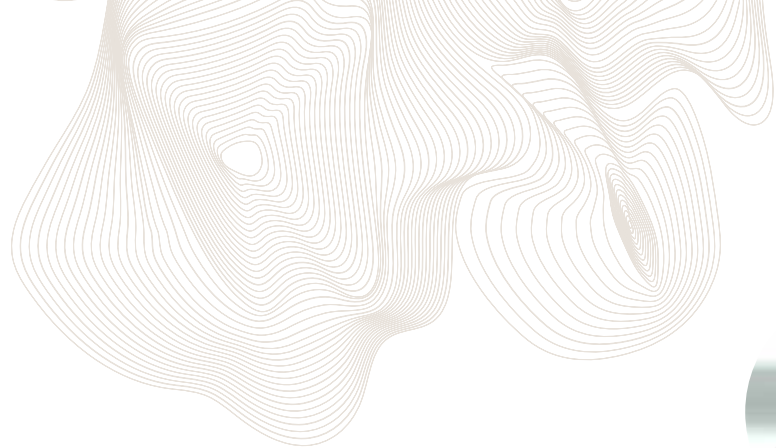


2023

INTEGRATED
ANNUAL
REPORT_

SK SICDO KOPPERS S.A.





LETTER FROM THE CHAIRMAN

2023

I N T E G R A T E D

ANNUAL
REPORT

**THE TRIPLE-BOTTOM-LINE
APPROACH OF SIGDO
KOPPERS INTEGRATES
THE ECONOMIC, SOCIAL
AND ENVIRONMENTAL
DIMENSIONS TO EACH OF
ITS ACTIVITIES TO ACHIEVE
THE BEST PERFORMANCE
IN ALL THESE AREAS.**

Dear shareholders,

Below we present our summary Integrated Report that explains the financial and sustainability performance of Sigdo Koppers.

The company faced an especially complicated setting in 2023, characterized by a less dynamic economy and extraordinary weather, social and geopolitical events that impacted results. Added to these challenges was the great volatility in the prices of raw materials key to our operations, an increase in financial expenses because of higher interest rates, and a temporary increase in debt that was the remaining consequence of the Covid-19 pandemic, which caused delays and drawbacks in the diverse supply chains of our subsidiaries.

In this scenario, the successful internationalization and market diversification strategy that Sigdo Koppers has been implementing for more than 11 years helped mitigate some of the effects of the above challenges. At the close of 2023, consolidated sales totaled more than US\$4 billion, an increase of 1.6% compared to 2022. 58% of that income was earned outside of Chile.

The year's profit totaled US\$116 million, 46.6% lower than 2022, which accurately reflects the challenges faced by some of our subsidiaries financially and globally.

The good operational performance of Enaex S.A., Magotteaux Group S.A. and SKC S.A., combined with the final higher profit of Puerto Ventanas S.A., was offset by the poor earnings of SK Ingeniería y Construcción S.A., which gave way to a consolidated EBITDA of US\$543 million, a drop of 5.7% compared to the previous fiscal year, and an EBITDA margin of 13.5%.

As of December 31, 2023, the Consolidated Assets of Sigdo Koppers totaled MUS\$4,995.5, a rise of US\$410.2 million compared to the close of 2022, and consolidated cash amounted to US\$427.9 million, an increase of US\$16.9 million.

In line with our strategic plan that aims to strengthen the Group's presence in the most important mining regions in the world, Enaex concluded the acquisition of MTI Group, an Australian company with more than 25 years of experience in the development, manufacture and distribution of products to optimize drilling and blasting. It also acquired a 45% interest in O-Pitblast, a Portuguese company specializing in digital mining software and products. Magotteaux, on the other hand, our mill balls and casting subsidiary, acquired a majority interest in Grinding Media South Africa (GMSA), which marked a major milestone in the company's trajectory on the South African market and consolidated its leadership in the region.

Puerto Ventanas S.A. (PVSA) underwent a recovery after the fire that damaged part of its facilities in Quintero Bay in December 2022. The damaged facilities were rebuilt in record time, just seven months, during which it continued to be operational, and it is now the most modern port in South America. Added to this is the award of a contract with SQM for the unloading and storage of soda ash, which will enable the company to operate a new port in Mejillones called Puerto Andino. This transaction is an opportunity to expand and make use of the lengthy experience it has accumulated in the central zone, where we are the leading bulk port, in addition to diversifying risk.

As concerns innovation, our subsidiary SK Godelius S.A. continued to focus on designing solutions that have a direct impact on the our customers' performance. One of its latest projects is the NOMAD robot, developed for a customer in Saudi Arabia, for the smart exploration of soil greater in scope than human prospecting, in addition to avoiding exposing people to adverse climate conditions.

Since 2015, we have been endeavoring, through Fundación Educacional Chile Dual (translated as Chile Dual Education Foundation), to reinforce our commitment to community development. We are concerned about our youths and their future opportunities, so we continue to target our efforts toward effectively linking the production sector to students in technical- occupational schools.

We want them to develop their talents and formative trajectories that will also contribute to the country's growth. At the close of 2023, we were supporting 5,800 Chile Dual students, 1,142 teachers and 214 technical-occupational schools in the country (23% of the nation's total) through the different courses of action of Chile Dual. The work with Chile Dual to educate human capital has been intense and we have been advising and accompanying the Foundation in on-site implementation.

For the ninth consecutive year, Sigdo Koppers was part of the Dow Jones Sustainability Index, while it was part of the DJSI MILA Pacific Alliance for the fourth year. Both feature the companies with the best sustainability performance, namely in environmental, social and governance spheres. In addition, we have been a member of the U.N. Global Compact for 16 years. By participating, we promise to contribute to the development of the countries where we are present, to society and to businesses.

This central concern for sustainable development is also seen in other areas like Enaex's placement of the first sustainability-linked Bond on the Chilean market, for UF 2.5 million, which requires meeting specific emission-reduction goals.

Although 2023 was a challenging year, we have taken action to address the difficulties and improve performance in 2024. In line with our strategic goals, we want to continue growing in the area of industrial businesses while looking for synergies among the companies comprising Sigdo Koppers, focused at all times on developing and delivering integral solutions pertinent to each of our customers and on maintaining our leadership throughout the chain of value in mining and industry.

We know that we will be facing a still challenging global economic setting because of the conflicts in different regions in the world and a certain degree of political polarization. We are committed to Chile's development, but giving certainty to investment and promoting public-private alliances that foster a return to the path toward growth are fundamental in this effort and are the only way to overcome poverty and generate social progress in our country.

JUAN EDUARDO ERRÁZURIZ OSSA

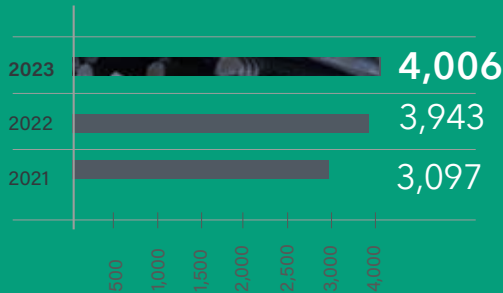
Chairman

Sigdo Koppers S.A.

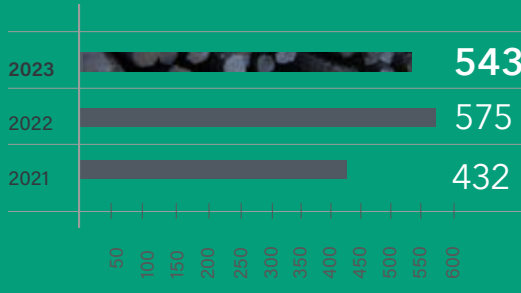
SIGDO KOPPERS IN NUMBERS



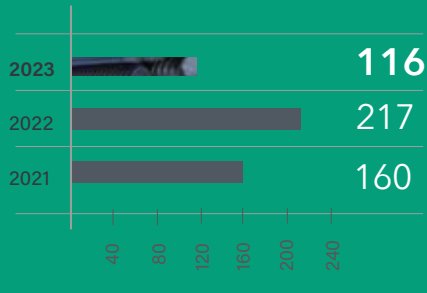
CONSOLIDATED SALES MUS\$



CONSOLIDATED EBITDA MUS\$



PROFIT OF SIGDO KOPPERS S.A. MUS\$



22,223

TOTAL # OF EMPLOYEES



SUSTAINABILITY REPORTING BOUNDARIES:
ALL ACTIVITIES UNDER OPERATIONAL CONTROL
AND/OR MAJORITY-OWNED ARE COVERED.

US\$ 43

million was the consolidated investment in Research and Development

US\$ 6

million was invested in employee training

100%

of the subsidiaries in the Sigdo Koppers Group measure Scopes 1, 2 and 3 of their CO 2 Footprint

100%

of the Sigdo Koppers Group have a community development strategy and programs

81%

of consolidated sales were to frequent customers (relationship of more than 3 years)

83%

of employees are satisfied with their job

53%

of waste was recycled

88%

of subsidiaries hold ISO 14001 certification

58%

OF CONSOLIDATED INCOME CAME FROM OPERATIONS OUTSIDE OF CHILE

29%

increase in the mix of renewable energy in the group's energy matrix (15% in 2022)





OUR COMPANY_

OUR BUSINESSES_



CHAIN OF VALUE IN MINING AND INDUSTRY

THE COMPANY ENGAGES IN THE MAIN BUSINESSES THAT CREATE VALUE FOR CUSTOMERS. IT PROVIDES INTEGRAL, HIGHLY COMPLEX SOLUTIONS IN THE MAIN STAGES OF THE CHAIN IN MINING AND INDUSTRY.

_01 DEVELOPMENT



SIGDO KOPPERS INGENIERÍA Y CONSTRUCCIÓN GROUP S.A. (SKIC)

SKIC provides large-scale engineering, construction and assembly services in the mining, power generation and transmission sectors, for industrial projects, civil works, maritime operations



ENAEX S.A.

Enaex is the leading producer of explosive-grade ammonium nitrate in the region and a leader in rock fragmentation services as well as in the development and sale of explosive products of a high added value.



SKC S.A.

SKC imports, distributes and leases machinery for mining, agriculture, transportation and industry.



ASTARA LATAM S.A.

Astara Latam is the representative of commercial vehicles to industrial, mining and service companies.



MAGOTTEAUX GROUP S.A.

Magotteaux manufactures, produces and sells cast parts and mill balls of a high added value used by large-scale mining companies and other industries like the cement industry, thermal power plants and dredging companies.



SK GODELIUS S.A.

SK Godelius develops technologies to optimize the operating processes of customers. It creates, implants and operates telecommand systems, the automation of machinery and production processes, among other solutions.



PUERTO VENTANAS S.A. (PVSA)

PVSA is the leading bulk port in the central zone of Chile. It provides transfer and storage services.



FERROCARRIL DEL PACÍFICO S.A. (FEPASA)

Fepasa provides cargo logistics services and cargo transfers by rail and by truck.

_02 OPERATION



_03 PROCESSES



_04 LOGISTICS



GLOBAL PRESENCE_

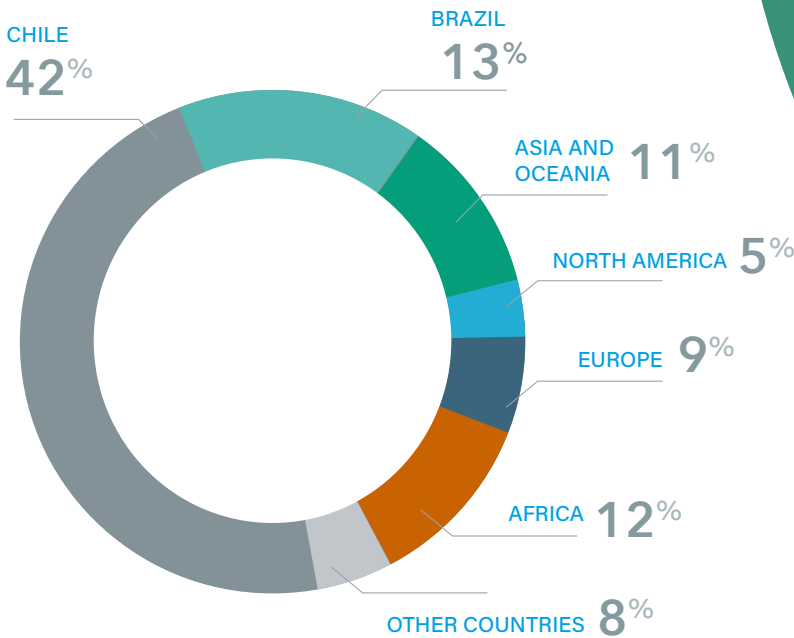
SIGDO KOPPERS S.A. HAS PRODUCTION PLANTS AND DIRECT OPERATIONS IN AMERICA, EUROPE, AFRICA, ASIA AND OCEANIA.

ITS PRODUCTS AND SERVICES ARE SOLD AROUND THE WORLD ACCORDING TO THE GROUP'S MARKET DIVERSIFICATION STRATEGY.

32

Production plants in countries and commercial operations in more than 30, which consolidate the global presence of Sigdo Koppers.

CONSOLIDATED SALES BY REGION





MISSION, VISION, PURPOSE AND VALUES_



MISSION

Be an integral supply group and leader in services and products to mining and industry. Provide the highest quality to our customers, create value for our shareholders, and opportunities for our employees to develop.

VISION

Grow profitably, continuously and sustainably. Consolidate our development in the different industries and markets in which we engage and identify new opportunities for investment in harmony with our long- term vision.

VALUES

01 Commitment to Life

We prioritize the health, safety and quality of life of people. We aim to grow sustainably while caring for the environment and assuring the wellbeing of related communities.

02

Integrity

We behave ethically, fairly and responsibly toward our stakeholders.

PURPOSE

CONTRIBUTE TO THE GROWTH OF THE COUNTRIES WHERE WE ARE PRESENT, TO SOCIAL PROGRESS AND TO THE DEVELOPMENT OF THE INDUSTRY.

03

Customer Focus

We build long-term relationships of trust with our customers. We endeavor to understand their needs, think from their viewpoint, and meet their expectations by providing competitive quality solutions.

04

Excellence

We provide quality products and services. We endeavor to innovate and attain the best solutions.



CORPORATE GOVERNANCE_

CORPORATE GOVERNANCE STRUCTURE_

BOARD OF DIRECTORS



JUAN EDUARDO
ERRÁZURIZ
OSSA

Chairman

Civil Engineer



SILVIO
ROSTANGO
HAYES

Vice-Chairman

Business Engineer



MARCOS
BUCHI
BUC

Director

Structural Engineer



LUIS FELIPE
CERÓN
CERÓN

Director

Industrial Engineer



PATRICIO
LEIGHTON
ZAMBELLI

Director

Business Engineer



NAOSHI
MATSUMOTO
COURDURIER

Director

Business Engineer



MARÍA VERÓNICA
MORALES
MENA

Director

Business Engineer



GONZALO
PAVEZ
ARO

Director

Business Engineer

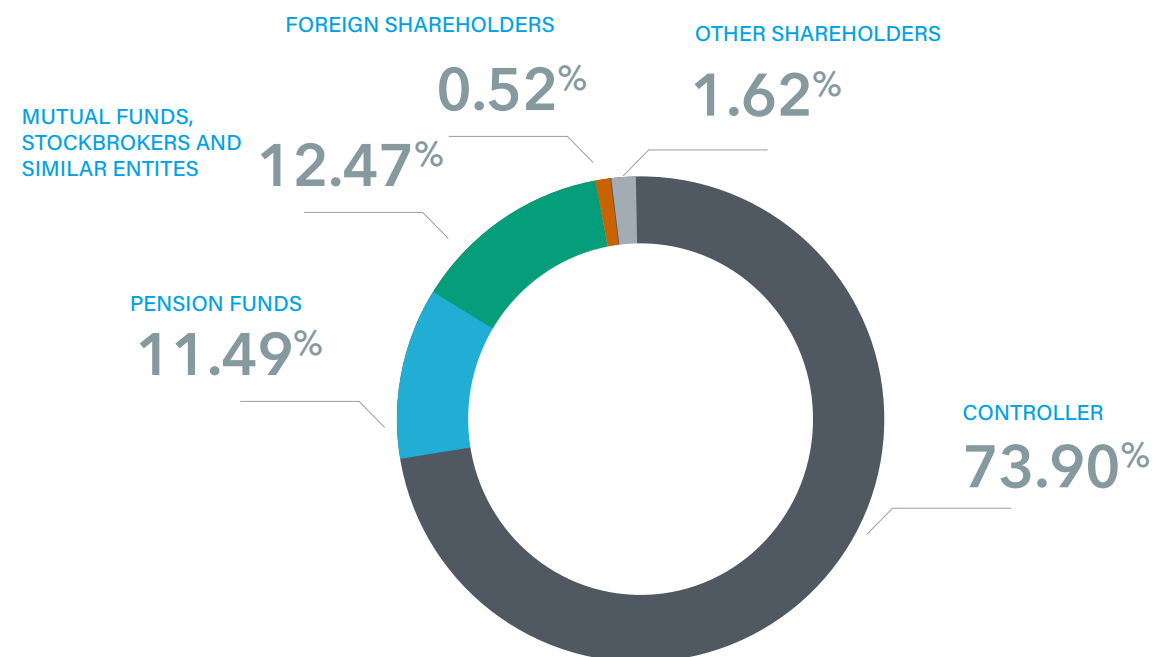


VICTORIA
VÁSQUEZ
GARCÍA

Director

Business Engineer

PERCENTAGE EQUITY INTERESTS



AVERAGE BOARD MEETING
ATTENDANCE 2023:

100%

AVERAGE TENURE OF
BOARD MEMBERS:

3.13 years

BOARD MEETINGS ARE
ANALYZED DURING THE
ANNUAL SELF-EVALUATI-
ON PROCESS.

In the aim of providing
current information, this
summary report shows
the Board of Directors
now in office, which
was elected for the
period 2024-2027 at the
Shareholders Meeting
held April 29, 2024.

COMPOSITION AND EXPERIENCE OF THE BOARD_

BOARD DIVERSITY

• Number of directors by gender and nationality:		• Time in office:	
Men – Chilean	7	The average term of office of the Board: 3.13 years	
Women – Chilean	2		
• Number of directors by age range:		• Number of disabled directors: 0	
51-60 years old	2		
61-70 years old	6		
Older than 70	1		

KNOWLEDGE AND EXPERIENCE OF OUR DIRECTORS

> Juan Eduardo Errázuriz Ossa Executive President He earned a degree in civil engineering from the Catholic University of Chile. He is a partner in Sigdo Koppers S.A. and Chairman of the boards of Enaex S.A., SK Ingeniería y Construcción S.A., and Puerto Ventanas S.A., among others. He is currently a Councilmember of the Manufacturing Development Society of Chile (abbreviated as SOFOFA in Spanish). Over the course of his career, he has been a member of the boards of IBM International, Lan Airlines and Endesa Chile, among other companies, and he has been honored by the governments of Japan, Argentina, Peru and Belgium.	> Silvio Rostagno Hayes ViceChairman He holds a degree in civil engineering from the Catholic University of Chile and a M.Sc. from Stanford University in California, U.S.A. He is currently a director in many companies: since 2018 in Sigdo Koppers, Pucobre, Cial Alimentos, Ventisqueros (Salmon) and Viña Odfjell, among others. He was formerly a director in Drake Enterprises, CEO of D&S Retail and Walmart Retail, CEO of Viña Santa Rita, Commercial Vice-President of the Chilesat Group, Gilat Satellite Networks, a partner in Heidrick & Struggles, CEO of Lotus Development Corp for Chile and South America, among others.	> Marcos Büchi Buc Director He has a degree in structural engineering from the University of Chile and is an Executive Director and Advisor to Santo Tomas University in Chile. He is President of Cemento Polpaico S.A. and a director of Consorcio Financiero, Consorcio Seguros Vida, CN Life Seguros Vida, Consorcio Seguros Generales and Endeavor, among others. Over the course of his career, he has been on the boards of AELA Energia, Codelco S.A., Empresa Electrica Guacolda S.A., Empresas Sanitarias Aguas Nuevas, Aguas del Altiplano, Aguas Araucania, Aguas Magallanes, Cruz Blanca S.A. and Empresa de Ferrocarriles del Estado (Chile), to name a few. He was also President of Sociedad Minera Invierno, Noracid and Asociación de Aseguradores de Chile A.G., Vice-President of Esval and CEO of Ultraterra, Chilquinta Energía S.A. and Consorcio Nacional de Seguros Vida, among others.	> Luis Felipe Cerón Cerón Director He holds a degree in industrial engineering, specializing in electricity, from the Catholic University of Chile and a M.Sc. in Accounting and Finance from the London School of Economics. He was Chief Project Engineer of the National Energy Commission, Assistant Finance Manager of Bancard, Chief Development Officer at SQM and CEO of Electrica Guacolda, Central Puerto de Buenos Aires, SCL Terminal Aereo Santiago and AES Gener S.A. He was also Executive President of AES Gener S.A. and Executive Director of Energia Llaime, to name a few. He was a member of the board of AES Chivor in Colombia, AES Tiete and AES Electropaulo in Brazil. He is currently a director in Molymet and Euroamerica.	
> Patricio Leighton Zambelli Director He holds a business engineering degree from the University of Chile and an MBA from the Kellogg School of Management at Northwestern University. He is the CEO of Stars Investment Management Co. and a Director in Enaex, Clínica Meds, Kayyak Ventures and Z Hotels, among others. He was the manager of the CorpCapital Division, President of CorpCapital Corredores de Bolsa S.A., President of CorpCapital Asesorías Financieras, Director of CorpCapital Administradora General de Fondos S.A., Chief Capital Markets Officer of BICE Chileconsult Asesorías Financieras S.A., and Associate of the Corporate Finance Group of N M Rothschild & Sons, an Associate of the Corporate Finance Group of Chase Securities, Inc. for Latin America, and a professor of Finance in the MBA program of the Catholic University of Chile, among other positions.	> Naoshi Matsumoto Courdurier Director He holds a business engineering degree from Gabriela Mistral University and a Dual MBA from the School of Management of Adolfo Ibañez University and Deusto Business School. He is CEO of Inversiones Matycol Limitada, President of PC Factory S.A. and the Ganbaru Foundation, and a Director of Grupo Security S.A., SKC S.A., SK Rental Group S.A., Travel Security S.A. Godelius S.A., and Fundación Chile Dual, among other entities. In the past, he has been a member of the boards of directors of Enaex S.A., Modyo S.A., Ferrocarril del Pacífico S.A., Somela S.A., Valores Security S.A. and Chile’s Olympic Committee, among others. He was also Vice-President of Corporate Development at SKBergé S.A. and Fiat CEO for Comercial Itala S.A., among other positions.	> María Verónica Morales Mena Director She holds a business engineering degree from the Catholic University of Chile. She is a director of Camanchaca S.A. Over the course of her career, she has been a member of the board of Watts S.A., Socovesa, Empresa de Ferrocarriles del Estado (Chile), Hortifrut S.A. and San Francisco Educational Foundation, among others. She was also Chief Research Officer of IANSA S.A. and of the National Society of Agriculture of Chile, and worked for the administration of President Sebastian Piñera Echenique while he was in office.	> Gonzalo Pavez Aro Director He has a business engineering degree from Gabriela Mistral University. He is the Executive Director of Mariagri, an agricultural company, President of DEVISA, a property management company, and Director of Grupo Security S.A., Vida Security and Factoring Security, among other entities. In the past, he has been a member of the board of SKC Maquinarias S.A. and SKC Maquinarias S.A.C. Peru, among others.	> Victoria Vásquez García Director She holds a degree in business engineering from the Catholic University of Chileand studied at the Kellogg School at Northwestern University and at University ofthe Andes. She is President of NorQuim SpA and a Director of Cencosud ShoppingS.A., Puerto Ventanas S.A., Compañía de Seguros Generales SURA y Compañía de Seguros de Vida SURA, IST and Fundación Chile Dual, among others. In the past, she has been a member of the board of CCR, CMP S.A., Amcham, Campart and INACAP, to name a few, and she was Vice-President of Empresa Portuaria de San Antonio and of the Manufacturing Development Society of Chile (abbreviated as SOFOFA in Spanish), among other entities.



”

THE VARIABLE INCOME OF THE COMPANY’S EMPLOYEES, INCLUDING THE CEO, IS CONDITIONED/LINKED TO THE LEVEL OF PROFITS OF SIGDO KOPPERS S.A. ACHIEVED EACH YEAR.

“

Multiple of base salary – average across other executive committee members owning shares:

493x

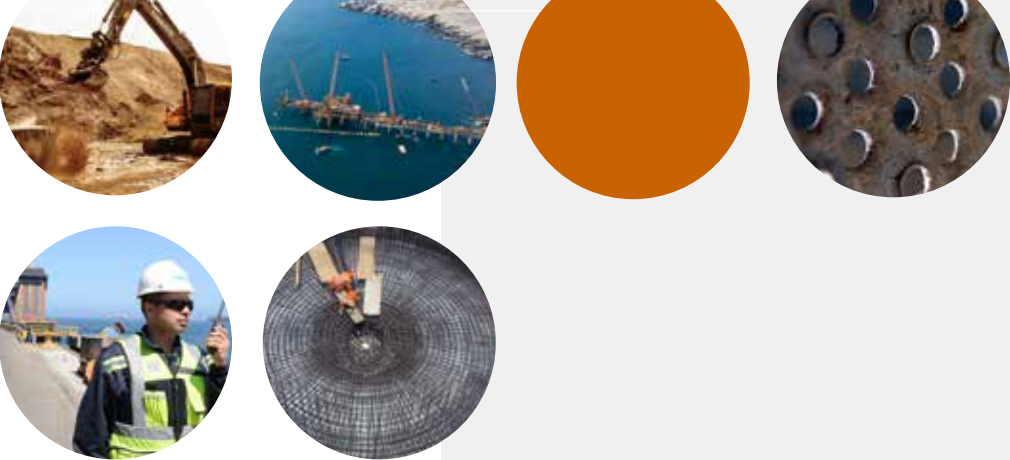
15 LARGEST SHAREHOLDERS

NAME	RUT	Number of shares subscribed 2023	Ownership percentage 2023	Ownership percentage 2022
Sociedad de Ahorro Kaizen Limitada.	78.743.250-6	100,160,000	9.32%	9.32%
Sociedad de Ahorro Jutlandia Spa.	78.743.260-3	100,160,000	9.32%	9.32%
Sociedad de Ahorro Cerro Dieciocho Limitada.	78.743.290-5	100,160,000	9.32%	9.32%
Sociedad de Ahorro Homar Spa.	78.755.770-8	100,160,000	9.32%	9.32%
Inversiones Busturia Spa.	77.786.440-8	91,225,402	8.49%	8.49%
Btg Pactual Chile S.A. Corredores de Bolsa.	84.177.300-4	48,090,013	4.47%	1.61%
Malaga Asesorias y Consultorias Spa.	76.324.250-1	33,361,009	3.10%	3.10%
Itau Corredores de Bolsa Ltda.	96.665.450-3	32,252,846	3.00%	0.09%
Pionero Fondo de Inversion Mobiliario.	76.309.115-5	26,864,841	2.50%	3.43%
Inversiones Kaizen Dos Spa.	76.380.652-9	19,350,000	1.80%	1.80%
Inversiones Cerro Dieciocho Dos Spa.	76.380.655-3	19,350,000	1.80%	1.80%
Inversiones Homar Dos Spa.	76.380.659-6	19,350,000	1.80%	1.80%
Inversiones Jutlandia Dos Spa.	76.380.662-6	19,350,000	1.80%	1.80%
Inversiones Busturia Spa.	76.380.667-7	19,350,000	1.80%	1.80%
Valores Security S.A. Corredores de Bolsa.	96.515.580-5	18,984,894	1.77%	1.75%
Total		748,169,005	69.60%	64.74%

FAMILY OWNERSHIP

Currently, the company has a controlling group. The percentage controlled, both directly and indirectly, by the controller or each of its members is as follows:

CONTROLLING ENTITIES	Number of Direct Shares	Direct Ownership	Ultimate Beneficial Owner	Number of Indirect and Related Shares	Percentage of Ownership of Indirect and Related Shares	Total Number of Shares	Full Ownership
Villarrica Uno SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa	8,435,895	0.78%	126,750,794	11.79%
Villarrica Dos SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Tres SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Cuatro SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Cinco SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Seis SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Siete SpA (1)	14,992,406	1.39%	Juan Eduardo Errazuriz Ossa				
Villarrica Ocho SpA (1)	13,368,057	1.24%	Juan Eduardo Errazuriz Ossa				
Sociedad de Ahorro Kaizen SpA (2)	100,160,000	9.32%	Naoshi Matsumoto Takahashi	5,478,338	0.51%	124,988,338	11.63%
Inversiones Kaizen Dos SpA (2)	19,350,000	1.80%	Naoshi Matsumoto Takahashi				
Sociedad de Ahorro Jutlandia SpA (3)	100,160,000	9.32%	Norman Hansen Roses	2,946,431	0.27%	122,456,431	11.39%
Inversiones Jutlandia Dos SpA (3)	19,350,000	1.80%	Norman Hansen Roses				
Sociedad de Ahorro Homar SpA (4)	100,160,000	9.32%	Horacio Pavez García	16,983,412	1.58%	136,493,412	12.70%
Inversiones Homar Dos SpA (4)	19,350,000	1.80%	Horacio Pavez García				
Sociedad de Ahorro Cerro Dieciocho Limitada (5)	100,160,000	9.32%	Familia Santander García	10,050,000	0.93%	129,560,000	12.05%
Inversiones Cerro Dieciocho Dos SpA (5)	19,350,000	1.80%	Familia Santander García				
Inversiones Busturia SpA (6)	91,225,402	8.49%	Familia Aboitiz Domínguez	10,243,132	0.95%	120,818,534	11.24%
Inversiones Busturia Dos SpA (6)	19,350,000	1.80%	Familia Aboitiz Domínguez				
Málaga Asesorías y Consultorías SpA	33,361,009	3.10%	Socios Málaga, Asesorías y Consultorías Spa	0	0.00%	33,361,009	3.10%
Total	740,291,310	68.86%		54,137,208	5.04%	794,428,518	73.90%



MANAGEMENT OF SIGDO KOPPERS S.A.



JUAN EDUARDO
ERRÁZURIZ
OSSA
Executive President

Civil Engineer



JUAN PABLO
ABOITIZ
DOMÍNGUEZ
Chief Executive
Officerl

Mechanical Industrial
Engineer



ANDRÉS
BRINCK LABBÉ
Chief Financial
Officer

Business Engineer



ALEJANDRO
REYES
PIZARRO
Controller

Business Engineer

This summary report shows the Board of Directors currently in office.



RISK MANAGEMENT_



THE COMPANY HAS A CORPORATE RISK MANAGEMENT POLICY THAT CONTAINS THE MAIN RISK GUIDELINES AND THE ROLES AND RESPONSIBILITIES OF THE INDIVIDUALS AND BODIES IN CHARGE OF RISK MANAGEMENT.

”

THE COMPANY PROVIDES ONGOING TRAINING TO EMPLOYEES IN MATTERS RELATED TO RISK MANAGEMENT

Sigdo Koppers S.A. has a Risk Management Policy and Procedure designed to provide a reasonable assurance that strategic, operational, financial and compliance goals are achieved and that the company's value is maximized. The purpose of these documents is to identify, analyze, evaluate, monitor and communicate risks to the relevant individuals according to the risk management structure.

Risks are managed and administrated by means of a process that covers the rules and regulations governing in Chile and in the countries where the company operates. Guidelines are also in place that follow the best industry practices in the world.

The Company is currently working under the following standards and best practices:

COSO

(Committee of Sponsoring Organizations of the Treadway Commission)

COBIT

(Control Objectives for Information and Related Technology)

ISO

(International Organization for Standardization)

131

CRITICAL RISKS WERE IDENTIFIED IN THE GROUP

100%

Of the subsidiaries were assessed for their risks, and action plans were defined for high-level risks

Notwithstanding the above, the company is in the process of incorporating, additionally, medium- and long-term indicators aligned with industry best practices, such as TCFD (Task Force on Climate-Related Financial Disclosures).

The company continuously trains its staff on risk management aspects. During 2023, Sigdo Koppers conducted training sessions on Economic Crime Law, Crime Prevention Model, Cybersecurity, Climate Risks and TCFD, Circular Economy, and Biodiversity.

The analysis, which is especially relevant in an environment of constant changes, is carried out at the global, regional, and local levels. It allows for the review of risks and the evaluation of a mitigation strategy, as well as a monitoring plan to address and follow up on them.

The company has a Risk Committee responsible for ensuring the proper implementation of these processes, as well as analyzing the potential impacts of business decisions of the subsidiaries and providing necessary information to senior management. This committee operates under the supervision of the Sigdo Koppers Board of Directors, monitoring its performance on a semi-annual basis.

THE RISKS ARE CATEGORIZED AS:

01

Strategic:

These are risks related to the strategic objectives, aligned with the organization's Mission.

- Definition of the Strategy
- Mergers, Acquisitions and Joint Ventures
- Economic Cycle
- Dependence on Key
- Personnel
- Reputation Risk
- Innovation and Development
- Human Rights
- Social Considerations

02

Operational:

These are risks resulting from weaknesses or flaws in processes, people, systems or external events such as, for example, Climate Change, both physical risks (flooding, mudslides, heavy seas, rises in sea level, droughts/water crises) and transition risks.

- Risks of subsidiaries
- Systems and processes
- Cyber risks
- Fraud or illegal activities
- Climate Change
- Regulatory compliance with labor, tax, transfer pricing, environmental, competition and customs laws and with rules of the Financial Market Commission.

03

Financial:

Risks relating to an effective and efficient use of financial resources.

- Money Management
- Liquidity
- Compliance with Bond Covenants

04

Transition:

Risks coupled with the change to an economy of low greenhouse gas emissions:

- Political and legal risks
- Reputation risks
- Technology risks
- Market risks



IN THIS CONTEXT, THE COMPANY'S INTERNAL AUDITING UNIT MUST CONFIRM THE EFFECTIVENESS OF, AND COMPLIANCE WITH, POLICIES, PROCEDURES, CONTROLS AND CODES IMPLEMENTED FOR RISK MANAGEMENT.

The company does business following a diversified business model that considerably helps mitigate the risks described here. It also permanently incorporates the best practices throughout the change of value to strengthen the resilience of its infrastructure and processes. The goal is to control and avoid deviations from the plan and violations in any of the areas indicated.

Both environmental and social risks, including in relation to Human Rights (HR), are duly considered in the Sigdo Koppers Risk Management Policy. So, social risks are managed by measurements, analyses and responses while a method and processes are being developed to manage environmental and HR risks that are aligned with the new requirements in General Rule #461 of the Financial Market Commission (CMF, as abbreviated in Spanish), which include, for example, mechanisms to conduct a due diligence of HR risks in operations.

The Sigdo Koppers Board supervises how risks are managed by management, as does the Risk Committee. This responsibility encompasses:

- Approval of the risk management policy and procedure.
- Approval of the risk profile and risk tolerance defined by management and proposed by the Risk Committee.
- Being informed of the critical risks of the organization.
- Being informed of the monitoring of the progress in critical risk action plans.
- Approval of the annual budget on critical risk action plans proposed by the Risk Committee.
- Being informed of the risk management recommendations of the Risk Committee.

In this respect, the role of the CEO is to align the company's strategy with risk management. The CEO is therefore actively involved in the management, supervision and control of risks and processes by means of the identification, analysis, assessment, handling, monitoring and communication of those risks.

The main responsibilities are to:

- Encourage a "Control Culture" to ensure that the company's officers are aware that the information comes from a well- controlled area.
- Ensure compliance with the Risk Management Policy and Procedure.
- Know the levels of exposure and appropriately manage the risks found in the company.
- Ensure that action plans are implemented to confront the identified critical risks.
- Ensure that the company's risks are adapted to the tolerance limits approved by the Board.
- Appoint a Risk Management Officer.
- Validate and assess the main critical risks found in Sigdo Koppers with upper management.
- Develop and maintain governability mechanisms that allow for the risks of Sigdo Koppers to be effectively managed and monitored.



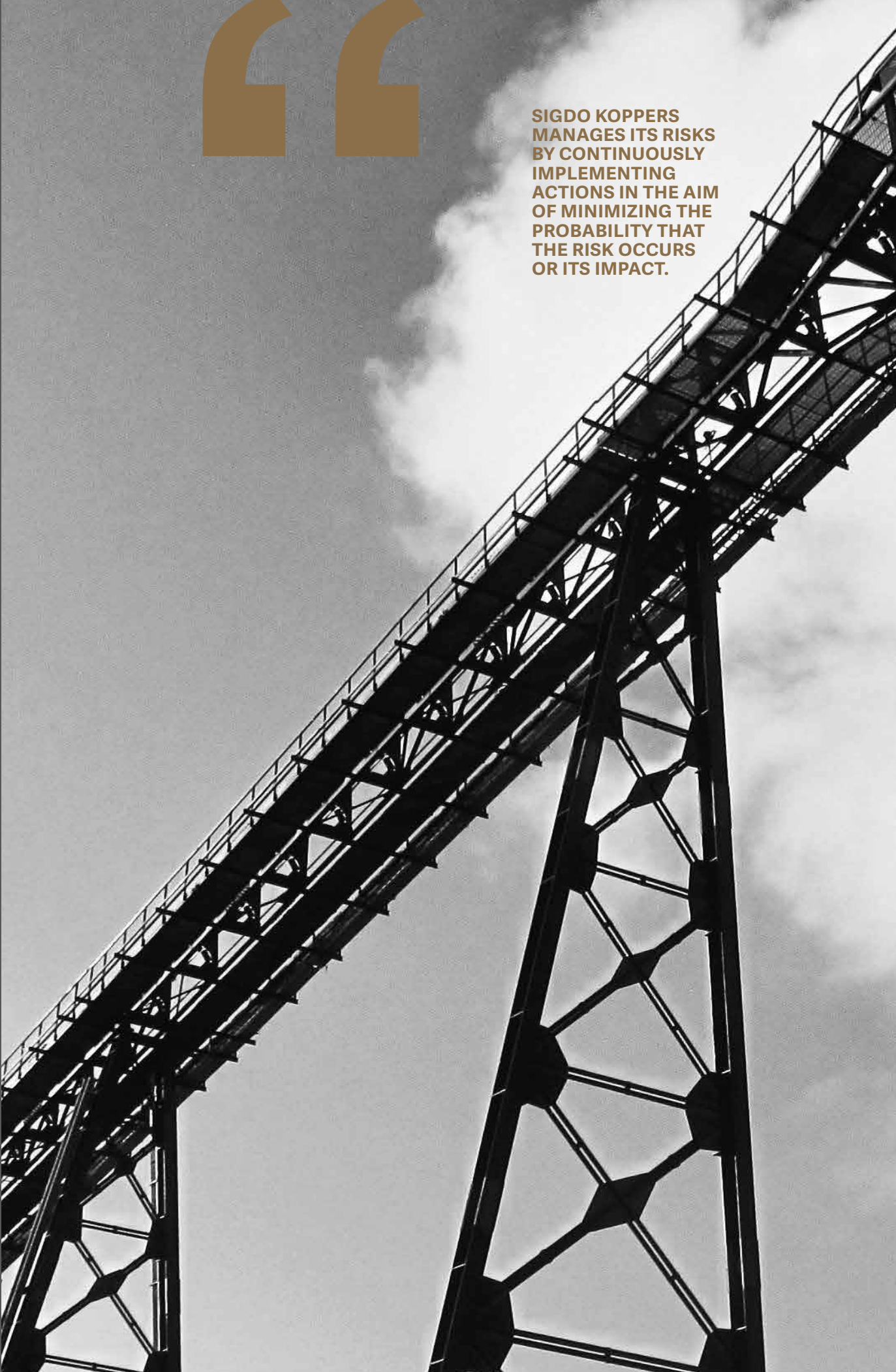
To contribute to an adequate management of regulatory risks, risks in employment practices and in the relationship with stakeholders in general, Sigdo Koppers has a Code of Corporate Ethics that sets down a framework of behavior, regardless of the physical location where people work. As mentioned earlier, the company also has a whistleblowing channel where complaints can be made anonymously or directly.

The company also has a risk management procedure to formalize Corporate Governance practice in the company. It includes the main risk guidelines of Sigdo Koppers and the roles and responsibilities of the individuals and bodies in charge of the process. That procedure stipulates, among other things, that the:

Board of Directors	Supervises how management manages risks.
Chief Executive Officer	Aligns the company's strategy with risk management.
Risk Management Committee	Plays an executive role.
Risk Management Officer	Coordinates, facilitates and collaborates in risk management activities.
Process Owner	Must identify the risks critical to Sigdo Koppers and assure that they are appropriately managed. To do so, they must identify the controls, do self-evaluations and propose action plans. They must also constantly coordinate with the Risk Management Officer and be directly responsible for the management of the risks in the area they are in charge of.

“

SIGDO KOPPERS
MANAGES ITS RISKS
BY CONTINUOUSLY
IMPLEMENTING
ACTIONS IN THE AIM
OF MINIMIZING THE
PROBABILITY THAT
THE RISK OCCURS
OR ITS IMPACT.



THE BOARD OF DIRECTORS OF SIGDO KOPPERS S.A. IS RESPONSIBLE AMONG ITS FUNCTIONS FOR OVERSIGHT THE MANAGEMENT OF THE RISKS MANAGED BY THE RISK COMMITTEE OF SIGDO KOPPERS S.A.

This last committee (second line, and made up of first line executives from Sigdo Koppers S.A.) is in charge of setting control standards and oversees compliance with the risks of SK subsidiaries. The risks of SK subsidiaries are, in turn, monitored and managed by a committee of each SK subsidiary (7 in total, second line also but at the level of the operational companies, that is, the subsidiaries). Then, each of the 7 SK subsidiaries has various Operational Risk Ownership (first line, risk managers and business unit heads) that own and manage risks in their respective areas, and that report to the risk committees of each subsidiary.

Finally, there is an Internal Audit Unit (third line) in charge of verifying and providing independent assurance on the effectiveness of risk management and compliance processes, specifically towards the Risk Committees of Sigdo Koppers S.A. and the risk committees of each SK subsidiary.

RISK REVIEW

- Aspects of our risk review process include the following:

01 Description of the company-specific risk exposure (considering likelihood and magnitude) of relevant risks.

02 Description of process or framework to determine the risk appetite for identified risks.

03 Description of mitigating actions for relevant risks.

- **Risk Exposure:** SK review the company´s risk exposure on a regular basis, at least twice a year or more frequently.

- **Risk Management Process Audit:** SK have conducted an internal audit in the last two years.

- **Risk Culture:** SK have strategies in place to promote an effective risk culture throughout the organization (Focused training throughout the organization on risk management principles; Incorporation of risk criteria in the development of products and services; Financial incentives which incorporate risk management metrics).

2023 contributions to trade associations:

USD 371,293

Number of breaches in fy 2023 of corruption or bribery, discrimination or harassment, customer privacy data, conflicts of interest, and money laundering or insider trading:

0

EMPLOYEE PERFORMANCE APPRAISAL SYSTEMS INTEGRATES COMPLIANCE/ CODES OF CONDUCT.

OUR CRIME PREVENTION MODEL IS ALIGNED WITH THE VALUES OF THE COMPANY, IN ORDER TO AVOID ANY ACTION THAT VIOLATES ITS PRINCIPLES. IT IS CERTIFIED BY BH COMPLIANCE AND THE COMPANY HAS A CRIME PREVENTION OFFICER WHO SAFEGUARDS ITS COMPLIANCE.

	2023
Total number of information security breaches	0
Total number of clients, customers and employees affected by the breaches	0

In 2023, there were no direct or indirect monetary contributions related to politics/politicians.

Sigdo Koppers has measures to ensure effective implementation of supplier ESG programs. Executive management is responsible for overseeing the implementation of suppliers´ ESG programs. Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements. Suppliers are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe. Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding. Training for company's buyers and/or internal stakeholders on their roles in the supplier ESG programs.

Aspects of significant suppliers screening:

Environmental, Social, Governance and Business relevance. Methodology for significant suppliers screening: Country-specific risk, Sector-specific risk, and Commodity-specific risk.

Aspects of significant suppliers assessment:

Supplier desk assessments with systematic verification of evidence; and Supplier on-site assessments carried out by purchasing company employees or contracted consultant (2nd party assessment).

Aspects of significant supplier development:

Supplier information/trainings on company´s supplier ESG program, process and requirements; Supplier access to ESG benchmarks against peers; Supplier support (remote/ on-site) on implementation of corrective/improvement actions; In-depth technical support programs to build capacity and ESG performance in suppliers.

Chief Information Security Officer: Ary Martínez

The SK Environmental Management and Climate Change Policy defines the following elements: Roles and responsibilities for implementing environmental management policy; Ensuring compliance with relevant environmental laws and regulations; Commitment to continuous improvement of environmental performance; Commitment to set targets and objectives to reduce environmental impacts; Measures to raise internal and external stakeholders' awareness of environmental management policy and environmental impacts; Training for employees to understand the impacts of their work activities on the environment; and Commitment and oversight to implementation of environmental management policy and/or improving environmental performance – the highest committing decision-making body is the Board of Directors.



STRATEGY_

STRATEGIC GOALS_

SIGDO KOPPERS BASES IT WORK ON A TRIPLE-BOTTOM-LINE STRATEGY THAT AIMS TO ACHIEVE THE BEST SOCIAL, ENVIRONMENTAL AND ECONOMIC PERFORMANCE AND A RESPONSIBLE, LONG-TERM GROWTH.



SOCIAL

Create value for employees, communities, suppliers, customers and authorities.



ENVIRONMENTAL

Measure and reduce the environmental impact of operations and contribute to a balanced environment.



ECONOMIC

Attain good, stable economic results under a long-term vision.



In developing its businesses, Sigdo Koppers aims to grow profitably, continuously and sustainably. It has set 5 main goals to achieve this.

- _01

Be the strategic partners of customers:
Provide solutions of a greater added value that set us apart from the competition by means of an innovative offer and integral services throughout the entire chain of value.
- _02

Leadership and innovation of our companies:
Be a major competitor on the markets where we do business, known for delivering value through new technologies.
- _03

Global Reach:
Offer solutions to our global customers. Endeavor to attain a geographic and mineral diversification by being present in the main mining centers in the world.

- _04

Conservative financial profile:
Be financially sound to capture opportunities for growth and maintain an adequate position during downtimes.
- _05

Economic, social and environmental sustainability of operations:
Balance economic, social and environmental variables in the goal of maximizing results.

EACH OF THESE GOALS IS COUPLED WITH SPECIFIC INDICATORS AND PLANS. ON A CORPORATE LEVEL, SIGDO KOPPERS PLANS AND MANAGES ITS STRATEGIC GOALS IN A STAKEHOLDER MATRIX. IT WANTS TO CREATE PERMANENT TIES WITH STAKEHOLDERS THROUGH PROGRESS AND THE ADOPTION OF NEW PLANNING AND MANAGEMENT METHODS.

STAKEHOLDERS_



STAKEHOLDERS PRIORITY STAKEHOLDERS ARE DEFINED AND ANALYZED ON THE BASIS OF TWO VARIABLES: THE IMPACT THEY HAVE ON THE COMPANY’S ACTIVITIES AND THEIR INFLUENCE IN THE COMPANY’S DECISIONS.

RELATIONSHIP TO THE STRATEGIC AGENDA

	WHY ARE THEY RELEVANT?	GOALS	HOW DO WE RELATE?
Employees	They help give operations continuity and are key to the company's competitiveness.	Transfer the Values and Culture of the Sigdo Koppers Group to subsidiaries.	• Group-wide communication campaigns • Internal communications channel
	They are the visible face of the company to other stakeholders.	Foster employees of subsidiaries identifying more with the Sigdo Koppers parent company. Promote attracting and retaining talent in the Group and articulate the internal mobility of officers.	• Social Networks • Whistleblower Channel • Work Climate Survey • Performance Evaluations • Human Resources Areas of the companies • These relationships are the responsibility of the CEO and Comptroller of Sigdo Koppers S.A.
Customers	They can decrease or increase the demand for the Group's products and services.	Offer products and services to customers in the main mining markets around the world.	• Annual Report • Website
	They position the company reputationally and economically. They can choose to go to competitors who offer more aggressive and more flexible products or who have an advanced management of sales and after-sales, especially in consulting, monitoring and feedback.	Attain greater synergies among the Group's companies to provide integrated solutions to customers that add value to their processes. Add value through innovation in competitive, high-tech products and services.	• Communications media • Social Networks • Advertising • Satisfaction surveys • Commercial areas of subsidiaries • These relationships are the responsibility of the Executive President and CEO of Sigdo Koppers S.A.
Suppliers	The company's operations require timely, quality inputs. Suppliers can impact quality standards in the delivery of the end product.	Maintain long-term, mutually beneficial relationships according to the policies and procedures in the company's corporate governance manual. Ensure that suppliers maintain the best employment, environmental and sustainability practices.	• Annual Report • Supplier Portal • Website • Social Networks • Whistleblower Channel • Procurement areas of subsidiaries • Responsable en Sigdo Koppers S.A. Contraloría Corporativa

	WHY ARE THEY RELEVANT?	GOALS	HOW DO WE RELATE?
Shareholders and Investors	They can restrict or promote investments, which affects the company's competitiveness.	Ensure the highest growth and profitability by responsible, proactive and sustainable management and a high level of innovation in facing challenges.	• Annual Report • Website • Investor Relations Area • Shareholders Meetings • Investor Day • International Roadshow • Participation in conferences • Communications media • Social Networks • These relationships are the responsibility of the CFO of Sigdo Koppers S.A.
	They can restrict or promote investments in projects that require a high level of confidence in the market. They can influence the Group's image on the market.		
Authorities and trade associations	They can grant or take away the permits needed for operations when companies are not in compliance with regulations and/or violate human rights or care of the environment and surroundings.	Strengthen and reinforce the image and value proposal of Sigdo Koppers.	• Annual Report • Website • Sending the requested information • Trade association committees • These relationships are the responsibility of the Executive President and CEO of Sigdo Koppers S.A.
	They can influence and validate the actions taken by the company with relevant actors for the development of the Group's projects. Trade associations promote the development of the industry, the exchange of knowledge and the best practices.	Comply with the regulations governing in each of the countries where Sigdo Koppers does business through its subsidiaries. Actively participate in trade association activities.	
Community	They give the company's activities social legitimacy in environments where some of the Group's companies have their main operating assets (Mejillones – Puerto Ventanas). They provide skilled local labor. They provide local services to the company and therefore make operations more efficient.	Help improve the quality of life and local development. Create joint value through forums that guarantee a respect for local customs and minimize the impact of operations. Continue to work under the education focus, through Fundación Educación Chile Dual, defined by Sigdo Koppers for its relationships with communities.	• Website • Communications media • Social Networks • Visits to plants • Community symposia • Fundación Educación Chile Dual • Talcahuano Technical Training Center • These relationships are the responsibility of the Executive President of Sigdo Koppers S.A.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS_



SIGDO KOPPERS SIGNED THE U.N. GLOBAL COMPACT IN 2006.

Under this compact, it has assumed the commitment to abide by and promote ten principles in the areas of human rights, labor, environment and anti-corruption. The company and its subsidiaries aim, through their programs and initiatives, to contribute to attaining the Sustainable Development Goals (SDGs), to improve the quality of life of people and to protect the environment. (SDGs)

(SDG)



- Fundación Educacional Chile Dual
- SK Capacitación
- Talcahuano Technical Training Center



- Circular economy
- Waste management



- Diversity and Inclusion Policy
- New leaders and training programs



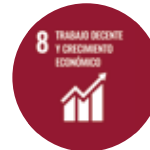
- CO 2 reduction programs



- Corporate environmental management program
- Hyex Project
- Wave power project



- Good corporate governance practices and policies



- SK Capacitación programs
- Job retraining programs
- Hiring of local labor



- Prácticas y políticas de buen gobierno corporativo



- SK Godelius - SK Lab
- Robotics and teleoperation programs
- Process innovation
- Digital sales and services channels
- Digitalization of operations



- Participation in trade associations
- Public-private alliances
- Member of the Global Compact



ECONOMIC PERFORMANCE

US\$4,006.2

MILLION WAS THE TOTAL FOR CONSOLIDATED SALES OF SIGDO KOPPERS IN 2023, AN INCREASE OF 1.6%.

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	Figures in KUS\$		
	2022	2023	Var.
Income	3,943,436	4,006,223	1.6%
EBITDA	575,259	542,639	5.7%
% EBITDA Margin	14.6%	13.5%	(100 pb)
Profit (loss)	310,496	193,740	(37.6%)
Sigdo Koppers Profit	217,361	116,027	(46.6%)

In 2023, the consolidated sales of Sigdo Koppers S.A. rose 1.6%, to a total of US\$4,006.2 million.

This increase was mainly due to a rise in the sales of Sigdo Koppers Ingeniería y Construcción (SKIC) that saw its income increase by US\$117 million (+19.1%) based on the backlog of US\$843 million as of December 2023 and stable physical sales year to year (+3.3%).

Also of note is Magotteaux’s good performance (+7.3%), mainly the result of higher physical sales of mill balls combined with a normalizing of casting prices. In addition, in early July 2023, Magotteaux acquired 36% of the shares in Grinding Media South Africa (GMSA), which, when added to the 15% it already held, gave it a majority interest and consolidated that operation as of July 2023.

In the commercial area, SKC kept sales stable (-0.8%) because of the outstanding performance of SK Rental (+23.9%), partially offset by the drop in income from the distribution business (-16.3%) due to a decrease of 31.2% in units sold.

Enaex recorded sales of US\$1,848.4 million (-5.2%), mainly because income in the Chemicals division fell due to a decrease in the prices of ammonium nitrate and volumes, partially offset by the outstanding performance of international subsidiaries.

Lastly, the consolidated sales of Puerto Ventanas fell 5.2%, reflecting the drop in income of its subsidiary Fepasa and in port activity. Only 2,782,000 tons were transferred in 2023 because of the fire occurring in December 2022 (-31.8%).

FIGURES IN KUS\$	2019	2020	2021	2022	2023
Economic Value Generated	2,486,343	2,353,027	3,277,331	4,132,460	4,197,944
Revenue	2,334,422	2,238,038	3,096,889	3,943,436	4,006,223
Income from financial investments	55,601	33,167	85,986	75,075	50,042
Income from the sale of property, plant and equipment	96,320	81,822	94,456	113,949	141,679
Economic Value Distributed	2,344,534	2,217,917	3,085,478	3,839,687	3,991,812
Operating Expenses	1,508,577	1,443,649	2,042,266	2,630,781	2,631,944
Distribution to Financial Capital					
Dividend to shareholders	83,659	56,186	112,693	112,481	138,706
Interest expense paid to creditors	67,752	60,062	60,818	80,290	127,662
Distribution to Human Capital					
Employee salaries and benefits	632,023	613,365	797,150	905,737	1,021,319
Distribution to Social Capital					
Tax expense	46,865	37,754	64,797	99,709	61,947
Community Investments	5,658	6,901	7,754	10,689	10,234
Economic Value Retained	141,809	135,110	191,853	292,773	206,132

INCOME BY AREA OF BUSINESS	Figures in KUS\$		
	2022	2023	Var.
SERVICE AREA	775,045	883,359	14.0%
SKIC	610,734	727,659	19.1%
PVSA	164,311	155,700	(5.2%)
INDUSTRIAL AREA	2,857,907	2,822,429	(1.2%)
Enaex	1,949,907	1,848,440	(5.2%)
Magotteaux	908,000	973,989	7.3%
COMMERCIAL AREA	324,742	322,024	(0.8%)
SKC	324,742	322,024	(0.8%)
Write-offs and Adjustments	(14,258)	(21,589)	
Consolidated Income	3,943,436	4,006,223	1.6%

PHYSICAL SALES BY AREA OF BUSINESS	2022	2023	Var.	Unit
SERVICE AREA				
SKIC	24,779	25,590	3.3%	000´ of MH
Puerto Ventanas	4,077	2,782	(31.8%)	000´ of tons
INDUSTRIAL AREA				
Enaex	1,683	1,729	2.7%	000´ of tons
Magotteaux	399	476	19.2%	000´ of tons
COMMERCIAL AREA				
SKC	2,157	1,485	(31.2%)	Units

COST OF SALES

The cost of sales was US\$3,216.7 million, 2.3% above the US\$3,145.7 million recorded in 2022. This increase is the result of a cost increase in SKIC (+31%) and Magotteaux (+7%), partially offset by a drop in the costs of Enaex (-9%), Puerto Ventanas (-1%) and SKC (-1%).

GROSS EARNINGS

Gross earnings fell 1.0%, to US\$789.5 million. This is seen mainly in the drop in earnings of SKIC (-89%), Puerto Ventanas (-15%) and SKC (-2%), partially offset by an increase in Magotteaux (+10%) and Enaex (+7%). The gross margin was 19.7% (-50 bp).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses (distribution costs + administrative expenses) totaled US\$427.9 million in the period, 11.7% higher than the US\$383.1 million in 2022. The increase in SG&A was mainly due to the consolidation of new companies, higher rates of inflation that impacted employee costs, higher costs of insurance and higher exchange rates, seen in the expense increase in PVSA (+14%), SKC (+12%), Magotteaux (+11%), Enaex (+11%) and SKIC (+1%). As a result, the SG&A-to-sales ratio was 10.7% (+100 bp).

OPERATING INCOME

The income from operating activities totaled US\$386.2 million, 11.4% lower than the US\$436.1 million recorded in 2022, a reflection of the increase in depreciation (+12%), in the SG&A-to-sales ratio and a lower gross margin, which were partially offset by higher Other Income in the period. The operating margin in 2023 was 9.6% (-140 bp).

EBITDA

The consolidated EBITDA was US\$542.6 million in 2023 (-5.7%). Of note was the increase of US\$18 million in Enaex (+6%), US\$8 million in Puerto Ventanas (+18%), and US\$6 million in Magotteaux (+5%), offset by a decrease of US\$67 million in SKIC and US\$1 million in SKC (-1%). The EBITDA margin was 13.5% (-100 bp).

NON-OPERATING INCOME

The company recorded a non-operating loss of US\$130.6 million in 2023 compared to the loss of US\$25.9 million in 2022. This difference was mainly due to the increase in financial costs (+59%) and the drop in the income of unconsolidated companies (-75% in the profit of Astara Latam).

PROFIT

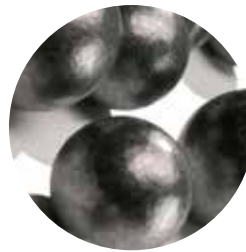
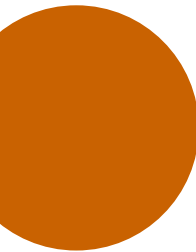
The profit attributable to Sigdo Koppers S.A. was US\$116.0 million, lower than the US\$217.4 million recorded in 2022 (-46.6%).



CONSOLIDATED STATEMENT OF FINANCIAL POSITION_

US\$ 2,113

MILLION WAS THE TOTAL CONSOLIDATED EQUITY OF SIGDO KOPPERS, AN INCREASE OF 6.9% COMPARED TO THE CLOSE OF 2022



CONSOLIDATED ASSETS

The Consolidated Assets of Sigdo Koppers totaled US\$4,994.5 million, rising US\$410.2 million compared to the close of 2022. We can highlight:

The Consolidated Cash of Sigdo Koppers (Cash and Cash Equivalents), which was US\$427.9 million, an increase of US\$16.9 million compared to the previous period.

Consolidated Inventories were US\$817.1 million, a rise of US\$83.2 million. The average number of days in Inventory of Sigdo Koppers was 93, above the figure in 2022 (85 days).

Accounts Receivable, which totaled US\$824.9 million, a decline of US\$14.5 million. The average number of days of Accounts Receivable was 75, 3 days less than in 2022.

CONSOLIDATED LIABILITIES

At the close of 2023, the liabilities of Sigdo Koppers totaled US\$2,881.2 million, an increase of US\$273.4 million compared to the previous fiscal year. The main reasons were:

Accounts Payable totaled US\$582.4 million, increasing slightly, by US\$1.0 million, compared to 2022. The average of number of days of Accounts Payable was 66, lower than the previous year (68 days).

Consolidated Financial Liabilities amounted to US\$1,730.9 million (excluding IFRS 16), increasing by US\$252.5 million.

At the Parent level, Financial Liabilities totaled US\$333.5 million, comprised of corporate bonds for UF 4.75 million and bank debt for US\$65 million and CLP\$56.960 million. The Parent holds hedges for UF 4.3 million to redenominate its debt in UF to dollars.

The Total Consolidated Equity of Sigdo Koppers was US\$2,113.3 million, which meant an increase of 6.9% compared to the close of 2022.

THE CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT TOTALLED US\$1,351.1 MILLION, 9.9% HIGHER COMPARED TO THE PREVIOUS YEAR.

+9.9%

Consolidated property, plant & equipment

CONSOLIDATED CLASSIFIED BALANCE SHEET	Figures in KUS\$		
	Dec-22	Dec-23	Var.
Total Current Assets	2,049,032	2,141,573	4.5%
Property, Plant and Equipment	1,238,279	1,361,050	9.9%
Other Non-Current Assets	1,296,992	1,491,862	15.0%
Total Assets	4,584,303	4,994,485	8.9%
Total Current Liabilities	1,428,468	1,514,496	6.0%
Total Non-Current Liabilities	1,179,330	1,366,696	15.9%
Equity attributable to the Controller	1,468,336	1,525,277	3.9%
Equity attributable to Non-Controlling Interests	508,169	588,016	15.7%
Total Liabilities and Equity	4,584,303	4,994,485	8.9%



MAIN LIQUIDITY,
DEBT AND PROFIT INDICATORS

LIQUIDITY INDICATORS	Unit	Dec-22	Dec-23
Current Ratio ⁽¹⁾	Times	1.43	1.41
RAcid-Test Ratio ⁽²⁾	Times	0.88	0.83
Working Capital ⁽³⁾	KUS\$	991,817	1,059,600

⁽¹⁾ Current Ratio = Current Assets / Current Liabilities

⁽²⁾ Acid-Test Ratio = (Cash and Cash Equivalents + Accounts Receivable and Trade Receivables) / Current

⁽³⁾ Working Capital = Accounts Receivable and Trade Receivables + Inventories – Accounts Payable

The consolidated current ratio was 1.41 times and the acid-test ratio 0.83 times as of December 31, 2023, showing that Sigdo Koppers has an adequate liquidity position.

The consolidated Working Capital increased by US\$67.8 million compared to December 2022. The average number of days of Working Capital was 96, higher than in December 2022 (92 days), mainly because of an increase in days in inventory.

DEBT INDICATORS	Unit	Dec-22	Dec-23
Debt Ratio ⁽¹⁾	Times	1.32	1.36
Financial Expense Coverage ⁽²⁾	Times	7.13	4.24
Net Financial Debt/EBITDA ⁽³⁾	Times	1.86	2.40
Net Financial Leverage ⁽⁴⁾	Times	0.54	0.62

⁽¹⁾ Debt Ratio = Total Liabilities / Total Equity

⁽²⁾ Financial Expense Coverage = Accumulated EBITDA / Accumulated Financial Costs

⁽³⁾ EBITDA + Proportional Profit of unconsolidated consortiums of subsidiaries (excluding IFRS 16 impacts)

⁽⁴⁾ One of SK’s corporate bond covenants is to maintain its net financial leverage at less than 1.2 times

At the close of 2023, the consolidated Net Financial Debt-to-EBITDA ratio was 2.40 times (1.86 times in December 2022). Leverage was 1.36 times, slightly higher than in December 2022. Net Financial Leverage (a corporate bond covenant) was 0.60 times as of December 2023, evidence of the ample compliance with the covenant of 1.2 times. Sigdo Koppers’ debt indicators represent, as a whole, a good financial position capable of fulfilling its short- and long-term obligations.

DEBT INDICATORS	Unit	Dec-22	Dec-23
Return on Equity – ROE ⁽¹⁾	Times	14.8%	7.6%
Return on Assets – ROA ⁽²⁾	Times	4.7%	2.3%
Return on Capital Employed – ROCE ⁽³⁾	Times	12.6%	10.0%

⁽¹⁾ ROE = Profit in the last 12 months / Controller’s Equity

⁽²⁾ ROA = Profit in the last 12 months / Total Assets

⁽³⁾ ROCE = Operating Income in the last 12 months / (Total Equity + Financial Liabilities)

The ROE was 7.6%, the ROA 2.3% and the ROCE 10.0% as of December 31, 2023, revealing that the consolidated profit of Sigdo Koppers was lower than in comparison to December 2022.



CONSOLIDATED
CASH FLOW_

CONSOLIDATED CASH FLOW	Figures in KUS\$		
	Dec-22	Dec-23	Var.
Flow from Operating Activities	174,285	411,551	136.1%
Flow from Investing Activities	(206,652)	(320,095)	54.9%
Capex	(181,262)	(223,235)	23.2%
Sale of Property, Plant and Equipment	5,404	8,522	57.7%
Miscellaneous	(30,794)	(105,382)	242.2%
Flow from Financing Activities	89,363	(57,630)	
Net Flow in the Period	56,996	33,826	(40.7%)
Effect of the variation in the exchange rate on Cash and Cash Equivalents	(10,046)	3,578	
Cash and Cash Equivalents	388,565	425,969	9.6%

The consolidated Flow from Operating Activities was US\$411.6 million, an increase of US\$237.3 million compared to December 2022.

At the close of 2023, the consolidated Flow from Investing Activities was negative, at US\$320.1 million. The investment in Property, Plant and Equipment (Capex) was US\$223.2 million, where the investments of note were by Enaex (US\$91.5 million), mainly for maintenance Capex; and by SKC (US\$75.7 million), basically for the acquisition of the machinery fleet for the rental business. The investment in Miscellaneous (US\$105.4 million) was mostly to pay for the acquisition of MTi Group by Enaex and GMSA by Magotteaux.

Finally, as of December 2023, the Flow from Financing Activities was also negative, at US\$57.6 million, a decrease of US\$147.0 million year to year. In particular, the variation in (net) financial liabilities, including corporate bonds, was a positive US\$177.4 million.

RESULTS BY COMPANY_

EBITDA BY AREA OF BUSINESS	Figures in KUS\$		
	2022	2023	Var.
SERVICES AREA	85,528	26,086	(69.5%)
SKIC	40,984	(26,289)	
PVSA	44,544	52,375	17.6%
INDUSTRIAL AREA	429,106	453,780	5.8%
Enaex	308,414	326,676	5.9%
Magotteaux	120,692	127,104	5.3%
COMMERCIAL AREA	71,268	70,099	(1.6%)
SKC	71,335	70,327	(1.4%)
SKIA	(67)	(228)	
Parent, Write-offs and Adjustments	(10,643)	(7,326)	
Consolidated EBITDA	575,259	542,639	(5.7%)

NET PROFIT BY AREA OF BUSINESS	Figures in KUS\$						
	Total for Companies			% SK	Attributable to the Controller		
	2022	2023	Var.	Dic-23	2022	2023	Var.
SERVICES AREA	20,336	(57,151)			10,787	(53,697)	
SKIC	3,713	(78,748)		83.4%	2,685	(64,457)	
PVSA	16,623	21,597	29.9%	50.0%	8,102	10,760	32.8%
INDUSTRIAL AREA	223,172	206,728	(7.4%)		156,173	144,112	(7.7%)
Enaex	159,155	153,694	(3.4%)	60.7%	96,641	93,325	(3.4%)
Magotteaux	64,017	53,034	(17.2%)	100.0%	59,532	50,787	(14.7%)
COMMERCIAL AREA	75,805	27,433	(63.8%)		72,942	24,227	(66.8%)
SKC	29,406	14,338	(51.2%)	87.9%	25,844	12,603	(51.2%)
SKIA	46,399	13,095	(71.8%)	100.0%	47,098	11,624	(75.3%)
Utilidad Empresas SK	319,313	177,010	(44.6%)		239,902	114,642	(52.2%)
Matriz y Ajustes					(22,541)	1,385	
Utilidad Consolidada SK					217,361	116,027	(46.6%)





INNOVATION_

US\$
43MILLION WAS THE TOTAL CONSOLIDATED
INVESTMENT IN RESEARCH AND
DEVELOPMENT PROJECTS IN 2023

INNOVATION IS A
CENTRAL THRUST IN
THE STRATEGY OF SIGDO
KOPPERS S.A. THAT IS
INTENDED TO DRIVE THE
DEVELOPMENT IN EACH
OF ITS SUBSIDIARIES
FOR THE PURPOSE OF
DELIVERING SOLUTIONS
OF EXCELLENCE TO
CUSTOMERS AND
ASSURING THE SAFETY
OF EMPLOYEES,
OPERATIONAL EFFICIENCY
AND THE COMPANY'S
COMPETITIVENESS.

SIGDO KOPPERS S.A.

ARIBA SAP:

In 2023, Sigdo Koppers began implementing the **Ariba SAP** platform in the Sigdo Koppers Group companies to simplify and to attain a greater efficiency and transparency in transactions with suppliers. The world-class system will be used to register suppliers, send purchase orders, view product and service catalogs, and manage the tracking of invoices, among other functionalities.

SKIC

As part of the ongoing endeavor to improve operating efficiency, SKIC developed several innovation projects in the last year, where its commitment to safety and excellence stands out in each initiative.

One of the main achievements, led by its Special Operations Unit (UME, as abbreviated in Spanish), was to work with its Eva Robot, which demonstrated a great usefulness in site analysis during visits to construction works, in the assessment of brownfield projects, and in the exploration of damaged zones to measure damages and risks without having to expose people to these tasks. Thanks to its advanced video and sensor technology, a 5-hour autonomy and a range of 80 meters, Eva Robot made a complete 3D scan that provided precise information for construction work and for the measurement of progress in projects.

The UME is also working on a **“Transmission Line Improvement”** procedure focused on optimizing the execution of projects at an altitude in order to reduce the accident rate to zero. This procedure, the result of an exhaustive study with the support of advisors expert in transmission lines and data capture, of lessons learned and of continuing improvement to SKIC projects, adds new technologies, operations and equipment, including the use of drones, to guarantee safety and efficiency in each stage.

Lastly, to explore new innovative solutions, the UME conducted an in-depth analysis, studying technologies like **Roborigger**, a remote-controlled robotic device that is revolutionizing crane cargo handling because it can control the orientation of loads separate from the wind, which eliminates the need for main load ropes and significantly improves safety in cargo handling.

PUERTO VENTANAS

PVSA is developing a **new protection of the strip between the pier platform and ships while operations are under way**. The purpose is to protect the area from any falling material. At a speed of 10 to 14 knots, there is a sail effect on the actual tarp system that causes operations to stop because of the inherent risks. The project aims for the new protection to be installed remotely and adapt to the natural movements of ships during unloading.

FEPASA

Track and Trace Platform:

This platform can capture online information from trains in movement and provide train location, monitoring and optimization of the use of fuel, vital signs of locomotives and the detection of equipment anomalies, among other real-time information. This platform also works as a driving assistant and delivers speed warnings, alerts about track areas with operating restrictions, among other features.

Readiness Project:

This is a time clock and readiness platform for crews that provides electronic forms on a platform to provide the georeference of the markings of each crew and obtain online information on the start and end of the workday.

Authorizations were also received in 2023 for the railway carriage of Fuel Oil #5 in **isotanks**, a new type of transport.

MAGOTTEAUX

Industry 4.0:

Magotteaux begin implementing three Concept Tests (CT) for autonomous hybrid manufacture at 2 of its plants, one in Thailand and the other in Mexico. Both CTs represent the initial steps to automate and digitalize the flow of information on its assets and relate that information to part of its production processes in order to achieve a greater level of visibility of production. Magotteaux will use the CTs to test new-generation technologies, supervisory control and data acquisition (SCADA) and the manufacturing execution system (MES).

Customer sustainability:

After being a pioneer for nearly 30 years in the manufacture of ceramic-lined cast parts to increase their useful life, Magotteaux has continuously evolved by introducing state-of-the-art technology. This technology combines the design of new products with the opportunity to adapt material properties to the operating conditions of customers, offering the yield needed in new and existing operations. To support this new technology, the company decided to integrate vertically and invested in a pilot line in 2023 where different types of wear-resistant materials can be designed. In parallel, Magotteaux is incorporating its use to new applications and is working closely with end users to reduce the environmental impact and to improve the product life cycle and the general efficiency of the process. The company also launched a repurchase program, led by a multifunctional team (sales/logistics/manufacture), to recycle its own products, whenever possible, and help its customers. From a long-term perspective, Magotteaux also joined forces with a third party for the development of crushers that have a low consumption of power and water.

ENAEX

Prillex Zero:

La instalación de Enaex en Cachimayo en Perú, es una de las primeras plantas de nitrato de amonio en operar con energía renovable, hidrogeno y amoniaco limpio. En noviembre de 2023, se cumplió el hito de producir las primeras toneladas de nitrato de amonio carbono neutral.

Roboprimer:

Solución de primado robotizado autónomo, que permite añadir tiempo productivo a la cadena de valor y disponer de un carguío más seguro sin exposición de personas en zonas de alto riesgo.

Bright:

Plataforma digital diseñada para la optimización de voladuras y la integración digital con los clientes de Enaex, cuyo objetivo final es aumentar la productividad, a través de la reducción en la variabilidad de los procesos.

Ibegel Pirex:

Durante 2023, se logró desarrollar y producir una emulsión encartuchada para atender a nuevos clientes en el Caribe. Este desarrollo fue un esfuerzo conjunto entre Enaex Brasil y Colombia, lo que refuerza el compromiso con la innovación, fomentando el trabajo en equipo y la colaboración entre distintas filiales y unidades de negocio.



SOCIAL PERFORMANCE_

Sigdo Koppers has policy on its commitment to respect human rights at a company-wide level and it covers the following: a statement of commitment to respect human rights in accordance with internationally accepted standards; a statement of commitment to prevent/respect at least: human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal remuneration, and discrimination; the policy also covers the following: requirements for our own operations (employees, direct activities, products or services), and requirements for our suppliers.

SIGDO KOPPERS WANTS TO CREATE SHARED VALUE WITH ALL ITS STAKEHOLDERS TOWARD WHOM ALL OF THE COMPANY'S ACTIVITIES ARE ALIGNED.

TO THIS END, IT IDENTIFIES STAKEHOLDERS AND DECIDES ON ENGAGEMENT FOCUSES. IN 2023, THE COMPANY WORKED WITH ITS SUBSIDIARIES TO DEFINE COMMON MANAGEMENT INDICATORS AND GOALS THAT WILL BE IMPLEMENTED IN 2024, TOGETHER WITH THE FOLLOWING GROUP-WIDE GUIDELINES.



EMPLOYEES_



FOR SIGDO KOPPERS, EMPLOYEES DETERMINE THE COMPANY’S FUTURE. HAVING COMMITTED, SKILLED TEAMS HAS BEEN AN ONGOING CONCERN SINCE ITS INCEPTION, AND THE RESULTS REFLECT A SUCCESSFUL IMPLEMENTATION OF THE STRATEGY, FOR EXAMPLE, IN MATTERS SUCH AS INTERNATIONALIZATION, LONG-TERM RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS, REGULATORY COMPLIANCE, FINANCIAL SOUNDNESS AND INNOVATION.

Communicating the Values of Sigdo Koppers and the view of entrepreneurship and of the long-term in developing businesses has been fundamental to the management of Sigdo Koppers and its subsidiaries.

In 2023, no penalties were imposed on Sigdo Koppers S.A. in relation to employees, nor were any lawsuits filed against it by employees.

This chapter discusses the information classified under the taxpayer identification number of Sigdo Koppers S.A. as the parent of the Group and an investor. It employs 29 people who work in the corporate building.

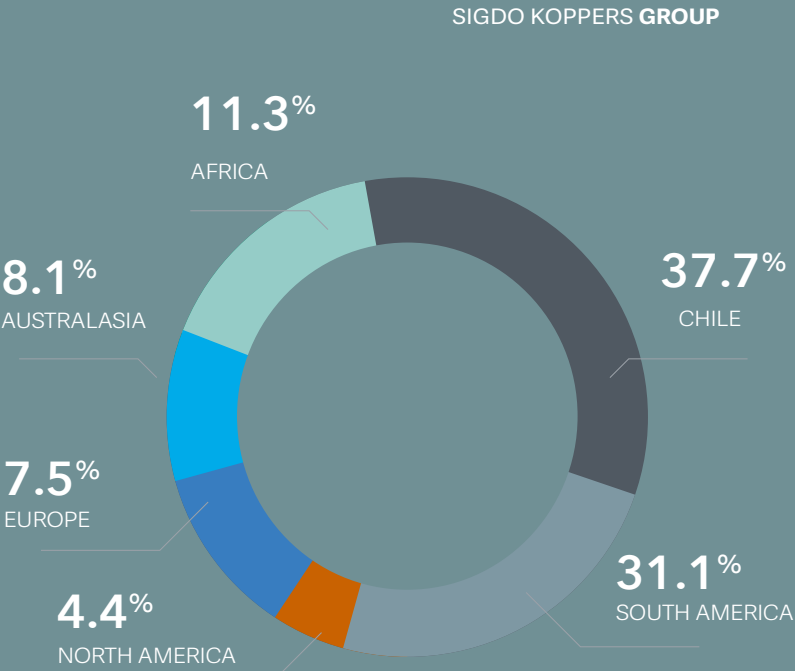
This chapter also provides relevant supplementary information on subsidiaries forming part of the Sigdo Koppers Group.

EMPLOYEES

Number of employees by gender

SIGDO KOPPERS PARENT COMPANY		
POSITION	Women	Men
Upper Managemen	0	3
Management	2	2
Supervisors	3	1
Administrative Staff	0	1
Ancillary Employees	0	5
Other Professionals	10	2
Total	15	14

Number of Employees by region (with a continuing contract)



22,223

CONSOLIDATED TOTAL NUMBER OF EMPLOYEES OF SIGDO KOPPERS AND SUBSIDIARIES

SIGDO KOPPERS GROUP

Share of women in total workforce (as % of total workforce):

17%

Sigdo Koppers promotes the rights of its employees through its corporate code of ethics, its human rights policy, workplace and sexual harassment policy and equal pay policy.



Number of people by nationality

SIGDO KOPPERS PARENT COMPANY

POSITION	Chilean		Colombian		Total	
	Women	Men	Women	Men	Women	Men
Upper Management	0	3	0	0	0	3
Management	2	2	0	0	2	2
Supervisors	3	1	0	0	3	1
Administrative Staff	0	1	0	0	0	1
Ancillary Employees	0	5	0	0	0	5
Other Professionals	9	2	1	0	10	2
Total	14	14	1	0	15	14

Number of people by age range

SIGDO KOPPERS PARENT COMPANY

POSITION	<30 years of age		From 30 to 40 years		From 41 to 50 years		From 51 to 60 years		From 61 to 70 years		Total	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Upper Management				1						2	-	3
Management		1		1	2						2	2
Supervisors		1	2				1				3	1
Administrative Staff									1		-	1
Ancillary Employees						1		3		1	-	5
Other Professionals	4	1	3				1	1	2		10	2
Total	4	3	5	2	2	1	2	4	2	4	15	14

Number of people by time in office

SIGDO KOPPERS PARENT COMPANY

POSITION	<3 years		From 3 to 6 years		From 9 to 12years		>12 years		Total	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Upper Management						1		2	-	3
Management	1	1	1	1					2	2
Supervisors		1	1		2				3	1
Administrative Staff								1	-	1
Ancillary Employees				1				4	-	5
Other Professionals	5	1	2		1		2	1	10	2
TOTAL	6	3	4	2	3	1	2	8	15	14

Employees by region

SIGDO KOPPERS GROUP

MAINLAND REGION	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Africa	11	10
North America	4	4
Australasia	8	9
Chile	38	39
South America	31	30
Europe	8	8

EMPLOYEES UNDER CONTRACT

Number of employees by gender and type of contract

SIGDO KOPPERS PARENT COMPANY

	Men	Women	Total	%Men	%Women
Continuing contract	14	15	29	48%	52%
Total # of Employees	14	15	29	48%	52%

SIGDO KOPPERS GROUP

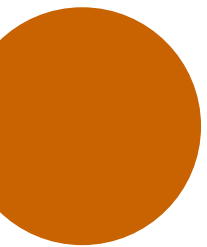
TYPE OF CONTRACT	% of Employees
Continuing	63%
Per Project or Operation	34%
Fixed-Term	3%

FLEXIBLE WORK

Employees and type of work arrangement

SIGDO KOPPERS PARENT COMPANY

	Men	Women	Total	% Men	% Women
Regular working hours (full-time)	14	14	28	50%	50%
Flexible work arrangements due to family responsibilities	-	1	1	0%	100%
Total # of Employees	14	15	29	48%	52%



Sigdo koppers has a group-wide policy on non-discrimination and anti-harassment and it covers the following measures:

Explicit statement prohibiting harassment (sexual harassment and non-sexual harassment); zero tolerance policy for discrimination; defined escalation process for reporting incidents specific to discrimination and/or harassment; and corrective or disciplinary action taken in case of discriminatory behavior or harassment.

51%

OF EMPLOYEES REPRESENTED BY AN INDEPENDENT TRADE UNION OR COVERED BY COLLECTIVE BARGAINING AGREEMENTS

SIGDO KOPPERS GROUP

DIVERSITY

The goal of managing diversity and inclusion is to contribute to a culture of respect among all members of the company and to have these factors be perceived as positive since they enrich the group’s visions and help achieve better results.

Pay Gap

Sigdo Koppers has an Equal Pay Policy designed to ensure that employees earn equal pay based on their position or duties, training and aptitudes, without any type of discrimination.

The Equal Pay Policy sets down the guidelines on the company’s compensation programs and structures for all of the Group’s subsidiaries based on the principle of equal pay among individuals doing the same job.

Additionally, the Group’s companies conduct performance evaluations annually and salary benchmarking studies of the industry to be able to use objective criteria in this respect.

In the case of Sigdo Koppers S.A., the pay gap (women’s gross salary/men’s gross salary) does not apply to the categories of Upper Management, Administrative Staff and Ancillary Staff because only men work in those categories. In the categories of Management, Supervisors and Other Professionals, there is no pay gap by gender because no woman or man hold the same position nor do any have the same responsibilities or duties.

Inclusion

The company has implemented inclusion programs for which the results in subsidiaries have been outstanding. For years, the operations in Chile have been implementing the Value Chile program that aims to formally recognize the knowledge and skills of people in a certain area, which is good for their employability.

Sigdo Koppers has no disabled employees.

Share of women in top management positions, I.E. maximum two levels away from the CEO or comparable positions (as % of total top management positions):

13%

Share of women in all management positions, including junior, middle and top management (as % of total management positions):

16%

Share of women in junior management positions, i.e. first level of management (as % of total junior management positions):

17%

SIGDO KOPPERS GROUP
WORKPLACE AND SEXUAL
HARASSMENT

Sigdo Koppers S.A. and its subsidiaries reject practices of workplace and sexual harassment of employees, so they have formal means of complaint and resolution that are designed to eliminate this conduct contrary to the company’s Values

Among other internal policies and regulations, the company has a Code of Ethics that sets down the directives and procedures to keep workplace and sexual harassment from occurring, and it has a Whistleblower Channel.

In 2023, no specific training was imparted on this subject by Sigdo Koppers S.A., nor were any harassment complaints filed with the Labor Bureau or Sigdo Koppers.

UNIONS

(SASB: EM-MM-310a.1) (SASB: EM-MM-310a.2)

The company encourages open, constructive and responsible relationships and dialog among the companies and the unions representing their employees.

Sigdo Koppers S.A. has no unions or collective bargaining agreements because of the number of employees it has.

There were no strikes or lockouts in 2023 in Sigdo Koppers S.A., and on a Group level and operations- wide, there were just 2 worker strikes: in SK Ingeniería y Construcción, which lasted half a day; and a 2-day strike at the Magotteaux plant in Vaux, Belgium.

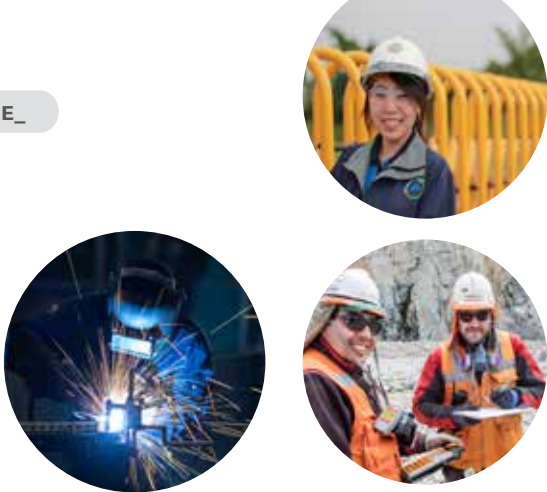


SOCIAL PERFORMANCE OCCUPATIONAL HEALTH AND SAFETY

(SASB: EM-MM-320a.1)

Occupational health and safety are fundamental aspects of the management of Sigdo Koppers. In addition to the corporate policy, also applicable to all its subsidiaries, each of the Group’s companies has monitoring and management procedures and systems in place where the goal is zero accidents in operations. The results are analyzed monthly by the Boards of Directors.

The company has Internal Order, Hygiene and Occupational Safety Regulations that regulate all aspects of safety and risk prevention. The table below shows the occupational safety goals and indicators for 2023. Sigdo Koppers S.A. met the goal of zero accidents, fatalities and days lost due to accidents.



GRUPO SIGDO KOPPERS

HEALTH AND SAFETY INDICATORS	
Accident Rate (1)	1,6
Mortality Rate (2)	-
Occupational Illness Rate (3)	0,1
Average Number of Days lost due to Accidents (4)	16,6

⁽¹⁾ Accident rate = number of work-related accidents / the number of workers x 100

⁽²⁾ Mortality rate = number of work accident fatalities/ number of workers x 100,000

⁽³⁾ Occupational illness rate = number of occupational illnesses/ number of workers x 100

⁽⁴⁾ Average number of days lost per accident = days lost because of accidents/number of work-related accidents.

(SASB: EM-MM-310a.1)

This indicator is related to the occupational health and safety benchmarks of the Mine Safety and Health Administration (MSHA) for the U.S. mining industry. It does not apply to Sigdo Koppers and its subsidiaries because they are suppliers of mining companies.

WORK-RELATED FATALITIES FOR EMPLOYEES AND CONTRACTORS:

0

LTIFR (n/million hours worked) IN 2023:

2.3

MATERNITY AND PATERNITY LEAVE

The rules of law on parental leave of women and men before and after birth govern Sigdo Koppers S.A. The company does not have a specific policy setting a period of additional or another type of leave.

SIGDO KOPPERS PARENT COMPANY

Accident rate
Mortality rate
Occupational illness rate
Average number of days lost due to accidents

:0

Sigdo Koppers has a policy and commitment on Occupational Health and Safety (OHS) and it considers/covers the following: Is applicable to the company’s entire operations/employees as well as contractors or individuals under the company’s supervision; Compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS; Consultation with and participation of workers, and, where they exist, workers’ representatives; A commitment to continually improve the performance of the OHS management system; Setting up prioritization and action plans; Establishment of quantitative targets for improving OHS performance metrics. Endorsement of the implementation of the OHS policy; Highest endorsing decision-making body: Executive management.

Sigdo Koppers has a program on Occupational Health and Safety (OHS) and it considers/covers the following: OHS risk and hazard assessments to identify what could cause harm in the workplace; Prioritization and integration of action plans with quantified targets to address those risks; Integration of action to prepare for and respond to emergency situations; Evaluation of progress in reducing/preventing health issues/risks against targets; Internal inspections; OHS training provided to employees and/or other relevant parties to raise awareness and reduce operational health & safety incidents; OHS criteria introduced in procurement and contractual requirements.

SIGDO KOPPERS PARENT COMPANY

TOTAL NUMBER OF PEOPLE ELIGIBLE	2023
Number of women entitled to maternity leave after birth	1
Number of men entitled to paternity leave after birth	0
Total number of people entitled to leave	1
% of women who made use of leave	100%
% of men who made use of leave	0

TALENT ATTRACTION AND RETENTION

Having the best teams is fundamental to reaching the goals of Sigdo Koppers, so one of its strategic objectives is to attract and retain talent in its subsidiaries.

The company aims to keep people in the organization who stand out for their abilities and skills, whether technical or soft. This is highly important to maintaining a deeply rooted corporate culture, the company's knowledge capital, productivity and efficiency.

To achieve this, the parent company continuously monitors the senior officers of subsidiaries and articulates movements between companies that contribute to the career path of individuals and their permanence in the Group.

Sigdo Koppers also has a People and Sustainability Committee comprised of officers from the Human Resources areas of the Group's subsidiaries, coordinated by the parent company and led by its Executive President. Part of the work of this committee is to promote the best practices in subsidiaries. The following tasks were defined in 2023: implementation of talent and succession maps in all companies, a reinforcement of corporate Values, measurement of the organizational climate in all companies, and the development of internal communication.

100%

OF SUBSIDIARIES CONDUCT
EMPLOYEE PERFORMANCE
EVALUATIONS

SIGDO KOPPERS GROUP

83%

OF EMPLOYEES HAD TOP
LEVEL OF JOB SATISFACTION
IN 2023

SIGDO KOPPERS GROUP

EACH SUBSIDIARY OF SIGDO KOPPERS CARRIES OUT INDIVIDUAL AND/OR TEAM PERFORMANCE APPRAISAL, SUCH AS MANAGEMENT BY OBJECTIVES, MULTIDIMENSIONAL PERFORMANCE APPRAISAL (E.G. 360 DEGREE FEEDBACK), TEAM-BASED PERFORMANCE APPRAISAL, AND/OR AGILE CONVERSATIONS.

PERFORMANCE APPRAISAL FREQUENCY:
AT LEAST ANNUALLY.

ENAEX YOUNG PROFESSIONALS AND SKIC YOUNG PROFESSIONALS TRAINEE:

Talent management programs aimed at preparing outstanding young people through training processes in leadership skills, technical training and accompaniment. In the case of Enaex, it is a 2-year program, in which 33 people participate. At SKIC the program counted with 12 collaborators out of a total of 600 applicants, and had with the objective of training young people with high potential and related to the company culture.

Enaex Academy:

The Enaex Academy training platform has been consolidated as the organization's training system, managing to increase the effectiveness of training through the use of technology and promoting self-management, so that each employee is the protagonist of their development and growth. To date, Enaex Academy is made up of more than 50 schools, with around 450 internal courses conducted by Enaex experts, with more than 4,000 monthly visits and an average user satisfaction of 4.5 out of 5 points. This platform has a version in three languages: Spanish, English and Portuguese.

Enaex Agilista Program:

In order to enhance the Innovation & Entrepreneurship value, one of the relevant milestones this year was the continuity of the Enaex Agilistas program, whose purpose is to train workers in the use of agile tools and turn them into agents of change, and thus establish agility within the Company's DNA.

Since its launch, five generations have been formed in which more than 300 people have participated, generating a community that functions as a support network among its members and also for the company's teams that are developing strategic projects. During 2023, Enaex Brazil and Peru began their Agilistas program.

TOTAL NUMBER OF
NEW EMPLOYEE
HIRES IN 2023:

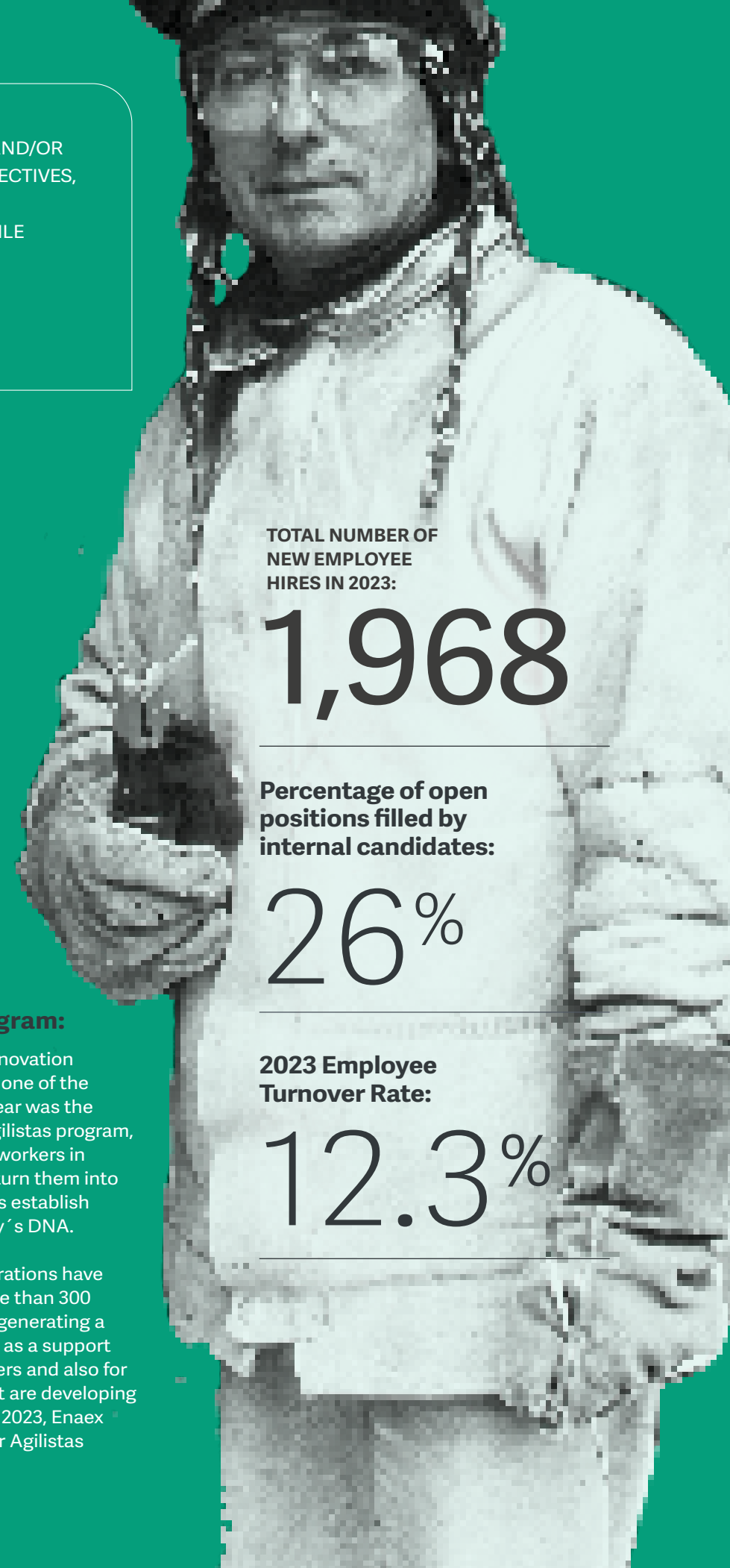
1,968

Percentage of open
positions filled by
internal candidates:

26%

2023 Employee
Turnover Rate:

12.3%





Average amount spent
per fte on training and
development:

US\$ 278

TRAINING AND BENEFITS

It is fundamental to provide ongoing training to employees to have top teams capable of adapting to changes in technology, in regulations and to increasingly more dynamic scenarios.

In 2023, Sigdo Koppers S.A. trained 19 people, which accounts for 66% of its total staff, for an investment of USD 42,064.

It is noteworthy that information under the taxpayer identification number of Sigdo Koppers S.A. shows that investment in training represents less than 1% of annual income because income is comprised of its share in the profits of subsidiaries.

The main matters addressed in 2023 in the training imparted by Sigdo Koppers S.A. were: Transfer Pricing and International Taxation, Technological Tools, the Economic Crimes Law and English Language Classes.

Professional and personal development and quality of life are determining to the commitment of employees to the company. Sigdo Koppers provides several benefits to its employees.

SIGDO KOPPERS EMPLOYEES HAVE
FINANCIAL INCENTIVES INDEXED TO THEIR
WORK PERFORMANCE AND THE PROFITS
THE COMPANY OBTAINS EACH YEAR.

SIGDO KOPPERS HAS EMPLOYEE
SUPPORT PROGRAMS.

Employee benefits:
Sport & health initiatives.

Work conditions:
Flexible working hours; working-from-home
arrangement.

Family benefits:
Childcare facilities or contributions;
Breast-feeding/lactation facilities or benefits; paid
parental leave for the primary caregiver; paid parental
leave for the non-primary caregiver

“

Average Number of Hours of Training

POSITION	Women	Men
Upper Management	0	36
Management	74	148
Supervisors	144	181
Administrative Staff	0	0
Ancillary Employees	0	0
Other Professionals	89	173

MATRIZ SIGDO KOPPERS

39 US\$ 6

hours of
training per
person on average

MILLION INVESTED
IN TRAINING

SIGDO KOPPERS GROUP





CUSTOMERS_

THROUGH ITS SUBSIDIARIES, SIGDO KOPPERS S.A. PROVIDES INTEGRAL SOLUTIONS TO CUSTOMERS THROUGHOUT THE CHAIN OF VALUE OF MINING AND INDUSTRY. IN THIS RESPECT, IT HAS A TEAM FOCUSED ON UNDERSTANDING THEIR NEEDS, DEVELOPING INNOVATIVE PRODUCTS AND SERVICES, AND MEETING THEIR EXPECTATIONS.

PERCENTAGE OF SATISFIED CUSTOMERS/TENANTS:

70%

81%

“
OF SALES ARE MADE TO REPEAT CUSTOMERS (A RELATIONSHIP OF MORE THAN 3 YEARS)
”

SIGDO KOPPERS GROUP

It is a priority for the company to build long-term relationships of trust. To that end, subsidiaries conduct satisfaction surveys from time to time to measure and improve their performance. This is added to loyalty initiatives by means of after-sales service and a thorough understanding of the customer’s processes.

Sigdo Koppers S.A. counts on its subsidiaries, and the relationship with customers is handled by them as part of their business.

No penalties were imposed on Sigdo Koppers S.A. in 2023 in relation to customers.

SUPPLIERS_



AS IT UNDERSTANDS THE IMPORTANCE OF SUPPLIERS IN THE COMPANY’S CHAIN OF VALUE, SIGDO KOPPERS S.A. ENDEAVORS TO GUARANTEE THE BEST TERMS OF SUPPLY AND TO ESTABLISH STRATEGIC RELATIONSHIPS, MAINLY IN THE SUPPLY OF RAW MATERIALS, CONSTRUCTION MATERIALS, MACHINERY, TRUCKS AND CARS.

To manage suppliers correctly, Sigdo Koppers began implementing Ariba SAP in 2023. This process will be up and working in all of the subsidiaries included in the global project over a two-year horizon.

The company has supplier evaluation and payment policies that guide the relationship between the parties.

Sigdo koppers has a supplier code of ethics and conduct applied by all of the group’s subsidiaries. It sets down the criteria for procurement, conflicts of interest, the crime prevention model and employment standards, among others. The purpose is to minimize potential risks and develop long-term, mutually beneficial relationships with suppliers.

PAYMENT TO SUPPLIERS

The Supplier Payment Policy of Sigdo Koppers S.A. provides payment guidelines to subsidiaries. The scope covers payments by subsidiaries to national and foreign suppliers. The goal set for Sigdo Koppers S.A. is to pay its suppliers within 30 days after the date of receipt of properly issued invoices, provided they are not disputed in that period.

This Policy makes a distinction between critical and non-critical suppliers

Subsidiaries in Chile cannot make this distinction by business or area of operation of each because of the variety of activities in which each engages.

All the information shown below is in reference solely to Sigdo Koppers S.A.

SUPPLIER EVALUATION

Sigdo Koppers has a Supplier Evaluation Policy that establishes the directives to be applied before contracting products or services from a supplier. The purpose is to understand the quality of their corporate governance, their risk management system and other sustainability aspects. It also provides for an analysis of supplier performance during the provision of goods and/or services.

According to the Group’s defined strategy, ESG measurements will be added to supplier evaluation during 2024, including goals set for each subsidiary.

SUBCONTRACTS

Sigdo Koppers S.A. has a Subcontracting Policy that establishes the way to engage with companies providing services, to which the subcontracting standards apply throughout their entire chain of value.

The company is committed to respecting and enforcing employment and social security laws and regulations in regard to the employees working for contractors and subcontractors.

The company also requires by contract that service providers abide by employment and social security laws and regulations. Sigdo Koppers takes purposeful action to prevent work-related accidents and illnesses that might affect its own employees or individuals working in its operations, even when they are employed by another company.

The areas in charge of administrating subcontracts include this policy in bidding terms and conditions and in service contracts, and they follow it in selecting bidders.

- **NUMBER OF INVOICES PAID**
The number of invoices paid to suppliers during the year, by range indicated

SIGDO KOPPERS PARENT COMPANY

NUMBER OF INVOICES	Foreign	National	Total
0 - 30 days	24	1,224	1,248
31 - 60 days	0	0	0
61 days or longer	0	0	0

- **TOTAL (IN US\$000’S)**
Sum total of the invoices paid during the year, by range indicated

SIGDO KOPPERS PARENT COMPANY

In US\$	Foreign	National	Total
0-30 days	420.7	4,948.6	5,368.3
31-60 days	0	0	0
61 days or longer	0	0	0

- **NUMBER OF SUPPLIERS**
The number of suppliers issuing the invoices paid during the year, by range indicated

SIGDO KOPPERS PARENT COMPANY

NUMBER OF SUPPLIERS	Foreign	National	Total
0-30 days	8	158	166
31-60 days	0	0	0
61 days or longer	0	0	0

As of December 31, 2023, no interest had accrued because of a delay in paying invoices. Nor were any agreements registered in the Register of Agreements with an Exceptional Period of Payment, kept by the Ministry of the Economy.



SHAREHOLDERS AND INVESTORS_

SHAREHOLDERS AND INVESTORS ARE A VITALLY IMPORTANT GROUP FOR THE COMPANY BECAUSE THEY PROVIDE THE CAPITAL NEEDED TO FINANCE OPERATIONS AND GROW THE COMPANY. IN THIS RESPECT, SIGDO KOPPERS AIMS TO MAXIMIZE THE RETURN ON ITS INVESTMENT AND TO CREATE VALUE FROM A LONG-TERM VIEW.



Sigdo Koppers has an Investor Relations area in charge of providing information and answering questions by investors about the main risks, financial, economic or legal situation and publicly known transactions of the entity. This unit can be contacted from the Sigdo Koppers website.

In line with the above, the company also has a Manual on Handling Information of Interest to the Market that indicates: the owners; the type of information on Sigdo Koppers as an entity registered in the Securities Register; the key information disclosure procedure; the handling of privileged information; the disclosure of information of interest to the market; the obligation to report the transactions of shares and securities by directors, managers, senior officers and related persons; continuous information; privileged information; the prohibition to trade the company's securities in the cases listed; the means of protecting confidential information; training; compliance with the manual and penalties; and period of effectiveness.

The shareholders register of Sigdo Koppers is administrated by Sercor.

During 2023, the company took the following actions to maintain a close and transparent relationship with market analysts, investors and shareholders:

- In-person presentation of quarterly results for 4Q22, 1Q23, 2Q23 and 3Q23.
- More than 100 meetings with investors via video conference call or in person.
- A permanent relationship with more than 20 analysts and investors to answer information requests via calls, email and in-person meetings.
- Attendance of two conferences: the LarraínVial Andean Conference (Santiago) and the Credicorp Andean Conference (Lima).
- Visit with investors and analysts to the plants of Magotteaux and SKC in Chile.
- Attendance by Enaex of JP Morgan Global Hydrogen Week | Panel on H2 Opportunities in Latam.
- Two Non-Deal Roadshows (in Chile and abroad).
- Deepening of relationships with the leading stockbrokers, general fund managers and banks.

AUTHORITIES AND TRADE ASSOCIATIONS_

Sigdo Koppers encourages the creation of alliances with the public sector, private sector and civic organizations.

During 2023, the parent and subsidiaries continued to establish associations with the government for community development programs; with trade associations to strengthen the industry; with academic institutions for research and development of new products and innovations; and with organizations like the U.N. Global Compact.

This contributes to having a shared vision and goals and to spreading the best practices.





COMMUNITIES_

(SASB – EM-MM-210b.1)

THE COMMUNITY APPROACH OF SIGDO KOPPERS AIMS AT PLAYING AN ACTIVE ROLE IN CREATING VALUE FOR COMMUNITIES NEAR ITS OPERATIONS, WHICH ARE IMPLEMENTED IN DIFFERENT PLACES IN THE WORLD. THESE ACTIONS SAFEGUARD THE RESPECT FOR LOCAL CUSTOMS AND SOCIAL PROGRESS AND ARE INTENDED TO MINIMIZE THE IMPACT THAT ACTIVITIES HAVE ON THE ENVIRONMENT.

IMPACT OF FUNDACIÓN CHILE DUAL	2022	2023
Students	4,049	5,800
Technical-Occupational Schools	286	214
Teachers	-	1,142

SIGDO KOPPERS GROUP	SKIC	PVSA	SK GODELIUS	ENAEX	MAGOTTEAUX	SKC	ASTARA LATAM
School-Work Students	4	13	2	46	28	82	210
Master Guides	4	3	1	9	10	38	95

Each of the subsidiaries of Sigdo Koppers takes initiatives within their community based on the interests and needs of that stakeholder. However, on a corporate level, it was established that the preferred tool to improve the quality of life of people will be technical education. The company also promotes, by means of SK Capacitación S.A. and Fundación Educacional Chile Dual, inclusion and equality, a transversal thrust in the education offered.

The mission of Fundación Educacional Chile Dual is to link youths at Technical-Occupational Schools to the production sector in order to improve their educational and employment trajectories. The focus in 2023 was on increasing the scope of the programs by expanding the opportunities for technical, attitudinal and generic training in companies, which included the so-called 21 st -century skills.

The number of spots for fellowships and dual formation increased as a result of this effort, in addition to internships of students graduating from these schools.

The complementary formation of students was also strengthened via training and certification that will be very useful to them if they enter the working world early. Alliances were made with companies and training agencies for this purpose.

The foundation has also continued to train teachers in the implementation of these school-company relationship programs and in refreshing their technical knowledge, hand in hand with companies and an alliance with INACAP.

Fundación Chile Dual is part of the Center for Innovation in Educational Leadership (CILED, as abbreviated in Spanish) and it is in charge of the relationships with companies.



Below we report the social indicators of the Sustainability Accounting Standards Board (SASB) for the Metals and Mining sector.

Non-technical delays

(SASB EM-MM-210b.2)

This code, on the number and duration of non-technical delays, does not apply because Sigdo Koppers has no mining operations.

There were no community strikes in 2023.

Security, Human Rights & Rights of Indigenous Peoples

(SASB: EM-MM-210a.1 / EM-MM-210a.2)

Not applicable. The company has no mines or reserves in or near zones of conflict or indigenous territories.

(SASB: EM-MM-210a.3)

Although the companies in the Sigdo Koppers Group have no reserves in or near zones of conflict and indigenous territories, the Group nonetheless has a Human Rights Policy that safeguards observance of the principles in the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

This Policy represents the public commitment of Sigdo Koppers to the human rights of everyone with whom it interacts, and it stipulates that a due diligence will be conducted, when relevant, to evaluate and take actions regarding real and potential impacts of a human rights violation.



100%

HAVE A STRATEGY AND PROGRAM FOR COMMUNITY ENGAGEMENT

SIGDO KOPPERS GROUP

US\$ 2

was invested in community programs

SIGDO KOPPERS GROUP



ENVIRONMENTAL PERFORMANCE_

ENVIRONMENTAL STRATEGY_



ISO-14001

Each subsidiary of Sigdo Koppers has an environmental management system in place

“ THE COVERAGE OF THE SK ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE POLICY INCLUDES PRODUCTION OPERATIONS AND BUSINESS FACILITIES; PRODUCTS AND SERVICES; DISTRIBUTION AND LOGISTICS; MANAGEMENT OF WASTE; AND DUE-DILIGENCE, MERGERS AND ACQUISITIONS ”

INITIATIVES CONTINUED DURING 2023 TO OPTIMIZE THE USE OF WATER AND ENERGY RESOURCES, INCREASE THE SHARE OF RENEWABLE ENERGY IN THE GLOBAL ENERGY MATRIX, AND MANAGE EMISSIONS AND WASTE BY OPERATIONS.

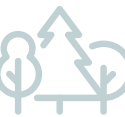
Environmental management is continuously improved by implementing and maintaining the Environmental Management system (ISO-14001) used in each subsidiary of Sigdo Koppers, involving standardized, controlled processes that also comply with the environmental regulations applicable to operations.

Performance is monitored via the corporate environmental indicators that are received from time to time from the Group's subsidiaries, and those indicators are a fundamental part of the company's reporting to society and the financial market.

The basic principles guiding the company's commitment to sustainable development and to the mitigation of environmental impacts are:

Commitments have been made based on the basic principles that give shape to the main pillars in the Sigdo Koppers Group's Environmental Strategy, namely:

- > **PROTECTION** of the environment by preventing environmental impacts.
- > **ENVIRONMENTAL RESPONSIBILITY** in its diverse areas of performance.
- > **ADOPTION OF, AND COMPLIANCE WITH,** the applicable environmental regulations and signed environmental commitments.



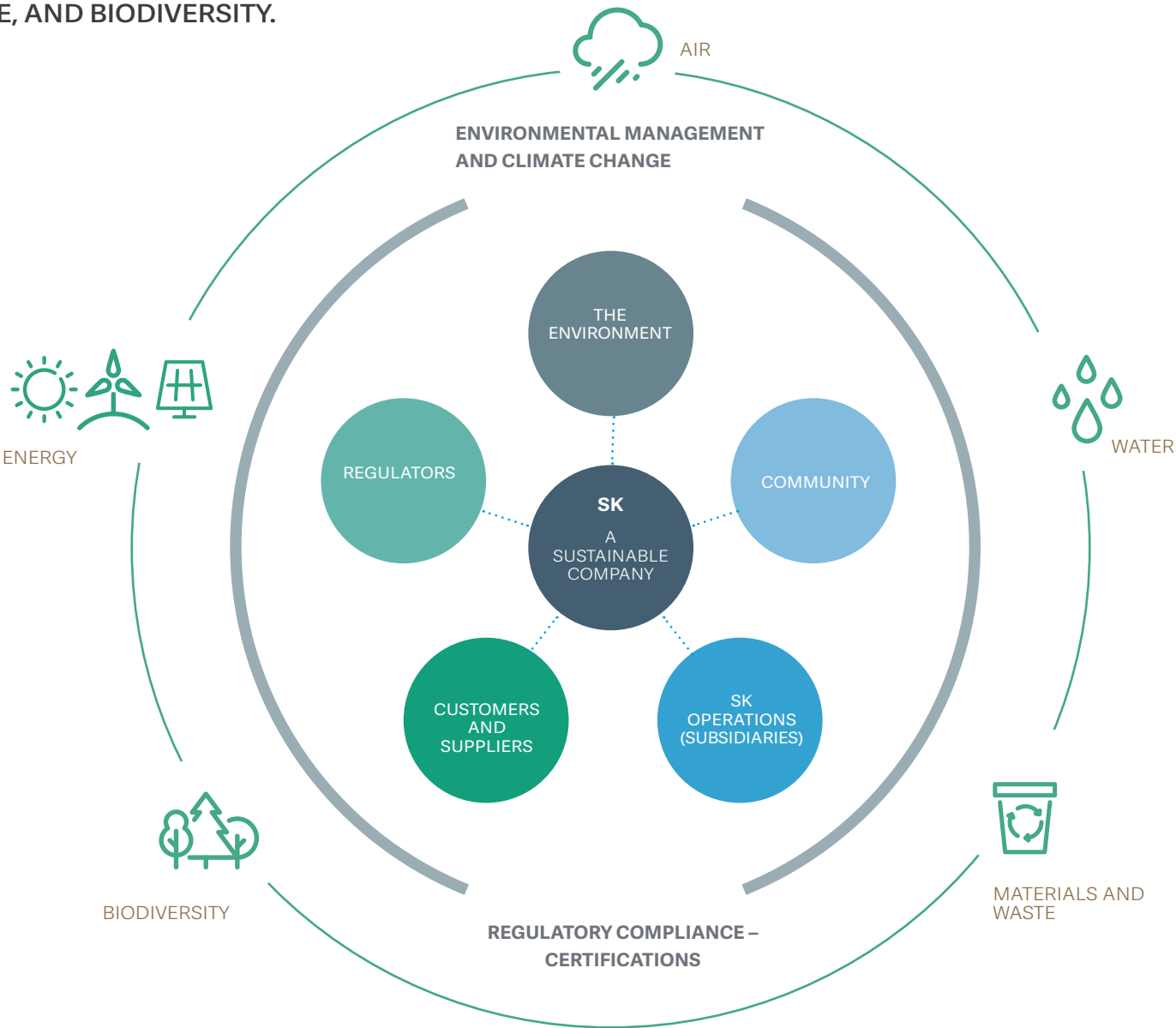
commitments

0.1	INTEGRAL REGULATORY COMPLIANCE	✓
0.2	MANAGEMENT OF ENVIRONMENTAL RISKS AND CONTROL OF ENVIRONMENTAL IMPACTS	✓
0.3	CLIMATE CHANGE MANAGEMENT	✓
0.4	CIRCULAR ECONOMY	✓
0.5	EFFICIENT USE OF WATER AND ENERGY RESOURCES	✓
0.6	CARE FOR BIODIVERSITY	✓



ENVIRONMENTAL MANAGEMENT MODEL _

ENVIRONMENTAL MANAGEMENT MODEL
THE ENVIRONMENTAL MANAGEMENT MODEL OF SIGDO KOPPERS AIMS TO GUIDE ITS ACTIONS IN THIS RESPECT, IN LINE WITH THE SUSTAINABILITY STRATEGY, BASED ON FIVE PRIORITY ENVIRONMENTAL ASPECTS: AIR, WATER, ENERGY, MATERIALS AND WASTE, AND BIODIVERSITY.



90%

SK ENVIRONMENTAL MANAGEMENT SYSTEM IS VERIFIED THROUGH INTERNATIONAL STANDARDS – ISO 14001 AND ISO 50001 – WITH 90% COVERAGE.

AIR

WATER

ENERGY

MATERIALS
AND WASTE

BIODIVERSITY



An emissions strategy has been defined that aims to reduce the carbon footprint. The three scopes are quantified and compliance with ISO 14064 is verified by an outside agency. From 2024 to 2030, the challenge of subsidiaries will be to progress in reducing emissions. So, during 2023, the Group worked on defining the objectives and goals for 2030 according to the nature of each business and its environmental considerations.



Subsidiaries worked on identifying operations in water-stressed zones, with a special emphasis on zones with a high and extremely high index, in order to design management plans for an efficient use of water according to the situation of each operation.



Progress in an efficient use of energy resources was made by implementing ISO 50001 at production facilities and/or in large-scale energy consumers. We have encouraged the Group's subsidiaries to incorporate renewable energy to their energy matrix, as well as electromobility and low-emission fuel projects.



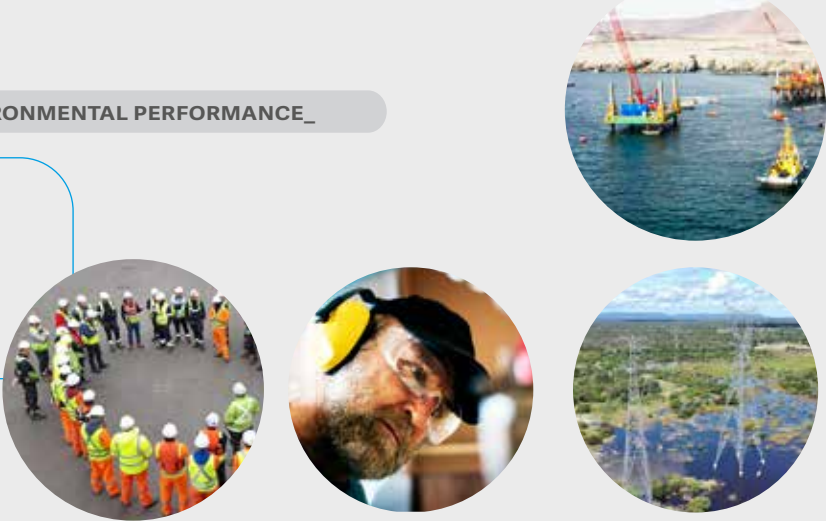
To promote a circular economy of materials and waste, we decided to work on reducing waste generation starting from the design/origin and on repurposing waste generated by activities, in addition to focusing on a search for materials and inputs that are more durable over time and generate less waste.



Subsidiaries have identified zones in a state of conservation or protection near facilities, activities or projects in order to maintain an environmental management plan that controls any impact of the operations inside or near those zones to avoid impacts on the biodiversity. Subsidiaries have also fulfilled their commitments in environmental approvals and complied with regulatory requirements applicable to biodiversity and its components.



ENVIRONMENTAL PERFORMANCE INDICATORS_



EMISSIONS MANAGEMENT

(SASB EM-MM-110a.2)

Climate Change and Greenhouse Gases

Sigdo Koppers is a business group present around the world, so it promotes taking actions to help mitigate the crisis brought on by climate change. It encourages its subsidiaries to implement strategies according to the nature and impact of their activities and to quantify and reduce their carbon footprint over time. The goal is to anticipate the effects of climate change and the opportunities they represent.

Part of the short- and medium-term strategy of the Sigdo Koppers group is to measure the carbon footprint of all its subsidiaries in

2023, including scopes 1, 2 and 3. The purpose is to standardize and establish a long-term strategy that contains objectives and goals on reducing emissions according to the nature and magnitude of each business or activity.

The companies will work gradually on the design of a roadmap that strengthens technological innovation initiatives, a greater use of renewable energy, the integration of new clean energy, and a circular economy that include: waste recycling, repurposing and reduction programs to move towards a low-carbon economy.

Greenhouse Gas Emissions (GHG)

BY SUBSIDIARY		SKIC	PVSA	FEPASA	ENAEX	MAGOTTEAUX	SKC
Scope 1: Direct Emissions	Tons of CO 2 -e	31,146	845	25,823	226,948	71,978	1,654
Scope 2: Energy Emissions	Tons of CO 2 -e	1,156	1,035	272	91,302	282,753	553
Scope 3: Indirect Emissions	Tons of CO 2 -e	521,575	3,454,257	5,183	915,353	1,220,638	9,515
Coverage	%	100%	100%	100%	80%	100%	87%

SIGDO KOPPERS GROUP		2022	2023
Scope 1: Direct Emissions	Tons of CO 2 -e	297,900	358,394
Scope 2: Energy Emissions	Tons of CO 2 -e	141,607	377,071
Scope 3: Indirect Emissions	Tons of CO 2 -e	2,234,882	6,126,521
Coverage	%	73	90

Notes:

- The greenhouse gas emissions reported were in the process of being verified by an outside agency at the close of this report.
- The final verified figures will be posted on the Sigdo Koppers S.A. website.
- In 2023, SK Ingeniería y Construcción began to quantify the GHG emissions of its operations in Chile, Peru and Brazil.
- Puerto Ventanas experienced a significant increase in Scope 1 and 3 emissions compared to 2022, mainly because of the emissions from cargo truck carriage in 2023 because of an operating contingency that is not representative of the port's normal operation.

- The coverage of Enaex is calculated in relation to the income from each subsidiary compared to Enaex's total income. The 80% reported includes all production plants of Chile, Brazil, Peru, Argentina and South Africa.

Enaex Chile, Brazil and South Africa have been externally certified. Peru and Argentina Plants were calculated with the GHG Protocol methodology and will begin an external verification process.

Others foreign plants will be included in coverage for 2024.

- The coverage of Magotteaux increased compared to 2022 after the acquisition of a new plant in South Africa, which significantly increased the Scopes 2 and 3 figures.

SCOPE 3 CATEGORY	Emissions in the reporting year (Metric tons CO2e)
1. Purchased Goods and Services	2,132,649
2. Capital Goods	13,438
3. Fuel-and-energy-related-activities (nos included in Scope 1 or 2)	98,595
4. Upstream transportation and distribution	3,621,026
5. Waste generated in operations	60,464
6. Business travel	9,847
7. Employee commuting	10,905
8. Upstream leased assets	4,702
9. Downstream transportation and distribution	165,197
10. Processing of sold products	0
11. Use of sold products	7,274
12. End of life treatment of sold products	2,423
13. Downstream leased assets	0
14. Franchises	0
15. Investments	0

AIR QUALITY

(SASB EM-MM-120a.1)

Stationary Source Air Emissions

BY SUBSIDIARY		ENAEX	MAGOTTEAUX GROUP	SKC
PM10	tons	1	102	1
SOx	tons	5	28	-
Nox	tons	14	11	-
COV	tons	1	79	-
CO	tons	1	20	-

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
PM10	ton	94	161	135	110	104
SOx	ton	73	8	8	7	33
Nox	ton	212	130	23	23	25
COV*	ton	-	-	-	85	80
CO*	ton	-	-	-	24	21

Notes:

- % Coverage COV 2023: 100%

CLIMATE ISSUES ARE ON THE AGENDA OF THE BOARD OF DIRECTORS. THE FREQUENCY WITH WHICH CLIMATE-RELATED ISSUES ARE SCHEDULED AGENDA ITEMS IS AT LEAST ANNUALLY.

ENERGY MANAGEMENT

(SASB - EM-MM-130a.1)

SK ENERGY MANAGEMENT PROGRAM COVERS THE FOLLOWING ELEMENTS: ENERGY AUDITS TO IDENTIFY OPPORTUNITIES FOR IMPROVING ENERGY PERFORMANCE; QUANTIFIED TARGETS TO ADDRESS ENERGY SAVINGS; ACTIONS TO REDUCE THE AMOUNT OF ENERGY USE; EVALUATION OF PROGRESS IN REDUCING ENERGY CONSUMPTION; USE OF CLEAN OR GREEN ENERGY; INVESTMENTS IN INNOVATION OR R&D TO DECREASE ENERGY CONSUMPTION.

To encourage a progressive increase in the efficient use of water and energy resources used in the operations of the Sigdo Koppers Group, the decision was made to implement energy management systems as one way of continuously improving the energy performance of operations that are large-scale power consumers. The intent is also to promote acquiring energy-efficient products, services and raw materials.

Electricity Consumption and Renewable Energy Consumption by Subsidiaries

BY SUBSIDIARY		SKIC	PVSA	FEPASA	SK GODELIUS	ENAEX	MAGOTTEAUX	SKC
Electricity Consumption	MWh	1,257	63	1,050	62	76,891	544,046	3,270
Renewable Energy Consumption	MWh	-	3,934	-	-	165,592	92,364	-
Total Energy Electricity	MWh	1,257	3,997	1,050	62	242,83	636,410	3,270
Coverage	%	100	100	100	100	99.8	100	100

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
Electricity Consumption	MWh	502,860	474,454	550,013	555,614	626,640
Renewable Energy Consumption	MWh	2,774	2,661	4,195	96,100	261,890
Total Energy Electricity	MWh	505,634	477,15	554,208	651,714	888,530
% Renewable Energy	%	1	1	1	15	29

% Electricity (from the grid)	71%
% Renewable Energy	29%

Note:

Compared to 2022, Enaex’s Cachimayo Plant and Magotteaux’s GMSA plant were added, which increased total power consumption by 338,071 MWh, representing 38% of the total.

The percentage of renewable energy increased in comparison to 2022 thanks to power purchase agreements, to renewable self-generation at plants of Enaex and Magotteaux, and to the Renewable Power Purchase Agreement of Puerto Ventanas.

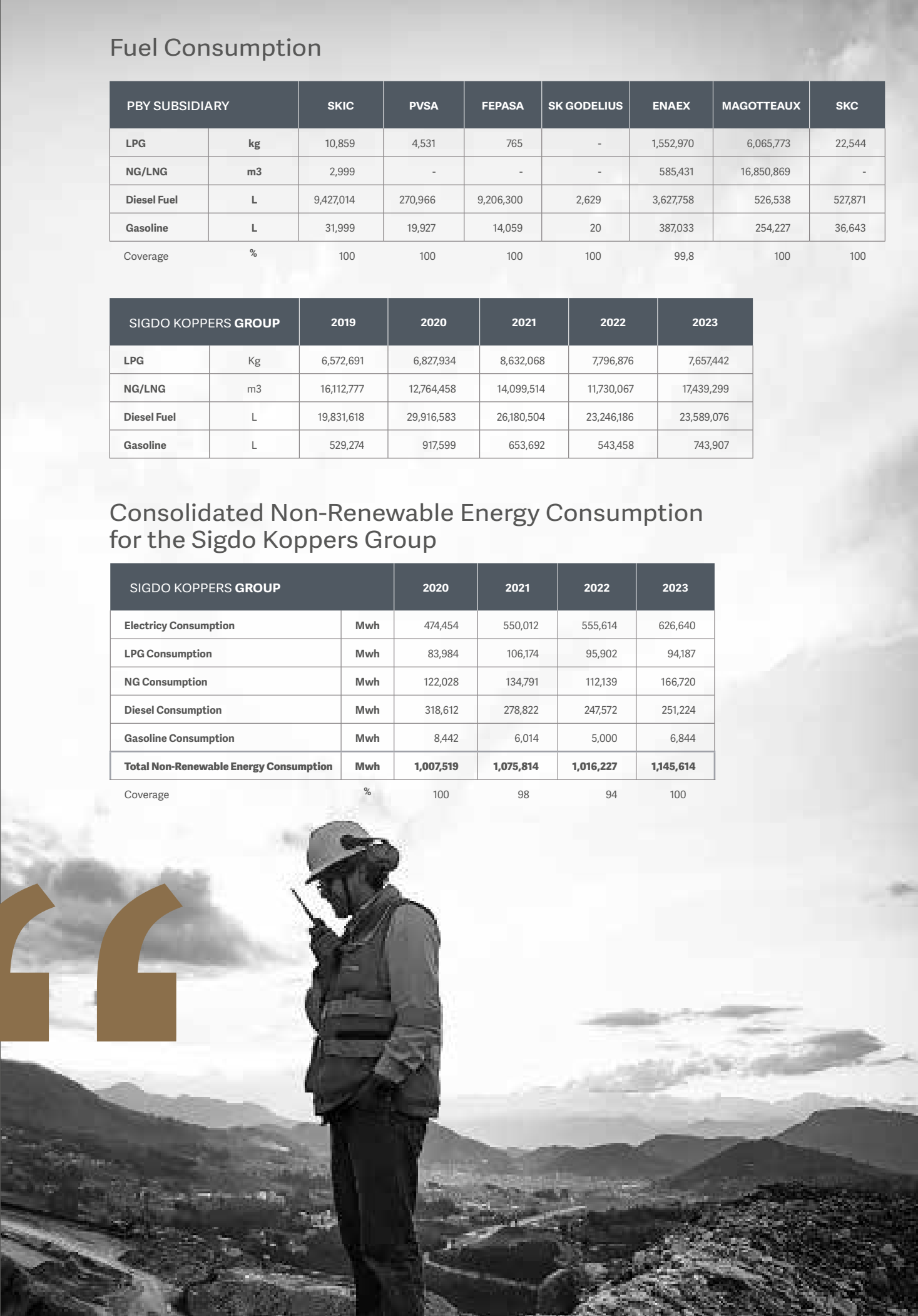
Fuel Consumption

PBY SUBSIDIARY		SKIC	PVSA	FEPASA	SK GODELIUS	ENAEX	MAGOTTEAUX	SKC
LPG	kg	10,859	4,531	765	-	1,552,970	6,065,773	22,544
NG/LNG	m3	2,999	-	-	-	585,431	16,850,869	-
Diesel Fuel	L	9,427,014	270,966	9,206,300	2,629	3,627,758	526,538	527,871
Gasoline	L	31,999	19,927	14,059	20	387,033	254,227	36,643
Coverage	%	100	100	100	100	99,8	100	100

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
LPG	Kg	6,572,691	6,827,934	8,632,068	7,796,876	7,657,442
NG/LNG	m3	16,112,777	12,764,458	14,099,514	11,730,067	17,439,299
Diesel Fuel	L	19,831,618	29,916,583	26,180,504	23,246,186	23,589,076
Gasoline	L	529,274	917,599	653,692	543,458	743,907

Consolidated Non-Renewable Energy Consumption for the Sigdo Koppers Group

SIGDO KOPPERS GROUP		2020	2021	2022	2023
Electricy Consumption	Mwh	474,454	550,012	555,614	626,640
LPG Consumption	Mwh	83,984	106,174	95,902	94,187
NG Consumption	Mwh	122,028	134,791	112,139	166,720
Diesel Consumption	Mwh	318,612	278,822	247,572	251,224
Gasoline Consumption	Mwh	8,442	6,014	5,000	6,844
Total Non-Renewable Energy Consumption	Mwh	1,007,519	1,075,814	1,016,227	1,145,614
Coverage	%	100	98	94	100





Water Consumption, Withdrawal and Discharge

BY SUBSIDIARY		SKIC	PVSA	FEPASA	SK GODELIUS	ENAEX	MAGOTTEAUX	SKC
Consumption of potable water from public water system (A)	Mm3	28	29	30	1	126	445	46
Water withdrawal from groundwater tables (B)	Mm3	170	-	-	-	206	145	2
Water withdrawal from surface water (C)	Mm3	42	-	-	-	305	0	-
Discharges* (D)	Mm3	-	-	-	-	48	1	-
Total Fresh Water Consumption (A+B+C-D)	Mm3	239	29	30	1	589	590	48
Total seawater withdrawal	Mm3	-	-	-	-	42	-	1
Coverage	%	100	100	100	100	99,8	100	100

SIGDO KOPPERS GROUP		2020	2021	2022	2023
Consumption of potable water from public water system (A)	Mm3	416	525	526	704
Water withdrawal from groundwater tables (B)	Mm3	290	417	357	524
Water withdrawal from surface water(C)	Mm3	143	36	50	347
Discharges* (D)	Mm3	-	-	67	49
Total Fresh Water Consumption (A+B+C-D)	Mm3	850	977	866	1,526
Total seawater withdrawal	Mm3	-	-	32	43
Coverage	%	95	95	92	100

Note:

The increase in the total consumption of fresh water was mainly due to the expanded coverage because of the addition of the Cachimayo Plant of the Enaex Group, of Magotteaux’s GMSA plant, and of new projects of SKIC in Brazil, which recorded an increase of 44%.

*Discharges: Water returned to the extraction source with a quality similar to or better than that of the raw water withdrawn (bodies of water).

SK WATER EFFICIENCY MANAGEMENT PROGRAM COVERS THE FOLLOWING ELEMENTS: WATER USE ASSESSMENT TO IDENTIFY OPPORTUNITIES FOR WATER EFFICIENCY IMPROVEMENTS; ACTIONS TO REDUCE WATER CONSUMPTION; ACTIONS TO IMPROVE WASTEWATER QUALITY; ESTABLISHMENT OF TARGETS TO REDUCE WATER USE; APPLICATION OF WATER RECYCLING; AWARENESS TRAINING PROVIDED TO EMPLOYEES ON WATER EFFICIENCY MANAGEMENT PROGRAMS.

Water Stress

(SASB: EM-MM-140a.1)

The Sigdo Koppers Group identified all its industrial and production activities around the world to determine whether they are located in moderate, high or extremely high water-stressed zones.

The baseline water stress measures the ratio between total water withdrawal and renewable surface water and groundwater supply

available. Water withdrawal includes household, industrial and irrigation uses, both consumptive and non-consumptive (WRI Aqueduct, 2019).

The review was made using the Aqueduct tool of the Water Risk Atlas of the World Resource Institute (WRI).

Total for Operations of Sigdo Koppers Subsidiaries*	89
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Operations in Water-Stressed Zones

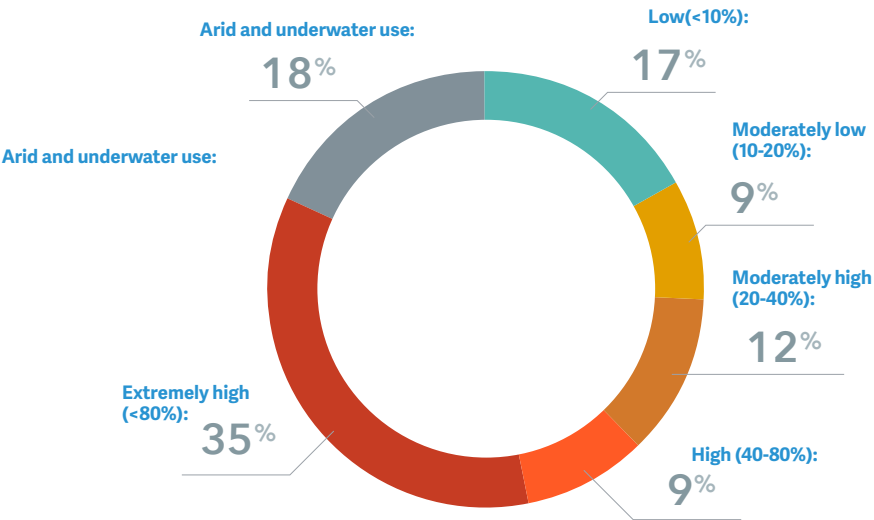
	High (40-80%)	Extremely High (>80%)	Total (High + Extremely High)
(N°)	8	31	39
%	9	35	44

(*) The operations of the Sigdo Koppers Group (subsidiaries) means activities under the control of Sigdo Koppers S.A.

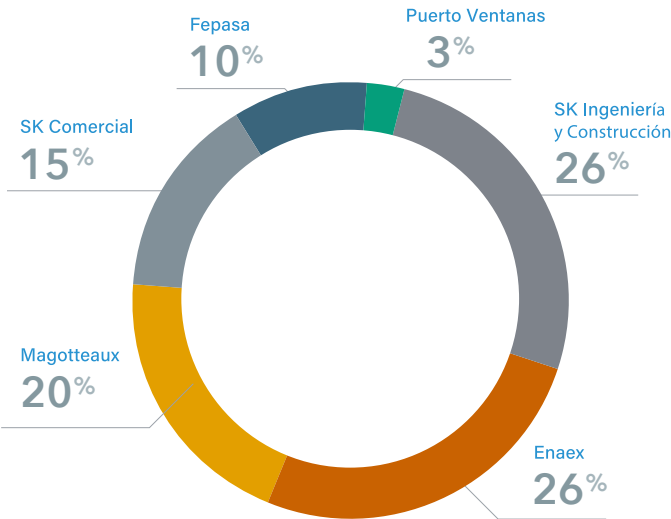
Operations Map: Production plants, industrial projects of SKIC, industrial facilities and services.

No salesrooms or purely administrative operations are included.

% OF OPERATIONS OF SIGDO KOPPERS SUBSIDIARIES IN HIGH AND EXTREMELY HIGH WATER-STRESSED ZONES



% OF OPERATIONS OF SIGDO KOPPERS SUBSIDIARIES IN HIGH AND EXTREMELY HIGH WATER-STRESSED ZONES





SIGDO KOPPERS IS COMMITTED ON NO-DEFORESTATION.

EXTENT OF THE COMMITMENT:
END ALL DEFORESTATION (NO GROSS DEFORESTATION).
TARGET YEAR:

2024

SCOPE OF COMMITMENT:
OWN OPERATIONS.

HIGHEST ENDORSING
DECISION-MAKING BODY:
EXECUTIVE MANAGEMENT



BIODIVERSITY

(SASB EM-MM-160a.1)

Sigdo Koppers is aware that biodiversity is essential in caring for the environment. So, it decided to set a separate goal of promoting and encouraging all companies in the Group to implement good practices of biodiversity and ecosystem protection based on the nature of their operations, the impact of their activities and governing regulations.

Active operations and the sites in or near protected areas are mapped each year to maintain an ongoing environmental control of the operations involved and to comply with regulations on the Biodiversity component.

The Group does not own or exploit mining assets, so the information reported on this indicator relates to the nature and scope of the business activities of subsidiaries.

Sigdo Koppers have completed a biodiversity risk assessment, and it considers/covers the following:

We publicly report on the process steps of our biodiversity risk assessment.

Using of location specific approach.

References to methodologies or frameworks used for assessment.
(SASB Standard)

Integrated into multi- disciplinary company-wide risk management processes. (EMS - ISO14001)

Impact-related biodiversity risks considered in risk assessment.

Scope of biodiversity risk assessment:

We publicly report on the scope of our biodiversity risk assessment:

- Own operations.
- Adjacent areas to own operations.

Risks identified:

We publicly report on the biodiversity-related risks which were identified in protected areas near operations of Sigdo Koppers subsidiaries (5 km) and number of operations inside a protected area.

SIGDO KOPPERS IS COMMITTED TO PROTECTING THE BIODIVERSITY OF ITS OWN OPERATIONS.

Sigdo Koppers is committed to reducing hazardous substances in its products that contain hazardous substances.

89

TOTAL NUMBER OF
OPERATIONS OF
SIGDO KOPPERS SUBSIDIARIES

3

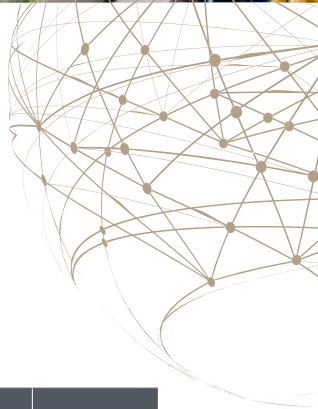
NUMBER OF OPERATIONS OF
SIGDO KOPPERS SUBSIDIARIES
INSIDE A PROTECTED AREA

16.8%

OF PROTECTED AREAS
NEAR OPERATIONS OF
SIGDO KOPPERS SUBSIDIARIES

12

NUMBER OF OPERATIONS OF
SIGDO KOPPERS SUBSIDIARIES
NEAR A PROTECTED AREA (5 KM)



WASTE AND CIRCULAR ECONOMY

One of the main causes of climate change is the effect of linear production and usage economic models that neglect to manage the waste from operations.

The Sigdo Koppers Group has focused on complying strictly with the regulations on hazardous and non-hazardous waste management and on promoting the adoption of techniques that optimize the use of resources and the reduction of raw material consumption. It also fosters opportunities that consider reusing waste and repurposing materials that have finished their useful life by giving them a new use that will extend that life.

SK WASTE MANAGEMENT PROGRAM COVERS THE FOLLOWING ELEMENTS: WASTE AUDITS TO IDENTIFY OPPORTUNITIES FOR IMPROVING WASTE PERFORMANCE; ACTION PLANS TO REDUCE WASTE GENERATION; QUANTIFIED TARGETS TO MINIMIZE WASTE; INVESTMENT IN INNOVATION OR R&D TO MINIMIZE WASTE; WASTE REDUCTION TRAINING PROVIDED TO EMPLOYEES; INTEGRATION OF RECYCLING PROGRAMS TO REDUCE THE WASTE SENT TO LANDFILL.

Hazardous and Non-Hazardous Waste Management

(SASB - EM-MM-150a.1)

BY SUBSIDIARY		SKIC	PVSA	FEPASA	SK GODELIUS	ENAEX	MAGOTTEAUX	SKC
Hazardous waste sent to final disposal	Tons	281	93	121	-	1,145	3,387	528
Non-hazardous waste sent to final disposal	Tons	4,848	948	38	4	820	52,947	266
Recycled/reused waste	Tons	2,448	38	667	-	3,351	65,992	160
Total Waste Generated	Tons	7,577	1,079	826	4	5,315	122,326	954

Coverage	%	100	100	100	100	99.8	100	100
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SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
Hazardous waste sent to final disposal	Tons	4,927	5,111	4,566	5,086	5,555
Non-hazardous waste sent to final disposal	Tons	78,718	74,223	116,143	42,962	59,870
Recycled/reused waste	Tons	38,298	82,016	65,431	63,679	72,655
Total Waste Generated	Tons	121,943	161,350	186,140	111,728	138,080

Note:

The increase in the generation of hazardous and non-hazardous waste was mainly due to the expanded coverage after the addition of the GMSA Plant of the Magotteaux group.

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
Recycled Waste	%	31	51	35	57	53

Waste Distribution

SIGDO KOPPERS GROUP		2020	2021	2022	2023
Total waste recycled/ reused	Ton	82,016	65,431	63,679	63,534
Total waste disposed	Ton	74,223	116,143	42,962	59,870
- Waste landfilled	Ton	74,223	116,143	42,962	49,798
- Waste incinerated with energy recovery	Ton				117
- Waste incinerated without energy recovery	Ton				0
- Waste otherwise disposed	Ton				9,955
Data coverage	%	100	95	100	100

SIGDO KOPPERS GROUP		2020	2021	2022	2023
Total hazardous waste recycled/ reused	Ton				9,121
Total hazardous waste disposed	Ton	5,111	4,566	5,086	5,555
- Hazardous waste landfilled	Ton	5,111	4,566	5,086	3,407
- Hazardous waste incinerated with energy recovery	Ton				825
- Hazardous waste incinerated without energy recovery	Ton				364
- Hazardous waste otherwise disposed	Ton				959
Data coverage	%	100	95	100	100

INVESTMENTS AND COSTS

BY SUBSIDIARY		SKIC	PVSA	FEPASA	ENAEX	MAGOTTEAUX	SKC
Environmental Management and Regulatory Compliance	MUS\$	1,970	1,001	287	2,460	4,038	478

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
Environmental Management and Regulatory Compliance	MUS\$	8,570	9,000	10,058	10,689	10,234

ENVIRONMENTAL REGULATORY COMPLIANCE

Sigdo Koppers works conscientiously and holds to its ongoing commitment to the environment and its care. It promotes active compliance with applicable environmental regulations in the conduct of business and everyone is encouraged to adopt environmental commitments voluntarily.

Below is detailed information on environmental audits and investigations of potential violations.

BY SUBSIDIARY		SKIC	PVSA	FEPASA	ENAEX GRUPO	MAGOTTEAUX	SKC
Audits by the Environmental Authority	N°	0	2	0	4	18	0
Investigations because of Violations	N°	0	0	0	0	2	0
Environmental Penalties	N°	0	0	0	0	0	0
Environmental Fines	USD	0	0	0	0	0	0
Coverage	%	100	100	100	99,8	100	100

SIGDO KOPPERS GROUP		2019	2020	2021	2022	2023
Audits by the Environmental Authority	N°	29	21	43	35	24
Investigations because of Violations	N°	5	7	1	1	2
Environmental Penalties	N°	12	2	0	2	0
Environmental Fines	USD	NR	NR	NR	NR	NR

NR: None recorded

In 2023, the Group recorded two investigations of potential violations by Magotteaux (the plant in Canada and the plant in Belgium) that are still ongoing. They relate to compliance with the Environmental Noise standards and the period for delivery of an air emissions report.

No penalties were imposed nor were fines paid during 2023

SIGDO KOPPERS HAVE NOT PAID ANY SIGNIFICANT FINES (> USD \$10,000) RELATED TO ENVIRONMENTAL OR ECOLOGICAL ISSUES IN THE PAST FOUR FISCAL YEARS.

Sigdo Koppers has an environmental incident reporting system that classifies incidents into 3 levels based on the following criteria:

Level 1 Incident:
Low impact on the environment. The incident occurs in the workplace but has no impacts on the ecosystem and requires minor corrective actions.

Level 2 Incident:
Moderate impact on the physical or biological environment the consequences of which are quickly reversible in the ecosystem but which require the formal intervention of authorities via, for example, audits, orders, inquiries, health investigations, etc.

Level 3 Incident:
Significant impact on the physical or biological environment that has medium-term or long-term impacts and is reported in the regional and/or national press. Environmental investigations are begun because of potential violations and it is likely that the Environmental Authority will impose penalties.

BY SUBSIDIARY		SKIC	PVSA	FEPASA	ENAEX	MAGOTTEAUX	SKC
Level 1 Incident	N°	16	-	-	31	21	1
Level 2 Incident	N°	1	-	-	-	-	-
Level 3 Incident	N°	-	-	-	-	-	-
Coverage	%	100	100	100	99,8	100	100

SIGDO KOPPERS GROUP		2020	2021	2022	2023
Level 1 Incident	N°	51	57	86	69
Level 2 Incident	N°	5	5	2	1
Level 3 Incident	N°	0	2	1	0

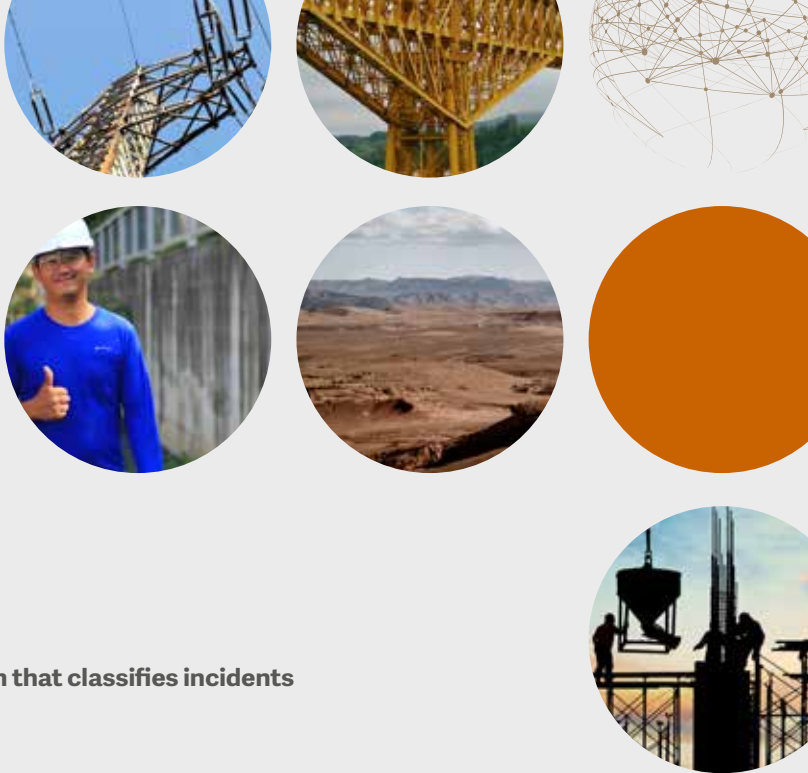
Notas:

A Level 2 Biodiversity Incident occurred in the Sigdo Koppers group in 2023 when a vicuña was run over by a vehicle of SKIC.

(SASB - EM-MM-150a.9)

There were no Level 3 Incidents in Sigdo Koppers subsidiaries in 2023 that had a major impact. There were no incidents involving water quality permits, standards or regulations.

(SASB - EM-MM-140a.2)





ABOUT THIS REPORT_

MATERIALITY ANALYSIS_

DURING 2023, SIGDO KOPPERS S.A. CONDUCTED A MATERIALITY STUDY TO DEFINE THE IMPORTANCE OF TOPICS TO THE ORGANIZATION AND ITS STAKEHOLDERS AND TO ORIENT ITS STRATEGY TOWARDS THOSE GOALS.

"Materiality Analysis conducted/reviewed: Once every 2 years and it considers/covers the following: Involvement of external stakeholders in identifying the material issues; Material Issues are prioritized in a materiality matrix or any other form; Materiality assessment integrated in company's ERM process; Assessment conducted is based on the principle of double materiality or considers internal impact on the business as well as external impact on society and the environment; Materiality assessment results signed off by: Senior Management."

The process entailed 3 stages that combined different methods of gathering information:

REVIEW

The most important national and international trends in sustainability in the industry were reviewed by Sigdo Koppers and its companies. The topics found from this analysis were grouped in a list of major aspects, and then submitted to consultation in the identification stage.

IDENTIFICATION

After the list of material topics was defined, a survey was taken among shareholders, investors, employees and authorities of Sigdo Koppers S.A. to be able to prioritize these topics.

PRIORITIZATION

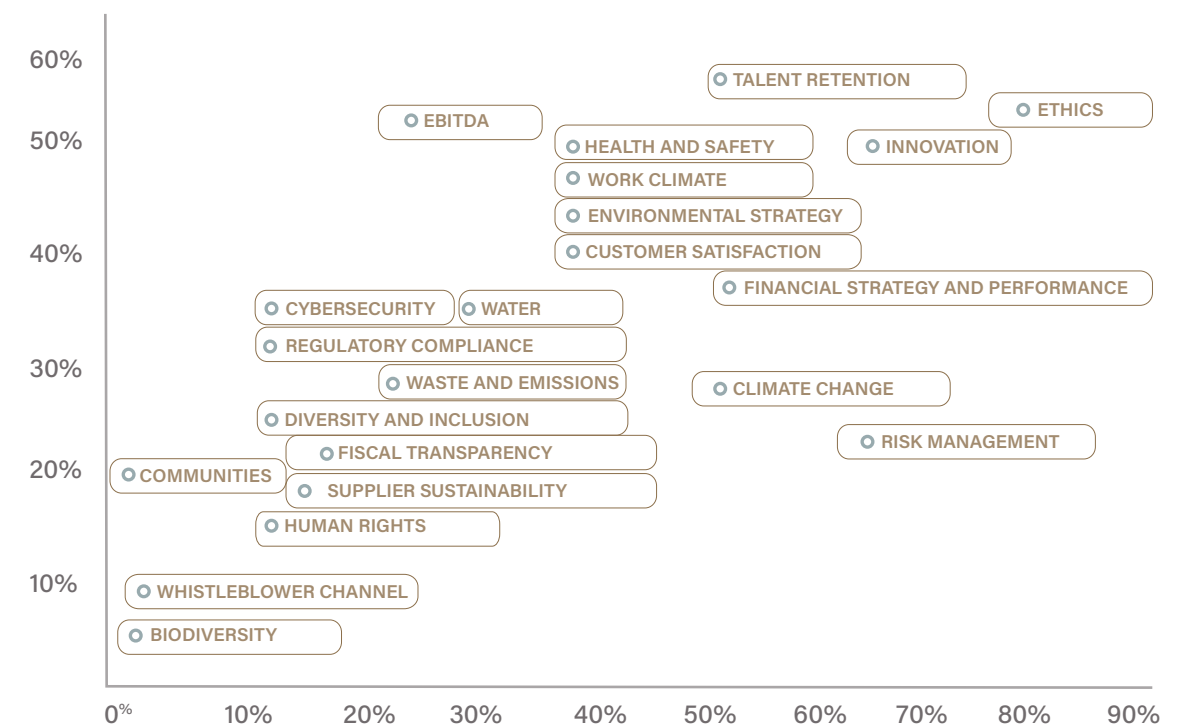
By prioritizing the topics identified in the above stages, we were able to determine which were material, meaning the topics most relevant from the viewpoint of the business and of stakeholders. Sigdo Koppers reports on these topics in its Reports and they are part of its sustainability Strategy.

We provide on this page the Materiality Matrix of Sigdo Koppers S.A. that summarizes the results of this stage.



MATERIALITY MATRIX

IMPORTANCE OF STAKEHOLDERS



IMPACT ON SIGDO KOPPERS' OPERATIONS



2023