

COMPañIA ELECTRO METALÚRGICA S.A.

2022

ANNUAL REPORT
ELEC METAL



Name:

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

Tax ID:

90.320.000-6

Telephone:

(56) 223614010

Registered Office:

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

Type of Organization:

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

Trading Symbol:

ELECMETAL, Santiago Stock Exchange,
Chile.

Webpage:

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

20
22



1.1

Letter from the Chairman

Dear Shareholders,

I am writing to you today as we hereby submit the Annual Report for fiscal year 2022 to your attention.

First of all, I would like to acknowledge our friend and colleague Juan Antonio Álvarez Avendaño, who was the Chairman of the Board of Directors of this Company since 2017, and who passed away suddenly in April 2022. Juan Antonio was since college working very close to Mr. Ricardo Claro and then followed an outstanding career in our group of companies, making a very valuable contribution as a lawyer, executive and director of Elecmetal since 2009 and also director in other companies of the group. Those who had the opportunity to know him and work with him witnessed his invaluable human quality, his deep sense of ethics and values, great professional capacity, very focused leadership and management style, talent, warmth, support and commitment with which he carried out his duties.

I would also like to express my gratitude and recognition to all of you for your trust in our company and your unwavering support for a people-centered management focused on the long term. All the employees of our company and its subsidiaries are committed to its success and we are confident that together we can achieve new goals and objectives in the future.

I would like to take this opportunity to thank our work teams in the different business segments and countries where we operate for their efforts and dedication in achieving our objectives. Their hard work and steadfastness are the reason why we are today in a solid and promising position in all the businesses in which we participate.

In a challenging and complex economic environment, we have managed to remain firm in our convictions and to make progress in the fulfillment of our strategic goals and objectives. In this regard, in the year 2022 we faced a highly volatile scenario with worldwide effects, including the highest inflation rates in several decades in most markets, significant interest rate hikes by the main central banks, the invasion of Ukraine by Russia and residual effects of the Coronavirus pandemic on logistics chains and maritime freight, in addition to a climate rife with uncertainty in the country due to the drafting process for a new Constitution and the government's reformist agenda.

In terms of financial results, we ended fiscal year 2022 with very upbeat results, including all-time record gains in the metallurgy business, with a strong increase in sales volumes in over 40 countries, which were partially offset by lower results in the packaging and wine businesses.

The metallurgical business was able to significantly boost its sales and results based on its strategy of delivering integrated solutions to mining customers, thus taking advantage of the favorable global mining cycle generated by the good medium- and long-term outlook for mineral demand and the projected post-pandemic economic recovery. In the container business, the start-up of a new furnace was more complex than projected in terms of production volumes and implied higher operating costs, whereas in the wine business, the new distribution model has not generated the sales volumes we anticipated in the domestic market, and there was also a decrease in consumption in the last months of the year in both the domestic and export markets.

During the last year, we worked tirelessly to improve the efficiency and effectiveness of our operations to address the high levels of global inflation, and we also acted proactively and decisively to strengthen and streamline the logistic activities that have been so heavily affected since the onset of the Covid pandemic. I am pleased to share the news that we are finally putting behind us the pandemic that has so affected the entire world. Consistent with its concern for people, the Company was very active in its concern and monitoring of the situation of its personnel and their families and took the necessary measures to safeguard the health of all of them, together with measures to maintain operations as smooth as possible in the industrial plants located in Chile, the United States, China, Argentina and Zambia, all of which allowed us to meet the needs of our business customers in all markets in due time.

During the year we made significant investments in capacity expansion in the container business with the construction of a new furnace at the Padre Hurtado plant and in the wine business with the adaptation of the bottling line in Santa Rita and hectares planted with grapes for premium wines. We have also invested in new technologies and in the training of our work teams to be able to offer superior quality products and services to our customers in different regions. Likewise, in the metallurgical business we made significant investments in working capital to ensure the supply reliability to our customers around the world despite significant logistical difficulties.

In addition, we have strengthened our financial position and improved our sustainability performance, enabling us to make a responsible and positive contribution to society and the environment.

I am proud to present the following report with more detail on last year's positive financial results and activities in different areas, reflecting our focus on excellence and our dedication to our shareholders, customers, communities, employees and suppliers. This year's report integrates information on the sustainability management of companies in ESG areas in accordance with General Standard No. 461 of the CMF.

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

With special thanks,

Yours sincerely,

Baltazar Sánchez G.





CHAPTER 02

CORPORATE PROFILE



2.1

Vision, Mission, and Values

Vision

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

Mission

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

Values

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





2.2

Historical Overview

1917

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

This same year, Minneapolis Electric Steel Casting ("ME") was created in the U.S.A. in the same industry.

1970

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

1980

As a natural extension of the glass container business, in 1980 the Company, through Cristalerías de Chile S.A., expanded its activities into the plastic container business. Through this same company and in partnership with Owens Illinois, the Company carried on with its diversification policy, acquiring that year Viña Santa Rita Ltda. and making its first inroads into the agribusiness sector.

1986 - 1989

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

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

1992 - 1993

In 1992, the Board of Directors approved the spin-off of Elecmetal, creating a new company known as Quemchi S.A., to which the investment in the shipping sector was transferred.

In 1993, in order to provide financial support for its modernization and diversification process, Cristalerías de Chile S.A. carried out a capital increase in which a significant portion of the shares were sold on the international markets through American Depositary Receipts (ADRs). From then until 2005, its shares were traded on the New York Stock Exchange under the "CGW" ticker symbol.

1994

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

1995

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

1996 - 1997

In 1996, subsidiary Cristalerías de Chile S.A. acquired an additional 49.9% interest in plastics companies Cristal Plásticos Ltda. (Crowpla) and Reicolite S.A., thereby reaching a 99.9% share in the ownership of both companies, which were merged into a new company under the name Crowpla-Reicolite S.A. Subsequently, in 2001, Cristalerías de Chile S.A. and Embotelladora Andina S.A. established an association in the plastic container business through their respective subsidiaries Crowpla-Reicolite S.A. and Envases Multipack S.A., forming Envases CMF S.A., which they owned in equal parts until the beginning of 2012, when Cristalerías de Chile sold its interest to Andina.

In 1996, subsidiary S.A. Viña Santa Rita acquired a 39.4% ownership interest in Viña Los Vascos, which it subsequently increased to 43% in 1999, in which the main shareholder, holding the remaining 57%, is Les Domaines Barons de Rothschild (Lafite), a company controlled by the Rothschild family. In 1997, in order to further expand the business, Viña Santa Rita created subsidiary Viña Doña Paula in Argentina.

1999

In 1999 subsidiary Cristalerías de Chile S.A. acquired 40% of Rayén Curá S.A.I.C., a glass container manufacturer located in Mendoza, Argentina, from Spanish firm Vicasa S.A. The remaining 60% is owned by the Verallia group, one of the world's three leading glass container makers.

2001 - 2003

In 2001, Elecmetal incorporated subsidiary ME Global Inc. in Delaware, USA, in order to implement its globalization project as a supplier of steel parts for the mining industry. To this end, the company successfully participated in the acquisition of the assets of ME International, Inc.

and ME West Castings, Inc. which were under Chapter 11 of the U.S. Bankruptcy Code due to financial problems faced by the owner of both companies, GS Industries Inc. and its holding company GS Technologies Corp. The assets purchased correspond mainly to two high-tech foundries located in Duluth, Minnesota, and Tempe, Arizona, USA.

Continuing with the growth of the metallurgy business, in 2003, Elecmetal was awarded a 60% share in the ownership of Fundición Talleres in the National and International Public Tender of the Talleres Division Smelting Business carried out by Codelco, Chile. Subsequently, in 2007, Elecmetal achieved 100% ownership.

2006-2007

In 2006, subsidiary Cristalerías de Chile commissioned its second production plant for the manufacture of glass containers in Chile, in Llay-Llay, Fifth Region.

In 2007 Elecmetal and Esco Corp. (USA) entered into a Joint Venture and created Esco Elecmetal Fundición Limitada, a subsidiary that manufactures steel parts for earthwork to supply the domestic and export markets, for which purpose it built a state-of-the-art plant in Colina.

2009-2012

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

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

2014

In 2014 Cristalerías de Chile (34% interest) in alliance with Viñedos Emiliana (33%) and Industria Corchera (33%) incorporated Wine Packaging & Logistic S.A., "WPL", in order to participate in businesses providing wine bottling, labeling and storage services. The new company began operations in 2016.

2016

In 2016, the modernization project of the Fundición Talleres plant in Rancagua, which began in 2015, was completed, incorporating the most cutting-edge technology in the production of mill liners and other spare parts. Also this year, Elecmetal carried out a reorganization of the productive operations of its metallurgy business in Chile as part of its long-term strategic development plan, which meant shutting down the plant located in Santiago and transferring its production capacity to the new plant in Rancagua.

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

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

2017

On the occasion of its 100th anniversary, Elecmetal held various commemorative activities with the participation of the board of directors, shareholders, employees and their families, suppliers, authorities and friends. Also this year, the bidding process for the site on V. Mackenna took place.

2018

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

2019

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

2020-2022

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



2.3 Ownership

2.3.1 Control Situation

The ultimate controlling shareholder of Cía. Electro Metalúrgica S.A. is Fundación Educacional Internacional Claro Vial, whose Patron is Mrs. María Luisa Vial de Claro, Tax ID No. 2,852,104-9.

Fundación Educacional Internacional Claro Vial controls, directly and indirectly, 49.10% of the issued voting shares of the company.

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

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

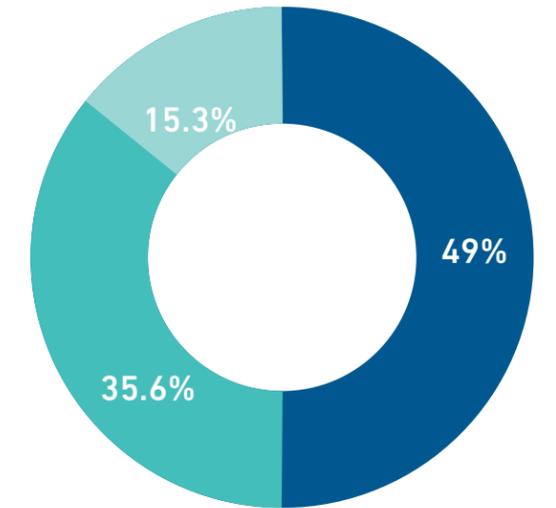
2.3.2 Significant Changes in Ownership or Control

During 2022 there were no significant changes in the ownership or control of the Company.

2.3.3 Identification of Majority Shareholders or Partners

Individuals or legal entities related to Mr. Alfonso Swett Saavedra, Tax ID No. 4,431,932-2:

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



● Controlador ● Accionistas mayoritarios ● Otros accionistas

Individuals or legal entities related to Mr. Patricio García Domínguez, Tax ID No. 3,309,849-9

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

2.3.4 Shares, their Characteristics and Rights

As of December 31, 2022 and 2021, the subscribed and paid-in capital amounts to ThCh\$23,024,952,-, represented by 43,800,000 fully subscribed and paid-in shares of a single series.

The Company has not issued any shares or convertible instruments during the year that would vary the number of shares outstanding as of December 31, 2022.

The dividend policy in effect for fiscal year 2022 was approved at the Annual Shareholders' Meeting held in April 2022 and is as follows:

Of the distributable net income of each year, and provided there are no accumulated losses, at least 50% will be allocated to the payment of cash dividends, which may be interim (provisorio) or final (definitivo), subject to the final decision of the respective Annual Shareholders' Meeting.

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

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

Statistical Information:

Year	Type	Dividends	No. Shares	\$ per Share	Total Dividend	Annual Profit
2022	Interim	269/270	43,800,000	148.00	6,482,400,000	2022
	Final	268	43,800,000	140.16	6,139,008,000	2021
2021	Interim	265/267	43,800,000	288.00	12,614,400,000	2021
	Final	264	43,800,000	27.25	1,193,550,000	2020
2020	Interim	261/263	43,800,000	222.00	9,723,600,000	2020
	Final	260	43,800,000	73.70	3,228,060,000	2019
	Interim	259	43,800,000	74.00	3,241,200,000	2019

Stock Exchange Transactions

During 2022, the Company's shares were traded on the Santiago Stock Exchange according to the following quarterly breakdown:

2022	Price (\$)	Volume (No. Shares)	Traded Amount (\$)
Q1	11,900	3,856	45,886,400
Q2	11,781	914	10,768,938
Q3	11,600	12,992	150,707,200
Q4	11,484	137	1,573,308

Prices and amounts are expressed in historical pesos as certified by the Santiago Stock Exchange. Stock market presence is immaterial. The Company's shares are not traded on the Chilean Electronic Stock Exchange.

Shareholders as of December 31, 2022: 389

2.3.5 Other Securities

1. Bonds of Compañía Electro Metalúrgica S.A.

A. Series D for UF 1,500,000

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

B. Series E for US\$ 72,500,000

By means of an instrument of public record dated January 18, 2013, as amended by a supplementary instrument of public record dated March 11, 2013, Compañía Electro Metalúrgica S.A. entered into a 10-year bond indenture with Banco Santander in its capacity as representative of the bondholders and paying bank. On February 1, 2023 the Company redeemed the Series E bonds in full.

C. Series F bonds for UF 2,000,000

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

2. Bonds of Cristalerías de Chile S.A.

A. Series F for UF 1,000,000

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

3. Bonds of S.A. Viña Santa Rita

A. Series F for UF 1,750,000

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





03

CHAPTER

CORPORATE GOVERNANCE



3.1 Governance Framework

An unfortunate event that occurred in 2022 was the death on April 19 of Mr. Juan Antonio Álvarez Avendaño, who was Chairman of the Board of Directors of the Company and Vice Chairman of the Board of Directors of subsidiaries Cristalerías de Chile S.A. and S.A. Viña Santa Rita. Mr. Juan Antonio Álvarez worked very closely with Mr. Ricardo Claro Valdés from his college days and then followed an outstanding career in the corporate group, with a very valuable contribution as a lawyer, executive, director in different companies of the group and, in recent years, as Chairman of the Board of Directors of this Company. Those who had the opportunity to know him and work with him were witnesses of his valuable human qualities, his deep sense of ethics and values, great professional capacity, focused leadership and management style, talent, warmth, support and commitment with which he carried out his duties. In his replacement, on April 28, 2022, the Board of Directors of the Company appointed Mr. Cristóbal Eyzaguirre Baeza. In addition, at the same meeting, Mr. Baltazar Sánchez Guzmán and Mr. Cristóbal Eyzaguirre Baeza were appointed as Chairman and Vice-Chairman of the Board of Directors, respectively.

Elecmetal's highest corporate governance body is the Board of Directors. Its mission is to realize the Company's mission by defining the business strategy, the human resources, the organizational structure and the assets used, among other matters, all while maximizing the performance of its businesses in accordance with the values and expectations of its stakeholders.

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

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

These initiatives focus on global competitiveness, operational excellence, and integral solutions, including occupational health and safety, innovation and digitalization, environmental care, operational excellence, and climate change.

The Company also actively manages regulatory compliance risks, which is embodied in the design and implementation of an Integrity and Compliance Program, which aims to coordinate efforts to prevent, detect and respond to any act or conduct that violates or may violate the values,

standards and laws in force, internal policies and procedures, complemented by a certified Crime Prevention Model that helps manage and monitor the processes and behaviors exposed to the crimes outlined in Chilean Law No. 20,393 and successive laws on the matter, which establishes certain types of crime and criminal liability for legal entities.

BOARD OF DIRECTORS

The members of the Board of Directors are elected as a result of the decision of the shareholders at the Annual Shareholders' Meeting when applicable according to the law and the Company's bylaws. It is comprised of seven directors, of which, at present, according to the last election in April 2022, one is independent and six are related to the controller and/or principal shareholders.

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

ROLE OF THE BOARD OF DIRECTORS

Its main role is the strategic management of the Company, as well as validating its strategy, in terms of reviewing, correcting and monitoring its execution, as well as the annual and longer-term business plan and the budget to carry it out. It also defines and monitors short, medium and long-term investment activities, ensuring compliance with the strategy and the appropriate debt structure over time. It also appoints the Chief Executive Officer of the Company. It meets at least four times a year with partners responsible for the external audit

of the financial statements, to analyze the financial statements, the audit plan and other relevant aspects.

INDEPENDENT DIRECTOR

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

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

The Company has a **Free Competition Manual** intended to disseminate and comply with the commitment to fully respect the rules of free competition and seek to serve as a guide to all ME Elecmetal employees, in order to prevent violations, provide guidelines and basic recommendations on how to act on the matter. ME Elecmetal's Model for the Prevention of Violations of Antitrust Law consists of a monitoring system, through various tools, on the processes or activities

that are exposed to the risks of committing the offenses referred to in Decree Law No. 211 as amended, with the main objective of preventing and timely detecting the potential materialization of such risks.

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

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

The Company has an internal research and development unit, in addition to partnerships with third parties for the analysis, development and implementation of solutions that are identified in the dynamics and evolution of the business in conjunction with its customers. The Company has in place a process for the management and identification of innovative ideas and opportunities.

The Company is permanently promoting the adoption of policies related to Human Resources so that the way of doing business and the daily work is framed in, and consistent with, the Company's values, in which the main value is respect for the dignity of people, which demands active people management in various areas.

Below is a simplified organizational structure chart for the administration of the business:



3.2 Board of Directors

Chairman

Baltazar Sánchez Guzmán

Date of last re-election: April 6, 2022

Commercial Engineer Pontificia Universidad Católica de Chile

Chairman of the Board of Directors of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita, Ediciones Financieras S.A. and Quilicura S.A.; Vice-Chairman of the Board of Directors of Quemchi S.A. and Marinsa S.A.; Director of ME Global Inc, Inversiones Siemel S.A. and Sociedad Anónima Jahuel Aguas Minerales y Balneario; Chief Executive Officer of COPEC between 1985 and 1990 and of S.A. Viña Santa Rita between 1980 and 1982; Director of Old Georgians Association.

Director since: July 31, 1986

Vice Chairman

Cristóbal Eyzaguirre Baeza

Date of appointment: April 28, 2022

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

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

Director since: April 28, 2022

Directors

Carlos F. Cáceres Contreras

Date of last re-election: April 6, 2022

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

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

Director since: April 23, 2013

Independent Director

José Ignacio Figueroa Elgueta

Date of last re-election: April 6, 2022

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

Director since: April 20, 2016

Fernando Franke García

Date of last re-election: April 6, 2022

Commercial Engineer and Master in Finance, Universidad Adolfo Ibáñez.

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

Director since: April 21, 2013

Alfonso A. Swett Opazo

Date of last re-election: April 6, 2022

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

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

Director since: May 3, 2018

Alfonso Swett Saavedra

Date of last re-election: April 6, 2022

Businessman

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

Director since: April 28, 1975



Profit Sharing:

2022

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

2021

ThCh\$163,757 to Mr. Juan Antonio Álvarez A.; ThCh\$81,878 to each of Messrs. Carlos F. Cáceres C., José I. Figueroa E., Fernando Franke G., Baltazar Sánchez G., Alfonso A. Swett O. and Alfonso Swett S.

Per diem for attendance to Board meetings

2022

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

2021

ThCh\$1,238 to each of Messrs. Juan Antonio Álvarez A., Carlos F. Cáceres C., José I. Figueroa E., Baltazar Sánchez G., Alfonso Swett S., Fernando Franke G., and Alfonso A. Swett O.

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

Regarding the auditing of the annual financial statements, at the Annual Shareholders' Meeting held on April 6, 2022, KPMG Auditores Consultores SpA was appointed as the auditors for the year 2022.

The Board of Directors has a procedure for the proper induction of new directors joining the Board of Directors, which includes meetings with other directors, the Chief Executive Officer and other executives in order to learn about the

vision, mission, characteristics of the company and its businesses, the market in which the Company operates, the strategic direction, financial matters, values, code of conduct, as well as other key policies and practices of the organization, among others. This document is available on the corporate website.

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

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

The company does not have a unit of social responsibility, sustainable development or an equivalent function officer, since these responsibilities are distributed among all the company's management.

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

The Board of Directors, at least on a quarterly basis, in addition to the analysis of the financial statements, is informed of matters related to social, climate change and environmental issues. For the latter, it regularly engages specialized consultants and lawyers. In addition, in the discussion of the annual plan and investment projects, the effects on these aspects in the short and long term are analyzed.

The Chairman of the Board and members of the Board of Directors make on-site visits to learn about different aspects of plant operations and new investments. The Chief Executive Officer and other executives participate in these activities. This program, however, has been affected by the pandemic in recent years.

The Board of Directors has not formalized a performance evaluation procedure. The Board of Directors has held business update meetings.

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

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

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

A. MEN/WOMEN /REGULARS/ALTERNATES

Hombres/Mujeres Titulares/Suplentes

	Men	Women
Regulars	7	0

B. BY NATIONALITY M/W ABD R/A

By nationality M/W abd R/A

	Chileans		Foreigners	
	M	W	M	W
Regulars	7	0	0	0

C. AGE RANGE

Age range

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

D. TENURE

Tenure

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

E. DISABILITIES

Disabilities

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

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

3.3 Board of Directors' Committee

The Directors' Committee elected at the meeting held on April 9, 2019 was comprised of Messrs. Carlos F. Cáceres Contreras, Baltazar Sánchez Guzmán and Alfonso Swett Saavedra, which functioned for a period of 3 years until the date of the Annual Shareholders' Meeting held in April 2022.

At the Board of Directors' Meeting held on April 6, 2022, after the Annual Shareholders' Meeting in which the election of directors was held for a new 3-year period as established in the bylaws, the election of the Directors' Committee of Elecmetal S.A. was held, as established in Article No. 50 bis of Law 18,046, and Messrs. Carlos F. Cáceres Contreras, Baltazar Sánchez Guzmán and Alfonso Swett Saavedra were elected as directors. Mr. Carlos F. Cáceres Contreras assumed as Chairman of the Directors' Committee. Subsequently, on April 30, 2022, Mr. Cristóbal Eyzaguirre Baeza was appointed to replace Mr. Baltazar Sánchez Guzmán as a result of the appointment of the latter as Chairman of the Board following the death of Mr. Juan Antonio Álvarez Avendaño, who was the Chairman of the Board.

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

The main activities carried out by this Committee during the 2022 fiscal year were as follows:

Review of the reports of the independent auditors and the financial statements of Elecmetal S.A. corresponding to the annual closing of the year 2021 and pronouncement regarding these prior to the Board of Directors for approval and submission to the Financial Market Commission (CMF), and subsequent submission to the Annual Shareholders' Meeting for approval.

Review of the 2022 Interim Financial Statements (March, June and September) and review of the independent auditors' report on the interim review of the interim financial statements as of June 30, 2022. Review and approval of usual and customary transactions with related parties: purchase and sale of metallurgical business with Esco Elecmetal Fundición Limitada, Fundición Talleres Ltda, ME Global Inc, ME Elecmetal (China) Co. Ltd. and others, and other transactions pertaining to the respective lines of business with Cristalerías de Chile S.A., Servicios y Consultorías Hendaya S.A., Servicios Compartidos Tichel Ltda., Ediciones Financieras S.A., S.A. Viña Santa Rita and others.

Review of proposals and recommendation to the Board of Directors for the appointment of independent auditors and risk rating agencies that were suggested to the Annual Shareholders' Meeting in April 2022.

Meetings with the independent auditors KPMG for the analysis and review of the financial statements, the audit plan and their observations and other related matters. Meetings with the Internal Audit Manager to review matters such as the Crime Prevention Model under Law No. 20,393, the results of the corporate risk map, the adoption of the CMF regulations and other regulations, objectives to be covered with the Audit Plan, review of progress and results, etc.

In case of events that interrupt the normal operation of the business, the Directors' Committee follows how these events unfold in order to ensure operational continuity, as evidenced by the recent pandemic and the worldwide logistics crisis.

On the other hand, in specific meetings, the Committee analyzed the client portfolio, transfer prices related to

transactions between Elecmetal and its related companies abroad, the evaluation performed by the Internal Audit unit, the remuneration and incentive structure, among other matters.

For the 2022 fiscal year, the Annual Shareholders' Meeting approved a budget of 1,000 Unidades de Fomento for the Committee's operating expenses, including consultancies with independent external consultants and expenses related to the continuous auditing system, the process and risk survey, the regulatory compliance work regarding the certification of the crime prevention model, the operation of the corporate whistleblower system, and others.

Remuneration of the Directors' Committee:

2022

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

2021

ThCh\$27,293 to each of Messrs. Carlos F. Cáceres C., Baltazar Sánchez G. and Alfonso Swett S.

3.4 Senior Management

Chief Executive Officer

Eugenio Arteaga Infante
6.374.575-8

Commercial Engineer and MBA Pontificia Universidad Católica de Chile.

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

Global Marketing Manager

Roberto Lecaros Villaroel
9.982.226-0

Civil Engineer Pontificia Universidad Católica de Chile.

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

International Business Manager

Eduardo Muñoz Huerta
7.311.248-6

Commercial Engineer Universidad de Chile

Start date: October 17, 2016

Internal Audit Manager

Rodrigo Carreño Osorio
12.657.563-7

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

Start date: March 2, 2020

Chief Executive Officer ME South America

José Pablo Domínguez Bustamante
10.557.722-2

Commercial Engineer and MBA Pontificia Universidad Católica de Chile.

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

Corporate Administration and Finance Manager

Nicolás Cuevas Ossandón
7.050.857-5

Commercial Engineer Pontificia Universidad Católica de Chile

Initial date: December 1, 1994

Gross compensation paid to senior executives of the parent company during 2022 totaled Ch\$1,602 million; in 2021 it was Ch\$1,427 million.

It is noted that there are no incentive plans related to stock compensation, stock options or others.

3.5 Adherence to National or International Codes

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

3.6 Risk Management

The Company has adopted a risk management methodology. The Board of Directors is informed of the results of risk management, which is permanently monitored by Management's Business Committee, which is comprised of the main executives and meets monthly to share the state of progress of the business and associated risks. The Directors' Committee and Management report any relevant changes in these matters to the Board of Directors following their occurrence or earlier if warranted.

The Company has implemented a risk management process that is permanently monitored by the Board of Directors through the Directors' Committee and Management, which is applied in the review of strategic planning and medium- and long-term plans. Additionally, once a year Management reviews and updates the strategic risk map, which is reviewed by the Directors' Committee and the Board of Directors. Through this process, the risks that affect the Company in the fulfillment of its objectives are identified, evaluated and prioritized in order to give attention to those with the greatest exposure. The Company has an Internal Audit Department to manage specific risks that have been identified and to verify the effectiveness of, and compliance with, the policies that have been implemented to manage them. The Company has an Information Security Committee that meets periodically. The Company's main executives and their teams participate in the execution of this process. Therefore, there is no position in the organization exclusively in charge of risks.

The Company has a "Standard of Business Conduct" that defines the principles and guidelines that should guide the actions of its personnel. Additionally, it has implemented a Crime Prevention Model that contributes in managing and monitoring the processes and behaviors exposed to the crimes indicated in Chilean Law No. 20,393 and successive amendments on the matter, which establishes certain types of crimes and criminal liability for legal entities. Personnel are trained annually on these issues and the use of the Whistleblower Channel is made clear and promoted, which guarantees confidentiality and anonymity and is available to associates and third parties, in addition to other instances for reporting. The Company has a talent development and succession plan for the proper management and promotion of people and for the succession of senior executives and key positions. Additionally, the Directors' Committee holds a specific meeting once a year to review the salary structure and compensation and indemnity policies of the CEO and other key executives and then reports its analysis and conclusions to the Board of Directors at the next Board meeting.

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

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

Risks that may affect the business:

a) Interest rate

As of December 31, 2022, total obligations with banks and with the public amount to Ch\$621,946 million, which together represent 38.8% of the Company's total assets (35.3% as of December 31, 2021). The obligations to the public total Ch\$235,972 million and correspond to the issuance of bearer bonds of Elecmetal, Viña Santa Rita and Cristalerías de Chile, all with fixed interest rates. Bank loans total Ch\$385,975 million, which mainly corresponds to fixed-rate loans, so the interest rate risk corresponds to the difference in the rate of an eventual renewal of these loans at maturity. Other loans have interest rate variations at certain intervals.

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

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

changes or administrative procedures, which are beyond the Company's control.

An impact on the economic situation in Chile, such as that generated by the Covid-19 pandemic, could have negative effects on the Company's sales, collections, operational continuity, production and distribution costs.

c) Energy costs

Energy costs impact the costs and results of the Company and some of its subsidiaries. Steel foundries and glass container manufacturing are heavily reliant on energy, both electricity and fossil fuels (natural gas and oil), which are used in the steel foundry and container forming processes. Chile has recently faced episodes of risk in the continuity of natural gas supply due to complications in international maritime transportation. On the other hand, the widespread drought that Chile has experienced in the last decade, together with the plans to stop coal-fired power plants as part of decarbonization measures, have made the national electric power system vulnerable.

d) Copper and other minerals and raw materials prices

The metallurgical business is mainly related to copper, gold and iron ore mining. The price of these metals has historically presented cycles, and in recent years there has been a sustained trend of rising prices, which are accounted for by higher demand and solid long-term fundamentals associated with electro mobility, decarbonization commitments and new technologies and, on the other hand, a world supply that has lagged

somewhat behind and partially affected by the negative impacts resulting from the pandemic and greater regulatory, environmental and social requirements for the development of new mining projects. However, high price volatility has been observed recently due to the combined effect of the above-mentioned factors and a high level of uncertainty derived from the current scenario of high inflation, monetary policy rate hikes by the main central banks and expectations of recession or significant economic slowdown in some of the world's main economies.

e) Fluctuations in foreign currency prices and parities

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

In addition, the evolution of the parity between different foreign currencies in the countries in which the Company and its subsidiaries participate causes short-

term variations in the relative prices of their products, so that new competitive pressures may arise in some markets that affect the level of sales and/or operating margins.

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

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

f) Competition risk

The concentration of some mining companies at the international level and growing centralization of their purchasing decisions may encourage the development of increasing and new competition in the metallurgical business. Elecmetal's strategy in this situation has been to provide comprehensive solutions that add value to mining processes, focusing its efforts on achieving the lowest effective cost for its customers through continuous improvements in products and services, new designs, incorporation of technology and digital solutions and on-site service.

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

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

g) Risk of protectionism in the Metallurgical Business

As a consequence of a series of bilateral announcements by the United States and China, as of July 2018, the U.S. government applied tariff measures mainly against Chinese imports to a list of products that includes crushing spare parts that subsidiary ME Global imports from China using its own designs and technical specifications to serve the needs of its customers in the United States. Subsequently, it established a new list of Chinese products subject to these measures, which included a 10% tariff on imports of steel grinding media, a product that ME Global imports from China, where they are manufactured according to our own designs and technical specifications by a joint venture, "ME Long Teng Grinding Media (Changshu) Co., Ltd". The latter tariff was increased from 10% to 25% in 2019, which affected the Company's ability to compete in this market quite significantly. An increase in this type

of bilateral protectionist measures or an escalation of protectionism globally could have an adverse effect on the competitiveness of sales of the products that the Company imports from China, in addition to adding volatility and uncertainty to the global economy. Subsequently, bilateral relations between the United States and China have deteriorated due to the war in Ukraine, the position and actions of both countries with respect to Taiwan, the strengthening of geopolitical alliances on both sides and the decision of the United States to prevent China's access to its cutting-edge technology.

Tensions have also arisen between Australia and China that have affected their bilateral trade, with tariff measures and restrictions on trade in various products between the two countries. In the grinding media business, Australia has imposed differentiated anti-dumping tariffs on various Chinese producers, amongst which ME Elecmetal's products are subject to a rate of 2.1%. In September 2021, at the end of a new investigation on imports of grinding balls from China to determine whether it was necessary to review the measures on this matter, the Australian authority decided to maintain the tariff measures in force even though the Antidumping Commission concluded that there was no dumping or injury to the domestic industry and recommended terminating the tariff measures. Elecmetal filed an appeal to the Anti-Dumping Commission for a review of the decision, a process that is ongoing. Notwithstanding the above, in August 2022 the authority opened a new dumping review aimed at deciding whether anti-dumping measures should be maintained, in which case a new tariff rate will be determined. The investigation is ongoing.



In the case of Chile, in the recent past Moly-Cop has made allegations of dumping with respect to imports of grinding balls under 3 inches in size from China. However, the competent authority decided in November 2020 not to impose anti-dumping measures due to the fact that the available background information does not allow to prove the existence of dumping. It is important to note that, to meet the demand of its mining customers, Elecmetal developed its business model with a major production plant in China, with a local partner, which produces grinding balls with technical specifications and standards of ME Elecmetal, under the framework established by the Free Trade Agreement signed between Chile and China and the strict adherence of Chile to the rules of the World Trade Organization.

A similar situation arose recently in Mexico, where the authority launched an investigation for possible dumping in the import of grinding balls of Chinese origin in that market, based on a complaint from Moly-Cop. This investigation is ongoing.

h) Environmental regulations

In each country, companies are subject to numerous environmental laws, regulations, decrees and municipal ordinances relating to, among other things, health, the handling and disposal of solid and hazardous waste, discharges into the air or water, and noise emissions, which show a trend of increasing requirements. Environmental protection is a constant concern of the company in view of the new regulations in this area, which is making the necessary investments to comply with present and future standards established by the competent authorities. However, environmental requirements are increasing for production plants.

i) Production, marketing and logistics risks

Any problems in production, marketing and logistics, as well as the recent situation of restrictions and complexities in maritime transportation at a global level caused by the Covid pandemic could negatively affect the results of Elecmetal and its subsidiaries, both for the Company's own sales and those of Viña Santa Rita in the local and export markets, and for sales of Cristalerías de Chile's containers to the wine and export sectors. This risk is reduced to the extent that operations and sales markets are diversified.

j) Agricultural risk in the Wine Business

Wine making is highly reliant on the quantity and quality of the grapes harvested. As this is an agricultural activity, it is influenced by climatic factors (droughts, unseasonal rains and frost, among others) and pests. Also, a lower-than-expected harvest could lead to higher direct costs due to lower yields per hectare. Viña Santa Rita has high quality standards in the management of its agricultural assets, which include, among others: pest-resistant plantations, deep wells that ensure sufficient water availability, and frost and hail control systems for a significant portion of its vineyards in order to reduce its exposure to adverse climatic and phytosanitary factors. In addition, it maintains contingency plans and trained brigades to deal with natural disasters.

k) Risk of cyber attack

A growing area of concern faced by companies is related to vulnerability to cyber-attacks on corporate information systems and technologies. The company is permanently evaluating these risks, has various modern tools to protect its computer systems, comprehensive cyber security and monitoring programs, has hired the services of experts in these matters and carries out awareness and training campaigns for users to strengthen the security of its systems and information.

l) Inflation Risk

Inflation is affecting most of the world's economies, reaching record high levels in some cases, such as in Chile and the USA. This situation was initially due to the rapid rebound in consumption resulting from the various monetary stimuli implemented by many governments in a context rife with major disruptions in supply chains and global shipping and has been additionally driven by Russia's invasion of Ukraine, among other factors. There is no certainty as to how long this situation will last and its effects are projected to linger at least until 2023. Its main effects are on the costs and expenses of the Company and its subsidiaries, which are transferred to sales prices gradually depending on the characteristics and competitive position of each business in each market and the business models applied, which can generate delays over time and impact operating margins.

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

m) Climate change risk in the Metallurgical Business

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

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

from policies related to the efficient use of water and energy resources, waste management and operational excellence and continuity of the sites.

n) Coronavirus risk

The Coronavirus emergency has had major repercussions on the population and on global economic, productive and logistical activity. Faced with the pandemic, Elecmetal and its subsidiaries have adopted a set of preventive measures aimed primarily at protecting the safety and health of all the people who interact in and with each company and at fulfilling commitments to customers. As a result of the measures adopted, all the plants of ME Elecmetal, Cristalerías de Chile and Viña Santa Rita have continued to operate normally, thus ensuring the fulfillment of customer orders. It is noteworthy that the metallurgical business has production plants in different parts of the world, which allows the Company to mitigate the risks associated with this type of events that could generate the interruption or problems in production in any of them.

On the other hand, the strong initial impact of the Coronavirus and the economic recovery observed from the end of 2020 onwards significantly affected the availability and cost of sea freight, which has a greater impact on the grinding media business, given the business model with centralized production in China from where the whole world is supplied. ME Elecmetal has taken all necessary measures to ensure the continuous supply of its mining customers, so the primary effect of this situation has been an adverse impact on business costs. Since the end of 2022, this situation has been significantly mitigated both from the point of view of availability and costs.

Likewise, the Coronavirus pandemic affected the entire glass container and wine business chain, generating challenges from the production and logistics area to the commercial and consumer area. Due to the measures taken, the different production activities have been carried out normally.

In the last months of 2022, the Chinese government eased most of the restrictions it had kept in place to curb the Coronavirus pandemic, as a result of which most of the country's urban population contracted Covid, especially in the months of December and January. Although this situation generated important temporary effects on productive and commercial activities and also several health problems, an important herd immunity effect was generated so that after the Chinese New Year festivities at the end of January, city dwellers resumed their normal activities. ME Elecmetal's two production plants in China have been operating normally since the beginning of February and no effects on the 2023 plans are expected as a result of this situation.

However, the Coronavirus pandemic has not been overcome and new variants could emerge in certain regions or worldwide that could force the authorities to reestablish control measures that could affect the capacity to produce or deliver products to customers.

o) Risk of geopolitical conflicts.

The invasion of Ukraine by Russia is impacting various spheres of international economic and commercial activity, with significant effects on the prices of some commodities and important raw materials, deepening the difficulties of supply chains. It has also generated significant volatility

3.7 *Relationship with Stakeholders and the General Public*

in exchange rates and valuation of market securities around the world and has led to significant increases in the prices of various products produced by both countries, such as natural gas, wheat, corn and vegetable oils, among others. The impact of this situation on the operations of Elecmetal and its subsidiaries will depend on the scope and evolution of the conflict, which is uncertain.

p) Risk of deterioration in security and public order.

The security and public order situation in Chile has deteriorated in recent years, which has generated an environment that facilitates the commission of crimes that threaten the safety of our employees and the protection of our assets.

In June 2022 Viña Santa Rita suffered a violent robbery at the Andean Museum, which resulted in the theft of pre-Columbian pieces of incalculable cultural value, and in July 2022 Cristalerías de Chile suffered a terrorist attack at the Las Peñas Wind Farm, a subsidiary of Taguavento SpA.

Any deterioration of the aforementioned conditions could negatively affect the Company's operating results.

The company has several points of contact for investors, the media and the general public, through e-mails and telephone calls. Investors can access public information on the company's website (<https://www.me-elecmetal.com/inversionistas/>). In addition, the company has engaged with a communications and media management agency for support and consulting in these matters.

The company's Corporate Finance and Administration department is the point of contact for third parties and also responsible for implementing improvements in the processes for preparing and disseminating applicable information. The company must meet new demands as and when they arise. The Company complies with regulations so that shareholders can be informed in advance of the Annual Shareholders' Meeting at which directors will be elected, about the candidates standing for election. During the pandemic, the Company implemented technological means to allow remote participation and voting at the Annual Shareholders' Meeting. In April 2023 the Annual Shareholders' Meeting will be held in person.



CHAPTER 04

STRATEGY





4.1 Time Horizons

The Company considers 1 year as short term, 5 years as medium term and 10 years and more as long term, the latter two being the significant time horizons to guide the strategy.

4.2 Strategic Objectives

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

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

The Company's metallurgical business (ME Elecmetal) has developed a sustainability strategy based on four pillars: Elecmetal Seal, People, Environment, and Ties to Create Value, each of which has objectives and initiatives.

Elecmetal Seal:

The Company's values guide its decision-making and the way it relates to each of its stakeholders. Respect for people's dignity, the proactive pursuit of excellence, and responsibility and integrity shape the Elecmetal Seal, which translates into a working style with high levels of loyalty and commitment. This promotes long-term relationships that create value and give meaning to our daily work.

People:

Respect for people's dignity is the cornerstone of the values that allow us to achieve a balance between results and the way in which they are obtained, ensuring comprehensive human development, focused on the customer, responsibility, sustainability and proactive pursuit of excellence. The Company promotes trust and long-term relationships with its employees, making them feel proud to belong to ME Elecmetal. The Company is committed to achieving a "Zero Harm" work environment, promoting greater diversity and fostering talent development.

Environment:

Caring for the environment is a global challenge that is addressed in every solution delivered to customers. The commitment is to be an active agent to promote and advance carbon neutrality and the circular economy in the industry, through innovation and design of alternatives for our processes and solutions for our customers. Aware of its responsibility regarding climate change, the Elecmetal group actively collaborates in its mitigation by supporting various efforts of authorities, leaders, communities, institutions and companies in the different countries where it operates. Thus, in the glass container business, for more than 25 years it has been carrying out a glass recycling initiative between Cristalerías de Chile and Coaniquem, and in the metallurgical business it has developed circular economy initiatives, recovering scrap steel parts directly from the sites of customers - major mining companies - to be melted again in the Company's furnaces to produce new steel parts.

Ties to Create Value:

the Company seeks to be an agent for change, through the generation of alliances as a means to promote sustainable development in the industry.

4.3 Investment Plans

Investment plan in the metallurgical business

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

ME Elecmetal has its own specialty steel smelters for wear parts in the United States, China and Chile, which operate under the highest standards of industrial safety, quality, productivity and sustainability, with a total annual production capacity of more than 120,000 tons of parts. It makes annual capital investments of approximately US\$9 million for the maintenance and modernization of its current plants and expansion investment projects based on long-term business development.

Additionally, subsidiary "Esco Elecmetal Fundación Limitada", a 50/50 Joint Venture with Weir ESCO, inaugurated in 2012 a state-of-the-art steel smelter to supply from Chile ESCO products exclusively to the Chilean and international market; this line of products is a recognized world leader for the extraction of minerals and for earth moving in mining and construction sites.

Also, following the commissioning of a pilot plant in 2010, subsidiary "ME Long Teng" started in 2011 the construction of a modern modular ball and rod mill manufacturing plant in the city of Changshu, China, whose production ME Elecmetal markets directly worldwide. In 2018, the

construction of the fifth phase of this plant was completed, reaching a total annual production capacity of 500,000 tons, positioning it as the highest capacity grinding media plant in the world.

Subsidiary "ME Elecmetal (China) Co., Ltd." completed in 2014 the construction of a state-of-the-art specialty steel smelter in the city of Changzhou, Jiangsu province, China, with an annual capacity of 30,000 tons of spare parts for grinding equipment.

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

Continuing with its international expansion program, in 2016 ME Elecmetal incorporated subsidiary ME Long Teng Grinding Media (Zambia) Limited in the city of Lusaka, Zambia. In 2018, this subsidiary completed the construction of a modern grinding media manufacturing plant in the town of Kalumbila, an area of mining importance, to serve the needs of customers in Africa.





CHAPTER 05

PEOPLE





5.1 Staffing

The information is presented below in accordance with General Standard No. 461 for the metallurgical business. The information for the other businesses is presented in the reports of subsidiaries Cristalcerías de Chile S.A. (consolidated) and S.A. Viña Santa Rita (consolidated).

5.1.1 Number of people by gender

	Female	Male	Total
Management	8	116	124
Supervisors	10	63	73
Sales Force	3	64	67
Administrative	66	77	143
Operators	6	615	621
Other Professionals	40	145	165
Other Technical	12	136	148
Total	145	1.216	1.361

5.1.2 Number of persons by nationality

	Chile	Argentina	China	US	Canada	Cuba	Haiti	Peru	Venezuela	Ecuador	Brazil	Asian (EE.UU.)	Hispanic (EE.UU.)	Total
Management	2	-	3	1	-	-	-	-	-	1	-	1	-	8
Supervisors	5	-	5	-	-	-	-	-	-	-	-	-	-	10
Sales Force	2	-	-	-	-	-	-	-	1	-	-	-	-	3
Female														
Administrative	40	-	3	17	-	-	-	-	-	-	-	2	4	66
Operators	3	-	1	2	-	-	-	-	-	-	-	-	-	6
Other Professionals	22	-	16	-	-	-	-	-	2	-	-	-	-	40
Other Technical	6	-	2	1	-	-	-	-	1	-	-	2	-	12
SUBTOTAL	80	-	30	21	-	-	-	-	4	1	-	5	4	145
Male														
Management	34	-	9	63	-	-	-	-	-	-	-	2	7	116
Supervisors	27	-	19	12	1	-	-	-	2	-	-	1	1	63
Sales Force	44	1	4	11	-	-	-	-	-	-	1	1	3	64
Administrative	34	-	-	36	-	-	-	-	1	-	-	3	3	77
Operators	294	-	163	121	-	1	1	2	4	-	-	4	25	615
Other Professionals	103	-	8	28	-	-	-	-	5	-	-	-	1	145
Other Technical	88	-	24	21	-	-	-	-	1	-	-	1	1	136
SUBTOTAL	624	1	227	292	1	1	1	2	13	-	1	12	41	1,216
TOTAL	704	1	257	313	1	1	1	2	17	1	1	17	45	1,361

5.1.3 Number of people by age group

	Less than 30	Between 30 and 40	Between 41 and 50	Between 51 and 60	Between 61 and 70	More than 70	Total
Female							
Management	-	2	4	1	1	-	8
Supervisors	-	6	4	-	-	-	10
Sales Force	-	3	-	-	-	-	3
Administrative	14	20	15	13	4	-	66
Operators	-	2	4	-	-	-	6
Other Professionals	13	24	3	-	-	-	40
Other Technical	4	5	2	1	-	-	12
SUBTOTAL	31	62	32	15	5	-	145
Male							
Management	5	28	39	30	12	-	116
Supervisors	1	29	17	14	2	2	63
Sales Force	4	31	16	12	1	-	64
Administrative	12	23	20	16	6	-	77
Operators	143	253	143	56	20	-	615
Other Professionals	27	69	38	7	4	-	145
Other Technical	24	56	24	26	6	-	136
SUBTOTAL	216	489	297	161	51	2	1,216
TOTAL	247	551	329	176	56	2	1,361

5.1.4 Length of service

	Less than 3 years	Between 3 and 6 years	Between 6 and 9 years	Between 9 and 12 years	More than 12 years	Total
Female						
Management	2	-	2	2	2	8
Supervisors	3	2	3	-	2	10
Sales Force	2	1	-	-	-	3
Administrative	23	17	10	6	10	66
Operators	2	3	1	-	-	6
Other Professionals	17	16	6	1	-	40
Other Technical	7	3	2	-	-	12
SUBTOTAL	56	42	24	9	14	145
Male						
Management	40	22	16	6	32	116
Supervisors	13	13	18	5	14	63
Sales Force	20	20	10	8	6	64
Administrative	28	13	14	8	14	77
Operators	296	128	95	47	49	615
Other Professionals	66	33	16	10	20	145
Other Technical	34	21	36	14	31	136
SUBTOTAL	497	250	205	98	166	1,216
TOTAL	553	292	229	107	180	1,361



5.1.5 Number of people with disabilities

	With Disability	
Female	Management	-
	Supervisors	-
	Sales Force	-
	Administrative	1
	Operators	-
	Other Professionals	-
	Other Technical	-
	Male	Management
Supervisors		-
Sales Force		-
Administrative		4
Operators		2
Other Professionals		-
Other Technical		-

5.2 Employment Formality

	Fixed Term	Permanent	Total		
Female	Management	1	7	8	
	Supervisors	3	7	10	
	Sales Force	-	3	3	
	Administrative	3	63	66	
	Operators	-	6	6	
	Other Professionals	11	29	40	
	Other Technical	1	11	12	
	SUBTOTAL	19	126	145	
	Male	Management	8	108	116
		Supervisors	6	57	63
Sales Force		5	59	64	
Administrative		1	76	77	
Operators		128	487	615	
Other Professionals		15	130	145	
Other Technical		20	116	136	
SUBTOTAL	183	1,033	1,216		
TOTAL	202	1,159	1,361		

5.3 Work Adaptability

No. Employees	Regular Work Schedule	Part-time	With adaptability agreements for workers with family responsibilities
Women	143	0	0
Men	1218	0	0

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

% of total	Remote work	Work adaptability agreements
Women	4%	0%
Men	9%	0%



5.4 Gender Pay

5.4.1 Equity policy

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

5.4.2 Wage gap

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

Mean (CLP/hour)	Women	Men	Gap (%)
Management	35,312	38,566	91.6%
Supervisors	19,745	21,925	90.1%
Sales Force	16,927	21,272	79.6%
Administrative	8,948	9,079	98.6%
Operators	5,038	6,694	75.3%
Other Professionals	11,002	13,052	84.3%
Other Technicians	8,629	10,021	86.1%
General Total	11,715	13,674	85.7%

Median (CLP/hour)	Women	Men	Gap (%)
Management	35,312	38,804	91.0%
Department Heads	19,435	22,445	86.6%
Sales Force	18,242	19,940	91.5%
Administrative	8,491	8,514	99.7%
Operators	5,212	6,301	82.7%
Other Professionals	10,763	11,657	92.3%
Other Technicians	8,040	9,935	80.9%
General Total	15,071	16,799	89.7%

5.5 Workplace and Sexual Harassment

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

5.6 Occupational Safety

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

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

5.7 Postnatal Leave

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

5.8 Training and Benefits

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

The total amount allocated to training in Chile in 2022 was Ch\$284,035 million, equivalent to 0.06% of revenues in the country. A total of 463 people were trained, equivalent to 63.8% of the staff in Chile. The annual average was 46 hours.

5.9 Subcontracting Policy

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





CHAPTER 06

BUSINESS MODEL - INDUSTRIAL SECTOR



6.1.1 Businesses – Metallurgical

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

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

Through its representative lines, it offers a wide variety of complementary products and solutions for mining applications, e.g., for grinding: fastening bolts and

nuts, rubber products and rubber-metal composite liners, acoustic systems to monitor and improve mill performance; for crushing operations: bronze and other components, epoxy backing resins, AST application pumps; in addition it offers a range of services with sensors and tools for fault detection and early warning, simulations, equipment repair and productivity enhancement services for mining operations through digital solutions including digital twins, parts wear analysis through laser technology and advanced operating data analysis, which together with the products provide comprehensive solutions that fall under the ME FIT program.

ME Elecmetal faces global competitors, present in different countries in the linings and grinding media businesses. Among the latter is Moly-cop, a major global competitor that has filed dumping complaints in several countries where its plants operate.

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

Business Expansion and Strategic Alliances

ME Global Inc, a subsidiary incorporated in 2001 in the United States of America, was the vehicle for the acquisition of the assets of ME International, Inc. and ME West Castings, Inc. in that country. Since 2002, ME Elecmetal has embarked on an optimization program for these assets, the introduction of new product and process technologies and organizational

development, which has enabled it to achieve the highest standards in the steel parts industry worldwide and investment programs to significantly expand the manufacturing capacity of its plants.

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

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

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

products which ME Elecmetal markets directly worldwide.

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

Delivering Integrated Customer Solutions and Innovation

ME Elecmetal's reputation for quality and leadership is recognized worldwide and is rooted in the delivery of solutions that add value to customers' processes, combining designs, alloys or materials, services and technology tailored to each customer's needs, with the strictest technical standards that make it possible to achieve yields that significantly reduce the costs of processing ore and other materials. This value proposal is inspired by our "Value Added Philosophy". To generate added value for our customers, Value Added Philosophy focuses on six fundamental aspects of the mining



operation: Increased Production, Increased Equipment Availability, Decreased Actual Cost, Environmental Protection, Training and Safety. This philosophy is highly appreciated by our customers and is the basis of our leading position in the global market for integrated mining solutions. One example of this is the lead position obtained in the market of wear parts for SAG milling, a market in which, excluding Australia and Asia, where the Company is just starting to penetrate, ME Elecmetal has more than 50% of the world market share. Each project inspired by this "Value Added Philosophy" is measured and controlled to validate the results in the eyes of customers and to visibly and jointly manage its progress and added value.

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

The technical service provided by ME Elecmetal, which effectively sets ME Elecmetal apart from its competitors, is oriented to seek the lowest effective cost for its customers and includes advice on the optimization of haulage and processing of minerals and other materials, new designs and on-site service with highly trained and experienced personnel. In addition, by working together with clients in the detection of opportunities, the search for

innovative solutions and the application of improvements in production processes and maintenance practices, this benefit-based sales modality allows us to establish real strategic alliances with our clients.

Complementing the line of business and integral solutions to its customers, ME Elecmetal offers a business area for Inspection and Early Warning Services, which provides monitoring, inspections of mining equipment, 3D laser measurements, predictive/symptomatic analysis and the most advanced technology available in the market with sensors, acoustic systems, ultrasound equipment, thermography and laser scanning and a highly qualified technical team. The incorporation of new technologies, intelligent data collection (IoT) and its advanced analysis is an important part of the work performed by this unit.

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

All these developments and the continuous emphasis on high product quality and service excellence are part of the innovation program that is part of the permanent management of ME Elecmetal's personnel. Collaboration with the client, technical knowledge and the application of world-

class simulation and design systems by our Engineering and Design and Early Warning teams, generate fundamental conditions to increase the availability of mining and mineral processing equipment, improve the extraction and processing rate and product quality, achieve longer service life and less exposure to accidents for employees, among other benefits that constitute innovative solutions and best practices for the mining market.

Organizational Development

ME Elecmetal's metallurgical business is staffed by 1,380 people hired directly and 566 people through 50/50 Joint Ventures. The workforce is distributed mainly in Chile, China, USA and Zambia in addition to Australia, Brazil, Canada, Indonesia, Mexico, Mongolia, Panama, Peru and the United Kingdom.

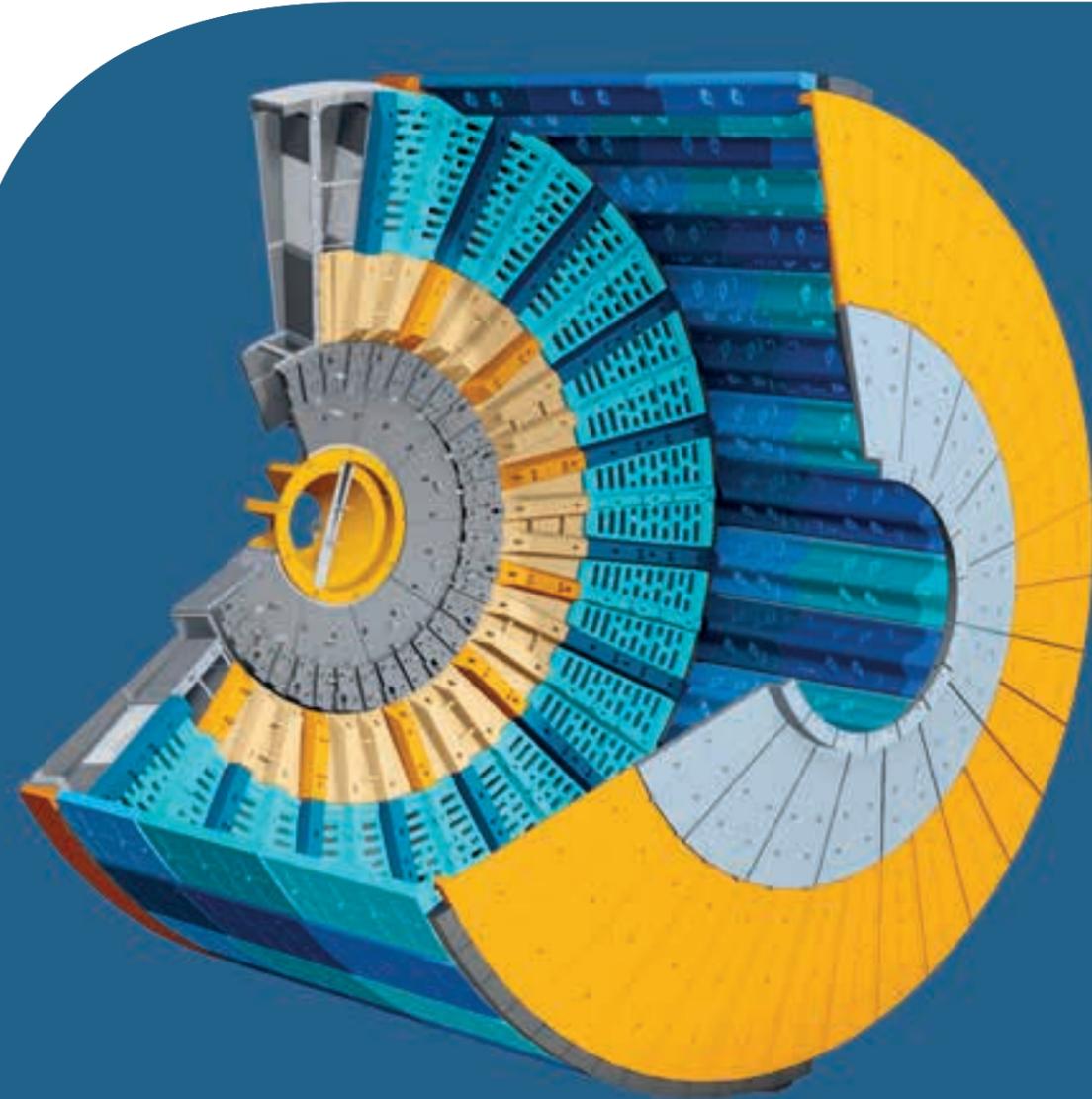
ME Elecmetal continues to build on its efforts in organizational alignment and staff motivation and commitment to achieve its vision for the future: "to be a globally competitive supplier recognized for excellence and leadership in the sustainable delivery of integrated solutions that add value to mining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

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

commitment to sustainability. Thus, ME Elecmetal assigns the highest priority to the establishment of work environments in which people can maximize their potential, creativity and initiative so that they can be fully realized through their work. This is the essence of ME Elecmetal's Road to Excellence and the Company continues to develop its people management policies aimed at promoting the personal and professional development of its employees,

safety at work and improving the quality of life of employees and their families. In 2022, as in the previous year, the Company focused on making these values a reality in all its operations and offices around the world, taking the necessary measures and protocols and the required flexibility to take care of all its employees and their families in the midst of the pandemic and the consequences it has generated.

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



6.1.2 Businesses – Containers

Cristalerías de Chile, “CristalChile”, is the leading producer and distributor of glass containers in Chile with more than 118 years of experience. CristalChile serves the needs of various sectors, including wine, beer, soft drinks, juices, mineral waters, liquors and food.

The Elecmetal Group took control of the ownership and management of Cristalerías de Chile S.A. in 1975, launching a major technological and commercial modernization process. In 1977, a technical assistance agreement was signed with Owens-Illinois of the United States, the world’s leading producer of glass containers. Since 1978, the Company concentrated its glass container production activities at the Padre Hurtado plant and in 2006 expanded and diversified operations with the construction of a new plant in Llay Llay, the first stage of which was inaugurated in 2007. This plant began operations in November 2006, with a production capacity of 75,000 tons per year, thus entering a new phase. In August 2008, production capacity at the Llay Llay plant was increased to 100,000 tons per year with the addition of a new production line.

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

CristalChile serves more than 250 national and international customers, providing them with various additional technical and commercial assistance services, both in the design and development of new containers as well as in their filling, closing, labeling, packaging and distribution management processes.

The main customers are in the wine, beer, alcoholic and non-alcoholic beverages mass consumption markets. CristalChile has a strong presence in Chile and is also increasing its position in international markets, currently exporting glass containers directly to more than 10 countries in the Americas. The Company is in strategic alliance with international

distributor Berlin Packaging, through which it supplies wineries in the California Valley in the United States.

In commercial matters, CristalChile carries out different activities aimed at offering a better service to its customers, studying and promoting the development of new glass container projects and highlighting their benefits. These activities are:

- Working together with customers to develop new containers tailored to the needs of the final consumer.
- Promoting the development of products seeking to keep customers updated on the topics and propose new containers with modern and attractive ideas.
- Supporting activities aimed at promoting Chilean wine abroad.
- Continuing to consolidate the glass recycling campaign, broadening it to the entire country and disseminating it in the media. This has made it possible to create the largest recycling network in Chile and to highlight the ecological advantages of glass containers, in addition to continuing to collaborate with the Corporación de Ayuda al Niño Quemado (COANIQUEM), an institution of recognized prestige in the country.
- Promoting glass consumption through the grassroots cause known as “Elige Vidrio”. CristalChile promotes and positions the Elige Vidrio brand as the grassroots cause that seeks to raise awareness about responsible glass consumption, promoting the benefits of glass containers and highlighting their positive impact on people’s quality of life. During the year, various activities continued, expanding its digital community, strategic alliances and consolidating the Chile Elige Vidrio recycling network.

In a scenario where the impact on the environment is becoming increasingly relevant, Elige Vidrio has been taking on added significance, becoming an actor that calls to promote its commitment

to the planet. This is how Chile Elige Vidrio was born, the initiative that has worked on building an extensive network of permanent, economically viable and responsible recycling endeavors, which can be applied in each territory with its own particular needs and complexities. Elige Vidrio took on the challenge of creating a sustainable recycling model that would reach every corner of the country, through public-private partnerships with actors such as regional companies, municipalities, small local logistics operators, recycling entrepreneurs, among others, highly involved and aware of the contribution they can make to environmental care, contribute to an ecosystem where, in the absence of their support, it would not be possible to reach places as far-flung as Aysén, Punta Arenas and even Cape Horn.

CristalChile has promoted the Ecoglass line of containers, a lighter cutting-edge technology container that maintains the design and quality of a traditional bottle. This technology allows for uniform distribution of the glass, reducing the weight of the bottles and decreasing carbon emissions both in production and associated transportation. Twelve years after the creation of the Ecoglass line, about 60% of CristalChile’s glass container production belongs to this product category.

An essential characteristic of glass is its returnability, allowing for an average of 35 turns in the life cycle of the container before it is recycled. Given the national context of lower activity and inflation, returnable glass containers, due to their price-quality ratio, have become a key player in the traditional channel, where they occupy a prominent place on the shelves of stores and “HORECA” markets (Hotels, Restaurants and Cafés).

In terms of international markets, exports were oriented mainly to the U.S., Brazil, Argentina, Mexico, Colombia, Peru, and Bolivia. Exports to Uruguay, Paraguay, and Indonesia began in 2022.

The main products manufactured by CristalChile are returnable and non-returnable glass containers, with different types of mouths (Crown, Twist Off, Security, MCA2, Cork and Screw Cap), decorated,

painted and labeled, all with the quality required by domestic and international markets.

CristalChile has two glass container production plants, located in the towns of Padre Hurtado (Metropolitan Region) and Llay Llay (V Region of Valparaíso), both with the state-of-the-art manufacturing technology and graphic processes, inspection and packaging lines that ensure operational continuity and containers of the highest quality for the demanding domestic and international markets where the Company’s products are sold.

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

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

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

In terms of investments, CristalChile has continued with its long-term investment program, which seeks to ensure that customers receive a timely supply of top quality products. Thus, in 2022, the renovation of one of the furnaces, production, inspection and packaging lines at the Padre Hurtado plant was completed. This investment will increase production by approximately 50,000 tons per year, which represents an investment of US\$70 million. In addition, the Company announced this year the start of a site selection process for the construction of a new glass container production plant, an analysis that considers sustainability variables in its selection, construction and commissioning. This will be the third plant and will join the Llay Llay and Padre Hurtado facilities, which have been expanded with investments totaling about US\$ 340 million over the last decade.



6.1.3 Businesses – Wine

Viña Santa Rita and subsidiaries is one of Chile's largest winemaking groups, present in more than 70 countries and one of the leaders in Chile and produces and sells an extensive portfolio of wines recognized worldwide for their quality and consistency. Elecmetal participates in the wine industry in Chile and Argentina through direct and indirect ownership of the Sociedad Anónima Viña Santa Rita. Viña Santa Rita was founded in 1880 by Domingo Fernández Concha in the Alto Jahuel sector. From its beginnings and with a modern and innovative vision, Domingo introduced fine French grape varieties in the soils of the Maipo River Valley, in addition to hiring outstanding French enologists, which allowed him to produce wines with techniques and results far superior to those traditionally obtained in Chile. In 1980 the Claro Group, through Cristalerías Chile, and Owens Illinois (USA), the world's leading producer of glass containers, acquired part of Viña Santa Rita's assets, consisting of its brands, the Alto Jahuel plant and 80 hectares. The new owners gave a strong boost to the company. In the production area, innovative technological processes and winemaking techniques were introduced, previously unknown in the country. In 1982, Viña Santa's commercial area launched the 120 line, which had traditionally consisted of a single product. Three years later, in 1985, the Company began its internationalization process, exporting its products to different markets around the world. In the agricultural area, the Company has acquired and planted fields, totaling 3,697 hectares planted at the end of the year.

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

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

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

Regarding international sales, the most relevant markets for Chilean wine exports at present are China, Brazil, the United Kingdom, Japan and the United States. In the export markets, mainly in the United States, Brazil, Canada, Argentina and Mexico, changes have been implemented in the business model, which is becoming increasingly integrated, allowing it to stay closer to consumers. Also noteworthy are the new strategic businesses with direct retailers in Taiwan, such as Costco, and a new strategic partner in China: Luzhou

Laijjiao, which is positioned as the third largest spirits company in that country. Another highlight was the launch of Viña Carmen, together with its partnership with Frida Kahlo Corporation, of the Carmen Reserva Frida Kahlo line in Mexico, Chile and Brazil, which includes Carmenere, Cabernet Sauvignon, Merlot, Sauvignon Blanc and Rosé.

In relation to the local market in Chile, by the end of 2021, an agreement was implemented to market and distribute the Company's products in the country through the network of Coca-Cola distributors, Embotelladora Andina and Embonor. This alliance began operating in November and responds to the need to better face the future challenges imposed by a highly competitive industry, allowing us to improve the access and availability of our products to our customers, being able to access a broader portfolio that includes different categories of beverages, both alcoholic and non-alcoholic. Through the new distribution model, the Company was able to reach 19,000 customers with purchases in 2022, compared to the 8,000 that the Company had with the old distribution system. This increase in the number of customers served directly was accompanied by a Trade Marketing plan that allowed us to improve our competitiveness, visibility and proportionality. However, the volumes achieved were below expectations.

As in previous years, in 2022 Viña Santa Rita and its subsidiaries obtained important achievements in Chile and abroad as far as recognition of their work and products



is concerned, consolidating a sustainable and forward-looking organization, both in Chile and Argentina. In this regard, we should highlight the award for Best Wine Tourism Experience in the first edition of the Corfo 2022 Chile Wine Tourism Awards, which sought to identify and recognize the best wine tourism experiences and activities with a high positive impact on the territories where they are carried out. This recognition has highlighted the value of the heritage rescue and its openness to the community that has been taking place in recent decades. In terms of innovation, we were recognized in the top 10 of the Culture of Innovation category of the C3 ranking of Creativity and Innovation in Chile.

In relation to the Company's wines, the Casa Real Reserva Especial 2019 was chosen as the Best Wine in South America, in addition to being highlighted as one of the best red wines in South America, along with being selected as the Best Wine of Chile and Six Stars by Best Wines BW. Also, in its second year on the La Place de Bordeaux market, it marked 30 years of exceptional vintages. In addition, Casa Real Reserva Especial 2018 was the only Chilean wine to make the top 100 Cellar Selection ranking.

Among the 12 best Cabernet Sauvignon wines in the world, Casa Real Reserva Especial 2019 and Carmen Gold 2019 were chosen by the renowned Drinks Business magazine.

Carmen Gold 2020 reached 96 points in the Descorchados Guide and English critic Tim Atkin awarded it 96 points. Carmen Delanz Alto Jahuel 2018 scored 96 points and won a Gold Medal at the Decanter World Wine Awards.

Similarly, Doña Paula Parcel Los Indios 2019 won the Master Award at Drink Business Global Master Malbecs, one of the three most important awards, as well as being one of only two Argentine wines and the only wine from Mendoza to obtain this recognition. At the same time, Doña Paula Estate Sauvignon Blanc 2021 won a gold medal in the Sauvignon Blanc Global Master, being the only Argentine representative to do so.

The commitment to quality is also reflected in the winery's recertification, for the sixth time under the National Sustainability Code of Wines of Chile, in the four areas corresponding to vineyards, cellars and bottling plants, social and wine tourism. In addition, the facilities of the Buin plant were recertified under the BRCGS Food Safety global quality standard, maintaining the maximum AA rating, and Doña Paula renewed its Sustainable Winery certification under the Protocolo Bodegas de Argentina for all the winery's facilities and fields.

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

In terms of investments, Viña Santa Rita continues with its long-term plan aimed essentially at supporting the strategic plan to improve winemaking efficiency and productivity and achieve greater self-sufficiency of grapes. One of the main initiatives in the viticulture area is the WiSe project ("Wine Seed", which aims to ensure

the long-term sustainability of our vineyards and has allowed us to build a solid base for growth and projection, developing a new generation of quality vineyards. To date, more than 1,340 hectares of vineyards have been renewed and planted globally in the last seven years, being a fundamental pillar in the sustainable growth of the Company. Viña Santa Rita and its subsidiaries currently have 3,982 planted hectares of vineyards (3,252 hectares in Chile and 730 hectares in Argentina). In 2022 alone, the Company invested US\$10.3 million in this area. The facilities have also been upgraded to incorporate state-of-the-art technology in the winemaking and bottling areas.

In Chile, Viña Concha y Toro S.A., VSPT Wine Group, and Viña Montes S.A. are the Company's closest competitors.



6.1.4 Businesses – Communications

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

Ediciones Financieras S.A.

The media industry was affected during 2021, as in the previous year, by the effects of the pandemic, which impacted advertising revenues and face-to-face events. Amid this challenging environment, Grupo DF managed to remain active in the development of new content, increasing its digital relevance.

6.1.5 Businesses – Power Generation

As part of its commitment to sustainability, Elecmetal participates, through its subsidiary Cristalerías de Chile, in the renewable energy business through its subsidiary Taguavento.

The first initiative was the study, construction and operation of the Las Peñas wind farm ("ELP") located in the eighth region. The ELP wind farm has four wind turbines totaling 8.4 MW of capacity that are injected into the National Electric System (Sistema Eléctrico Nacional SEN).

The purpose of the Company and its subsidiaries in the operation of the plants is not only to proactively take care of their processes, but to go further and be part of the solution in the development of cutting-edge technologies, which are environmental benchmarks, and being part of the solution and development of renewable technologies that give consistency to our long-term proposal.

In 2022, the ELP wind farm continued its consolidation as the best performing wind project in the SEN, substantially improving its operational indicators, reaching a plant factor of 47.4%, which makes it the best performing wind project in the SEN.

6.2 Stakeholders

The Company has different stakeholders with whom it seeks to develop a direct and close relationship from its different business areas, as appropriate. Each of them has interests and concerns associated with the type of relationship they have with the Company, so it is essential for the company to listen and interact with them to consolidate its good performance and move forward on the road to achieving the Vision for the future.

In 2022, we began consulting work with Stakeholders Sustainability Index (SSIndex) in order to promote and consolidate the Company's commitment to its stakeholders. The result of this analysis carried out on employees, customers and suppliers was 82%. This represents the percentage of commitment to the work carried out by the Company on ESG variables.



Investors:
Shareholders, Banks

Associates:
All employees.

Communities:
Communities neighboring the facilities, government entities (regulator and others), Universities and Foundations and charitable and educational support institutions and other intermediate bodies.

Vendors:
Permanent Contractors (janitorial, food, etc.), service providers, equipment suppliers and raw material suppliers (scrap, ferroalloys, sand, etc.)

Customers:
Mainly large mining customers.

Media
Public and private.

The Company is a member of SOFOFA, APRIMIN, ASIMET, Fundación Chilena del Pacífico, AmCham, Fundación Carlos Vial Espantoso, Fundación Generación Empresarial, ICARE, USE.

6.3 Properties and Facilities

Manufacturing Plants:

Fully owned:

- Rancagua Plant (Fundición Talleres Ltda.), Av. Estación 01200, Rancagua, Chile.
- Duluth Plant (ME Global Inc.), 200 East Carterett Street, Duluth, MN, USA.
- Tempe Plant (ME Global Inc.), 5857 South Kyrene Road, Tempe, AZ, USA.

Owner of facilities and land use rights:

- Changzhou Plant (ME Elecmetal (China) Co., Ltd.), 31 Donggang 2nd Road, Changzhou, China.

Distribution Centers:

- Various locations in Chile, Peru and Mexico

Offices

Headquarters:

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

Minneapolis:

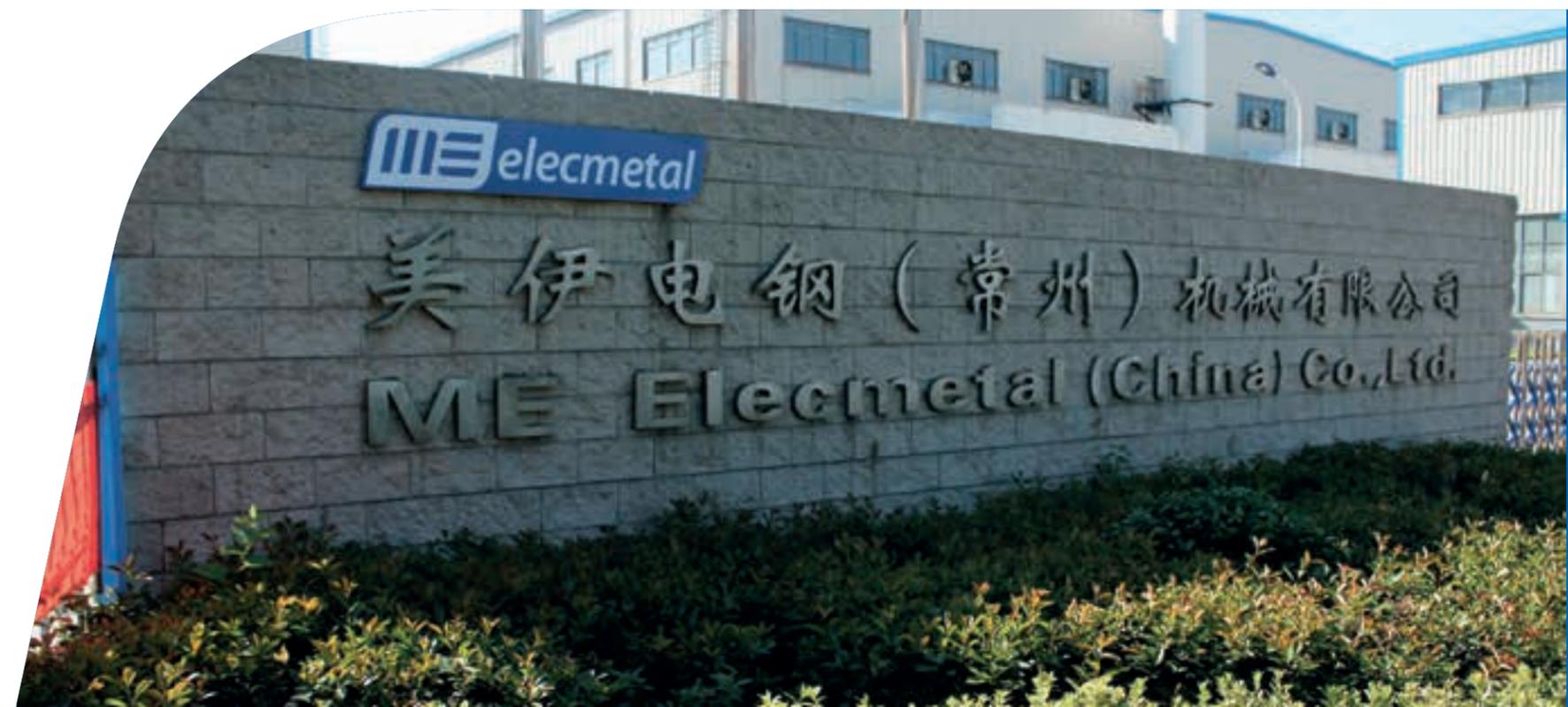
3901 University Avenue NE, Minneapolis, MN 55421, EE.UU.

Chairman:

Hendaya 60, of. 1502, Las Condes, Santiago, Chile

Commercial Offices:

- Posada 1540, Buenos Aires, Argentina
- Av. La Encalada 1257 of. 503, Santiago de Surco, Lima, Peru
- Level 25, 108 Georges Terrace, Perth, Australia
- Suite 306, 1st Khoroo Chandmani Tuv Building, Ulaanbaatar, Mongolia



6.4 Subsidiaries, Related Companies and Investments in Other Companies

Inversiones Elecmetal Ltda. (Consolidado)

Net Worth	MUSD\$ 281.719
Address	Hendaya 60, Floor 15, Las Condes, Santiago, Chile
Company Type	Limited Liability Company
Business Purpose	Holding
Tax ID	99.506.820-6
President	Jaime Claro Valdés
Vicepresident	Baltazar Sánchez Guzmán (Elecmetal Director)
Directors	Rolando Medeiros Soux
General Manager	Rolando Medeiros Soux
Direct Interest	99,99% (no variation)
Direct and Indirect Interest	100%
Proportion of Individual Assets	36,19%

ME Global Inc. (EEUU)

Net Worth	MUSD\$ 266.806
Address	3901 University Avenue NE, Minneapolis, MN 55421, EEUU
Company Type	Private
Business Purpose	Production and Sale of steel products
President	Rolando Medeiros Soux
Directors	Jaime Claro Valdés Eugenio Arteaga Eduardo Muñoz Huerta Baltazar Sánchez Guzmán (Elecmetal President)
General Manager	Eduardo Muñoz Huerta
Indirect Interest	100% (no variation)

Cristalerías de Chile S.A. (Consolidado)

Net Worth	M\$ 413.755.612
Address	Hendaya 60, office 1502, Las Condes, Santiago, Chile
Company Type	Publicly Listed Corporation
Business Purpose	Glass container manufacturing and investments
Tax ID	90.331.000-6
President	Baltazar Sánchez Guzmán (Elecmetal President)
Vicepresident	Cristóbal Eyzaguirre Baeza (Elecmetal Vicepresident)
Directors	José Miguel Sánchez Erle Abel Bouchon Silva José Ignacio Figueroa Elgueta (Elecmetal Director) Fernando Franke García (Elecmetal Director) Juan Andrés Olivos Bambach Sebastián Swett Opazo Alfonso Swett Saavedra (Elecmetal Director) Antonio Tuset Jorratt
General Manager	Eduardo Carvallo Infante
Direct Interest	34,03% (no variation)
Direct and Indirect Interest	53,56% (no variation)
Proportion of Individual Assets	15,48% (Direct)



Sociedad Anónima Viña Santa Rita (Consolidado)

Net Worth	M\$ 201.821.367	
Address	Hendaya 60 Office 1502, Las Condes, Santiago, Chile	
Company Type	Publicly Listed Corporation	
Business Purpose	Production and sale of wine	
Tax ID	86.547.900-K	
President	Baltazar Sánchez Guzmán	(Elecmetal President)
Vicepresident	Cristóbal Eyzaguirre Baeza	(Elecmetal Vicepresident)
Directors	Gregorio Amunategui Prá	
	José Ignacio Figueroa Elgueta	(Elecmetal Director)
	Andrés Navarro Betteley	
	Pedro Ovalle Vial	
	Alfonso Swett Saavedra	(Elecmetal Director)
General Manager	Andrés Lavados Germain	
Direct Interest	1,92% (no variation)	
Direct and Indirect Interest	57,88% (no variation)	
Proportion of Individual Assets	0,43%	(Direct)

Esco Elecmetal Fundición Limitada

Net Worth	M\$ 38.320.904	
Company Type	Limited Liability Company	
Business Purpose	Manufacture and sale of steel parts	
Tax ID	76.902.190-6	
Directors	José Pablo Domínguez Bustamante	
	Joseph Weber	
Alternate Director	Raoul Meunier Artigas	
Site Manager	Ramón Alarcón Arias	
Direct Interest	50%	
Proportion of Individual Assets	2,11%	

Fundición Talleres Ltda.

Net Worth	M\$ 1.807.506	
Address	Av. Estación 01200, Rancagua, Chile	
Company Type	Private	
Business Purpose	Manufacture and sale of steel parts	
Tax ID	99.532.410-5	
President	Rolando Medeiros Soux	
Directors	Eugenio Arteaga Infante	
	José Pablo Domínguez Bustamante	
	Eduardo Muñoz Huerta	
General Manager	José Pablo Domínguez Bustamante	
Direct Interest	98%	
Direct and Indirect Interest	100%	

ME Elecmetal (China) Co., Ltd.

Net Worth	MUSD\$ 43.416	
Company Type	Wholly Foreign Owned Enterprise	
Business Purpose	Manufacture and sale of steel parts	
President	Rolando Medeiros Soux	
Directors	Eugenio Arteaga Infante	
	José Pablo Domínguez Bustamante	
	Eduardo Muñoz Huerta	
General Manager	Frank Xu	
Indirect Interest	100%	

Ownership Relationship

Emiting Party	Elecmetal	Hendaya	Inversiones Elecmetal	Cristalerías de Chile	Bayona	Ediciones Chiloé S.A.	Viña Santa Rita	Cristalchile Inversiones	Viña Carmen	Fundición Talleres	Viña Centenaria	Sur Andino
Hendaya S.A.	99.99%											
Cristalerías de Chile S.A.	34.03%	10.30%			9.24%							
Inversiones Elecmetal Ltda.	99.99%	0.01%										
Fundición Talleres Ltda.	98.00%	2.00%										
Esco Elecmetal Fundación Ltda.	50.00%											
ME Global Inc.			99.90%		0.10%							
ME Long Teng Grinding Media (Changshu) Co. Ltd.			50.00%									
ME Elecmetal (China) Co. Ltd.			100.00%									
ME Hong Kong Co. Limited		1.00%	99.00%									
ME Elecmetal Comercial Perú S.A.C.	0.10%									99.90%		
ME Elecmetal Brasil Representacao Comercial Ltda.	0.10%									99.90%		
ME MNG LLC (Mongolia)			100.00%									
ME Elecmetal Australia Pty Ltd.			100.00%									
ME Long Teng Grinding Media (Zambia) Limited *			50.00%									
ME Elecmetal Canadá Ltd.			100.00%									
ME Elecmetal Panama, S.A.			100.00%									
Soc.Com. ME Elecmetal México S de RL de CV		0.01%	99.99%									
Indesa S.A.	99.87%											
ME Naipu Ltda.	50.00%											
Bayona S.A.	4.06%	95.94%										
S.A. Viña Santa Rita	1.92%			60.56%	23.52%							
Cristalchile Inversiones S.A.				99.99%		0.01%						
Malaga Ltda.		20.00%			80.00%							
Ediciones Chiloé S.A.		0.01%		99.99%								
Ediciones Financieras S.A.		0.360%				98.28%						
Viña Los Vascos S.A.							43.00%					
Viña Carmen S.A.							99.97%					
Viña Centenaria S.A.							99.00%		1.00%			
Distribuidora Santa Rita Ltda.							99.00%					
Rayén Curá S.A.I.C.								40.00%				
Viña Doña Paula S.A.											0.01%	99.99%
Sur Andino S.A							0.10%		99.90%			
Serv. Compartidos Tichel Ltda.	20.00%	20.00%		20.00%			20.00%			20.00%		
Nativa Eco Wines S.A.							99.00%		1.00%			
Sur Andino Argentina S.A									97.00%		3.00%	
Taguavento S.P.A				100.00%								
Wine Packaging & Logistics Ltd.				34.00%								
Santa Rita Europe Limited							100.00%					

* Direct and Indirect Interest



07

CHAPTER

SUPPLIER MANAGEMENT



7.1 Payment to Suppliers

Supplier management is the responsibility of the Procurement Department, which reports to the Administration and Finance Department. The main focus of this area's work is to ensure the operational continuity of the production plants with costs that allow us to be competitive in the steel spare parts market.

Currently, the main suppliers provide goods and services such as raw materials (scrap, ferroalloys, etc.), materials (sand, refractories, etc.), transportation, spare parts, fuel and others. An important source of raw materials are the customers with whom we have contracts to recover scrap steel parts directly from their sites to be melted again in the Company's furnaces to produce new steel parts, which represents an important circular economy initiative.

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

	Number of invoices paid during the year to suppliers		Total amount (millions of pesos)		Total amount of interest for late payment of invoices (millions of pesos)		Number of suppliers	
	Nat.	Foreign.	Nat.	Foreign.	Nat.	Foreign.	Nat.	Foreign.
Up to 30 days	12,052	24,276	90,332	173,037	1	-	1,238	1,387
31 to 60 days	3,325	2,285	11,868	34,819	-	17	534	158
Over 60 days	864	1,160	2,558	30,576	-	54	338	93

7.2 Supplier Evaluation

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

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

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





CHAPTER 08

INDICATORS



8.1 Legal and Regulatory Compliance

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

8.2 Sustainability Indicators by Type of Industry

The information and data provided in this section follows SASB disclosure guidelines and contains a subset of the information that the Company monitors as part of its sustainability initiatives. Aggregate information is reported for the four plants over which the Company has control in the metallurgical business.

Activity Parameter

	2022	Code
Metric Tons Produced (Finished Product)	91,861	EM-IS-000.A
Percentage -Basic Oxygen Furnace Process	0%	EM-IS-000.B
Percentage - Electric Arc Furnace	100%	EM-IS-000.C

- The total number of finished products was considered as the relevant activity parameter for disclosure.
- Electric furnaces, both electric arc and induction furnaces, were classified as arc furnace processes.



Greenhouse gas emissions

	2022	Code
Scope 1 Greenhouse Emissions (tonne CO2e)	48,432	EM-IS-110a.1
Percentage Covered Under Emissions-Limiting Regulations	0%	

Código

Analysis of the long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and analysis of performance against those targets

The main sources of greenhouse gases generated in the operation correspond to the combustion of natural gas, diesel and CO2 generated from the smelting process. Short-term initiatives in Chile are focused on increasing efficiencies in natural gas consumption in heat treatment stoves by increasing their utilization and increasing automation in stopping heat treatment cycles, initiatives that will continue to increase the efficiency of natural gas consumption. In China, short-term initiatives are focused on increasing utilization and preventive maintenance of heat treatment furnaces, increasing heat conservation in buckets and closely monitoring daily fuel consumption. In the United States, short-term initiatives include replacing the bucket heater system with a more efficient one.

EM-IS-110a.2

In the medium term, Chile is studying the feasibility of converting the use of gas in the molding area to an electric system and refractory alternatives for liquid steel buckets that do not require heating prior to receiving the metal. In China, the possibility of incorporating a new technology that is more efficient in the conversion to thermal energy is being analyzed. In the United States, work is being done to reduce emissions by completing the replacement of linings to increase furnace efficiency.

Atmospheric emissions

Metric tons (t)	2022	Code
Carbon Monoxide (CO) [tonne]	NA	EM-IS-120a.1
Sulfur Oxides (NOx) [tonne]	44.85	
Sulfur Oxides (SOx) [tonne]	12.51	
Particulate Material PM10	72.52	
Manganese (Mn) [tonne]	NA	
Lead (Pb) [tonne]	NA	
Volatile Organic Compounds (VOCs) [tonne]	NA	
Polycyclic Aromatic Hydrocarbons (PAHs)	NA	

- The atmospheric emissions presented are those that have been provided by the four plants so that they can be contrasted with the activity parameter.

Energy management

	2022	Code
Total energy consumed (Giga Joules, GJ)	627,621	EM-IS-130a.1
Percentage of electricity from the grid [%]	99.68%	
Percentage of renewables [%]	25.09%	
Total fuel consumed (GJ)	846,212	EM-IS-130a.2
Percentage of coal [%]	16.79%	
Percentage natural gas [%]	24.53%	
Percentage renewable [%]	NA	

- Natural gas is the main fuel for heat treatment processes and is also used for preheating buckets and air-conditioning systems.

Water management

Thousands of cubic meters (m3)	2022	Code
Total freshwater withdrawn	113,221	EM-IS-140a.1
Percentage recycled [%]	65.38%	
Percentage of Operations with High or Extremely High Water Stress [%]	25.29%	

- Water is mainly used in the equipment cooling system. In recent years, the Company has invested in water recycling systems.

Waste management

	2022	Code
Amount of solid Waste Generated [tonne]	82,451	EM-IS-150a.1
Percent Hazardous Waste [%]	0.73%	
Percent Recycled Waste [%]	63.13%	

- The main raw material is steel scrap that is recycled and could otherwise be disposed of in landfills. However, the process generates some level of waste such as slag or discarded sand. The sand can be used in the manufacture of concrete products or as stabilized fill for construction. The Company has initiatives in place to move towards greater waste recycling.

Workforce health and safety

	2022	Code
Total Recordable Incident Rate (TRIR)	2.73	EM-IS-320a.1
Fatality rate	-	
Near Miss Frequency Rate -Employees	2.65	
Near Miss Frequency Rate - Contract Employees	1.57	

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



CHAPTER 09

ESSENTIAL OR RELEVANT FACTS



Essential Fact dated February 28, 2022

Notice is hereby given of the Annual Shareholders' Meeting to be held on April 6, 2022 at Hendaya 60, 15th floor, Las Condes. The matters to be discussed are the following: Approval of the annual report, financial statements and report of the External Auditing Firm for the fiscal year 2021. Election of the Board of Directors; Determination of the remuneration of the Board of Directors for the fiscal year 2022 and report of the expenses of the Board of Directors for the fiscal year 2021; Report of activities and expenses of the Directors' Committee, and determination of the remuneration and expense budget of the Directors' Committee; Account of the information provided for in Title XVI of the Corporations Law; Appointment of the External Auditing Firm; Appointment of Risk Rating Agencies; Determination of the periodical in which corporate publications shall be made; Distribution of profits and determination of the dividend policy; Other matters of corporate interest within the competence of the Annual Shareholders' Meeting.

Additionally, the Board of Directors agreed to propose to the Shareholders' Meeting the distribution of Final Dividend No. 268 of \$104.16 per share, to be charged to the profits of the year ended December 31, 2021, to be paid on April 21, 2022.

Essential Fact dated April 6, 2022

Annual Shareholders' Meeting Resolutions

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

The Annual Report, Financial Statements and the report of KPMG Auditores Consultores SpA for the year ended December 31, 2021 were approved.

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

The Board of Directors of the Company was elected and, in addition, the remuneration of the Board of Directors for the year 2022 was fixed. The Board of Directors is comprised of: Juan Antonio Álvarez Avendaño, Baltazar Sánchez Guzmán, Carlos F. Cáceres Contreras, José Ignacio Figueroa Elgueta, Fernando Franke García, Alfonso A. Swett Opazo and Alfonso Swett Saavedra.

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

The management report for the year 2021 of the committee was reported and the remuneration of the committee and the expense budget for the fiscal year 2022 were approved.

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

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

5. Appointment of the External Auditing Firm

The firm KPMG Auditores Consultores SpA was appointed as the external auditing firm for fiscal year 2022.

6. Designation of Risk Rating Firm

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

7. Designation of Newspaper

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

8. Distribution of 2021 Profits

The Company approved the distribution of profits for fiscal year 2021 and the payment of Final Dividend No. 268 of \$104.16 per share, which will be paid as of April 21, 2022.

9. Dividend Distribution Policy

The Dividend Policy for the year 2022 was approved, agreeing to distribute dividends for at least 50% of the annual profit and to allocate the rest to Reserve Funds, in order to maintain the Company's growth and, in addition, the Board of Directors was authorized to grant Interim Dividends charged to the annual profit.

Essential Fact dated April 6, 2022

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

Essential Fact dated April 20, 2022

On April 19, 2022, the Chairman of the Company, Mr. Juan Antonio Álvarez Avendaño, passed away.

Essential Fact dated April 28, 2022

The Board of Directors of the Company appointed Mr. Cristóbal Eyzaguirre Baeza as the new Director of the Company, due to the vacancy generated by the death of the Chairman Mr. Juan Antonio Álvarez Avendaño (†). In addition, in the same meeting, Mr. Baltazar Sánchez Guzmán and Mr. Cristóbal Eyzaguirre Baeza were appointed as Chairman and Vice Chairman of the Board of Directors, respectively.

Essential Fact dated June 30, 2022

The Company's Board of Directors agreed to distribute Provisional Dividend No. 269 of Ch\$74 per share, to be paid as of July 29, 2022.

Essential Fact dated July 19, 2022

By communication dated July 7, 2022, the Financial Market Commission ("the Commission") authorized the placement in the general securities market of up to UF2,000,000.- in principal amount of Series F bonds (the "Series F Bonds"), charged to the 10-year book-entry bond facility registered in the Commission's Securities Registry on June 15, 2022, under registration number 1106 (the "Bond Facility").

The Series F Bonds: (i) mature on June 1, 2032; (ii) will accrue on the unpaid principal, expressed in Unidades de Fomento, an interest rate of 3% per annum, calculated on a 360-day year basis and compounded semi-annually over equal 180-day semesters, which is equivalent to a semi-annual rate of 1.4889%; and (iii) the Company may redeem them early as of June 1, 2025.

It was also reported on that date that the placement of all of the Company's Series F Bonds was carried out through the Santiago Stock Exchange under the "Dutch Auction" system. It was informed that the proceeds of the aforementioned placement would be used by the Company to refinance the Company's liabilities and/or for general corporate purposes.

Finally, in accordance with the provisions of the Commission's Circular No. 988, it was informed that at this stage it was not possible to quantify the effects that this operation will have on the Company's results.

Essential Fact dated September 29, 2022

The Company's Board of Directors agreed to distribute Provisional Dividend No. 270 of \$74 per share, which will be paid as of October 28, 2022.

Essential Fact dated September 30, 2022

A new General Policy of Frequency for Transactions with Related Parties of the Company was approved. This policy will be available to the Company's shareholders at the Company's corporate offices and on the Company's website.

Essential Fact dated December 22, 2022

The Company's Board of Directors agreed to distribute Provisional Dividend No. 271 of \$74 per share, which will be paid as of January 20, 2023.

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CHAPTER

SHAREHOLDERS' COMMENTS



Shareholders' Comments

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





CHAPTER

11

FINANCIAL REPORTS





Informe de los Auditores Independientes

Señores Accionistas y Directores de
Compañía Electro Metalúrgica S.A.:

Hemos efectuado una auditoría a los estados financieros consolidados adjuntos de Compañía Electro Metalúrgica S.A. y afiliadas, que comprenden los estados consolidados de situación financiera al 31 de diciembre de 2022 y 2021 y los correspondientes estados consolidados de resultados, de resultados integrales, de cambios en el patrimonio y de flujos de efectivo por los años terminados en esas fechas y las correspondientes notas a los estados financieros consolidados.

Responsabilidad de la Administración por los estados financieros consolidados

La Administración es responsable por la preparación y presentación razonable de estos estados financieros consolidados de acuerdo con Normas Internacionales de Información Financiera. Esta responsabilidad incluye el diseño, implementación y mantención de un control interno pertinente para la preparación y presentación razonable de estados financieros consolidados que estén exentos de representaciones incorrectas significativas, ya sea debido a fraude o error.

Responsabilidad del auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros consolidados a base de nuestras auditorías. Al 31 de diciembre de 2022 y 2021, no hemos auditado los estados financieros de las asociadas Viña Los Vascos S.A. y afiliada y Rayen Curá S.A.I.C., reflejados en los estados financieros consolidados bajo el método de la participación, los cuales representan un activo total de M\$67.579.032 y M\$57.680.516 al 31 de diciembre de 2022 y 2021, respectivamente, y una utilidad devengada de M\$6.994.507 y M\$4.039.351, respectivamente, por los años terminados en esas fechas. Dichos estados financieros fueron auditados por otros auditores, cuyos informes nos han sido proporcionados, y nuestra opinión aquí expresada, en lo que se refiere a los importes incluidos de dichas asociadas, se basa únicamente en los informes emitidos por esos auditores. Efectuamos nuestras auditorías de acuerdo con Normas de Auditoría Generalmente Aceptadas en Chile. Tales normas requieren que planifiquemos y realicemos nuestro trabajo con el objeto de lograr un razonable grado de seguridad que los estados financieros consolidados están exentos de representaciones incorrectas significativas.

Una auditoría comprende efectuar procedimientos para obtener evidencia de auditoría sobre los montos y revelaciones en los estados financieros consolidados. Los procedimientos seleccionados dependen del juicio del auditor, incluyendo la evaluación de los riesgos de representaciones incorrectas significativas de los estados financieros consolidados, ya sea debido a fraude o error. Al efectuar estas evaluaciones de los riesgos, el auditor considera el control interno pertinente para la preparación y presentación razonable de los estados financieros consolidados de la entidad con el objeto de diseñar procedimientos de auditoría que sean apropiados en las circunstancias, pero sin el propósito de expresar una opinión sobre la efectividad del control interno de la entidad. En consecuencia, no expresamos tal tipo de opinión. Una auditoría incluye, también, evaluar lo apropiadas que son las políticas de contabilidad utilizadas y la razonabilidad de las estimaciones contables significativas efectuadas por la Administración, así como una evaluación de la presentación general de los estados financieros consolidados.

Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionarnos una base para nuestra opinión de auditoría.



Opinión

En nuestra opinión, los mencionados estados financieros consolidados presentan razonablemente, en todos sus aspectos significativos, la situación financiera de Compañía Electro Metalúrgica S.A. y afiliadas al 31 de diciembre de 2022 y 2021 y los resultados de sus operaciones y los flujos de efectivo por los años terminados en esas fechas de acuerdo con Normas Internacionales de Información Financiera.

Gonzalo Rojas Ruz

KPMG Ltda.

Santiago, 2 de marzo de 2023

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2022 and 2021,
and for the years then ended

CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

Statement of Financial Position Classified	31-12-2022	31-12-2021
	M\$	M\$
Current Assets		
Cash and Cash Equivalents	77.613.457	60.619.594
Other Current Financial Assets	9.686.147	209.096
Other Current Non-Financial Assets	13.053.342	6.784.504
Trade Receivables and Other Current Receivables	273.473.644	249.077.401
Receivables from Related Parties, Current	9.243.681	14.112.091
Inventories	404.977.685	335.040.762
Current Biological Assets	15.733.014	13.234.597
Current Tax Assets	59.010.514	37.552.421
Total current assets excluding assets or groups of assets classified as held for sale or held for distribution to owners	862.791.484	716.630.466
Non-Current Assets or groups of assets classified as held for sale or held for distribution to owners	-	-
Total current assets	862.791.484	716.630.466
Non-Current Assets		
Other Non-Current Financial Assets	2.172.187	13.113.226
Other Non-Current Non-Financial Assets	2.950.878	2.592.006
Non-Current Receivables	131.384	116.490
Non-Current Inventories	-	-
Receivables from Related Parties, Non-Current	-	-
Investments Accounted for Using the Equity Method	128.876.353	117.823.043
Intangible Assets other than Goodwill	16.284.076	16.448.026
Goodwill	0	-
Property, Plant, and Equipment	555.201.385	512.123.356
Non-Current Biological Assets	-	-
Investment Properties	9.042.193	9.069.817
Lease Assets	7.891.508	8.984.280
Non-Current Tax Assets	1.443.926	1.492.642
Deferred Tax Assets	16.405.160	9.515.331
Total non-current assets	740.399.050	691.278.217
Total assets	1.603.190.534	1.407.908.683

CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

Statement of Financial Position Classified	31-12-2022	31-12-2021
	M\$	M\$
Equity and liabilities		
Liabilities		
Current Liabilities		
Other Current Financial Liabilities	255.693.209	114.211.731
Current Lease Liabilities	2.284.271	2.037.065
Trade Payables and Other Current Payables	207.449.386	169.490.096
Payables to Related Parties, Current	6.721.731	4.367.979
Other Current Provisions	1.878.995	1.417.758
Current Tax Liabilities	18.153.440	12.414.947
Provisions for Employee Benefits, Current	15.833.616	14.839.242
Other Current Non-Financial Liabilities	4.058.196	6.171.448
Total current liabilities excluding liabilities included in groups of assets classified as held for sale	512.072.844	324.950.266
Liabilities included in groups of assets classified as held for sale	-	-
Total current liabilities	512.072.844	324.950.266
Non-Current Liabilities		
Other Non-Current Financial Liabilities	366.253.267	383.158.992
Non-Current Lease Liabilities	2.893.884	4.851.162
Other Non-Current Payables	44.656	575.939
Payables to Related Parties, Non-Current	-	-
Other Non-Current Provisions	-	-
Deferred Tax Liability	17.405.839	21.773.025
Provisions for Employee Benefits, Non-Current	20.121.276	18.271.332
Other Non-Current Non-Financial Liabilities	6.906.075	7.056.802
Total non-current liabilities	413.624.997	435.687.252
Total liabilities	925.697.841	760.637.518
Equity		
Issued Capital	23.024.953	23.024.953
Accumulated Profits (Losses)	408.367.236	387.739.981
Share Premiums	0	0
Treasury Shares	0	0
Other Equity Interests	0	0
Other Reserves	62.150.242	60.137.022
Equity attributable to owners of parent	493.542.431	470.901.956
Non-Controlling Interests	183.950.262	176.369.209
Total equity	677.492.693	647.271.165
Total equity and liabilities	1.603.190.534	1.407.908.683

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

Statement of Comprehensive Income by Function	01-01-2022	01-01-2021
	31-12-2022	31-12-2021
	M\$	M\$
Profit (loss)		
Revenue from ordinary activities	1.149.631.195	882.367.637
Cost of sales	(925.206.072)	(686.126.971)
Gross profit	224.425.123	196.240.666
Gains arising from the derecognition of financial assets measured at amortized cost	0	
Losses arising from the derecognition of financial assets measured at amortized cost	0	
Other income by function	2.453.776	2.554.798
Distribution costs	(24.542.265)	(22.013.536)
Administrative expenses	(116.868.440)	(106.596.882)
Other expenses by function	(26.047)	(55.170)
Other gains (losses)	(3.352.528)	1.453.055
Profit (loss) from operating activities	82.089.619	71.582.931
Gains (losses) arising from the derecognition of financial assets measured at amortized cost		
Financial income	3.417.736	526.549
Financial costs	(27.909.371)	(19.241.822)
Impairment losses (gains on impairment losses and reversal of impairment losses) determined in accordance with IFRS 9	(155.168)	(101.469)
Share of profits (losses) of associates and joint ventures accounted for using the equity method	10.920.628	8.054.330
Gains (losses) from foreign exchange differences	(877.845)	1.912.304
Revaluation surplus/deficit	(12.849.520)	(6.357.879)
Gains (losses) arising from the difference between the previous carrying amount and the fair value of reclassified financial assets measured at fair value	0	
Profit (loss) before tax	54.636.079	56.374.944
Income tax expense	(5.101.445)	(10.532.770)
Profit (loss) from continuing operations	49.534.634	45.842.174
Profit (loss) from discontinued operations	-	-
Profit (loss)	49.534.634	45.842.174
Profit (loss) attributable to		
Profit (loss) attributable to owners of the parent	41.255.028	34.352.695
Profit (loss) attributable to non-controlling interests	8.279.606	11.489.479
Profit (loss)	49.534.634	45.842.174
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	941,90	784,31
Basic earnings (loss) per share from discontinued operations	-	-
Basic earnings (loss) per share	941,90	784,31

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Statement of Comprehensive Income	01-01-22	01-01-21
	31-12-22	31-12-21
	M\$	M\$
Profit (loss)	49.534.634	45.842.174
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to the income statement, before tax		
Other comprehensive income, before tax, gains (losses) from revaluation	45.561	80.042
Other comprehensive income, before tax, gains (losses) from remeasurement of defined benefit plans	(335.338)	(1.072.175)
Total other comprehensive income that will not be reclassified to the income statement, before tax	(289.777)	(992.133)
Components of other comprehensive income that will be reclassified to the income statement, before tax		
Gains (losses) from foreign currency translation, before tax	3.865.034	47.782.823
Gains (losses) from cash flow hedges, before tax	(2.263.806)	3.146.237
Total other comprehensive income that will be reclassified to the income statement, before tax	1.601.228	50.929.060
Other components of other comprehensive income, before tax		
Income tax related to remeasurement of defined benefit plans of other comprehensive income	90.541	289.487
Income tax related to cash flow hedges of other comprehensive income	611.228	(849.484)
Total other comprehensive income	2.013.220	49.376.930
Total comprehensive income	51.547.854	95.219.104
Total comprehensive income attributable to		
Total comprehensive income attributable to owners of the parent	43.268.248	83.729.625
Total comprehensive income attributable to non-controlling interests	8.279.606	11.489.479
Total comprehensive income	51.547.854	95.219.104

CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

Statement of Cash Flows	01-01-22	01-01-21
	31-12-22	31-12-21
	M\$	M\$
Direct method		
Cash flows from operating activities		
Cash inflows from operating activities		
Cash inflows from sales of goods and rendering of services	1.310.380.040	980.200.381
Cash inflows from royalties, fees, commissions, and other ordinary income		
Cash inflows from contracts held for trading or dealing purposes		
Cash inflows from premiums and benefits, annuities, and other policy proceeds		
Other cash inflows from operating activities	0	-
Cash outflows		
Cash outflows to suppliers for the acquisition of goods and services	(1.141.122.312)	(825.260.257)
Cash outflows from contracts held for trading or dealing purposes		
Cash outflows to and on behalf of employees	(130.936.058)	(120.336.564)
Cash outflows for premiums and benefits, annuities, and other obligations arising from policies		
Other cash outflows from operating activities	(4.931.253)	(20.808.348)
Net cash flows from operating activities	33.390.417	13.795.212
Dividends paid		
Dividends received	3.734.545	3.016.210
Interest paid		
Interest paid	(12.898.574)	(11.043.219)
Interest received		
Interest received	3.216.662	748.863
Income taxes refunded (paid)		
Income taxes refunded (paid)	(15.730.609)	(6.488.951)
Other cash inflows (outflows)		
Other cash inflows (outflows)	1.066.216	732.774
Net cash flows from operating activities	12.778.657	760.889
Cash flows from investing activities		
Cash flows from loss of control of subsidiaries or other businesses		
Cash flows from loss of control of subsidiaries or other businesses	-	-
Cash flows used to obtain control of subsidiaries or other businesses		
Cash flows used to obtain control of subsidiaries or other businesses	-	(2.217)
Cash flows used in the purchase of non-controlling interests		
Cash flows used in the purchase of non-controlling interests	-	750.000
Other cash inflows from the sale of equity or debt instruments of other entities		
Other cash inflows from the sale of equity or debt instruments of other entities	-	(750.000)
Other cash outflows for the acquisition of equity or debt instruments of other entities		
Other cash outflows for the acquisition of equity or debt instruments of other entities	-	-
Other cash inflows from the sale of interests in joint ventures		
Other cash inflows from the sale of interests in joint ventures	-	(49.923)
Other cash outflows for the acquisition of interests in joint ventures		
Other cash outflows for the acquisition of interests in joint ventures	-	291.386
Loans to related parties		
Loans to related parties	356.074	(60.061.744)
Proceeds from the sale of property, plant, and equipment		
Proceeds from the sale of property, plant, and equipment	(74.299.720)	-
Purchase of property, plant, and equipment		
Purchase of property, plant, and equipment	1.000	-
Proceeds from the sale of intangible assets		
Proceeds from the sale of intangible assets	(2.802.052)	(1.488.554)
Purchase of intangible assets		
Purchase of intangible assets	-	-
Proceeds from other long-term assets		
Proceeds from other long-term assets	-	-
Purchase of other long-term assets		
Purchase of other long-term assets	-	-
Proceeds from government grants		
Proceeds from government grants	-	-
Advances and loans granted to third parties		
Advances and loans granted to third parties	-	-
Cash inflows from the repayment of advances and loans granted to third parties		
Cash inflows from the repayment of advances and loans granted to third parties	(7.356.031)	(5.690.816)
Payments related to futures, forwards, options, and other financial derivatives		
Payments related to futures, forwards, options, and other financial derivatives	7.043.746	3.501.300
Cash inflows from related parties		
Cash inflows from related parties	6.248	-
Dividends received		
Dividends received	-	-
Interest received		
Interest received	-	-
Income taxes refunded (paid)		
Income taxes refunded (paid)	-	-
Other cash inflows (outflows)		
Other cash inflows (outflows)	(189.117)	493.492
Net cash flows from investing activities	(77.239.852)	(63.007.076)
Cash flows from financing activities		
Proceeds from the issuance of shares		
Proceeds from the issuance of shares	15.858	16.035
Proceeds from the issuance of other equity instruments		
Proceeds from the issuance of other equity instruments	-	-
Payments to acquire or redeem entity's shares		
Payments to acquire or redeem entity's shares	-	-
Payments for other equity interests		
Payments for other equity interests	-	-
Proceeds from long-term loans		
Proceeds from long-term loans	130.364.974	68.000.000
Proceeds from short-term loans		
Proceeds from short-term loans	336.784.510	129.680.290
Total proceeds from loans classified as financing activities	467.149.484	197.680.290
Loans from related parties		
Loans from related parties	-	-
Loan repayments		
Loan repayments	(370.015.233)	(174.467.773)
Payments of lease liabilities		
Payments of lease liabilities	-	-
Payments of loans to related parties		
Payments of loans to related parties	-	-
Payments of other financial liabilities		
Payments of other financial liabilities	-	-
Proceeds from government grants		
Proceeds from government grants	-	-
Dividends paid		
Dividends paid	(14.127.025)	(14.676.832)
Interest paid		
Interest paid	(794.871)	(558.781)
Other sources of financing (Income from Bond Issuance)		
Other sources of financing (Income from Bond Issuance)	-	-
Other cash inflows (outflows)		
Other cash inflows (outflows)	(305.381)	(1.352.952)
Net cash flows from financing activities	81.922.832	6.639.987
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	17.461.637	(55.606.200)
Effects of exchange rate changes on cash and cash equivalents		
Effects of exchange rate changes on cash and cash equivalents	(467.774)	4.798.359
Net increase (decrease) in cash and cash equivalents	16.993.863	(50.807.841)
Cash and cash equivalents at the beginning of the period	60.619.594	111.427.435
Cash and cash equivalents at the end of the period	77.613.457	60.619.594

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued Capital	Foreign Currency Translation Reserve	Hedge Reserve for Cash Flow	Hedge Reserve for Defined Benefit Plans	Other Miscellaneous Reserves	Other Reserves	Accumulated Gains (Losses)	Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
Initial Balance Current Period 01-01-2022	23.024.953	52.764.477	1.511.164	(3.828.759)	9.690.140	60.137.022	387.739.981	470.901.956	176.369.209	647.271.165
Increase (decrease) due to changes in accounting policies							-	-		-
Increase (decrease) due to error corrections										
Restated Initial Balance	23.024.953	52.764.477	1.511.164	(3.828.759)	9.690.140	60.137.022	387.739.981	470.901.956	176.369.209	647.271.165
Equity Changes										
Comprehensive Income										
Gain (loss)							41.255.028	41.255.028	8.279.606	49.534.634
Other comprehensive income		3.865.034	(1.652.578)	(244.797)	45.561	2.013.220		2.013.220		2.013.220
Total comprehensive income								43.268.248	8.279.606	51.547.854
Equity Issuance										
Dividends							(20.627.773)	(20.627.773)		(20.627.773)
Increase (decrease) from other owner contributions										
Decrease (increase) from other owner distributions										
Increase (decrease) from transfers and other changes							-	-	(698.553)	(698.553)
Increase (decrease) from transactions in treasury shares										
Increase (decrease) from changes in non-controlling interests without loss of control										
Total changes in equity	-	3.865.034	(1.652.578)	(244.797)	45.561	2.013.220	20.627.255	22.640.475	7.581.053	30.221.528
Final Balance Current Period 31-12-2022	23.024.953	56.629.511	(141.414)	(4.073.556)	9.735.701	62.150.242	408.367.236	493.542.431	183.950.262	677.492.693

	Issued Capital	Foreign Currency Translation Reserve	Hedge Reserve for Cash Flow	Hedge Reserve for Defined Benefit Plans	Other Miscellaneous Reserves	Other Reserves	Accumulated Gains (Losses)	Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
Initial Balance Current Period 01-01-2021	23.024.953	4.981.654	(785.589)	(3.046.071)	9.610.098	10.760.092	370.563.674	404.348.719	162.025.805	566.374.524
Increase (decrease) due to changes in accounting policies								-		-
Increase (decrease) due to error corrections										
Restated Initial Balance	23.024.953	4.981.654	(785.589)	(3.046.071)	9.610.098	10.760.092	370.563.674	404.348.719	162.025.805	566.374.524
Equity Changes										
Comprehensive Income										
Gain (loss)							34.352.695	34.352.695	11.489.479	45.842.174
Other comprehensive income		47.782.823	2.296.753	(782.688)	80.042	49.376.930		49.376.930		49.376.930
Total comprehensive income								83.729.625	11.489.479	95.219.104
Equity Issuance										
Dividends							(17.176.388)	(17.176.388)		(17.176.388)
Increase (decrease) from other owner contributions										
Decrease (increase) from other owner distributions										
Increase (decrease) from transfers and other changes							-	-	2.853.925	2.853.925
Increase (decrease) from transactions in treasury shares										
Increase (decrease) from changes in non-controlling interests without loss of control										
Total changes in equity	-	47.782.823	2.296.753	(782.688)	80.042	49.376.930	17.176.307	66.553.237	14.343.404	80.896.641
Final Balance Current Period 31-12-2021	23.024.953	52.764.477	1.511.164	(3.828.759)	9.690.140	60.137.022	387.739.981	470.901.956	176.369.209	647.271.165

CHAPTER

12

RESPONSIBILITY STATEMENT



Declaración de Responsabilidad

Los abajo firmantes, en calidad de Directores y Gerente General de Compañía Electro Metalúrgica S.A., Elecmetal S.A., inscripción en el Registro de Valores No 045, declaran bajo juramento que es veraz la información incorporada en la Memoria Anual 2022 de la Sociedad y que es enviada a la Comisión para el Mercado Financiero debidamente firmada por la mayoría de sus Directores.



Baltazar Sánchez Guzmán
Presidente
R.U.T. 6.060.760-5



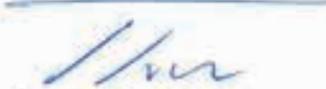
Cristóbal Eyzaguirre Baeza
Vicepresidente
R.U.T. 7.011.690-1



Carlos F. Cáceres Contreras
Director
R.U.T. 4.269.405-3



José Ignacio Figueroa Elgueta
Director
R.U.T. 7.313.469-2



Fernando Franke García
Director
R.U.T. 6.318.139-0

Alfonso A. Swett Opazo
Director
R.U.T. 7.016.281-4



Alfonso Swett Saavedra
Director
R.U.T. 4.431.932-2



Eugenio Arteaga Infante
Gerente General
R.U.T. 6.374.575-8

