

MASISA

Corporate Policy

Water Resource Management

INDEX

1. INTRODUCTION	3
1.1 Target	3
1.2 Scope	3
1.3 Definitions	3
2. POLICY DESCRIPTION	3
2.1 Increase water efficiency in our operations	4
2.2 Apply strong and transparent Water Resource Governance.	4
2.3 Collaborate for a responsible and sustainable management of water resources.	4
3. RESPONSIBLE FOR ITS APPLICATION AND FOLLOW-UP	5
4. VALIDATION PROCESS	5
5. CHANGE CONTROL	5

1. INTRODUCTION

1.1 Target

Water is an essential resource for life on our planet, and for the operations of our company. Its proper management can generate significant and positive social, environmental and financial impacts.

1.2 Scope

Applies to all the companies and/or investments in which MASISA holds a majority stake or is in charge of their administration.

1.3 Definitions

- **Water Resources Management (HRM):** a process that promotes the management and coordinated use of the development of water, land and related natural resources (GWP), in order to maximize the social and economic welfare in an equitable manner without compromising the sustainability of vital ecosystems.
- **Triple Bottom Line:** a theory that seeks, comprehensively and simultaneously, to maximize financial, social and environmental performance. The actions carried out in the environmental and social spheres aim to generate economic value and sustainability for the company's business in the short, medium and long term, in accordance with the business principles and framework of action of the company. All this is reflected in the Sustainability Strategy that is proposed by the Sustainable Development Council and approved by the Company's Board of Directors.
- **Environment:** the environment in which an organization operates, including air, water, soil, natural resources, flora, fauna, human beings and their interrelationships.
- **Environmental Impact:** any change in the environment, whether adverse or beneficial, as a total or partial result of the business of an organization.
- **Stakeholders:** people or organizations that are affected by the operation of the company, positively or negatively, and that exert a degree of influence on it (R. Edward Freeman, 1984).
- **Environmental Governance:** the highest category that a municipality can achieve in the Municipal Environmental Certification System. It entails the construction of an environmental management model in which local stakeholders participate in the development of a sustainable territory, in the context of mitigation and adaptation to climate and global change. It is characterized by the creation of a workgroup composed of citizen, public, private and educational institutions whose objective is to collaborate and define a communal environmental vocation, in connection with energy, biodiversity, water management, solid waste, atmospheric decontamination, sustainable urbanism, landscape of conservation, among other issues.
- **SMS:** Health, Environment and Safety.

2. POLICY DESCRIPTION

MASISA's core business is the manufacture and sale of wood boards for furniture and interior architecture, creating value for its shareholders, customers and society, and seeking to be the number one company in this industry in Chile.

This document has been prepared by Masisa and it is the exclusive owner thereof. Its distribution to those that do not belong to the Company is prohibited.

We recognize that water is an essential resource for the operation of our company, and that its adequate management can generate significant positive social, environmental and financial impacts.

In accordance with its business principles and values, in its industrial and forestry operations, MASISA Chile's commitments are to:

2.1 Increase water efficiency in our operations.

- We are committed to gradually reducing water consumption in our operations. In order to do so it is essential to incorporate social and environmental variables as an integral part of our business strategy, through the ESG criteria (environmental, social and corporate governance) and the Triple Bottom Line approach.
- We look for innovative technological alternatives that help water efficiency and promote increased recirculation, thereby promoting its reuse and contributing to climate change mitigation. Favoring the optimization of natural resources and mitigation of the impact on the soil, water, flora, fauna and the effects on biodiversity.
- We establish objectives and goals regarding the reduction of water resources, which inform the progress of these. Those responsible for the application and compliance with this policy are the General Manager, Operations Manager and the SMS and Community Relations Manager. This last one is in charge of implementing the necessary actions so that the defined goals and objectives are fulfilled.

2.2 Apply strong and transparent Water Resource Governance.

- We collaborate on water and environmental management matters. Likewise, we inform the public of our performance, commitments, opportunities and the results obtained, with a focus on operational efficiency.
- We incorporate additional considerations in relation to water resources management as a strategy for the company and its operations.

2.3 Collaborate for a responsible and sustainable management of water resources.

- We work daily to fulfill our commitments to the environment and water resources, governing ourselves in accordance with applicable environmental regulations.
- We manage and monitor on a daily basis the use of water resources, looking for ways to reduce consumption. This action is carried out in conjunction with the operating areas of the production plants.
- We maintain open and transparent communication with stakeholders and neighboring communities. The fact that we are part of a Communal Environmental Governance Workgroup is proof of this.

The Vision, the Values and the Declaration of Business Principles define the long-term vision of MASISA and the understanding of its role in society.

3. RESPONSIBLE FOR ITS APPLICATION AND FOLLOW-UP

Position	Application	Follow-up
Board		X
General Manager	X	X
Several Departments	X	
SMS and Community Relations Manager	X	

4. VALIDATION PROCESS

Function	Name	Position	Date
Reviewed by	Reinaldo Gallegos	SMS and Community Relations Manager	May 2022
Approved by	Alejandro Carrillo	General Manager	May 2022
Effective Date: May 2022		Version: 01	

5. CHANGE CONTROL

Reason	Responsible	Date
Adaptation of Policy and Corporate Procedures SMS and Community Relations Department	Reinaldo Gallegos	May 2022