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ADDITIONAL SUSTAINABILITY INFORMATION

1. Human Capital Development

1.1. Training & Development Inputs - per age

(CSA 3.3.1)

Training and Development	2022					
	Total	Women	Men	Under 30 years	30 to 50 years	51 and over
Average training hours per employee	36	73	33	61	38	26
Average mandatory training hours per employee	18	18	18	17	19	18
Average non-mandatory training hours per employee	18	54	14	44	20	8
Monto Average amount spent per employee on training and development programs	774	1268	722	1068	756	746

1.2. Employee Development Programs

(CSA 3.3.2)

	Program 1	Program 2
Name & Description of the program	1. Aprendizaje de Excelencia (Excellence Learning) Program: All collaborators who make efficient use of their Individual Development Plan and express their motivation to participate in this program to their leader, have participated in a pre-selection to make up the 60 places to study a course for executives in 4 of the Postgraduate Schools of highest prestige in the country.	2. Líderes de Acero (Steel Leaders) Program: We have 3 position levels: Individual Contributor, Leader and Senior Leader. In all cases, each collaborator (except operators) participates in this program that seeks to strengthen their leadership skills.
Description of program objective/business benefits	Update specific high-level knowledge, specialized topics related to their field of work and the needs of the business, and strengthen the skills of our employees, to achieve outstanding performance and contribute to the achievement of the corporation's objectives. This helped to implement improvements in their areas, for example, new technology development, project management, data analysis, etc. This initiative has generated a positive impact on the business, and thanks to the feedback from the leaders collected through our Performance and Development Evaluation System, we have been able to show that the employees are more empowered in their own processes.	The benefit of the Steel Leaders Program lies in the consolidation of leadership skills for employees with a team in charge and for those who are on track to be a leader. This promotes the role of leaders responsible for establishing a culture that strengthens the results and accompanies the teams in the context of the business and contributes to the increase in the General Acceptance index in the work environment survey.

Quantitative impact of business benefits (monetary or non-monetary)	58% of the participants achieved outstanding performance ratings.	We recognized 33 leaders who successfully completed the entire Program.
% of FTEs participating in the program	1. 9% FTE White Collar	2. 100% FTE White Collar

1.3. Human Capital Return on Investment

(CSA 3.3.3)

Total employee+related expenses (salaries + benefits) Currency	2019	2020	2021	2022
Currency type: - PEN – Peruvian sol	177.512.081	169.995.733	230.880.704	243.551.684

2. Talent Attraction & Retention

2.1. Hiring – Internal hires

(CSA 3.4.1)

	Women	Men	Total
Percentage of open positions filled by internal candidates (internal hires)	19%	60%	48%

2.2. Employee Turnover Rate - Voluntary

(CSA 3.4.5)

	2019	2020	2021	2022
Voluntary employee turnover rate	1.5%	0.9%	1.7%	2.2%

2.3. Employee Support Programs

(CSA 3.4.4)

Our company provides special training and measures to foster employees' health and well-being. These include a dedicated psychological helpline, webinars on health topics, promoting healthy habits, offering work-life balance initiatives, and providing employee assistance programs. Through these initiatives, we aim to create a supportive work environment that prioritizes the well-being of our employees. For more information, see annex 1

2.4. Trend of Employee Wellbeing

(CSA 3.4.6)

Employee satisfaction surveys are conducted every two years. The most recent survey was conducted in 2021, and the reported results remain valid for the year 2022. However, in 2022, an additional "pulse survey" was carried out specifically to assess employees' expectations regarding the return to in-person work. The data from this pulse survey is the information being reported in response to the question.

Unit	2022	Additional comments
% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	73%	Satisfaction with hybrid work due to return to in-person work.
% of employees who responded to the survey	40%	Since it is a quick survey, only a sample was selected.

3. Supply Chain Management

3.1. Supplier ESG Program

(CSA 1.7.2)

The supplier screening process consists of two stages. In the first stage, an economic evaluation is conducted to assess market prices and potential risks. Commercial and financial evaluation is performed to review the supplier's profile and financial standing. Technical evaluation involves examining samples or certifications, depending on the type of materials or services. In the second stage, occupational health and safety, as well as environmental management systems, are evaluated by the responsible department and specialized areas. This comprehensive process ensures that suppliers meet the necessary criteria for selection and adherence to safety and environmental standards.

3.2. Supplier Screening

(CSA 1.7.3)

Evaluation and control criteria	Phases		
	Selection	Monitoring	Annual
Price Behavior Evaluation:	x	x	x
- Comparative chart			
Financial and Commercial Evaluation:			
- Taxpayer status (SUNAT registration certificate)			
- Presentation letter	x		
- Indebtedness level/credit capacity (Sentinel, Infocorp)			
SSO and MA Evaluation:			x
- Compliance with CAASA's SSO and MA guidelines			
Technical Evaluation	x	x	x
- Samples (chemical analysis)			
Compliance Evaluation		x	x
- Compliance with the agreed quantities and deadlines			

3.3. KPIs for Supplier Screening

(CSA 1.7.5)

Supplier Screening	
Total number of Tier-1 suppliers	Strategic purchases: 707 Corporate purchases: 1331
Total number of significant suppliers in Tier-1	Strategic purchases: 707 Corporate purchases: 89
% of total spend on significant suppliers in Tier-1	72.55%
<i>Total spend on significant suppliers in Tier-1</i>	Strategic purchases: \$772.88 MM Corporate purchases: \$77.1 MM
<i>Total spend on suppliers</i>	\$1171.55 MM
Total number of significant suppliers in non Tier-1	Strategic purchases: 0

3.4. KPIs for Supplier Assessment and Development

(CSA 1.7.6)

Coverage and progress of our supplier assessment program

Supplier Assessment	FY 2022	Target for FY 2022
Total number of suppliers assessed via desk assessments/on-site assessments	Strategic purchases: 17 Corporate Purchases: 16 SSO	Number of suppliers Corporate Purchases: 60
Number of suppliers assessed with substantial actual/potential negative impacts	Strategic purchases: 0 Corporate Purchases: 0	
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	Strategic purchases: 0 Corporate Purchases: 0	
Number of suppliers with substantial actual/potential negative impacts that were terminated	Strategic purchases: 0 Corporate Purchases: 0	

Coverage and progress of suppliers with corrective action plans

Corrective action plan support	FY 2022	Target for FY 2022
Total number of suppliers supported in corrective action plan implementation	Strategic purchases: 0 Corporate Purchases: 0	
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	Strategic purchases: 0 Corporate Purchases: 0	

Coverage and progress of suppliers in capacity building programs

Capacity building programs	FY 2022	Target for FY 2022
Total number of suppliers in capacity building programs	Strategic purchases: 0 Corporate Purchases: 0	
% of significant suppliers in capacity building programs		

4. Policy influence

4.1. Largest Contributions and Expenditures

(CSA 1.6.2)

Issue or Topic	Corporate Position	Description of Position / Engagement	Total spend in FY 2022
Strengthening the technical capacities of new professionals in the industry	Support	For Aceros Arequipa, it is important to support institutions that work to strengthen the capacities of new professionals to contribute to the development of the country.	975746
Relationship and updating trends in the industry	Support	Aceros Arequipa is committed to promoting good practices, fair competition, and communication spaces with other companies in the industry.	302911.98

5. Materiality

(CSA 1.3.4)

Complementary information about the materiality

Dimension	Issue	Impact
Environmental	Response to climate change and energy ecoefficiency	The impacts on stakeholders that were found for this material issue were: 1. Acceleration of climate change due to the growth of the company, since the amount of tons of CO2e generated is directly related to the production capacity. 2. Potential reduction of GHG in the environment due to the use of cleaner technologies in the company (mandatory purchase requirements in technologies used in the industry and switching energy from 35 fossil fuels) and throughout its value chain.
Social	Occupational health and safety	The impacts of this material issue were: (1) Diseases and human losses among employees, contractors, and suppliers (2) Reducing risks for employees, contractors, and suppliers by strengthening the safe and health culture.

6. Emissions

6.1. Indirect Greenhouse Gas Emissions (Scope 3)

(CSA 2.2.3)

Scope	Category	Emissions in Reporting Year (metric tons of CO ₂ e)	Emission Calculation Methodology and Exclusions
1	Purchased Goods and Services	472.53	ISO 14064.1:2018 and GHG Protocol guidelines
2	Equipment Goods	0	Not significant (with a threshold of 5%)
3	Fuel and Energy-related Activities (not included in Scope 1 or 2)	0	All sources are in their respective scope
4	Upstream Transportation and Distribution	195638.3	ISO 14064.1:2018 and GHG Protocol guidelines
5	Waste Generated in Operations	0	Not significant (with a threshold of 5%)
6	Business Travel	0	Not significant (with a threshold of 5%)
7	Employee Commuting	3165.07	ISO 14064.1:2018 and GHG Protocol guidelines
8	Upstream Leased Assets	0	Not significant (with a threshold of 5%)
9	Downstream Transportation and Distribution	90703.09	ISO 14064.1:2018 and GHG Protocol guidelines
10	Processing of Sold Products	0	Not within the scope
11	Use of Sold Products	0	Not within the scope
12	End-of-Life Treatment of Sold Products	0	Not within the scope
13	Downstream Leased Assets	0	Not significant (with a threshold of 5%)

14	Franchises	0	Not significant (with a threshold of 5%)
15	Investments	0	Not significant (with a threshold of 5%)
	Other Upstream	0	Not significant (with a threshold of 5%)
	Other Downstream	0	Not significant (with a threshold of 5%)

7. Climate Strategy

7.1. Climate-Related Management Incentive

(CSA 2.6.3)

Climate change-related incentives	Incentivized KPIs
<p>Due to the current initiatives aimed at reducing carbon footprint, our Project Manager for Mining and Social Responsibility is the executive who receives monetary incentives in their compensation within the Performance Evaluation Program for the implementation of carbon footprint reduction projects. The projects are as follows: Hot Charging in the Rolling Mill (which will allow us to decrease more than 4500 t CO₂e per year) and Vertical Lime Kiln (which will allow us to decrease more than 28,000 t CO₂e per year compared to the current technology).</p>	<p>With the implementation of these two projects together, we could reduce more than 32,000 t of CO₂e per year, corresponding to Scope 1 emissions, and it would directly impact our absolute greenhouse gas emissions indicator (Scope 1 + Scope 2).</p>
<p>Our company has a reward program, where operators, assistants, analysts, and supervisors can get points to exchange for products available in a catalog. In the case of implemented suggestions, they get 8 points.</p>	<p>Energy, Efficiency 1) It is associated with the indicator number of suggestions implemented in BALSC (KPI system), but there is no specific division. 2) Greater participation of the personnel, the impact is according to the type of suggestions: Transportation Suggestions: Reduce internal and external transfers, to reduce fuel consumption. Inventory Suggestions: reduce excess storage of materials, supplies, and products, considering lower consumption and in the established time. Suggestions Reprocesses: Reduce the number of resources needed in a process. Suggestions Defects: Prevent the additional use of resources.</p>

8. Annexes

Annex 1: Employee Support Programs

Image 1: Email sent to collaborators about of an advertisement the psychological line at CAASA



Image 2: Email sent to collaborators about an announcement the webinar "Cancer and the emotional impact"

PARTICIPA DEL WEBINAR: "EL CÁNCER Y EL I..."

BC Bienestar CAASA
Para Todos Pisco 08/08/2022

Esta es la versión más reciente, aunque ha realizado cambios en otros copios. Haga clic aquí para ver el historial de versiones.
Mensaje reservado el 12/08/2022 09:43.

The graphic features a blue background with white and yellow text. It includes the CAASA logo and 'SanaMente CAASA' branding. The title 'El cáncer y el impacto emocional: cómo hacer frente' is prominently displayed. Below the title, the date '09.08 MARTES' and time '16:00 (Hora del Perú)' are listed. A speaker's name 'DR. GONZALO GARCIA' is shown next to a photo. A 'click aquí' button is provided for registration. Logos for 'ACEROS AREQUIPA', 'TSC', 'BANCOPOLSA BANCOPOLSA', and 'ACEROS AMERICA' are at the bottom.

Image 3: Email sent to collaborators about the talks "Learning about relaxation techniques"

¡NO TE PIERDAS ESTA CHARLA: APRENDIEND...

BC Bienestar CAASA
Para Todos Lima 22/08/2022

Si hay problemas con el modo en que se muestra este mensaje, haga clic aquí para verlo en un explorador web.

The graphic features a blue background with white and yellow text. It includes the CAASA logo and 'SanaMente CAASA' branding. The title 'Aprendiendo sobre las técnicas de relajación' is prominently displayed. Below the title, the date '23.08 MARTES' and time '16:00 (Hora del Perú)' are listed. A speaker's name 'DR. CARLOS PÉREZ' is shown next to a photo. A 'click aquí' button is provided for registration. The slogan '¡El bienestar comienza por CAASA!' is at the bottom. Logos for 'ACEROS AREQUIPA', 'TSC', 'BANCOPOLSA BANCOPOLSA', and 'ACEROS AMERICA' are at the bottom.

Bienestar Social
Celular: (+51) 981 048 502
Corporación Aceros Arequipa S.A.

Image 4: Ideas about healthy snacks



Image 5: Email sent to collaborators about talks to “Use and abuses of alcohol and drugs”



Annex 2: Trend of Employee Wellbeing

Image 6: Pulse Survey 2022 - Return to Face-to-face



Image 7: Start pulse Survey Return to Face-to-face

A partir del hoy hasta el 25 de mayo participa en la

Encuesta Pulso Retorno a la Presencialidad

A cargo de

Para desarrollarla, haz clic [aquí](#)

Recuerda que es anónima y confidencial, solo GPTW® tiene acceso a esta información.

¡Sigamos construyendo la CAASA que todos queremos!