

Annual Report

2023

Name:

Compañía Electro Metalúrgica S.A.
Elecmetal S.A.

Tax ID:

90.320.000-6

Telephone:

(56) 223614010

Registered Office:

Av. Andrés Bello 2233, 11 Floor,
Providencia, Santiago, Chile.

Type of Organization:

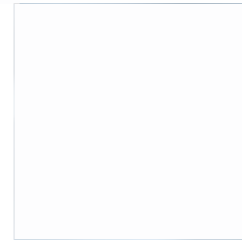
Open-ended Corporation, Financial Market
Commission CMF Securities Register No.
45.

Trading Symbol:

ELECMETAL, Santiago Stock Exchange,
Chile

Webpage:

www.me-elecmetal.com
www.elecmetal.cl



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1.1

LETTER FROM THE CHAIRMAN

Dear Shareholders,

I am writing to you today as we hereby submit the Comprehensive Annual Report for fiscal year 2023 to your attention.

This year I would like to express my gratitude and appreciation to you for the trust you have placed in our company and your continued support in good times and also in challenging times, such as those we are facing in some businesses, always considering a people-centric management focused on the long term.

I would also like to take this opportunity to thank our work teams in the different businesses and countries where we operate for their effort and dedication in achieving our objectives. Their hard work, commitment and perseverance accompany us so that together we can overcome challenges, achieve new goals and strategic objectives in the future.

The year 2023 was complex, and it is further proof that we must always be prepared and attentive to how events, markets, trends, etc. unfold. It seemed that stable times would come once we had overcome the Covid pandemic, which had such an impact on global economic activity and personal life, but the economic environment remained tough and challenging, with new global situations that impacted our businesses in different ways. In this sense, high inflation persisted in many countries, which implied facing persistently high interest rates, the war between Russia and Ukraine has not subsided after 2 years, the conflict between Israel and Hamas broke out and problems arose due to terrorist attacks that affected important maritime routes, to name but a few of the main repercussions in the external sphere. At the local level, we can add the flat economic growth during this period and the high uncertainty and despondency in the economy associated with an Executive focused on reforms that do not stimulate investment and growth. The level of insecurity and the increase in criminality, drug trafficking and organized crime, factors that undoubtedly also influence the economy for the worse, do not help either. The uncertainty and paralysis that gripped the country for months due to the failure of two constituent processes is a special case in point.

It is also noteworthy that we are concerned about a trend of greater global protectionism, which translates into an increase in protection measures in different markets in which the Company is present and which has an adverse effect on the competitiveness of sales of some of the Company's product lines.

Thus, in August 2023 in Mexico, new customs duties were imposed at a rate of 25% on an extensive list of imported

products from various origins for a period of two years, to which recently, on March 5, 2024, anti-dumping duties were added to grinding balls imported from China at the request of Moly-Cop.

Meanwhile in Chile, the National Commission on Price Distortions (the "Commission"), launched two investigations in November 2023 for possible dumping, the first one ex officio on the import of steel bars for the manufacture of conventional forged steel balls, with a diameter of less than 4 inches and the second one on the import of balls for conventional grinding, in both cases from China, and in the latter case also at the request of Moly-Cop, the main player in this market both in Chile and worldwide. On March 27, 2024, the interim measures determined by the Commission were published, which in the case of Elecmetal's imports of conventional grinding media consist of a 22.5% surcharge. Elecmetal has strongly disputed these measures on the grounds that a dumping margin has been artificially created where there is none. In fact, the record shows that there are serious errors in the calculation of the dumping margin because 19% VAT was deducted from the sales prices to our mining customers, prices that were already net of VAT. By correcting this error, it is shown that there is no dumping. It is also important to note that the Chairman of the Commission and the representatives of the Central Bank objected to the decision and warned and put on record the serious violations of international treaties. The Company will insist on its request for dismissal of the measures given that there is no reliable information on the existence of dumping in the importation of steel balls by Elecmetal and that the information that has been invoked to request the measures contravenes the requirements of the treaties signed by Chile, including the Free Trade Agreement with China and the Anti-Dumping Agreement, both by their nature and by the fact that they are kept hidden from the affected parties, preventing their right to defense.

The United States is not exempt from this trend. There, in December 2023, an investigation was launched for possible dumping in imports of wine bottles from Chile, China and Mexico. In the case of Chilean companies, the investigation involves Cristalerías de Chile, Cristalerías Toro and Verallia. The Glass Producers Association of the United States (GPC) filed the request to the US Department of Commerce for the imposition of anti-dumping duties. This investigation is currently in process.

In terms of financial results for fiscal year 2023, I am pleased to present you with improved results that include historical results in the metallurgical business, while persistently maintaining our top spot with sales in more than 40 countries, which were partially offset by lower results than in 2022 in the packaging and

wine businesses. At the consolidated level, however, operating income increased 3.3% and controlling interest income was up 14.7% compared to the previous year.

The metallurgical business increased its sales by 7% and its results significantly based on its strategy of delivering integral solutions to mining customers around the world, thus taking advantage of the favorable global mining cycle generated in part by the good outlook for mineral demand and the solid long-term fundamentals associated, in the case of copper, on the other hand, by a world supply that has been somewhat lagging behind due to the decline in ore grades, production restrictions and difficulties in the development of new mining projects due to higher regulatory, environmental and social requirements. In the packaging business, sales revenues decreased 12.1%, mainly explained by a relevant loss in a manufacturing furnace that occurred at the end of 2022, which significantly affected manufacturing volumes and therefore sales volumes for the year 2023, which was exacerbated by lower physical sales due to the 20.9% decrease in Chilean wine exports as a result of an overstock of wine cases in the main destination markets. In relation to this loss, the corresponding claim was made to the insurance company for the collection of the damages generated and for the losses due to the stoppage of production. The reimbursement of the damaged assets was made in 2023 and we are currently moving forward in the process of settling the losses due to the interruption of production. Meanwhile, in the wine business, sales revenues were 4.7% lower due to a decrease in consumption, both in the domestic and export markets, markets in which wines from the winery and its subsidiaries continued to be recognized worldwide for their high quality.

During the last year, we focused on improving the efficiency and effectiveness of our operations to face the new challenges and resume production and sales levels.

We also continued to invest in new technologies and to train our work teams in order to offer the highest quality products and services to our customers, and thus continue to promote the integral development of our employees.

In addition, we strengthened our financial position, achieving a consolidated debt reduction of \$58,217 million, and we have continued to consolidate our performance in terms of sustainability, which allows us to make a responsible and positive contribution to society and the environment.

Before concluding, I would like to share with you with enthusiasm the news that on January 4, 2024, through our subsidiary ME Peru, we acquired an 80% stake in Fundación Ventanillas S.A. (FUNVESA), a company with over 60 years of experience in the manufacture and marketing of cast parts for the mining industry, located in Lima, Peru. This investment represents a long-standing aspiration to achieve an industrial presence in Peru for the consolidation of Elecmetal in the relevant South American mining market.

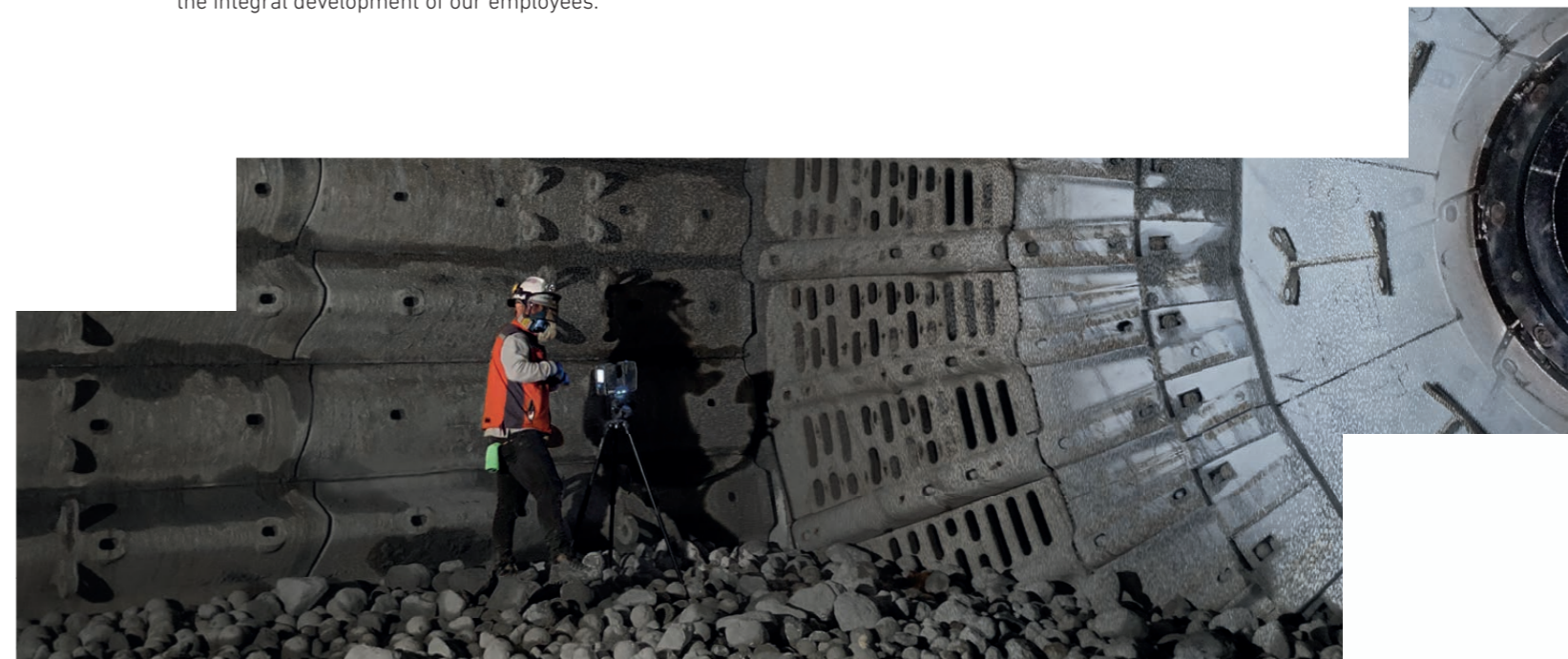
I am proud to present to you the integrated report that you will find below with more detail on results and activities in different areas, reflecting our focus on excellence and our dedication to our shareholders, customers, communities, employees and suppliers.

Finally, I would like to thank you on behalf of the Board of Directors and reaffirm our commitment to work transparently and responsibly to advance in the achievement of our long-term vision and continue on the path of development of this proudly Chilean company and its subsidiaries, which are present worldwide through the delivery of its products and services

With special thanks,

Yours sincerely,

Baltazar Sánchez G.





CORPORATE
BACKGROUND

02

CHAPTER

2.1

VISION,
MISSION,
AND
VALUES

MISSION

To meet the needs and exceed the expectations of its customers, employees, suppliers, shareholders and the community through excellence in the sustainable delivery of integral solutions to the market.

VISION

ME Elecmetal will be a globally competitive supplier recognized for excellence and leadership in the sustainable delivery of integral solutions that add value to mining processes and other target markets.

VALUES

1. Respect for people's dignity
2. Integral human development
3. Focus on internal and external customers
4. Responsibility and integrity
5. Commitment to sustainability

2.2 HISTORICAL OVERVIEW

1917

Compañía Electro Metalúrgica S.A., Elecmetal, was established in 1917 by Mr. Emilio Orrego Luco, together with a group of leading Chilean businessmen and investors. The project meant installing the first electric steel casting furnace in Latin America, initially for the manufacture of steel parts for agriculture, mining, industry and the Chilean State Railroad Company. Also in 1917, Minneapolis Electric Steel Casting ("ME") was created in the U.S.A. in the same industry.

1970

In the mid-1970s, Elecmetal embarked on an ambitious plan to invest in and diversify its activities. In 1975, the company acquired a 46% shareholding in Cristalerías de Chile S.A., a glass container manufacturer, in a bidding process organized by the Chilean Economic Development Agency (CORFO). Subsequently, the Company continued to purchase shares until it achieved 68.17% ownership. From that moment on, a significant technological and commercial upgrading process began, including the technical assistance agreement signed in 1977 with U.S.-based Owens Illinois, the world's leading glass container manufacturer.

1980

As a natural extension of the glass container business, the Company, through Cristalerías de Chile S.A., expanded its activities into the plastic container business. Through this same company and in partnership with Owens Illinois, the Company carried on with its diversification policy, acquiring that year Viña Santa Rita Ltda. and making its first inroads into the agribusiness sector.

1995

In 1995, Cristalerías de Chile S.A. acquired an ownership stake in business newspaper "El Diario", today "Diario Financiero", the country's leading specialized newspaper. Subsequently, it bought Ediciones e Impresos S.A., publisher of periodicals "CAPITAL" and "ED".

1986 - 1989

In 1986, new steps were taken as part of the diversification policy. Cristalerías de Chile initially acquired 17% of Marinsa S.A., a holding company with significant interests in Compañía Sud Americana de Vapores S.A., and then continued to expand its ownership in Marinsa. At the end of 1989, Navarino S.A. was created through the spin-off of Cristalerías de Chile, to which the investment in the shipping sector was transferred.

In 1989 Elecmetal further pursued its diversification plan through Cristalerías de Chile S.A., acquiring television frequencies tendered by Televisión Nacional de Chile and creating Red Televisiva Megavisión S.A., "MEGA". In 2012, Megavisión S.A. was sold.

1992 - 1993

In 1992, the Board of Directors approved the spin-off of Elecmetal, creating a new company known as Quemchi S.A., to which the investment in the shipping sector was transferred. In 1993, in order to provide financial support for its modernization and diversification process, Cristalerías de Chile S.A. carried out a capital increase in which a significant portion of the shares were sold on the international markets through American Depositary Receipts (ADRs). From then until 2005, its shares were traded on the New York Stock Exchange under the "CGW" ticker symbol.

1994

In 1994, Elecmetal, through its subsidiary Cristalerías de Chile S.A., expanded its investments in mass media, entering the cable television services business in partnership with TCI/Bresnan, currently Liberty Global Inc. Cable systems were acquired and Metrópolis S.A. was created. The following year, the Board of Directors agreed to merge Metrópolis S.A. with cable television operator Intercom, creating Metrópolis-Intercom S.A., in which Cristalerías and Liberty had a 60% stake. Subsequently, in 2000 Cristalerías and Liberty purchased the remaining 40% of Metrópolis-Intercom in equal shares from their partner. In 2005 Cristalerías reached an agreement with LGI International, Inc. (a subsidiary of Liberty Global Inc.) to merge the operations of Metrópolis-Intercom S.A. and VTR GlobalCom S.A. under the latter, leaving Cristalerías with 20% of VTR GlobalCom S.A., a stake that was ultimately sold in 2010.



1996

Subsidiary Cristalerías de Chile S.A. acquired an additional 49.9% interest in plastics companies Cristal Plásticos Ltda. (Crowpla) and Reicolite S.A., thereby reaching a 99.9% share in the ownership of both companies, which were merged into a new company under the name Crowpla-Reicolite S.A. Subsequently, in 2001, Cristalerías de Chile S.A. and Embotelladora Andina S.A. established an association in the plastic container business through their respective subsidiaries Crowpla-Reicolite S.A. and Envases Multipack S.A., forming Envases CMF S.A., which they owned in equal parts until the beginning of 2012, when Cristalerías de Chile sold its interest to Andina.

Subsidiary S.A. Viña Santa Rita acquired a 39.4% ownership interest in Viña Los Vascos, which it subsequently increased to 43% in 1999, in which the main shareholder, holding the remaining 57%, is Les Domaines Barons de Rothschild (Lafite), a company controlled by the Rothschild family. In 1997, in order to further expand the business, Viña Santa Rita created subsidiary Viña Doña Paula in Argentina.

1999

Subsidiary Cristalerías de Chile S.A. acquired 40% of Rayén Curá S.A.I.C., a glass container manufacturer located in Mendoza, Argentina, from Spanish firm Vicasa S.A. The remaining 60% is owned by the Verallia group, one of the world's three leading glass container makers.

2001

Elecmetal incorporated subsidiary ME Global Inc. in Delaware, USA, in order to implement its globalization project as a supplier of steel parts for the mining industry. To this end, the company successfully participated in the acquisition of the assets of ME International, Inc. and ME West Castings, Inc. which were under Chapter 11 of the U.S. Bankruptcy Code due to financial problems faced by the owner of both companies, GS Industries Inc. and its holding company GS Technologies Corp. The assets purchased correspond mainly to two high-tech foundries located in Duluth, Minnesota, and Tempe, Arizona, USA.

2003

Continuing with the growth of the metallurgy business, Elecmetal was awarded a 60% share in the ownership of Fundición Talleres in the National and International Public Tender of the Talleres Division Smelting Business carried out by Codelco, Chile. Subsequently, in 2007, Elecmetal achieved 100% ownership.

2006

Subsidiary Cristalerías de Chile commissioned its second production plant for the manufacture of glass containers in Chile, in Llay-Llay, Fifth Region.

2007

Elecmetal and Esco Corp. (USA) entered into a Joint Venture and created Esco Elecmetal Fundición Limitada, a subsidiary that manufactures steel parts for earthwork to supply the domestic and export markets, for which purpose it built a state-of-the-art plant in Colina.

2009-2012

In 2009, as part of its efforts to develop new products and markets, Elecmetal began marketing grinding balls for large-scale mining. In 2011, Elecmetal and Longteng Special Steel Co., Ltd. - a major private steel company - formed a 50/50 joint venture company in China known as "ME Long Teng Grinding Media (Changshu) Co. Ltd.", which built a manufacturing plant in Changshu, China, now boasts capacity to produce 500,000 tons of grinding media per year using ME Elecmetal technology and specifications.

In 2012 Elecmetal continued its international expansion program by forming subsidiary ME Elecmetal (China) Co., Ltd. in Changzhou City, China, which built a modern shell plant that was inaugurated in 2014.

2014

Cristalerías de Chile (34% interest) in alliance with Viñedos Emiliana (33%) and Industria Corchera (33%) incorporated Wine Packaging & Logistic S.A., "WPL", in order to participate in businesses providing wine bottling, labeling and storage services. The Company facility began operations in 2016.

2016

The modernization project of the Fundición Talleres plant in Rancagua, which began in 2015, was completed, incorporating the most cutting-edge technology in the production of mill liners and other spare parts. Also in this period, Elecmetal carried out a reorganization of the productive operations of its metallurgy business in Chile as part of its long-term strategic development plan, which meant shutting down the smelter plant located in Santiago and transferring its production capacity to the new plant in Rancagua.

In addition, Elecmetal further pursued its international expansion program by incorporating subsidiary ME Long Teng Grinding Media (Zambia) Limited in Lusaka, Zambia.

In other businesses, subsidiary Cristalerías de Chile inaugurated the Las Peñas Wind Farm in Arauco, thereby officially entering the electricity generation business with non-conventional renewable energies.

2017

On the occasion of its 100th anniversary, Elecmetal held various commemorative activities with the participation of the board of directors, shareholders, employees and their families, customers, suppliers, authorities and friends. This same year, the site on V. Mackenna, Santiago, where the smelter shut down in 2016 was located, was sold.

2018

This year, the construction of a modern grinding media manufacturing plant in Zambia was completed, to tend to the needs of mining customers in Africa. Towards the end of the year it was inaugurated and it started its operations and sales.

2019

Subsidiary Cristalerías de Chile continued with its investment plan in the area of glass containers with the third stage of the Llay Llay plant. The investment, approaching US\$120 million, included the construction of a furnace with a melting capacity of 400 tons per day, which will increase throughput by approximately 100,000 tons per year. Commissioning and start-up of the trial run took place in the last quarter of the year.

2020-2022

Elecmetal and its subsidiaries were able to overcome the multiple obstacles arising from the pandemic and its effect in its various operations, without interrupting plant production, and favoring the retention of its people by focusing on their health and that of their families. We were able to live up to the challenges of maintaining operational continuity, liquidity and inventory levels related to significant restrictions and complexities weighing on the value and logistics chain, and adapting its commercial strategies to continue providing its customers with services and products with the same standards of excellence that have brought it well-deserved fame.

2023

We left the pandemic behind us and the country returned to normal operations during the period. The Company continued to move forward with its commitment to develop a long-term sustainable business and to advance in the delivery of integral solutions for sustainable mining.



2.3 OWNERSHIP

2.3.1 CONTROL SITUATION

The ultimate controlling shareholder of Cía. Electro Metalúrgica S.A. is Fundación Educacional Internacional Claro Vial, whose Patron is Mrs. María Luisa Vial de Claro, Tax ID No. 2,852,104-9. Fundación Educacional Internacional Claro Vial controls, directly and indirectly, 49.10% of the issued voting shares of the company.

Fundación Educacional Internacional Claro Vial, Productos Agrícolas Pucalán S.A., Marítima de Inversiones S.A., Quemchi S.A., Inmobiliaria Villarrica Ltda, María Luisa Vial de Claro and Inversiones San Luis Ltda. have not entered into a joint action agreement, notwithstanding the foregoing, it should be noted that the presumption of a joint action agreement of Article 98 of the Securities Market Law applies to them.

2.3.2 SIGNIFICANT CHANGES IN OWNERSHIP OR CONTROL

During 2023 there were no significant changes in the ownership or control of the Company.

Shareholder	No. of Shares	%
PRODUCTOS AGRICOLAS PUCALÁN S.A.	10,919,926	24.93%
MARÍTIMA DE INVERSIONES S.A.	4,787,578	10.93%
QUEMCHI S.A.	1,704,643	3.89%
INMOBILIARIA VILLARRICA LTDA.	1,666,857	3.81%
NAVARINO S.A.	859,540	1.96%
CLARO VALDÉS SUCESIÓN RICARDO	733,833	1.68%
INVERSIONES SAN CARLOS LIMITADA	521,737	1.19%
VIAL LECAROS MARÍA LUISA	220,988	0.50%
INVERSIONES SAN LUIS LTDA.	89,686	0.20%
Total	21,504,788	49.10%

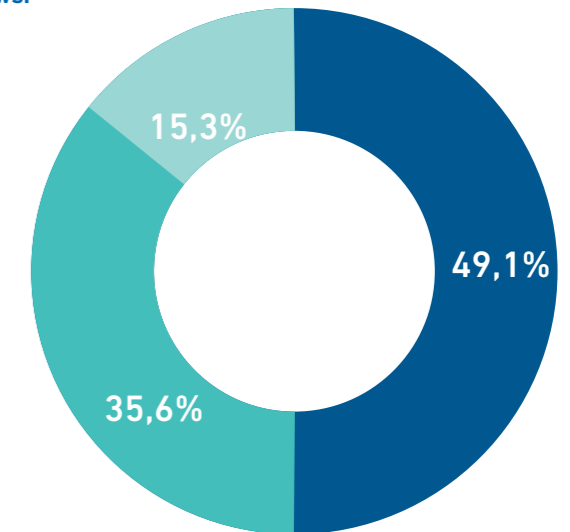
2.3.3 IDENTIFICATION OF MAJORITY SHAREHOLDERS OR PARTNERS

In relation to the majority shareholders, the individuals or legal entities that directly or indirectly own or control shares representing 10% or more of the Company's capital for the period are as follows:

Individuals or legal entities related to Mr. Alfonso Swett Saavedra, R.U.T. No. 4,431,932-2, who represent 21.46%, are as follows:

Shareholder	No. Shares	%
Costanera S.A.C.I.	8,986,383	20.52%
Swett Saavedra, Alfonso	385,235	0.88%
Opazo Herreros, María Isabel	7,780	0.02%
Swett Opazo, Macarena	3,071	0.01%
Swett Opazo, Carolina	3,000	0.01%
Swett Opazo, Sebastián	1,247	0.00%
Swett Matte, Alfonso	1,000	0.00%
Swett Matte, Nicolás	1,000	0.00%
Swett Matte, Paulina	1,000	0.00%
Swett Matte, Santiago	1,000	0.00%
Swett Matte, Sebastian	1,000	0.00%
Swett Schmidt, Margarita Maria	1,000	0.00%
Swett Schmidt, María Francisca	1,000	0.00%
Allard Swett, Blanca	1,000	0.00%
Allard Swett, Juan	1,000	0.00%
Allard Swett, María Carolina	1,000	0.00%
Hevia Edwards. Josefina Antonia	1,000	0.00%
Swett Opazo, Alfonso	67	0.00%
Total	9,397,783	21.46%

Shareholder distribution is as follows:



● Controller ● Majority shareholders ● Other shareholders

Individuals or legal entities related to Mr. Patricio García Domínguez, R.U.T. No. 3,309,849-9, representing 14.15%, are as follows:

Shareholder	No. Shares	%
CIA. DE INVERSIONES LA ESPAÑOLA S.A.	3,683,124	8.41%
INVERSIONES ALONSO DE ERCILLA S.A.	1,370,955	3.13%
CIA. INMOBILIARIA LA HISPANO CHILENA S.A.	252,692	0.58%
INVERSIONES SAN BENITO S.A.	157,476	0.36%
INVERSIONES HISPANIA S.A.	145,000	0.33%
INVERSIONES CRISTÓBAL COLÓN S.A.	127,815	0.29%
INVERSIONES MONTEMARCELO S.A.	95,481	0.22%
INVERSIONES AUSEJO SPA	70,102	0.16%
INVERSIONES GLOGAR S.A.	70,102	0.16%
INVERSIONES LAGO GRIS S.A.	70,102	0.16%
INVERSIONES SANTA CLARA S.A.	70,102	0.16%
INVERSIONES BEDA S.A.	63,597	0.15%
ASESORIAS Y SERV. FINAN. GALICIA LTDA.	13,106	0.03%
GARCÍA DOMÍNGUEZ GLORIA	9,250	0.02%
Total	6,198,904	14.15%

2.3.4 SHARES, THEIR CHARACTERISTICS AND RIGHTS

As of December 31, 2023, the subscribed and paid-in capital amounts to ThCh\$23,024,952,-, represented by 43,800,000 fully subscribed and paid-in shares of a single series.

The Company has not issued any shares or convertible instruments during the year that would vary the number of shares outstanding as of December 31, 2023.

The dividend policy in effect for fiscal year 2023 was approved at the Annual Shareholders' Meeting held in April 2023 and is as follows: Of the distributable net income of each year, and provided there

are no accumulated losses, at least 40% will be allocated to the payment of cash dividends, which may be interim (provisorio) or final (definitivo).

The possibility of agreeing to higher dividends will be considered, based on the Company's results, the prevailing economic conditions, the investments necessary for the proper conduct of operations and the Company's liquidity situation, which is strongly influenced by the dividends received from subsidiaries or affiliates.

Interim dividends may be agreed upon by the Board of Directors in office, estimated at a meeting prior to the months of July, October and January, for the amounts deemed appropriate in each case, all in accordance with the results obtained by the Company during the fiscal year and to the extent that the economic situation of the country and of the Company allow it.

2.3.5 OTHER SECURITIES

1. Bonds of Compañía Electro Metalúrgica S.A.

A. Series D for UF 1,500,000.-

By means of an instrument of public record dated May 28, 2009, as amended by a supplementary instrument of public record dated June 22, 2009, Compañía Electro Metalúrgica S.A. entered into a 23-year bond indenture with Banco de Chile as representative of the bondholders and paying bank.

B. Series F bonds for UF 2,000,000.-

By means of an instrument of public record dated June 10, 2022, as amended by a supplementary instrument of public record dated July 6, 2022, Compañía Electro Metalúrgica S.A. entered into a 10-year bond indenture with Banco Santander in its capacity as bondholders' representative and paying bank.

2. Bonds of Cristalerías de Chile S.A.

A. Serie F for UF 1,000,000.-

By means of an instrument of public record dated July 20, 2009, Cristalerías de Chile S.A. entered into a 20-year bond indenture with Banco de Chile in its capacity as representative of the bondholders and paying bank

3. Bonds of S.A. Viña Santa Rita

A. Serie F for UF 1,750,000.-

By means of an instrument of public record dated August 18, 2009, S.A. Viña Santa Rita entered into a 21-year bond indenture with Banco de Chile, in its capacity as representative of the bondholders and paying bank.



Statistical Information:

Year	Type	Dividends	No. Shares	\$ per Share	Total Dividend	Annual profit
2023	Interim	273,274	43,800,000	148.00	6,482,400,000	2023
	Final	272	43,800,000	248.95	10,904,010,000	2022
	Interim	271	43,800,000	74.00	3,241,200,000	2022
2022	Interim	269/270	43,800,000	148.00	6,482,400,000	2022
	Final	268	43,800,000	140.16	6,139,008,000	2021
2021	Provisorio	265/267	43,800,000	288.00	12,614,400,000	2021
	Definitivo	264	43,800,000	27.25	1,193,550,000	2020

Stock Exchange Transactions:

During 2023 there were no stock transactions by the Chairman, Directors, Chief Executive Officer and Senior Executives.

During the period the Company's shares recorded the following stock exchange transactions:

a) On the Santiago Stock Exchange according to the following quarterly breakdown:

2022	Price (\$)	Volume (No. Shares)	Traded Amount (\$)
Q1	11,600	306	3,518,887
Q2	11,600	294	3,397,201
Q3	11,600	20	226,980
Q4	11,600	598	6,223,235

Prices and amounts are stated in historical pesos as per the certificate issued by the Santiago Stock Exchange. Market float is immaterial.

As of December 31, 2023, the total number of shareholders of Compañía Electro Metalúrgica S.A. is 393.

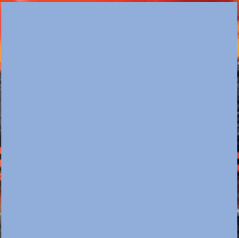
b) A transaction for 75 shares was recorded in the Chilean Electronic Stock Exchange in the second quarter of 2023 (amount of \$870,000).



CHAPTER

CORPORATE
GOVERNANCE

03



3.1

GOVERNANCE FRAMEWORK

Elecmetal's highest corporate governance body is the Board of Directors. Its mission is to realize the Company's Mission and vision for the future by defining the Corporate Business Strategy, the human resources, the organizational structure and the assets used, among other matters, all while maximizing the performance of its businesses in accordance with the Values and expectations of its stakeholders.

As a way to ensure that corporate governance functions as intended, Elecmetal establishes policies, procedures, control and monitoring structures, audits and ongoing reviews. These are established as policies and procedures. It also has a Business Conduct Manual that seeks to promote a culture of integrity, honesty and responsibility, in line with the Company's Values.

It also has a long-term strategic focus with special emphasis on people, sustainability, customers, production plants and profitability. The Board of Directors concentrates on the main issues related to the performance of its different businesses and also on the risks associated with each business. This is accompanied by annual, medium and long-term plans that include initiatives and goals that focus the organization's efforts to advance in the achievement of its future vision of being a globally competitive supplier recognized for its excellence and leadership in "the sustainable delivery of integral solutions that add value to mining processes and other target markets."

These plans and targets focus on matters related to global competitiveness, operational excellence, and integral solutions, which are the main strategic pillars of the Company, and including in the latter the ME FIT or Fully Integrated Technology approach and transversal to each one, the Sustainability Strategy, through its four pillars: ME Elecmetal Signature, Our People, Environment and Value creation connections for our main stakeholders, covering mainly the areas of occupational health and safety, innovation and digitization, operational excellence, environmental care and climate change.

The Company also actively manages regulatory compliance risks, which is embodied in the design and implementation of an Integrity and Compliance Program, which aims to coordinate efforts to prevent, detect and respond to any act or conduct that violates or may violate the Mission, Vision and Values, standards and laws in force, internal policies and procedures, complemented by a certified Crime Prevention Model that helps manage and monitor the processes and behaviors exposed to the crimes outlined in Chilean Law No. 20,393 and successive laws on the matter, which establishes certain types of crime and criminal liability for legal entities.

Board of Directors

The members of the Board of Directors are elected as a result of the decision of the shareholders at the Annual Shareholders' Meeting when applicable according to the law and the Company's bylaws. It is comprised of seven directors, of which, at present, according to the last election on April 12, 2023, one is independent and six are related to the controller and/or principal shareholders.

According to Chilean Law No. 18,046 on Corporations, they may remain in office for three years and are eligible for reelection. They meet regularly once a month and extraordinarily when appropriate, as convened in accordance with the applicable laws and regulations and the Company's bylaws.

Role of the Board Of Directors

The Board's main role is the strategic management of the Company, including validating its strategy, in terms of reviewing, correcting and monitoring its execution, and review and approve the annual and long-term business plan and the budget to carry it out. It also defines and monitors short, medium and long-term investment activities, ensuring compliance with the Corporate Strategy and the appropriate debt structure over time. It also appoints the Chief Executive Officer of the Company.

It meets at least four times a year with partners responsible for the external audit of the financial statements, chosen by the General Shareholders' Meeting, to analyze the Financial Statements, the audit plan and other relevant matters.

Independent Director

Pursuant to Article 50 Bis of Chilean Law No. 18,046, publicly traded companies must appoint at least one Independent Director when they have shareholders' equity equal to or greater than the equivalent of 1,500,000 UF and at least 12.5% of their issued voting shares are held by shareholders who individually control or own less than 10% of such shares.

An Independent Director is one who does not have any of the ties or relationships with the controlling shareholder described in Article 50 Bis. In the case of Elecmetal, it is Mr. Carlos F. Cáceres Contreras.

Free Competition Manual

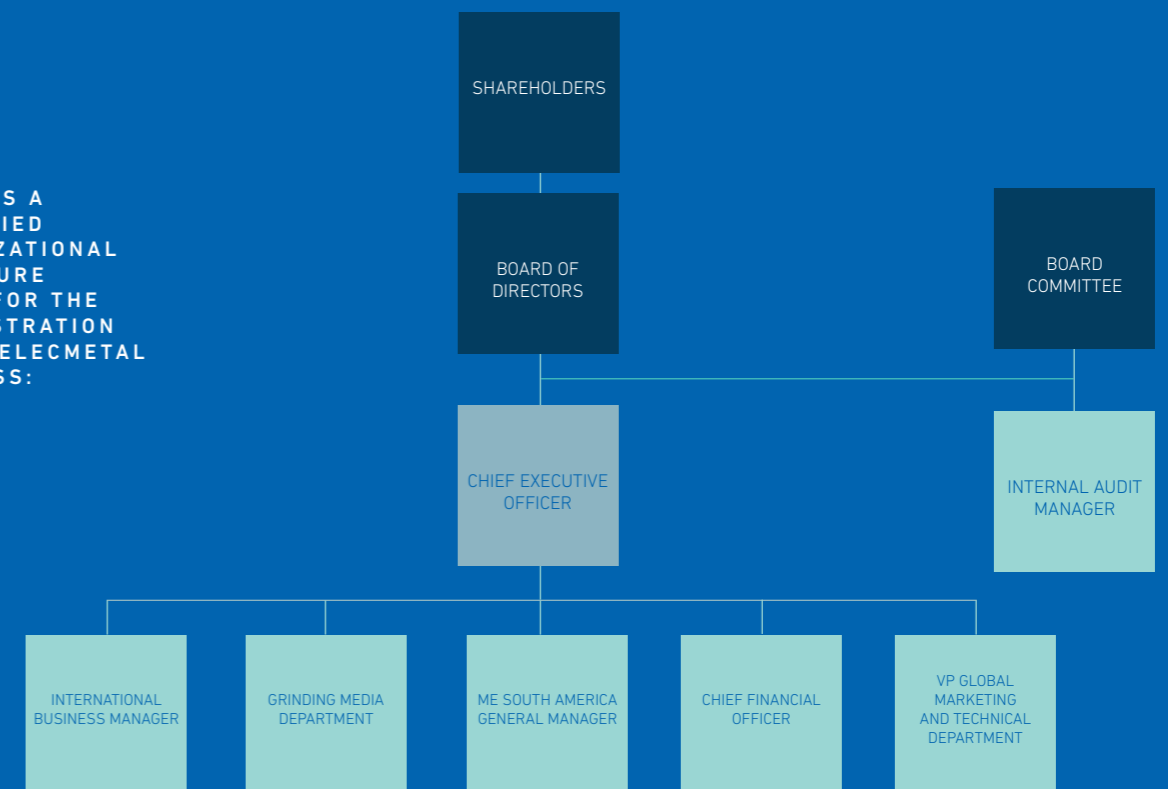
The Company has a Free Competition Manual intended to disseminate and comply with the commitment to fully respect the rules of free competition and seek to serve as a guide to all ME Elecmetal employees, in order to prevent violations, provide guidelines and basic recommendations on how to act on the matter. ME Elecmetal's Model for the Prevention of Violations of Antitrust Law consists of a monitoring system, through various tools, on the processes or activities that are exposed to the risks of committing the offenses referred to in Decree Law No. 211 as amended, with the main objective of preventing and timely detecting the potential materialization of such risks.

Crime Prevention Model

Along with the above, the Company has implemented a Crime Prevention Model, as required by Law No. 20,393, which entails the establishment of a program to prevent, detect and punish actions that lead to the commission of crimes indicated in that law and subsequent laws that have been incorporating new crimes. This model implemented by ME Elecmetal includes the appointment of a Crime Prevention Officer, the allocation of resources and powers to the Crime Prevention Officer, the establishment of policies and procedures related to compliance with controls, prevention activities (employee training, clauses in contracts with employees and suppliers, collection of information on conflicts of interest, among others), detection actions (maintenance of the risk and control matrix), operation of an Ethics Committee, Crime Prevention Model certification process with an authorized external company, as well as investigation and sanction activities, operation and dissemination of a Whistleblower Channel, and other activities. The Directors' Committee, chaired by the Independent Director, Carlos F. Cáceres Contreras, oversees adequate fulfillment of these tasks.

The Company is permanently promoting the adoption of policies related to two of the pillars of its Sustainability Strategy, the "ME Elecmetal Signature" and "Our People", so that the way of doing business and the daily work is framed in, and consistent with, the Company's Values, in which the main value is respect for the dignity of people, which demands active management in various areas.

BELOW IS A SIMPLIFIED ORGANIZATIONAL STRUCTURE CHART FOR THE ADMINISTRATION OF THE ELECMETAL BUSINESS:



3.2

BOARD OF DIRECTORS

Chairman

Baltazar Sánchez Guzmán

Date of last re-election: April 12, 2023

Commercial Engineer Pontificia Universidad Católica de Chile

Chairman of the Boards of Directors of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita, Ediciones Financieras S.A. and Quilicura S.A.; Vice-Chairman of the Boards of Directors of Quemchi S.A. and Marinsa S.A.; Director of ME Global Inc, Inversiones Siemel S.A. and Sociedad Anónima Jahuel Aguas Minerales y Balneario; Board Member of Agrícola La Martina Ltda.; Chief Executive Officer of COPEC between 1985 and 1990; Director of Old Georgians Association.

Director since: July 31, 1986

Vicepresident

Cristóbal Eyzaguirre Baeza

Date of last re-election: April 12, 2023

Lawyer Pontificia Universidad Católica de Chile, LL.M Harvard Law School.

Partner of Claro y Cía.; Chairman of the Board of Directors of Quemchi S.A.; Vice-Chairman of the Board of Directors of Cristalerías de Chile S.A. and of Sociedad Anónima Viña Santa Rita; Director of Compañía Sudamericana de Vapores S.A.; Director of Fundación Educacional Claro Vial, Fundación Educacional Internacional Claro Vial and Protectora de la Infancia. Professor of Civil Law at Pontificia Universidad Católica de Chile.

Director since: April 28, 2022

Directors

Carlos F. Cáceres Contreras

Date of last re-election: April 12, 2023

Commercial Engineer Pontificia Universidad Católica de Valparaíso, MBA Cornell University, ITP Harvard Business School.

Director of companies and non-profit institutions; Chairman Emeritus of the Advisory Board of the Instituto Libertad y Desarrollo; Full Member of the Chilean Academy of Social, Political and Moral Sciences. Instituto de Chile; in public positions he has been member of the Council of State, Chairman of the Central Bank of Chile, Minister of Finance and Minister of the Interior.

Director since: April 23, 2013

Independent Director

José Ignacio Figueroa Elgueta

Date of last re-election: April 12, 2023

Lawyer Universidad de la República; Master in Business Law Pontificia Universidad Católica de Chile, Diploma Business Studies London School Economics and Political Science; Director of Cristalerías de Chile S.A. and of Sociedad Anónima Viña Santa Rita; Free practice of law; Director Corporación de Adelanto de Farellones.

Director since: April 20, 2016

Fernando Franke García

Date of last re-election: April 12, 2023

Commercial Engineer and Master in Finance, Universidad Adolfo Ibáñez.

Director of Cristalerías de Chile S.A., Compañía de Inversiones La Española S.A., Colegio Cree de Cerro Navia and other public and private companies.

Director since: April 21, 2013

Alfonso A. Swett Opazo

Date of last re-election: April 12, 2023

Commercial Engineer Pontificia Universidad Católica de Chile, MBA Duke University.

Chief Executive Officer of Costanera S.A.C.I.; Director of Forus S.A., Olivos del Sur S.A., Inmobiliaria Costanera S.A. Executive Board Member of Business at OECD (Paris, France); Advisor to the Board of Directors of Aguas Nuevas (Marubeni Group, Japan); Chairman of the Executive Committee of CLAPES UC; Director and member of the Investment Committee and Advisor to the School of Economics and Administration, both of the Pontificia Universidad Católica de Chile; Director of ACN Chile (Ayuda a la Iglesia que Sufre); Director of the Instituto de Directorios de Chile (IDD) and member of the Foreign Policy Council of the Ministry of Foreign Affairs of Chile.

Director since: May 3, 2018

Alfonso Swett Saavedra

Date of last re-election: April 12, 2023

Businessman

Chairman of the Board of Directors of Forus S.A., Costanera S.A.C.I., Inmobiliaria Costanera and Olisur S.A.; Director of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita and Protectora de la Infancia; Director of SOFOFA.

Director since: April 28, 1975

The Board of Directors has the practice of approving the hiring of specific consulting and advisory services, but in general, these are contracted by Management in the various matters required. If necessary, the Board of Directors evaluates the suitability, experience and cost of the different alternatives in order to choose the best option.

Regarding the auditing of the annual financial statements, at the Annual Shareholders' Meeting held on April 12, 2023, KPMG Auditores Consultores SpA was appointed as the external auditors for the year 2023.

The Board of Directors has a procedure for the proper induction of new directors joining the Board of Directors, which includes meetings with other directors, the Chief Executive Officer and other executives in order to learn about the vision, mission, characteristics of the company and its businesses, the market in which the Company operates, the strategic direction, financial matters, values, code of conduct, as well as other key policies and practices of the organization, among others. This document is available on the corporate website.

The company has developed a risk management policy and methodology, which was reviewed and approved by the Directors' Committee Board of Directors. The Board of Directors is informed annually or when appropriate of the results of risk management, which is permanently monitored by the Management Business Committee. The Directors' Committee and Management report any relevant changes in these matters to the Board of Directors following their occurrence.

The company has an Internal Audit Unit which is directly monitored by the Directors' Committee, with meetings according to a pre-established annual calendar. The Committee approves the activities of this Unit, which consider the annual internal audit plan and the crime prevention model in accordance with Law No. 20,393 and subsequent amendments or additions, as well as its effectiveness.

The Board of Directors meets with the external audit firm at least four times a year and part of these meetings are held without the presence of Management. These meetings are to review and discuss the annual audit program, the limited review of the Consolidated Financial Statements as of June 30 of each year, the internal control report and the annual Consolidated Financial Statements and the corresponding auditors' opinion.

The Board of Directors, at least on a quarterly basis, and in addition to the analysis of the financial statements, is informed of significant matters related to social, climate change and environmental issues. In addition, in the discussion of the annual plan and investment projects, the effects on these aspects in the short and long term are analyzed. The organization has a Sustainability Assistant Manager in charge of leading and coordinating social and environmental responsibility and sustainable development activities, even though these responsibilities are distributed among all the company's departments.

The Chairman of the Board and members of the Board of Directors make on-site visits to learn about different aspects of plant operations and new investments. The Chief Executive Officer and other executives participate in these activities.

The Board of Directors has not formalized a performance evaluation procedure. The Board of Directors has held meetings to update on business, legal and regulatory matters, such as the recent new law No. 21,595 on Economic and Environmental Crimes. The Board of Directors feels that the members of the Board have the requisite

knowledge and experience to adequately perform their duties.

The Company complies with legal regulations and its bylaws. It holds a minimum of 12 Board meetings per year, which are established in a calendar at the beginning of each year.

When disruptive events occur, the Board of Directors specifically monitors them in order to ensure that people are cared for, operational continuity and, in general, the normal functioning of the business. This was the case of the recent pandemic and its effect on the safety and health of the people who interact with the Company and the operation of the production plants. It was also the case of the worldwide logistics crisis and its effect on the availability of freight, its cost and the deadlines involved, in order to ensure the supply of the Company's operations and the timely delivery of products to customers.

Directors have access to the tables, minutes, notes and documents of the Board of Directors through an e-mail sent by Management prior to each of the meetings. Each director can save the material in their own files for access when required. Additionally, all this information is available in the Company's records and can be requested by the Directors at any time. Directors have permanent access to the platform that has been implemented for the Whistleblower Channel.

Board remuneration is as follows:

Profit Sharing:

2023

ThCh\$262,002 to Mr. Baltazar Sánchez G.; ThCh\$155,191 to each of Messrs. Carlos F. Cáceres C., José I. Figueroa E., Fernando Franke G., Alfonso A. Swett O. and Alfonso Swett S.; ThCh\$105,452 to Mr. Cristóbal Eyzaguirre B.; ThCh\$ 94,243 to the estate of Mr. Juan Antonio Álvarez A.

2022

ThCh\$257,645 to Mr. Juan Antonio Álvarez A.; ThCh\$128,823 to each of Messrs. Carlos F. Cáceres C., José I. Figueroa E., Fernando Franke G., Baltazar Sánchez G., Alfonso A. Swett O. and Alfonso Swett S.

Per diem for attendance to Board meetings:

2023

ThCh\$1,622 to each of Messrs. José I. Figueroa E., Fernando Franke G., Baltazar Sánchez G. and Alfonso A. Swett O.; ThCh\$1,497 to Mr. Carlos F. Cáceres C. and Alfonso Swett S.; ThCh\$998 to Mr. Cristóbal Eyzaguirre B.; ThCh\$ 499 to the estate of Mr. Juan Antonio Álvarez A.

2022

ThCh\$1,560 to each of Messrs. Juan Antonio Álvarez A., Carlos F. Cáceres C., José I. Figueroa E., Baltazar Sánchez G., Alfonso Swett S. and Alfonso A. Swett O.; ThCh\$1,448 to Mr. Fernando Franke G.

A. MEN/WOMEN /REGULARS/ALTERNATES

Men/Women /Regulars/Alternates

	Men	Women
Regulars	7	0

B. BY NATIONALITY M/W AND R/A

By nationality M/W and R/A

	Chileans		Foreigners	
	M	W	M	W
Regulars	7	0	0	0

C. AGE RANGE

Age range

	<30		30 - 40		41 -50		51-60		61-70		>70	
	M	W	M	W	M	W	M	W	M	W	M	W
Regulars	0	0	0	0	0	0	3	0	1	0	3	0

D. TENURE

Tenure

years	<3		3- 6		6 - 9		9 -12		>12	
	M	W	M	W	M	W	M	W	M	W
Regulars	1	0	1	0	1	0	2	0	2	0

E. DISABILITIES

Disabilities

	Disabilities		No Disabilities	
	M	W	M	W
Regulars	0	0	7	0

There are no wage gaps in the Board of Directors of the Company

3.3

BOARD OF DIRECTORS' COMMITTEE

At the beginning of 2023, the Directors' Committee was comprised of Carlos F. Cáceres Contreras, Cristóbal Eyzaguirre Baeza and Alfonso Swett Saavedra. On April 6, 2022, the Board of Directors was comprised of Carlos F. Cáceres Contreras, Baltazar Sánchez Guzmán and Alfonso Swett Saavedra. Subsequently, on April 30, 2022, Mr. Cristóbal Eyzaguirre Baeza was appointed to replace Mr. Baltazar Sánchez Guzmán as a result of the appointment of the latter as Chairman of the Board as a result of the death of Mr. Juan Antonio Álvarez Avendaño, who was the Chairman of the Board.

At the Board of Directors' Meeting held on April 12, 2023, after the Annual Shareholders' Meeting in which the election of directors was held for a new 3-year period as established in the bylaws, the election of the Directors' Committee of Elecmetal S.A. was held, as established in Article No. 50 bis of Law 18,046, and Messrs. Carlos F. Cáceres Contreras, Cristóbal Eyzaguirre Baeza and Alfonso Swett Saavedra were elected as directors. Mr. Carlos F. Cáceres Contreras assumed as Chairman of the Directors' Committee.

The Committee holds regular meetings to deal with matters entrusted to it by Article No. 50 bis of Law 18,046.

The main activities carried out by this Committee during the 2023 fiscal year were as follows:

Review of the reports of the independent auditors and the financial statements of Elecmetal S.A. corresponding to the annual closing of the year 2022 and pronouncement regarding these prior to the Board of Directors for approval and submission to the Financial Market Commission (CMF), and subsequent submission to the Annual Shareholders' Meeting for approval.

Review of the 2023 Interim Financial Statements (March, June and September) and review of the independent auditors' report on the interim review of the interim financial statements as of June 30, 2023.

Review and approval of usual and customary transactions with related parties: purchase and sale of metallurgical business with Esco Elecmetal Fundición Limitada, Fundición Talleres Ltda, ME Global Inc, ME Elecmetal (China) Co. Ltd. and others, and other transactions pertaining to the respective lines of business with Cristalerías de Chile S.A., Servicios y Consultorías Hendaya S.A., Servicios Compartidos Tichel Ltda., Ediciones Financieras S.A., S.A. Viña Santa Rita and others.

Review of proposals and recommendation to the Board of Directors for the appointment of independent auditors and risk rating agencies that were suggested to the Annual Shareholders' Meeting in April 2023.

Meetings with the independent auditors KPMG for the analysis and review of the financial statements, the audit plan and their observations and other related matters.

Meetings with the Internal Audit Manager to review matters such as the Crime Prevention Model under Law No. 20,393, the new law No. 21,959 on Economic and Environmental Crimes, the results of the corporate risk map, the adoption of the CMF regulations and other regulations, objectives to be covered with the Audit Plan, review of progress and results, etc.

In case of events that interrupt the normal operation of the business, the Directors' Committee follows how these events unfold in order to ensure operational continuity.

On the other hand, in specific meetings, the Committee analyzed the client portfolio, transfer prices related to transactions between Elecmetal and its related companies abroad, the evaluation performed by the Internal Audit unit, the remuneration and incentive structure, among other matters.

For the 2023 fiscal year, the Annual Shareholders' Meeting approved a budget of 1,000 Unidades de Fomento for the Committee's operating expenses, including consultancies with independent external consultants and expenses related to the continuous auditing system, the process and risk survey, the regulatory compliance work regarding the certification of the crime prevention model, the operation of the corporate whistleblower system, and others.

Remuneration of the Directors' Committee:

2023

ThCh\$51,569 to Mr. Carlos F. Cáceres C. and Mr. Alfonso Swett S.; ThCh\$15,400 to Mr. Baltazar Sánchez G.; ThCh\$25,996 to Mr. Cristóbal Eyzaguirre B.

2022

ThCh\$42,941 to each of the members, Messrs Carlos F. Cáceres C., Baltazar Sánchez G. and Alfonso Swett S.

3.4

SENIOR MANAGEMENT

Chief Executive Officer

Eugenio Arteaga Infante
6.374.575-8

Commercial Engineer and MBA Pontificia Universidad Católica de Chile.

Start date: June 1, 2017. He has been in the position since January 1, 2022.

International Business Manager

Eduardo Muñoz Huerta
7.311.248-6

Commercial Engineer Universidad de Chile

Start date: October 17, 2016

Chief Executive Officer ME South America

José Pablo Domínguez Bustamante
10.557.722-2

Commercial Engineer and MBA Pontificia Universidad Católica de Chile.

Start date: January 23, 2004. Has held the position since January 1, 2018.

Global Marketing Manager

Roberto Lecaros Villaroel
9.982.226-0

Civil Engineer Pontificia Universidad Católica de Chile.

Start date: May 2, 2010. Has held the position since April 1, 2020.

Internal Audit Manager

Rodrigo Carreño Osorio
12.657.563-7

Certified Public Accountant and Auditor Universidad de Santiago de Chile, MBA Universidad Adolfo Ibáñez.

Start date: March 2, 2020.

Corporate Administration and Finance Manager

Nicolás Cuevas Ossandón
7.050.857-5

Commercial Engineer Pontificia Universidad Católica de Chile

Initial date: December 1, 1994. Has been in office since January 1, 2020.

Gross compensation paid to senior executives of the parent company during 2023 totaled Ch\$1,845 million; in 2022 it was Ch\$1,602 million. It is noted that there are no incentive plans related to stock compensation, stock options or others.

3.5

ADHERENCE TO NATIONAL OR INTERNATIONAL CODES

The Company is governed by the legal and regulatory standards applicable in Chile.

3.6

RISK MANAGEMENT

The Company has adopted a Risk Management methodology. The Board of Directors is informed of the risks that are permanently monitored by Management's Business Committee, which is comprised of the main executives of the Company globally. This Committee meets monthly to share the state of progress of the business, project development, market information, risks and other matters. Company Management reports any relevant changes in these matters to the Directors' Committee and/or Board of Directors following the aforementioned monthly meeting or earlier if warranted.

The Company has implemented a risk identification and prioritization process that is permanently monitored by the Board of Directors through the Directors' Committee and Management, which is applied in the review of strategic planning and medium and long-term plans. Additionally, once a year Management reviews and updates the strategic risk map, which is reviewed by the Directors' Committee and the Board of Directors. Through this process, the risks that affect the Company in the fulfillment of its objectives are identified, evaluated and prioritized in order to give attention to those with the greatest exposure. The Company has an Internal Audit Department to provide support in managing specific risks that have been identified and to verify the effectiveness of, and compliance with, the policies that have been implemented to manage them. The Company has an Information Security Committee that

meets periodically. The Company's main executives and their teams participate in the execution of this process. Therefore, there is no position exclusively in charge of risk management.

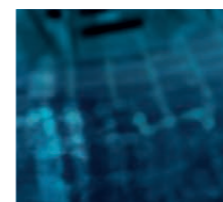
The Company has a "Standard of Business Conduct" that defines the principles and guidelines that should guide the actions of its personnel. Additionally, it has implemented a Crime Prevention Model that contributes in managing and monitoring the processes and behaviors exposed to the crimes indicated in Chilean Law No. 20,393 and successive amendments on the matter, which establishes certain types of crimes and criminal liability for legal entities. Personnel are trained annually on these issues and the use of the Whistleblower Channel is made clear and promoted, which guarantees confidentiality and anonymity and is available to associates and third parties, in addition to other instances for reporting.

The Company has a talent development and succession plan for the proper management and promotion of people and for the succession of senior executives and key positions, in order to mitigate the implicit risks posed by the eventual flight of talent. Complementing the above, the Directors' Committee in one or more sessions reviews the salary structure and compensation and indemnity policies of the Chief Executive Officer and other key executives and reports its analysis and conclusions to the Board of Directors at the next Board of Directors' meeting held.

There is no procedure for the Shareholders to approve the salary structures and compensation and indemnification policies of the Chief Executive Officer and other senior executives, nor are they disclosed to the general public individually.

In accordance with the provisions of Law No. 20,393, the company has implemented a Crime Prevention Model.

It is important to note that in 2023 Law No. 21,595 on Economic and Environmental Crimes was enacted, which systematizes economic crimes and violations against the environment, with an exhaustive and broad classification of crimes against the socio-economic order and adapts the applicable penalties. The Company has carried out work to identify new applicable crimes and risks that could have a significant impact, as well as an evaluation of the processes and controls in which these risks occur, in order to adapt its Crime Prevention Model, within the framework of the new regulations that will be in force as of September 2024. Additionally, Management has conducted training on the subject and plans to reinforce it as the evaluation and reinforcement of controls progresses.



Below are some important elements of the risk matrix that management has identified at the operational, strategic and sustainability levels:

a) Interest Rate

As of December 31, 2023, total liabilities to banks, financial institutions and the public amounted to Ch\$563,730 million (Ch\$621,946 million as of December 31, 2022), which together represent 36.71% (38.8% as of December 31, 2022) of the Company's total assets. Bank loans total Ch\$394,875 million as of December 31, 2023 (Ch\$385,975 million as of December 31, 2022), which correspond to short and long-term loans, and loans with direct fixed rate or as a combination of loans and their derivatives, so the interest rate risk corresponds to the difference in the rate of an eventual renewal at maturity of these loans. Other loans have interest rate variations every certain frequency.

b) Political, economic and social situation and regulatory changes in Chile

A significant portion of the sales revenues of the Company and its subsidiaries are related to the local market in Chile. The level of spending and the financial condition of the customers of the different businesses are sensitive to the general performance of the Chilean economy. Therefore, the economic conditions prevailing in Chile will affect the results of operations of the Company and its subsidiaries. Moreover, the financial condition and results of operations of the Company and its affiliates could also be affected by changes in economic, public and other policies introduced by the Chilean government or by other political, economic, social and health events affecting the country or its institutions, as well as by regulatory, tax changes or administrative procedures, which are beyond the Company's control.

c) Energy Costs

The cost of energy impacts the costs and results of the Company and some of its subsidiaries. Steel foundries and glass container manufacturing have a significant dependence on energy, both electric and fossil fuel (natural gas and oil), which is used in the steel casting and container forming processes.

d) Copper and other mineral prices

The metallurgical business is mainly related to copper, gold and iron ore mining. The price of these metals has historically presented cycles, and in recent years there has been a sustained trend of higher prices, which are explained by higher demand and solid long-term fundamentals associated, in the case of copper, with electro mobility, renewable energies, decarbonization commitments and new technologies and, on the other hand, a world supply that has lagged somewhat behind due to the fall in deposit grades, production restrictions and the development of new mining projects has been

partially affected by higher regulatory, environmental and social requirements. However, high price volatility has been observed recently due to the combined effect of the aforementioned factors and a high level of uncertainty derived from the current scenario of low growth in some of the world's main economies, high inflation, persistently high monetary policy rates by the main central banks, the scope and duration of conflicts such as between Ukraine and Russia, between Israel and Hamas and other geopolitical conflicts that have intensified.

e) Fluctuations in prices and foreign currency parities

The Chilean peso - U.S. dollar exchange rate has been subject to significant fluctuations, which may affect the results of operations of the Company and its subsidiaries. The parent company and the main subsidiaries of the metallurgical business obtain a large portion of their sales revenues from international markets and these sales are mainly denominated in U.S. dollars. In the case of sales of imported products of the metallurgical business that are made in the domestic market, exchange rate variations may impact the operating results for those sales in dollars to customers in which an exchange rate difference may be generated between the date of entry of the goods into the country and the date of invoicing to the customer, which is relevant in the grinding media business, given that the products are manufactured in the plant in China. Furthermore, approximately 50% of the sales of the wine business are exports denominated mainly in dollars and euros.

In addition, the evolution of the parity between different foreign currencies in the countries in which the Company and its subsidiaries participate causes transitory variations in the relative prices of their products, so that new competitive pressures may arise in some markets that affect the level of sales and/or operating margins.

On the other hand, some companies maintain assets and/or liabilities in foreign currencies, so that fluctuations in these currencies may affect the results of exchange differences. The Company and its subsidiaries have an economic hedging policy that in some cases includes the signing of forward contracts for the purchase and/or sale of foreign currency to hedge these exchange rate risks.

The Company considers as permanent investments the indirect investments in Argentina (Rayén Curá and Viña Doña Paula, through its subsidiaries Cristalerías de Chile S.A. and S.A. Viña Santa Rita, respectively), in the United States and in China (ME Global and ME Elecmetal (China) respectively, through its subsidiary Inversiones Elecmetal Ltda.), therefore the effect of exchange differences in the valuation of these investments is recorded in the Translation Reserves account in Shareholders' equity.

f) Risk of competition

The concentration of some mining companies at an international level and the centralization of their purchasing decisions may encourage the development of greater and new competition in the metallurgical business. Elecmetal's strategy in this situation has been to provide comprehensive solutions that add value to mining processes, focusing its efforts on achieving the lowest

effective cost for its customers through continuous improvements in products and services, new designs, incorporation of technology and digital solutions, and on-site service.

On the other hand, the glass container industry is affected by competition from substitute products, such as plastic containers, tetra-pack, aluminum cans, steel cans and bag in box. In addition, it competes with local producers and imports of glass containers. In this regard, it is important to mention the leadership position of Cristalerías de Chile in each of the glass container segments in which it participates and the advantages of glass over substitute products.

In relation to the wine business, both the domestic and international markets have a high number of participants, which, together with the effects of globalization, makes this industry highly competitive.

g) Risk of protectionism

A growing protectionist trend is being observed in many countries, particularly with respect to products of Chinese origin, a trend that is presenting relevant challenges for the Company's grinding media business line. It is important to note that, in order to meet the demand of its mining customers, Elecmetal developed its business model with a major production plant in China, with a local private partner, "ME Long Teng Grinding Media (Changshu) Co, Ltd.", in which the company has a 50% shareholding, which produces grinding media with ME Elecmetal's designs, technical specifications and standards, under the framework established by the Free Trade Agreement signed between Chile and China in 2006 and Chile's strict adherence to World Trade Organization regulations.

As a result of a series of U.S.-China bilateral announcements, beginning in July 2018 the U.S. government applied tariff measures primarily against Chinese imports to a list of products including crushing spare parts that subsidiary ME Global imports from China using its own designs and technical specifications to serve the needs of its U.S. customers. Subsequently, the list of Chinese products affected by these measures was extended to include imports of steel grinding balls, a product that ME Global imports from China. This situation significantly affected the Company's ability to compete in this market in these lines of business. Subsequently, bilateral relations between the United States and China have deteriorated due to their positions regarding Russia's invasion of Ukraine, the actions and position of both countries regarding Taiwan, the strengthening of geopolitical alliances on both sides and the decision of the United States to prevent China's access to its cutting-edge technology.

Tensions have also arisen between Australia and China that have affected their bilateral trade, with tariff measures and restrictions on trade in various products between the two countries. In addition, Moly-Cop has in the past filed allegations of dumping by grinding media producers in China with the competent authorities in Australia. As a result, Australia has imposed differentiated anti-dumping tariffs on several Chinese producers, among which ME Elecmetal's products were subject to a 2.1% tariff rate. However, in April 2023, the Australian Anti-Dumping Commission resolved the definitive elimination, retroactive to September 2021, of the tariffs for the import of the aforementioned

products, which allows us to look with optimism at the possibility of selling again in this important mining market.

A similar situation arose recently in Mexico, where in mid-August 2023 the government established new import taxes for a list of approximately 400 tariff codes that were subject to a temporary tariff of 25% until July 2025, including steel products from any country of origin, except for only those countries with which Mexico has free trade agreements in force. Mexico does not have a treaty with China, so the measure affects our grinding media. In addition, on September 27, 2023, a Preliminary Determination was published in Mexico by the Ministry of Economy, specifically the International Trade Practices Unit, UPCI, on the "Antidumping Investigation on Imports of Steel Grinding Balls from China, regardless of the country of origin" initiated in September 2022 because of a petition filed by Moly-Cop in that country in April of the same year. The investigation has not concluded and is in the final phase. These measures significantly affect the Company's ability to continue supplying the Mexican market for grinding media.

Another similar case is occurring in Chile, where CAP and its subsidiary Compañía Siderúrgica Huachipato S.A. (CAP Huachipato S.A.), whose main customer is the North American grinding media supplier Moly-Cop, have carried out an important communication campaign at government, parliamentary and media level, seeking that the authorities establish protection measures against the importation of these steel products from China, which, they claim, are the cause of damage and threat of damage to the domestic industry, presenting the critical situation of the company Huachipato and warning of the eventual closure of this company, a situation that they say would affect approximately 20,000 jobs between direct, indirect and induced. 20,000 jobs between direct, indirect and induced. It should be noted that in the recent past CAP Huachipato and Moly-Cop have already made dumping allegations in our country with respect to imports of bars and grinding balls smaller than 4 inches from China. In the last process, completed in November 2020, the competent authority decided not to impose anti-dumping measures because the available information did not allow to prove the existence of dumping.

On December 9, 2023, it was published in the Official Gazette of the Republic of Chile that the National Commission in charge of investigating the existence of distortions in the price of imported goods, the Commission, resolved at its session No. 436, held on November 28, last year, two important actions: (i) to initiate ex officio an investigation for possible dumping in the import prices of steel bars for the manufacture of conventional grinding media with a diameter of less than 4 inches; and, (ii) to initiate an investigation for possible dumping in the import prices of conventional grinding media with a diameter of less than 4 inches by virtue of the request filed by Moly-Cop. The proceedings are ongoing, and the parties involved must submit the information required by the Commission. It is expected that the Commission will decide on provisional anti-dumping measures during the first quarter of 2024, which could eventually remain in effect until a decision on definitive measures is made for up to one year. The Company has requested the rejection of the request for provisional measures given that there is no reliable information on the existence of dumping in the importation of steel balls by Elecmetal and that the information that has been invoked to request the measures contravenes the requirements of the treaties signed by Chile, both by their nature and by the fact that they are kept hidden from the affected parties, preventing their right to defense.

An increase in this type of bilateral protection measures or a global protectionist escalation could have an adverse effect on the competitiveness of sales of the products that the Company imports from China, in addition to adding volatility and uncertainty to the world economy.

In the glass container business, an investigation was initiated in the United States in December 2023 for possible dumping in the export of glass containers to that market. The US Glass Producers Coalition (GPC) filed a request with the US Department of Commerce for the imposition of anti-dumping tariffs on imports of certain wine bottles from China, Mexico, and Chile. In the case of Chilean companies, the request involves Cristalerías de Chile, Cristalerías Toro and Verallia. It should be noted that our subsidiary's sales to that market are not material. The process is ongoing, and the required information is being prepared.

h) Environmental Regulations

In each country, companies are subject to numerous environmental laws, regulations, decrees, and municipal ordinances related to, among other things, health, the handling and disposal of solid and hazardous waste, discharges into the air or water, and noise emissions, which are increasingly demanding. As part of its sustainability strategy, environmental protection is a constant concern of the company in the face of new environmental regulations, and it makes the necessary investments to comply with present and future regulations established by the competent authorities. However, environmental requirements are increasing for the production plants.

i) Production, marketing, and logistics risks

The production of wine depends significantly on the quantity and quality of the grapes harvested. As this is an agricultural activity, it is influenced by climatic factors (droughts, unseasonal rains, and frosts, among others) and pests. Moreover, a lower-than-expected harvest could represent an increase in direct costs due to lower yields per hectare. Viña Santa Rita has high quality standards in the management of its agricultural assets, which include, among others: pest-resistant plantations, deep wells and water rights that ensure sufficient water availability, and frost and hail control systems for a significant portion of its vineyards in order to reduce its dependence on adverse climatic and phytosanitary factors. In addition, it maintains contingency plans and trained brigades to deal with catastrophes.

j) Risk of cyber attack

A relevant risk issue faced by companies is related to vulnerability to cyber-attacks on corporate technologies and information systems. The company is permanently evaluating these risks, has various

modern tools to protect its information systems, comprehensive cyber security and monitoring programs, has hired the services of experts in these matters, and carries out awareness and training campaigns for users to strengthen the security of its systems and information. However, this risk is growing every day.

k) Inflation risk

Inflation is affecting most economies in the world, reaching historically high levels in some cases, such as in Chile and the US. The duration of this situation is uncertain, and its effects have been maintained, although gradually decreasing. Its main effects are on the costs and expenses of the Company and its subsidiaries, which are transferred to sales prices depending on the characteristics of the transactions in each business in each market and the commercial models applied, which can generate delays over time and impact operating margins.

The indirect subsidiaries Rayen Curá S.A.I.C., Doña Paula S.A. and Sur Andino S.A. are in the city of Mendoza, Argentina, and their functional currency is the Argentine Peso. As of July 2018, Argentina's economy was declared by the IASB as hyperinflationary, which implies accounting for these subsidiaries with adjustments for price-level restatement, with inflation reaching historically high levels in 2023.

Monetary policy measures to reduce inflation affect market interest rates and thus the financial cost of debt held by the Company and its subsidiaries (see risk (b) interest rate).

l) Climate change risk in the Metallurgical Business

Global warming is having an impact on various activities and businesses and today there is a greater degree of global awareness of its possible consequences, which is generating actions and agreements to try to reduce this trend and mitigate its unfavorable effects.

The mining industry, the main market for ME Elecmetal's products, is no stranger to the impact of climate change. Drought or scarcity of water resources, extreme rainfall, alluviums, runoff, among others, can affect infrastructure and processes and thus the operational continuity and safety of workers at some mining sites and therefore the demand for the products and services offered by the company. In the case of Chile, drought has worsened in recent years, making water supply for its processes a relevant issue for the mining industry, even causing temporary stoppages or a decrease in the pace of processing at some sites. Faced with this risk, mining companies are focused on maximizing the efficient use of water and on the development of desalination plant projects. Although some mining sites have been affected by this risk, in general large-scale mining has sustainability standards or policies, including consideration of climate change, where climate



change mitigation and adaptation measures generally derive from policies related to decarbonization, efficient use of water and energy resources, waste management, and operational excellence and continuity of operations.

m) Risk of geopolitical conflicts

The invasion of Ukraine by Russia and the recent conflict between Israel and Hamas are impacting various areas of international economic and commercial activity, with relevant effects on the prices of some commodities and important raw materials, deepening the difficulties of supply chains. It has also generated volatility in exchange rates and the valuation of market securities around the world, and has led to price increases in various products, such as natural gas and oil, wheat, corn and vegetable oils, among others. The impact of these situations on the operations of Elecmetal and its subsidiaries will depend on the scope and evolution of these conflicts, which is uncertain.

n) Risk of deterioration in security and public order conditions

The security and public order situation in Chile has deteriorated recently, which has generated an environment that facilitates the commission of crimes that threaten the integrity of our employees and the protection of our assets. The deterioration of the above conditions could have a negative effect on the Company's results of operations.



3.7

RELATIONSHIP WITH OUR MAIN STAKEHOLDERS AND THE PUBLIC IN GENERAL

The Company has identified its stakeholders and considers the interaction with them, their interests and concerns in defining its strategies and policies.

ME Elecmetal, through its Sustainability Strategy, and in particular in its pillars known as "Our People" and "Value creation connections" has structured the relationship with its main internal and external stakeholders, respectively, such as the community of collaborators, workers and employees, and all actors in the supply chain: suppliers and other third parties, as well as customers and communities in the immediate surroundings of the production plants at global, regional and local levels.

The People Management areas, at a regional level, have as part of their responsibilities the management of human resources with a main focus on health and safety, diversity, inclusion and talent, and in each of its plants they are also responsible for managing the relationship with neighbors and authorities of the area directly influenced by the productive activity. With respect to the supply chain, the company has specialized teams to manage it according to the demands of each operation. Finally, with customers, and given our specific focus on them, it is the commercial area that ensures this relationship is correctly managed, under the strategic approach of "ME FIT" or "Fully Integrated Technology" and always adding value through the "VAES" or "Value Added Engineering Services" philosophy.

At the same time, it has several points of contact for investors, the media and the general public through the Company's website. In particular, investors can access public information on the Company's website (<https://www.me-elecmetal.com/inversionistas/>), for which it has the support of a communications and media management agency for support and consulting in these matters. Also, the whistleblower channel is available to receive communications 24 hours a day, 7 days a week.

The Company's Chief Executive Officer is in charge of contact with authorities and the media, and the Corporate Administration and Finance Management is the point of contact for other third parties and also responsible for implementing improvements in the preparation and dissemination processes of the applicable information, and, as new requirements arise, this department or the one determined is in charge of addressing, managing and resolving them.

The Company complies with all current regulations so that shareholders can be informed in advance of the Annual Shareholders' Meeting, for example, in the election of directors or candidates standing for election or other matters.

CORPORATE
STRATEGY

04

CHAPTER

4.2

STRATEGIC OBJECTIVES

The companies that make up the Elecmetal group have growth and development objectives for their businesses, which include strengthening their core businesses and the search for and analysis of new opportunities, with the purpose of generating long-term results in the economic, environmental and social areas within a solid corporate governance framework, and thus ensure operational sustainability. In the group's companies, management is focused on people, with special emphasis on respecting and promoting their dignity.

The companies of the Elecmetal group recognize the challenges and opportunities posed by sustainability and take responsibility for their respective stakeholders from the industry to which they belong. Thus, each company has developed a sustainability strategy that is an integral part of its Corporate Strategy, in which it has defined commitments and initiatives to address environmental and social challenges in order to contribute to the comprehensive development of people and their well-being, adding value to its stakeholders in the countries and regions where it operates.

In the metallurgical business, ME Elecmetal, after an exhaustive diagnosis carried out in 2022 based on primary and secondary information, the Sustainability Strategy was formally relaunched in 2023, including the specific Purpose associated with this important matter, namely to be recognized as: "Partner For Sustainable Mining", whereby the Company seeks to promote and position its role as a key partner of its customers, committed to making concrete contributions to the fulfillment of their own sustainability goals.

ME Elecmetal's sustainability strategy is based on four pillars: ME Elecmetal Signature, Our People, Environment, and Value creation connections, each of which has specific commitments, objectives, initiatives and management approaches in line with the applicable sustainable development goals.

ME Elecmetal Signature:

Our values guide our decision-making and the way we relate to each of our stakeholders. **Respect** for the dignity of others, the proactive pursuit of **excellence**, and **responsibility** and **integrity** are part of our essence, deploying a high-level work style based on loyalty and commitment. We promote long-term relationships that create value and are meaningful to our work. We strictly follow current regulations and periodically report our performance, promoting transparency and reliability.

Our People:

Respect for people's dignity is at the core of our values, inspires our work and allows us to achieve a balance between our results and the way they are obtained, ensuring **integral human development**, **customer focus**, responsibility, sustainability and the proactive pursuit of excellence. We promote **long-term relationships of trust** with each

of our employees, making them feel proud to belong to ME Elecmetal. We are committed to a **safe** working environment, promoting **greater diversity** and fostering the development and deployment of our **talents**.

Environment:

The conservation, protection and restoration of the environment is a **global challenge** that we address in every solution we deliver to our customers. We are committed to being an active agent in the **efficient use of resources**, to promote **carbon neutrality** and **circular economy** in the industry, innovating and designing new alternatives in our processes and solutions for our clients.

Aware of its responsibility in these matters, the Elecmetal group collaborates actively in supporting various efforts of authorities, leaders, communities, institutions and companies in the different countries where it operates. Thus, in the glass container business, for more than 25 years it has been carrying out a glass recycling initiative between Cristalerías de Chile, the Coaniquem institution and local authorities throughout the country, and in the metallurgical business it has developed circular economy initiatives, recovering scrap steel parts directly from the sites of customers - important mining companies - to be melted again in the Company's furnaces to produce new steel parts.

Value creation connections:

We believe in **collaborative work** to generate new developments and innovative solutions and excellence, involving our **employees, customers, suppliers and other stakeholders** in the creation of sustainable value. At ME Elecmetal we seek to be an agent of change, trying to build **new alliances** to promote the sustainable development of the industry.

Through this sustainability strategy, ME Elecmetal seeks to be recognized as a partner for sustainable mining.

The Company has an internal innovation and development unit, in addition to partnerships with third parties for the analysis, development and implementation of solutions that are identified in the dynamics and evolution of the business in conjunction with its customers. As part of this effort, it has a process for managing and identifying opportunities and innovative ideas. Through this innovation process and collaboration we want to work together with the mining industry and its key strategic suppliers, to commit to developments and advance in stages in order to effectively respond to the expectations of a more sustainable mining.

In 2023, the Assistant Sustainability Manager's Office was created, with cross-cutting responsibility for coordinating functions and the consistent development of these matters throughout the organization. Key actions and processes were carried out for the development and dissemination of the strategy, systematizing the strategic pillars, key audiences and commitments, consolidating the strategy and its governance. Several internal communication workshops were held, as well as spokesperson and governance workshops, for adequate installation and management, with the support and presence of the top executives of all operating regions and their respective teams, always with the participation of the CEO. In addition, the main elements of this sustainability strategy were incorporated into the Company's website, laying the groundwork for future actions.

4.1

TIME HORIZONS

The Company considers 1 year as short term, 5 years as medium term and 10 years and more as long term, the latter two being the significant time horizons to guide the Corporate Strategy for our businesses in light of the Mission and Vision of a Company with a long history dating more than 100 years into the past.

4.3

INVESTMENT PLANS

METALLURGICAL BUSINESS

ME Elecmetal has carried out an important investment plan to consolidate its leading position and supply the demand derived from global mining.

ME Elecmetal has its own specialty steel smelters for wear parts in Chile, China, United States, and Peru, which operate under the highest standards of industrial safety, quality, productivity and sustainability, with a total annual production capacity of more than 120,000 tons. It makes annual capital investments of approximately US\$20 million for the maintenance and modernization of its plants and expansion investment projects based on long-term business development.

Additionally, subsidiary "Esco Elecmetal Fundición Limitada", a 50/50 Joint Venture with Weir ESCO, inaugurated in 2012 a state-of-the-art steel smelter to supply from Chile ESCO products exclusively to the Chilean and international market.

Also, subsidiary "ME Long Teng" started in 2011 the construction of a modern modular ball and rod mill manufacturing plant in the city of Changshu, China, whose production ME Elecmetal markets directly worldwide. In 2018, the construction of the fifth phase of this plant was completed, reaching a total annual production capacity of 500,000 tons, positioning it as the highest capacity grinding media plant in the world.

Subsidiary "ME Elecmetal (China) Co., Ltd." completed in 2014 the construction of a state-of-the-art specialty steel smelter in the city of Changzhou, Jiangsu province, China, with an annual capacity of 30,000 tons of wear parts for grinding equipment. In 2023, studies were carried out and approval was obtained from the competent authorities for the expansion of the plant's production capacity to 42,000 tons per year, a project that is currently under development.

On the other hand, in Chile, the Company completed in 2016 the modernization project for its specialty steel spare parts plant in Rancagua to serve the market of large mining customers in Chile and South America. This plant, with an annual production capacity of 36,000 tons of special steel parts, brings together ME Elecmetal's experience in all its plants worldwide and incorporates the most advanced manufacturing processes and equipment for this type of industry. This project was part of a reorganization of the production operations of its metallurgical business in Chile as part of its long-term strategic development plan, which meant closing the plant located in Santiago and transferring its production capacity to this state-of-the-art plant in Rancagua.

As part of its international expansion strategy, in 2016 ME Elecmetal incorporated subsidiary ME Long Teng Grinding Media (Zambia) Limited in the city of Lusaka, Zambia. In 2018, this subsidiary

completed the construction of a modern grinding media manufacturing plant in the town of Kalumbila, an area of mining importance, to serve the needs of customers in Africa.

During 2023, we worked on the evaluation and negotiation to acquire a steel foundry plant for wear parts in the city of Lima, Peru, in order to expand and supplement the production capacity of ME Elecmetal in South America. Thus, on January 4, 2024, the purchase of 80% of Fundición Ventanilla S.A., Funvesa, took place, which allows us to reinforce our presence and commitment to Peruvian mining.

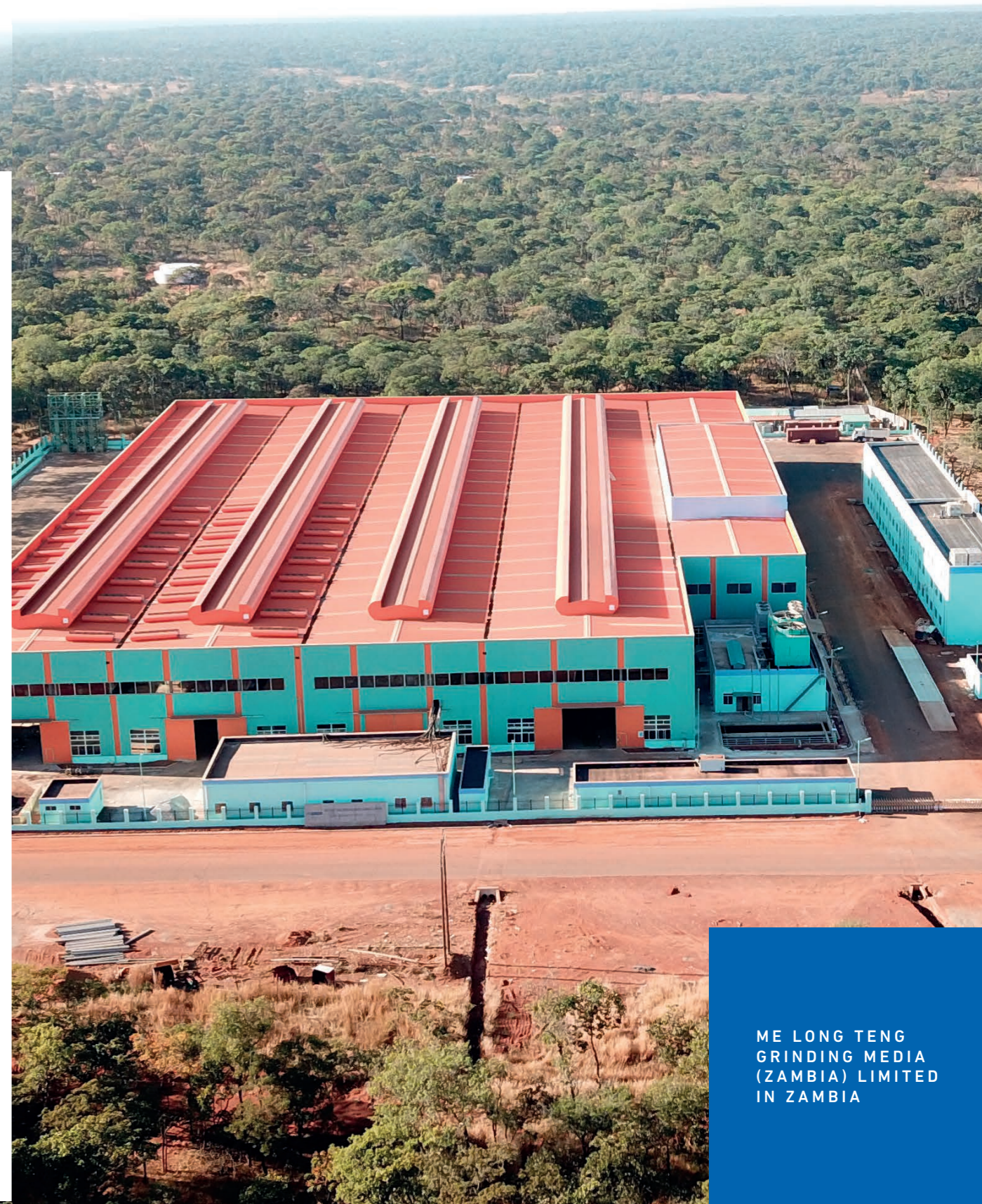
Continuing with our progress in sustainability matters, through technology and innovation, during 2023 our strategic ally, private Chinese company Long Teng Steel in Changshu adopted an innovative technology based on electric arc furnaces that use recycled materials as raw material for the production of the special high quality steel bars that are used for the manufacturing process of ME Elecmetal grinding balls, which meant an investment of around US\$200 million in a new steel mill, which during the first quarter of 2024 is in the start-up stage.

This will enable the launch of the first high quality, low carbon footprint grinding ball in the country and gradually all over the world. This initiative will reduce by 50% the carbon footprint associated with the production, transportation and on-site delivery of this essential input for mining compared to grinding balls produced from steel bars manufactured in blast furnaces, setting a significant milestone in ME Elecmetal's commitment to generate integral solutions with standards of excellence that generate value in the production processes of our customers.

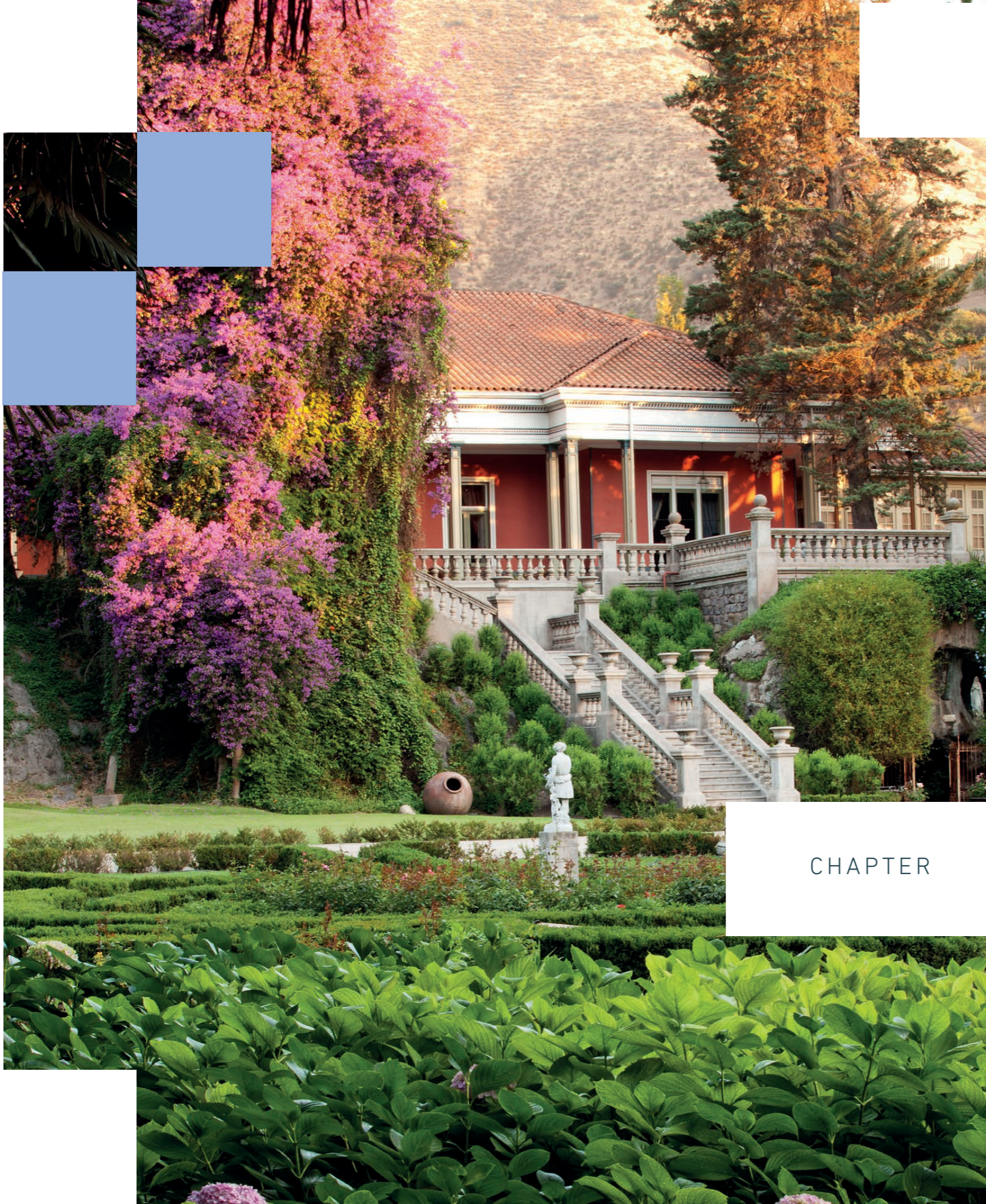
ME Elecmetal is constantly searching for increasingly sustainable products and thus contributing to other sectors of the economy to deepen their environmental commitment. Therefore, this launch not only represents a significant technological breakthrough, but also our firm commitment to the preservation of the environment and the goals of this key sector for the development of the country, which is part of our purpose of being recognized as partners for sustainable mining.

This initiative is presented in a scenario of rising projections for copper demand towards the year 2050, due to the favorable growth projections of electromobility and renewable energies, which undoubtedly poses challenges for the mining industry in terms of greenhouse gas emissions, being grinding media one of the products with high importance regarding indirect emissions (Scope 3) of mining.

With this launch, ME Elecmetal reasserts its leadership in the industry by combining excellence in production with a proactive approach to environmental sustainability.



ME LONG TENG
GRINDING MEDIA
(ZAMBIA) LIMITED
IN ZAMBIA



PEOPLE

05

CHAPTER

ME Elecmetal is a company committed to its employees and their families, with a teamwork that has allowed progress to be made in advancing the objectives proposed by the Board of Directors of the company, which favors and encourages the creation of a work environment with special emphasis on respect and promotion of the dignity of employees, enhancing the work-life balance, actively promoting communication, professional development and the welfare of employees and their families, fostering an inclusive organizational culture open to dialogue.

The People Department is made up of 16 professionals and administrative staff who support the personnel of the different areas of the company in the exercise of their work, also raising their needs, solving their doubts and problems, in addition to the management's own functions. This structure seeks to develop and retain collaborators in strict adherence to our values and according to the new trends of the labor market, providing comprehensive support to workers. It also has, as one of its main roles, to ensure full compliance with legal regulations and the administration of collective bargaining agreements in force. All this is framed in the permanent search for harmonious, transparent and excellent labor relations with ongoing improvement of processes and innovation in working conditions.

In ME Elecmetal's metallurgical business, there are 1,415 people hired directly and 501 people through 50/50 Joint Ventures. Employees are distributed mainly in Chile, China, USA and Zambia, as well as Australia, Brazil, Canada, Indonesia, Mexico, Mongolia, Panama, Peru, United Kingdom and Kazakhstan.

ME Elecmetal builds on its efforts in organizational alignment and staff motivation and commitment to achieve its vision for the future: "to be a globally competitive supplier recognized for excellence and leadership in the sustainable delivery of integral solutions that add value to mining processes and other target markets". Toward this purpose, ME Elecmetal is moving forward by fulfilling its corporate mission to meet the needs and exceed the expectations of its customers, employees, suppliers, shareholders and the community at large through excellence in the sustainable delivery of integral solutions to the marketplace.

The value framework for management is based on the fundamental principle and value of respect for the dignity of people and is made up of a set of corporate values, such as comprehensive human development, focus on internal and external customers, responsibility and integrity, and commitment to sustainability.

Thus, ME Elecmetal assigns the highest priority to the establishment of work environments in which people can maximize their potential, creativity and initiative so that they can be fully realized through their work. This is the essence of ME Elecmetal's Road to Excellence and the Company continues to develop its people management policies aimed at promoting the personal and professional development of its employees, safety at work and improving the quality of life of employees and their families. In the year 2023 we left behind the serious pandemic of the two previous years, a situation that allowed the Company to make these values a reality in all its operations and offices around the globe, adopting the pertinent measures and protocols and the required flexibility in order to take care of all its employees and their families during these difficult times. The Company has resumed its activities on a regular basis with its personnel in the different locations where it operates.

On the other hand, we must emphasize the excellent labor relations existing in the plants, the spirit of understanding between employees and management, and the collaboration and commitment of all to face the challenges that involve many cross-cutting activities at a global level with the participation of people from the different regions around the world where ME Elecmetal is present.





5.1

STAFFING

The information is presented below in accordance with General Standard No. 461 for the metallurgical business.

5.1.1

NUMBER OF PEOPLE BY GENDER

	Female	Male	Total
Management	10	116	126
Supervisors	11	73	84
Sales Force	5	48	53
Administrative	48	58	106
Operators	4	638	642
Other Professionals	68	170	238
Other Technical	11	155	166
Total	157	1,258	1,415

5.1.2

NUMBER OF PERSONS BY NATIONALITY

	Chile	U.S.	China	Argentina	Brasil	Bolivia	Canada	Colombia	Cuba	Ecuador	Francia	Perú	Venezuela	Total
Management	3	3	3	-	-	-	-	-	-	1	-	-	-	10
Supervisors	5	-	5	-	-	-	-	-	-	-	-	1	-	11
Sales Force	2	-	-	-	-	-	-	-	-	-	-	2	1	5
Female														
Administrative	19	24	3	-	-	-	-	-	-	1	-	1	-	48
Operators	2	1	1	-	-	-	-	-	-	-	-	-	-	4
Other Professionals	45	-	17	-	-	-	-	-	-	-	-	2	4	68
Other Technical	5	1	4	-	-	-	-	-	-	-	-	-	1	11
SUBTOTAL	81	29	33	-	-	-	-	-	-	2	-	6	6	157
Management	40	65	9	-	1	-	1	-	-	-	-	-	-	116
Supervisors	33	15	21	-	-	-	-	-	-	-	-	1	3	73
Sales Force	26	13	4	-	-	-	-	-	-	-	-	5	-	48
Male														
Administrative	10	44	-	-	-	-	-	-	-	1	1	2	-	58
Operators	305	146	179	-	-	-	-	1	1	-	-	2	4	638
Other Professionals	124	26	8	2	-	-	-	-	-	-	-	3	7	170
Other Technical	98	26	27	-	-	1	-	-	-	-	-	-	3	155
SUBTOTAL	636	335	248	2	1	1	1	1	1	1	1	13	17	1,258
TOTAL	717	364	281	2	1	1	1	1	1	3	3	19	23	1,415

5.1.3 NUMBER OF PEOPLE BY AGE GROUP

		Less than 30	Between 30 y 40	Between 41 y 50	Between 51 y 60	Between 61 y 70	More than 70	Total
Female	Management	-	3	4	3	-	-	10
	Supervisors	1	6	3	1	-	-	11
	Sales Force	2	2	1	-	-	-	5
	Administrative	12	13	7	11	5	-	48
	Operators	-	1	3	-	-	-	4
	Other Professionals	22	31	13	2	-	-	68
	Other Technical	2	5	3	1	-	-	11
	SUBTOTAL	39	61	34	18	5	-	157
Male	Management	8	28	39	27	11	3	116
	Supervisors	2	39	17	13	2	-	73
	Sales Force	1	25	9	10	3	-	48
	Administrative	10	23	14	5	5	1	58
	Operators	130	260	160	67	20	1	638
	Other Professionals	31	72	48	14	5	-	170
	Other Technical	29	71	22	27	6	-	155
	SUBTOTAL	211	518	309	163	52	5	1,258
TOTAL	250	579	343	181	57	5	1,415	

5.1.4 LENGTH OF SERVICE

		Less than 3 years	Between 3 and 6 years	Between 6 and 9 yaers	Between 9 and 12 year	More than 12 years	Total
Female	Management	5	-	-	4	1	10
	Supervisors	3	4	1	1	2	11
	Sales Force	4	1	-	-	-	5
	Administrative	17	10	11	3	7	48
	Operators	1	2	1	-	-	4
	Other Professionals	26	20	10	7	5	68
	Other Technical	7	2	2	-	-	11
	SUBTOTAL	63	39	25	15	15	157
Male	Management	34	22	15	12	33	116
	Supervisors	12	16	19	12	14	73
	Sales Force	16	11	9	6	6	48
	Administrative	25	13	10	6	4	58
	Operators	317	108	119	31	63	638
	Other Professionals	72	38	19	10	31	170
	Other Technical	56	17	38	12	32	155
	SUBTOTAL	532	225	229	89	183	1,258
TOTAL	595	264	254	104	198	1,415	

5.1.5 NUMBER OF PEOPLE WITH DISABILITIES

	with disabilities
Female	
Management	-
Supervisors	-
Sales Force	-
Administrative	1
Operators	-
Other Professionals	-
Other Technical	-
Male	
Management	-
Supervisors	-
Sales Force	-
Administrative	2
Operators	1
Other Professionals	1
Other Technical	1

5.2 FORMALITY OF EMPLOYMENT

	Fixed term	permanent	Total
Female			
Management	1	27	28
Supervisors	3	7	10
Sales Force	-	3	3
Administrative	1	32	33
Operators	-	4	4
Other Professionals	11	57	68
Other Technical	4	7	11
SUBTOTAL	20	137	157
Male			
Management	9	100	109
Supervisors	4	63	67
Sales Force	4	33	37
Administrative	-	82	82
Operators	119	519	638
Other Professionals	14	156	170
Other Technical	27	128	155
SUBTOTAL	177	1,081	1,258
TOTAL	197	1,218	1,415

5.3 WORK ADAPTABILITY

No. Employees	Regular Work Schedule	Part-time	With adaptability agreements for workers with family responsibilities
Women	157	0	0
Men	1258	0	0

% of total	Regular Work Schedule	Part-time	With adaptability agreements for workers with family responsibilities
Women	11%	0%	0%
Men	89%	0%	0%

% of total	Telecommuting	Work adaptability agreements
Women	4%	0%
Men	7%	0%

Note: In some offices there is a mixed workday policy, some days of teleworking and others of face-to-face work.

5.4 GENDER PAY

5.4.1 EQUITY POLICY

It is the Company's policy to provide equal employment opportunities in accordance with all applicable laws and regulations to persons who are qualified to meet their job requirements. The Company administers its personnel policies, programs and practices in a nondiscriminatory manner in all aspects of employment relationships, including recruitment, hiring, assignment, promotion, transfer, termination, wage and salary administration, and selection for training. The Company details the "Equal Employment Opportunity Policy" in the "Standards of Business Conduct" at ME Elecmetal.

5.4.2 WAGE GAP

The wage gap is measured as the percentage that the gross hourly wage of women represents with respect to the gross wage of men for workers in the metallurgical business in Chile and is presented in terms of mean and median in accordance with the provisions of General Standard No. 461.

Mean (CLP/hour)	Women	Men	Gap (%)
Management	40,622	43,152	94%
Department Heads	22,169	25,207	88%
Sales Force	19,624	25,210	78%
Administrative	9,595	9,707	99%
Operators	5,519	7,335	75%
Other Professionals	12,352	14,438	86%
Other Technicians	9,784	10,716	91%
General Total	13,174	15,435	85%

Median (CLP/hour)	Women	Men	Gap (%)
Management	40,622	41,680	97%
Department Heads	22,525	23,924	94%
Sales Force	18,788	23,355	80%
Administrative	9,161	9,181	100%
Operators	5,765	6,896	84%
Other Professionals	12,063	12,817	94%
Other Technicians	10,068	10,489	96%
General Total	13,061	14,444	90%

5.5 WORKPLACE AND SEXUAL HARASSMENT

Respect for employees is a core value and for this reason the Company actively promotes a professional, respectful and dignified work environment that allows an adequate balance between the fulfillment of the Company's objectives and the advancement of its employees. The Standards of Business Conduct Manual prohibits any form of harassment and explains the mechanisms for resolving it, a subject on which personnel are regularly trained. In addition, the "Internal Rules of Order, Hygiene and Safety" contain specific sections intended to prevent, investigate and punish harassment within the company.

5.6 OCCUPATIONAL SAFETY

Occupational safety is a cross-cutting issue that concerns all layers of the organization on a permanent basis and therefore it is necessary to provide a safe working environment. For this reason, the Company works actively to achieve its Zero Harm goals. A fundamental part of this is the Company's compliance with the regulations in force in each country where it operates, and it constantly seeks to share good practices among its various production plants.

Risk prevention teams are in charge of safety management, and a very important objective is to incorporate a safety culture based on behavioral principles through teamwork to sustain and continuously improve safety management.

5.7 POSTNATAL LEAVE

The Company has a "Maternity Protection" policy that establishes benefits that go beyond the right of employees to pre- and post-natal leave in accordance with current Chilean law, and they retain their jobs during this period and receive the subsidy established in the respective laws and regulations. This subsidy, for hired female employees, is paid in full by the Company. In the event that both parents are employees, either of them, at the choice of the mother, can enjoy postnatal parental leave, in addition to the right to a paid leave of five days for fathers.

Workforce Health and Safety (Code EM-IS-320a.1):

	2022	2023	Code
Total Recordable Incident Rate (TRIR)	2,73	2,29	
Fatality rate	-	-	
Near Miss Frequency Rate (NMFR) for full time employees	2,65	3,55	EM-IS320a.1
Near Miss Frequency Rate (NMFR) for contract employees	1,57	0,38	

Note: The Company ensures the safety of all employees and implements prevention programs that go beyond the local regulations where it operates.

5.8

TRAINING, WELLNESS AND BENEFITS

Training:

The Company has a training policy that identifies gaps among employees, deviations detected in audits and, aligned with the strategic focuses, carries out a training and development program.

The total amount allocated to training in Chile in 2023 was Ch\$284 million, equivalent to 0.06% of revenues in the country. A total of 443 people were trained, equivalent to 57.9% of the staff in Chile. The annual average was 84 hours per person.

In terms of training topics, 43% corresponded to technical training, 16% to soft skills development training, 15% to languages, 15% to internal processes, and 11% to office automation.

In the United States, the Duluth and Tempe plants in 2023 created external partnerships that allowed their supervisory teams to access soft skills development programs. Improvements were also made to their training programs, incorporating a specialized trainer in each of the plants to ensure that new employees acquire the competencies and skills necessary to work effectively and safely, and that other employees continue their training. For those employees who wish to continue their studies, both plants have a support program. A wellness program was also implemented, focused on generating behavioral changes that help create a committed, high-performance work culture and a healthy work environment. The American Heart Association awarded both plants the "Gold Standard for Wellness".

Wellness and Benefits:

The Company seeks to contribute to the all-round development of employees and their families, through the management of a broad program of activities in the most diverse aspects, such as legal, family, financial, emotional and diversity and inclusion, among others, aimed at furthering the performance of a very relevant axis for Elecmetal, which is the care of its people. These activities are considered key to improving the quality of life of employees and promoting a healthy and harmonious work environment.

During 2023, these benefits not only contributed to improving the quality of life of the company's employees, but also strengthened the sense of community and collaboration within the company.

In the Company's commitment to bring the families of our workers and the community closer, as part of the "Open Companies" initiative, in 2023 the Rancagua, Duluth and Tempe plants opened their doors to the community, welcoming the families of their workers, representatives of the neighboring community, regional leaders and students, who were able to learn firsthand about the work environment, processes and sustainability efforts of the plants. Through activities such as these, Elecmetal seeks to establish ties as a good neighbor and learn about the expectations of the stakeholders in each of these regions.

Another noteworthy project is the "Impulsa Program", which seeks to enhance the overall wellness of Elecmetal's employees and their families, implementing a set of actions that integrate benefits and amenities aimed at both individual and family development. The first stage of the program involved a survey of information through which a characterization of the Company's employees was generated in terms of their economic and subjective wellness. Based on these conclusions, this program was developed, which includes follow-up and technical advice on various aspects, agreements and benefits with the public network and private companies.

In terms of benefits, these vary depending on the realities of each region and country where the operations are located, and also in consideration of the characteristics of the employment contracts.

The following are some of the main benefits administered for the Company's employees:

Health

- Supplementary health and dental insurance.
- Collective health plan.
- Medical leave subsidy for the first 3 days.
- Long-term illness and disability insurance.
- Life insurance.
- Preventive exams.

Education

- Schooling and Higher Education Allowance.
- Scholarships for workers and children.
- Scholarships for academic excellence.

Other Benefits

- Meal service or its equivalent.
- National holiday bonus.
- Christmas bonus.
- Christmas party.
- Nursery bonus.
- Childbirth leaves and allowance.
- Marriage leaves and allowance.
- Vacation bonus.
- Emergency loan for health issues.
- Support for funeral expenses of employees or immediate family members.
- Programs to improve employees' skills.

5.9

SUBCONTRACTING POLICY

The Company has regulations and procedures in line with Law No. 20,123 on subcontracting and Law No. 16,744 on occupational accidents. These regulations establish the provisions governing the activities, obligations and responsibilities related to occupational health and safety of all contractors and subcontractors during the performance of works or the provision of services contracted by the Company.

5.10

COMMUNITY

ME Elecmetal continued its commitment to the social and economic development of the communities where the Company is located, through the development of various initiatives and projects that seek to improve the quality of life of the local population, generating shared value.

In this sense, the Company maintains a close and collaborative relationship with the different social organizations in the region where its operations are located, from neighborhood councils to public and private organizations, and has defined a set of activities that focus on collaboration and support for the community, that is, a close and interactive relationship with open communication channels to address comments or suggestions regarding the operation.

In line with this, during 2023, we supported the Social Development Corporation of the Young Men's Christian Association in Rancagua, delivering school supplies kits and backpacks to children and adolescents of the Association; we also supported Rancagua athletes in tennis and weightlifting. In addition, Christmas packages of merchandise were delivered to different parishes in vulnerable sectors of the area and support was given to neighborhood councils of Diego Portales, Irene Frei, Villa las Rosas and others, through contributions to finance different neighborhood activities. Infrastructure support was also provided to the Llimpo kindergarten in Salamanca. In Rancagua, the company sponsored the Teatro al Aire Libre event at the Casa del Arte. In the area of education, we worked in cooperation with SENCE, the municipality of Pichilemu and the Labor SEREMI O'Higgins to develop training courses for people in the Cardenal Caro province. Christmas parties were also held for children at the vulnerable neighborhood Familia Unida and at the Florillitos kindergarten and nursery in Rancagua to promote the participation of workers in corporate volunteering.

ME Elecmetal (China) actively participated in various social programs, including the "Walking for Milk" event. A contribution was also made to the Xinhua Primary School-Art Classroom in Changzhou, and a cooperation agreement was established with the Jiangsu University of Technology for scientific and technological exploration and development initiatives, internships and job opportunities for students, and training for company employees. ME Global Inc. supported organizations in different areas, such as the Red Cross, the Lailanies Angels Foundation and others. It also encouraged the participation of employees in corporate volunteering, supporting the Feed My Starving Children organization. In addition, a cooperation agreement was established with the engineering school of the University of Maryland.

In 2023, the Company continued its donation program, through which it supported 13 organizations in different areas, including Fundación Ayuda a la Iglesia que sufre, Fundación Paz Ciudadana, Fundación las Rosas, Corporación Patrimonio Cultural de Chile, Pontificia Universidad Católica de Chile and others.

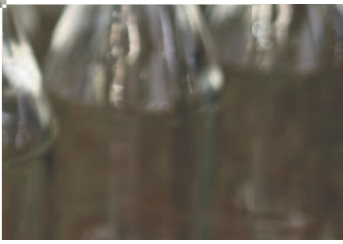
The information of the staff and its characteristics corresponding to subsidiaries Cristalerías de Chile S.A. (consolidated) and S.A. Viña Santa Rita (consolidated) is presented in their respective integrated reports.



BUSINESS
MODEL

06

CHAPTER



6.1

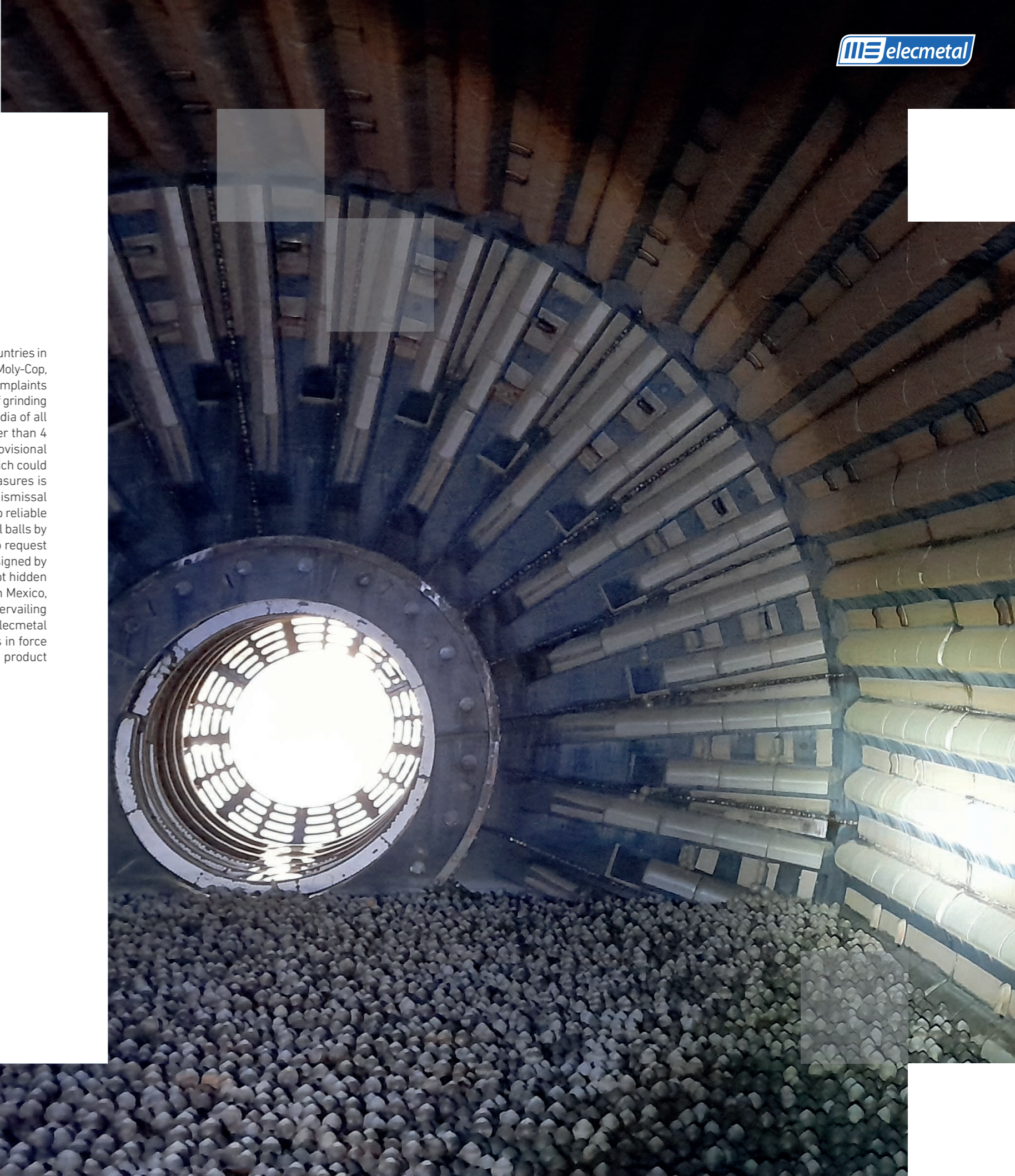
BUSINESS - METALLURGICAL

ME Elecmetal is one of the world's leading producers and marketers of special steel wear parts, grinding media and other products and services for the mining market, through an extensive network comprising its own manufacturing plants, joint ventures, licenses and strategic alliances with high-level corporations such as ESCO, a division of WEIR Group of Scotland, Valley Forge of the USA, Ferry Capitain of France and Long Teng Special Steel Co., Ltd. of China. It also has a wide network of offices and commercial representations in all regions of the world. This coverage is the result of its globalization and territorial expansion strategy and the expansion and innovation of its product lines and services for mining and other target markets.

ME Elecmetal is focused on meeting global demand for the following product groups and integral solutions: grinding equipment parts (steel and white iron liner, rubber-steel and rubber composite liners for SAG, ball, vertical and rod mills); SAG and secondary grinding balls and grinding rods; crushing equipment parts (wear parts for gyratory, cone, jaw, impact and other crushers); and earthmoving equipment parts (blade systems, adapters, tips and bucket guards for mechanical rope and hydraulic shovels, front-end loaders and others). Additionally, it manufactures pump components for slurry transport and industrial uses, large castings for primary crushers, mills and copper smelters and other mining and industrial machinery, and provides high-hardness steel plates and repair and overhauling services for mineral processing equipment.

Through its representative lines, it offers a wide variety of complementary products and solutions for mining applications, e.g., for grinding: fastening bolts and nuts, acoustic systems to monitor and improve mill performance; for crushing operations: bronze and other components, epoxy backing resins, AST application pumps. In addition, as part of its ME Early Warning and Digital Lab business line, it offers a range of services with sensors and tools for fault detection and warnings, simulations, equipment repair and productivity enhancement services for mining operations through digital solutions including digital twins, parts wear analysis through laser technology and advanced operating data analysis, which together with the products provide comprehensive solutions that fall under the ME FIT (Fully Integrated Technology) program.

ME Elecmetal faces global competitors, present in different countries in the linings and grinding media businesses. Among the latter is Moly-Cop, a major global US-based competitor that has filed dumping complaints in several countries where its plants operate, against imports of grinding media from China: in Mexico against imports of grinding media of all sizes, and in Chile against imports of grinding media smaller than 4 inches. In Chile, the Commission is expected to decide on provisional anti-dumping measures during the first quarter of 2024, which could eventually remain in force until a decision on definitive measures is made for up to one year. The Company has requested the dismissal of the request for provisional measures given that there is no reliable information on the existence of dumping in the import of steel balls by Elecmetal and that the information that has been invoked to request the measures contravenes the requirements of the treaties signed by Chile, both due to its nature and the fact that it has been kept hidden from the affected parties, impeding their right to defense. In Mexico, on March 5, 2024, the competent authority established countervailing duties for imports of steel balls from China, in the case of Elecmetal at a rate of 12.35%, which together with the customs tariffs in force in that country will probably mean losing business in this product line in that market.



The Company is governed by local regulations in each country where it has operations, and in Chile, where it is a publicly traded company, and must comply with the regulations issued by the Financial Market Commission, CMF.

Business Expansion and Strategic Alliances

ME Global Inc, a subsidiary incorporated in 2001 in the United States of America, was the vehicle for the acquisition of the assets of ME International, Inc. and ME West Castings, Inc. in that country. Since 2002, ME Elecmetal has embarked on an optimization program for these assets, the introduction of new product and process technologies and organizational development, which has enabled it to achieve the highest standards in the steel parts industry worldwide and investment programs to significantly expand the manufacturing capacity of its plants.

In Chile, Fundición Talleres Ltda., also dedicated to the fabrication and marketing of steel parts in South America, was acquired through an international tender process for 60% of its ownership in 2004, which was completed to 100% in 2007.

ESCO, a Division of WEIR Group since 2018, has been the licensor of ME Elecmetal since 1959 with a licensing and technical assistance contract to manufacture and market its products in Chile. This alliance with ME Elecmetal was extended in 2007 to a 50/50 Joint Venture, establishing Chilean subsidiary Esco Elecmetal Fundición Ltda. ("Esco Elecmetal"), which built a modern earthmoving parts manufacturing plant in Lampa. The company has a 20-year term since its incorporation in 2007.

As part of the development of new products and markets and its vision of providing integral solutions to its customers, ME Elecmetal developed the metallurgical and process technology for the production of grinding balls made of special steels, which are used in large-scale mining together with the liners in grinding mills. Thus, since 2009, its new products "ME Super SAG" and "ME Ultragrind", initially manufactured through exclusive production agreements with Longteng Special Steel Co., Ltd., were successfully marketed. Subsequently, in 2011, ME Elecmetal and Longteng Special Steel Co., Ltd. formed in China the 50/50 joint venture "ME Long Teng Grinding Media (Changshu) Co. Ltd." ("ME Long Teng") for the exclusive manufacture of these products which ME Elecmetal markets directly worldwide.

ME Elecmetal has maintained important commercial and strategic ties with renowned international brands, in the form of representations that have been maintained for many years. A clear example of this is the representation of the Ferry Captain and CMD brands of France's Groupe CIF, an important conglomerate that supplies the international heavy industry from its six plants located in France and Germany, and provides large cast components, such as reducers, pinions, crown gears, crusher bodies and mill covers. Also, continuing with its ongoing search for new alliances, ME Elecmetal started to offer in the Chilean market a line of high-quality "ME Elecmetal" epoxy resins for backing applications in crushing equipment. In relation to milling equipment, the Company maintains the representation of "Valley Forge" brand shell fastening bolts, renowned in the global industry.

Delivering Integrated Customer Solutions and Innovation

ME Elecmetal's reputation for quality and leadership is recognized worldwide and is rooted in the delivery of solutions that add value to customers' processes, combining designs, alloys or materials, services and technology tailored to each customer's needs, with the strictest technical standards that make it possible to achieve yields that significantly reduce the costs of processing ore and other materials. This value proposal is inspired by the "Value Added Philosophy". To generate added value for our customers, Value Added Philosophy focuses on various fundamental aspects of the mining operation, and is therefore highly appreciated by our customers and constitutes the basis of our leading position in the global market for integrated mining solutions. One example of this is the lead position obtained in the market of wear parts for SAG milling, a market in which, excluding Australia and Asia, where the Company is just starting to penetrate, ME Elecmetal has more than 50% of the world market share.

Against this backdrop, the ME FIT program reflects the constant search for new integral solutions for the processes carried out by mining clients, by integrating product and service solutions in the mining, crushing and milling processes. ME FIT's proposal is based on the synergy obtained by integrating consulting, products, services, technology, people, logistics and manufacturing, making it possible to add value to the client that otherwise could not be achieved. "FIT" is the acronym for "Fully Integrated Technology" and refers to the fact that ME Elecmetal is an integrator of products, services and technologies in Mining, Crushing and Milling processes.

The technical service provided by ME Elecmetal, which effectively sets ME Elecmetal apart from its competitors, is oriented to seek the lowest effective cost for its customers and includes advice on the optimization of haulage and processing of minerals and other materials, new designs and on-site service with highly trained and experienced personnel. In addition, by working together with clients in the detection of opportunities, the search for innovative solutions and the application of improvements in production processes and maintenance practices, this benefit-based sales modality allows us to establish real strategic alliances with our clients.

Complementing the line of business and integral solutions to its customers, ME Elecmetal offers a business area for Inspection and Early Warning Services, geared toward obtaining productivity enhancements and efficiencies in our clients' mining operations.

It is also noteworthy, as part of the development of integral solutions for our customers, the progress made in a new generation of mill liners that has been very well accepted and is characterized by the use of different materials and improvements in technology with a focus on the generation of products and services that add value to the ore processing of our customers. In this process, in addition to the internal and customer teams, we enjoy ties with strategic allies who are relevant for these developments in ME Elecmetal. Examples of such developments are the vulcanization of castings and the new line of parts with cast inserts and rubber for ball mills, among others.

These developments and the continuous emphasis on high product quality and service excellence are part of the innovation program that is part of the permanent management of ME Elecmetal's personnel. Collaboration with the client, technical knowledge and the application of world-class simulation and design systems by our Engineering and Design and Early Warning teams, generate fundamental conditions to increase the availability of mining and mineral processing equipment, improve the extraction and processing rate and product quality, achieve longer service life and less exposure to accidents for employees, among other benefits that constitute innovative solutions and best practices for the mining market.





6.1

BUSINESS - CONTAINERS

Cristalerías de Chile, "CristalChile", is the leading producer and distributor of glass containers in Chile with almost 120 years of experience. CristalChile serves the needs of various sectors, including wine, beer, soft drinks, juices, mineral waters, liquors and food.

The Elecmetal Group took control of the ownership and management of Cristalerías de Chile S.A. in 1975, launching a major technological and commercial modernization process. In 1977, a technical assistance agreement was signed with Owens-Illinois of the United States, then the world's leading producer of glass containers. Since 1978, the Company concentrated its glass container production activities at the Padre Hurtado (Metropolitan Region) plant, currently with an output capacity for 280,000 tons per year, and in 2006 expanded and diversified operations with the construction of a new plant in Llay Llay (5th Region), the first stage of which was inaugurated in 2007, and which today, after completing several investment stages, has a production capacity of 320,000 tons per year. Both plants have cutting-edge manufacturing technology and graphic processes, inspection and packaging lines, which ensure operational continuity and the highest quality packaging for the demanding domestic and international markets where the Company's products are sold.

CristalChile's vision is to develop innovative packaging solutions that enhance the quality, image and efficiency of our customers' products in a motivating, challenging and friendly environment, creating sustainable value for our shareholders, associates and community.

CristalChile serves more than 300 national and international customers, providing them with various additional technical and commercial assistance services, both in the design and development of new containers as well as in their filling, closing, labeling, packaging and distribution management processes. The main customers are in the wine, beer, alcoholic and non-alcoholic beverages.

CristalChile has a strong presence in Chile and is also increasing its position in international markets through its customers in the country with its local packaged products that are exported and also directly with containers for production processes of customers abroad. The Company exports glass containers to more than 10 countries in Latin America.

The Company's Purpose is "We create containers that care for life" and the Mission is "To be the best ally of our customers and together win the consumer's preference". In this search, in commercial matters, CristalChile carries out different activities aimed at offering a better service to its customers, studying and promoting the development of new glass container projects and highlighting their benefits. These activities are:

- Working together with customers to develop new containers tailored to the needs of the final consumer.
- Promoting the development of products seeking to keep customers updated on the topics and propose new containers with modern and attractive ideas.
- Supporting activities aimed at promoting Chilean wine abroad.
- Continuing to consolidate the glass recycling campaign, broadening it to the entire country, comprising the largest recycling network in Chile, which is publicized in the media, also highlighting the ecological advantages of glass containers. In addition, this network allows us to continue to collaborate with the Corporación de Ayuda al Niño Quemado (COANIQUEM), an institution of recognized prestige in the country.
- Promoting glass consumption through the grassroots cause known as "Elige Vidrio" (Choose Glass).

CristalChile promotes and positions the Elige Vidrio (Choose Glass) brand as the grassroots cause that seeks to raise awareness about responsible glass consumption, promoting, through several customer-oriented media, the benefits of glass containers and highlighting their positive impact on people's quality of life. During the year, various activities continued, expanding its digital community, strategic alliances and consolidating the Chile Elige Vidrio (Chile Chooses Glass) recycling network.

This year a new Environmental Outreach section was developed with the challenge of teaching and promoting proper waste management and environmental awareness from the point of view of glass as the best

container on the planet. In a scenario where the impact on the environment is becoming increasingly relevant, Elige Vidrio has been taking on added significance, becoming an actor that calls to promote its commitment to the planet. This is how Chile Elige Vidrio was born, the initiative that has worked on building an extensive network of permanent, economically viable and responsible recycling endeavors, which can be applied in each territory with its own particular needs and complexities. Elige Vidrio took on the challenge of creating a sustainable recycling model that would reach every corner of the country, through public-private partnerships with actors such as regional companies, municipalities, small local logistics operators, recycling entrepreneurs, among others, highly involved and aware of the contribution they can make to environmental care. In the absence of their support for this ecosystem, it would not be possible to reach far-flung locations.

An essential characteristic of glass is its returnability, allowing for an average of 35 turns in the life cycle of the container before returning to recycling, and therefore the Company continues to promote the circularity of these containers, which, given their price-quality ratio, have become a key player in the traditional channel, where they occupy a prominent place on the shelves of stores and also in "HORECA" markets (Hotels, Restaurants and Cafés).

This returnable format includes bottles of water, soft drinks, juices and beers, with formats ranging from 237 cc to 1,250 cc.

The main products manufactured by CristalChile are returnable and non-returnable glass containers, with different types of mouths (Crown, Twist Off, Security, MCA2, Cork and Screw Cap), decorated, painted and labeled, all with the quality required by domestic and international markets.

In 2023, CristalChile continued its efforts to consolidate its commitment to sustainable development, with activities with its different stakeholders within the framework of its Sustainability Strategy 2030, intended to position glass containers as the most sustainable container in the world, the best on the planet, by developing new environmental attributes for the product, increasingly required by customers, valued by consumers and consistent with and inspired by the following mission statement: "We create containers that care for Life".

The demands of customers, consumers and government agencies for transparency and mitigation of environmental impacts mean that the attributes that make the Company's products the best in the market are no longer only quality, safety, innocuousness or price, but the environmental impact of each package is a differentiating attribute and a determining factor for its competitiveness.

Many of CristalChile's customers compete in highly challenging markets in terms of legal and commercial demands related to the environmental performance of their products, and packaging is also relevant in the environmental impact of a packaged product. In this sense, the Company has decided to address the future by creating packaging that takes care of people's lives and the environment. Thus, the sustainability strategy is oriented to the development of containers with lower weight and a higher percentage of recycled glass, low greenhouse gas emissions and low water consumption, and with a manufacturing process that does not generate waste that goes to landfills. This will have a positive social impact on the Company's stakeholders, ensuring the development of an organizational culture of care for life with our customers, consumers, workers, suppliers, the communities where industrial activities are carried out and the country. The Sustainability strategy has 4 pillars, objectives with their respective goals and a set of KPI's, which are monitored on an ongoing basis.

As far as innovation is concerned, progress was made in the development of innovative projects with three strategic focuses: to position itself as a leader in packaging services; to contribute to the sustainability of the business by developing products with environmental attributes; and to speed up the transition to Industry 4.0, using technological transformation to achieve new productivity, quality and safety standards.

In relation to operations, it is worth noting that the two plants have been recertified with the "AA" rating, the highest rating granted by the BRCGS Packaging Materials standard of the United Kingdom, which ratifies our commitment to the quality and safety of the containers we manufacture. BRCGS Packaging Materials is a certification recognized by the Global Food Safety Initiative (GFSI), which seeks to ensure that the Company guarantees that its products meet food safety, quality, legality, food defense and fraud standards. The products and their inputs have a risk and hazard analysis, which is reviewed annually under the BRCGS Packaging Materials standard.

In terms of investments, Cristalerías Chile has continued with its long-term investment program, which seeks to ensure that customers receive a timely supply of top-quality products, and to improve the quality of the employees' work. During 2023, investments of \$26 billion were made to repair furnaces, import materials and molds, implement infrastructure for an online decorated service, new operational offices in Padre Hurtado and the construction of a modern staff cafeteria in Llay Llay.



6.1

BUSINESS WINE

Viña Santa Rita and subsidiaries is one of Chile's largest winemaking groups, present in more than 70 countries and one of the leaders in Chile, and produces and sells an extensive portfolio of wines recognized worldwide for their quality and consistency. Elecmetal participates in the wine industry in Chile and Argentina through direct and indirect ownership of the Sociedad Anónima Viña Santa Rita.

Viña Santa Rita was founded in 1880 by Domingo Fernández Concha in the Alto Jahuel sector. From its beginnings and with a modern and innovative vision, Domingo introduced fine French grape varieties in the soils of the Maipo River Valley, in addition to hiring outstanding French enologists, which allowed him to produce wines with techniques and results far superior to those traditionally obtained in Chile.

In 1980 the Claro Group, through Cristalerías Chile, and Owens Illinois (USA), the world's leading producer of glass containers, acquired part of Viña Santa Rita's assets, consisting of its brands, the Alto Jahuel plant and 80 hectares. The new owners gave a strong boost to the company. In the production area, innovative technological processes and winemaking techniques were introduced, previously unknown in the country. In 1982, Viña Santa's commercial area launched the 120 line, which had traditionally consisted of a single product. Three years later, in 1985, the Company began its

internationalization process, exporting its products to different markets around the world. In the agricultural area, the Company has acquired and planted fields, totaling 3,590 hectares planted at the end of the year.

Viña Santa Rita and its subsidiaries produce quality wines, distinctive and unique, as a result of the continuous focus on terroir, innovation, research and development, seeking to meet the demands of consumers in different parts of the world.

Viña Santa Rita works with a Vision which is "To be a world benchmark in wine" and to this end seeks to fulfill its Mission, which is "To be a benchmark in the development and sustainable growth of winemaking, captivating consumers around the world, through the experience, innovation and quality that sets our brands apart, together with the excellent work of our people".

Viña Santa Rita and its subsidiaries market Chilean wines under its own brand, in addition to the wines of Viña Carmen, Nativa, and Argentinian wines through the Doña Paula and Sur Andino Argentina brands. The Company also produces and sells sparkling wines and markets some brands of Chilean and foreign liquors in Chile.

The main priority and commitment of Viña Santa Rita and its subsidiaries are its customers, who consume products and services of excellence, aiming to satisfy their needs and expectations through the search and development of formulas, methodologies, tools and best practices, which allow achieving the highest standards of quality and productivity.

The main export markets for Viña Santa Rita and its subsidiaries are Germany, Argentina, Brazil, Canada, China, Colombia, South Korea, Denmark, United States, England, Ireland, Japan, Mexico and Russia. It is noteworthy that Viña Santa Rita continues to be the leader in Ireland. In Asia, new markets have been developed, such as Indonesia, and new distributors have been incorporated for Pewèn de Apalta and Floresta in China. It also consolidated its position as the second largest exporter in Mexico. It is also important to note that the Viña Santa Rita brands that make up Colección de Origen have reached a record high, posting a 253% increase in exports over the past three years.

The consolidated export market of Viña Santa Rita and its subsidiaries, which includes Chile and Argentina, in 2023 decreased sales in pesos by 12.5%, reaching \$75,458 million pesos, as a result of a 13% decrease in cases sold, reaching 2.85 million cases (3.27 million cases in 2022), due to the accumulation of stocks in the distribution chain, caused by the contraction of demand in most of the relevant markets. In the specific case of the Chilean export industry, it decreased turnover in US dollars by 20.7% with respect to 2022, while Viña Santa Rita decreased turnover in US dollars by 2.0% with respect to 2022.

In relation to the export price, Viña Santa Rita and its subsidiaries achieved an average price per case of US\$31.7 per case, which represented an increase of 5.5% over the previous year.

Value sales in the domestic market reached Ch\$67,897 million, a level similar to the 2022 turnover, which is the result of a lower sales volume of 6.8%, offset by an increase of 7.2% in the average price compared to the previous year. In the Chilean market, the 120 brand has managed to maintain its leading position, reaching 18.4% of industry sales according to Nielsen AS23. The major launches of the year were Carmen Frida Kahlo Reserva and 120 Red Blend.

In recognition of the work and products of Viña Santa Rita and its subsidiaries, as in previous years, in 2023 important achievements were obtained in Chile and abroad, consolidating a sustainable and forward-looking organization, both in Chile and Argentina. In this regard, the wine tourism offer is worth mentioning, which achieved great results. The Casa Real Hotel was named one of the seven best resorts in South America by Condé Nast, while The Drinks Business named Viña Santa Rita as the "Best Contribution to Wine Tourism" worldwide. In addition, Viña Santa Rita was once again chosen as one of the best wineries to visit in the world, according to the World Best Vineyards ranking. These awards have highlighted the value of the rescue of our cultural heritage and its openness to the community that has been carried out over the last decades. In terms of innovation, for the second consecutive year, the Company was chosen as the most innovative winery in Chile in the C3 Creativity and Innovation Ranking. This award highlights the work done over the years, through various initiatives that always seek to promote an innovative culture.

Among the recognitions obtained, Santa Rita was selected among the 100 best premium wine brands in the world by Luxury Lifestyle Awards. In addition, Sebastián Labbé, Santa Rita's enologist, was distinguished among the 100 best in the world by The Drinks Business. In relation to the Company's wines, Carmen Gold 2020 and Carmen Gran Reserva Carménère 2021, among many highlights, obtained the highest distinction of "master" in the competition "The Global Cabernet Sauvignon Masters 2023" of English magazine The Drinks Business, positioning them among the best in their categories in the world. Pewën de Apalta 2022 was chosen as the best Carménère in Chile by Descorchados and was one of the 10 best red wines in the country, with 97 points. Floresta 2020 and Pewën 2018 were positioned among the 10 best Carménère wines in Chile, according to English magazine The Drinks Business. Selección de Bodega 2021, Doña Paula's icon wine, scored 97 points in Descorchados 2024, ranking among the best Malbecs in Argentina.

In a scenario where the environment is becoming increasingly relevant, Viña Santa Rita and its subsidiaries have assumed sustainable growth as the basis of the business strategy. The Company believes that sustainability is a convergence of being environmentally friendly, socially equitable and economically viable.

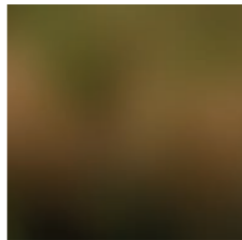
In 2023, the Company's performance continued to be strengthened through the successful recertification of the Sustainability Code in Chile and the Sustainability Protocol for Wineries in Argentina. In addition, the Company was recertified for the seventh time under the National Sustainability Code of Wines of Chile, in the areas of vineyards, wineries and bottling plants, social and wine tourism. The Buin plant facilities were recertified under the BRCGS Food Safety global quality standard, maintaining the maximum AA+ rating. The Company also made progress in its commitment to Science Based Targets (SBT) to reduce the carbon footprint committed to in the SBT 10-year plan.

Viña Santa Rita owns and operates vineyards in Chile and Argentina, as well as its own winemaking cellars and bottling plants in both countries, in addition to a broad global product distribution network. In addition to its own vineyards, it has some long-term leasehold vineyards.

In terms of investments, Viña Santa Rita continued with its long-term plan with the main goal of supporting the strategic plan aimed at improving winemaking efficiency, automating processes and increasing productivity, achieving greater self-sufficiency of grapes and improving water supply. In 2023 it invested US\$5 million. The project to modernize its wineries and automate the facilities, incorporating state-of-the-art technology in the winemaking and bottling areas, is generating positive and significant results, increasing winemaking capacity by 15-20% in the main plants, achieving improvements in the quality, consistency, and cost of the wines produced.

One of the main initiatives in the viticulture area is the WiSe project, translated as "Wine Seed", which aims to ensure the long-term sustainability of the vineyards and has allowed to build a solid base for growth and projection, developing a new generation of quality vineyards. To date, more than 1,345 hectares of vineyards have been renewed and planted in recent years, being a fundamental pillar in the sustainable growth of the Company. Viña Santa Rita and its subsidiaries currently have 3,590 planted hectares of vineyards (2,861 hectares in Chile and 729 hectares in Argentina).

In Chile, the closest competitors are Viña Concha y Toro S.A., VSPT Wine Group, Viña Montes and Viña Luis Felipe Edwards Ltda.



6.1

BUSINESS – COMMUNICATIONS

The Company participates since 1989 in the media and communications area through Cristalerías de Chile S.A., which through its subsidiary Ediciones Chiloé S.A. (owner of Ediciones Financieras S.A.) is present in the press and publishing business with the "Diario Financiero" and others.

Although Ediciones Financieras S.A. has been immersed in a media industry with declining revenues in recent years, in 2023 it managed to increase its revenues by 24%, which is supported by a substitution from a traditional model to a digital model.

Diario Financiero, DF, stands out for offering a proposal that fulfills the role of being a relevant contribution to journalism in Chile, where beyond the digital substitution, as part of the dynamics of the industry, new events stand out, such as MAS PITCH in the promotion of the entrepreneurship ecosystem, and the consolidation of the ED Bazaar with its more than 18,000 attendees.

In a challenging market context, Diario Financiero, DF, is changing the industry thanks to a differentiating proposal of high-value content, immersed in an innovative model with new technologies and developments that are able to tune in and retain audiences with the purpose of offering a journalistic model that makes an effective and constructive contribution to the development of Chile.



6.1

BUSINESS POWER GENERATION

As part of its commitment to sustainability, Elecmetal participates, through its subsidiary Cristalerías de Chile, in the renewable energy business through its subsidiary Taguavento. The latter company is also the controller of the Las Peñas Wind Farm ("ELP") located in the eighth region. ELP has four wind turbines totaling 8.4 MW of capacity that are injected into the National Electric System (Sistema Eléctrico Nacional, "SEN").

The purpose of the Company and its subsidiaries in the operation of the plants implies, in addition to proactively taking care of its processes, to go beyond and be part of the solution in developing state-of-the-art technologies that are benchmarks in environmental matters and to be part of the solution and development of renewable technologies that give coherence to a long-term proposal.

The year 2023 was a very good one for ELP, where at the operational level it ended the year with a 44.3% plant factor, which makes it one of the wind farms with the best performance in the National Electric System (SEN). In a context where the renewable energy industry has suffered significant difficulties, ELP has three characteristics that make it a robust and sustainable proposal. The first factor is the location with a wind level above the national average and international benchmark. A second element has to do with the fact that the energy supplied is basically generated at night, which is when there is less solar injection, with a consequent higher price. The third aspect has to do with the fact that the sales model at the site where it is generated has no decoupling or discharges, which meant that in 2023 it achieved record operational income and results for injecting energy into the SEN.



6.2

STAKEHOLDERS

As part of the Sustainability Strategy, Elecmetal has identified and systematized the different and main stakeholders, towards and with whom it manages actions to develop and consolidate a direct, positive and effective relationship from the different business areas and as appropriate. Each of the stakeholders in the Company's performance has interests and concerns, mainly associated with the impacts and risks of the operation and how these eventually affect and/or benefit their welfare and the type of existing relationship with the Company. This is why it is essential for Elecmetal to listen, interact and develop interactions with the identified groups, in order to consolidate good performance and proper progress, always adding value.

The stakeholder engagement strategy is deployed transversally throughout the company, establishing objectives, commitments, methods, frequency, relevant topics and areas responsible for monitoring compliance with these commitments.

In the case of the metallurgical business, continuing with what began in 2022, in a consulting work with Stakeholders Sustainability Index (SSIndex), and after the collection of primary and secondary information, and diagnosis regarding Sustainability, during the year 2023, commitments, objectives and management approaches of each of its pillars were consolidated. The relationship with employees is crystallized in the "Our People" strategic pillar, and with customers, suppliers and communities, through the "Value creation connections" strategic pillar, with governance under development and implementation for proper and effective management. The consulting work with Social Management that started in 2022 was maintained to promote and consolidate the Company's commitment to sustainability that involves working with its different stakeholders.

Below are the main stakeholders associated with the strategic pillars of Sustainability:

INVESTORS:

Shareholders, banks, bondholders.

EMPLOYEES:

All direct and indirect workers (plants, service centers, offices).

COMMUNITIES:

Neighbors to the facilities.

Organizations and institutions, government entities (authorities, regulator and others), Universities and Foundations and charitable and educational support institutions and other intermediate bodies.

SUPPLIERS:

Suppliers of raw materials (scrap, ferroalloys, sand, energy, etc.), equipment and others.

Contractors for permanent services (cleaning, food, security etc.) and contractors for specific services.

CLIENTS:

Mainly large mining clients.

MEDIA:

Public and private media.

In addition, the Company is a member of SOFOFA, APRIMIN, ASIMET, Fundación Chilena del Pacífico, AmCham, Fundación Carlos Vial Espantoso, Fundación Generación Empresarial, ICARE and USEC.

6.3

PROPERTIES AND FACILITIES

MANUFACTURING PLANTS

Properties:

- Rancagua Plant (Fundición Talleres Ltda.), Av. Estación 01200, Rancagua, Chile.
- Duluth Plant (ME Global Inc.), 200 East Carterett Street, Duluth, MN, EE.UU.
- Tempe Plant (ME Global Inc.), 5857 South Kyrene Road, Tempe, AZ, EE.UU.
- Changzhou Plant (ME Elecmetal (China) Co., Ltd.), 31 Donggang 2nd Road, Changzhou, China.

OFFICES:

Chile:

- Head Office: Hendaya 60, of. 1502, Las Condes, Santiago.
- Av. Andrés Bello 2233, Pisos 6, 11 y 12, Providencia, Santiago.
- Av. Estación 01200, Rancagua.

USA:

- 3901 University Avenue NE, Minneapolis, MN. 55421.
- 200 East Carterett Street • Duluth, MN 55808.
- 5857 South Kyrene Road, Tempe, Arizona.

China:

- 31 Donggang 2nd Road, Changzhou.

Argentina:

- Posada 1540, Buenos Aires.

Australia:

- Level 25, 108 Georges Terrace, Perth.

Mongolia:

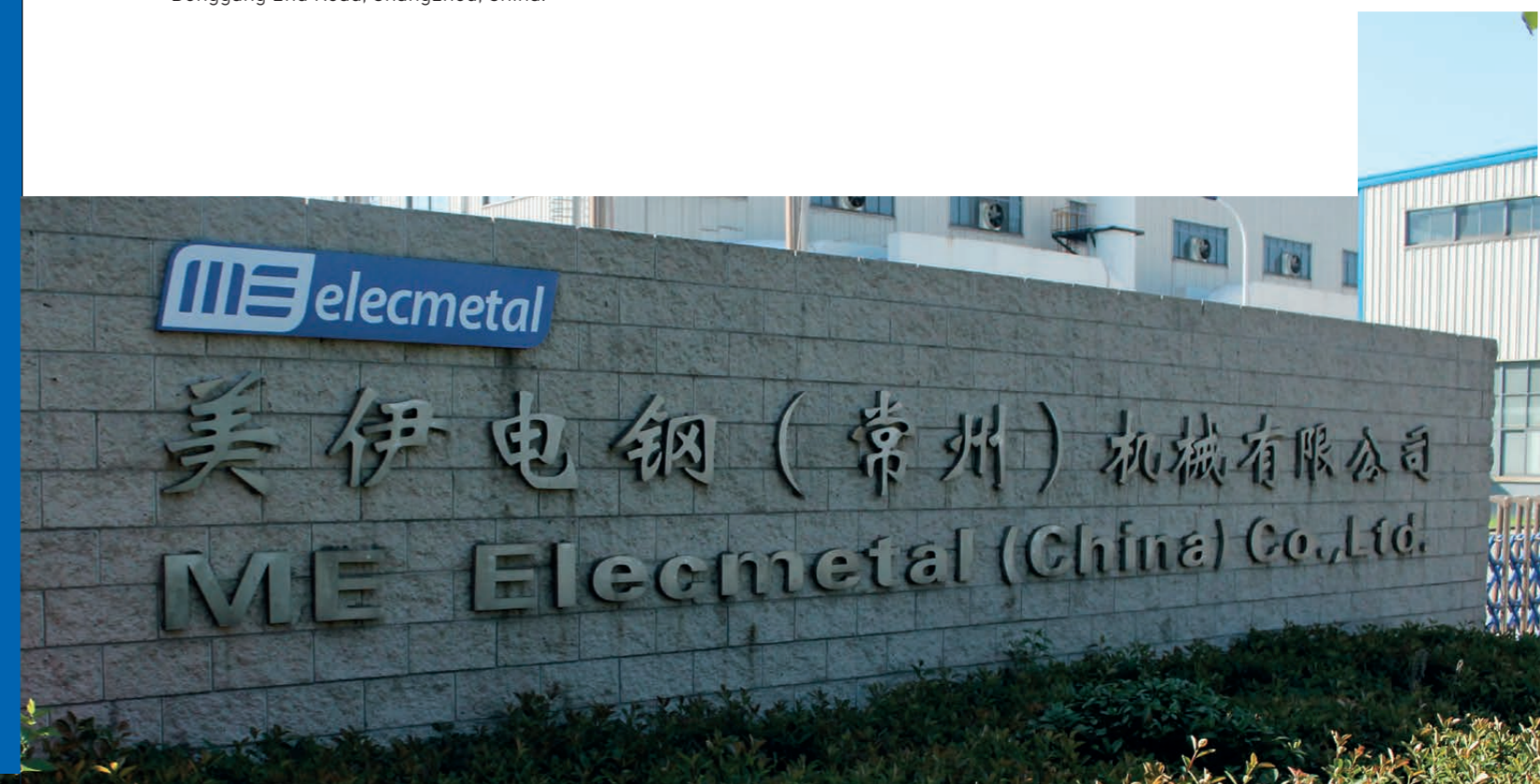
- Suite 306, 1st Khoroo Chandmani Tuv Building, Ulaanbaatar.

Peru:

- Av. La Encalada 1257 of. 503, Santiago de Surco, Lima.

Zambia:

- No. 1 Chila Road, Woodlands, Lusaka.



6.4 SUBSIDIARIES, AFFILIATES AND INVESTMENTS IN OTHER COMPANIES

6.4.1 SUBSIDIARIES AND AFFILIATES

INVERSIONES ELECMETAL LTDA. (CONSOLIDATED)

Net Worth	ThUS\$ 305,044
Address	Hendaya 60, Piso 15, Las Condes, Santiago, Chile
Legal nature	Limited Liability Company
Business purpose	Holding
Tax ID	99.506.820-6
President	Rolando Medeiros Soux
Vicepresident	Baltazar Sánchez Guzmán (Elecmetal President)
Directors	Eugenio Arteaga Infante Eduardo Muñoz Huerta José Pablo Domínguez Bustamante
Chief Executive Officer	Eugenio Arteaga Infante
Direct Interest	99.99% (no changes)
Direct and Indirect Interest	100%
Proportion of Individual Assets	30.3%

ME GLOBAL INC. (USA)

Net Worth	ThUS\$ 272,077
Address	3901 University Avenue NE, Minneapolis, MN 55421, EE.UU.
Legal nature	Closely-held Corporation
Business purpose	Manufacture and sales of steel parts
President	Rolando Medeiros Soux
Directors	Jaime Claro Valdés Eugenio Arteaga Infante Eduardo Muñoz Huerta Baltazar Sánchez Guzmán (Elecmetal President)
Chief Executive Officer	Ted Angelo
Indirect Interest	100% (no changes)

CRISTALERÍAS DE CHILE S.A. (CONSOLIDATED)

Net Worth	Th\$ 390,370,700
Address	Hendaya 60, of. 1502, Las Condes, Santiago, Chile
Company type	Public Corporation
Business purpose	Manufacture of glass containers and investments in companies.
Tax ID	90.331.000-6
President	Baltazar Sánchez Guzmán (Elecmetal President)
Vicepresident	Cristóbal Eyzaguirre Baeza (Elecmetal Vicepresident)
Directors	José Miguel Sánchez Erle Abel Bouchon Silva José Ignacio Figueroa Elgueta (Director of Elecmetal) Fernando Franke García (Director of Elecmetal) Fernando Izquierdo Etchebarne Sebastián Swett Opazo Alfonso Swett Saavedra (Director of Elecmetal) Alfonso Marquez de la Plata Cortés
Chief Executive Officer	Eduardo Carvallo Infante
Direct Interest	34.03% (no changes)
Direct and Indirect Interest	53.56% (no changes)
Proportion of Individual Assets	15.11% (Direct)

SOCIEDAD ANÓNIMA VIÑA SANTA RITA (CONSOLIDATED)

Net Worth	Th\$ 197,687,337	
Address	Hendaya 60, Of. 1502, Las Condes, Santiago, Chile	
Company type	Public Corporation	
Business purpose	Wine production and sales	
Tax ID	86.547.900-K	
President	Baltazar Sánchez Guzmán	(Elecmetal President)
Vicepresident	Cristóbal Eyzaguirre Baeza	(Elecmetal Vicepresident)
Directors	Constanza Cea Sánchez	
	José Ignacio Figueroa Elgueta	(Director of Elecmetal)
	Andrés Navarro Betteley	
	Pedro Ovalle Vial	
	Alfonso Swett Saavedra	(Director of Elecmetal)
Chief Executive Officer	Andrés Lavados Germain	
Direct Interest	1.92% (no changes)	
Direct and Indirect Interest	57.88% (no changes)	
Proportion of Individual Assets	0.43%	(Direct)

ESCO ELECMETAL FUNDICIÓN LIMITADA



Net Worth	Th\$ 34,580,266	
Company type	Limited Liability Company	
Business purpose	Manufacture and sale of steel parts	
Tax ID	76.902.190-6	
Directors	José Pablo Domínguez Bustamante	
	Dan Kearsley	
Director suplentes	Raoul Meunier Artigas	
	Greg Esau	
Site Manager	Ramón Alarcón Arias	
Direct Interest	50%	
Proportion of Individual Assets	1.97%	

FUNDICIÓN TALLERES LTDA.

Net Worth	Th\$ 20,691,511	
Address	Av. Estación 01200, Rancagua, Chile	
Company type	Limited Liability Company	
Business purpose	Manufacture and sale of steel parts	
Tax ID	99.532.410-5	
President	Rolando Medeiros Soux	
Directors	Eugenio Arteaga Infante	
	José Pablo Domínguez Bustamante	
	Eduardo Muñoz Huerta	
Gerente General	José Pablo Domínguez Bustamante	
Participación Directa	98%	
Participación Directa e Indirecta	100%	

ME ELECMETAL (CHINA) CO., LTD.

Net Worth	MUSD\$ 55.937	
Company type	Wholly Foreign Owned Enterprise	
Business purpose	Manufacture and sale of steel parts	
President	Rolando Medeiros Soux	
Directors	Eugenio Arteaga Infante	
	José Pablo Domínguez Bustamante	
	Eduardo Muñoz Huerta	
Chief Executive Officer	Frank Xu	
Indirect Interest	100%	

6.4.2 INVESTMENTS IN OTHER COMPANIES

OWNERSHIP RELATIONSHIP

Emiting Party	Elecmetal	Hendaya	Inversiones Elecmetal	Cristalerías de Chile	Bayona	Ediciones Chiloé S.A.	Viña Santa Rita	Cristalchile Inversiones	Viña Carmen	Fundición Talleres	Viña Centenaria	Sur Andino
Hendaya S.A.	99,99%											
Cristalerías de Chile S.A.	34,03%	10,30%			9,24%							
Inversiones Elecmetal Ltda.	99,99%	0,01%										
Fundición Talleres Ltda.	98,00%	2,00%										
Esco Elecmetal Fundación Ltda.	50,00%											
ME Global Inc.			99,90%		0,10%							
ME Long Teng Grinding Media (Changshu) Co., Ltd.			50,00%									
ME Elecmetal (China) Co., Ltd.			100,00%									
ME Hong Kong Trading Co. Limited		1,00%	99,00%									
ME Elecmetal Comercial Perú S.A.C.	0,00%		96,30%							3,69%		
ME Elecmetal Ghana Limited			100,00%									
ME Elecmetal Brasil Ltda	0,10%									99,90%		
ME MNG LLC (Mongolia)			100,00%									
ME Elecmetal Australia Pty Ltd.			100,00%									
ME Long Teng Grinding Media (Zambia) Limited *			50,00%									
ME Elecmetal Canadá Ltd.			100,00%									
ME Elecmetal Panama, S.A.			100,00%									
Soc.Com. ME Elecmetal México S de RL de CV		0,01%	99,99%									
Industria de Aceros Especiales S.A.	99,87%											
Bayona S.A.	4,06%	95,94%										
S.A. Viña Santa Rita	1,92%			60,56%	23,52%							
Cristalchile Inversiones S.A.				99,99%		0,01%						
Málaga Ltda.		20,00%			80,00%							
Ediciones Chiloé S.A.		0,01%		99,99%								
Ediciones Financieras S.A.		0,360%				98,28%						
Viña Los Vascos S.A.							43,00%					
Viña Carmen S.A.							99,97%					
Viña Centenaria S.A.							99,00%		1,00%			
Distribuidora Santa Rita Ltda.							99,00%					
Rayén Curá S.A.I.C.								40,00%				
Viña Doña Paula S.A.											0,01%	99,99%
Sur Andino S.A							0,10%		99,90%			
Serv. Compartidos Ticel Ltda.	20,00%	20,00%		20,00%			20,00%			20,00%		
Nativa Eco Wines S.A.							99,00%		1,00%			
Sur Andino Argentina S.A									97,00%		3,00%	
Taguavento S.P.A				100,00%								
Wine Packaging & Logistics Ltd.				34,00%								
Santa Rita Europe Limited							100,00%					

* Direct and Indirect Interest



CHAPTER

SUPPLIER
MANAGEMENT

07

7.1

PAYMENT TO SUPPLIERS

Supplier management is the responsibility of the Procurement area, which reports to the Administration and Finance Department. The main focus of work is to ensure the operational continuity of the production plants with costs and qualities of raw materials, commodities and other goods and services that allow us to be competitive in the provision of comprehensive solutions for our customers.

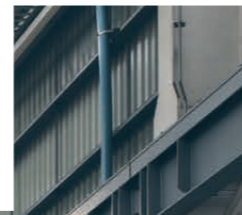
Currently, the main suppliers provide goods and services such as raw materials (scrap, ferroalloys, etc.), materials (sand, refractories, etc.), transportation, spare parts, fuel and others. It should be noted that an important source of raw materials are the customers with whom

ME Elecmetal have contracts to recover scrap steel parts directly from their sites to be melted again in the Company's furnaces to produce new steel parts, which represents an important circular economy initiative.

There are supplier policies and different formal procedures according to the commercial conditions of each country where the company operates. The Company tries to maintain -for most of the suppliers- 30-day payment terms, especially with those considered critical.



	Number of invoices paid during the year to suppliers		Total amount (millions of pesos)		Total amount of interest for extended payment of invoices (millions of pesos)		Number of suppliers	
	Nat.	Foreign.	Nat.	Foreign.	Nat.	Foreign.	Nat.	Foreign.
Up to 30 days	18,855	25,186	120,183	48,870	3	9	1,419	1,584
31 to 60 days	4,084	2,509	15,376	25,382	-	-	634	109
Over 60 days	1,456	982	2,890	42,201	-	-	358	94



7.2

SUPPLIER EVALUATION

Management of Subcontractors

The Company's commitment to building relationships with suppliers extends to contractors and subcontractors that provide services, mainly in the areas of services, plant maintenance and third-party labor.

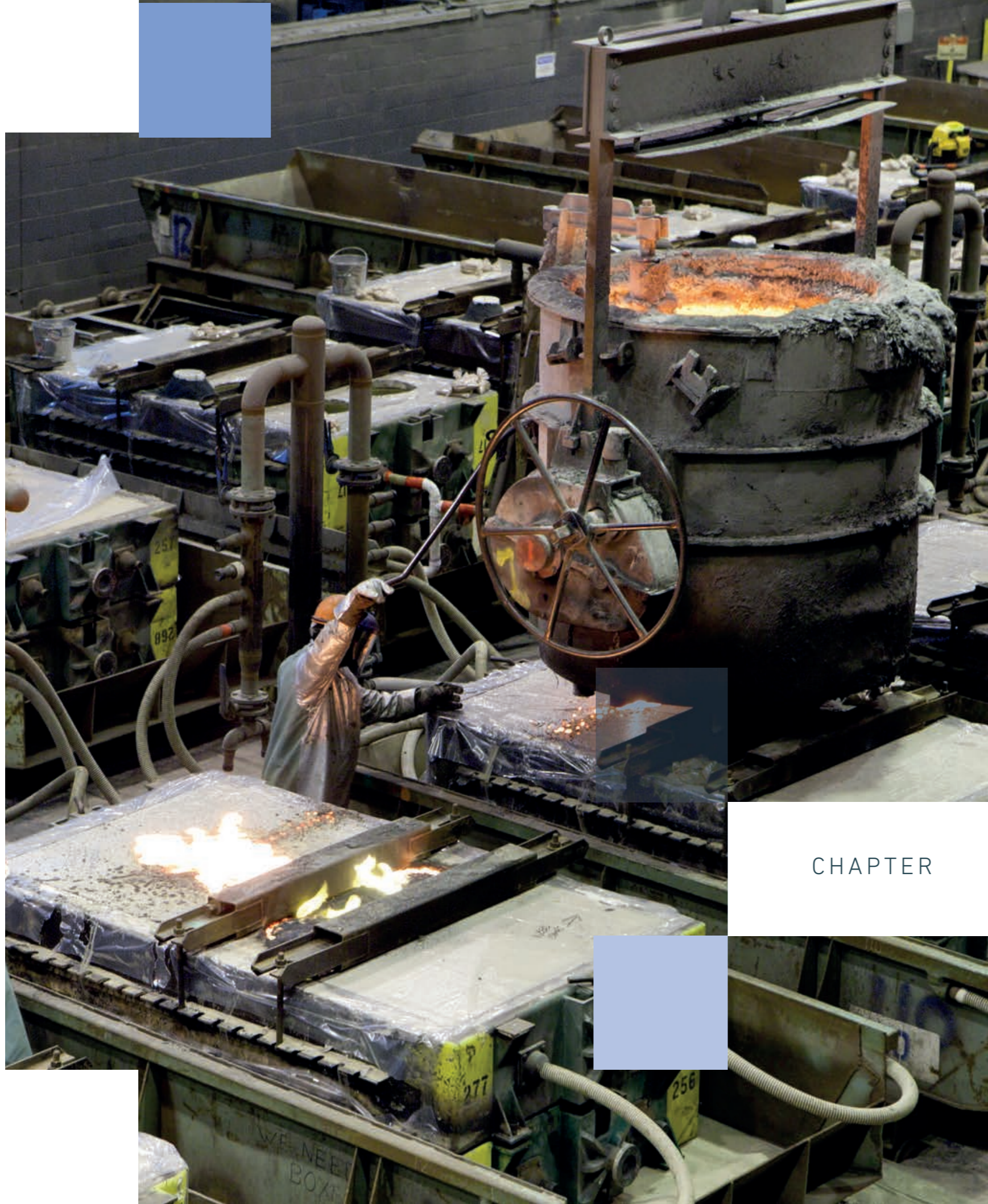
The Company has requirements for services and/or work performed by external parties, some of which are constant and others more specific and/or sporadic, and is committed to protecting the safety of the contractor's personnel, for which it works with the following elements:

- **Internal Regulations:** with a special Internal Regulation for contractor companies, which incorporates all the requirements and standards to ensure that the activities are safe and healthy and thus avoid accidents and occupational diseases.
- **Documentary Control:** with the use of Documentary Control Software, "SubcontrataLey", which allows us to monitor the legal requirements of contractors and their workers before they enter the organization. This validation is a fundamental requirement to carry out the work and formalize the entry of contractors to the Company's plants and also to facilities where the Company provides services, such as the delivery of products to clients' sites and the removal of material to be recycled.

The Company has policies and procedures in place to monitor the status of its main suppliers and contractors. They are periodically evaluated on aspects related to their performance and are given feedback when appropriate. The evaluation may consider aspects such as safety, labor compliance, management, delivery dates, product or service quality, environmental aspects, and financial statements.

The Company's commitment to building relationships with suppliers that are based on mutual benefit extends to contractors and subcontractors that provide services to the Company, mainly in the areas of plant maintenance and third-party labor.

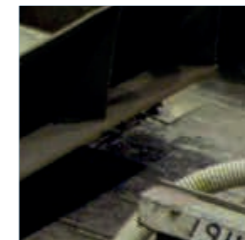
It is managed with a special focus on safety and compliance with labor regulations. In this regard, the Company works through a web page that allows suppliers to upload their documentation and thus speed up the evaluation and validation process.



INDICATORS

08

CHAPTER



8.1

LEGAL AND REGULATORY COMPLIANCE

The Company complies with current regulations in each jurisdiction where it operates. Management in each of the countries is in charge of implementing the processes that comply with labor, environmental, customer, free competition and No. 20,393 law requirements. The document entitled "Standards of Business Conduct and Crime Prevention Model" describes how the Company addresses these issues. In relation to Consumer Rights' Protection Law No. 19,496, the Company, in individual terms, does not have procedures since this law is focused on mass consumption and/or financial market end customers, who are not part of the metallurgical business customer portfolio.

We are aware of the intensive use of energy in the production of steel parts and the environmental impact that this entails. For this reason, we are focusing our efforts on reducing energy consumption and greenhouse gas (GHG) emissions, promoting efficiency in the production process and encouraging the sustainable use of natural resources, replacing raw materials with recycled steel and contributing to the efficient use of water resources throughout the production process.

8.2

SUSTAINABILITY INDICATORS BY TYPE OF INDUSTRY

The information and data provided in this section follows SASB methodology disclosure guidelines. The scope is global. Aggregate information is reported for the four plants we own where we manufacture steel wear parts for the metallurgical business.

Activity Parameter

	2022	2023	codigo
Steel wear parts production (metric tons)	91.861	93.755	EM-IS-000.A
Percentage of basic oxygen furnace processes	0%	0%	EM-IS-000.B
Percentage electric arc furnace processes	100%	100%	EM-IS-000.C

Note: The total number of finished products was considered as the relevant activity parameter for disclosure. Electric furnaces, both electric arc and induction furnaces, were classified as a whole.

Greenhouse Gas Emissions:

Starting in 2016 the Company began to measure the carbon footprint, first with the measurement in Fundición Talleres Ltda. considering the emissions generated from the production of raw materials to the finished product warehouse, where the wear part is ready to be dispatched or to be withdrawn by the customer. For the calculation of the carbon footprint, 1 kg of manufactured steel wear part was defined as a functional unit, considering the processes and consumption of the plants. The measurement for the year 2023 was in scope 1 and 2.

Scope 1 emissions management (Code EM-IS-110a.2):

In the management structure of the metallurgical business, there is a Global Manufacturing Committee, composed of the Managers of the Company's own plants in Chile, China and the United States. This management body, among other activities, is responsible for defining and executing short and long-term plans with projects and best operational practices in the plants, including different indicators in various relevant areas, such as sustainability. Each plant measures carbon emissions based on the GHG Protocol methodology, which is coordinated, monitored and analyzed by this committee.

In order to reduce emissions, we are working on the following projects: In the Rancagua Plant, in the short term, efficiency projects are being developed in the industrial burners that use natural gas as fuel in the ladle heating, mold drying and heat treatment equipment, which correspond to the main scope 1 CO2 emissions generated by

Gross scope emissions (Code EM-IS-110a.1):

	2022	2023	Código
Metric tons of CO2-e	48.432	48.689	EM-IS-110a.1
Percent covered by emissions limitation regulations	0%	0%	

the plant. In addition to maintaining the refractory lining of this equipment to maintain its efficiency, we are working on automating the thermal cycles so that they end 100% automatically and thus avoid overconsumption of energy, on increasing the tons loaded in each cycle in the stoves, which allows us to increase efficiency, and on transforming natural gas consumption into electricity use, taking advantage of the availability of electricity. In the medium term, the main task is to implement ISO 50.001 in order to systematize the plant's energy management, reducing use, improving controls and optimizing the consumption of natural gas and electricity, and to explore technological alternatives to identify opportunities for replacing natural gas with other fuels.

In the U.S. plants, in the short term, in Tempe the projects contemplate an upgrade and modernization of the plant's cooling and drying systems, and in Duluth implementing a significant improvement in the plant's lighting efficiency and upgrading the air compressors. In addition, work is underway on the design

and construction of new interior linings for the heat treatment ovens for both plants to improve energy efficiency. In the long term, the goal is to install these new liners in all the stoves.

At the Changzhou plant in China, in the short term, projects are aimed at increasing the efficiency of natural gas consumption in the ladle heaters, in the molding drying processes and in the heat treatment ovens of the molds. In the long term, the objective is to optimize the loading per heat in heat treatment furnaces.

Air quality:

Regarding the emission of air pollutants and their limits, the Company conducts its activities under the regulations in force in each country where it operates. ME Elecmetal has implemented air emission abatement systems at each of its plants, which enable it to effectively control particulate matter emissions generated by the industrial process. In addition, all compliance reviews of the associated regulations are verified on a monthly basis by the area responsible for the environment.

Air emissions (Code EM-IS-120a.1):

Metric tons (t)	2022	2023	Code
CO	NA	NA	EM-IS-120a.1
NOx (excluding N2O)	NA	NA	
SOx	12,51	26,92	
Particulate matter (PM10)	72,52	24,04	
Manganese oxide (MnO)	NA	NA	
Lead (Pb)	NA	NA	
Volatile organic compounds (VOC)	NA	NA	
Polycyclic aromatic hydrocarbons (PAH)	NA	NA	

Energy Management

Energy consumption in the production process comes mainly from natural gas and electricity. The company's Energy Management System is certified under ISO 5000 by the Energy Management System (EMS). Its purpose is to facilitate the reduction of consumption, associated financial costs and consequently GHG emissions, contributing to the fulfillment of the Company's sustainability objectives.

Energy (Code EM-IS-130a.1 y EM-IS-130a.2):

	Unit	2022	2023	Code
Total electrical energy consumed (GJ)	GJ	627.621	639.054	EM-IS-130a.1
Grid-sourced electricity	%	99,68%	99,68%	
Renewable attributes	%	25,09%	24,81%	
Total other sources (GJ)	GJ	846.212	824.733	EM-IS-130a.2
Natural gas	%	16,79%	0,00%	
Renewable attribute	%	24,53%	71,11%	
Atributo renovable	%	NA	NA	

Note: Natural gas is the main fuel for heat treatment processes and is also used for preheating the liquid steel container at high temperatures or "ladles" and for air conditioning of the facilities.

Water Management:

According to the World Resources Institute (WRI), the regions of Valparaíso, Tarapacá, O'Higgins, Metropolitan, Maule and Arica register an extremely high level of risk in the baseline water stress indicator. The 2019 version of the Global Water Stress Ranking places Chile in 18th place in the group of countries with a high risk of suffering this phenomenon. This implies a significant setback compared to the study conducted by the same entity in 2015, where Chile ranked 24th in the list of countries most likely to face a decrease in water supply, due to the combined effects of rising temperatures and changing rainfall patterns.

Water Management (Code EM-IS-140a.1):

	Unit	2022	2023	Code
Total freshwater collected	(Mm3)	113.221	112.020	EM-IS-140a.1
Recycled water	%	65,38%	78,50%	
Plants in regions with high or extremely high initial water stress		25,29%	34,09%	

Note: Water is mainly used in the equipment cooling system. In recent years, the Company has invested in water recycling systems and decommissioning of internal circuits.

Waste Management:

Waste Management (Code EM-IS-150a.1):

	Unit	2022	2023	Code
Total waste generated	Metric tons	82.451	84.654	EM-IS-150a.1
Hazardous waste	%	0,73%	0,72%	
Waste management	%	63,13%	55,21%	

The main raw material of the wear parts manufacturing plants are all those steel parts or products worn out in the different production processes of big mining, which are obtained by our own recovery with the removal of used parts from our customers' sites, and also by third parties from whom the Company buys the material. The raw material is managed in facilities that have the appropriate equipment for its processing, segregation and preparation for its incorporation into the production furnaces.

The greater the amount of recycled steel used in the production of new spare parts, the less virgin raw material and energy is required, thus generating a lower carbon footprint. This characteristic offers the opportunity to manage a value chain based on

The Fundición Talleres Ltda. plant is located in the O'Higgins region, in the municipality of Rancagua, which participates in the Cachapoal river sub-basin. The plant is supplied with water from two main sources: the drinking water supply network and access to a deep well based on water extraction rights. The Dirección General de Aguas (DGA) regulates and authorizes our water abstractions, which in the case of the Rancagua plant corresponds to 22.4 liters per second.

The Rancagua plant is innovating at various points of the water cycle within the plant, including the reuse of water in cooling processes to return to production and the reduction of water consumption by automating the irrigation system for the plant's gardens. In accordance with current regulations, the Company has not recorded any cases of noncompliance in water quality issues during the reporting period.

The plants in the United States, Duluth and Tempe, achieved significant improvements in water management during 2023. This was achieved mainly through preventive maintenance, automation efficiency evaluations and increased concentration cycles of evaporative cooling equipment, and an ongoing transition to sustainable landscaping at the plants.

The plant in Changzhou, China, is strengthening water management by installing meters by functional area to track water consumption and installing water-saving facilities to reduce water waste.

the reuse of this raw material for the production of new spare parts, so the Company maintains repurchase contracts for steel spare parts already used by its customers, generating a circular economy that makes an important contribution to sustainability.

However, the process generates a certain level of waste such as slag or discarded sand. The sand can be used in the manufacture of concrete products or as stabilized filler for construction. The Company has initiatives in place to advance greater waste recycling.

During 2023 the baseline of the Circularity Indicator was carried out at Fundición Talleres Ltda. in Rancagua, an initiative included in the Clean Production Agreement, APL, of Circular Economy, carried out by the Sustainability and Climate Change Agency, under CORFO and Acción Empresas, where the Fundición Talleres plant presented the structure of the production chain and measurement of the total inputs that enter and leave the entire flow, reaching 83% of circularity as a baseline.

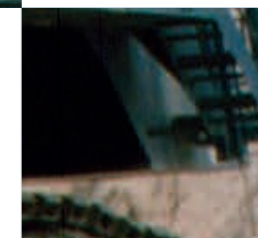
The company has a Hazardous Waste Management Plan with its respective internal procedure, in accordance with Executive Order No. 148, which corresponds to the Sanitary Regulations on Hazardous Waste Management and establishes the minimum sanitary and safety conditions for the generation, holding, storage, transport, treatment, reuse, recycling, final disposal, and other forms of elimination of hazardous waste.



ESSENTIAL OR
RELEVANT FACTS

09

CHAPTER



ESSENTIAL FACT
DATED MARCH 02, 2023

Notice is hereby given of the Annual Shareholders' Meeting to be held on April 12, 2023 at Hendaya 60, 15th floor, Las Condes. The matters to be discussed are the following: Approval of the annual report, financial statements and report of the External Auditing Firm for fiscal year 2022; Election of the Board of Directors; Determination of the remuneration of the Board of Directors for fiscal year 2023 and report of the Board of Directors' expenses for fiscal year 2022; Report of activities and expenses of the Directors' Committee, and determination of the remuneration and expense budget of the Directors' Committee; Account of the information provided for in Title XVI of the Corporations Law; Appointment of the External Auditing Firm; Appointment of Risk Rating Agencies; Determination of the newspaper in which the Company's publications shall be made; Distribution of profits and determination of the dividend policy; Other matters of corporate interest within the competence of the Annual Shareholders' Meeting.

Additionally, the Board of Directors agreed to propose to the Shareholders' Meeting the distribution of Final Dividend No. 272 of \$248.95 per share, to be paid on April 26, 2023, out of the profits of the year ended December 31, 2022.

ESSENTIAL FACT
DATED APRIL 12, 2023

Annual Shareholders' Meeting Resolutions

1. Annual Report, Financial Statements and External Auditors' Report

The Annual Report, Financial Statements and report of KPMG Auditores Consultores SpA for the year ended December 31, 2022 were approved.

2. Election of the Board of Directors and the Remuneration of the Board of Director

The Company's Board of Directors was elected and, in addition, the remuneration of the Board of Directors for the year 2023 was fixed. The Board of Directors was formed by: Baltazar Sánchez Guzmán, Carlos F. Cáceres Contreras, Cristóbal Eyzaguirre Baeza, José Ignacio Figueroa Elgueta, Fernando Franke García, Alfonso A. Swett Opazo and Alfonso Swett Saavedra.

3. Report of Activities and Expenses of the Directors' Committee

The Committee's management report for the year 2022 was presented and its remuneration and expense budget for the year 2023 was approved.

4. Information provided for in Title XVI of the Corporations Law

Information was provided on operations under Title XVI of the Corporations Law.

5. Appointment of the External Auditing Firm

KPMG Auditores Consultores SpA was appointed as the external auditing firm for fiscal year 2023.

6. Designation of Risk Rating Firm

It was agreed to designate "Fitch Chile Clasificadora de Riesgo Ltda." and "Clasificadora de Riesgo Humphreys Ltda." as risk rating firms".

7. Designation of Newspaper

It was agreed that the notices of Shareholders' Meeting will be published in the "Diario Financiero" newspaper and, in the event that due to force majeure it is not possible to publish them on a specific day in that newspaper, in the "La Segunda" newspaper.

8. Distribution of 2022 Profits

The Company approved the distribution of profits for the 2022 fiscal year and the payment of Final Dividend No. 272 of \$248.95 per share, which will be paid starting April 26, 2023.

9. Dividend Distribution Policy

The Dividend Policy for the year 2023 was approved, agreeing to distribute dividends for at least 40% of the profit for the year and to pay the rest to Reserve Funds, in order to maintain the Company's growth and, in addition, the Board of Directors was empowered to declare Interim Dividends charged to the profits for the year.

ESSENTIAL FACT
DATED APRIL 12, 2023

At the Board meeting held after the Annual Shareholders' Meeting that elected the Board of Directors for the next statutory period, Mr. Baltazar Sánchez Guzmán was elected as Chairman of the Board of Directors, and Mr. Cristóbal Eyzaguirre Baeza was elected as Vice Chairman of the Board of Directors.

ESSENTIAL FACT
DATED JUNE 29, 2023

The Company's Board of Directors agreed to distribute Provisional Dividend No. 273 of Ch\$74 per share, to be paid as of July 27, 2023.

ESSENTIAL FACT
DATED SEPTEMBER 28, 2023

The Company's Board of Directors agreed to distribute Provisional Dividend No. 274 of \$74 per share, to be paid as of October 26, 2023.

ESSENTIAL FACT
DATED DECEMBER 21, 2023

The Company's Board of Directors agreed to distribute Provisional Dividend No. 275 of \$74 per share, to be paid as of January 26, 2024.

COMMENTS

10

CHAPTER

SHAREHOLDERS' COMMENTS

Shareholders owning or representing more than 10% of the issued voting shares have not requested that a summary of their comments on the Company's business performance be included in the Annual Report.





FINANCIAL
REPORTS

1 1

CHAPTER

11.1

CONSOLIDATED FINANCIAL STATEMENTS



COMPAÑÍA ELECTRO METALÚRGICA S.A. AND AFFILIATES



CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023, AND 2022, AND THE INDEPENDENT AUDITORS' REPORT.



Independent Auditors' Report

To the Shareholders and Board of Directors of
Compañía Electro Metalúrgica S.A.

Opinion

We have audited the accompanying consolidated financial statements of Compañía Electro Metalúrgica S.A. and affiliates, which comprise the consolidated statements of financial position as of December 31, 2023, and 2022 and the related consolidated statements of profit (loss), comprehensive profit (loss), changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Compañía Electro Metalúrgica S.A. and affiliates as of December 31, 2023, and 2022 and the results of their operations and their cash flows for the fiscal years then ended in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB).

We did not audit the financial statements of the associates Viña Los Vascos S.A. and affiliate and Rayen Curá S.A.I.C., reflected in the consolidated financial statements under the equity method, which together represent total assets of ThCh\$54,447,291 and ThCh\$67,579,031 (3.5% and 4.2%) as of December 31, 2023, and 2022, respectively, and accrued (loss) profit of (ThCh\$2,856,508) and ThCh\$6,994,507, respectively, for the fiscal years then ended. These financial statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Viña los Vascos S.A. and affiliate and Rayen Curá S.A.I.C., is based solely on the report of such other auditors.

Basis for the opinion

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described in the paragraphs under "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" in this report. In accordance with the ethical requirements relevant to our audits of the consolidated financial statements, we are required to be independent of Cristalerías de Chile S.A. and affiliates and to comply with other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our audit opinion.



Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS accounting standards issued by the International Accounting Standards Board (IASB). This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or mistake.

In preparing the consolidated financial statements, Management is required to evaluate whether there are facts or circumstances, which taken as a whole, give rise to substantial doubt about the ability of Compañía Electro Metalúrgica S.A. and affiliates to continue as a going concern for at least the next twelve months following the end of the reporting period, but not limited to such period.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high, but not absolute, level of assurance and, accordingly, is not a guarantee that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations, or disregard of controls by management. A misstatement is considered material if, individually or in the aggregate, it could influence the judgment of a reasonable user of these consolidated financial statements.

As part of an audit performed in accordance with Generally Accepted Auditing Standards in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures in response to those risks. Those procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements.
- We obtain an understanding of internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Compañía Electro Metalúrgica S.A. and affiliates' internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall appropriateness of the overall presentation of the consolidated financial statements.
- We conclude whether, in our judgment, there are facts or circumstances that, taken as a whole, cast significant doubt about the ability of Compañía Electro Metalúrgica S.A. and affiliates to continue as a going concern for a reasonable period of time.

We are required to inform to those liable for the Corporate Government, among other matters, the planned timing and scope of the audit, and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during our audit.



Cristián Maturana R.

KPMG Ltda.

In the City of Santiago, on February 29, 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED

Statements of Financial Position, Classified	Note	12-31-2023	12-31-2022
		ThCh\$	ThCh\$
Current Assets			
Cash and Cash Equivalents	23	72,462,350	77,613,457
Other financial assets, current	34	97,978	9,686,147
Other non-financial assets, current	24	10,692,076	13,053,342
Commercial and other accounts receivable, current	22	307,094,957	317,797,037
Receivables from related companies, current	37	10,108,325	9,243,681
Inventories	21	381,508,724	404,977,685
Current biological assets	16	12,764,168	15,733,014
Current tax assets	25	17,428,631	14,687,121
Total current assets other than assets or groups of assets held for disposal classified as held for sale or held for distribution to owners		812,157,209	862,791,484
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners			
Total of Current assets		812,157,209	862,791,484
Non-Current Assets			
Other non-current financial assets	34	2,066,893	2,172,187
Other non-current non-financial assets	24	2,649,073	2,950,878
Commercial and other accounts receivable, non-current	22	320,595	131,384
Investments accounted for by the equity method	18	115,456,190	128,876,353
Intangible assets other than goodwill	15	15,529,629	16,284,076
Property, Plant and Equipment	14	549,020,918	555,201,385
Investment property	17	10,021,887	9,042,193
Right-of-use assets	29	10,112,366	7,891,508
Non-current tax assets	25	444,444	1,443,926
Deferred tax assets	20	17,944,626	16,405,160
Total Non-Current Assets		723,566,621	740,399,050
Total assets		1,535,723,830	1,603,190,534

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED

Statements of Financial Position, Classified	Note	12-31-2023	12-31-2022
		ThCh\$	ThCh\$
Shareholders' Equity and liabilities			
Liabilities			
Current Liabilities			
Other financial liabilities, current	28	166,711,511	255,693,209
Liabilities under current leases	29	2,790,127	2,284,271
Commercial and other accounts payable, current	33	195,515,431	212,930,933
Account payable to Related Entities, current	37	5,877,754	6,721,731
Other provisions, current	32	2,001,868	1,878,995
Current tax liabilities	25	14,140,138	12,671,893
Allowance for employees' benefits, current	30	17,325,680	15,833,616
Other current non-financial liabilities	31	3,181,131	4,058,196
Total current liabilities other than liabilities included in groups of assets held for disposal classified as held for sale		407,543,640	512,072,844
Liabilities included in groups of assets for disposal classified as held for sale		-	-
Total Current Liabilities		407,543,640	512,072,844
Non-Current Liabilities			
Other financial liabilities, non-current	28	397,018,011	366,253,267
Liabilities under non-current leases	29	5,538,610	2,893,884
Other account payable, non-current	33	34,933	44,656
Deferred tax liabilities	20	6,261,404	17,405,839
Allowance for employees' benefits, non-current	30	20,832,400	20,121,276
Other non-financial liabilities, non-current	31	7,120,670	6,906,075
Total non-current Liabilities		436,806,028	413,624,997
Total liabilities		844,349,668	925,697,841
Shareholders' Equity			
Issued capital	26	23,024,953	23,024,953
Retained earnings (loss)		436,616,014	408,367,236
Other reserves		58,376,627	62,150,242
Equity attributable to owners of controlling company		518,017,594	493,542,431
Non-controlling interests	40	173,356,568	183,950,262
Total shareholders'		691,374,162	677,492,693
Total shareholders' equity and		1,535,723,830	1,603,190,534

The accompanying notes are an integral part of these consolidated financial statements.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT (LOSS) BY FUNCTION

Statement of profit (loss) by Function	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThCh\$	ThCh\$
Profit (loss)			
Income from ordinary activities	7	1,171,430,209	1,149,631,195
Cost of Sales		(954,080,527)	(925,206,072)
Gross profit		217,349,682	224,425,123
Other income, by function	8	7,742,596	2,453,776
Distribution costs		(23,117,939)	(24,542,265)
Administrative expenses		(123,582,934)	(116,868,440)
Other expenses, by function	8	(12,492)	(26,047)
Other profit	9	6,381,621	(3,352,528)
Profit (loss) from operating activities		84,760,534	82,089,619
Financial income	11	3,125,696	3,417,736
Financial Cost	11	(33,220,853)	(27,909,371)
Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	19	89,346	(155,168)
Participation in earnings (loss) of associates and joint ventures accounted for using the equity method	18	620,905	10,920,628
Exchange profits (losses) in foreign currencies	12	2,207,230	(877,845)
Profit (loss) for index-linked units	12	(2,107,179)	(12,849,520)
Profit (loss) before taxes		55,475,679	54,636,079
Profit (Expense) for income tax	13	(11,315,317)	(5,101,445)
Profit (loss) from continuing operations		44,160,362	49,534,634
Profit (loss) from discontinuing operations		-	-
Profit (loss)		44,160,362	49,534,634
Profit (loss), attributable to			
Profit (loss) attributable to owners of controlling company	27	47,332,861	41,255,028
Profit / (loss) attributable to non-controlling interests	40	(3,172,499)	8,279,606
Profit (loss)		44,160,362	49,534,634
Earnings per share			
Basic Earnings per share			
Basic profit (loss) per share in continued operations		1,080.66	941.90
Basic profit (loss) per share		1,080.66	941.90

CONSOLIDATED COMPREHENSIVE PROFIT / LOSS STATEMENTS

Comprehensive Profit / (Loss) Statement	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThCh\$	ThCh\$
Gain (loss)	44,160,362	49,534,634
Other comprehensive profit / (loss)		
Items of other comprehensive profit (loss) that will not be reclassified to profit or loss for the period, before taxes		
Other comprehensive profit (loss), before taxes, profits (losses) for revaluation	8,891	45,561
Other comprehensive profit (loss) before income tax, gain (loss) from remeasurement of defined benefit plans	(424,909)	(335,338)
Total other comprehensive profit (loss) that will not be reclassified to profit or loss for the period, before taxes	416,018	289,777
Components of other comprehensive profit (loss) that will be reclassified to profit or loss for the period, before taxes		
Profits (losses) on foreign exchange translation differences, before tax	(3,446,674)	3,865,034
Profits (losses) on cash flow hedges, before tax	(35,134)	(2,263,806)
Total other comprehensive profit (loss) to be reclassified to profit or loss for the period, before taxes	(3,481,808)	1,601,228
Other items of other comprehensive profit (loss), before income taxes		
Income tax related to remeasurements of defined benefit plans of other comprehensive profit (loss)	114,725	90,541
Income tax related to cash flow hedges of other comprehensive profit (loss)	9,486	611,228
Total other comprehensive profit (loss)	(3,773,615)	2,013,220
Total comprehensive profit (loss)	40,386,747	51,547,854
Comprehensive profit / (loss) attributable to:		
Comprehensive profit (loss) attributable to owners of controlling company	43,559,246	43,268,248
Comprehensive profit (loss) attributable to non-controlling interests (3,172,499)		8,279,606
Total comprehensive profit (loss)	40,386,747	51,547,854

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS, (DIRECT METHOD)

Statement of Cash Flows	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThCh\$	ThCh\$
Direct Statements of Cash Flows		
Cash flows from (used in) operating activities		
Proceeds from sales of goods and services	1,349,402,502	1,310,380,040
Types of payments		
Payments to suppliers for supply of goods and services	(1,039,259,721)	(1,140,246,204)
Payments to and on behalf of employees	(144,481,896)	(130,936,058)
Other payments for operating activities	(12,263,922)	(4,931,253)
Net cash flows from (used in) operating activities	153,396,963	34,266,525
Dividends received	5,083,476	3,734,545
Interest paid	(1,506,175)	(3,678,949)
Interest received	1,823,538	3,216,662
Income taxes refunded (paid)	18,111,341	(15,730,609)
Other cash inflows (outflows)	6,901,920	(194,586)
Cash flows from (used in) operating activities	147,588,381	21,613,588
Cash flows originating from (used in) investment activities		
Amounts arising from the sale of property, plant and equipment	1,840,861	355,599
Purchases of property, plant and equipment	(48,114,244)	(74,299,245)
Proceeds from sale of intangible assets	-	1,000
Purchase of intangible assets	(1,315,579)	(2,399,137)
Payments under futures, forwards, options and swaps contracts	(2,814,462)	(7,356,031)
Proceeds from futures, forwards, options and swaps contracts	3,389,765	7,043,746
Proceeds from related entities	-	6,248
Other cash inflows (outflows)	45,549	(70,402)
Cash flows originating from (used in) investment activities	(46,968,110)	(76,718,222)
Cash flows originating from (used in) financial activities		
Proceeds from the issuance of shares	6,497	15,858
Proceeds arising from long-term loans	81,817,000	130,364,974
Proceeds arising from short-term loans	337,553,193	336,784,510
Total proceeds from loans, classified as financing activities	419,370,193	467,149,484
Loans from related entities	139,928	65,292
Loan payments	(474,803,127)	(361,290,912)
Payments of loans to related entities	(139,928)	-
Dividends paid	(22,224,638)	(14,127,025)
Interest paid	(26,730,142)	(18,941,045)
Other cash inflows (outflows)	(1,535,887)	(305,381)
Net cash flows originating from (used in) investment activities	(105,917,104)	72,566,271
Net increase (decrease) in cash and cash equivalents, before the effect of exchange rate changes	(5,296,833)	17,461,637
Effects of changes in the exchange rate on cash and cash equivalents	145,726	(467,774)
Net increase (decrease) of cash and cash equivalents	(5,151,107)	16,993,863
Cash and cash equivalents at the beginning of the period	77,613,457	60,619,594
Cash and cash equivalents at the end of the period	72,462,350	77,613,457

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	01-01-2023	12-31-2023	01-01-2022	12-31-2022
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Initial Balance of Current Period as of 01-01-2023	23,024,953	23,024,953	23,024,953	23,024,953
Increase (decrease) due to change in accounting policies	-	-	-	-
Increase (decrease) from error corrections	-	-	-	-
Restated initial balance	23,024,953	23,024,953	23,024,953	23,024,953
Changes in Shareholders' Equity				
Comprehensive Profit/ Loss				
Profit (loss)	43,542,431	43,542,431	43,542,431	43,542,431
Dividends	(4,160,362)	(4,160,362)	(4,160,362)	(4,160,362)
Issue of equity	(3,773,615)	(3,773,615)	(3,773,615)	(3,773,615)
Comprehensive Profit/ Loss	35,608,454	35,608,454	35,608,454	35,608,454
Increase (decrease) due to other contributions of owners	-	-	-	-
Increase (decrease) for other distributions to owners	-	-	-	-
Increase (decrease) for transfers and other changes	-	-	-	-
Increase (decrease) from treasury share transactions	-	-	-	-
Increase (decrease) due to changes in the ownership interest of subsidiaries that do not imply loss of control	-	-	-	-
Total changes in shareholders' equity	35,608,454	35,608,454	35,608,454	35,608,454
Final Balance of Current Period as of 12-31-2023	58,633,407	58,633,407	58,633,407	58,633,407
Initial Balance of Prior Period 01-01-2022	23,024,953	23,024,953	23,024,953	23,024,953
Increase (decrease) due to change in accounting policies	-	-	-	-
Increase (decrease) from error corrections	-	-	-	-
Restated initial balance	23,024,953	23,024,953	23,024,953	23,024,953
Changes in Shareholders' Equity				
Comprehensive Profit/ Loss				
Profit (loss)	43,542,431	43,542,431	43,542,431	43,542,431
Dividends	(4,160,362)	(4,160,362)	(4,160,362)	(4,160,362)
Issue of equity	(3,773,615)	(3,773,615)	(3,773,615)	(3,773,615)
Comprehensive Profit/ Loss	35,608,454	35,608,454	35,608,454	35,608,454
Increase (decrease) due to other contributions of owners	-	-	-	-
Increase (decrease) for other distributions to owners	-	-	-	-
Increase (decrease) for transfers and other changes	-	-	-	-
Increase (decrease) from treasury share transactions	-	-	-	-
Increase (decrease) due to changes in the ownership interest of subsidiaries that do not imply loss of control	-	-	-	-
Total changes in shareholders' equity	35,608,454	35,608,454	35,608,454	35,608,454
Final Balance of Prior Period as of 12-31-2022	58,633,407	58,633,407	58,633,407	58,633,407

