

20  
19

SUMMARY  
Integrated  
Report



**SK** SIGDO KOPPERS S.A.

INNOVATION /  
SUSTAINABLE  
GROWTH

## Integrated Report



This document is a summary of the  
2019 Integrated Report of Sigdo Koppers S.A.  
The full report is available at  
<https://www.sigdokoppers.cl/inversionistas/memorias/>.

## Letter from the Chairman



In the name of the Board of Directors of Sigdo Koppers S.A., it is my great pleasure to present a summary of the company's Annual Report and Consolidated Financial Statements for the 2019 fiscal year. This is the sixth consecutive year that we are reporting the company's economic, social and environmental performance according to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

**We are hoping that this report shows our commitment to sustainability and transparency in all our operations, implemented through a triple-bottom-line strategy that allows us to create value for all our stakeholders.**

Although 2019 started out good in Chile, with some signs of an economic recovery after a complex scenario in the last few years, having to partially stop operations because of the social unrest that broke out in the country in October had a major impact on the economy. The internationalization and market diversification strategy in which Sigdo Koppers has been engaged for several years enabled us to reduce the impact of the crisis and stay solvent, with a capacity for growth.

So, Sigdo Koppers ended the 2019 fiscal year with a consolidated net profit of US\$103.4 million, 20.1% above 2018. The consolidated EBITDA was US\$345.3 million, 9.2% above the previous period, and consolidated income totaled US\$2,334.5 billion, similar to 2018.

As of December 31, 2019, Sigdo Koppers possessed assets worth US\$3.812 billion and had an adequate liquidity, holding consolidated cash of US\$290.2 million. The consolidated net financial debt to EBITDA ratio was 2.80 times. Strategically, we maintained our commitment to strengthen our leadership as an international supplier to mining and industry. We continued making significant investments in innovation, one of the pillars supporting our development strategy that we manage mainly through our subsidiary SK Godelius S.A.

During 2019, our company again received the support of the Chilean financial market, seen through the successful placement of a corporate bond for UF 1.3 million in early October at a historically low rate of UF+0.61. In sustainability, Sigdo Koppers was selected for the fifth consecutive year to be a part of the Dow Jones Sustainability Index Chile (DJSI Chile), as was our subsidiary, Enaex, which has been on that index for four years. We formed Fundación Educacional Chile Dual in 2015 where we have concentrated our efforts to help improve the quality of technical education and link it to the production sector by means of the formation of human capital.

In 2020 we will be celebrating the first 100 years of Enaex and Magotteaux, and Ingeniería y Construcción Sigdo Koppers Group will reach the age of 60. This successful trajectory has enabled us to face the future of our group confidently and decisively.

We know that the impact of the social unrest in 2019 in Chile and the pandemic now affecting the entire world will leave a significant mark. However, throughout its history, Sigdo Koppers has experienced several crises and was able to weather them with ingenuity, responsibility, commitment and work. This occasion will be no different. We will make every effort necessary to guarantee the future sustainability of the company and to continue supporting collaborators and the progress of the communities where we do business.

**Juan Eduardo Errázuriz Ossa**  
EXECUTIVE PRESIDENT  
SIGDO KOPPERS S.A.



# 01

Sigdo Koppers S.A.  
at a glance

## INNOVATION\_

US\$  
**19.1**  
million  
Invested

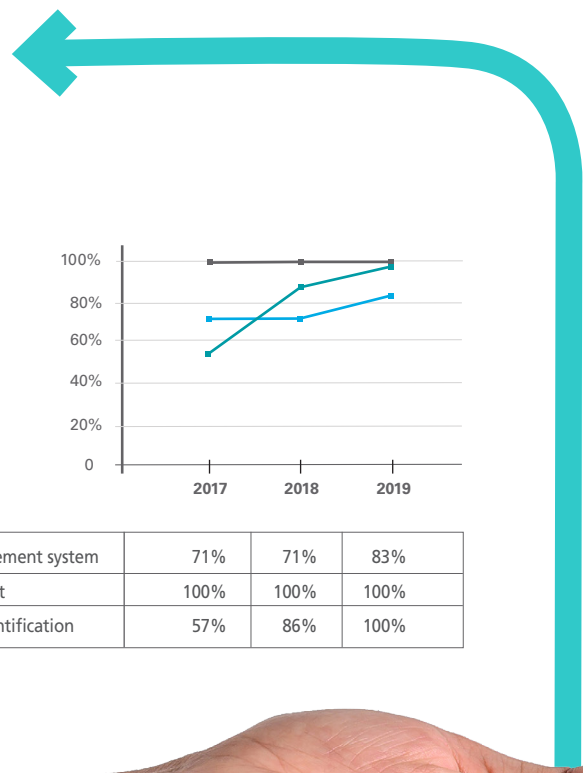


## ENVIRONMENTAL PERFORMANCE\_



US\$  
**8.6**  
million

were invested  
in environmental  
measurements and  
improvements



■ Environmental management system	71%	71%	83%
■ Emissions measurement	100%	100%	100%
■ Environmental risk identification	57%	86%	100%

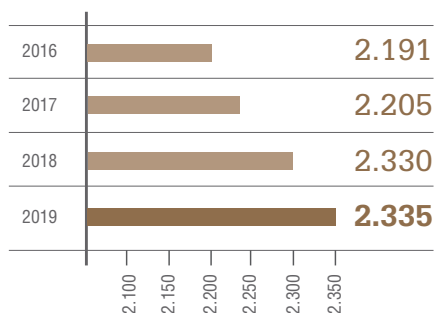




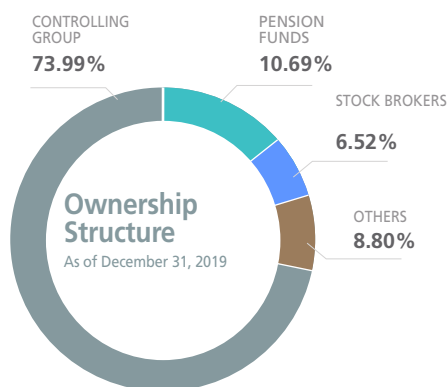
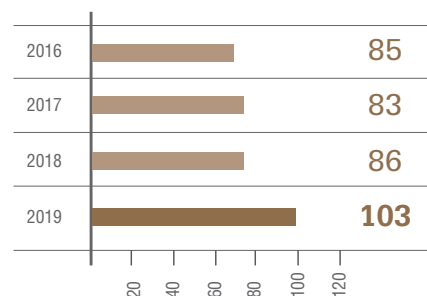


## ECONOMIC PERFORMANCE

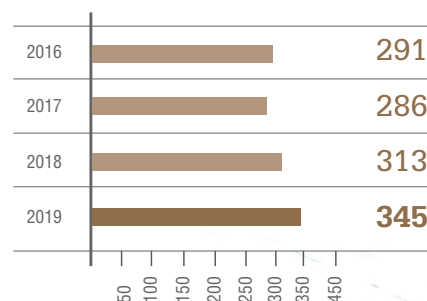
### Consolidated Sales



### Profit of Sigdo Koppers S.A.



### Consolidated EBITDA



## SOCIAL PERFORMANCE

MORE THAN

**14,300**  
people have  
been trained

✓ **1,923 youths**  
benefitted from the Chile Dual  
Program throughout Chile

✓ **20,439**  
collaborators  
at the closing of 2019,  
amount that considers  
employment contracts per  
project

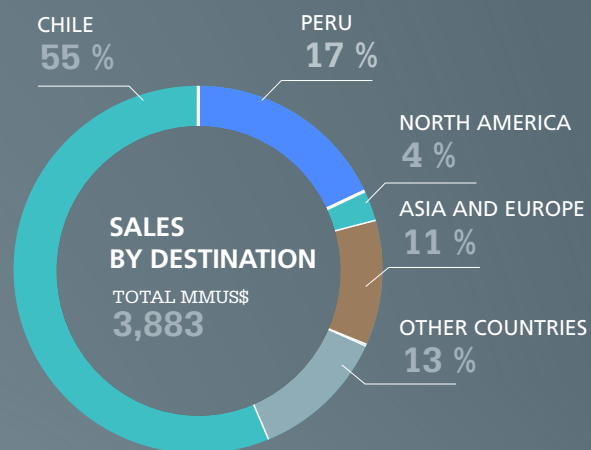


**100%**

of the subsidiaries  
have means to query  
their customers

## INTERNATIONAL PRESENCE

Sigdo Koppers S.A. has production plants and operations in America, Europe, Africa and Asia. Its products and services are sold throughout the world according to the Group's market diversification strategy.



29 production  
plants in  
15 countries

Commercial operations in  
more than 30 nations

**CANADA**

Magotteaux  
Group S.A.

**SPAIN**

Magotteaux  
Group S.A.

**USA**

Enaex S.A.

Magotteaux  
Group S.A.

**FRANCE**

Enaex S.A.

Magotteaux  
Group S.A.

**BELGIUM**

Magotteaux  
Group S.A.

**MEXICO**

Magotteaux  
Group S.A.

**INDIA**

Magotteaux  
Group S.A.

**CHILE**

Ingeniería y Construcción  
Sigdo Koppers  
Group S.A.

Puerto Ventanas S.A.

Ferrocarril del  
Pacífico S.A.

SK Godelius S.A.

Enaex S.A.

Magotteaux  
Group S.A.

SK Comercial S.A.

SKBergé S.A.

**ARGENTINA**

Enaex S.A.

SKBergé S.A.

**THAILAND**

Magotteaux  
Group S.A.

**CHINA**

Magotteaux  
Group S.A.

**BRAZIL**

Ingeniería y Construcción  
Sigdo Koppers  
Group S.A.

Enaex S.A.

Magotteaux  
Group S.A.

SK Comercial S.A.

**PERU**

Ingeniería y Construcción  
Sigdo Koppers  
Group S.A.

Enaex S.A.

Magotteaux  
Group S.A.

SK Comercial S.A.

SKBergé S.A.

**COLOMBIA**

Ingeniería y Construcción  
Sigdo Koppers  
Group S.A.

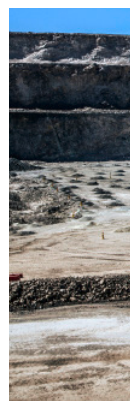
Enaex S.A.

SK Comercial S.A.

SKBergé S.A.

**SOUTH AFRICA**

Magotteaux  
Group S.A.



## ● MAIN MILESTONES\_

Sigdo Koppers S.A. successfully placed its Series G Bonds in Chile for an aggregate of UF 1.3 million (US\$50 million), amidst a great interest of the market and investors. The transaction, structured out to 10 years, was concluded at a rate of UF+0.61%, a spread of 71 bps above the reference rate, the lowest of the company's bond issues.

Enaex continued its expansion plan as a leading provider of rock fragmentation services in the world. In 2019, Enaex reached an agreement to become a strategic partner of Sasol South Africa Limited and thus enter the explosives and rock fragmentation market in South Africa.

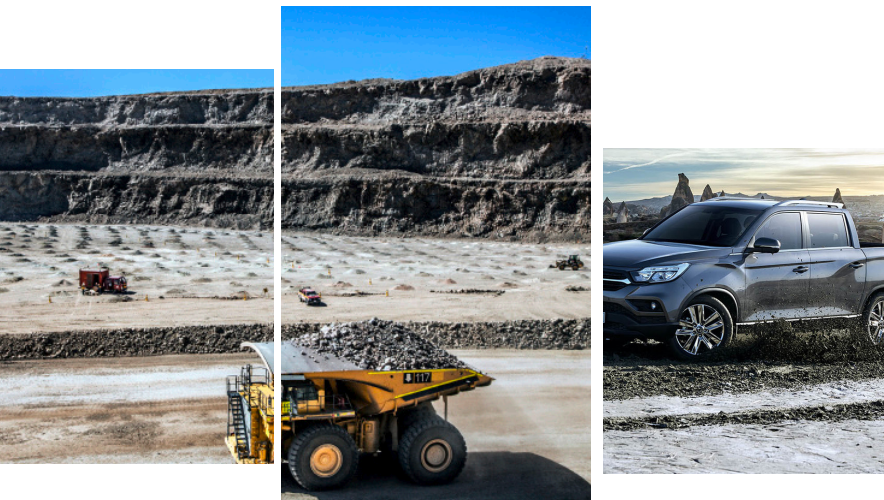
Ingeniería y Construcción Sigdo Koppers Group S.A. consolidated its engagement in the main projects tendered in Chile 2019 by the mining and forest industries. Of note is the award of the construction contracts for Arauco's MAPA project and Phase II of Quebrada Blanca Mine for Teck.

SKBergé closed the sale of the 49% interest it held in Santander Consumer in which it had been a member since 2007. Both companies agreed to continue their commercial relationship in the long term.

Jiangling Motors Corporation (JMC), the leading manufacturer of cars and commercial vehicles in China, returned to the Chilean market through SK Comercial, its representative in the sale of trucks, and through SKBergé, its representative in the sale of light vehicles.

# 2019





## ● RECOGNITIONS



### Maritime Award of CIP Americas – OAS.

The Maritime Award of the Americas was awarded to Puerto Varas by the Inter-American Committee on Ports of the Organization of American States (OAS) for “Rapprochement with the community and Port-City relations.”



### CEM Insight Award

Puerto Ventanas received this award for its energy efficiency program. This honor is given by a group of energy leaders and authorities who represent 24 governments promoting energy efficiency around the world.



### CChC Sustainable Company Award

For its good human capital practices, Ingeniería y Construcción Sigdo Koppers received the 2019 Sustainable Company award from the Chilean Chamber of Construction (CChC) in the Large Construction Company Category.



### First place in the Most Innovative Companies Ranking in Mining Services

Enaex was acknowledged to be the most innovative company in the mining business among more than 100 participants, according to the ranking of the ESE Business School and La Tercera newspaper. Policies, processes and a culture of innovation were evaluated as well as the impact of innovation on results.



### Best Carbon Emission Performance

The Tennessee Valley Authority awarded Magotteaux the prize for the best Carbon Emissions performance because of the decrease in emissions between one year and another. Tennessee Valley Authority is a U.S. corporate agency that supplies electricity to commercial clients and local electric utilities and services nearly 10 million people.



### Phibrand Award

Enaex received the Phibrand Award as the Best Domestic Mining Supplier in Chile, a recognition based on a performance evaluation study that takes into account the opinion of more than 200 executives in this sector.



### Award from the National Safety Council of Chile

SK Comercial, SK Rental, Sigdotek, SKC Transporte, SKC Servicios Automotrices, SK Maquinarias and SKC Logística each received the “Rosalindo Fuentes Silva” Award of the National Safety Council of Chile.



### Dow Jones Sustainability Index (DJSI)

Sigdo Koppers and its subsidiary Enaex formed a part of the Dow Jones Sustainability Index (DJSI): Sigdo Koppers for the fifth year and Enaex for the fourth year, both consecutively. This is the most prestigious global sustainability index.



### Technical Education Project Funding

Chile Dual received funding from the Ministry of Education of the Government of Chile to finance a project to strengthen vocational high school education through different dual education strategies that will be implemented in different regions in the country.

# 02

## Corporate Strategy

THE COMPANY IS COMMITTED TO DEVELOPING ITS COLLABORATORS AND THE COMMUNITIES WHERE IT HAS OPERATIONS.

The quality of its products and services and its ongoing push for innovation make it a major player in the industries where it operates.

### ● MISSION

To be an integral supply group, a leader in services and products for mining and industry, delivering the highest quality to our clients, creating value for our shareholders and opportunities for development for our collaborators.

### ● VISION

Growing profitably, continuously and sustainably and consolidating our development in the different industries and markets where we are engaged while identifying new investment opportunities in line with our long-term vision.

## VALUES

### 01\_

#### COMMITMENT TO LIFE

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

### 02\_

#### INTEGRITY

We behave ethically, fairly and responsibly to our stakeholders.

### 03\_

#### CUSTOMER FOCUS

We are building long-term relationships of trust with our clients. We endeavor to understand their needs, look at it from their viewpoint, and meet their expectations by providing competitive quality solutions.

### 04\_

#### EXCELLENCE

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







## ● CHAIN OF VALUE IN MINING AND INDUSTRY

Participation in the main stages of the value chain of mining and industry

# 01\_

## DEVELOPMENT

Development of the main industrial investment projects.



### INGENIERÍA Y CONSTRUCCIÓN SIGDO KOPPERS GROUP S.A.

Large-scale engineering, construction and assembly services in the mining, power generation and transmission sectors. Industrial projects, civil, maritime and infrastructure works.

# 02\_

## OPERATION

Solutions in the main stages of industrial operation and mining.



### ENAEX S.A.

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



### SK COMERCIAL S.A.

It imports, distributes and leases machinery to the mining, agriculture, transportation and industry sectors.



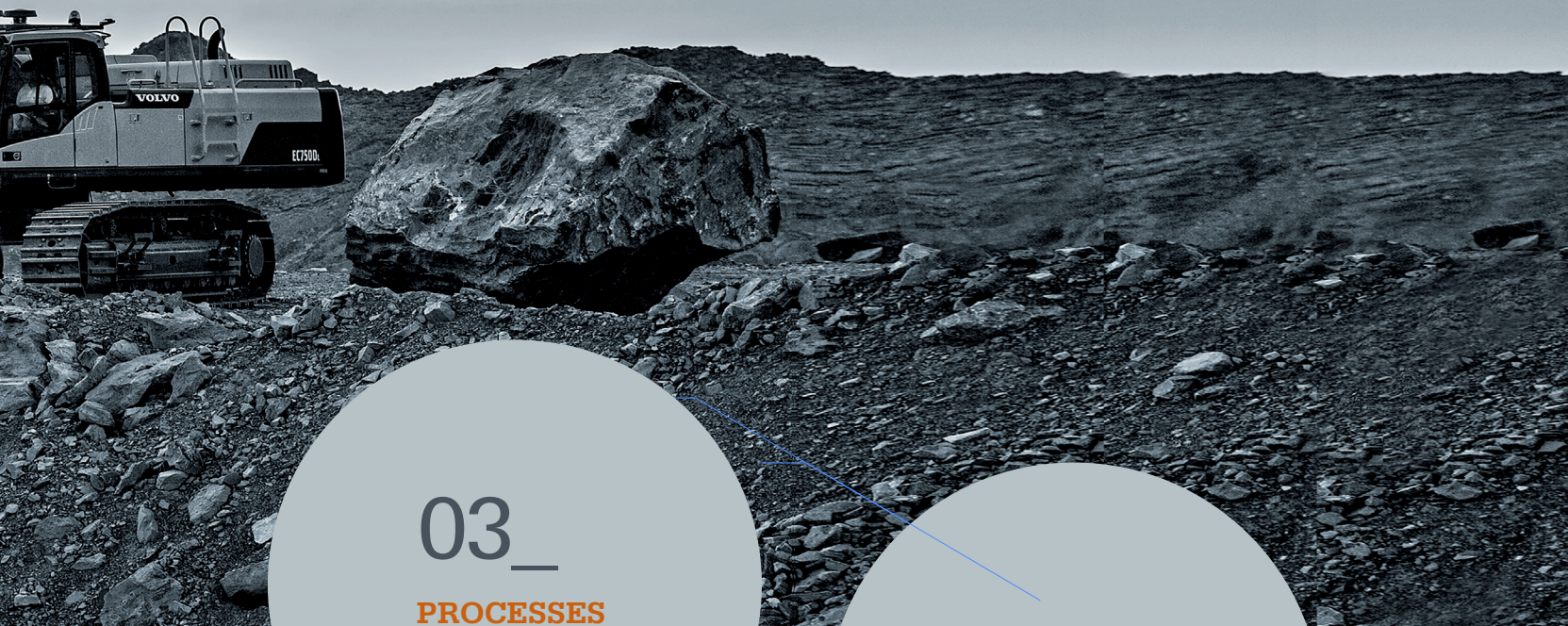
### SKBERGÉ S.A.

A supplier of commercial vehicles to industrial, mining and service companies.



Sigdo Koppers S.A. is a global company diversified into the areas of engineering and construction, port works, railway transport, rock fragmentation, mill ball production, the representation, distribution and lease of machinery and sale of vehicles of prestigious makes, so it provides integral services to clients.

Sigdo Koppers is engaged in the main activities that create value for clients in the aim of consolidating its position as a leading supplier of products and services to mining and industry.



03\_

## PROCESSES

Solutions in the material processing phases

04\_

## LOGISTICS

Cargo logistics and transfer services



### MAGOTTEAUX GROUP S.A.

castings and mill balls with a high added value, used in large-scale mining and other industries like the cement industry, power plants and dredging.



### SK GODELIUS S.A.

SK Godelius S.A. develops technologies to optimize clients' operating processes. It creates, implants and operates telecommand systems, machine automation and production processes, to name a few.



### PUERTO VENTANAS S.A.

Puerto Ventanas S.A. is the leading bulk port in the central zone of Chile. It offers transfer and storage services.



Additionally, through its subsidiary Ferrocarril del Pacífico S.A. (FEPASA), it provides cargo logistics and transfer services by rail and by truck.

# 03

## Corporate governance

12 Regular Board meetings were held in 2019 (100% average attendance) and 6 Special Board meetings (average attendance of 95.1%).

# 98.4%

was the average attendance of Directors

### Board of Directors

The Board of Directors of Sigdo Koppers was elected for the term 2018-2021 at the Regular Shareholders Meeting held April 23, 2018. On that occasion, Juan Eduardo Errázuriz Ossa, Naoshi Matsumoto Takahashi, Norman Hansen Fernández, Horacio Pavez Aro, Jaime Vargas Serrano, Felipe Cerón Cerón and Silvio Rostagno Hayes were elected.

1\_

**JUAN EDUARDO ERRÁZURIZ OSSA**  
Executive President

TAX ID 4.108.103-1

Civil Engineer  
Catholic University of Chile

2\_

**NAOSHI MATSUMOTO TAKAHASHI \***  
Vice-Chairman

TAX ID 3.805.153-9

Business Engineer  
Catholic University of Chile

3\_

**SILVIO ROSTAGNO HAYES \***  
Independent Director

TAX ID 6.366.718-8

Mechanical Industrial Engineer  
Catholic University of Chile

4\_

**NORMAN HANSEN FERNANDEZ**  
Director

TAX ID 6.062.403-8

Sociologist  
Catholic University of Chile

5\_

**JAIME VARGAS SERRANO \***  
Director

TAX ID 7.035.696-1

Business Engineer  
Woodbury University  
California, USA

6\_

**HORACIO PAVEZ ARO**  
Director

TAX ID 9.737.844-4

Civil Engineer  
University of Chile

7\_

**LUIS FELIPE CERÓN CERÓN**  
Director

TAX ID 6.375.799-3

Electrical Industrial Engineer  
Catholic University of Chile





CONTROLLING  
GROUP

73.99%

OWNERSHIP  
STRUCTURE

26.01%

PENSION FUND

10.69%

STOCKBROKERS

6.52%

MUTUAL FUNDS AND  
OTHER INSTITUTIONS

5.49%

OTHERS

3.31%

## Management of Sigdo Koppers S.A.

Sigdo Koppers S.A. is organized under a subsidiary model whose managers have the duty to manage rigorously and prudently to ensure economic solvency, to communicate the organization's culture and to safeguard the interests of shareholders and other stakeholders.



**JUAN EDUARDO  
ERRÁZURIZ OSSA**

Executive President, Sigdo Koppers S.A.

TAX ID 4.108.103-1

Civil Engineer  
Catholic University of Chile



**JUAN PABLO  
ABOITIZ DOMÍNGUEZ**

Chief Executive Officer, Sigdo Koppers S.A.

TAX ID 7.510.347-6

Mechanical Industrial Engineer  
Catholic University of Chile  
Post-Graduate Degree in Business Administration  
Catholic University of Chile



**GONZALO  
CAVADA CHARLES**

Chief Financial Officer, Sigdo Koppers S.A.

TAX ID 10.773.694-8

Civil Engineer  
Catholic University of Chile  
MBA, Cambridge University, UK



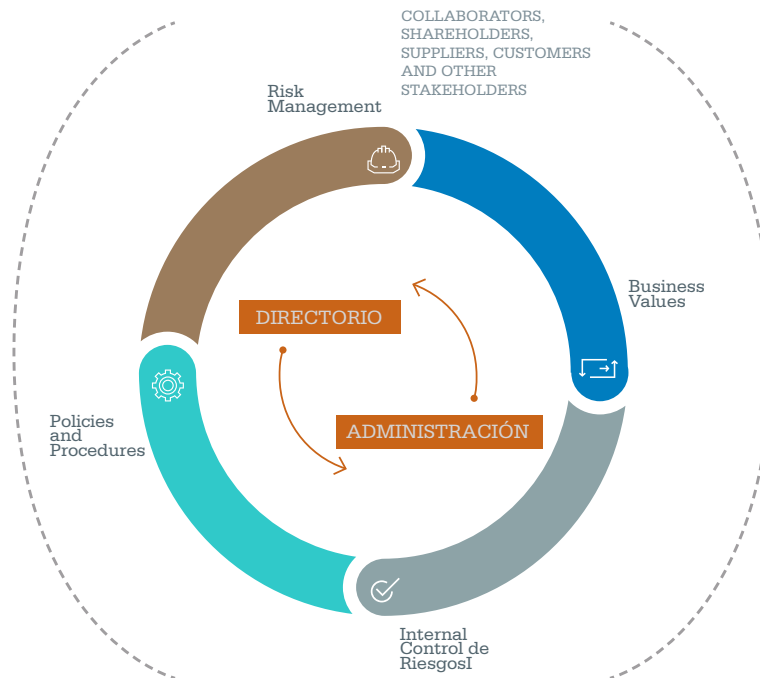
**ALEJANDRO  
REYES PIZARRO**

Chief Comptroller, Sigdo Koppers S.A.

TAX ID 8.386.498-2

Business Engineer, University of Santiago  
Master of Tax Planning and Management  
University of Santiago  
Master of Business Law, Adolfo Ibañez University

## ● CORPORATE GOVERNANCE MODEL



### Ethics and compliance

The main objectives of Sigdo Koppers S.A.'s corporate governance are to provide a sound and efficient structure for management and stakeholders and set down the responsibilities that will add value equitably to the company based on the commitment of each of the parties.

#### CODE OF ETHICS

In the Code of Ethics, Sigdo Koppers S.A. sets down the basic values, principles and standards of conduct that are the guide for each of the members of the company and its subsidiaries. The main purpose is to provide a positive and safe work environment that protects transparent relations with customers, suppliers and other stakeholders.

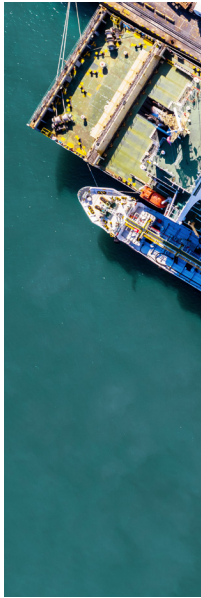
#### FAIR COMPETITION

Sigdo Koppers S.A. promotes and appreciates fair competition in its daily businesses, which prevails in all areas.

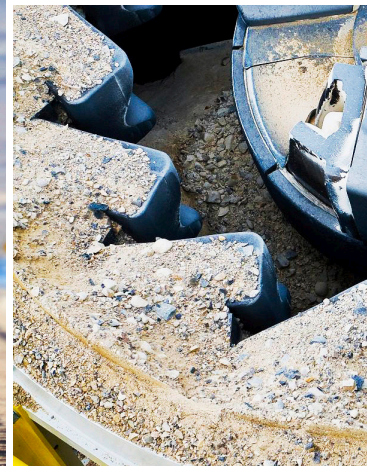
Competition stimulates efficiency and innovation and facilitates equitableness in all commercial relations.

The commercial objectives of the company guide its competitiveness, as do the characteristics inherent to the market in which it is engaged. Directors and collaborators cannot make any type of agreement with competitors, customers and/or collaborators that restricts free trade.

Finally, a careful legal analysis is required in each area of business for the drafting and signature of agreements, contracts or actions that might infringe trade and competition regulations.







The Board of Directors and Management are in charge of protecting the principles and values of the company.

#### ETHICS COMMITTEE

This committee is engaged in strengthening ethical values and actions in the company; providing guidance in the solution of ethical conflicts by playing the role of mediator between the parties; receiving, resolving and disclosing complaints; and issuing rules and instructions on compliance with the Code of Ethics.

The members are the Chief Executive Officer, Chief Comptroller and at least one director in the company. It is required to meet every quarter and whenever circumstances warrant.

#### CRIME PREVENTION MODEL

This model was designed in compliance with Law 20,393 that holds legal entities criminally liable for the offenses defined in that law.

This Crime Prevention Model is aligned with the company's values to avoid any action that violates its principles. The model has been certified by BH Compliance and the company has a crime prevention officer who ensures compliance.

#### WHISTLEBLOWER CHANNEL

Sigdo Koppers S.A. makes a whistleblower channel available to its different stakeholders to be able to identify suspicious behavior. The channel is confidential and it reduces the risk of corruption, conflicts of interest, regulatory violations and inappropriate conduct. It is accessible at the website [www.sigdokoppers.cl](http://www.sigdokoppers.cl), and it is managed via protocols, deadlines, responses and monitoring.

#### INTERNAL REGULATIONS

Our internal regulations aim to guarantee stability, harmonious relations, respect and a good operation of the organization. The main regulations are found in the Internal Regulations on Order, Hygiene and Safety. There are also specific rules on corporate governance ([https://www.sigdokoppers.cl/gobierno\\_corporativo/documentos/](https://www.sigdokoppers.cl/gobierno_corporativo/documentos/)).


#### SUPPLIER RELATIONS

Suppliers and subcontractors are an active part in the value chain of Sigdo Koppers S.A. and its subsidiaries. For this reason, the company has a Supplier Code of Ethics and Conduct that summarizes the main ethical principles and rules of conduct to guide their actions, which we also expect them to apply in their supply chain.

#### COMMITTEES

The Committees of Sigdo Koppers S.A. address specific matters in the Group's companies according to across-the-board directives. They are chaired by the Executive President or the Chief Executive Officer of Sigdo Koppers and have a stable structure where representatives of subsidiaries participate in order to incorporate the best practices in the companies' management.

The following committees are currently active at a corporate level: Innovation Committee, Sustainability Committee, Human Resource Committee, Communications Committee, Diversity and Inclusion Committee, Environmental Committee and Technology Committee.



## Risk management

Sigdo Koppers has designed a risk management process in line with the best practices of the industry, the regulations governing in Chile and in the countries where it has operations, and with the acceptable risk determined by the board of directors.

The Risk Committee manages the risks and opportunities that might have an impact on the company's businesses and goals.

Risks are rated Strategic, Financial, Operational and Regulatory Compliance. After analysis and assessment, they are prioritized on the basis of their potential impact and the probability that they occur. A mitigation strategy and monitoring plan are defined to confront and monitor them.

## Main Risks Seen in 2019

### ECONOMIC CONDITION OF THE COUNTRIES

#### WHERE WE DO BUSINESS:

The economic scenario of the countries where subsidiaries of Sigdo Koppers have production or commercial operations has an impact on the financial situation, results and forecasts for the business.

#### ✓ Mitigative Measures

**Global Presence:** Sigdo Koppers aims to have a great global presence through products and services of high added value.

**Cost Containment:** In recent years, global initiatives have been identified and have begun to be implemented to facilitate greater synergies among the companies.

### POLITICAL UNCERTAINTY:

The political uncertainty and its potential economic and social consequences can affect the operations and profitability of the companies. Any political event that materially impacts the economic development of a country or its business environment can potentially influence operations, like the social crisis in Chile starting October 18th.

#### ✓ Mitigative Measures

**Monitoring:** The company monitors the course of important political events in the countries where it has operations and it seeks the advice of local experts to anticipate potential changes.

### REGULATORY CHANGES AND GREATER SCRUTINY:

Operations are subject to the laws and regulations of each of the countries where they are present. Eventual regulatory changes and a failure to adapt to them might have an adverse impact both on the business and on the public perception of the Sigdo Koppers' brand.

#### ✓ Mitigative Measures

**Code of Ethics:** All Sigdo Koppers' collaborators adhere to the Code of Ethics and Conduct according to which they promise to abide by changes in the laws and regulations in all countries where the Group has operations.

**Monitoring:** The company is permanently monitoring the laws and regulations of the countries where it is present.

### MORE COMPLEX COMPETITIVE DYNAMICS:

The markets where Sigdo Koppers operates are highly competitive. There are many famous companies on those markets and new actors are continuously entering the industry, which increases imports and substitute products.

#### ✓ Mitigative Measures

**Add Value to the Client:** Sigdo Koppers intends to maintain and increase its market share by providing the best solutions to its clients.

**Innovation:** The Group is a leader in innovation, thereby delivering novel, competitive and high-quality solutions.

### FINANCIAL AND DEBT RESTRICTIONS:

Sigdo Koppers owes debt and other financial liabilities that come due in the next few years. The capacity to pay debt as it comes due depends on the operating flow and dividends paid by the Group's subsidiaries.

#### ✓ Mitigative Measures

**Appropriate handling of our debt profile:** The company aims to maintain a conservative financial profile that will allow it to easily pay its debt. The results of subsidiaries are forecasted from time to time to evaluate the expected flow in the short and long term.

### HEALTH AND SAFETY RISKS:

Some of the activities in the businesses in which some of the Sigdo Koppers companies engage may cause injury to people or damage to facilities. For example, some production plants require collaborators to work with hazardous products, large machinery or at a height. Accidents or fatalities could happen if risks are not managed very carefully.

#### ✓ Mitigative Measures

**Risk prevention campaigns and training:** The health and safety of its collaborators are a priority for Sigdo Koppers. The company endeavors to avoid accidents by promoting a culture of safety in everyday work by specific programs and training.

**Insurance:** The company has an insurance plan that is managed on a consolidated level and by each operation in particular to reduce potential economic damage and civil claims as a result of accidents.

### CYBER RISKS:

The risk of cyberattacks has become increasingly relevant to the Group because the globality of its operations requires a greater use of internet-connected systems and devices.

#### ✓ Mitigative Measures

**Risk prevention campaigns and training:** The board of directors and senior officers are trained to minimize cyber risks (both of cyberattacks and in cybersecurity), together with the training of collaborators to improve information security habits.

**Information back-up on the cloud:** Information is transferred to the servers of the leading companies in data management, which have procedures to back up and look for vulnerabilities in the software used by the company





# 04

## Sustainable Management

SIGDO KOPPERS S.A. IS BETTING ON A SUSTAINABLE DEVELOPMENT MODEL THAT TAKES INTO ACCOUNT THE ACTUAL REQUIREMENTS IN THE INDUSTRY AND THE INTERESTS OF ITS STAKEHOLDERS.

This commitment is addressed through ongoing monitoring policies and methods to respond more effectively to these demands.

### ● TRIPLE-BOTTOM-LINE STRATEGY\_

The corporate sustainability of Sigdo Koppers involves three significantly interlinked aspects:

#### ECONOMIC PERFORMANCE:

This involves the economic and financial viability, corporate structure, growth and profitability of the business.

#### SOCIAL PERFORMANCE:

This refers to the social management of stakeholders, including the community, collaborators, trade associations, and the authorities, among other relevant sectors.

#### ENVIRONMENTAL PERFORMANCE:

This aspect addresses environmental liability, care of biodiversity and the sustainable use of natural resources.

These three aspects comprise the Triple-Bottom-Line Strategy in which the economic, social and environmental spheres are each valued equally and converge throughout the value chain of the Group's businesses.

Sigdo Koppers also incorporate innovation as a fourth side to its strategy, which is considered to be a transversal tool in achieving corporate sustainability.



## OUR STAKEHOLDERS

### • COLLABORATORS

Our collaborators' experience is a fundamental part of the Group's sustainable management. The intent is to promote the career and personal development of each member.

### • SUPPLIERS

The goal is to attain long-term, mutually beneficial relations with suppliers and extend sustainability to all members of the Sigdo Koppers value chain.

### • INVESTORS AND SHAREHOLDERS

Sigdo Koppers' commitment to this Group is to ensure the greatest growth in profitability by means of a responsible, proactive management and a high level of innovation in facing complex challenges.

### • AUTHORITIES

The Group's relationship with the authorities is based on an absolute compliance with standards and regulations, the best ethical standards in the industry, and a contribution through trade associations to handle issues that help the country.

### • CLIENTS

To Sigdo Koppers, clients are at the core of the business. It always endeavors to deliver products and services of excellence.

### • COMPETITORS

The Group maintains an honest and ethical relationship with its competitors, it competes fairly behavior and abides by the best market practices.

### • COMMUNITY

Sigdo Koppers fomenta relaciones que contribuyen a mejorar la calidad de vida de las comunidades, considerando sus principales intereses y expectativas.

## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDS)

### 4 EDUCACIÓN DE CALIDAD



Sigdo Koppers believes that education is a priority tool in improving the quality of life of individuals and collaborators. It also promotes inclusion and equity as an across-the-board pillar of education. It invests in training workshops for collaborators and other stakeholders through its subsidiary, SK Capacitación S.A., and Fundación Educacional Chile Dual.

### 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO



In order to attain a sustainable economic development, organizations must create the conditions for people to have access to quality jobs and to stimulate the economy without harming the environment. Under this premise, Sigdo Koppers' commitment is to provide jobs that safeguard the interests, development and safety of its collaborators. This also helps improve the local economy and reduce the levels of unemployment.

### 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA



The company believes that there must be investment in infrastructure and technology innovation to produce a robust economy sustainable over time. For the Group, using the highest technology for the manufacture of inputs is one way to increase production efficiency and to protect against the emissions and waste produced.

### 12 PRODUCCIÓN Y CONSUMO RESPONSABLES



Sustainable consumption and production consist mainly in fostering the efficient use of resources and energy. Sigdo Koppers contributes to this goal in particular through the use of measuring systems that monitor levels of consumption and the environmental aspects present at plants. It invests in the latest technology to reduce its levels of consumption and undesired environmental impacts.

### 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS



Sigdo Koppers encourages an institutional framework that establishes efficient and transparent regulations. It has a sound corporate governance that responsibly safeguards the interest of all members of the company, shareholders and clients.

### 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS



Sigdo Koppers offers alliances with the public sector and civic society to create collaborative work structures. This aspect leads to a shared vision and goals in regard to wellbeing and sustainability.



## INNOVATION

The main innovation focus of the Sigdo Koppers Group is to maintain the leadership of the companies in the markets in which the Group engages. This means satisfying clients' needs by providing a competitive service.

For that reason, innovation and development projects that have been implemented aim to reduce clients' productions costs, response times, the risks to people, the use of natural resources and to optimize the quality of products and services.



### ● ECONOMIC SPHERE\_\_

#### Highlights:

- ✓ **INGENIERÍA Y CONSTRUCCIÓN SIGDO KOPPERS**  
**Track & Trace**  
Control of equipment and machinery location and operation.  
  
**Robotics**  
Construction of prototypes and acquisition of computer-based tools.  
  
**Process digitalization**  
Progress in the digital transformation by automating equipment, procurement and quality management processes.
- ✓ **SK GODELIUS**  
**"GODELIUS X" robotic platform**  
A central platform used in the conceptual engineering and testing stages for Enaex's blasting applications and ICSK's robotics advancements.  
  
**Remote operation**  
Development of a remote blasting system for Enaex.
- ✓ **ENAEX**  
**Mine-iTruck®**  
Telecommanded factory-truck for use in mine blasting.  
  
**RoboMiner®**  
A robotic unit that has manual skills and manipulation capability apt for blasting.  
  
**iControl®**  
An integrated control station that ensures a safer and more comfortable operation for people.
- ✓ **MAGOTTEAUX**  
**A new range of crushing products**  
5 new products have been added (Greox, NewXCC/ Smokeless, Refractories, HRC Powder and Teeth). The Concept Test was passed using a sensor integrated to the casting, the first step in the "Smart Foundry" project.

### ● SOCIAL SPHERE\_\_

#### Highlights:

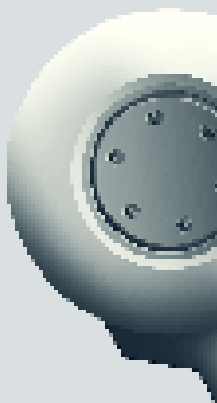
- ✓ **MAGOTTEAUX**  
Magotteaux created an alliance with sensor suppliers to develop a new service to mining clients that maximizes milling. The technology was in the test phase in 2019 and will be installed in 3 to 5 clients in 2020.  
  
An agreement was reached with the University of Tennessee (in the USA) to develop programs jointly that combines Magotteaux's experience in metal alloys with the development of new technologies and the artificial intelligence know-how of this university.  
  
Magotteaux joined forces with clients that manufacture industrial equipment to support the strategy of "value-added selling."

- ✓ **ENAEX**  
Significant progress was made in implementing new open pit mining technologies to operate and implement telecommanded loading operations on site.

### ● ENVIRONMENTAL SPHERE\_\_

#### Highlights:

- ✓ **PUERTO VENTANAS**  
The new shiploader was implemented that increases the speed and efficiency of shipments.
- ✓ **ENAEX**  
It is the first explosives supplier in Chile that can track its carbon footprint quantified by unit of product, as much as 40% fewer carbon emissions than other organizations in the industry.
- ✓ **MAGOTTEAUX**  
It is working on creating more resistant mill balls for the mining, cement and public service industry in order to lengthen their duration and avoid excessive replacements.



ECONOMIC INVESTMENT IN INNOVATION IN KUS\$	Ingeniería y Construcción SK Group S.A.	SK Godelius S.A.	Enaex S.A.	Magotteaux Group S.A.	SK Comercial S.A.
	2,000	1,773	10,952	3,866	475

HUMAN CAPITAL DEDICATED TO INNOVATION PROGRAMS	Ingeniería y Construcción SK Group S.A.	SK Godelius S.A.	Enaex S.A.	Magotteaux Group S.A.
No. of people working on R&D	2	15	34	12
No. of training sessions on R&D subjects	-	3	13	5



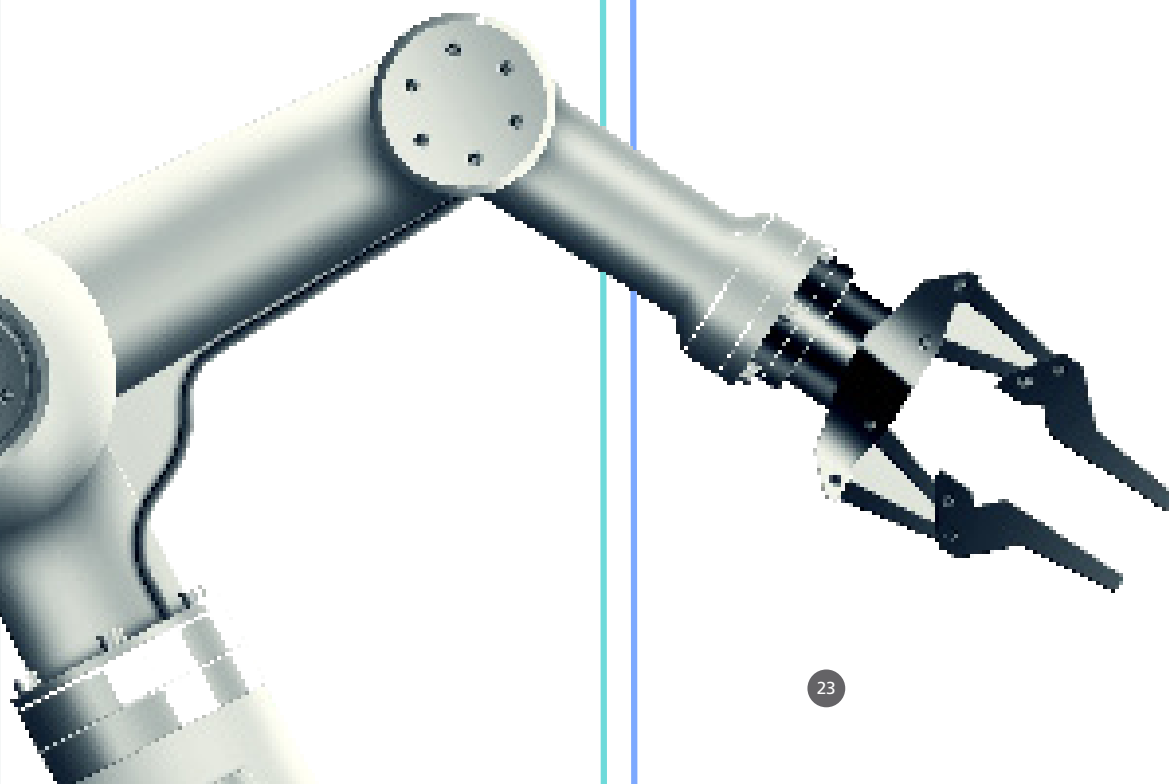
US\$

**19.1**  
million

were invested in innovation in 2019.

**63**  
people

work exclusively on R&D





## ECONOMIC performance

US\$

# 345.3

million

was the consolidated EBITDA, which represents an increase of 9.2% and a better operating profit in all areas of business.



## Materiality

ECONOMIC PERFORMANCE	
ICSK Group	x
PVSA	x
Fepasa	x
SK Godelius	x
Enaex	x
Magotteaux	x
SK Comercial	x
SKBergé	x



US\$  
**2.335**  
billion

in consolidated income for Sigdo Koppers S.A., increasing 0.1% compared to December 2018. Notable was the increase in sales by Ingeniería y Construcción Sigdo Koppers Group S.A. (ICKS Group) and by Puerto Ventanas S.A. (PVSA).

US\$  
**103.4**  
million

was the net profit of Sigdo Koppers S.A., an increase of 20.1% compared to 2018. Most of the Group's subsidiaries experienced a profit increase.

ECONOMIC VALUE GENERATED AND	FS NOTE Nº	
	2018	2019
<b>ECONOMIC VALUE GENERATED</b>	<b>2,452,200</b>	<b>2,511,054</b>
Revenue	2,332,119	2,334,506
Income from Financial Investments	50,096	55,601
Income from the sale of property, plant and equipment	69,985	120,947
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>2,323,097</b>	<b>2,344,534</b>
Operating Expenses	1,528,254	1,508,577
<b>Distribution to Financial Capital</b>		
Dividend to shareholders	64,917	83,659
Interest expense paid to creditors	57,261	67,752
<b>Distribution to Human Capital</b>		
Employee salaries and benefits	618,367	632,023
<b>Distribution to equity</b>		
Tax expense	48,269	46,865
Community investments	6,029	5,658
<b>ECONOMIC VALUE RETAINED</b>	<b>129,103</b>	<b>166,520</b>

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	/ Numbers in <b>KUS\$</b>		
	Dec. 2018	Dec. 2019	Var.
Consolidated Income	2,332,119	2,334,506	0.1%
Consolidated EBITDA <sup>(1)</sup>	316,088	345,251	9.2%
% EBITDA Margin	13.6%	14.8%	
Proforma Consolidated EBITDA <sup>(2)</sup>	346,609	381,831	10.2%
Profit (loss)	128,269	150,863	17.6%
<b>SIGDO KOPPERS PROFIT</b>	<b>86,106</b>	<b>103,382</b>	<b>20.1%</b>

MAIN INDICATORS	Numbers in <b>KUS\$</b>		
	Dec. 2018	Dec. 2019	Var.
Total Assets	3,678,156	3,811,754	3.6%
Total Equity <sup>(3)</sup>	1,719,739	1,738,753	1.1%
Net Financial Debt	843,140	959,703	13.8%
Net Financial Debt /EBITDA	2.69	2.80	
ROE	6.58%	7.79%	
ROCE	6.99%	7.16%	

<sup>(1)</sup> EBITDA = Operating Profit + Depreciation and Amortization Expenses

<sup>(2)</sup> Proforma EBITDA = EBITDA + Related Company Profits

<sup>(3)</sup> Total Equity includes non-controlling interests

## ● ECONOMIC PERFORMANCE



### INCOME

The Consolidated Income of Sigdo Koppers S.A. (Sigdo Koppers) rose 0.1% compared to December 2018, to US\$2,334.5 billion.

**Of note is the increase in sales by Ingeniería y Construcción Sigdo Koppers Group S.A. (ICSK Group) and by Puerto Ventanas S.A. (PVSA)**

### OPERATING PROFIT

Un mejor resultado operacional en todas las áreas de negocios se reflejó en el aumento de un 9,2% del EBITDA Consolidado, que alcanzó los US\$345,3 millones.

### OTHER INCOME

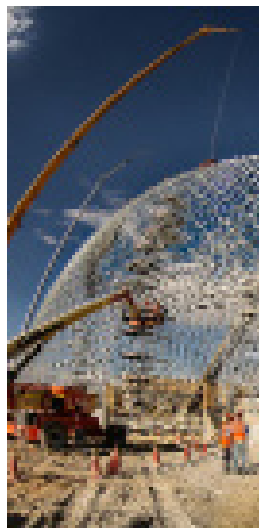
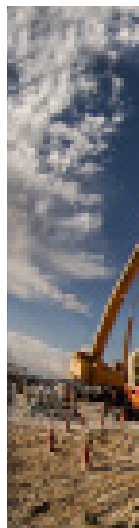
**As of December 31, 2019, the Share in Earnings of Associates and Joint Ventures was US\$36.6 million, a rise of 19.9% over the previous year.**

This was mainly the result of (1) an increase in the activity of companies and consortiums that are not consolidated in the ICSK Group and (2) an increase in profit in SK Inversiones Automotrices, which recorded its share of US\$32.8 million in the net profit of SKBergé S.A. (+22. %).

### PROFIT

**The net profit of Sigdo Koppers was US\$103.4 million, a rise of 20.1% over 2018. Most of the subsidiaries of the group increased their profits.**

**2.9%** growth in the  
EBITDA  
of Sigdo Koppers  
in 2019



#### CONSOLIDATED BALANCE SHEET

At the close of 2019, Sigdo Koppers owned assets worth US\$3.812 billion. It also had an adequate liquidity with consolidated cash of US\$290.2 million. Its Net Financial Debt to Consolidated EBITDA ratio was 2.80 times (2.69x in Dec-18). That ratio would be 2.6 times if the effect of IFRS 16 were excluded.

Consolidated Financial Liabilities totaled US\$1,249.9 billion, an increase of US\$135.9 million. This was due to the combined effect of (1) the first-time application of IFRS 16 (Leases) that meant recording consolidated financial liabilities for US\$50.2 million; and (2) the increase in debt in the ICSK Group (US\$62.97 million) and SK Comercial S.A. (SKC) (US\$51.2 million). At the parent level, Financial Liabilities amounted to US\$221 million, corresponding to the corporate bonds for UF 5.2 million. The parent company holds derivatives contracts equal to UF 4.7 million to redenominate its debt in UF to dollars.

The Total Consolidated Equity of Sigdo Koppers was US\$1,738.8 billion, a slight growth of 1.1%.

## SOCIAL performance

Sigdo Koppers S.A. fosters and encourages an organizational culture based on the company's Mission and Values that puts collaborators at the center of its strategy. The strategy is implemented through sustainable management.



## Materiality

SOCIAL PERFORMANCE	COLLABO- RATORS	TRAINING	COMMUNITY	DUAL EDUCATION	CLIENTS	SUPPLIERS
ICSK Group	x	x		x	x	x
PVSA	x	x	x	x	x	x
Fepasa	x	x		x	x	x
SK Godelius	x	x		x	x	x
Enaex	x	x	x	x	x	x
Magotteaux	x	x	x	x	x	x
SK Comercial	x	x		x	x	x
SKBergé	x	x		x	x	x



## ● COLLABORATORS

# 20,439

people

comprise the team of Sigdo Koppers collaborators in 2019

AGE	Younger than 30	30 a 40 years old	41 a 50 years old	51 a 60 years old	61 a 70 years old	Older than 70
Chief executive officer and direct subordinates (other managers/senior officers)	0.0%	0.4%	0.8%	0.7%	0.2%	0.0%
Assistant managers	0.9%	3.2%	3.3%	2.0%	0.7%	0.0%
Professionals and technicians	6.1%	15.5%	8.3%	4.9%	1.3%	0.1%
Clerks and workers	12.0%	18.1%	11.0%	8.3%	2.0%	0.2%
TOTAL	19.0%	37.2%	23.4%	15.9%	4.2%	0.3%

TIME IN OFFICE	Less than 3 years	3 - 6 years	6 - 9 years	9 - 12 years	9 to 12 years
Chief executive officer and direct subordinates (other managers/senior officers)	0.6%	0.3%	0.4%	0.2%	0.7%
Assistant managers	1.6%	1.1%	1.2%	0.5%	2.5%
Professionals and technicians	13.7%	7.3%	5.7%	3.2%	7.2%
Clerks and workers	18.8%	9.4%	7.6%	3.9%	14.1%
TOTAL	34.7%	18.1%	14.9%	7.8%	24.5%

IN ALL SUBSIDIARIES			
New hires	Severances	Average Number	Turnover
2,022	1,544	11,324	16%

Employee turnover:  $((H+S)/2 \times 100)/AN$

NÚMERO DE COLABORADORES	Total Colaboradores con contrato Indefinido	Total Colaboradores por obra	Total Colaboradores
Sigdo Koppers S.A.	27	-	27
Ingeniería y Construcción SK Group S.A.	1,044	8,745	9,789
Puerto Ventanas S.A.	268	166	434
Ferrocarril del Pacífico S.A.	602	-	602
SK Godelius S.A.	26	-	26
Enaex S.A.	4,304	107	4,411
Magotteaux Group S.A.	2,116	639	2,755
SK Comercial S.A.	947	170	1,117
SKBergé S.A.	1,048	230	1,278
TOTAL	10,382	10,057	20,439

ROL Y LUGAR DE TRABAJO	CHILE		SOUTH AMERICA (excluding Chile)		NORTH AMERICA		EUROPE AND AFRICA		ASIA	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women

Chief executive officer and direct subordinates (other managers/senior officers)	0.9%	0.1%	0.6%	0.1%	0.1%	0.0%	0.2%	0.0%	0.1%	0.0%
Assistant managers	2.3%	0.2%	0.8%	0.2%	0.2%	0.0%	0.8%	0.2%	0.9%	0.3%
Professionals and technicians	20.2%	3.4%	5.1%	1.6%	0.9%	0.2%	1.8%	0.5%	2.0%	0.2%
Clerks and workers	19.9%	3.3%	17.4%	2.1%	3.5%	0.3%	4.2%	2.8%	2.5%	0.1%
TOTAL	43.3%	7.0%	23.9%	4.0%	4.7%	0.5%	7.0%	3.5%	5.5%	0.6%

## Unions

Unions are key groups in Sigdo Koppers' sustainable management. A close and transparent relationship is fostered through regular meetings to monitor existing agreements.

There are currently 29 unions in the Group. The company works on different issues with them to improve the quality of life of its collaborators, respond appropriately to their needs, and protect the company's sustainability in the long term.

### NUMBER OF UNIONS IN EACH SUBSIDIARY

Ingeniería y Construcción SK Group S.A.	Puerto Ventanas S.A.	Ferrocarril del Pacífico S.A.	SK Godelius S.A.	Enaex S.A.	Magotteaux Group S.A.	SK Comercial S.A.	SKBergé S.A.
1 (*)	2	3	-	12	10	1	- (**)

(\*)

Ingeniería y Construcción Sigdo Koppers has 1 permanent union and others per project (4 during 2019).

(\*\*)

The workers are represented by an Employee Delegate.

### ACCIDENTS

## Health and safety

	Fatal accidents	Lost-time accidents	Hours worked
Ingeniería y Construcción SK Group S.A.	-	38	17,588,542
Puerto Ventanas S.A.	-	11	733,000
Ferrocarril del Pacífico S.A.	-	29	1,291,477
SK Godelius S.A.	-	-	-
Enaex S.A.	-	17	8,479,044
Magotteaux Group S.A.	-	50	4,400,260
SK Comercial S.A.	-	21	2,062,549
SKBergé S.A.	-	5	2,821,185

	Ingeniería y Construcción SK Group S.A.	Puerto Ventanas S.A.	Ferrocarril del Pacífico S.A.	Enaex S.A.	Magotteaux Group S.A.	SK Comercial S.A.
Accident Rate with days lost <sup>(1)</sup>	2.16	4.10	1.50	0.39	1.81	1.88
Claims Rate <sup>(2)</sup>	12.06	59.60	21.10	67.19	39.22	27.22
Frequency Ratio <sup>(3)</sup>	0.43	2.99	4.49	0.40	2.27	2.04

[1] Accident Rate: No. of accidents/workers \* 100

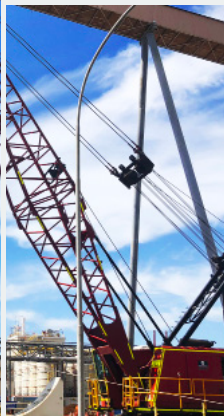
[2] Claims Rate: No. of days lost/workers \* 100

[3] Frequency Ratio: No. of lost-time accidents \* 200,000/Total hours worked



US\$  
**3.8**  
million

was invested in training in 2019 by the Group and its subsidiaries.



## Training\_

Different training programs were imparted in 2019 to the collaborators of the subsidiaries in the Sigdo Koppers Group. The purpose was to improve their capacities, refresh their knowledge and ensure that the right person is doing the job.

### TRAINING PER SUBSIDIARY

	N° of People Trained	N° Training Courses	Total N° of Hours of Training
Ingeniería y Construcción SK S.A.	9,259	2,632	89,456
Puerto Ventanas S.A.	317	9	12,674
Ferrocarril del Pacífico S.A.	560	26	14,629
Enaex S.A.	2,017	10	29,610
Magotteaux Group S.A.	2,200	17	3,479
<b>TOTAL</b>	<b>14,353</b>	<b>2,724</b>	<b>182,848</b>

### INVESTMENT IN TRAINING IN 2019 en KUS\$

	Training Credit Cost (Sence)	Company Cost	Total Cost
Ingeniería y Construcción SK S.A.	967	1,611	2,578
Puerto Ventanas S.A.	-	2445	245
Ferrocarril del Pacífico S.A.	-	43	43
Enaex S.A.	-	448	448
Magotteaux Group S.A.	-	527	527
<b>TOTAL</b>	<b>967</b>	<b>2,874</b>	<b>3,841</b>

100% of the companies conducted customer satisfaction surveys



#### Recurrent Sales\_

(% of all sales)

#### ● CLIENTS\_\_

FEPASA

91%

MAGOTTEAUX

89%

ENAEX

99%

SKBERGÉ

95%

#### SMB Suppliers (Small and Mid-Sized Businesses)

(% of all suppliers)

#### ● SUPPLIERS\_\_

FEPASA

45%

MAGOTTEAUX

65%

SK COMERCIAL

49%

SKBERGÉ

23%



## ● COMMUNITIES\_\_

1,923  
students

participated  
in programs  
implemented

### Fundación Educacional Chile Dual

Sigdo Koppers created Fundación Educacional Chile Dual at the end of 2015, now a strategic partner of the Ministry of Education of Chile for vocational educational programs that include internships. It has been able to expand territorial support to different regions in the country.

During 2019, 1,923 students participated in different Chile Dual Programs through alliances with 22 companies in which more than 250 master guides have been trained.

This work has made it a relevant actor and real support in improving the quality of education and in developing the production sector by the formation of human capital.

### ICSK GROUP

During 2019, the community relations plan was led mainly by the training area, focused basically on the formation of trades in order to foster local employability.

Initiatives were also taken with local suppliers for the sale of products.

### PUERTO VENTANAS

The company has a Strategic Community Relations Plan where the objective is to create long-term bonds of trust with the inhabitants in the municipality of Puchuncaví, to contribute to the quality of life of its inhabitants and to the development of that locality.

#### ✓ Notable projects:

Open Port Community Center

Port Open to the Community Program

Training in Entrepreneurship and a Business Model for Artisanal Fishers in Las Ventanas.

Community Partner Evaluation

### FEPASA

Work focused in particular in 2019 on communities beside the railway operation through the program called "Linking".

This program is a territorial cooperation platform based on reusing the railway system to create greater opportunities for development. It consists of carrying containers filled with art, science and technology samples and activities by train.

### ENAEX

Enaex has a Community Management Strategy to maintain a close and permanent relationship with the local community beside its operating plants.

#### ✓ Notable projects:

Open Doors Program

Work agreement with the artisanal fisher sector in Mejillones.

Dual Education Program.

Work with firehouses.

University scholarships for collaborators' children.

### SK COMERCIAL

Community relations constitute a basic pillar of management and performance for SK Comercial. In 2019, work was focused on education and job inclusion.

#### ✓ Notable projects:

Dual Formation Program.

Internship Program.

Inclusive formation program.

### SKBERGÉ

SKBergé is constantly implementing initiatives to improve relations with its communities.

#### ✓ Notable projects:

Disabled inclusion program.

Dual Education Program.

Trade Skills Program together with Cristo Vive (Christ is Alive).

## ENVIRONMENTAL performance



ENAEX has  
as much as

# 40%

## fewer carbon emissions



than other organizations  
in the industry.



### Materiality

ENVIRONMENTAL PERFORMANCE	ENERGY	EMISSIONS	WASTE	ENVIRONMENTAL INCIDENTS
ICSK Group			x	
PVSA	x	x	x	
Fepasa		x	x	x
SK Godelius				
Enaex	x	x	x	
Magotteaux	x	x	x	
SK Comercial			x	
SKBergé				

The environmental performance of Sigdo Koppers S.A. (Sigdo Koppers) is a fundamental aspect of management. It includes measurable results of the Environmental Management System (SGA) and contributes to the control of the company's risks based on a specific impact mitigation strategy.

This strategy is materialized in specific work guidelines that are used by all subsidiaries in the Sigdo Koppers Group. Below we describe those guidelines and the trend in performance from 2017 to 2019.

		2017	2018	2019
GOAL	PERFORMANCE INDICATOR	COMPLIANCE	COMPLIANCE	COMPLIANCE
All subsidiaries have a risk identification process and environmental focus.	Have an environmental management system.	71%	75%	83%
	Identify relevant environmental risks that may impact the business.	57%	63%	100%
All companies identify their sources and types of emissions.	Have data to establish an emissions baseline.	100%	100%	100%
All companies identify their sources of energy.	Have data to establish an energy source baseline.	100%	100%	100%
All companies identify their sources of water consumption.	Keep a record of sources and cubic meters of water consumption and treatment.	100%	100%	100%
All companies identify their waste.	Keep a waste inventory.	100%	100%	100%
All companies keep a record of environmental events.	No. of environmental events by level of severity (1 to 3).	100%	100%	100%

## GREENHOUSE GAS EMISSIONS (GHG)

COMPANY	Scope 1: DIRECT GHG EMISSIONS	Scope 2: INDIRECT GHG EMISSIONS FROM ENERGY	Scope 3: OTHER INDIRECT EMISSIONS	Coverage
PUERTO VENTANAS	3.696	3.696	-	100%
FEPASA	541	541	-	100%
ENAEX	16.223	16.223	879.265	58% *
MAGOTTEAUX GROUP	120.750	120.750	-	92% **
<b>TOTALES</b>	<b>141.211</b>	<b>141.211</b>	<b>879.265</b>	

\* Enaex's coverage is calculated in relation to income compared to total income of Enaex S.A.

\*\* Magotteaux's coverage is for 11 of its 12 production plants.



## ENERGY EFFICIENCY\_

Energy efficiency has become an active pillar in Sigdo Koppers' strategy. One of the company's goals is to respond to this challenge by achieving a sustainable and responsible consumption.

COMPARISON OF 2018 TO 2019	UNIT	TOTAL 2018	TOTAL 2019
Power consumption	MWh	495,961	502,860
LPG consumption	Kg	4,545,495	6,572,691
NG/LNG consumption	m3	14,120,065	16,112,777
Diesel consumption	L	29,988,281	19,831,618
Gasoline consumption	L	473,684	529,274

## EMISSIONS \_

In 2019, the Sigdo Koppers group took important actions to control and reduce emissions by using energy efficiently and responsibly. This has led to relevant benefits for the company, such as process optimization, improvement in environmental performance and a reduction in operating costs.

COMPARISON OF 2018 TO 2019	UNIT	TOTAL 2018	TOTAL 2019
PM10	tons/year	94	74
SOx	tons/year	73	11
Nox	tons/year	212	273

## WASTE\_

The use or disposal of waste is an important challenge to companies.

In recent years, actions and performance indicators have increased that promote the disposal of waste in order to reduce the risk to health and the environment.

COMPARISON OF 2018 TO 2019	UNIT	TOTAL 2018	TOTAL 2019
Hazardous	Ton	5,691	4,927
Non-Hazardous	Ton	6,937	78,718
Recycled/Reused	Ton	37,637	38,298

US\$

8.57  
million

was invested in  
environmental  
measurements and  
improvements in 2019



## ● WATER\_

Water is currently one of the elements of greatest risk socially and environmentally. The Group promotes diverse actions toward a sustainable use of water and the optimization of production processes that use this resource.

WATER CONSUMPTION	UNIT	TOTAL 2019
Potable water from the public main	m <sup>3</sup>	450,491
Groundwater	m <sup>3</sup>	204,333
Water from Bodies of Surface Water	m <sup>3</sup>	44,718

WASTEWATER	UNIT	TOTAL 2019
Recycled or reused water	m <sup>3</sup>	29,733
Liquid Industrial Waste (RILes)	m <sup>3</sup>	45,645
Wastewater	m <sup>3</sup>	161,814

## ● ENVIRONMENTAL INCIDENTS \_

The companies in the Sigdo Koppers Group recorded only Level 1 Environmental Incidents in 2019, meaning those with a low impact on the physical or biological environment and no significant consequences for the ecosystem.

	UNIT	Ingeniería y Construcción SK Group S.A.	Ferrocarril del Pacífico S.A.	Enaex S.A.	Magotteaux Group S.A.
Level 1 incidents	N°	16	1	4	10



# 2019

## INNOVATION / SUSTAINABLE GROWTH

### INFORMATION ON THE COMPANY

**Company Name:** Sigdo Koppers S.A.

**Tradename:** SK, Sigdo Koppers

**Tax ID:** 99.598.300-1

**Type of Company:** Sociedad Anónima (S.A)

**Administrative Offices:** Málaga 120, piso 8

**Municipality:** Las Condes

**City:** Santiago

**Phone:** (562) 28371111

**Website:** [www.sigdokoppers.cl](http://www.sigdokoppers.cl)

**Securities Registration No:** 915

**Ticker Symbol:** SK

**External Auditor:**  
Deloitte Auditores y Consultores  
Limitada (Deloitte)

**Risk Rating Agencies:**  
International Credit Rating (ICR Chile),  
Fitch Chile Clasificadora de Riesgo Ltda  
(Fitch Ratings)

### CONTACT INFORMATION

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**Sigdo Koppers S.A.**

**Crime Prevention Officer:**

Héctor Henríquez, [hhs@sk.cl](mailto:hhs@sk.cl)

**Whistleblower Channel**

<http://www.sigdokoppers.cl/denuncias/>





