



GLOBAL COMPACT

The United Nations
New York, New York
USA

Santiago, 30 junio, 2005

To The Global Compact:

Please find below GrupoNueva's Communication on Progress (COP) for the Global Compact. The matrix summarizes progress for each of the Global Compact's ten principles using information contained in the sustainability reports for GrupoNueva, Amanco, and Terranova for the 2002-2003 periods.

GrupoNueva is a holding company and during the reporting time frame owned three companies – Amanco, Terranova, and Masisa. Since Masisa was acquired in 2001, no sustainability report was published. However, the matrix below does note GrupoNueva's progress in implementing Global Compact principles in Masisa from 2001 to 2003.

This COP has been prepared using aspects of both the COP Model 1 and the COP Model 2. The matrix includes a summary of the commitments, systems, actions, and performance of GrupoNueva for each principle. In addition, the matrix notes where the information can be located in each of the published sustainability reports and in "GrupoNueva's Business Principles." These documents may be readily accessed at www.gruponueva.com.

GrupoNueva and its companies are currently preparing sustainability reports for 2004-2005. In conformance with the suggested COP Model 1, we plan to include our next Communication on Progress in these sustainability reports. The reports will be issued in June 2006 and will cover our progress in implementing Global Compact's principles during the 2004-2005 periods.

Finally, we would like to inform Global Compact that as of January 2005, Terranova (also a signatory to Global Compact) no longer exists as a company and all of Terranova's operations have been absorbed by Masisa.

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Please accept this letter as our statement of continued support to Global Compact. GrupoNueva is committed to Global Compact's ten principles and we aim to continue improving our performance in human rights, environment, labor and anti-corruption.

If you have any questions, please feel free to contact me.

Regards.

A handwritten signature in dark ink, appearing to read "Mr. Emilio Correa".

Maria Emilia Correa
Vice President, Environmental and Social Responsibility

HUMAN RIGHTS PRINCIPLES		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and		
Principle 2: make sure that they are not complicit in human rights abuses.		
Statement of Commitment	<p>GrupoNueva formally commits to human rights in sections four and nine of its “Business Principles.”</p> <ul style="list-style-type: none"> • “We will respect the human right of our employees and our employment policies are based on equality of opportunity to encourage everyone to reach their full potential.” • “We will not permit discrimination on the basis of race, gender, age, ethnicity, nationality, religion or sexual orientation.” • “We always want to be known as good people to do business with, and where we operate in conjunction with business partners, third parties or in joint venture arrangements where we do not have a majority equity interest, we will seek to promote the application of these Business Principles in those commercial relationships.” • “These Principles are expected to be observed by those acting as agents for GrupoNueva and should be respected by vendors and others providing services for group companies.” 	<ul style="list-style-type: none"> • See “GrupoNueva Business Principles,” pages 10 & 12.¹ • See “Amanco Sustainability Report 2002-2003,” page 10 and “Terranova Sustainability Report,” page 17, for specific commitments by each company to GrupoNueva Business Principles.
Systems	<p>In 2003, GrupoNueva launched the Business Principles to management and employees via a series of workshops facilitated by an outside NGO. These actions are described below.</p> <p>In addition, GrupoNueva created a management system to assure the consistent application of the Business Principles across the group. Aspects of this</p>	<p>See “GrupoNueva Business Principles” English version, pages 13.</p> <p>See “GrupoNueva Sustainability Report 2002-2003,” page 13.</p>

¹ The documents referenced in this matrix are: 1) “GrupoNueva Business Principles,” 2003, 2) “GrupoNueva Sustainability Report 2002-2003,” 3) “Amanco Sustainability Report 2002-2003,” and 4) “Terranova Sustainability Report 2002-2003.” With the exception of Amanco, these documents are available in both Spanish and English and may be viewed at www.gruponueva.com.

	<p>system include creation of a Risk Manager position in 2003 responsible for monitoring of business principles; required annual reporting by Chief Operating Officers for each group to the GrupoNueva board on the application of the Business Principles; and formation of direct communication channels between GrupoNueva and all employees to report on matters relating to the Business Principles.</p>	<p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>
Actions	<ul style="list-style-type: none"> • Business principles developed with the support of Integrity Works and via a consultative, internal process. • Workshops held with senior management teams in Amanco, Masisa and Terranova to identify gaps between principles and business. • Workshops with employees facilitated by FUNDES Chile in each group of companies to communicate principles and elicit employee commitment. 	<p>See "GrupoNueva Sustainability Report 2002-2003," page 13.</p> <p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>
Performance	<p>2004 Objectives</p> <ul style="list-style-type: none"> • All direct and indirect employees in GrupoNueva companies understand and have committed to application of the business principles. • All GrupoNueva managers periodically re-confirm their commitment to the business principles. <p>The 2004-2005 sustainability reports for GrupoNueva, Amanco and Masisa will report in the progress of these objectives and indicators.</p>	<p>See "GrupoNueva Sustainability Report 2002-2003," page 13.</p> <p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>

LABOR STANDARDS		
<i>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</i>		
<i>Principle 4: the elimination of all forms of forced and compulsory labor;</i>		
<i>Principle 5: the effective abolition of child labor; and</i>		
<i>Principle 6: the elimination of discrimination in respect of employment and occupation.</i>		
Statement of Commitment	<p>GrupoNueva formally commits to labor standards in its Vision & Values and section four of its "Business Principles."</p> <ul style="list-style-type: none"> • "As a minimum we will always obey the laws wherever we operate. However, we recognize this is necessary but not sufficient, therefore we aspire to work to high international standards of business conduct." • "Our People: Respect for the individual and each person's integrity governs relationships among people in all our companies. We operate primarily through teamwork. We seek to develop a working environment that creates synergy among our people and among our companies to achieve our goals." • "Relationships with employees in all parts of the GrupoNueva are based upon respect for the individual. We seek to attract, develop, reward and retain competent individuals and aim to provide all employees with safe and healthy work conditions." • "We will respect the human rights of our employees and our employment policies are based on equality of opportunity to encourage everyone to reach their full potential. We are committed to working as one team and will not condone unfair treatment of any kind." • "We value diversity in the workforce and treat each other as we expect to be treated ourselves." • "We will not permit discrimination on the basis of 	<p>See "GrupoNueva Business Principles", pages 8 & 10.</p> <p>See "Amanco Sustainability Report 2002-2003," page 54; see "Terranova Sustainability Report 200-2003, page 38.</p>

	<p>race, gender, age, ethnicity, nationality, religion or sexual orientation.”</p> <p>Further commitment to employees right to free association is made in Amanco and Terranova’s 2002-2003 sustainability reports:</p> <ul style="list-style-type: none"> • Amanco: “In conformance with our Business Principles, we (Amanco) respect the right our employees to free association.” • Terranova: “We respect the right of our workers to form unions or organize collectively to negotiate their terms of employment.” 	
Systems	<p>GrupoNueva monitors the right to free association using the assurance mechanisms mentioned above for the human rights.</p> <p>In addition, Terranova provides an explanation in its 2002-2003 report of the state of employee organization as of the end of 2003.</p>	<p>See descriptions above.</p> <p>See “Terranova Sustainability Report 2002-2003,” pages 38-39.</p>
Actions	See above.	
Performance	See above.	

ENVIRONMENT		
<i>Principle 7: Businesses should support a precautionary approach to environmental challenges.</i>		
Statement of Commitment	<p>GrupoNueva commits to responsible and ethical environmental management in its Vision & Values and Business Principles:</p> <ul style="list-style-type: none"> • “Our Vision: To be recognized as a leading industrial group in Latin America , operating in a framework of ethics, eco - efficiency, and social responsibility, that generates economic value and improves our neighbors’ and our regions’ quality of life.” • “Our companies promote social and environmental responsibility in all our operations and among those with whom we do business.” • “The criteria for investment decisions, acquisitions and business relationships take into account social and environmental as well as economic considerations.” • “GrupoNueva recognizes the importance of environmental responsibility and will promote operational practices to reduce the environmental burden associated with our activities. This means using finite resources carefully, incorporating the eco – efficiency and the management of environmental risk into our decision-making and sharing good practice across the Group. We will review and report openly on progress in this area.” 	<p>See “GrupoNueva Business Principles,” pages 8, 9, & 12.</p>
Systems	<p>As of 2003, GrupoNueva had five systems in place that support a precautionary approach to environmental management:</p> <ol style="list-style-type: none"> 1. The Sustainability Scorecard – An adapted version of the Balance Scorecard used to monitor the performance of the all GrupoNueva companies, this scorecard allows for tracking of key environmental indicators. 2. Draft Business Evaluation Model – to be used by GrupoNueva’s shareholder to assess integration of sustainable development into the business and also to evaluate new business acquisitions. The model 	<p>See “GrupoNueva Sustainability Report 2002- 2003,” pages 15-17 & 34-37.</p>

	<p>allocates a 15% weighting to environmental performance.</p> <p>3. Integrated Management Systems – GrupoNueva requires its companies to implement a management system approach to environmental control and ISO 14001 certification. In addition, all GrupoNueva owned plantations must be Forest Stewardship Council (FSC) certified.</p> <p>4. Corporate Standards – GrupoNueva has established corporate standards that set maximum limits for air and water emissions (inside and outside of manufacturing plants), and waste disposal.</p> <p>5. Eco-Efficiency Indicators – All plants are required to set annual objectives for savings on water use, energy use and reduction of waste.</p>	
Actions	<p>Sustainability Scorecard:</p> <ul style="list-style-type: none"> All GrupoNueva companies, at the business and corporate levels, are required to use the Sustainability Scorecard. <p>Draft Business Evaluation Model</p> <ul style="list-style-type: none"> As of 2003, this model had been developed and approved by the GrupoNueva shareholder. <p>Management Systems, Corporate Standards, & Eco-Efficiency</p> <ul style="list-style-type: none"> All GrupoNueva companies are required to have ISO 14001 certification. All GrupoNueva companies must report on eco-efficiency indicators. All GrupoNueva companies must comply with corporate environmental standards. 	See “GrupoNueva Sustainability Report 2002- 2003,” pages 15-17 & 34-37.
Performance	<p>Sustainability Scorecard:</p> <ul style="list-style-type: none"> Amanco has used the scorecard since 1999 and Amanco's sustainability report follows the five dimensions of the scorecard. Masisa and Terranova began to use the Scorecard in 2003. 	See “GrupoNueva Sustainability Report 2002- 2003,” pages 34-37.

	<p>Draft Business Evaluation Model</p> <ul style="list-style-type: none"> GrupoNueva began to apply the model in 2004 and progress will be reported in the 2004 – 2005 sustainability report. <p>Management Systems, Corporate Standards, & Eco-Efficiency</p> <ul style="list-style-type: none"> By the end of 2003, 90% of GrupoNueva companies had achieved ISO14001 certification. The remaining companies will be certified by the end of 2005. By the end of 2003, eco-efficiency indicators were incorporated in the sustainability scorecards for each company and reported in the sustainability reports. 	<p>See “Amanco Sustainability Report,” pages 33-45.</p> <p>See “Terranova Sustainability Report,” pages 44-54.</p>
Principle 8: Undertake initiatives to promote greater environmental responsibility.		
Statement of Commitment	GrupoNueva commits to responsible and ethical environmental management in its Vision & Values and Business Principles. Please note the statements of commitment highlighted above in Principle 7.	See “GrupoNueva Business Principles,” pages 8, 9, & 12.
Systems	<p>The three main systems used to promote environmental responsibility in GrupoNueva business are:</p> <ol style="list-style-type: none"> 1. Environmental Management Systems – GrupoNueva requires its companies to implement a management system approach to environmental control and ISO 14001 certification. In addition, all GrupoNueva owned plantations must be Forest Stewardship Council (FSC) certified. 2. Corporate Standards – GrupoNueva has established corporate standards that set maximum limits for air and water emissions (inside and outside of manufacturing plants), and waste disposal. 3. Eco-Efficiency Indicators – All plants are required to set annual objectives for savings on water use, energy use and reduction of waste. 	See “GrupoNueva Sustainability Report 2002- 2003,” pages 15-17 & 34-37.

Actions	<ul style="list-style-type: none"> All GrupoNueva companies are required to have ISO 14001 certification. All GrupoNueva companies must report on eco-efficiency indicators. All GrupoNueva companies must comply with corporate environmental standards. 	See "GrupoNueva Sustainability Report 2002- 2003," pages 15-17 & 34-37.
Performance	<p>Management Systems - ISO</p> <ul style="list-style-type: none"> In Amanco, as of December 2003, 22 of Amanco's 23 plants were certified in ISO9001 and 20 were certified in ISO14001 certification. In Terranova, as of December 2003, all operations in Brasil, Chile and the USA were ISO14001 certified. Also, all Terranova owned plantations were FSC certified. <p>Eco-Efficiency Indicators</p> <ul style="list-style-type: none"> GrupoNueva's 2002-2003 sustainability report provides performance indicators for: <ul style="list-style-type: none"> Energy Consumption Water Consumption Waste CO2 Emissions Carbon Capture in Forestry Plantations Balance Emissions vs. Carbon Capture Additional information on Terranova and Amanco eco-efficiency performance can be found in their respective reports on the pages noted. 	<p>See "GrupoNueva Sustainability Report 2002- 2003," pages 34-37; see "Amanco Sustainability Report 2002-2003," page 34; see "Terranova Sustainability Report 2002-2003," page 45.</p> <p>See "GrupoNueva Sustainability Report 2002- 2003," page 36; see "Amanco Sustainability Report 2002-2003," page 45; see "Terranova Sustainability Report 2002-2003," pages 53-54.</p>
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.		
Statement of Commitment	GrupoNueva commits to responsible and ethical environmental management in its Vision & Values and Business Principles. Please note the statements of commitment highlighted above in Principle 7.	See "GrupoNueva Business Principles," pages 8, 9, & 12.
Systems	In Amanco, GrupoNueva has established a supplier policy to ensure adherence to environmental standards in the production of critical inputs. In addition, Amanco	See "GrupoNueva Sustainability Report 2002- 2003," pages

	created a Materials Committee that works in partnership with suppliers to reduce use of high risks inputs.	34.
Actions	<p>Actions in Amanco:</p> <ul style="list-style-type: none"> • In 2002, Amanco eliminated the use of heavy metals and phatlates plastic agents. Amanco worked actively in 2002 and 2003 with key suppliers to develop organic based stabilizers to replace the use of heavy metals. • Amanco Argentina and Amanco Brasil, initiated programs to replace lead based inputs with calcium zinc based inputs. • Amanco requires its suppliers of PVC resin to maintain no more than 3 parts per million of residual free monomers. • Scrap materials from production of plastic / PVC piping are reincorporated into the production process. 	See "Amanco Sustainability Report 2002-2003," page 35-36.
Performance	<p>In Amanco:</p> <ul style="list-style-type: none"> • By the end of 2003, Amanco Argentina had replaced 50% of its use of lead based inputs with calcium zinc based inputs. Amanco Brasil had replaced had 100% of the lead based inputs in its extrusion process, representing 92% of its lead based input consumption. <p>During 2002-2003, 35,634 tons of scrap was re-used giving an efficiency rating of 99.84%.</p>	See "Amanco Sustainability Report 2002-2003," page 35-36.

ANTI-CORRUPTION PRINCIPLE		
<i>Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.</i>		
Statement of Commitment	<p>As of 2003, GrupoNueva's Business Principles outline clear commitments to ant-corruption and expected behavior for employees:</p> <ul style="list-style-type: none"> • Section 2 addresses Corporate Conduct. • Section 7 addresses Individual Conduct. • Section 9 addresses Business Partners, Vendors and Third Parties. 	<p>See "GrupoNueva Business Principles" English version, pages 10 & 12.</p>
Systems	<p>In 2003, GrupoNueva launched the Business Principles to management and employees via a series of workshops facilitated by an outside NGO. These actions are described below.</p> <p>In addition, GrupoNueva created a management system to assure the consistent application of the Business Principles across the group. Aspects of this system include creation of a Risk Manager position in 2003 responsible for monitoring of business principles; required annual reporting by Chief Operating Officers for each group to the GrupoNueva board on the application of the Business Principles; and formation of direct communication channels between GrupoNueva and all employees to report on matters relating to the Business Principles.</p>	<p>See "GrupoNueva Business Principles" English version, pages 13.</p> <p>See "GrupoNueva Sustainability Report 2002-2003," page 13.</p> <p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>
Actions	<ul style="list-style-type: none"> • Business principles developed with the support of Integrity Works and via a consultative, internal process. • Workshops held with senior management teams in Amanco, Masisa and Terranova to identify gaps between principles and business. • Workshops with employees facilitated by FUNDES Chile in each group of companies to communicate principles and elicit employee commitment. 	<p>See "GrupoNueva Sustainability Report 2002-2003," page 13.</p> <p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>

Performance	<p>2004 Objectives</p> <ul style="list-style-type: none"> • All direct and indirect employees in GrupoNueva companies understand and have committed to application of the business principles. • All GrupoNueva managers periodically re-confirm their commitment to the business principles. <p>The 2004-2005 sustainability reports for GrupoNueva, Amanco and Masisa will report in the progress of these objectives and indicators.</p>	<p>See "GrupoNueva Sustainability Report 2002-2003," page 13.</p> <p>See "Amanco Sustainability Report 2002-2003," page 10.</p> <p>See "Terranova Sustainability Report," page 17.</p>