
- Local pollution
- Social and economic development of communities
- Corruption
- Health and safety

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

CGV4.1 Executive Remuneration

(score: 22, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

All members are non-executive directors, and the majority, including the committee's chair, are independent.

The Directors' Committee examines the remuneration systems and compensation plans for Masisa's managers, senior executives and employees. Two members of the 3-member Directors' Committee are considered independent.

Disclosure of senior executives' individual remuneration

Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Energy use and GHG emissions
- Biodiversity
- Water
- Local pollution
- Social and economic development of communities
- Corruption
- Health and safety

Severance pay for senior executives

Severance pay may exceed 2 years' base salary, contrary to standards advocated by Vigeo.

Severance payments account on average for one month of base salary per year of service.

Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

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Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 02/2018, Masisa did not appear to be involved in any controversy related to this sustainability driver

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/03	-	+	+	=	=	=
2016/03	=	+	+	-	+	=
2015/11	=	+	+	-	+	=

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	32	28	35	22
Human resources	42	30	45	51
Human rights	40	47	21	53
Community involvement	48	37	65	42
Business behaviour (C&S)	41	40	29	53
Corporate governance	37	45	34	32

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	71
	2	36
	4	45
Environment 2	1	23
	2	42
	4	0
	6	37
Environment 3	7	0
	1	0

Sub-domain	Criterion	Score
Human resources 1	1	22
Human resources 2	3	47
	4	30
Human resources 3	2	50

Sub-domain	Criterion	Score
Human rights 1	1	49
	1	34
Human rights 2	4	34

Sub-domain	Criterion	Score
Community involvement 1	1	48

Sub-domain	Criterion	Score
Business behaviour (C&S) 2	4	49
Business behaviour (C&S) 3	1	35

Sub-domain	Criterion	Score
Corporate governance 1	1	48
Corporate governance 2	1	37
Corporate governance 3	1	37
Corporate governance 4	1	22

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Overview of the latest updates

Date of the latest update	Information updated
2018/08	Carbon & Energy Transition
2018/03	Full ESG profile

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