



2024  
INTEGRATED  
REPORT

years  
building a more  
sustainable  
world







2024  
INTEGRATED  
REPORT

60  
YEARS  
TRANSCENDING  
IN THE REGION



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## STATEMENT OF RESPONSIBILITY

This document contains true and sufficient information regarding the business activities of Corporación Aceros Arequipa S.A. during 2024. Notwithstanding the responsibility of the issuer, the undersigned are responsible for its contents in accordance with the applicable legislation.

February 28th, 2025



**Ricardo Cillóniz Champín**  
Chief Executive Officer



**Tulio Silgado Consiglieri**  
General Manager



**Ricardo Guzmán Valenzuela**  
Chief Financial Officer



**Diego Hernández Sigvas**  
General Accountant



# Letter to the stakeholders

(GRI 2-22)

Dear Stakeholders:

We present our **Integrated Annual Report**, a document that highlights our key advances and achievements of our environmental, social and governance management, as well as the results of our financial performance for fiscal year 2024, a particularly special year, as we celebrated our 60th anniversary of sustainable growth in Peru and in the region.

Today, Corporación Aceros Arequipa is the leader in the Steel industry in Peru, with broad presence in strategic markets in Latin America. We are a major consumer of recycled scrap metal on the Pacific West Coast, from Canada to Chile. The last few years have been key to achieving this position. In 2021 we opened Steel Mill No. 2 while the rolling mill 3 is scheduled to start operating in early 2025. Between 2021 and 2023, we implemented a distribution center in Lurín, in a 25 ha. plot. Besides, as part of our international expansion strategy, in 2022 we opened a shaped tubes and profiles plant in Bolivia. Thanks to this investment approach, we have been able to expand our production capacity by 50% today.





S/ 4.369  
BILLION

IN NET SALES FOR THE  
2024 FISCAL YEAR

S/ 343  
MILLION

IN PROJECTS ADDRESSED TO  
OPERATIONAL OPTIMIZATION  
AND QUALITY IMPROVEMENT  
OF OUR NEW PRODUCTS

The individual financial results for fiscal year 2024 reflect our progress and achievements despite being a challenging year on several fronts. Net income during 2024 was 2.4 times higher than that recorded during 2023, reaching a value of S/ 196 million. This better result is explained by:

- i. a growth in gross profit of 29% after recording sales of S/ 4.369 billion and a gross profit of S/ 626 million; and.
- ii. lower financial expenses and improvements in the results of some subsidiaries.

In addition, EBITDA registered during 2024 was S/. 569 million 25% higher than in 2023 (+S/ 115 million) representing a margin improvement from 10% (2023) to 13% (2024).

In addition to these good financial results, the Company maintains a sound balance sheet with healthy indebtedness levels.

On a consolidated basis, sales in 2024 were S/ 4.749 billion, gross profit S/ 772 million

(+55% vs. 2023) and EBITDA and net profit S/ 654 million and S/ 200 million respectively, reflecting growth of 50% and 200% respectively compared to 2023.

As part of our strategy, we highlight the investment made in 2024 for around S/ 343 million in projects addressed to operational optimization and quality improvement of our new products, such as infrastructure enhancement in the metallics facilities, the annealed wire plant to 45,000 t/year and the nail plant to 15,000 t/year, a double-tank vertical furnace to improve efficiency and quality in the production of quicklime, mainly, and the installation of Rolling mill 3 in Pisco, which increases rolling capacity by 330,000 t/year for profiles and rebars, which in aggregate adds up to a total investment of S/ 367 million in projects throughout the year.

In terms of sustainability performance, we highlight that, for the fifth consecutive year,

IN ADDITION TO  
THESE GOOD  
FINANCIAL RESULTS,  
THE COMPANY  
MAINTAINS A SOUND  
BALANCE SHEET  
WITH HEALTHY  
INDEBTEDNESS  
LEVELS.



we have been included in the Dow Jones Sustainability Index - MILA Pacific Alliance, a stock market index that groups the companies with the highest environmental, social and governance performance in each industry. In the 2024 edition, we ranked among the top five in the steel industry, reaching a percentile of 98%, according to Standard & Poor's (S&P) Global Corporate Sustainability Assessment. Also, in February, our entry in the S&P Global Sustainability Yearbook was confirmed. This is S&P's sustainability yearbook which only includes those companies with best performance during the assessment. On the other hand, in Peru, for seventh consecutive year, we were recognized as a Company with Sustainable Management, award granted by Perú Sostenible, and we were recognized at the outstanding level and with special recognition in the Ethics and Integrity category for our Integrated Operational Risk Management methodology.

We have made significant progress in our sustainability strategy axis: environmental

commitment, shared value and sound structure, which goals towards 2030 were also defined during 2024. We specially stress the contribution to Peru's development through our business, given that during the past year, our Steel was used in relevant public infrastructure projects such as:

- Chinchero International Airport, in Cusco, which used 4,100 t of steel.
- The Bicentennial Schools Project, to build 75 new schools in several regions in the country, for which 34,100 t of steel were supplied.
- The mitigation project in Huaycoloro, in Lima, which required 10,000 t of steel.

Regarding the **environmental commitment axis**, we received the maximum recognition level by the Ministry of Environment Carbon Footprint program (Fourth star). To achieve this, we reported and verified our 2023 inventory, in which we showed the reduction of emissions compared to the previous year and the participation of one of our main suppliers. We also signed the commitment to

work in line with the Science Based Targets initiative (SBTi), to establish emission reduction goals based on science, as part of our goal to reach zero GHG emissions in the long run. On the other hand, we optimized consumption of natural gas per ton of lime produced, which will allow a reduction of more than 2,000 t CO<sub>2</sub>e per year and will improve operational efficiency. Finally, we have included advanced technology in our new lime plant, and in November 2024, we started operations, achieving energy efficiency and a greater production capacity, by replacing less efficient equipment. As part of our continuous energy performance monitoring, we identified that the implementation of this technology allowed to reduce natural gas consumption from 190 Nm<sup>3</sup>/t to 90 Nm<sup>3</sup>/t, reflecting a significant improvement in efficiency during the months of operation.

Regarding the **shared value axis**, our dialog approach together with the good relations held with the surrounding population allowed us to maintain social peace, with no

WE RANKED AMONG  
THE TOP FIVE IN THE  
STEEL INDUSTRY,  
REACHING A  
PERCENTILE OF  
98%, ACCORDING  
TO STANDARD  
& POOR'S (S&P)  
GLOBAL CORPORATE  
SUSTAINABILITY  
ASSESSMENT.



conflicts registered. As part of our contribution to society, we held the second edition of the National Mathematics Contest, with the participation of around 30,000 students from every region of the country, representing a 550 % increase compared to the former edition (46 % of participants were women). We also maintained our scholarship program for talented youth of scarce economic resources in our area of influence, as well as the program for senior year students in critical situations. After these youngsters complete their education, they can pursue a career in our company. Finally, for the third consecutive year, we were certified as a Great Place to Work-Certified™ Company for the period December 2023 – December 2024, for providing a world-class working environment to our workers.

As for the **sound structure axis**, under our innovation approach, this year we digitalized key processes through the Aceros Pro platform, through which we improved the customer's experience. With the wellbeing of the people in mind, we implemented artificial intelligence-based tools and smart cameras to identify and mitigate OHS associated risks. Additionally, we created the application Seguridad 360 (Safety 360), which digitalizes incident record and management, thus improving response and preventive control. As regards our compliance standards, we expanded our prevention model to include new crimes stated in Law 31740. On the other hand, we improved risks management in our international operations, through the implementation of the GIRO System in the United

States, Chile, Ecuador and Colombia subsidiaries.

Celebrating six decades of operations is doubtlessly a time for reflection, but, as we have mentioned, it is also a moment of high pride for Corporación Aceros Arequipa continues to work with the same vision since its foundation: **To build a better world through sustainability, innovation and technological development.** To the past 60 years, and to those to come, we reaffirm our commitment with sustainable development, and the consolidation of our leadership in the Steel industry in Peru and in Latin America.



**Ricardo Cillóniz Champín**  
Chief Executive Officer



**Tulio Silgado Consiglieri**  
General Manager



# Our history:

1. Flagship works
2. Internationalization
3. Product Evolution
4. Capex and investments



of CAASA evolution



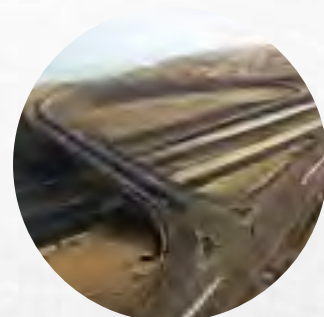


→ INFOGRAPHIC 1

# Flagship works → Aceros Arequipa has supplied Steel for the construction of large infrastructure works in Peru

2018 →

Over 350,000 t of slag for the **Red Vial N.º 6 road project (Pisco-Ica highway)**.



2019 →

12,000 t of steel for the expansion of **Quellaveco mine**, in Moquegua.



2020 →

8,000 t of steel for the construction of **Nanay bridge**, in Iquitos.



2022 →

2,300 t of steel for the **Monitor Roundabout Bridge Project**, in Lima.



2023 →

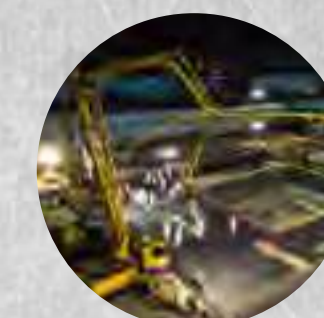
920 t of steel for **Vía Evitamiento Ollachea**, in Puno.



22,000 t of steel for the **Chancay Multipurpose Port**.



18,000 t of steel for the **expansion of Jorge Chávez International Airport**, as well as providing industrialized building solutions such as the Acedim Preassembled system.



More than 100,000 t of steel for **Line 2 of the Lima Metro**.

2024 →

4,100 t of steel for the construction of **Chinchero International Airport**, in Cusco.



34,100 t of steel for the **Bicentennial Schools project**: 75 new schools in several regions of Peru



10,000 t of steel for the flood risk mitigation project in **Huaycoloro ravine**, in Lima.





→ INFOGRAPHIC 2

# Internationalization

**2019 ←**

Accreditation as an authorized economic operator (AEO) for imports, certifying security in the global logistics chain and facilitating customs control and simplification processes.

**2015 ←**

Instituto Colombiano de Normas Técnicas (Icontec) delivered a certification to export rebar to Colombia and Ecuador.

**2014 ←**

The Brazilian Association of Technical Standards (ABNT) granted a certification to export rebar to Brazil, under the NBR 7480 standard.

**2009 ←**

New international markets reached: Colombia, Brazil and the United States.

**1997 ←**

Exports represented 7.21 % of the company's total sales.

**1989 ←**

An agreement has been signed with the Brazilian company Mendes Junior to advise and train technical personnel.

**1974 ←**

International expansion started with the entrance of Aceros Arequipa to Bolivia.

**2020 →**

The ERP business system was implemented in the subsidiaries in Bolivia, Colombia, Ecuador, Chile and the United States to improve international management and operations.

We exported 40,000 metric tons of billet to China, consolidating our presence in the Asian market.

**2021 →**

Exported 150,000 t of slab to Malaysia for the sintering process.

Commercial operations began in Colombia, with national coverage and personalized service.

Acquisition of two metal cargo storage yards in the United States to improve competitiveness and expansion in the North American market.

**2023 ←**

First Peruvian company to manufacture and export plates for vehicle suspension springs to the North American market, marking a milestone in innovation and product diversification.

**2023 ←**

Icontec granted certification to export rebar and pipes to Ecuador, according to technical regulations 1509 and 027.

**2022 ←**

The company received AEO certification for exports, which contributed to strengthening reliability and efficiency in international trade.

Increased participation in the Bolivian market through the production of local pipes and improved customer service.

**2021-2023 ←**

US\$ 15 million were invested to develop a steel center in Santa Cruz, Bolivia, and a new line to manufacture pipes from 5/8" to 3". This project included the implementation of a slitter machine to cut coils into strips.



→ INFOGRAPHIC 3

# Product Evolution

**1966 →**

Rolling operations: angles, profiles and plates.



**2000 →**

Dimensioned steel: to improve accuracy and efficiency on site.

Helical bar: to improve structural performance in construction projects.

**2001 →**

Wire rod supplier: to expand the range of products for industrial sectors.



Rollmat

**2021 ←**

Mining mesh in coils.

**2018 ←**

Introduction of the concept installed on site.

**2011 ←**

Steel cut and bent to size.

**2010 ←**

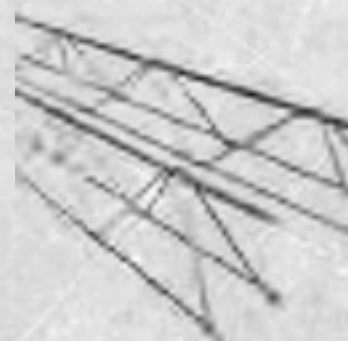
Processing line in Pisco: to produce steel adapted to the needs of the construction sector.

**2003 ←**

Main supplier of profiles in the Peruvian market: consolidation as industry leader.

**2023 →**

Production of prefabricated beams



Mesh in panels: to optimize transportation and installation in construction projects.

Wire to manufacture springs for mattresses.

Spring plates.

**2024 →**

Development of spring plates.

Nails and annealed wire for lashing.





→ INFOGRAPHIC 4

# Capex and investments

**1964 →**

Opening of the Arequipa plant: start of industrial operations.

**1966 →**

S/ 50 million investment in the construction of the Arequipa industrial park, a milestone for the industrial development in the region.

**1970 →**

Purchase of land in the Parque Internacional de la Industria y Comercio de Lima y Callao, destined to be the warehouse of the Arequipa production.

**1984 →**

Diversification of investment in related companies, such as Aceros Calibrados, Aceros del Sur and Laminadora del Pacífico.

**2011-2013 →**

US\$ 147 investment in the Pisco Rolling mill 2: production capacity is doubled to 1.1 million t / year.

**2018-2019 →**

US\$ 8 million investment in a new tube production line in Callao, to increase production capacity to 60,000 t / Year.

**2021 →**

US\$ 23 million investment to complete the Pisco Steel plant and expand the steel quality varieties and improve operational efficiency.

**1965 →**

Purchase of land for the factory, machinery, construction of the facilities and procurement contracts for raw materials.

**1967 →**

Start of operations of the second rolling: increase in production and dispatch volumes.

**1983 →**

Opening of the Pisco plant and commissioning of the second rolling mill plant: consolidation of the productive capacity.

**2009 →**

Investment in a transformer and its compensation equipment for the electric furnace.

**2015-2021 →**

US\$ 42 million investment in the modernization and automation of the high carbon profile and bar lines, included in the full overhaul of the water plant and the installation of new rolling boxes.

**2018-2022 →**

US\$ 243 million Investment in the new steel plant, with production capacity of 1.25 million t / Year, equipped with state-of-the-art technology, such as an electric furnace, ladle furnace and continuous casting machine.



2021-2023 →

US\$ 38 million investment in a new Distribution Center and steel center in Lurin, to centralize operations and modernize the production lines.

2022-2023 →

US\$ 6 million investment in a circular economy project, to recover non-ferrous metals from fragmented scrap.

2022-2024 →

US\$ 34 million Investment in a 45,000 t / Year annealed wire plant, and a 15,000 t / Year nails plant, with advanced technology to reduce costs and improve product quality.

2022-2025 →

US\$ 90 million investment in the installation of Rolling mill N.º 3 in Pisco, to increase Rolling mill capacity in 330,000 t / Year for profiles and corrugated bars, to reduce imports and optimize operation times.

2025

2021 →

US\$ 43 million investment modernization of a Rolling mill to produce profiles, high carbon round bars with greater efficiency.

2022-2023 →

US\$ 8 million investment for a new cold forming line, to produce C and U channel profiles.

2022-2023 →

US\$ 10 million investment in a new tubes plant in the Lurin Steel center, to increase tube production capacity from 1 1/2" to a 5".

2022-2024 →

US\$ 23 million investment in a double chamber vertical kiln to improve lime production efficiency and quality.

2023-2024 →

US\$ 12 million investment to improve the metallic park infrastructure to optimize steel mill efficiency.







# Financial performance

In 2024, we achieved sound financial results, including EBITDA and gross profit growth, thanks to higher earnings per sale, efficient cost management and operational improvements. The following are the main figures for our financial performance for the period.

→ GRAPH 1  
**DIRECT AND  
DISTRIBUTED  
ECONOMIC  
VALUE**

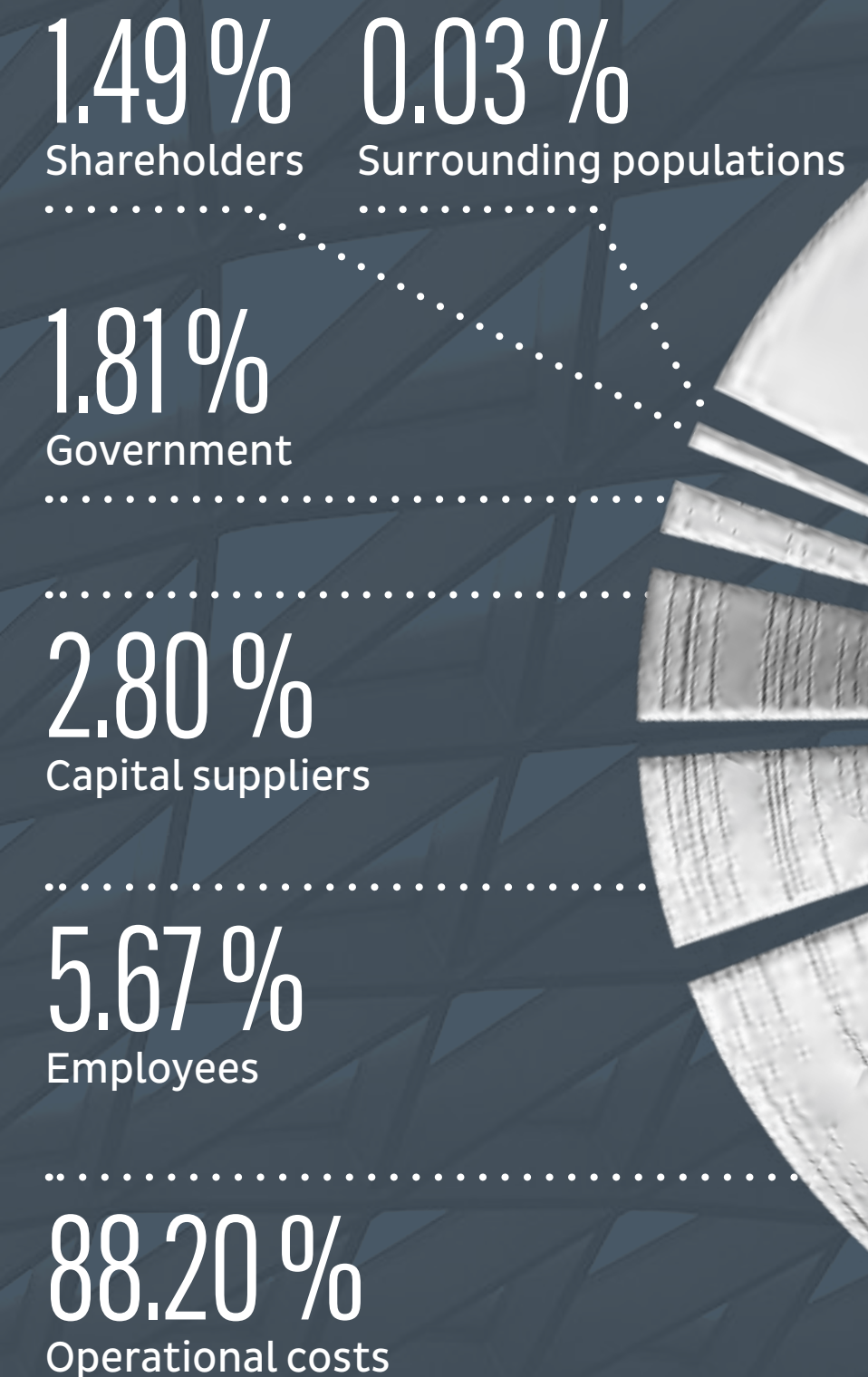
→ NET SALES

## S/ 4.369 BILLION

S/ 626  
MILLION  
GROSS PROFIT

S/ 569  
MILLION  
OF EBITDA

67%  
OF SALES WERE OF  
CONSTRUCTION REBARS  
AND WIRE ROD





# Operational performance

In line with our commitment, we continue to strengthen our operational performance by optimizing processes and maximizing the use of virgin raw materials, with a focus on circular economy. These improvements enable us to increase productivity, strengthen our market position and broaden our commercial supply.

→ FINISHED PRODUCT

1.113 MILLION t

1.167 MILLION t  
OF BILLETS

1.277 MILLION t  
OF FERROUS SCRAP PER YEAR IN OUR PRODUCTION PROCESS

3,578 t  
OF ZINC OXIDE  
FROM STEEL MILL  
POWDER

49,720 t  
IN THE  
DIMENSIONED  
STEEL PLANT

35,625 t  
FINISHED PRODUCTS  
IN THE WIRE PLANT

9,679 t  
ANNUAL IN THE  
CAJAMARQUILLA  
PLANT

44,929 t  
ANNUAL TONS IN THE  
LURIN BAR PLANT (TUBE  
PLANT 1 + TUBE PLANT 2)

8,280 t  
OF FINISHED  
PRODUCTS IN THE  
NAIL FACTORY



# CAASA: sustainable as steel

## SUSTAINABILITY STRATEGY FOR 2030 (GRI 2-22)

Our sustainability strategy is designed to integrate the critical aspects that impact both our business and our stakeholders. This approach is based on identifying material issues, global industry trends and our direct contribution to the Sustainable Development Goals (SDGs). Through proactive risk management, we work to prevent negative impacts and maximize positive ones, guided by the environmental, social and governance (ESG) pillars.

## → INFOGRAPHIC 5 SUSTAINABLE AS STEEL





Our sustainability  
performance

# GOALS AND PROGRESS + SDG INTEGRATION







## Sound structure



### → ETHICS AND INTEGRITY

#### SOME MILESTONES




#### CAASA INITIATIVES

##### Ongoing training

Development of anti-corruption training and education opportunities for the Management Committee, employees, critical suppliers and service companies.

##### Transparent Communication

Accessible channels for our stakeholders to raise concerns or complaints, through the ethics hotline virtual form, landline, email, WhatsApp, postal mail or, in person, at the offices of the Steel Ethics Hotline administrator.

 (Read about this and other initiatives in the "Ethics and Integrity" chapter.)

### RISK MANAGEMENT

#### CAASA MILESTONES

##### Implementation of the GIRO system in subsidiaries


We consolidated risk management in our international operations.

##### Automation of risk management trainings

Automation of the SAP Success Factors learning platform, so that workers can access continuous training asynchronously.

##### Dashboards for risk management

To visualize key information on risks, controls and opportunities, and to measure compliance by management.

 (Read about this and other initiatives in the "Risk Management" chapter)







## → INNOVATION AND COMPETITIVENESS

### SOME MILESTONES

**US\$ 600,000 INVESTMENT**  
IN DIGITAL MAINTENANCE AND DEVELOPMENT

**209 USERS**  
TRAINED IN CYBERSECURITY


### CAASA INITIATIVES

#### Efficiency and productivity

Use of artificial intelligence (AI) to optimize and automate administrative processes and improve productivity and safety.

#### Technological culture

Use of new technologies and staff training, in alliance with strategic partners.

 (Read about this and other initiatives in the “Innovation and competitiveness” chapter)

## CORPORATE GOVERNANCE

### MILESTONE

**100 %**  
AVERAGE ATTENDANCE AT BOARD MEETINGS

### ABOUT THE BOARD OF DIRECTORS

- In order to be appointed as a member of the Board of Directors, the requirements set forth in the legal provisions in force and in the Company's bylaws must be met. Likewise, it shall be ensured that these persons must have different specialties and competencies, so that there is a plurality of approaches and opinions.
- Annually, a self-evaluation of the Board of Directors is carried out.
- We have a training plan for the board of directors and senior management, focused on strengthening key knowledge on risk management, sustainability and ESG factors.

 (Read about this and other initiatives in the “Corporate Governance” chapter)





## Environmental commitment



### → CIRCULAR ECONOMY

#### CAASA INITIATIVES

##### **Non -ferrous metals recovery project**

We recover aluminium, copper, bronze, and stainless Steel through advanced separation systems at large industrial scale.

##### **Zinc recovery from steel mill dust**


We process the Steel mill dust to obtain zinc concentrate to be sold to refineries.

##### **Use of ecogravel for concrete**

We carry out research and tests to use eco-gravel as replacement for concrete aggregates

##### **Industrial by-products platform**

Platform that facilitates the valorization and commercialization of by-products through the dissemination of their properties and possible applications.

 (Read about this and other initiatives in the “Circular Economy and Waste Management” chapter)



### → ECOEFFICIENCY

#### SOME MILESTONES

**100%**

RENEWABLE  
ENERGY  
CONSUMED BY  
STEEL MILL N. 2

**257,000 m<sup>3</sup>/year  
OF WATER**

REUSED IN OTHER  
PROCESSES


#### CAASA INITIATIVES

##### **Sustainable fleet expansion**

Expansion of truck fleet with a sustainable transportation philosophy using compressed natural gas instead of diesel to reduce our carbon footprint

##### **Desalinated water supply**

We partially substitute the extraction of underground water with water from a desalination plant

 (Read about this and other initiatives in the “Operational Ecoefficiency” chapter)





## → CLIMATE CHANGE

### MILESTONE

<0.42t

OF CO<sub>2</sub> PER TON OF LIQUID STEEL




### CAASA INITIATIVES

#### Vertical lime kiln

This innovation allows to reduce over 2,000 t CO<sub>2</sub>e per year, improves operational efficiency and reduces our carbon footprint

#### Commitment with SBTi

We signed our commitment to align with the Science Based Targets initiative (SBTi) to establish emission reduction goals based on science and technology.

 (Read about this and other initiatives in the “Strategy against climate change” chapter)



LIME PLANT IN PISCO - ICA





## Shared value



→ EXTRAORDINARY TALENT BASED  
ON MERITOCRACY

### SOME MILESTONES

39.85

TRAINING HOURS,  
IN AVERAGE

83 %

IN THE GREAT  
PLACE TO WORK  
MEASUREMENT


### CAASA INITIATIVES

#### Steel leaders

Comprehensive Program addresses to consolidate the leadership skills of our employees.

#### Female Steel Engineers

Program that seeks to attract the best university graduates with high potential to participate as trainees in CAASA projects.

 (Read about this and other initiatives in the “Extraordinary Talent based on meritocracy” chapter)

## SAFETY AND HEALTH

### SOME MILESTONES

ROUTE  
TOWARDS  
**ZERO**  
ACCIDENTS

3.32 POINTS

REDUCTION IN THE  
CONTRACTOR ACCIDENT  
FREQUENCY INDEX


### CAASA INITIATIVES

#### ISO 45001

We are ISO 45001 certified, which establishes the requirements for occupational health and safety management.

#### Route towards ZERO ACCIDENTS

We designed a strategy focused on addressing the most critical challenges in our operation.

 (Read about this and other initiatives in the “Safety and health at work” chapter)







## → DEVELOPMENT OF OUR SURROUNDINGS

### SOME MILESTONES

**+29,000  
STUDENTS**

PARTICIPATED IN THE ACEROS  
AREQUIPA NATIONAL  
MATHEMATICS CONTEST

**79.05 %**  
OF THE PISCO PLANT  
WORKERS LIVE IN THE  
ICA REGION


### CAASA INITIATIVES

#### Educational development

We grant university scholarships for high-achieving students with low economic resources, and we encourage the participation of students from national universities in our area of influence at the University CADE.

#### Medical campaigns

We carry out annual preventive medical check-up campaigns to mitigate health risks in the province of Pisco.

 (Read about this and other initiatives in the “Development of the surrounding population” chapter”)

CARLOS NORIEGA JIMENEZ EDUCATIONAL INSTITUTION





## → RESPONSIBLE SUPPLY CHAIN

### SOME MILESTONES

**+US\$ 28.82  
MILLION**

IN PURCHASES TO  
LOCAL SUPPLIERS

**+US\$ 281.45  
MILLION**

IN PURCHASES TO  
DOMESTIC SUPPLIERS

### CAASA INITIATIVES

#### Factoring for suppliers

For fourth consecutive year, we execute this program aimed at financing our suppliers in the short run and with lower rates.

#### Equipment loan

We provide scrap processing machines according to the needs of our suppliers.

 (Read about this and other initiatives in the “Responsible supply chain” chapter)

## HUMAN RIGHTS

### MILESTONE

**150 EMPLOYEES**

TRAINED IN HUMAN RIGHTS


### CAASA INITIATIVES

#### Due diligence

Since 2021, we have implemented a human rights due diligence model designed to identify, prevent, mitigate, and communicate how we address actual and potential human rights impacts.

#### Human Rights risks

It is carried out in our operations, in our value chain and in the new commercial relations we enter into.

 (Read about this and other initiatives in the “Strengthening Human Rights management” chapter)



# Our awards

## S&P/BVL Peru General ESG Index

We remain one of the best-in class companies in the S&P/ BVL Peru General ESG Index, which measures companies' compliance with environmental, social and corporate governance guidelines.



For the sixth consecutive year, we obtained the Sustainably Managed Company award from Peru Sostenible, standing out at the outstanding level and with special acknowledgement in the Ethics and Integrity category, for our comprehensive operational risk management methodology.



We have been recognized as a Great Place to Work-Certified™ company for the period December 2023 – December 2024, for offering a world-class working experience to our employees.



We are ranked among the top 100 companies by Merco Empresas, Merco Talento, Merco Responsabilidad, and we have consolidated our position as the company with the leading reputation in the Steel sector. Merco Empresas acknowledges the companies with the best corporate reputation; Merco Talento, acknowledges those that best attract and retain talent and Merco Responsabilidad ESG, which recognizes the most responsible companies.



We obtained the fourth star of the Carbon Footprint Program, the maximum level of this award. To achieve this, we reported and verified our 2023 inventory, where we proved that we achieved a reduction compared to the previous year and we engaged one of our main suppliers in the program.



# Leadership in the steel industry: ESG performance

## FIFTH CONSECUTIVE YEAR IN THE DOW JONES SUSTAINABILITY INDEX- MILA

For fifth consecutive year, we have been included in the Dow Jones Sustainability Index – MILA Pacific Alliance, a stock market index that recognizes and groups together companies with the highest ESG performance in each industry among the members of the Pacific Alliance.

In this edition we ranked among the top 5 in the steel industry and the 98th percentile, according to Standard & Poor's (S&P) 2023 Global Corporate Sustainability Assessment for 2024.

In line with this achievement, we have been honored with the inclusion in the S&P Global Sustainability Yearbook 2025 for fifth consecutive year. These awards consolidate our position as a benchmark for sustainable management in the Steel industry in Peru and Latin America, demonstrating our commitment to the highest sustainability standards to positively contribute to the development of the region.

Corporacion Aceros Arequipa S.A.  
Steel

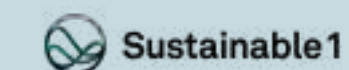
**S&P Global CSA Score 2024**  
A key component of the S&P Global ESG Score

**76** /100

As of November 5, 2024.

The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. S&P Global ESG Scores cannot be compared across industries. They measure a company's sustainability performance relative to industry counterparts. Learn more at [spglobal.com/esg/scores](https://www.spglobal.com/esg/scores)

S&P Global



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**S&P Global**

Corporacion Aceros Arequipa S.A.  
Steel

**Top 10%**

**Corporate Sustainability  
Assessment (CSA) 2024 Score**

76/100 | Score date  
February 5, 2025

For terms of use, visit [www.spglobal.com/yearbook](https://www.spglobal.com/yearbook).



# ABOUT CORPORACION ACEROS AREQUIPA





## 1.1. Get to know us (GRI 2-1, 2-23)

### WHO ARE WE?

We are Corporación Aceros Arequipa S.A. (CAASA), a leading Peruvian steel company in Peru, with over 60 years of history in the steel industry. The company was founded in 1965 when the steel industry was taking its first steps. CAASA has constantly evolved to consolidate as a leader in the manufacturing, processing, marketing, trade, distribution and sale of iron, steel and its by-products. Our capacity to adapt and innovate has allowed us to be at the upfront of technology and in line with the needs of a market in constant transformation.

Throughout these six decades we have built sound relations with our customers, and have positioned the company as the leader in the Peruvian steel sector and a benchmark in the region. This commitment has enabled us to serve the pressing national and international demand, offering a large portfolio of products and services for key markets such as construction, mining, industrial and vehicle sectors. At CAASA we work every day to provide innovative and sustainable solutions that contribute to the development of our surrounding population and the progress of our country.

At CAASA we generate long-term value for our shareholders and stakeholders. To this end we work upon the solid foundation of good corporate governance, ensuring integrity, competitiveness, profitability and transparency at all levels of our organization. Our corporate mission and vision are aligned with the context of our organization and the constant growth of our operations, guided by responsible resources and positively contributing to society.

LIME PLANT IN PISCO - ICA





## Mission

To offer steel solutions to our customers, through sustainability, innovation, continuous improvement and human development, contributing to the growth of the countries in which we operate and increasing the value for our shareholders and stakeholders.

## Vision

Be leaders in the Peruvian Steel market, ranking among the most profitable in the region and with active presence in the international market.

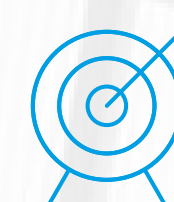
## Values

Our corporate values allow us to operate in a responsible manner, to achieve our business objectives and to hold a positive relationship with our employees, customers, shareholders, suppliers and other stakeholders, adopting an ethical and transparent approach in each of our operations.



### **PASSION FOR WORK**

We contribute with passion to the development of the company and society.



### **FOCUS ON WHAT IS RELEVANT**

We drive the business, prioritizing activities that add value.



### **WE WORK AS A TEAM**

We work in an integrated and safe manner towards a common goal.



### **WE ACT WITH INTEGRITY**

We are committed to transparency, honesty and respect for laws and regulations.



# Strategic Priorities

## 1. PEOPLE

The lives and safety of our employees are our maximum priority. We rely on them, and we participate in their development to meet increasingly demanding challenges.

## 2. MARKET

We seek to lead all the markets in which we participate, and Provide the best solution for our customers.

## 3. INTERNATIONAL GROWTH

We identify and take advantage of profitable opportunities for the growth of sales and supply.

## 4. EXCELLENCE

We meet high efficiency and productivity in our processes through simplification, automation and cost optimization.

## 5. SUSTAINABILITY

We promote sustainable growth through the creation of shared value, and we adopt good ESG practices.





→ INFOGRAPHIC 6  
**STRATEGIC  
MANAGEMENT  
CYCLE**



STRATEGIC  
MANAGEMENT CYCLE

# GOAL



Every year, through our Strategic Management Cycle, we define, deploy and monitor CAASA's and its Subsidiaries' Strategic Plan. We analyze the surroundings, **we identify strategic risks and opportunities and generate clear alignment within the organization regarding the goals that we want to meet**, in compliance with Good corporate governance practices.



STRATEGIC  
TACTIC  
OPERATIONAL

We deploy corporate strategic guidelines at every level, to guarantee that the functional plans, area plans and individual goals are in line with the Corporate Strategy. This way, we integrate strategic planning with the SE-VAD performance assessment, ensuring that our team has suitable incentives to contribute to meeting the strategic goals.

## STRATEGIC GUIDELINES

- Strategic Priorities
- Opportunities
- Strategic Objectives
- Risks
- Weaknesses



**Assessment System**  
To learn more about our SEVAD Assessment System, refer to the Section on Performance Development



# Our Commitment to sustainability

## SUSTAINABILITY COMMITTEE (GRI 2-13, 2-14)

The Sustainability Committee, which has an essential role in the adoption of responsible practices for CAASA management, strengthens our commitment to consolidate as a sustainability benchmark. Its work fosters actions that create shared value and ensure a positive impact both in our operations and in society.

In 2024, two new members joined the Committee: Mariana Olivares, Legal Affairs Manager, and Gonzalo Arróspide del Busto, Corporate Commercial Manager, as to build their capacities to tackle strategic challenges from a multidisciplinary perspective.

During this year, the committee held three working meetings, addressing critical matters for the company's sustainable progress. The following are the committee's main activities:

- Review of global and industrial trends in sustainability.
- Promotion of spaces for dialogue to update the medium and long-term goals within the framework of the 2030 sustainability strategy.
- Update of key documents, such as the Board of Directors Regulations, the Code of Ethics for suppliers and contractors, and the Environmental Policy, aligned with best international practices.

## Main achievements in 2024

- Update of stakeholder mapping
- Closure of gas in our 2024 sustainability management.
- Strengthening of the Company's sustainability culture.

**AS A RESULT OF THE COMMITTEE'S  
PERFORMANCE, CAASA HAS BEEN  
RECOGNIZED IN SEVERAL DOMESTIC  
AND INTERNATIONAL INDEXES AND  
RANKINGS FOR ITS SUSTAINABLE  
MANAGEMENT.**



## MEMBERS OF THE SUSTAINABILITY COMMITTEE



**Tulio Silgado  
Consiglieri**  
Chief Executive  
Officer



**Ricardo  
Cillóniz Rey**  
Projects, Mining,  
Corporate Social  
Responsibility and  
Innovation Manager\*



**Fernando  
Bustamante  
Cillóniz**  
Strategic Control  
Manager



**Augusto Cornejo  
Cañedo**  
Central Production  
Manager



**Mariana Olivares  
Maldonado**  
Legal Affairs  
Manager



**Mariana Talavera  
Rubina**  
Supply Chain  
Manager



**Ricardo Guzmán  
Valenzuela**  
Chief Financial  
Officer



**Juan Manuel Otoyá  
Wherrems**  
Human Resources  
Manager



**Gonzalo Arróspide  
del Busto**  
Corporate  
Commercial Manager



MAIN SUSTAINABILITY POLICIES (GRI 2-23)

Within the framework of our management tools to carry out our sustainability strategy, we guide our processes under the following policies:

→ TABLE 1  
SUSTAINABILITY  
POLICIES

Document name	
Code of Ethics	
Code of Ethics for Suppliers and Contractors	
Code for the Prevention of Fraud and Corruption	
Social Responsibility Policy	
Corporate Human Resources Policy	
Corporate Occupational Health and Safety Policy	
Environmental Policy	
Human Rights and Diversity Policy	
Internal Control and Risk Management Corporate Policy	





## OUR PILLARS

Our strategy, which has a crosscutting approach, and involves the entire organization, is articulated around three fundamental pillars: sound structure, environmental commitment, and shared value. Our goal is to generate sustainable profits for our shareholders, promote staff development, contribute to the growth of the community and protect the environment. Each ESG pillar not only includes current management, but also has a long-term vision, including key topics, goals, and annual indicators in the mid and long term.

Follow up and evaluation of this strategy's progress are fostered and supervised by our Sustainability Committee, to ensure that it is in line with the company's strategic objectives and that they contribute to a comprehensive sustainable development.

## → GRAPH 2 FUNDAMENTAL PILLARS





## 1.2. International presence (GRI 2-1, 2-2)

### OUR SITES

Currently, at CAASA, we have consolidated our position as the leading company in the Peruvian steel market, with a constantly expanding international presence thanks to our broad product portfolio. In order to meet the needs of the different market segments, we operate in different cities in Peru and Latin America, strengthening our capacity to respond to the demands of the sector, reaffirming our commitment with the development of the region.

These operations increase our presence in the region and represent a strategic step to guarantee the supply of recycled inputs destined for our modern steel mill in Pisco. This approach reinforces our commitment to sustainability and the circular economy, fundamental pillars of our responsible growth strategy.

### → INFOGRAPHIC 7 OUR SITES AROUND THE WORLD

#### PERU

##### Piura

- Distribution Center

##### Trujillo

- Distribution Center
- Metal cargo stockpile yard

##### Lima / Callao

- Headquarters
- Distribution centers
- Bar plant
- Nail, wire and welded wire mesh plant
- Metal cargo stockpile yards

##### Pisco

- Steel Complex
- Distribution Center

##### Arequipa

- Distribution Center
- Metal cargo stockpile yard

#### CHILE

##### Antofagasta

- Offices
- Metal cargo stockpile yard

#### U.S.A.

- Metal cargo stockpile yards

#### COLOMBIA

##### Cali

- Offices
- Distribution Center

#### ECUADOR

##### Guayaquil

- Offices
- Distribution Center

#### BOLIVIA

##### La Paz

- Offices
- Distribution centers
- Metal cargo stockpile yard

##### Santa Cruz

- Offices
- Distribution centers
- Metal cargo stockpile yard



## SUBSIDIARIES AND AFFILIATES

At CAASA (hereinafter, the Company), as a part of our growth and development strategy, we invest in companies that strengthen their value chain (procurement, production processes, sale, services) both locally and internationally; additionally, we have investments in companies that are not part of the corporate purpose or related. Below we present the Company's share in other businesses.

## → INFOGRAPHIC 8 OUR INVESTMENTS IN AMERICA

### PERU

99.99 %

Tecnología y Soluciones  
Constructivas S.A.C.

99.99 %

Transportes Barcino

99.90 %

Corporación Aceros  
Arequipa de Iquitos S.A.C.

99.90 %

Acero Instalado S.A.C.

99.99 %

Comercial del Acero S.A.C.  
(en liquidación)

100 %

Comfer S.A.  
(en liquidación)

33.65 %

Inmobiliaria Comercial  
de Acero Cajamarquilla S.A.\*

33.65 %

Inmobiliaria Comercial de  
Acero Argentina S.A.\*

10 %

Compañía Eléctrica  
El Platanal (Celepsa)\*

### U.S.A.

100 %

Aceros America Corporation

100 %

Aceros America Port Manatee LLC

100 %

Aceros America St. Pete LLC

### COLOMBIA

100 %

Aceros Arequipa S.A.S.

### ECUADOR

100 %

Corp. Aceros Arequipa AA S.A.S.

### CHILE

100 %

Corp. Aceros Arequipa SPA

### BOLIVIA

99.97 %

Corp. Aceros Arequipa S.R.L.

\* Are not a part of the value chain



Below we detail the information of the main companies:

## IN AMERICA



**99.97 %**

### **Corporación Aceros Arequipa S.R.L.**

A company incorporated in Bolivia (Santa Cruz) in 2016, to market bar and sheet products and, after investments made in 2023, to produce shaped tubes and profiles. The company also collects and exports scrap to Peru as raw material for Corporación Aceros Arequipa S.A.



**100 %**

### **Aceros Arequipa S.A.S.**

A company incorporated in Colombia, in March 2020, to sell bar and sheet products.



**100 %**

### **Corporación Aceros Arequipa AA S.A.S.**

a company incorporated in Ecuador, in July 2022, to sell bar and sheet products.



**100 %**

### **Corp. Aceros Arequipa SPA**

a company incorporated in Chile, in November 2019, to stockpile and export scrap to Peru as raw material for the Aceros Arequipa S.A.



**100 % (Holding in the USA)**

### **Aceros America Corporation**

holding company incorporated in Delaware, United States of America in July 2021 in which the Company holds 100% of the shares. This firm was incorporated to acquire the operating assets of two companies operating scrap facilities: Aceros America Port Manatee LLC and Aceros America St. Pete LLC, both in the state of Florida, U.S.A., to secure part of the company's growing need for scrap for its new electric arc furnace and to sell non-ferrous products to other customers.



## IN PERU



**99.99 %**

**Tecnología y Soluciones Constructivas S.A.C. (TSC Innovation)**

This company was incorporated in November 2018, to provide value-added services to the construction industry through detail engineering, virtual design services, and BIM (Building Information Modelling).



**99.99 %**

**Transportes Barcino S.A.**

A company with several years of experience in the freight transport industry, and which provides services to the Company.



**10 %**

**Compañía Eléctrica El Platanal S.A. (Celepsa)**

Our company has a 10% equity interest in CELEPSA, which runs the 227 MW El Platanal hydroelectric power station in the Cañete River basin, the 19.92MW Marañón hydroelectric power station, and a 300 MW thermal power plant in Chilca. In 2024, Celepsa's hydroelectric power plants (El Platanal and Marañón) contributed with 2.2% of the production of Peru's National Grid System (SEIN) and 4.2 of hydroelectric power generation. Celepsa's thermal power plant contributed with 2.2% of the production of Peru's National Grid System (SEIN) and 5.4% to thermoelectric power generation.

Currently, this company has four subsidiaries: i) Celepsa Renovables SRL, owner of the Marañón Hydroelectric Power Station, located on River Marañón; ii) Ambiental Andina SAC, a company engaged in providing meteorological and hydrological services, in which the company has a 50 % share; iii) Ecorer SAC, a company that produces and sells energy from non-conventional renewable sources (solar, wind, geothermal or hydraulic); and iv) Termochilca, thermal power station located in Chilca.

Celepsa is also promoter of the first private trust recognized by Sernanp, for the conservation of a natural protected area.





**99.99 %**

(Under liquidation)

**Comercial del Acero S.A. (Comasa)**

In September 2018, the company purchased 66.35% of Comasa for a total of S/. 84.6 million. With this purchase, the company increased its shareholding to 99.99%. As a result of this transaction, the Company increased its market share in the sheet, plate and tube market and entered the market for structural beams and plates. In January 2021, the liquidation of Comasa was approved, thus consolidating production activities and the sale of these products by the Company.



**100 %**

(Under liquidation)

**Comfer S.A.**

In 2021, the Compañía bought 100% of the shares for a total amount of US\$ 17.5 million. The purchase was carried out in two tranches: one in February and the second one in September. With this purchase, the Company increased its market share in the nail and wire markets. In August 2021, the liquidation of Comfer was approved, thus consolidating the production and sale activities by the Company.

**CUSTOMIZED SOLUTIONS: GLOBAL LEADERSHIP**

Our ability to develop customized solutions and offer specialized products has been fundamental in consolidating strategic alliances with companies in various industrial sectors and countries. This has allowed us to diversify our portfolio, adapt to the specific needs of each customer and position ourselves as an integral supplier both domestically and internationally.

As a result of this approach, we have excelled in demanding markets such as the automotive industry, providing high precision and quality products, as well as in the mining sector, offering robust and reliable solutions. This commitment to excellence and customization has led us to consolidate our position as the second largest steel mill on the Pacific East Coast, reaffirming our global leadership and competitiveness.





## 1.3. Leaders in steel production and delivering comprehensive solutions

### DESCRIPTION OF CAASA'S PRESENCE IN THE SECTOR

The steel sector stands out for its focus on advanced technologies to produce high-quality, resistant products adapted to market demands. For this reason, CAASA works with the latest technology available in the sector, seeking to optimize production ratios and to reduce any negative impacts on our area of influence. This commitment not only translates into the delivery of first-class products, but also into environmentally responsible management.

At domestic level, the steel industry has two key manufacturing companies which, together with importers, supply the local market with steel products. These products include of sales were of construction rebars and wire rod, smooth bars, merchant bar, beams, sheets and plates, corrugated steel sheets, tubes, steel mesh, nails and wire.

This sector is characterized by the use of high technology to achieve high-quality, resistant products for infrastructure construction in the metal mechanic and mining sectors, adapted to meet the market needs. For this reason, we focus on working with state-of-the-art technology in the industry: optimizing production ratios and reducing negative impacts on our area of influence.

This year showed similar trends in the evolution of the international Steel prices. In the case of rebar, the average FOB Turkey export Price for 2024 fell by 6 % compared to the average Price for 2023. On the other hand, the average export Price for hot-rolled coil FOB China also plummeted 12 % compared to the 2023 average price.

In 2024, the apparent demand for long products in the domestic market showed a 4 % growth compared to the previous year, and in the case of sheets and tubes, the market showed a 9 % increase compared to the previous year due to the increase in imports.





→ INFOGRAPHIC 9  
**THE STEEL  
CYCLE**  
(GRI 2-6)

## 01. RAW MATERIALS AND OTHER INPUTS

Acquisition of ferroalloys, coal and supplies.

## 05. RECYCLING

We have recycled steel stockyards that allow us to reduce the use of virgin raw materials, in addition to using less energy and water in the process.

## 02. STEEL LOGISTIC

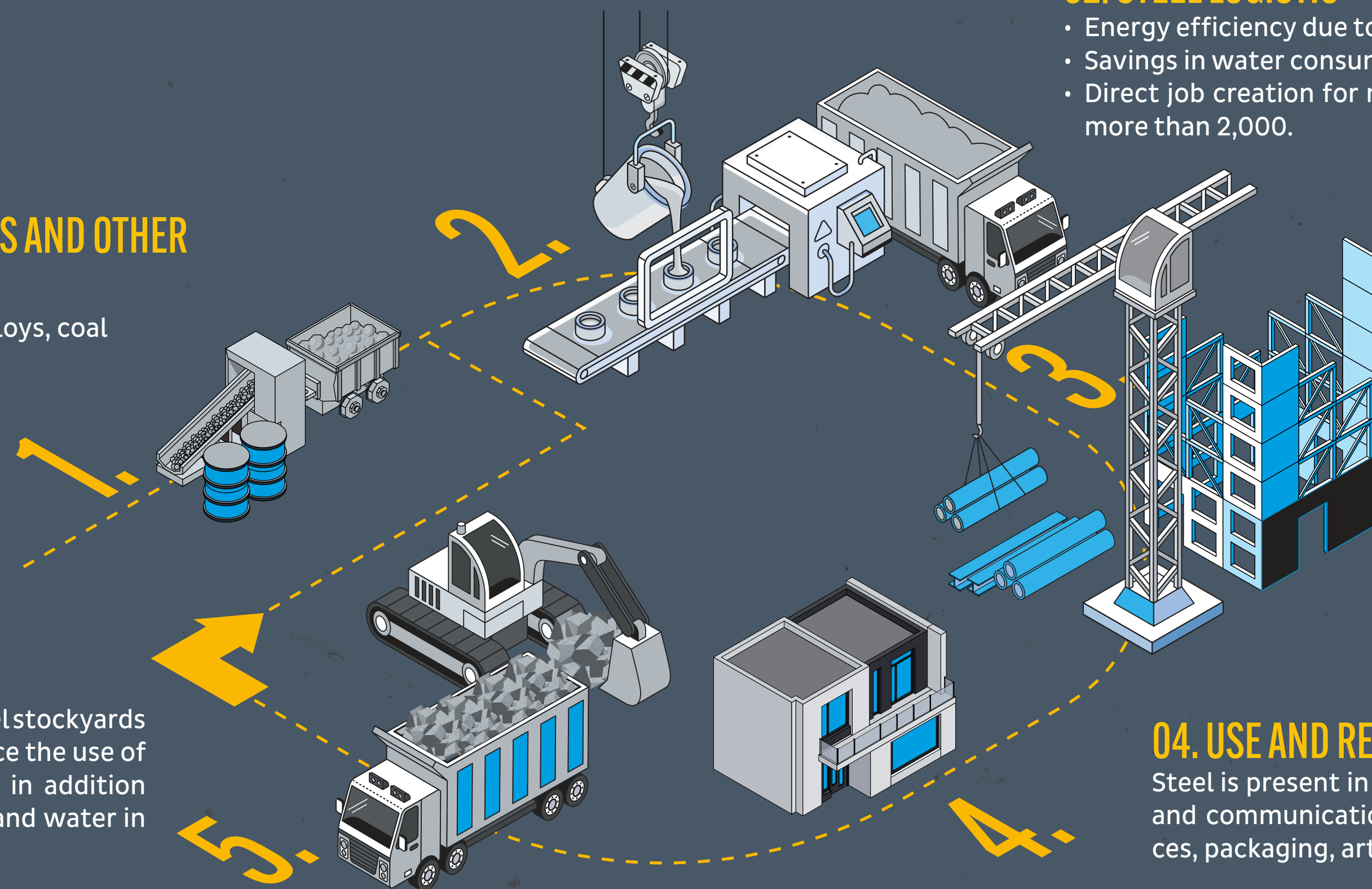
- Energy efficiency due to state-of-the-art technology.
- Savings in water consumption through recirculation.
- Direct job creation for more than 1,000 people and indirectly for more than 2,000.

## 03. CONSTRUCTION AND MANUFACTURING

Nominal production of approximately 1,200,000 tons of steel, used in construction, mining, metallic and real estate sectors.

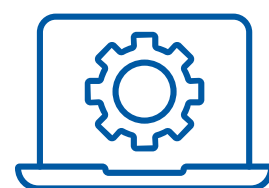
## 04. USE AND REUSE

Steel is present in our daily life as it is part of buildings, transport and communication infrastructure, vehicles, household appliances, packaging, art, etc.





At CAASA our commitment to sustainability is reflected in the active promotion of responsible use of resources. We adopt technologies and processes that prioritize the use of renewable or more efficient resources, provided that it is technically and economically viable. In line with this commitment, our production follows an approach based on circular economy, which maximizes the use of materials in the steel lifecycle. This allows us to significantly reduce the use of virgin raw materials, as well as power and water consumption in our processes.



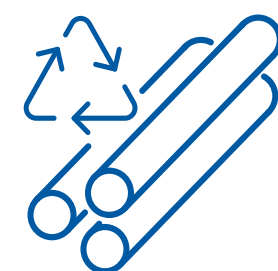
## RESOURCE OPTIMIZATION

We design our processes to remanufacture, recondition and recycle materials, this increasing their use and minimizing waste.



## ENVIRONMENTAL CRITERIA DURING PROCUREMENT

We include environmental standards in the selection of inputs and materials, seeking to minimize the environmental impact of their use.



## 100 % RECYCLABLE STEEL

Thanks to its unique properties, the Steel that we produce is completely recyclable, and preserves its original quality even after several cycles. Currently, most of the steel we use comes from recycled materials, contributing to saving resources and to reducing the need to extract raw materials.

LURIN DISTRIBUTION CENTER





## OUR PLANTS AND TECHNOLOGY



 Steel mills

The main purpose of the steel mill is the manufacturing of steel billets through continuous process development aligned with care for the environment and the prioritization of our employees' safety, while meeting our company's demanding standards

During this year, the following operational improvements were made:

- Commissioning of a 150 t/h scrap cleaning machine: scrap classification to optimize its use.
- Steel mill expansion, to meet the following objectives:
  - Increase the production of steel billets by 1.6 MM t, representing a 30 % increase.
  - Increase electric power.
  - Increase continuous casting capacity in two phases.

**1.167 MILLION**  
TONS BILLETS

**1.2 MILLION**  
t/year (PLANT CAPACITY)

**90.57 %**  
PERFORMANCE





Rolling mill plants

At the rolling mill, the primary mission is to produce rolled steel products, which include bars, profiles and rebars, to meet the domestic and international market demand.

To meet market requirements and take on new challenges in developing innovative processes and products, we pursue a constant search for excellence.

During this year, cold tests began on the new rolling mill 3, mainly dedicated to the production of profiles and rebars. The purpose of this project is to increase the milling capacity in 330,000 tons, positively affecting the availability of the Rolling mill 1 in approximately 2,500 h, allowing a capacity increase in 100,000 tons of high carbon rods or bars. This way, we will reduce imports and will be able to receive higher economic value for the sale of these products.

Specific goals:

- Increase the milling and sales capacity of rebars, profiles, wire rods, wire drawing and high carbon bars.
- Provide greater flexibility to the manufacturing program.
- Reduce the dependence on imported finished products.
- Reduce transformation costs.
- Profit from synergies, reusing existing equipment.

1.113 MILLION  
TONS OF FINISHED PRODUCTS S

1.2 MILLION  
t/year (PLANT CAPACITY)

96.58 %  
YIELD  
ROLLING MILL 1

97.02 %  
YIELD  
ROLLING MILL 2





Dimensioned steel plant

This is an integral system that designs, produces and delivers cut and bent construction steel, according to the needs of each project, such as stirrups, dimensioned bars, piles and pre-assembled structures.

For these operations we use Real Time Data Processing (RTDP), to improve traceability of dimensioned Steel from the moment it leaves the plant until it is loaded onto the truck.

49,720  
ANNUAL TONS

97.01 %  
METALLIC YIELD





Our tube plants manufacture steel tubes in different shapes and cross sections. Currently, we have three plants nationwide, located in Cajamarquilla and Lurin. During this year, the two tubes production lines were consolidated simultaneously in Lurin. The Cajamarquilla plant ended operations in June 2024.

The process consists of cutting steel coils to obtain steel strips, as raw material; these then go through a mill where they are preformed, and the edges of the strips are welded together.

#### LURIN

**44,929**  
annual tons  
(MILLS 1 + 2)

**98.31 %**  
METALLIC  
YIELD  
MILL 1

**98.36 %**  
METALLIC  
YIELD  
MILL 2

#### CAJAMARQUILLA

**9,679**  
annual tons

**98.46 %**  
METALLIC YIELD





Wire, nails and electrowelded  
wire mesh plant

This plant manufactures products such as nails, wire and electro welded mesh. With this purchase, Aceros Arequipa strengthens its presence in the market and expands its product supply.

#### WIRE PLANT

35,625

TONS OF FINISHED PRODUCT  
WIRE PLANT

98.43 %

PERFORMANCE

#### NAILS PLANT

8,280

TONS OF FINISHED PRODUCT  
NAIL PLANT

97.21 %

PERFORMANCE

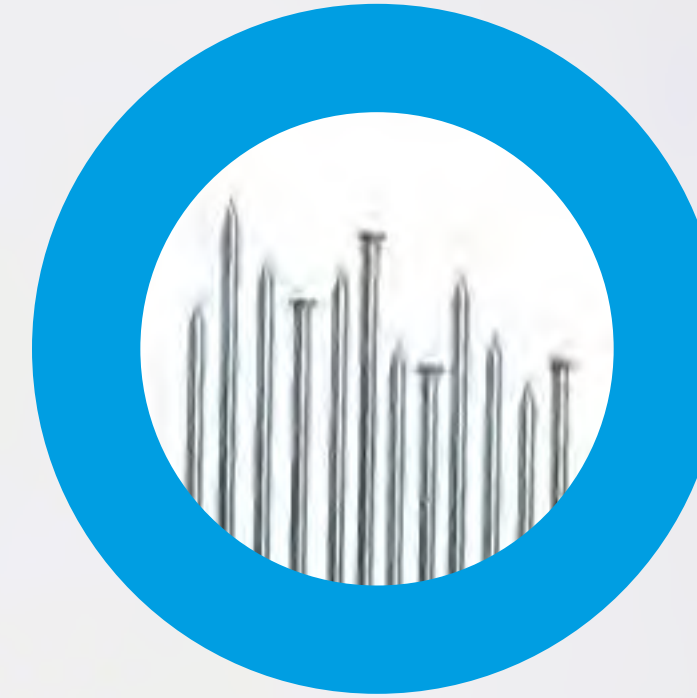




## ANNEALED WIRE LINE

Our automated furnaces allow us to carry out this process technically and according to quality standards in place. The wire is manufactured with SAE 1008 lo-carbon wire rod, drawn and annealed so that its ductility is in accordance with the standard.

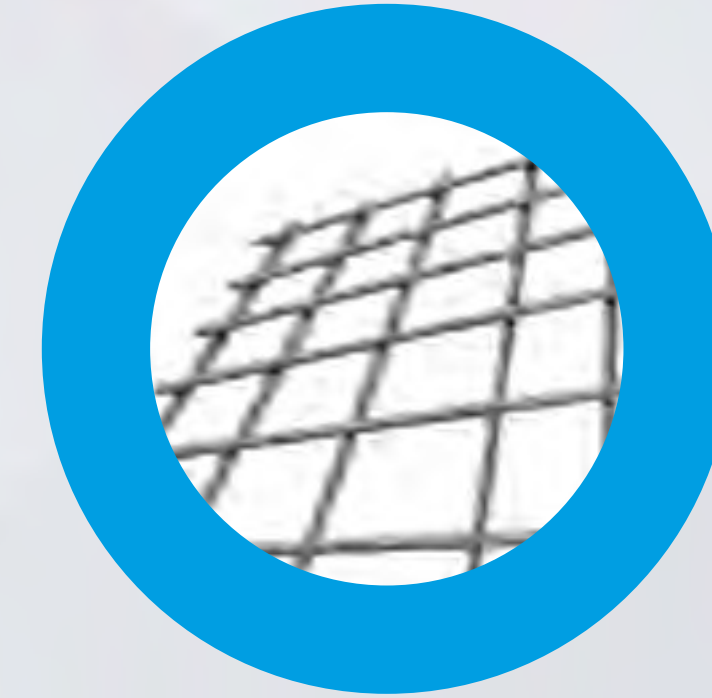
This year, a new plant with a total production capacity of up to 45,000 annual tons and for nails up to 15,000 annual tons, was commissioned. This modern technology increases efficiency and reduces the use of machinery and labor.



## NAIL LINE

We offer the highest quality nails, manufactured according to the technical standards in sizes from 1 to 7 inches.

In 2024 a new automated plant was commissioned, with a capacity of 15,000 annual tonnes, as part of the technological renewal of this line. This progress allows us to increase production capacity with a lower use of machinery and labor, optimizing manufacturing processes.



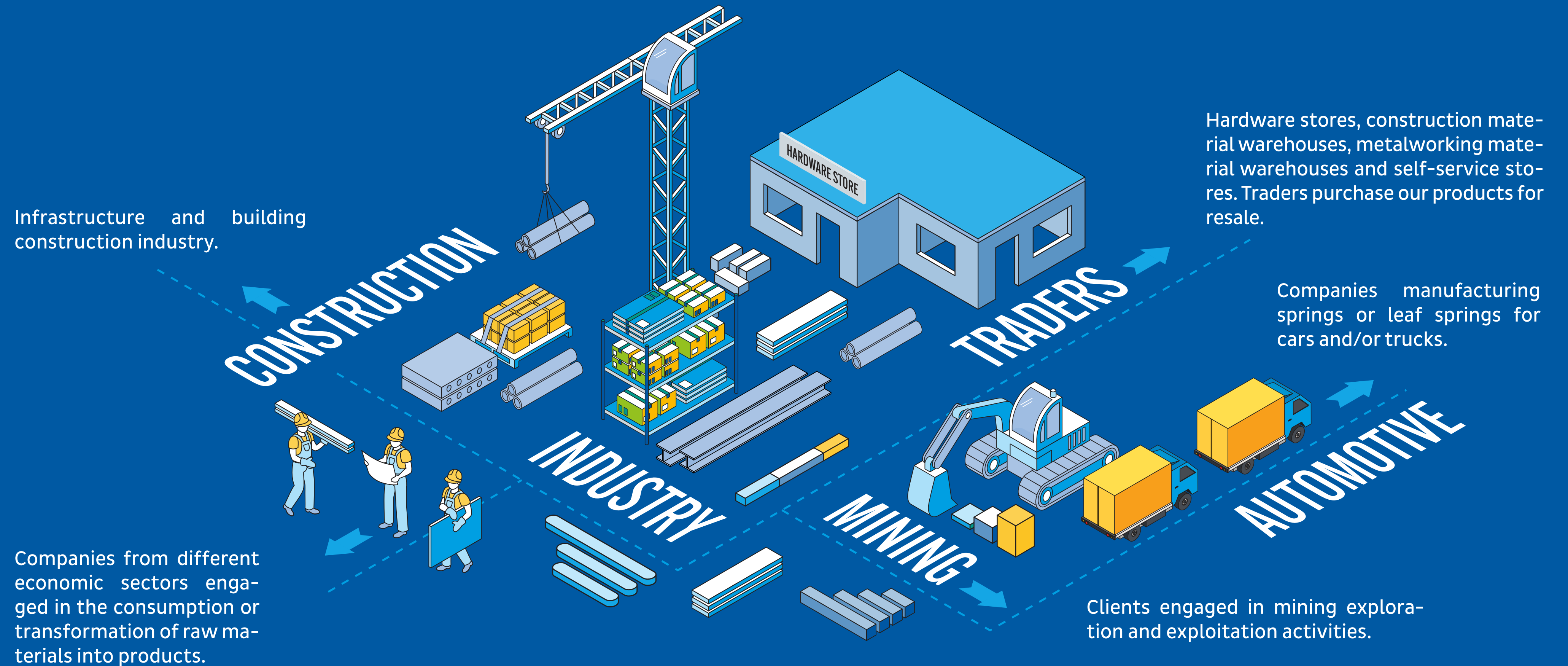
## ELECTRO WELDED MESH LINE

Designed to be used as structural reinforcement. In mining operations, it is used to reinforce tunnels, galleries, etc. The mesh is produced in 25-meter-long coils and 6-meter-long panels. This year, the mining mesh manufacturing line underwent technological renewal, improving the quality of the product and production capacity.



PRODUCTION (INSTALLED CAPACITY, USE, ETC.) (GRI 2-6)

→ INFOGRAPHIC 10  
**MARKETS  
SERVED**





→ INFOGRAPHIC 11  
**OUR PRODUCT  
PORTFOLIO**

Our product portfolio has the highest quality standards to meet the needs of our customers, delivering high value goods:





## OUR MAIN SERVICES

# ACEDIM®

### DIMENSIONED STEEL

It is the specialized detailed engineering service that Aceros Arequipa offers as part of ACEDIM® Soluciones Integrales, which provides construction solutions that allow increasing productivity at the work site, optimizing resources and improving project quality. This service includes cut, blended and labelled bars in the industrial plant.

TSC Innovation, a subsidiary of Aceros Arequipa, is responsible for industrializing construction through the use of BIM (building information modeling) technology and Lean Construction processes, under the VDC (virtual design construction) methodology, achieving a good attention flow, making us a reliable supplier.



### PREASSEMBLY

It is the fastest and most industrialized manner to supply reinforced steel cages for any type of project. Among these we have: rollmat, piles, beams, columns, pre-beams, pedestals, voussoirs, and meshes. Precast cages are produced in fixed industrial facilities, following standardized procedures and with permanent control.

### INTEGRAL

We have a team specializing in the installation of steel, with extensive experience in dimensioned steel. The installation team works in an integrated manner with the Engineering and Planning staff, in order to meet the project schedules. Progress is monitored through our on-line platform (Trimble Connect). This control is feasible both from our office and on site. This way, we provided specialized advice with the support of experts to carry out these activities.

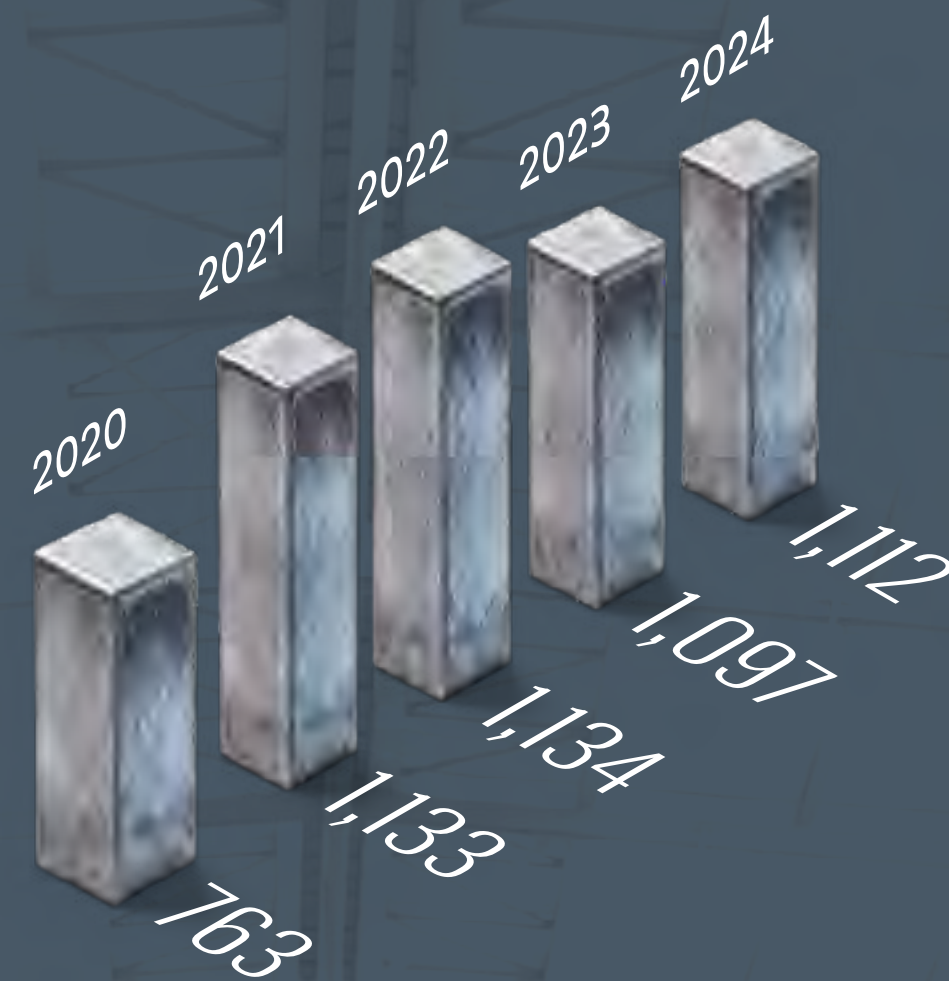


# 1.4. Economic Results

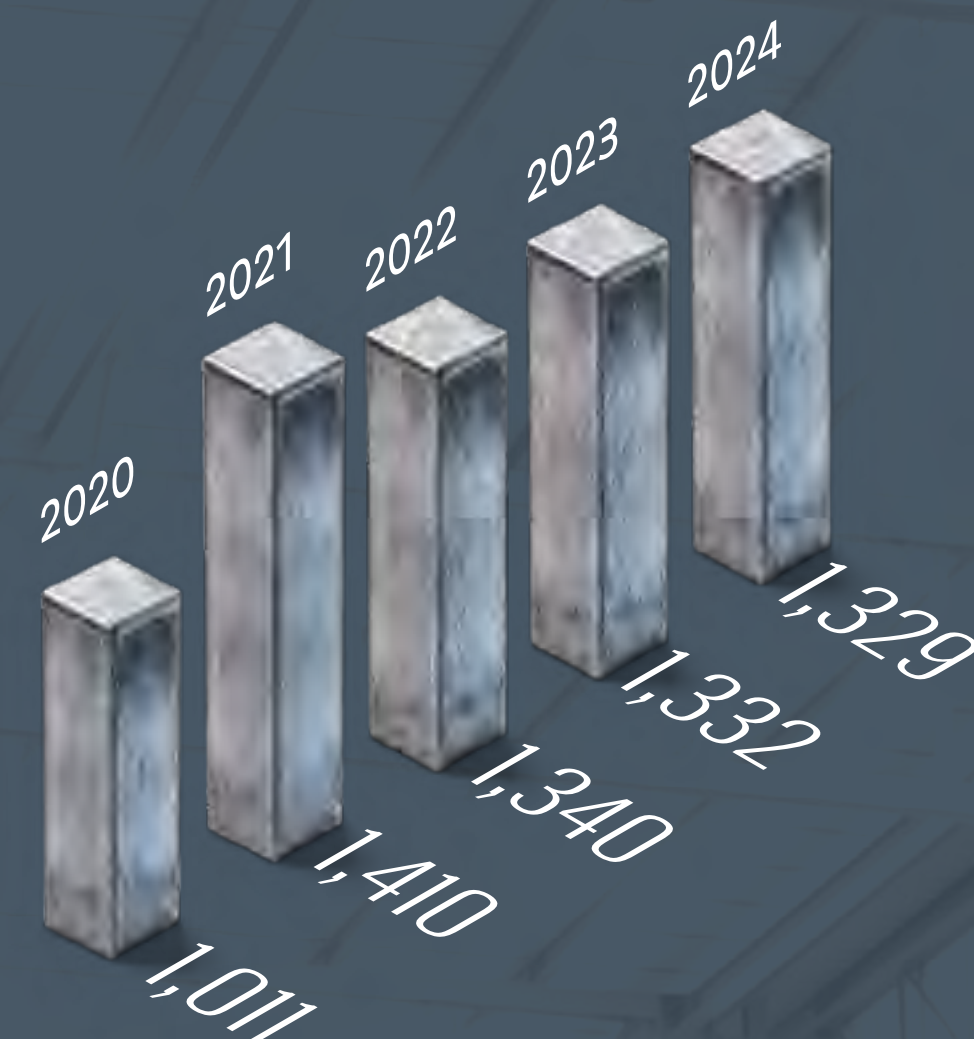
## ECONOMIC AND FINANCIAL RESULTS

In 2024 we sold 1.33 million MT of products. Sales volume was 0.2 % lower than the previous year. This result is mainly explained by the fall in exports.

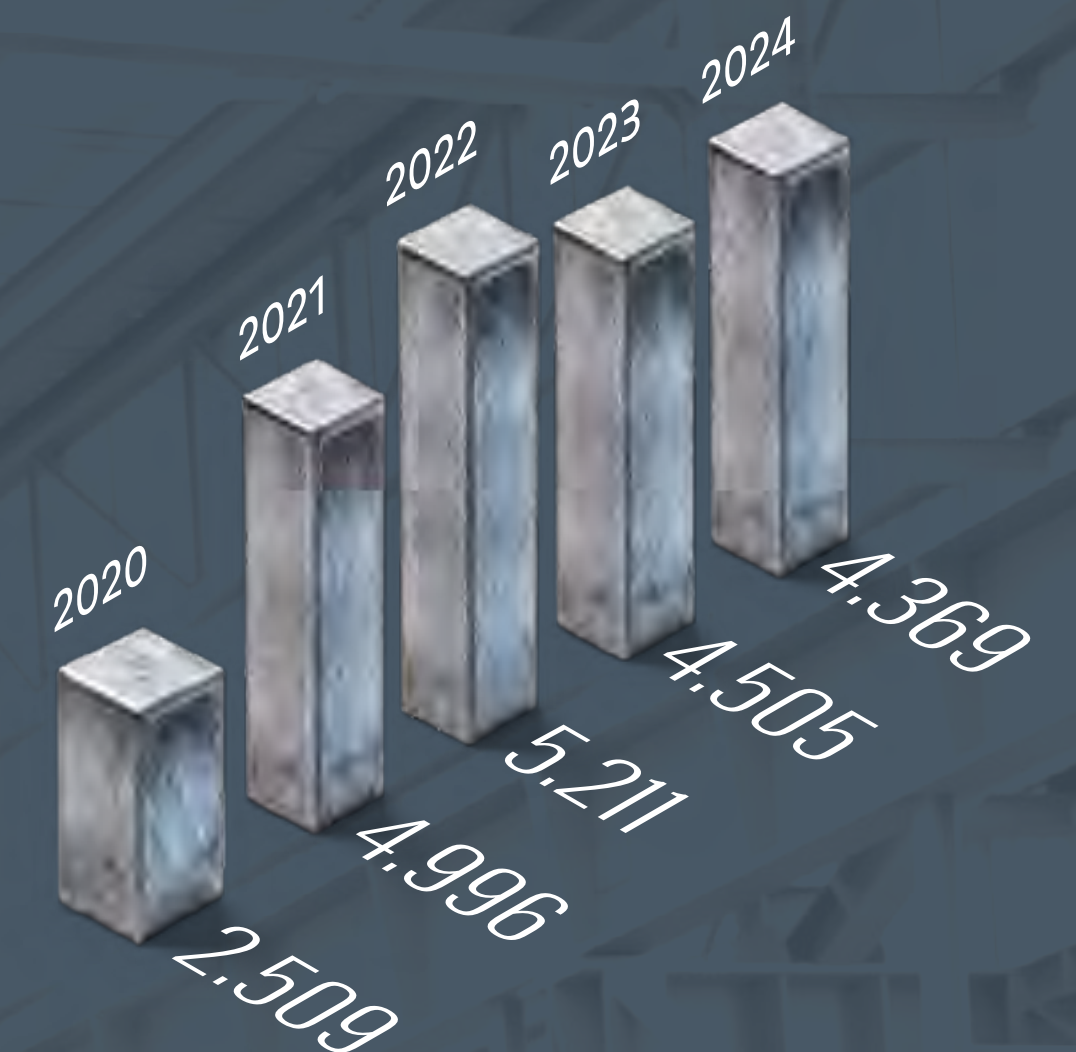
→ GRAPH 3  
**MILLING**  
**t (000)**



→ GRAPH 4  
**SALES**  
**t (000)**



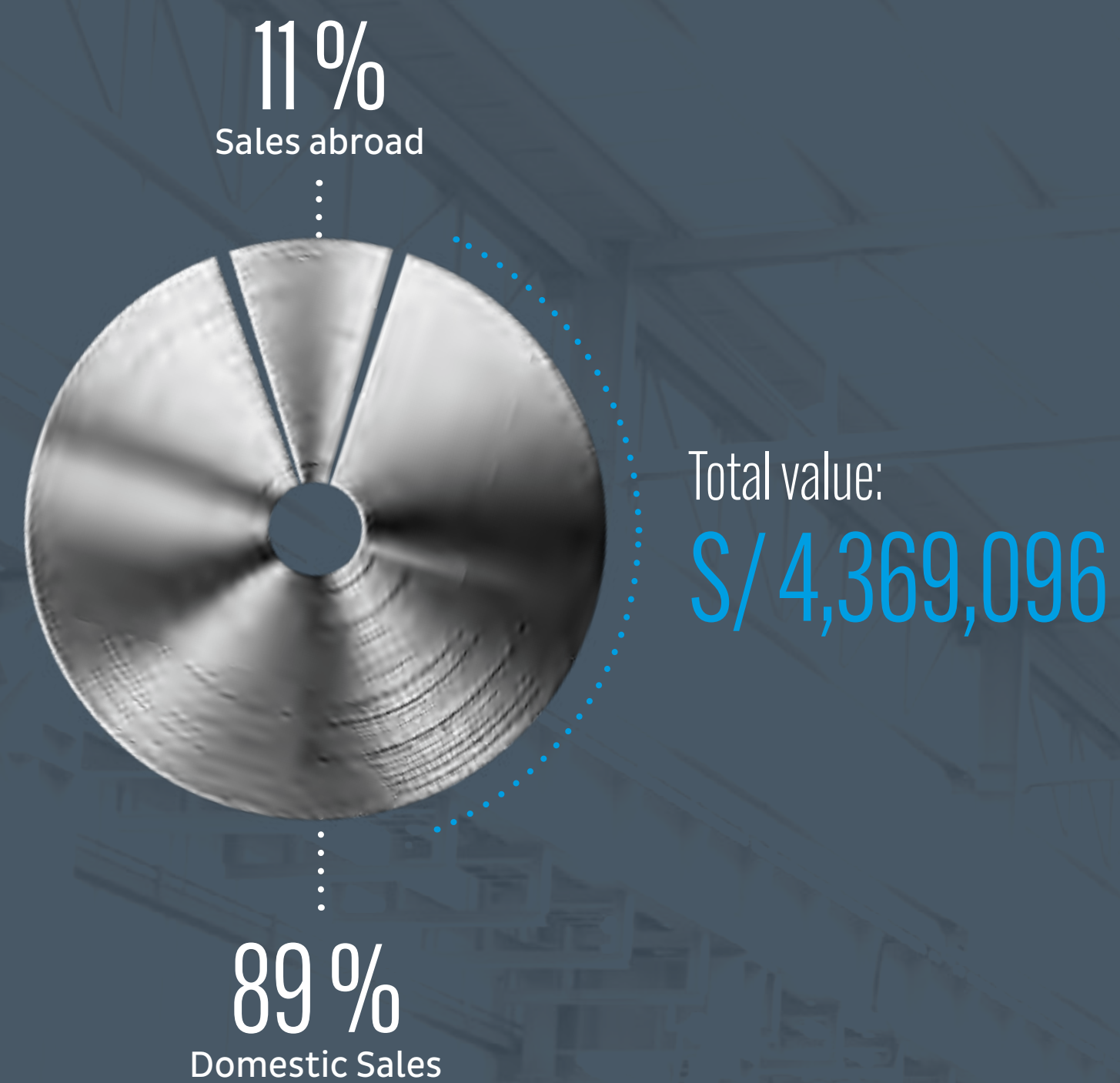
→ GRAPH 5  
**SALES IN**  
**S/ BILLION**





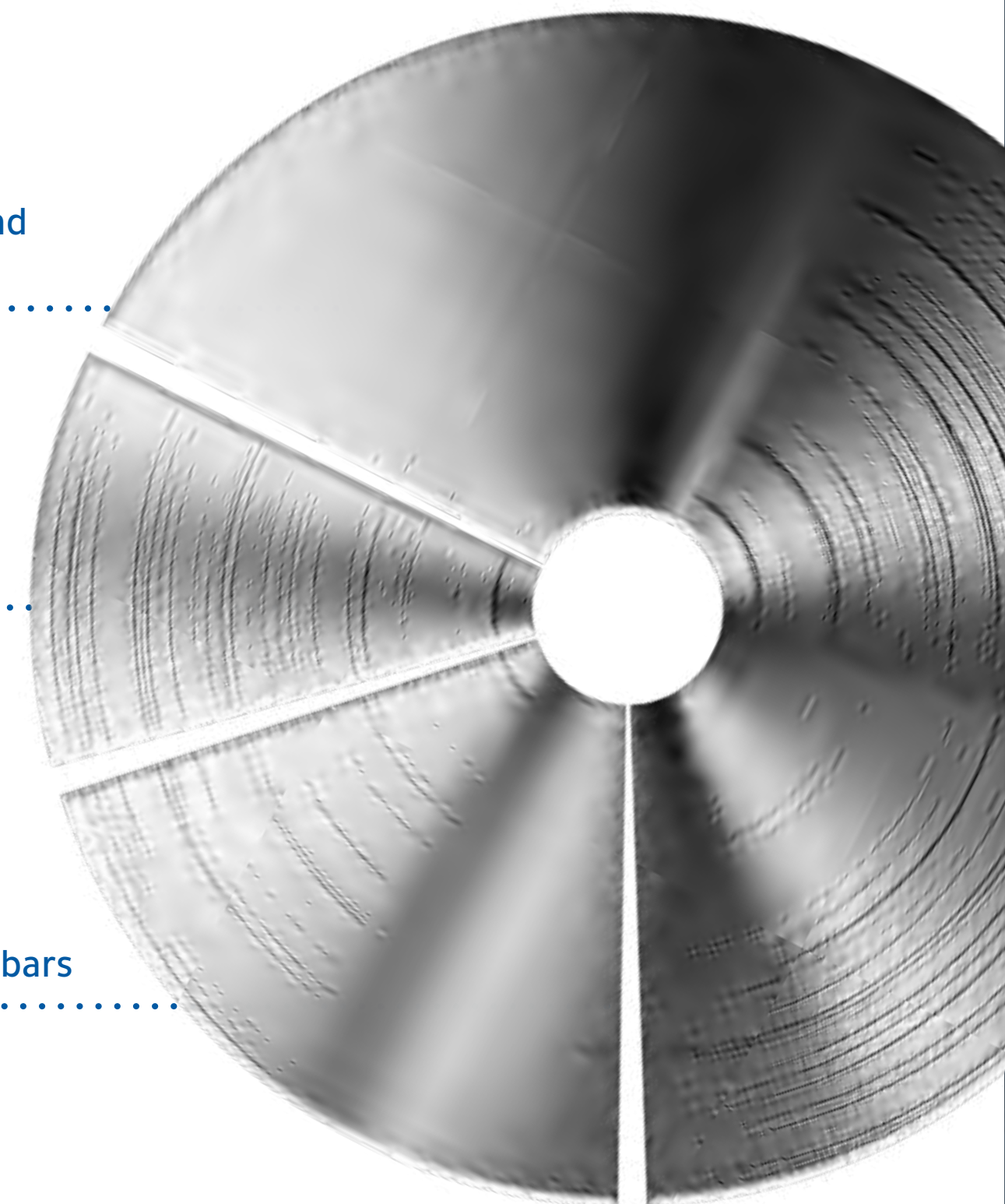
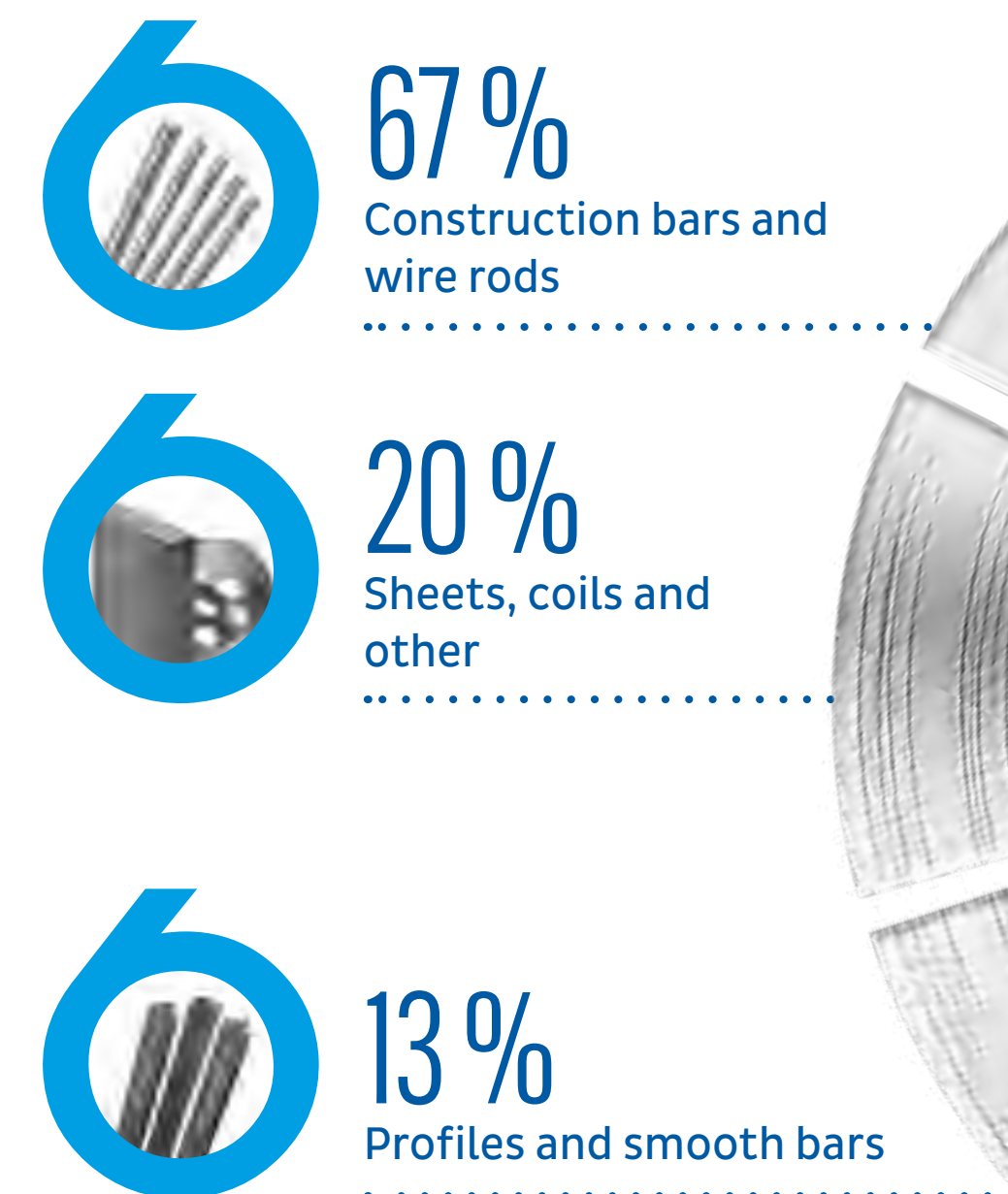
Exports accounted for 11% of the Company's total sales, with the Bolivian market being the main export destination.

→ GRAPH 6  
**SALES**



With respect to sales by product family, construction bars and wire rod accounted for 67 % of sales, the balance being shared by profiles, smooth bars, plates, coils, among others.

→ GRAPH 7  
**MAIN  
PRODUCTS**



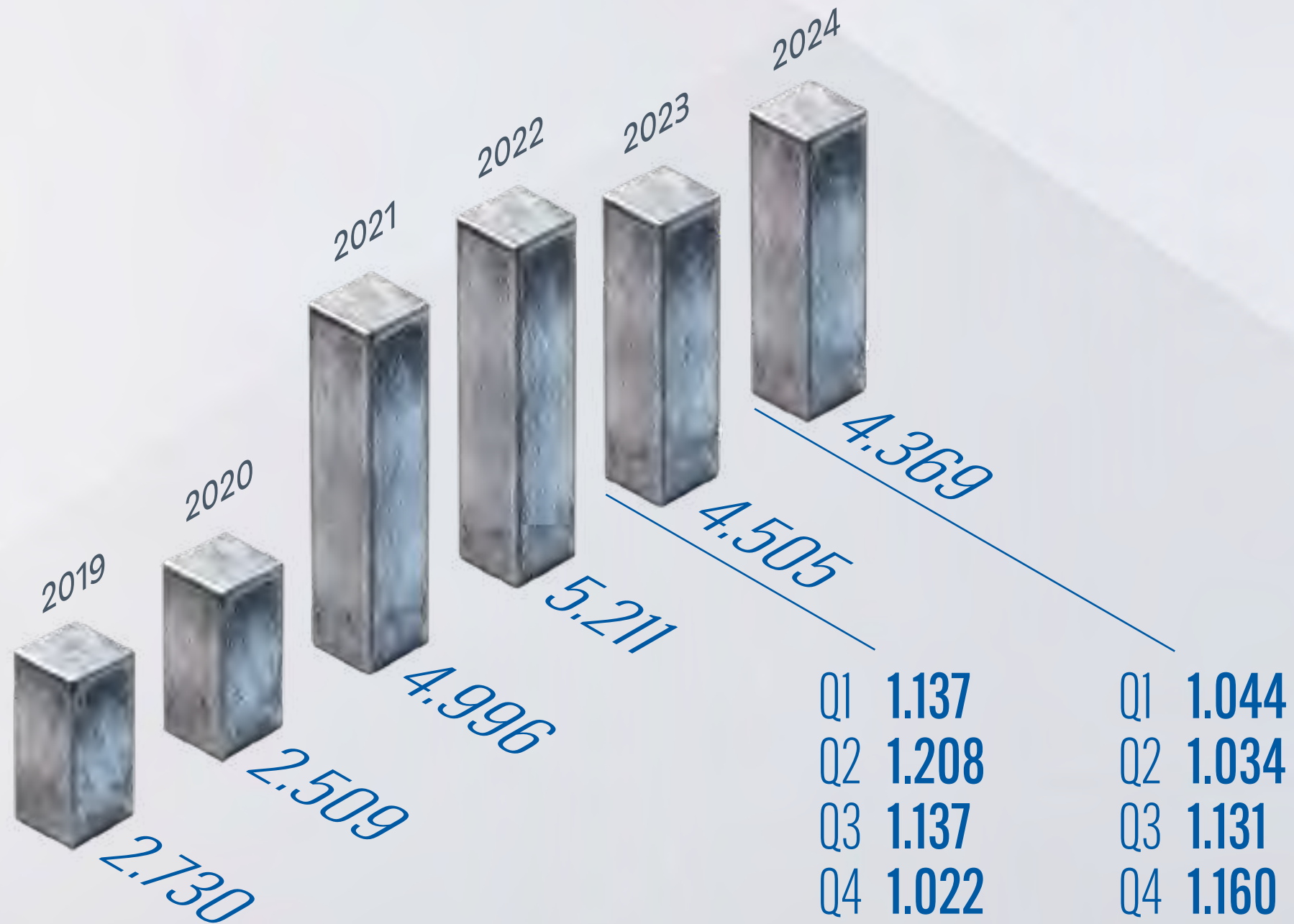


S/ 4.369  
BILLION  
NET SALES 2024

FINANCIAL ASPECTS

Below, we present the analysis of the Company's financial behavior, as per the 2024 Individual Audited Financial Statements. Net sales in the year added to a total amount of S/ 4.369 billion, a figure that represented a 3% reduction compared to the previous year. Sales reduction was mainly due to smaller sales to non-recurrent markets, as well as to Bolivia, Ecuador and Colombia. In addition, in 2023 we exported steel billets, for a single time. However, local market sales reflect moderate growth mainly from the sale of bars for balls, nails and wire, as well as of by-products.

→ GRAPH 8  
NET SALES  
(S/ BILLION)



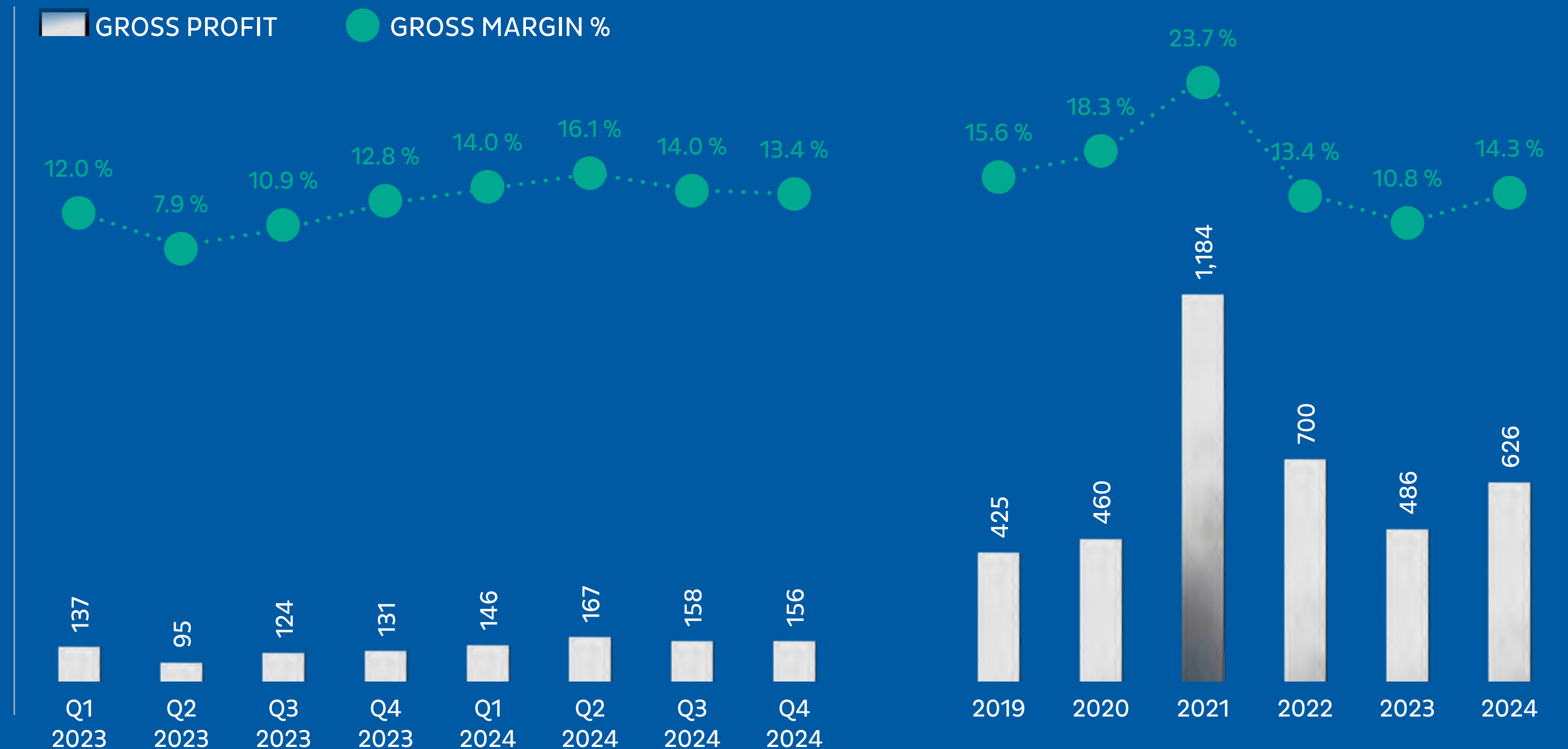


Gross profit for 2024 (S/ 626 million) was 29 % higher than the gross profit registered in 2023 (S/ 486 million) as a result of higher volumes and margins in the local market and larger sales of by-products.

Regarding the Company's gross margin, this was 14.3 %, higher than in 2023 (10.8 %).

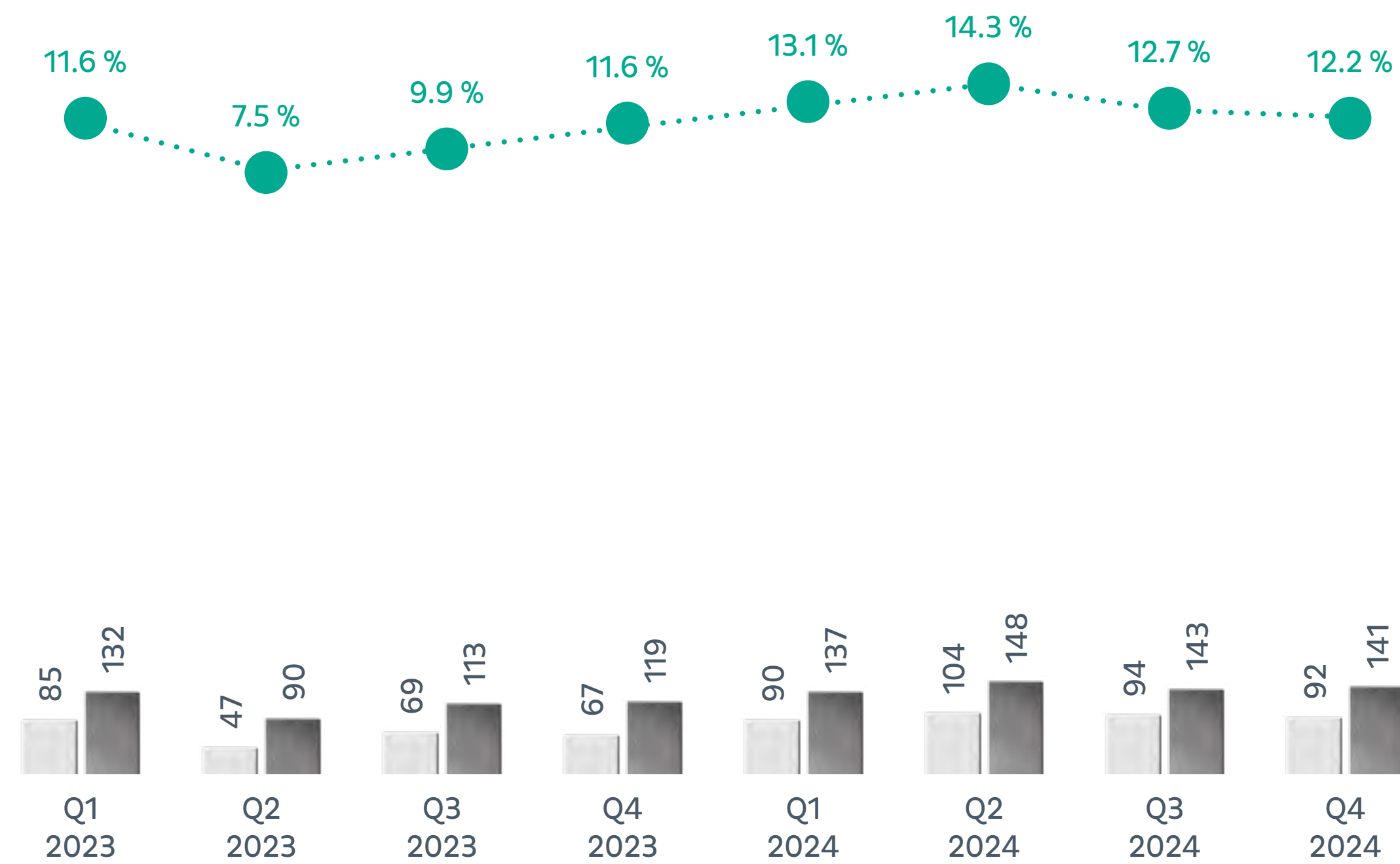
In 2024 operational profit was S/ 380, representing a 42 % growth compared to 2023. This growth is the result of a better gross margin, as explained in the former paragraph. Likewise, the EBITDA for 2024 was S/ 569 million, a figure 25 % higher than in 2023 (+S/115 million) and which represented a recovery of 3.0 p.p. margin compared to 2023 (10%), reaching 13 %.

→ GRAPH 9  
**GROSS  
PROFIT  
(S/ MILLION)**

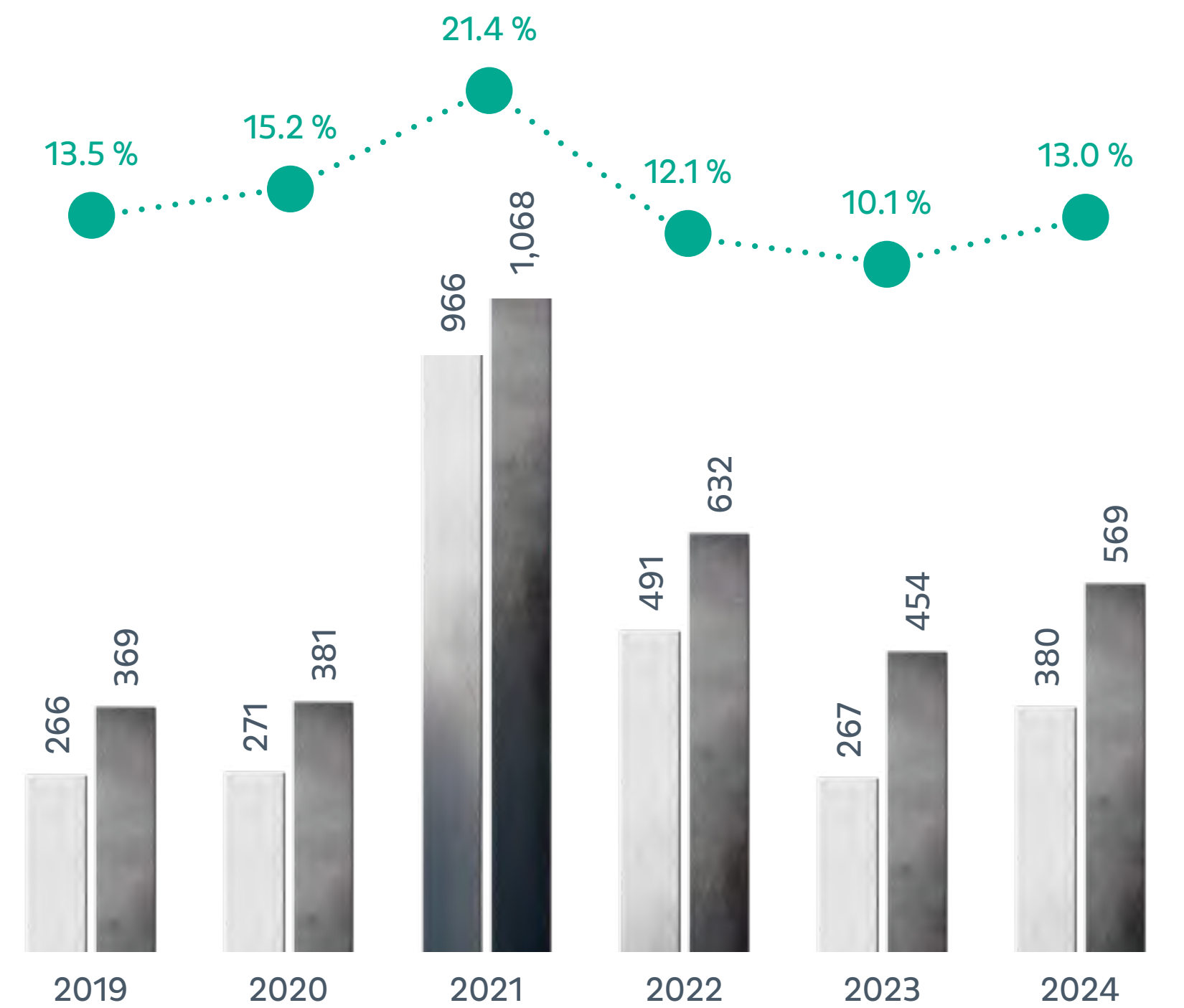




→ GRAPH 10  
**OPERATIONAL  
PROFIT AND  
EBITDA  
(S/ MILLION)**



OPERATIONAL PROFIT EBITDA EBITDA MARGIN %



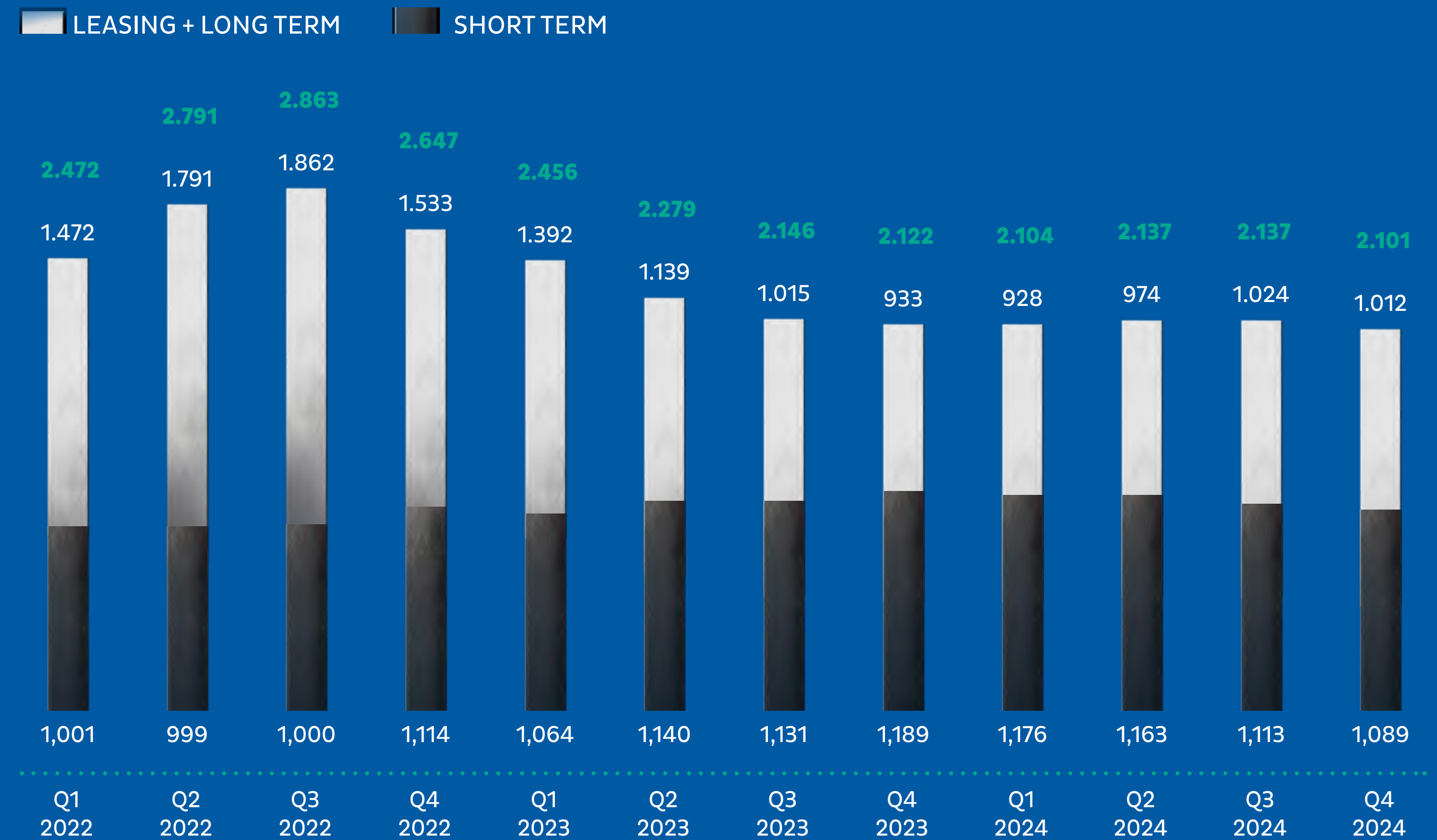


In 2024, financial expenses decreased compared to the previous year due to lower interest rates and lower average indebtedness during the year.

As of December 2024, the leverage indicator, defined as Net Financial Debt / EBITDA, was 2.9x, lower than the figure achieved in December 2023 (3.5x) due to an increase in EBITDA. Graph 11, shows the evolution of financial liabilities (excluding operating leases).

As of the end of 2024, the Company obtained a profit of S/ 196 million, which was more than double the profit recorded in the previous year (S/ 83 million). This improvement is explained by a higher operating profit, lower financial expenses and lower losses from the results of associates.

→ GRAPH 11  
**FINANCIAL  
LIABILITIES  
(S/ BILLION)**



Note: does not consider financial leasing



As of December 2024, current assets decreased by 5 % (S/ 124 million) compared to those as of December 2023, totaling S/ 2.389 billion. This reduction was mainly due to a lower level of cash, income tax assets and related accounts receivable.

Current liabilities increased by 2 % (S/ 39 million) with respect to those existing at the end of 2023, reaching S/ 1.811 billion. This variation is explained by higher bank financing, higher other accounts payable and related accounts payable.

The Company's working capital decreased by 22 % with respect to that existing at the end of 2023, reaching S/ 578 million, due to lower current assets and higher current liabilities, as explained before. In line with the above, the liquidity indicator (current assets divided by current liabilities) recorded a decrease as of December 2024 and stood at 1.3 compared to 1.4 obtained at the end of 2023.

Likewise, net assets in property, plant and equipment amounted to S/ 3.086 billion, higher than the amount recorded in December 2023 (S/ 2.932 billion), which is explained by the investments in the rolling mill 3, the nails

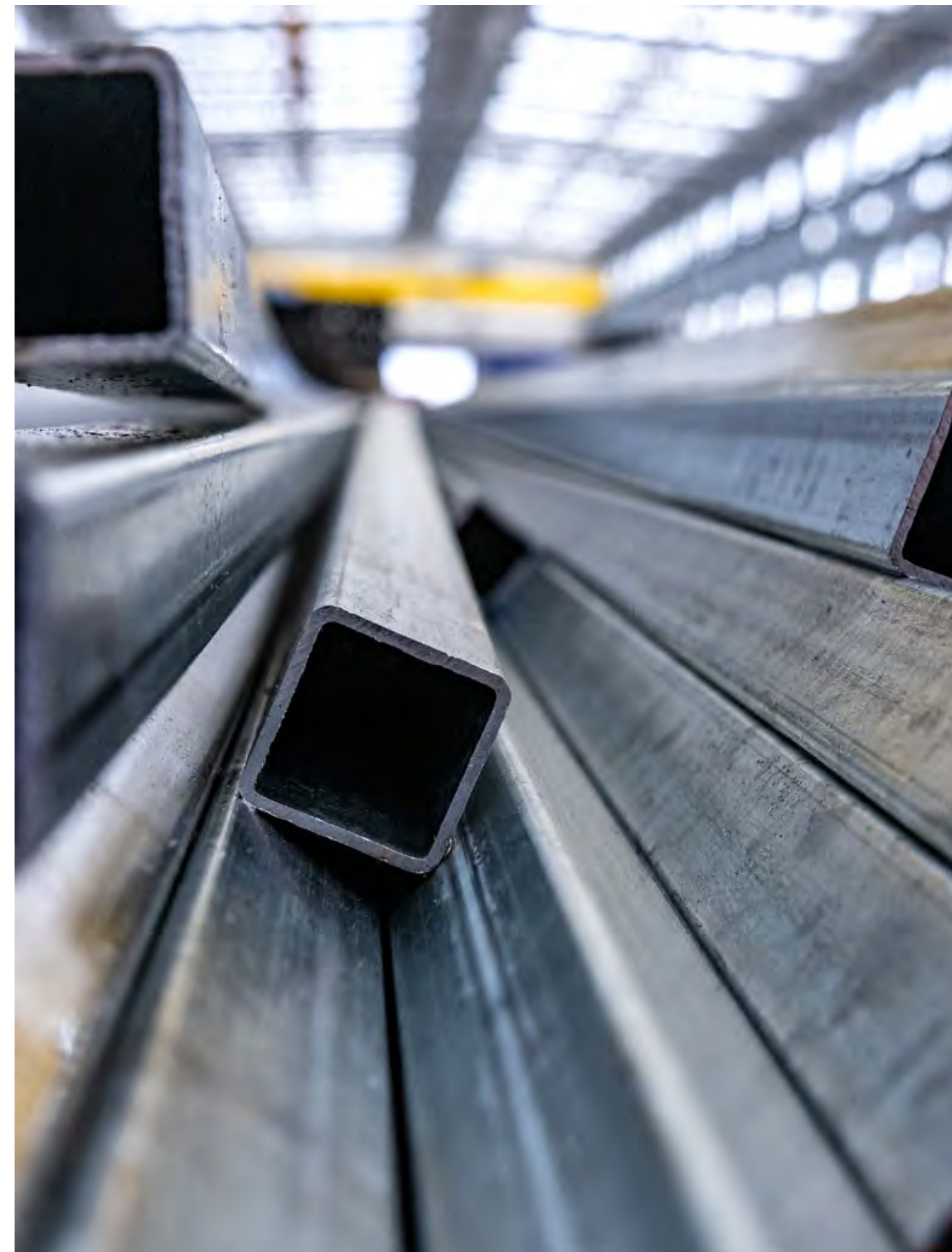
and wires plant, the repowering of the lime furnaces, the new scrap cleaning machine, the new Distribution Center in Lurin, among others. As of the same date, intangible assets totaled S/. 5.4 million.

The book value of investments in subsidiaries and associates amounted to S/ 235 million, higher than the S/ 228 million at the end of 2023.

The indebtedness ratio (total liabilities minus deferred taxes divided by shareholders' equity) decreased compared to that recorded in December 2023 (1.06), reaching 0.98, mainly due to lower trade accounts payable and financial liabilities.

The growth of the Company's equity (S/ 124 million) is mainly explained by the net income for the year after the delivery of dividends.

It is worth mentioning that as of December 31st, 2024, Banco de Crédito del Perú, BBVA and Interbank had an exposure of more than 10% of the company's equity, with a total amount of S/ 1.328 billion, S/ 395 million and S/ 348 million, which accounted for 47 %, 14 % and 12 % of the equity, correspondingly.





Such exposure includes promissory notes, capital leases, medium-term financings, letters of credit and letters of guarantee.

Furthermore, the Company has a trust fund consisting of machinery and real state in the Pisco Plant, as guarantees for medium-term loans granted by Banco de Crédito del Perú S.A, Banco Santander Perú and Banco Internacional del Perú S.A.A. – Interbank. As of December, the realizable value of the assets in the trust added up to US\$ 428 million, which represents 57 % of the company’s equity.

Finally, the Firm Tanaka, Valdivia & Asociados Sociedad Civil de R.L., representatives of EY International, was appointed by the Board of Directors of the Company as external advisors for the year 2024.

**ECONOMIC VALUE GENERATED AND DISTRIBUTED** (GRI 201-1)  
Our economic performance during the year helped to generate value for our various stakeholders. This positive impact is shown in the following table:

→ **TABLE 2**  
**ECONOMIC**  
**PERFORMANCE**

(In thousand Soles)	2023	2024
A. Direct Economic Value Generated (EVG)	4,531,980	4,405,414
B. Direct Economic Value Distributed (EVD)	4,482,065	4,257,816
Operating Costs	4,062,621	3,755,475
Employee Salaries and benefits	191,712	241,431
Payments to capital providers	147,322	119,103
Payment to the government (Income tax and other taxes)	35,420	77,070
Investments in the community	1,033	1,235
Shareholders (dividends)	43,957	63,502
Retained Economic Value (A-B)	49,915	147,598



TAX INDICATORS

(GRI 207-1)

Our tax strategy is to comply with tax regulations issued by the corresponding agencies in the countries where we operate. We thus minimize tax risks and protect the corporation's reputation, based on a reasonable interpretation of the tax regulations applicable in each country.

Our Accounting and Tax departments are responsible for the implementation and execution of the tax strategy in our business management.

→ TABLE 3  
EFFECTIVE  
TAX RATE

(In thousand Soles)	2021	2022	2023	2024
Income before taxes	977,134	362,014	128,655	283,251
Taxes reported	287,791	115,599	45,842	86,758
Taxes paid	218,035	127,468	42,458	0

PISCO-ICA STEEL COMPLEX



CHAPTER 2

CORPORATE  
GOVERNANCE  
FUTURE LOOKING  
GOVERNANCE





## 2.1. Corporate Governance (GRI 2-9, 2-10, 2-12, 3-3)

### GOOD CORPORATE GOVERNANCE PRACTICES<sup>1</sup>

At CAASA, we base our daily management activities on sound pillars of good corporate governance, ensuring integrity, transparency, competitiveness and profitability at all levels. This approach, which enables us to generate long-term sustainable value for our shareholders and stakeholders, promotes relationships of trust and operational excellence.

Our commitment to shareholders is based on transparency, fairness, and timely access to relevant information. To this end, we implement mechanisms that ensure open communication and equal treatment, such as:

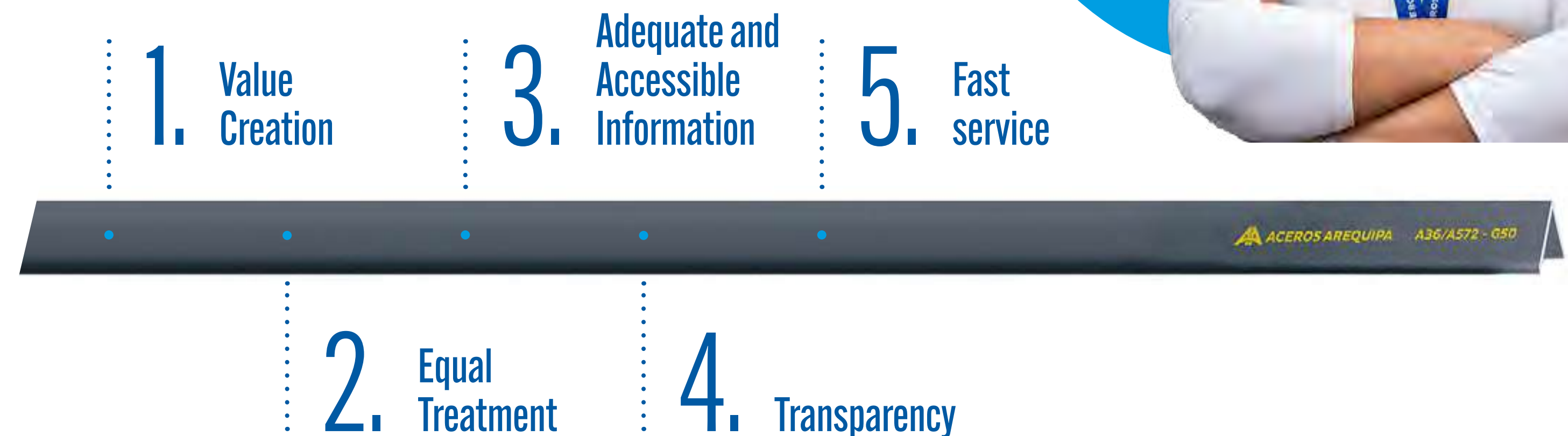
- General shareholders' meeting
- Quarterly calls, presenting accurate and up-to-date financial information
- Investor web site, providing continuous ac-

cess to reports, financial results and other relevant documents

- Personalized attention through official channels to respond to requests and inquiries.

For each one of these areas, we pursue the following approaches:

→ GRAPH 12  
**APPROACHES**



We generate  
long-term  
sustainable  
value





Currently, the BOD of CAASA, elected for a 3-year period, is made up of 12 members, with a balanced structure that guarantees diverse points of view: one executive director, two independent directors and 9 non-executive directors.

→ GRAPH 13  
**PILLARS  
OF THE  
CORPORATE  
GOVERNANCE  
CODE**



**Board of Directors Guidelines:**

**(GRI 2-10, 2-15, 2-18)**

- The choice of Board of Directors is a process supervised by the Appointments, Remunerations and Human Resources Committee which is responsible for recommending the candidates to be proposed before the General Shareholders' Meeting.
- To be appointed a member of the Board of Directors, the candidate must meet the requirements foreseen in the legal provisions in force and in the by-laws of the Company. In addition, all efforts must be made to ensure that these people have different backgrounds and skills, in such a way that there are different approaches and opinions.
- The Board of Directors carries out a self-assessment every year<sup>3</sup>.
- It is the responsibility of the Board of Directors to control and monitor possible conflicts of interest among directors. The regulations establish that any director who has a conflict of interest in any matter under discussion shall immediately inform the Board of Directors and shall abstain from participating in such matters.

<sup>3</sup> Self-assessments are carried out at the end of the year during the first quarter of the following year. In this regard, during the first quarter of 2024, 100% of the directors completed their 2023 performance self-evaluation. The information and agreements of the self-assessments are treated confidentially and its use is restricted.



MEMBERS OF THE BOARD OF DIRECTORS AND ANNUAL PERFORMANCE

The current Board of Directors of the Company was elected in the annual Shareholders’ Meeting held in March 2022.

→ TABLE 4  
MEMBERS OF  
THE BOARD OF  
DIRECTORS

Name	Type
Mr. Ricardo Cillóniz Champín	Chairman of the Board of Directors Executive
Mr. Fernando Enrique Carbajal Ferrand	Vice-president
Mr. Jorge von Wedemeyer Knigge	Non-executive
Mr. Pedro Blay Hidalgo	Non-executive
Mr. Ricardo Bustamante Cillóniz	Non-executive
Ms. Renéé Cillóniz Champín	Non-executive
Mr. Manuel Montori Burbank	Independent
Mr. Enrique Olazábal Bracesco	Non-executive
Mr. Pablo José Peschiera Alfaro	Non-executive
Ms. Giselle Ferrand Rubini	Independent
Mr. Jordán Aldo Ponce Gambirazio	Non-executive
Mr. Andreas von Wedemeyer Knigge	Non-executive

Participation (attendance) 2024



To measure performance, the average tenure during 2024 was 13.67 years. Likewise, the average board attendance so far in 2024, has been 100 %<sup>4</sup>, with 13 sessions.

13  
SESSIONS  
IN 2024

<sup>4</sup> The minimum attendance required is half plus one of its members, according to article 168 of the General Corporation Law.



10 | 2  
MALE DIRECTORS | FEMALE DIRECTORS

Description of the Board of Directors member profiles.

**MR. FERNANDO ENRIQUE CARBAJAL FERRAND.**

Business manager, with additional qualifications in marketing from Kellogg, Six Sigma accreditation, PAD Corporate Governance program. Served as Latin America manager for North American companies STP Corporation and First Brands Corporation, and was vice-president for Latin America for Honeywell International. Currently he is president of Plásticos Nacionales S.A. and a director of Negocios Mancoche S.A. He has been a member of the Board of Directors of Corporación Aceros Arequipa since March 13, 1998.

**MR. JORGE GUILLERMO VON WEDEMAYER KNIGGE.**

Business manager, graduated from the University of Hamburg, Germany. He has broad experience in banking, having worked at Commerzbank in Frankfurt, Germany, as business manager for the Central and North American regions, as well as in Banco de Crédito del Perú. For 13 years, he worked as representative of Dresdner Bank Lateinamerika (formerly

Deutsch-Südamerikanische Bank) and Dresdner Bank AG in Peru. He is a director of Lima Airport Partners, Euromotors S.A., International Camiones del Perú S.A., Euro Camiones S.A., Euroinmuebles S.A.C. and Altos Andes S.A.C.; as well as of several companies that make up Corporación Cervesur SAA: Creditex S.A.A.; Transaltisa S.A.; Alimentos Procesados S.A. (Alprosa), and Procesos Agroindustriales S.A. (Proagro). Previously, he was Interim General Manager of Lima Airport Partners (concessionaire of the Lima Jorge Chavez International Airport). He was director and president of Lima Chamber of Commerce and has been president of the Peruvian-German Chamber of Commerce for several years. He is a member of the Board of Directors of Corporación Aceros Arequipa since April 26, 2022.

**MR. PEDRO BLAY HIDALGO.**

He graduated as an industrial engineer from the Pontificia Universidad Católica del Perú, and holds an MBA from Cornell University and a master's degree in international business from Thunderbird School of Global Management. He is a director of Inmobiliaria Comercial del Acero Argentina S.A. and Inmobiliaria Comercial del Acero Cajamarquilla S.A. He has

been a member of the board of directors of Corporación Aceros Arequipa since March 28, 2016. He worked in the company's commercial department since 1997, and then as export manager until March 2016. He was also a director of Comercial del Acero S.A., Comfer S.A. and the Peruvian Chamber of the Construction Industry (CAPECO).

**MR. RICARDO BUSTAMANTE CILLONIZ.**

He is an agricultural engineer. He studied at California Polytechnic State University and completed the PAD course at the University of Piura. He is founder and director of Fundo San Fernando S.A. and Agrícola la Joya S.A.C.. Member of the board of directors of Corporación Aceros Arequipa S.A. since December 22, 2011, and director of Rethink Peru S.A.C. since April 2019.

**MS. RENEE CILLONIZ CHAMPÍN.**

She has a background in trade. Mrs Cillóniz has more than 17 years of experience in the steel products market. She is the general manager of Renemar S.A., a director of Tradi S.A. and has been a member of the board of Corporación Aceros Arequipa S.A. since July 22, 2005.



**MR. MANUEL MONTORI BURBANK.**

He is an attorney by Universidad de Lima and holds an MBA from Harvard Business School. He is currently Vice Chairman of the board and General Manager of Altozano Desarrollo y Construcción. He has been chairman of the board of Citileasing Peru and a director of Citibank Peru, ICBC Peru, Compañía Minera Poderosa, Calcios del Sur and Cipensa Explosivos, among others. He has held executive positions at Chase Manhattan Bank as Vice President of Investment Banking in New York and Mexico. He was also executive director for corporate banking of Citibank in Peru and Manager of the Citibank School of Banking in the State of Florida, USA. He is a member of the board of directors Corporación Aceros Arequipa since March 23, 2017.

**MR. ENRIQUE OLAZABAL BRACESCO.**

He is attorney by Pontificia Universidad Católica del Peru. He has experience as legal advisor of prestigious Peruvian and international companies. For many years, He was a member of Estudio Romero Abogados law firm, where he was one of the four senior partners. He has personally advised important Peruvian and foreign clients, such as Banco de Crédito

del Perú, Compañía de Seguros Rímac, BASF Peru, Marriot Peru, TEXACO, Compañía Minera Atacocha, Milne, Transcosta, Occidental Petroleum, GSI, Johnson & Johnson, Industrias Químicas Básicas, Braniff, Eastern, Clínica Anglo Americana and Eternit, among others. He also has experience in handling arbitration proceedings. He is a member of the board of directors of Corporación Aceros Arequipa since the March 13, 1998.

**MR. PABLO JOSÉ PESCHIERA ALFARO.**

Mr Peschiera holds a bachelor's in science in mechanical engineering from the University of California, Berkeley, and an MBA from Stanford University. He is a business consultant and director, as well as an entrepreneur and investor. He was, and currently is, a director of several companies in the industrial, construction, commerce, services, agricultural, agribusiness, agro-industrial and real estate sectors. He has been chairman of the board of directors of Redondos S.A. and a director of COSAPI S.A. He is chairman of the board of Consorcio Industrias de Arequipa S.A., Ubicua Offices Peru S.A., Define Consultoría S.A., Define Servicios S.A.C., Define Holding S.A.C., and Agroindustrias del Pacífico S.A. He is Director

of de Redondos S.A., Tradi S.A., San Felipe S.A., Inmobiliaria Los Granados S.A., Inmobiliaria Comercial del Acero Argentina S.A. and Inmobiliaria Comercial del Acero Cajamarquilla S.A. He is a member of the Investment Committee of the HMC Capital High Yield Peru F2 fund and of the investment committee of the HMC Deuda Privada Andina fund. He is a member of the board of directors of Corporación Aceros Arequipa since February 28, 2008.

**MS. GISELLE FERRAND RUBINI.**

She graduated as business manager from the Universidad del Pacifico with honors and won the "Robert Maes" and "Maes Heller" prizes. She holds the following certifications: "XVI-II Program for Company Directors" (PBS/EY); "The Fundamentals of Corporate Governance", "Financial Keys for Directors" and "Strategy, Transformation and Innovation from the board of directors"; "Global Trends in Business Strategies Board Program" (McDonough School of Business – Georgetown University/PBS/EY); and "Circular Economy: Transition to a Sustainable Future (MIT Professional Education)". "Specialization in Economic and Financial Evaluation of Projects". (Centrum-PUCP) and "Digital Transformation Playbook: Leve-

rage Technology to Innovate Your Business" (Stanford University – Graduate School of Business). She taught financial mathematics at the Universidad del Pacífico. Early in her career she worked at Atlantic Security Bank and Deter Peru S.A. (Procter & Gamble). Subsequently, she developed business ventures in the agricultural, commercial, bakery and restaurant sectors. In addition to her position as director of Corporación Aceros Arequipa S.A., which she has held since April 25, 2019, she has worked as a manager and member of the board of directors of other unlisted companies.

**MR. JORDÁN ALDO PONCE GAMBIRAZIO.**

Attorney, graduated from Universidad Católica del Peru. He is a senior partner of Ponce Canessa Abogados law firm, with experience in advisory services to companies. He is a member of the executive committee of the Euromotors Group, and a director of several companies such as San Bartolomé S.A., Minera Colquisiri S.A., Freno S.A., Vari SAC, Agrícola Chapi S.A., Sum Vehículos S.A. and Orué 230 SAC, among others. In 2024 he was appointed as a Director of Japan Autos S.A., and is currently vice president of the board of direc-



tors of the Peruvian Automotive Association. He is a member of the board of directors of Corporación Aceros Arequipa since April 26, 2022.

**MR. ANDREAS VON WEDEMEYER KNIGGE.**

Holds a degree in business administration from the University of Hamburg, Germany. He is a master brewer, graduated at Ulm, Germany. He studied the Program for Management Development at Harvard Business School and the Senior Management Program (PAD) at Universidad de Piura. He is the CEO and General Manager of Corporación Cervecer S.A.A.; and chairman of the board of directors of the various companies that make up Corporación Cervecer (Alprosa, Creditex, Futuro Inmobiliario Camacho S.A., Futuro Invest S.A., Proagro, Servicios Aéreos AQP S.A., among other). He is also Chairman of the Board of Directors of Ferreycorp S.A.A., Ferreyros S.A., Euromotors, Altos Andes, Euro Camiones, Euroinmuebles, Internacional Camiones del Perú S.A., Inversiones Sabancaya S.A.C. and Renting. Additionally, he is a director of CFI Holdings S.A., Director of Comex-Peru and former president and director of the National Industries Association. He

was formerly chairman of the board of Alianza, Compañía de Seguros y Reaseguros, and Alianza Vida, Seguros y Reaseguros (Bolivia); La Positiva, Seguros y Reaseguros; La Positiva Vida, Seguros y Reaseguros; La Positiva Entidad Prestadora de Salud- EPS, and Profuturo AFP. He has chaired the Chamber of Commerce and Industry of Arequipa and has been president protempore of the Business Council of the Pacific Alliance. He was also a director of Banco del Sur, as well as director and general manager of Compañía Cervecer del Sur del Peru, and president of the Pension Funds Association. He was a member of the National Industries Association Executive Committee, member of Comex Peru, member of the board of directors of Tecsup and the German-Peruvian Chamber of Trade and Industry. He is a member of the board of directors of Corporación Aceros Arequipa since March 24, 2010.

As our director **Mr. RICARDO CILLÓNIZ CHAMPÍN** is part of the management team, his professional career is mentioned in the corresponding section of this report.



LURIN DISTRIBUTION CENTER



BOARD OF DIRECTORS COMMITTEES

(GRI 2-13, 2-16, 2-17)

At CAASA we have set up several committees to address topics of interest for the organization. The functions of these committees are to develop guidelines and standards for our processes and related procedures, as well as to oversee their compliance.

Throughout the year the members of the Board of Directors have held 13 sessions to address strategic topics.

AUDIT AND RISK COMMITTEE<sup>5</sup>

The main purpose of the Audit and Risks Committee is to assist the Board in fulfilling its responsibility for overseeing the company's internal control system, and to establish and maintain the environment and conditions to do so.

It meets at least four times a year and is made up of four members of the Board of Directors. The Executive President, the CEO, and the internal audit manager, who also acts as technical secretary of the committee, attend the meetings with voice but no voting rights. The

external auditor or other managers or workers of the Company attend as guests when requested by the Audit and Risks Committee.

This Committee promotes the design of and compliance with business policies and codes approved by the Board of Directors, since they are responsible for establishing the guidelines on significant issues for the Company management such as information, human resources management, inventories, investments, fixed assets, occupational health and safety, procurement of goods and services, credit and collections, costs and budgets, ethics, fraud, internal control, comprehensive risk management, social responsibility, good corporate governance, among other.

An annual training program for the Audit and Risks Committee of the Board of Directors is available for non-executive directors. In 2024 three sessions were held to guarantee that they were informed and up to date about the latest practices of the risk management leaders, to clarify the responsibilities of each governance body regarding risk management and to strengthen the Company's

risk management. The following topics were addressed:

- Impact of the modifications to the 2024 IA Global Standards regarding the functions of the Audit Committee and the internal audit function.
- Globalism and related risks.
- Compliance and anticorruption: key issues for responsible management.

AT CAASA WE  
HAVE SET  
UP SEVERAL  
COMMITTEES  
TO ADDRESS  
TOPICS OF  
INTEREST FOR THE  
ORGANIZATION.

→ TABLE 5  
AUDIT  
AND RISK  
COMMITTEES\*

Name	Position	6 meetings held
Mr. Andreas von Wedemeyer	Chairman	
Mr. Pablo Peschiera Alfaro (member until September 2024)	Member	
Mr. Ricardo Bustamante Cillóniz		
Mr. Pedro Blay Hidalgo		
Mr. Manuel Montori (member since November 2024)		

<sup>5</sup> Stakeholder concerns received through the ethics channel, managed by a third party to ensure the confidentiality of the information and independence of the person receiving the complaint, are reported for their knowledge, evaluation and definition of actions, depending on who is being reported, according to an escalation protocol for their attention, to senior management, the internal audit manager, the officer in charge of prevention, the Audit and Risk Committee of the Board of Directors and the Board of Directors. The Audit and Risk Committee follows-up the implementation of the action plans derived from the investigations of all the complaints reported by the ethics channel.



APPOINTMENTS, COMPENSATION AND  
HUMAN RESOURCES COMMITTEE

The main purpose of the Appointments, Compensation and Human Resources Committee, is to guarantee that human resources management in the senior management of the Company is framed under the corporate guidelines and modern practices in human development, besides maintaining an equitable and competitive compensation system that enables us to meet the organization’s mission and strategic objectives.

It meets at least four times a year and is made up of four members of the Board of Directors. The Executive President, the CEO, and the Human Resources Manager, who acts as the technical secretary, attend the meetings with voice but no voting rights.

The Appointments, Compensation and Human Resources Committee promotes the performance of the management levels, setting and pursuing goals and objectives for each functional area, and periodically reviewing the salary

→ TABLE 6  
APPOINTMENTS,  
COMPENSATION  
AND HUMAN  
RESOURCES  
COMMITTEE

Name	Position
Mr. Fernando Carbajal Ferrand	Chairman
Mr. Pablo Peschiera Alfaro (member until August 2024)	
Mr. Enrique Olazábal Bracesco	
Mr. Manuel Montori Burbank (member until August 2024)	Member
Ms. Giselle Ferrand Rubini (member since November 2024)	
Mr. Jordán Ponce Gambirazio (member since November 2024)	

5  
meetings  
held

LURIN TUBE PLANT





and organizational structure, which is adapted to the change process that the Company is developing.

**EXECUTIVE COMMITTEES** (GRI 2-17)

At CAASA we have established specialized committees to address key management issues such as health, safety, sustainability, among others. These executive committees

meet at least twice to four times a year, depending on the nature of their scope of action.

There are exceptions, such as the Sexual Harassment Intervention Committee, which meets annually for a compulsory training on research and sanctions for sexual harassment cases. It also holds extraordinary meetings when it receives related complaints,

as provided for in our Policy for the Prevention, Investigation and Punishment of Sexual Harassment. In addition, the Occupational Health and Safety Committee holds monthly meetings to ensure compliance with its objectives.

It should be noted that, depending on specific needs, extraordinary meetings may be called in any of the committees, for which the previously established frequency should be adjusted.

The information reported on corporate governance can be found on the **Securities Market Superintendence web site (SMV)** by clicking this link



**TRAINING**

We are currently developing a training plan for the board of directors and senior management, focused on strengthening key knowledge on risk management, sustainability and ESG factors. This effort reaffirms the company's commitment to business excellence and corporate responsibility.

THIS EFFORT  
REAFFIRMS THE  
COMPANY'S  
COMMITMENT  
TO BUSINESS  
EXCELLENCE  
AND CORPORATE  
RESPONSIBILITY.

→ TABLE 7  
**EXECUTIVE  
COMMITTEES**

Committee Name	Number of sessions 2024
Occupational Health and Safety Committee – Pisco	12
Occupational Health and Safety Committee – Lima	12
Sexual Harassment Intervention Committee	1
Ethics Committee	6
Sustainability Committee	3



## 2.2. Innovation and competitiveness (GRI 3-3)

→ INFOGRAPHIC 12  
**INNOVATION AND  
COMPETITIVENESS**

### Objective



#### Specific objective 1:

Position innovation culture at corporate level to attain more participation, training and implementation of projects that integrate 4.0 technologies.

#### Specific objective 2:

Focus on the customer through digitalization and innovation of our commercial service processes.

#### Specific objective 3:

Use 4.0 technologies in our critical production and logistics processes to increase our productivity. (big data, IoT, data analytics, cloud, RPA).



Key users trained in Industry 4.0 technologies during the year.

Key user participation in improvement projects.

Customers use digital tools (Aceros PRO) - Perú.

Productive and logistic processes use industry 4.0 technologies.

GOAL 2027 → GOAL 2030

75 %

100 %

50 %

75 %

60 %

75 %

80 %

100 %

Progress  
2024



**27 %**  
of key users  
trained

**30 %**  
of key user  
participation

**20 %**  
of customers  
use digital  
tools

**35 %**  
of productive  
and logistic  
processes use  
industry 4.0  
technologies



**US\$ 600,000  
INVESTED**  
IN DIGITAL TECHNOLOGY  
MAINTENANCE AND  
DEVELOPMENT

Innovation and technological development management is a strategic pillar for Aceros Arequipa, for it drives process optimization, improves operational efficiency and reduces costs, allowing us to strengthen our competitiveness, and to easily adapt to the market dynamics and to the needs of the customers.

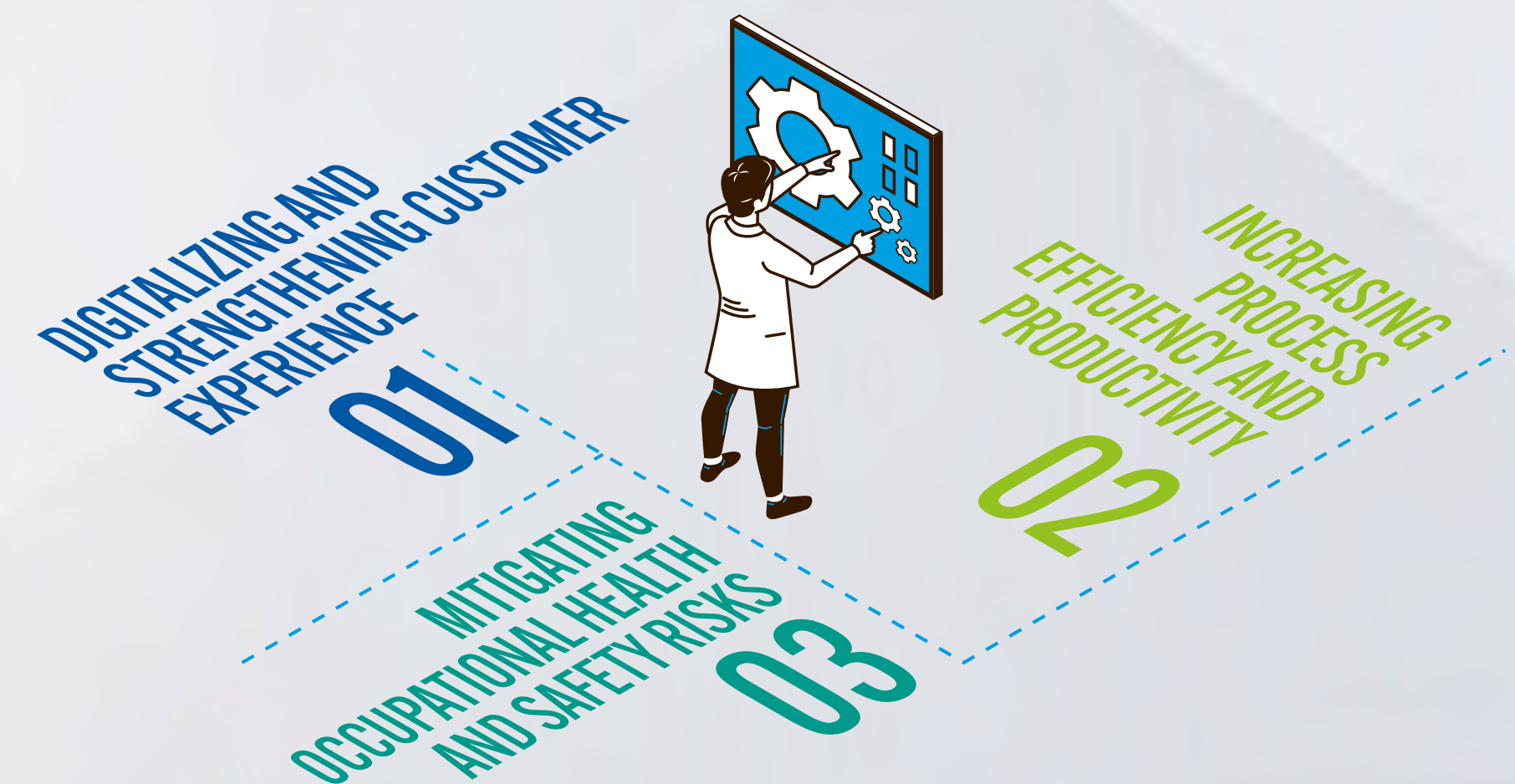
The adoption of innovative technologies not only responds to financial objectives, but also to long term sustainability goals. These practices which facilitate more efficient use of resources and minimize environmental impact, consolidate Aceros Arequipa's commitment to sustainability. Likewise, these initiatives generate financial value by increasing profitability, efficiency, and operational competitiveness.

Aceros Arequipa actively promotes technological projects throughout its value chain and fosters corporate innovation spaces through initiatives such as the strategic management cycle, digital transformation projects and industry 4.0. the suggestions program and the continuous improvement projects.

### TECHNOLOGICAL INNOVATION STRATEGY

The innovation strategy is made up of three main objectives:

→ INFOGRAPHIC 13  
**MAIN  
OBJECTIVES**

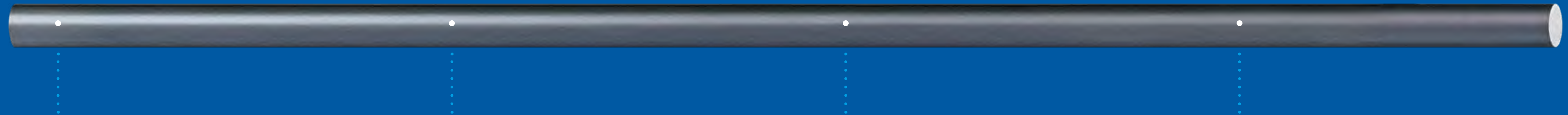


Each objective includes specific indicators, goals and initiatives that integrate in the functional plans of each management area and are monitored by the general management to guarantee they are aligned with the corporate strategy.

The participatory approach includes workers at all levels: from the definition of strategic objectives down to project execution with multidisciplinary teams, in which technology plays a central role.



## INNOVATIONS IN THE YEAR



### 1. CUSTOMER EXPERIENCE DIGITALIZATION - ACEROS PRO

Digitalization of key processes, such as over-draft requests, discounts and documentary procedures through the Aceros Pro platform, improving customer experience.

### 2. EFFICIENCY AND PRODUCTIVITY

- Implementation of 20 Robotic Process Automation (RPA) to automate repetitive tasks, reducing operational load.
- Use of LoRaWAN technology to connect IoT devices, which allows to sensor the finished products warehouse and increases the efficiency of the logistics process.
- Development of a machine learning model to optimize BACO/QTB manufacturing process and decision making.
- Administrative assistant with generative AI: use of artificial intelligence to optimize and automate administrative processes, which will enhance productivity.

### 3. RISK MANAGEMENT IN OCCUPATIONAL HEALTH AND SAFETY (OHS)

- Implementation of IA based tools and smart cameras to identify and mitigate HSO related risks SSO.
- Creation of the Safety 360 application, to digitalize incident record and management, improving response and preventive controls.

### 4. TECHNOLOGICAL CULTURE (IT CULTURE)

Training workers in new technologies, with the participation of strategic partners such as Amazon Web Services, Automation Anywhere, SAP and Microsoft, to build digital skills within the company.



## INFORMATION SECURITY AND CYBERSECURITY

Effective information security and cybersecurity management are key to protecting information security management and cybersecurity; also, it is essential to protect CAASA's critical assets and guarantee operational continuity. This management allows preventing cyberattacks, safeguarding sensitive data and ensuring the availability of key processes, and minimizing operational and financial risks.

A sound approach in this area helps to reduce costs related to security incidents, such as operational shutdowns, data and regulatory sanctions. Likewise, it strengthens business resilience and competitiveness, ensuring the trust of customers, suppliers and other stakeholders.

At CAASA our cybersecurity governance model is led by the Chief Information Officer

(CIO), who defines the strategy to be applied by the Company. He has the support of deputy management, management and cybersecurity specialists. The strategy is based on the defense in depth approach, that uses several complementary security layers to prevent and mitigate threats.

This strategy includes technical, operational and administrative controls, aligned with well-known governance standards such as ISO 27001, for information security management and the NIST Cybersecurity Framework (CSF), for cyber risk management.

As for technologic controls, we have the main cybersecurity solutions such as antivirus and EDRs, IT threat detection and response, web content filters, anomalies detection in the industrial network, perimeteric firewalls, security information and event management (SIEM), among others.





## MAIN MILESTONES

### 1. Training and awareness raising

- Deployment of a training plan on cybersecurity in IT/OT networks, to raise awareness among company employees of the main risks in operations.
- Specific cybersecurity training in OT environments, addressed to the Pisco plant workers.
- Awareness raising for workers regarding risks in Information Security and Cybersecurity, as well as in the use of confidentiality labels with Office 365, addressed to all the workers. 205 and 206 workers respectively, attended the trainings.

### 2. Infrastructure Protection

- Integration of AWS with the IT network threat detection and response solution for improved protection of cloud infrastructure.
- Expansion of the EDR coverage to strengthen the protection of industrial servers.
- Integration of our solution for the detection of anomalies in the industrial

network with SIEM, to improve the CyberSOC analysis capacity and to detect relevant incidents in the industrial network.

### 3. Evaluation and response to incidents

- Annual ethical hacking to identify vulnerabilities and critical risks.
- Phishing and vishing drills to evaluate employee response to fraud attempts, with specific recommendations to strengthen security practices.
- Annual testing of the IT Disaster Recovery Plan (IT DRP) to ensure operational continuity in case of incidents.

### 4. Communication and resilience in the value chain

- Sending periodic communications to customers and suppliers on good cybersecurity practices through CAASA's official channels
- Use of the SIEM to identify security events, with potential impact in the value chain, to strengthen the resilience of the stakeholders involved.

In the event of a suspicious cybersecurity incident, the employee reports it to the help desk or technical support, and the analyst evaluates the incident and determines its criticality; generally, the analyst takes action by reviewing the computer equipment of the affected user(s), and may escalate it to CyberSOC for further analysis, and, if the incident is critical (high impact on operations), the analyst escalates it to the IT manager.

External cybersecurity-related impacts that may affect our suppliers, customers and other stakeholders are also measured. For this purpose, use cases configured in the SIEM (cybersecurity event manager) are used to identify and analyze security events that may have consequences in the value chain, and to strengthen the resilience and protection of stakeholders.

The BALSC system is used for follow-up and control, allowing centralized management and providing technological support to assess compliance with the objectives and the efficacy of the implemented measures. Information security and cybersecurity are part of the technical support team's performance assessment, duly documented in the Sevan Performance Management platform.

**205**  
**USERS**  
TRAINED IN  
INFORMATION  
SECURITY

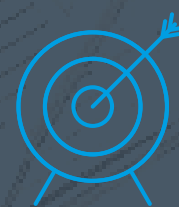


## 2.3. Ethics and integrity

(GRI 2-15, 2-16, 2-26, 2-27, 3-3)

→ INFOGRAPHIC 14  
ETHICS AND  
INTEGRITY

### Objective



Ensure ethical conduct in all our business decisions and transfer standards to our main stakeholders through the implementation of a certified anti-bribery management system that operates efficiently.

### Goal 2027



### Goal 2030

Keep 100% of workers trained in ethics and integrity in CAASA and subsidiary companies.

Keep 100% of workers trained in ethics and integrity in CAASA and subsidiary companies.

Keep 100 % of ethical cases attended in a timely manner, according to our Code of Ethics.

Keep 100 % of ethical cases attended in a timely manner, according to our Code of Ethics.

Keep our prevention model updated, according to Law 30424<sup>6</sup> and its modifications, as well as to ISO 37001 certification.

Expand our prevention model according to Law 30424<sup>6</sup> and its modifications, as well as to ISO 37001 certification in CAASA and main subsidiary companies.

### Progress 2024



## 99.5 %

of workers trained in ethics and integrity in CAASA and subsidiary companies

## 100 %

of ethical cases attended

<sup>6</sup> Law that regulates the administrative liability of legal entities for the crime of transnational active bribery.



With six decades of experience in Peru and regional presence, our corporation is distinguished for maintaining the highest standards of transparency, ethical behavior and regulatory compliance, as well as for rejecting any action that contradicts the values and principles established in our Code of Ethics, Code against Acts of Fraud and Corruption, Integrated Management System Policy, Human Rights and Diversity Policy, among other internal regulations.

We foster an ethical culture among our employees by incorporating compliance with the Code of Ethics as a criterion in the annual performance evaluation, which, in turn, influences the annual salary review, in line with our Compensation Policy.

#### **PREVENTION MODEL**

We have voluntarily implemented a prevention model to combat acts of corruption, money laundering and terrorist financing<sup>7</sup>. The main objective of this model is to promote a culture of integrity and transparency among employees and stakeholders.

The policies that define the framework of our prevention model are contained in our Code of Ethics, Code against Acts of Fraud and Corruption, Code of Ethics for Suppliers and Contractors, the Protocol for Interaction with Public Officials, the Donations Policy and a series of internal rules that govern our processes.

We conduct regular ethics and compliance risk assessments across all the Company's operations and processes to identify and manage potential events related to fraud, corruption, money laundering and terrorist financing during our interactions with our various stakeholders.

#### **→ EXPANSION OF THE PREVENTION MODEL ACCORDING TO LAW 31740**

In compliance with Law 31740, we expanded our prevention model to include new crimes considered in the current legislation. The following are the most important ones:

- 1. Identification of risks and controls**  
We incorporate risks and controls related to customs, tax, parallel accountancy, terrorism, cultural heritage and paleontology crimes.
  - 2. Update of the anti-bribery and other crimes management system (SGAD, for its acronym in Spanish)**  
Regulations and procedures were expanded to include the new crimes considered.
  - 3. Assignment of process controls**  
The risks identified were reviewed with the owners of each process, and specific controls were included in the corresponding areas
- This allowed the identification and mitigation of 15 risks and 55 controls applicable to the crimes. Additionally, 17 RLL matrixes were updated, to include the new crimes, and we validated our GIRO matrixes, ensuring full compliance by the different areas.

**100 %**  
OF PROCESSES ASSESSED  
FOR RISKS RELATED TO  
ETHICAL COMPLIANCE AND  
ANTI-CORRUPTION

**100 %**  
DUE DILIGENCE APPLIED  
TO OUR NEW CUSTOMERS  
AND SUPPLIERS  
THROUGH OUR 360  
PLATFORM, A MECHANISM  
THAT EVALUATES THE  
CORRUPTION AND OTHER  
CRIMINAL BACKGROUND OF  
OUR BUSINESS PARTNERS

**Cumple360**

Note: Also, due diligence is carried out to our suppliers and active customers using our Cumple 360 mechanism.



## CORRUPTION PREVENTION

(GRI 205-1, 205-2)

We have defined specific responsibilities to each one of the stakeholders involved in the implementation of our Code against Acts of Fraud and Corruption. This framework allows us to guarantee that the risks and controls identified are adequate and in line with the objectives of each process. To achieve this, we perform quality control on the GIRO matrixes to ensure their update when necessary. During the period assessed, we have analyzed 100% of our operations, and **we have identified 73 risks related to public and private corruption**. According to our GIRO Methodology, these risks were classified as follows: 1 high criticality risk, 27 considerable criticality risks, 44 moderate criticality risks, and 1 low criticality risk.

The highest criticality risk is related to the Treasury Deputy Management: **"The occurrence of corruption and fraud events through the compensation of non-identified deposits in our bank accounts (account 10) to non-corresponding sales orders due to collusion between the Collections executive and the customer"**.

To mitigate this risk, we implemented the following controls:

### 1. Validation of deposit records

For each registered deposit, the executive must attach an e-mail from the customer, supplier or head of sales, with the approval of the Sales Deputy Manager or commercial manager, together with the original voucher in SAP transaction F-29.

### 2. Weekly review

Collection analysts of the Head of Credits and Collections carry out a weekly review of the manual deposits registered by the collection executives and validate that they all have their corresponding support e-mail.

The 27 risks with considerable criticality are related to bribery, collusion, private corruption and trafficking in influence, and they all have controls validated by the employees responsible for the processes.







ANTI-CORRUPTION TRAINING

(GRI 205-2)

According to our Communication and Awareness Raising plan, we offer training addressed to employees, business partners and other stakeholders using multiple channels such as mailing, articles in our internal Revista de Acero newsletter (digital and printed versions), videos in our YouTube channel and printed material in bulletin boards.

We apply anti-corruption clauses to our business partners, as well as communication campaigns and specific trainings:

- **Scrap suppliers:** 70 people trained using printed two-page brochures and explanatory videos.
- **Transportation:** 469 people impacted through mailing and instant messages with links to videos.
- **Third party representatives:** 21 people trained, and codes were sent via e-mail.
- **Third party personnel:** 1,500 workers trained
- **Critical suppliers who act on behalf of CAASA:** 24 people informed through e-mail.
- **Customers:** 19,393 people impacted through mailing campaigns.

We provide anti-corruption training in different modalities:

- **Synchronous:** in-person and online through teams, with internal and external experts, such as EY.
- **Asynchronous:** Through SAP SuccessFactors, with Access to videos, explanatory documents and final tests.

→ TABLE 8  
ANTI-CORRUPTION  
TRAINING

Work category	Arequipa	Lima, Callao y Lurín	Pisco
Managers and deputy managers	-	29	7
Chiefs and superintendents	3	95	63
Employees	9	249	248
Workers	-	-	446
Third party staff	1,151		



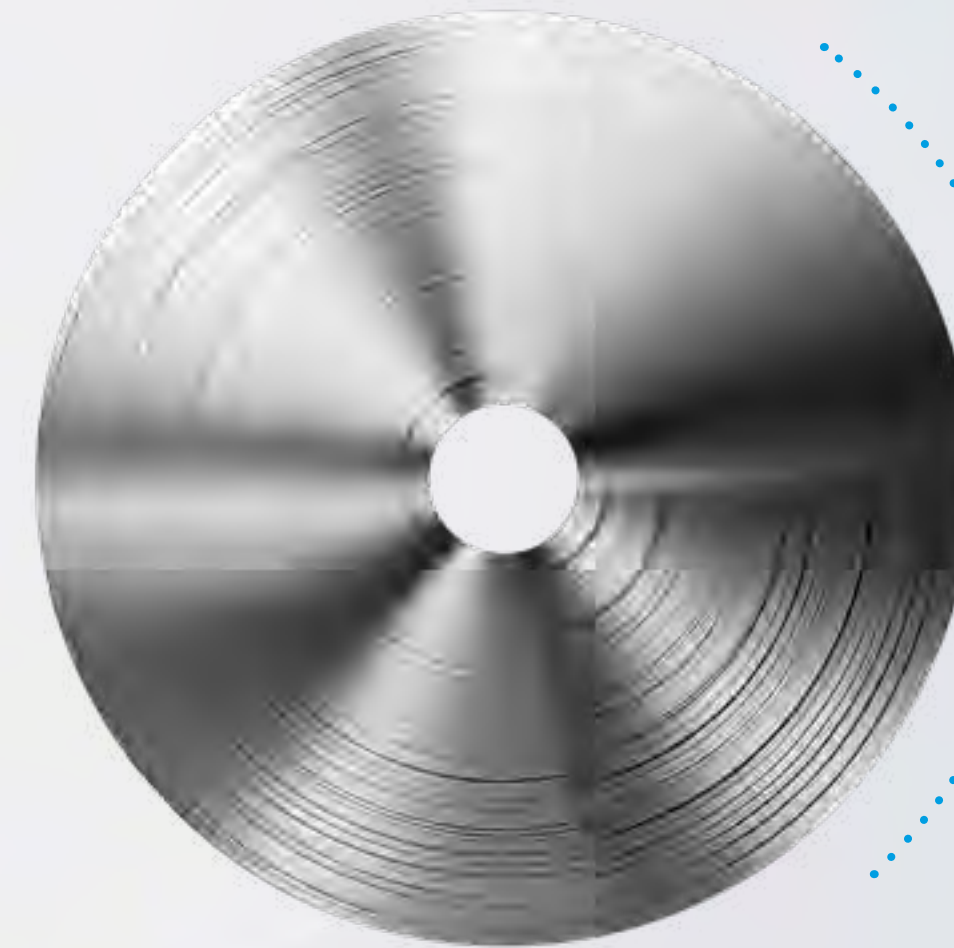
## INTEGRITY AND GOVERNANCE

(GRI 205-3, 206-1)

Our **Code of Ethics**, which establishes the philosophy and reference framework that guides our actions, promotes corporate values and principles that orient our decision-making and relations with our stakeholders: shareholders, employees, suppliers, customers, society and the Government. Its objective is not only to achieve corporate goals, but also to contribute to the common good.

The application of disciplinary measures is the responsibility of managers or supervisors, who must analyze in detail the circumstances of any misconduct committed by an employee to ensure a fair and appropriate response. Sanctions, which range from verbal or written reprimands to suspensions without pay or dismissal, must be based on proven facts and consider the nature and seriousness of the offense, as well as the employee's background. These measures are managed in coordination with the Human Resources area.

# ZERO



- CORRUPTION OR BRIBERY
- DISCRIMINATION OR HARASSMENT
- CUSTOMER PRIVACY DATA
- MONEY LAUNDERING OR INSIDER TRADING
- NON-COMPLIANCE WITH PRODUCT LABELING INFORMATION

There were no violations of the guidelines of our Code of Ethics related to corruption or bribery, discrimination, harassment, privacy of customer information, unfair competition, money laundering or insider trading.

During the period, one case of possible conflict of interest was identified in one of our subsidiaries, which was analyzed by the Ethics Committee and dealt with in accordance with our Code of Ethics, implementing mitigation measures, such as changing the

process, formalizing conflict of interest declarations, and reinforcing ethical guidelines among our personnel.

### FREE COMPETITION (GRI 206-1)

In line with our Code of Ethics and Code against Acts of Fraud and Corruption, we reaffirm our commitment with fair and constructive competition, based on sound ethical principles. Therefore, we are governed by the following guidelines:

- Respect free competition in the purchase and sale of products and services to our suppliers and customers, without participating in obstructions to the free development of the market.
- Compete in the markets in a fair manner, without making misleading or denigrating advertising to competitors or third parties.
- Determine decisions of a commercial or strategic nature in an autonomous and independent manner
- Not to offer or solicit improper payments



in connection with the purchase or sale of our goods or services, or to participate in or assist in obstructing or threatening private customers.

#### ETHICS COMMITTEE

The Ethics Committee is made up of senior company executives, who guarantee compliance and lead integrity management within the company.

- **Chairman:** Strategic Management Control manager.
- **Members:** Legal Affairs manager, Human Resources manager, Administration and Finance manager, and Internal Audit manager (the latter with voice but no voting rights).

The committee reports directly to the CEO and informs periodically to the Audit and Risks Committee of the Board of Directors. Its functions are detailed in a specific regulation and include the following:

- Supervise compliance with the Code of Ethics
- Present periodic management reports to the General Management and the Board of

Directors Audit and Risks Committee

- Freely and objectively analyze and recommend the management each one of the complaints received through Aceros Arequipa's Ethic Line or through other means
- Present the results of internal or external investigations to the General Manager, together with recommendations
- Monitor compliance with the communications and permanent internalization of the Code of Ethics and Code against Acts of Fraud and Corruption.

The members of the Ethics Committee, who also participate in the training plan on ethics, addressed to the workers, reinforce the integrity culture throughout the company.

In 2024, the committee held six sessions, showing its commitment to transparency and business ethics.

#### PERFORMANCE OF THE ETHICS LINE (GRI 2-26)

Aceros Arequipa's Ethics Line is a channel designed for our stakeholders to confidentially report their concerns or complaints related to fraud, corruption or other legal or regulatory

violations. This mechanism is managed by an independent third party ensuring anonymity and impartiality when dealing with complaints. Also, it allows us to improve our complaint management system, ensuring timely response and promoting the implementation of improvements in the controls that have been compromised.

The following are the main characteristics of the Ethics Line:

- Available 24 hours a day, 365 days a year.
- Allows attaching documents that serve as evidence of the complaint.
- Personalized contact options are available, including voicemail.
- Has no cost for the complainant.

The attention channels are available on CAASA's web site and intranet; the Aceros Arequipa Ethics Line User Guide is also available on these sites. This guide describes the steps to be followed to file a complaint through each one of the channels.

To make the process easier for complainants, complaints can be filed through a web form,

land line, e-mail, WhatsApp, regular mail or in person in the Management Offices of the Ethics Line. There is a protocol to scale-up complaints, which, depending on the seniority level of the person involved in the complaint, the Ethics line manager can send the complaint directly to the Chair of the Board of Directors to ensure a transparent and adequate procedure.

## THE ATTENTION CHANNELS ARE AVAILABLE ON CAASA'S WEB SITE AND INTRANET



Should an individual wish to consult or seek advice on the application of the organization's policies and practices for responsible business conduct, he or she may contact the Internal Audit manager or the prevention officer directly.

As part of our commitment to transparency, we periodically disseminate information to all the workers about situations that could come up during their daily activities. Through e-mails and other internal communication means, we reaffirm our policy of zero tolerance towards misconduct, to align with our antibribery and other crimes management system.

During this year, 100 % of the complaints received through the Ethics Line have been heard. These added up to 27, dealing with the following concepts: .....

The following channels are available for any person to file a complaint with the Ethics Line:

You can contact an advisor from Monday to Friday, from 8:30 to 6:30 at the following WhatsApp number: WhatsApp: **989 043 514**

E-mail address: **denuncias@lineaeticaacerosarequipa.com**

Web form: **www.lineaeticaacerosarequipa.com**

Telephone line, available 24 hours a day, 7 days a week:  
**+51-1-0800-18-134 (Toll free)**  
**+51-1-219-7134 (local call charge)**

**100 %**  
of the complaints received  
through the Ethics Line  
have been heard

→ TABLE 9  
**COMPLAINTS  
RECEIVED  
THROUGH  
THE ETHICS  
LINE**

Type	Number
Fraud and collusion	14
Environmental Protection	0
Respect for the community	0
Conflict of interests	2
Unfair Competition	0
Anticompetitive Practices	0
Attempt against human rights	0
Discrimination and labor harassment	0
Corruption and bribery	0
Other	11

Complaint  
channels



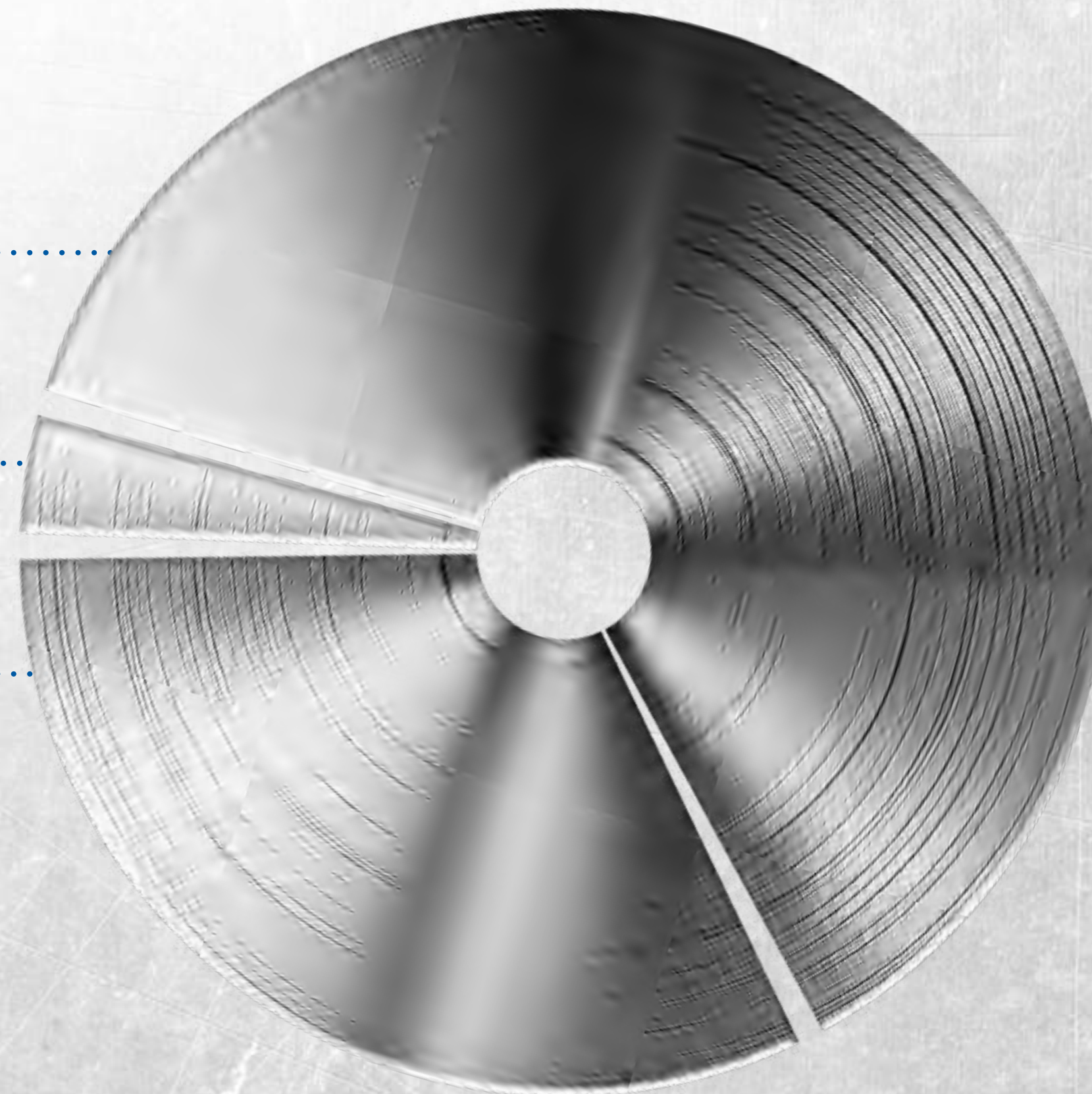
Ethics Line complaint statuses are as follows:

→ GRAPH 14  
**STATUS OF  
COMPLAINTS  
REPORTED TO  
THE ETHICS  
LINE**

**63 %**  
Closed

**4 %**  
In process

**33 %**  
Dismissed<sup>8</sup>



<sup>8</sup> Complaints are dismissed due to lack of information to complete the investigation.





## 2.4. Risk management and internal control

→ INFOGRAPHIC 15  
**RISKS  
MANAGEMENT**

### Objective

Promote proactive risk management to anticipate unexpected events in order to protect and enhance the value of our business, as well as to take advantage of opportunities for growth and development.

#### Tools implemented for risk management:

- Goldenbelt - GIRO Matrices
- Cumplo 360 - Due Diligence
- Dashboard - Risk Management Compliance
- Jotform - Monitoring (self-control routines)

### Goal2027



### Goal2030

100 % risk identification and control, including internal and external regulatory compliance risks at CAASA.

100 % process and sub process owners trained in risks management at CAASA.

Implement automatic early warning tools for the main KRIs at CAASA.

100% risk identification and control, including internal and external regulatory compliance risks at CAASA and subsidiary companies

Keep 100 % process and sub process owners trained in risks management at CAASA and subsidiary companies.

Implement automatic early warning tools for the main KRIs at CAASA and subsidiary companies.

### Progress 2024

**95 %**

risk identification and control in CAASA and subsidiary companies

**100 %**

of process owners trained in risk management

**80 %**

of the tools implemented for risk management



Our risk management approach is based on the early identification and strategic management of internal and external threats, as well as on taking advantage of opportunities for the growth and sustainable development of the company.

Besides the regulatory and legal system, our GIRO system is in line with the best international practices and standards such as the ones shown below:

This framework makes it possible to identify, evaluate, control and monitor both strategic and operational risks, and to ensure that the company's activities are in line with organization's objectives.

Risk management is backed by our Internal Control Corporate Policy and Integrated Risk Management, within the Strategic Management Cycle and following the GIRO Methodology, that enables us to anticipate unforeseen events and minimize negative impacts while we tap into development opportunities.

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



**TCFD**

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES





# GIRO METHODOLOGY

Our **GIRO Methodology** provides a reference framework for risk management at CAASA and its subsidiaries.

The main responsibility lies on the managers, for strategic risk management, and on the process owners, for process risk management. This Methodology also addresses specialized risk management such as OSH, environmental, information security, and any

other specialized risk management which CAASA may choose to implement in the future.

In 2024 we received the Sustainable Management Company (Empresa con Gestión Sostenible - EGS) award for seventh consecutive year, with outstanding level; we obtained recognition in the Ethics and Integrity category, for our **GIRO Methodology**, which is focused on analyzing threats in our surroundings and in the internal processes, to define effective response strategies.

→ GRAPH 15  
**GIRO  
OBJECTIVES**

## → GENERAL OBJECTIVE

Protect the Company's value and be clear about its overall exposure to environmental and internal threats.



## → SPECIFIC OBJECTIVES

- Meet our business goals
- Allow sustainable development
- Improve process control and the internal control system
- Reduce interruptions in our operations
- Avoid contingencies and prevent acts of fraud, corruption and other crimes
- Strengthening corporate governance
- Foster the risk management culture
- Prepare the company in the event of future disruptive events



→ INFOGRAPHIC 16  
**BENEFITS  
OF OUR GIRO  
METHODOLOGY**

Provides a comprehensive vision of the Company's risks, for it includes both strategic and process risks.

Enables continuous monitoring of the environment and trends to anticipate emerging risks that could impact on the Company's future strategy.

Aligns strategic risk treatment with the strategy's planning and control process, facilitating the construction of strategic and functional plans, as well as individual goals focused on mitigating critical risks and on seizing opportunities.





→ GRAPH 16  
RISK  
CLASSIFICATIONS



Strategic



Operational



Information



Compliance

In addition, we classify our risks by type of impact and timing.

→ TABLE 10  
RISK  
CLASSIFICATION  
BY IMPACT AND  
TIME FRAME

Per type of impact
Economic
Operations and information systems
Reputation and image
Regulatory and legal
Environmental
OHS

By time
Emerging
Non- emerging

**STRATEGIC AND PROCESS RISKS MANAGEMENT**

**Strategic risks:** These are the risks that can impact the attainment of our vision, mission and strategic objectives, and have a changing nature due to their tight relation with world trends and surrounding factors. These risks are managed by the Management Committee and are reported to the Board of Directors through the Strategic Management Cycle. Starting with a study of the global and local trends and their correlation with internal factors, we carry out a comprehensive analysis of the variables that can have affected the achievement of our strategic objectives. This analysis is the main starting point to identify and assess our strategic and emerging risks, and to define the strategies

to deal with them under the framework of the Strategic Planning annual process.

**Process Risks:** These have an impact on the achievement of process objectives and/or the compliance with laws, internal regulations and codes of conduct, they are inherent to the process activities and their nature is known. These risks are managed through internal controls implemented in our processes and mapped in the corresponding risks matrixes and controls.

The main responsibility for managing this group of risks lie son the process owners, including management of specialized risks such as OHS, environmental and information security, among others.



→ TABLE 11  
**STAGES IN  
COMPREHENSIVE  
RISK  
MANAGEMENT**

	Identify	Assess	Control	Monitor
<b>Strategic risks</b> (strategic management cycle)	Our teams constantly monitor the environment, trends and connections (global and local) to identify risks that may affect the Company's value or impact the achievement of strategic objectives.	At least once a year, they analyze the potential impact of these risks, considering their impact and probability levels, appetite and risks tolerance; carrying out an analysis of scenarios and sensitivity for the risks that require so.	Work teams define response strategies to reduce the adverse effect of risks. These may include initiatives, plans, among others.	Periodic reports are made to management and the board of directors. Additionally, we have the BALSC tool to monitor the status of the strategic risks and the main indicators that help measure their performance.
<b>Process risks</b> (operational management)	In daily management, the work teams identify the main risks that affect the fulfillment of their objectives and processes.	At least every two years, they analyze the variables of probability and impact, to define the criticality level of the risks and the strategies to mitigate them.	They execute the controls established in their processes to mitigate risks.	<ul style="list-style-type: none"> <li>• Verify if the risk criticality remains, and if the controls are carried out in their processes, under a continuous improvement approach.</li> <li>• Every year, self-control routines are carried out. These are exercises performed by the process owners to verify the effectiveness of the manual controls associated with the most critical risks in each of their processes.</li> <li>• Finally, when a high-impact risk materializes, it must be analyzed and documented in a (materialized risk) file to serve as a learning experience and prevent it from happening again.</li> </ul>

In addition, the Internal Audit Management audits risk management every two years and report the results directly to the Audit and Risks Committee<sup>9</sup>, made up by members of the Board of Directors. With this comprehensive and structured approach, we ensure that risk management not only is effective, but that it also integrates, in a cross-cutting manner, in our operations and strategic decisions, to promote the Company’s sustainability and resilience.

<sup>9</sup> Internal Audit acts as an independent auditor.



## RISK APPETITE AND TOLERANCE CRITERIA

We assess risk impact and probability at least once a year, depending on the type of risk. For economic risks, we analyze their effect on the operation profit; for continuity risks, we consider their impact in the interruption of operations or systems, likewise, we assess reputational risks, regulatory compliance, environment, worker and contractor health and safety.

In order to determine risk criticality, we use risk appetite and tolerance criteria:

- **Risk Appetite** defines the acceptable exposure level to meet strategic and process risks.
- **Risk tolerance** states the maximum exposure that the company can tolerate without putting business stability at stake and strategy compliance.

These concepts establish thresholds that determine if a risk represents a threat to

the operations and/or to the strategy, facilitating timely decisions on the actions to be carried out to mitigate, share, accept, or transfer risks. The thresholds are defined in the Internal Control and Comprehensive Risk Management Corporate Policy approved by the Board of Directors.

 (See annex - table 81 risk appetite)

- **Risks within tolerable levels:** When residual criticality is "Considerable", "Moderate" or "Low", strategies are implemented to Avoid, Mitigate, Share, or Accept, assessing cost-benefit of the actions proposed.
- **Risks out of tolerable limits:** The risks with high criticality exceed the acceptable limits. In these cases, strategies must be implemented to reduce their criticality to acceptable levels through actions to mitigate or share the risk. If it is impossible to reduce the risk, avoiding it should be considered.





# Strategic and emerging risks

Based on a study of global and local trends and their correlation with internal factors, we conduct a comprehensive analysis of the variables that may influence the achievement of our vision, mission and strategic objectives. This analysis is the main starting point to identify and evaluate our strategic and emerging risks within the framework of the annual Strategic Planning process.

## Main Strategic risks

1. Scrap supply at required cost and quality
2. Concentration of results on specific products and segments
3. Greater competition in the markets we operate in
4. Macroeconomic vulnerability, political and social instability in the countries of influence
5. Financial sustainability to support our growth
6. Integrity of our workers and contractors' safety and health
7. Contingencies related to legal and regulatory compliance
8. Interruptions in business continuity due to internal and external factors.
9. Deterioration of relationships with stakeholders
10. Investments that do not meet returns and goals
11. Harm to the Company's reputation and image



## Main Emerging Riskss

These respond to multiple trends that can affect the Company's strategy in the future, but they can also create opportunities to increase the value we offer to our customers and society. For Corporación Aceros Arequipa, in line with the Methodology established by S&P Global, emerging risks are those that meet the following aspects:

- The risk is new, emerging or of increasing importance
- The potential impact of the risk is long-term
- The potential impact of the risk is significant
- The source of the risk must be an external variable
- The risk and its impact are specific

ER.1

INCREASE IN IMPORTS OR EXTERNAL STEEL INVESTMENTS IN THE REGION, DUE TO SURPLUS PRODUCTION CAPACITY, GREATER TAXES AND SAFEGUARDS IN OTHER COUNTRIES, AN FUTURE INCREASE OF REGULATIONS DUE TO THE EFFECT OF CLIMATE CHANGE.

ER.2

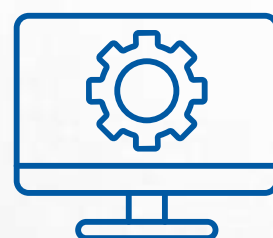
INTERRUPTIONS IN OUR SUPPLY CHAIN OR IMPACT IN OUR FINANCIAL RESULTS DUE TO THE INCREASE OF PROTECTION MEASURES THAT AFFECT WORLD TRADE AND SCALE-UP OF ARMED CONFLICTS, TRIGGERED BY GEOPOLITICAL AND ECONOMIC TENSIONS.



Learn more about our analysis and evaluation of strategic and emerging risks in our supply chain in the **2024-2025 Corporate Risk Report.**



## MAIN MILESTONES



### IMPLEMENTATION OF THE GIRO SYSTEM IN SUBSIDIARIES

Risk management was consolidated in our international operations, through the implementation of the GIRO system in AA subsidiaries in USA, Chile, Ecuador and Colombia, attaining the following results:

- U.S.A.: assessment of 31 risks and documentation of 50 controls.
- Chile: assessment of 14 risks and documentation of 19 controls.
- Colombia: assessment of 23 risks and documentation of 34 controls.
- Ecuador: assessment of 43 risks and documentation of 58 controls.

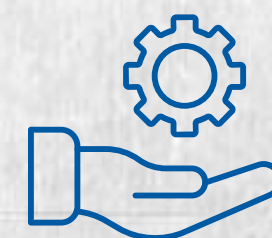


### DASHBOARDS FOR RISK MANAGEMENT

GIRO statistic dashboard: allows viewing key information about risks, controls and opportunities for improvement in the Goldenbelt system.

GIRO compliance dashboard: measures compliance level of each management area assessing the following:

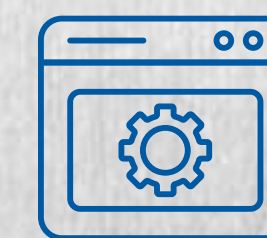
- Validity of risk and control matrices.
- Results of self-control routines.
- Follow-up of action plans for materialized risks.
- Participation in mandatory training.



### DEPLOYMENT OF THE GIRO SYSTEM IN CAASA FOR COMPLIANCE RISKS

We implemented compliance risk management related to specific laws and regulations, including the Law on Licenses and Permits, the Law on Outsourcing and Intermediation, the Law on Personal Data Protection, the Law on Free Competition and the Law regulating the administrative liability of legal entities to strengthen anti-corruption regulations.

As a result, we defied risks, controls, and opportunities for improvement to close legal and regulatory gaps in these processes.



### AUTOMATION OF RISKS MANAGEMENT TRAININGS

Automation of the SAP Success Factors learning platform, allowing workers to access continuous training asynchronously. Also, this automation allows us to keep updated follow-up and training registry, which improves the efficiency and effectiveness of the training process.





## RISK MANAGEMENT CULTURE

At CAASA we promote an organizational culture based on risk prevention and management; we work very closely with the leaders of the organization to ensure that this approach becomes part of our daily thoughts and actions. We provide tools and resources that allow the leaders to effectively manage their risks and engage their teams in the process.

We promote organization alignment in risks management through an incentive system related to the strategic management and Performance Assessment System (Sistema de Evaluación del Desempeño - SEVAD). During the annual strategic management cycle, we review and update the initiatives, indicators and actions necessary to mitigate the main company risks. These actions are assigned as individual objectives to managers, leaders and responsible workers, integrating risk management into the company's daily operations.

This approach allows defining the company's strategic objectives and deploying them at a tactical, operational, and individual level

(Sevad), guaranteeing that the goals established to assess performance are in line with the strategic priorities. This way, we help to mitigate strategic risks and to comply with our sustainability strategies in its economic, social and environmental dimensions.

To guarantee the success of this culture, we provide continuous training and workshops focused on the GIRO Methodology and we provide technical support to update the risk matrices. Additionally, we promote high management standards and good governance practices through the construction of a sound risk culture, and we raise awareness among our workers and business partners in all subsidiaries.

Our training, communication and awareness raising plan addresses three main pillars:

- **Risks:** GIRO Methodology.
- **Ethics:** corporate ethical guidelines.
- **Compliance:** antibribery and other crimes management system (SGAD).

Attending mandatory training related to this plan is a key component of the GIRO compliance indicator calculation, which is part of

the goals of each management area. Additionally, we have an annual training plan addressed to the Audit and Risks Committee of the BOD, made up by non-executive directors, to reinforce their knowledge in this topic.

As to ensure the dissemination of our risks culture, we use different communications channels, such as:

- Inquiries mailbox: [etica\\_y\\_riesgos@acero-sarequipa.com](mailto:etica_y_riesgos@acero-sarequipa.com)
- Printed material on bulletin boards.
- Information articles in Revista de Acero, available in digital and printed versions.



To learn more about our Performance Assessment System – SEVAD, refer to the section “Performance Assessment”.



RISK MANAGEMENT GOVERNANCE

The Company's internal control system is based on IIA's three-line model for effective risk management and control as outlined in the COSO ERM framework and by the Institute of Internal Auditors. For effective risk management and control, these three lines define the structure, roles and responsibilities of CAASA's risk management system, which are detailed in the "Integrated Risk and Opportunity Management Methodology".

Risk monitoring and auditing activities (third line) are functionally independent from the business, reporting directly to the Board of Directors' Risk and Audit Committee (RAC). This structural independence allows objective risks and controls to be linked so that they can be managed effectively without pressure from a potential conflict of interest with other priorities or departments of the business, as defined in the "Audit and Risk Committee By-laws".

The Internal Control and Comprehensive Risk Management Corporate Policy delegates roles and responsibilities through the three-line model:

→ GRAPH 17  
THREE-LINE  
MODEL

BOARD OF DIRECTORS		
GENERAL MANAGEMENT		AUDIT AND RISK COMMITTEE
→ FIRST LINE	→ SECOND LINE	→ THIRD LINE
Maintaining an effective risk management system within their areas of responsibility.	Responsible for providing methodology, management support and monitoring the effectiveness of the controls.	
All departments (macroprocess owners)	Strategic control management	Other management
Process owners (subprocess)	Highest position dedicated to risk management, after CEO	Internal Audit Division
	Key functions: <ul style="list-style-type: none"><li>• Risk</li><li>• Strategic planning</li><li>• IT security</li><li>• Quality</li></ul>	<ul style="list-style-type: none"><li>• Environment</li><li>• Legal services</li><li>• Patrimonial security</li><li>• Quality control</li><li>• Budgetary control</li></ul>
		Internal Audit Team



The Strategic Management Control Department is the highest body responsible for risk management at corporate level. Within the Internal Control and Comprehensive Risk Management Corporate Policy, the following responsibilities have been assigned:

→ TABLE 12  
**RISK  
FUNCTIONS AND  
RESPONSIBLE  
AREAS**

Responsible area	Risk Functions
Board of Directors (BOD)	The board is responsible for approving the internal control and integrated risk management policy and defining the corresponding roles, responsibilities and reporting lines.
Audit and Risks Committee (CAR)	Evaluates the effectiveness of the internal control systems submitted by the internal audit department and ensures that policies and procedures are implemented for proper risk management, and to comply with corporate codes and policies.
Chief Executive Officer	Defines the Corporate Strategic Plan together with the CEO, determines short-, medium- and long-term objectives, identifies corporate risks and assists in the implementation of strategies to mitigate them. Responsible for promoting a risk management culture within our company.
General Manager	Responsible for designing, implementing and supervising the internal control system and managing the risks to which we are exposed.
Strategic Management Control	Through the Risk Department, it assists senior management, process owners and workers in deploying the risk management methodology to identify, analyze, control and monitor risks at company and process level. Responsible for facilitating alignment and determining the organization's appetite or tolerance level for risk. Defines and updates the risk management methodology, considering benchmarks, good practices and external standards to ensure continuous improvement.
Internal Audit	The internal auditor carries audit work exclusively, has autonomy and experience and is a specialist in the matters he evaluates. It is independent, as required to monitor and assess the effectiveness of the internal control system. The Internal Audit Manager reports directly to the Audit and Risk Committee (CAR) and is appointed by the Board of Directors.
Macro-process owners	This role is assigned to managers who have appropriate experience and professional judgement to manage the operational and support processes for which they are responsible.
Process / sub-process owners	Role assigned to managers, assistant managers, heads of areas, and supervisors who have the appropriate professional experience and judgement. Assignment of this role will depend on the complexity and impact of the process on business goals.



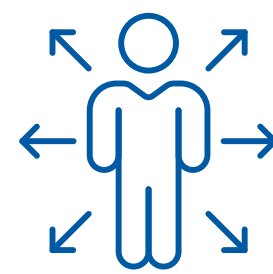
## 2.5. Total quality (GRI 3-3)

It is necessary to maintain and continue promoting a culture of quality and continuous improvement in our processes. To achieve this, we develop a strategy based on three pillars:



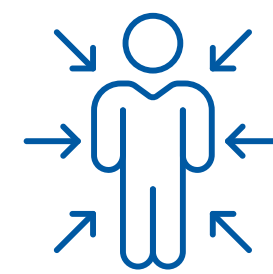
### SIMPLICITY

Adapt management system methodologies and continuous improvement programs to make them more agile and flexible for our employees.



### EXPANSION

Expand the scope of management systems and continuous improvement programs for CAASA and subsidiaries.



### CULTURE

Promote process improvement using methodologies and tools that enhance employee participation and hands-on learning for continuous improvement of the company.

The supervision of issues related to total quality is carried out through a structure of strategic committees that guarantee an integral and effective management:

- **Quality Committee:** periodic management meeting, with first-line reports, where key performance indicators are reviewed, and corrective actions are taken in case of possible deviations.
- **Management Committee:** set up to evaluate and align quality-related strategies at all levels of the organization.
- **Audit and Risks Committee (CAR):** responsible for the identification, assessment and management of quality system related risks
- **Board of Directors and General Shareholders Meeting:** the highest supervision levels that review and approve strategic policies and decisions.





Our total quality management is supported by the Comprehensive Management System Policy, which purpose is to establish the commitments that guide the framework of action of all employees in relation to the management systems, to ensure an organizational culture focused on excellence.

#### INTEGRATED MANAGEMENT SYSTEM

Our main objective is to ensure the standardization of policies and regulations, generating best practices at corporate level to support growth and expansion, both domestically and internationally. Our purpose is to enhance the value offered to our customers, by maintaining and improving standards and strengthening our processes.



**OUR PURPOSE IS  
TO ENHANCE THE  
VALUE OFFERED TO  
OUR CUSTOMERS**

Below are the main achievements in 2024:

**1.** Certification of the **Santa Cruz and La Paz sites**, at a Corporación Aceros Arequipa SRL subsidiary, in Bolivia, granted by ABS Quality Evaluations certifier firm, to ensure standardization and adoption of good corporate practices:

- ISO 9001 - Quality Management System.
- ISO 45001 - Occupational Health and Safety Management System.

**2.** Certification of the **Lurín** tubes plant and Distribution Center under the following international standards, granted by ABS Quality Evaluations certifier firm:

- ISO 9001 - Quality Management System.
- ISO 14001 - Environmental Management System.
- ISO 45001 - Occupational Health and Safety Management System.

**3.** Certification of our wire drawing and nails plants, at the **Pisco site**, granted by ABS Quality Evaluations certifier firm:

- ISO 9001 - Quality Management System.
- ISO 14001 - Environmental Management System.
- ISO 45001 - Occupational Health and Safety Management System.

**4.** **Integration of corporate standards** for the processes at **Corporación Aceros Arequipa AA SAS, Ecuador subsidiary**, under CAASA comprehensive process management, attaining guidelines unification and deployment at corporate level.



The following are our current certifications:

1. Maintenance of the integrated management system certificates under international standards ISO 9001 - Quality Management System, ISO 14001 - Environmental Management System and ISO 45001 - Occupational Health and Safety Management System.
2. Maintenance of the anti-bribery and other crimes management system under ISO 37001 international standard, granted by Asociación Civil BASC PERÚ certifying firm.
3. Maintenance of the product certificates for export to Brazil, with Asociación Bra-
4. Maintenance of product certificates for export to Colombia and Ecuador, granted by ICONTEC, under technical standard NTC 2289, technical regulation 1856 and standard ASTM A706 for construction bars in Colombia, as well as the technical standards RTE 016 for construction bars and RTE 027 for tubes in Ecuador.
5. Renewal of the accreditation for the CAA-SA laboratories, under NTP ISO/IEC 17025.

silera de Normas Técnicas (ABNT), under technical standard NBR 7480.

### Goals at management level



Certification of Quality Management Systems (ISO 9001) and Occupational Health and Safety System (ISO 45001) in the operations in Bolivia.

Certify the Comprehensive Management System (three standards) for the operations at the tubes plant in Lurin, and the wire drawing and nails plant, in Pisco.





# Continuous Improvement Programs

We seek to foster among all our employees a philosophy of innovation and continuous improvement, allowing us to permanently increase cost efficiency, simplify processes and eliminate waste to increase customer satisfaction and company margins.

To this end, we manage three programs, and a tangible recognition mechanism called CAA-SA Points.

**Implement ideas** that contribute to process improvement and to **reduce inefficiencies**

## PROGRAMA DE SUGERENCIAS

*¡MIS IDEAS SUMAN!*

**Develop** high-impact low-cost **improvement projects.**

Continuous improvement  
**PROJECTS**

**5'S**  
5'S Program

**Implement** standard order and clean practices in the work areas

**P O I N T S**  
**C A A S A**

Incentive and recognition mechanism at CAASA - Pisco.





## PROGRAMA DE SUGERENCIAS

*¡MIS IDEAS SUMAN!*

+25 YEARS

+90,000  
SUGGESTIONS

+US\$ 100,000  
ANNUAL SAVINGS

The goal of the suggestions program at CAA-SA is to foster a collaborative environment where employees feel appreciated and involved in the organization's continuous improvement process. The program allows our employees to use their experience and creativity to submit ideas to make improvements focused on operational efficiency, customer satisfaction, product or service innovation, and working environment, among others.

During this year 2,516 suggestions were received in total, at corporate level, generating savings for US\$ 166,580.

For this program to be effective, it is essential for process leaders to be committed to the assessment and implementation of viable suggestions, as well as to recognition of employees for their contributions.



This program aims to develop high-impact, low-cost improvement projects. For 31 years we have been using continuous improvement methodologies to increase productivity and process efficiency through teamwork. In 2024, 56 projects were registered, out of which 20 achieved the established goals.

The employees that participate in the projects program use the Lean Six Sigma, Scrum and Design Thinking solving problem methodologies to achieve the expected results.

We have a corporate level contest called Internal Meeting, which aims at fostering continuous improvement and innovation culture, it encourages, disseminates creativity and outstanding participation, fostering healthy competition in all the company areas. The projects registered participate in the following categories: Profitability and Efficiency and Process Simplification.

31 YEARS

+600  
PROJECTS  
IMPLEMENTED

20 PROJECTS  
IN 2024

US\$ 2.8 MILLIONS  
SAVINGS IN 2024





## RECOGNITION

Dissemination of the best zones. Award ceremony in Internal Meeting.

## LEADERSHIP

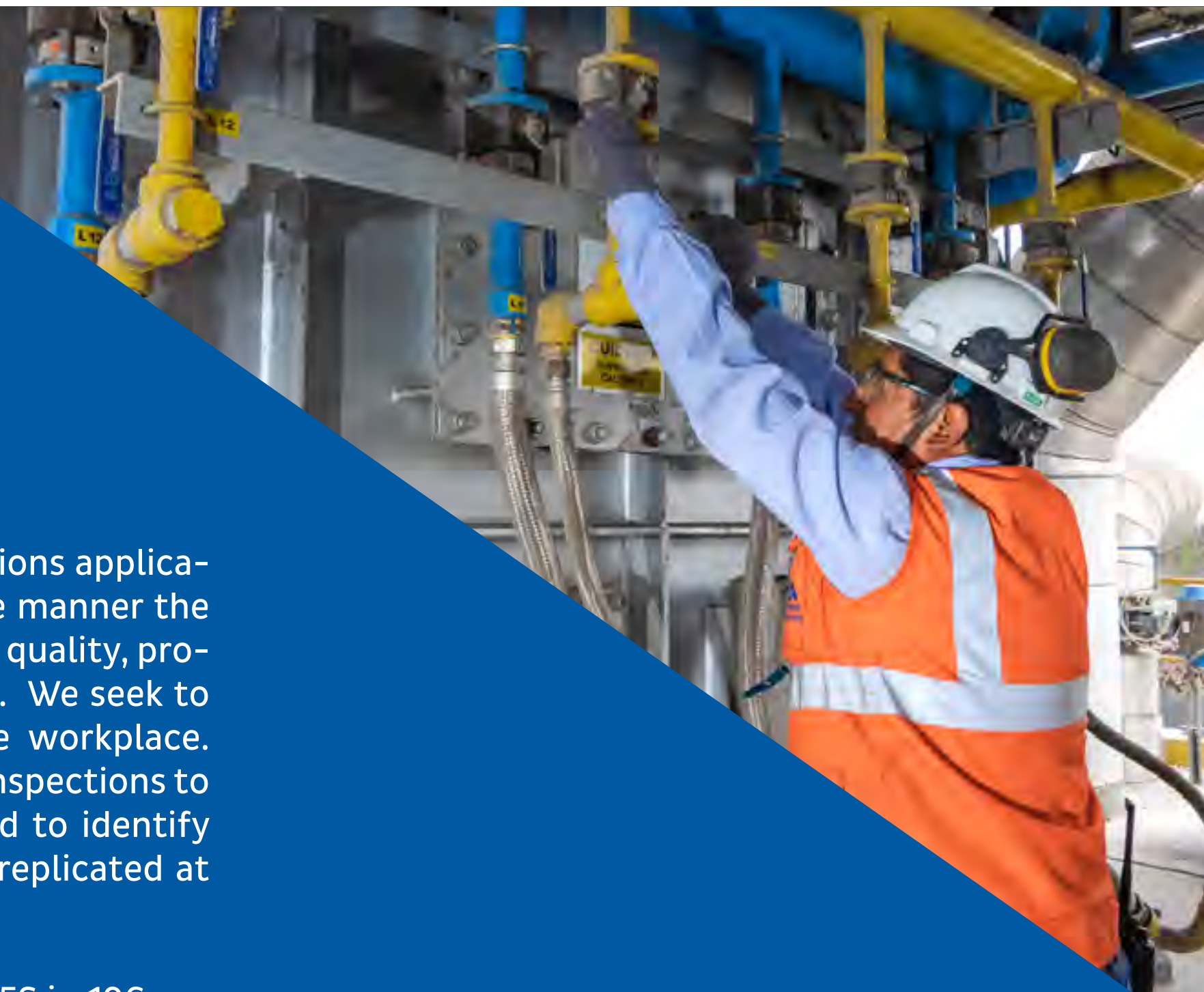
Commitment at all levels.

To manage the 5S program we have divided the areas into working zones, with 327 in Peru and Bolivia, distributed in 3 categories: workshops, plant and warehouses; each one of them has standards defined by CAASA according to the need of the process.



Through our Integrated Inspections application, we can manage in an agile manner the findings in safety, environment, quality, productivity, order and cleanliness. We seek to improve the livelihoods at the workplace. Also, we periodically carry out inspections to assess standard compliance and to identify the best practices that can be replicated at corporate level.

In 2024 we managed to certify 5S in 196 zones of the company, thanks to the participation of all our workers in this program, from the operational workers up to the senior executives.







CAASA's reward system, which provides tangible recognition to outstanding participation by our employees in the continuous improvement programs.

During 2024 we worked on expanding the use of the application, allowing us to manage the awarding of points and the redemption process, fostering simplicity and agility in the company's processes.

## TANGIBLE RECOGNITION

CAASA points that can be accumulated and exchanged for Company merchandising or products in different categories.



## INTANGIBLE RECOGNITION

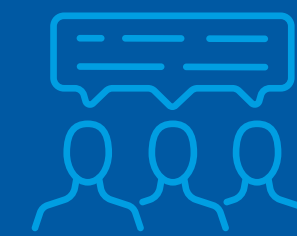
Internal spaces where the employees show their achievements, in the different quality programs to the Company leaders. The purpose of this is to continue promoting participation and the company's continuous involvement.



## INTERNAL AND EXTERNAL COMMUNICATIONS



## PRESENTATION OF RESULTS TO MANAGEMENT



## INTERNAL MEETING EVENT



# ENVIRONMENTAL COMMITMENT

## CHAPTER 3

### BUILDING SOUND FOUNDATIONS FOR TOMORROW





## 3.1. Environmental management

S/ 5,257,521  
CAPITAL  
INVESTMENT  
IN ENVIRONMENTAL  
PROJECTS

At CAASA, environmental management is a fundamental pillar of our operations. We promote a culture oriented to sustainable development, seeking a balance between the needs of society, responsible use of resources and our profitability. This way, we prove that it is possible for the steel industry and related sectors to operate in harmony with the environment

Our actions are guided by our environmental policy, approved by the Board of Directors, which established the environmental commitments regarding climate change and the environment. These commitments include protection and conservation of the natural environment, waste reduction, strict compliance of the regulations in force, and continuous improvement promotion. In addition, the Strategic Management Cycle ensures that the management and the BOD supervise the main trends and risks related to climate change, guaranteeing a proactive and effective response.

Our management system is designed to prevent, control and mitigate environmental impacts throughout our value chain, promoting biodiversity conservation and ensuring compliance with the regulations. At CAASA we work to transfer these high standards to our contractors and suppliers, to consolidate a comprehensive sustainable approach.



# Our recognitions and certifications

At CAASA, environmental management is a fundamental pillar of our operations



## → PERU CARBON FOOTPRINT PROGRAM (CARBON FOOTPRINT PERU)

This official tool of the Peruvian government rewards public and private organizations that have successfully managed their Greenhouse Gas (GHG) emissions. In 2024 we obtained our four Carbon Footprint star, the maximum level of the program. We reported our 2023 inventory, verified by a credited institution. This showed a reduction compared to the previous year, and the inclusion of Transportes Barcino, one of our main suppliers, in the program. With our help this company developed its own inventory, verified with a credited third party, and became a socially responsible company.



## → ISO 14001 ENVIRONMENTAL CERTIFICATION

Our environmental management system has ISO 14001 environmental certification.



## ENVIRONMENTAL MANAGEMENT PRIORITIES

For our management system and business actions concerning the environment, **we have established six important aspects to carry out our operations respecting and protecting the environment and its components.** These are based on an integrated approach to those environmental components that may be affected in our operations.

The details are described below.



→ INFOGRAPHIC 17  
**ENVIRONMENTAL  
MANAGEMENT  
PRIORITIES**

### 1. CIRCULAR ECONOMY

We are active participants in the recycling value chain. Our products are 100% recyclable and our electric furnace technology allows us to consume large quantities of steel scrap.

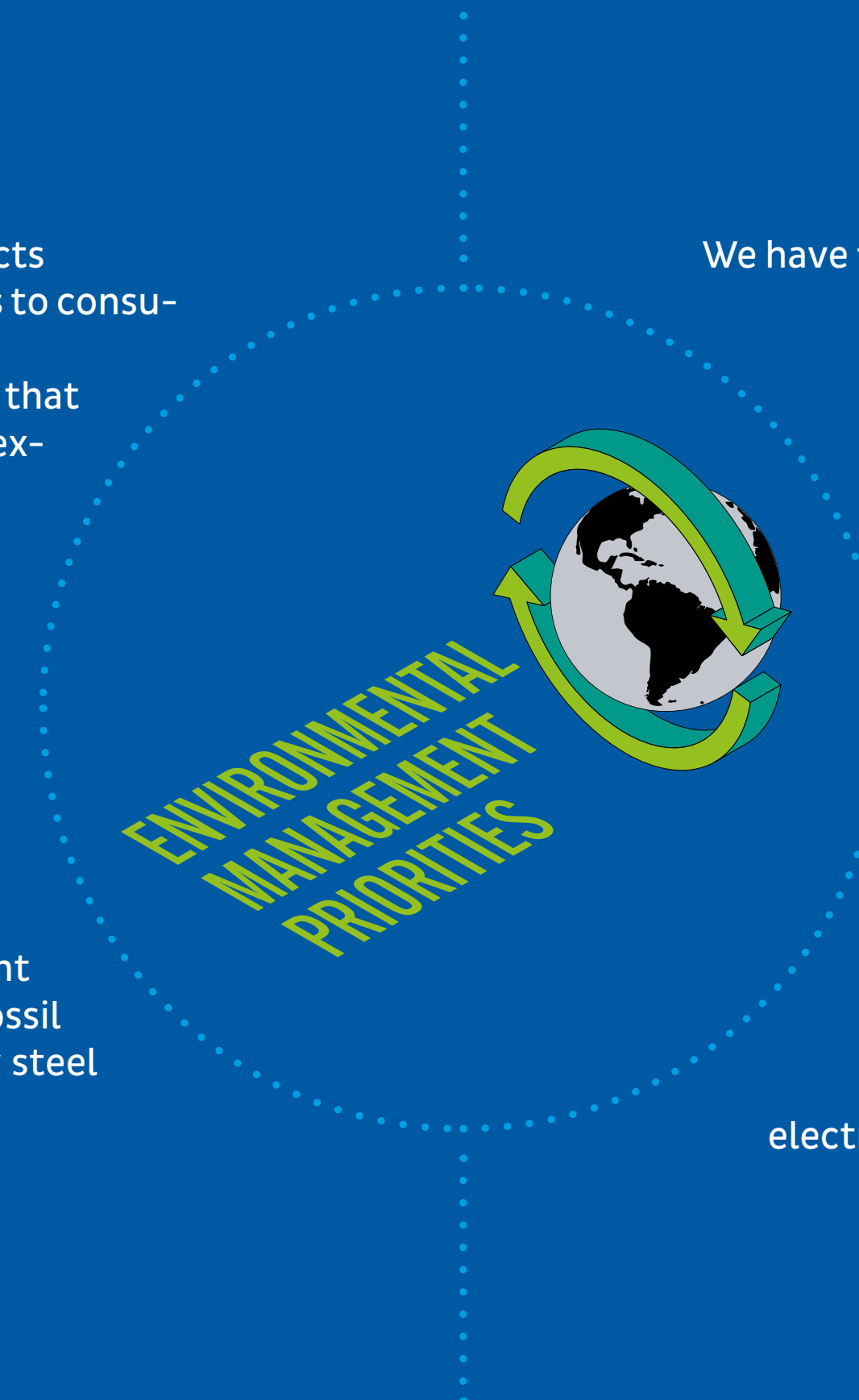
We minimize solid waste generation and purchase technologies that allow using industrial by-products, contributing to reduce the extraction of virgin raw materials.

### 2. ENVIRONMENTAL AWARENESS RAISING

We carry out environmental awareness raising activities for our employees to maintain a culture and lifestyles compatible with the principles of sustainability. We also work with schools in the city of Pisco, to carry out environmental education.

### 3. MITIGATION OF GREENHOUSE GASES

Our main energy matrix is natural gas. We promote improvement projects related to energy efficiency and the replacement of fossil fuels. Our electric arc technology allows us to be one of the few steel mills with a minimum CO<sub>2</sub> intensity per ton of liquid steel.



### 4. POLLUTION CONTROL AND REGULATORY COMPLIANCE

We have fume and domestic water treatment plans that enable us to minimize the environmental impact of our operations.

We have external advice that allows us to be up to date with changes in applicable laws; we have external audits and an internal environmental compliance supervision program in each one of our processes.

### 5. BIODIVERSITY CONSERVATION

We comply with national and international regulations on biodiversity conservation, and we apply the hierarchy of mitigation measures focused on avoidance, minimization, restoration, and offsetting our impacts to assess our activities and the location of our projects.

### 6. EFFICIENT USE OF NATURAL RESOURCES

We are aware of the importance of efficient use of natural resources. We implement technological innovation projects that allow reducing electric energy and water per ton of product, generating energy and water efficiency.



### STRATEGIC ENVIRONMENTAL COMPLIANCE PROGRAM (ECP)

Environmental awareness raising program that addresses four key topics every year. These are held as remote sessions for workers. Each module of the ECP program has three stages: awareness raising, reinforcement and verification. This approach seeks to consolidate the knowledge acquired, strengthen practical application and motivate participants through the accumulation of CAASA points.

### CLIMATE-RELATED MANAGEMENT INCENTIVES

The purpose of our climate-related incentives strategy is to recognize and reward our team's outstanding performance in the implementation of environment related projects. This system, which includes every level of the company, from executives and managers down to individual employees, fosters total commitment to continuously improving our climate management.

The Strategic Management Control, Production and Projects, Mining and Social Responsibility areas have specific objectives related to climate change, which are part of the evaluation criteria for their bonuses.

#### MONETARY INCENTIVES

They are based on meeting targets related to indicators, projects and initiatives that generate positive impacts on climate management. These include reducing GHG emis-

sions, reducing energy use, or improving the efficiency of resource use, such as fuel and water.

The achievement of these objectives influences the calculation of bonuses of the managers involved and the evaluation of the performance of employees whose responsibilities are related to processes with an impact on environmental management.

#### 1. COMPLIANCE WITH THE APPLICABLE ENVIRONMENTAL REGULATION

Explanation of the main environmental legal requirements applicable to CAASA and the evidence that show our compliance.

**699 EMPLOYEES**  
TRAINED

#### 2. STRATEGY TO ADDRESS CLIMATE CHANGE AND CARBON FOOTPRINT

Presentation of CAASA's strategy to address climate change and the actions implemented to reduce our carbon footprint.

**793 EMPLOYEES**  
TRAINED

#### 3. INTEGRATED SOLID WASTE MANAGEMENT

Explanation about the integral management of solid waste, emphasizing the correct separation by the generators.

**866 EMPLOYEES**  
TRAINED

#### 4. CONTROL OF ENVIRONMENTAL POLLUTION

Prevent pollution of the different environmental components.

**673 EMPLOYEES**  
TRAINED



NON-MONETARY INCENTIVES

Through the company’s Continuous Improvement Projects Program, we promote initiatives that increase profitability, efficiency and simplify processes. This program stands out especially due to the projects oriented to optimize the use of electric power, gas and water, reducing machinery and equipment downtime, and mitigating potential environmental impacts. The employees with outstanding participation in this program are recognized, and receive prizes that reward their creativity, innovation and commitment.

FINES OR SANCTIONS (GRI 2-27)

One of the priorities of the organization's environmental management is compliance with applicable environmental regulations. To do so we identify environmental requirements with legal advice, establish action plans and periodically monitor compliance with the environment department and third-party experts.



WE PROMOTE  
INITIATIVES  
THAT INCREASE  
PROFITABILITY,  
EFFICIENCY AND  
SIMPLIFY  
PROCESSES.

→ TABLE 13  
SIGNIFICANT  
ENVIRONMENTAL  
RELATED FINES  
OR SANCTIONS

	2020	2021	2022	2023	2024
Number of legal violations	0	0	0	0	0
Amount of the fine/sanction related to the infringement (S/)	0	0	0	0	0
Environmental debt accrued as of the end of the year (S/)	0	0	0	0	0

Note 1. Significant" fines or penalties are those fines/sanctions greater in excess of \$10,000 (or local currency equivalents).

Note 2. In 2022, we received an environmental sanction for administrative liability. The accusation was as follows: "The party submitted the Final Environmental Emergency Report relating to an event that occurred on October 27th, 2019 at the Pisco Plant, more than ten (10) working days after the emergency occurred, despite the existence of potential environmental damage, in breach of the provisions of current environmental regulations". The fine was 0.652 Tax Units (S/ 2,699.29), which was paid on May 20th, 2022.

Note 3: In relation to our Administrative Sanctioning Procedure (PAS) of Supervision 2021, in 2024, Environmental Evaluation and Oversight Agency (OEFA) resolved in first instance a penalty of 6,907 Tax Units, (S/35,571.05 equivalent to US\$ 9481.61 for two events charged. We have recognized part of the sanction (5.204 tax units) representing US\$ 7,146.83 and the other part has been appealed and taken to a second instance.



## BIODIVERSITY

At CAASA we are committed to assessing our impact on biodiversity in our current and future operation areas, according to their location and specific characteristics. If we identify areas with important international or local biodiversity, we will apply the mitigation hierarchy, as well as the precautionary principle, prioritizing actions to avoid, reduce, restore, regenerate and, if possible, transform the environment in a positive manner.

For every project underway, we implement concrete measures to minimize any impact on biodiversity, ensuring responsible environmental management in line with the highest sustainability standards. To this end, our commitment is aligned with the points detailed on the following page.





→ INFOGRAPHIC 18  
**POINTS  
OF OUR  
COMMITMENT**

1.

Comply with local, regional and national legal requirements related to land management and biodiversity protection and not to operate in areas considered World Heritage Sites or in protected areas that fall into categories I-IV of the International Union for Conservation of Nature (IUCN).

2.

Develop management plans to promote the importance of biodiversity. Prioritizing the conservation of key species, those with a special conservation status, those that historically inhabited the area and have a history of traditional use and value to the surrounding population.

3.

Collaborate with stakeholders to ensure the long-term conservation of native species in the area of influence of our operations.

4.

Identify and define actions plans to avoid net losses of biodiversity in important habitats near our operations.



5.

Promote the collection, analysis and improvement of biodiversity information and knowledge in collaboration with experts.

6.

Acquire, develop, and apply systems and technologies to reduce impacts on biodiversity

7.

Avoid deforestation as a consequence of CAASA's activities and, if necessary, offset any negative impact with forestation programs and continue to maintain our operations with zero deforestation.

8.

Work together with external private and public sectors to meet our commitment with biodiversity conservation in our area of influence.



# PREVENTIVE MEASURES

## APPLICATION OF OUR MITIGATION HIERARCHY

In the event we identify zones with important international or national biodiversity, we apply the mitigation hierarchy, prioritizing actions to avoid, minimize or reduce, restore, regenerate and compensate or transform.

All our operations are carried out in areas classified as compatible with our activities. The Steel Complex is the only site that is close to a Protected Natural Area (PNA). We have therefore applied the mitigation hierarchy described above, to guarantee a responsible and sustainable approach.

### → AVOID

**By site selection:** our operation is located Approximately 2.16 km outside of the Paracas National Reserve.

### → MINIMIZE

**By operation and reduction controls:** We prohibit hunting and train our suppliers and employees. Our stationary emission sources have fume treatment systems that comply with legislation as well as more stringent standards.

We have a treatment system that allows us to use domestic wastewater to irrigate our green areas.

### → REGENERATE

Our domestic wastewater treatment system and the composting service allow us to use biosolids and compost as correction to strengthen the soil of our green areas.

The better the soil quality, we can have green areas in our Steel complex and a living fence of more than 10 km long, which can serve as habitat for the different fauna and flora species introduced through natural pollination.

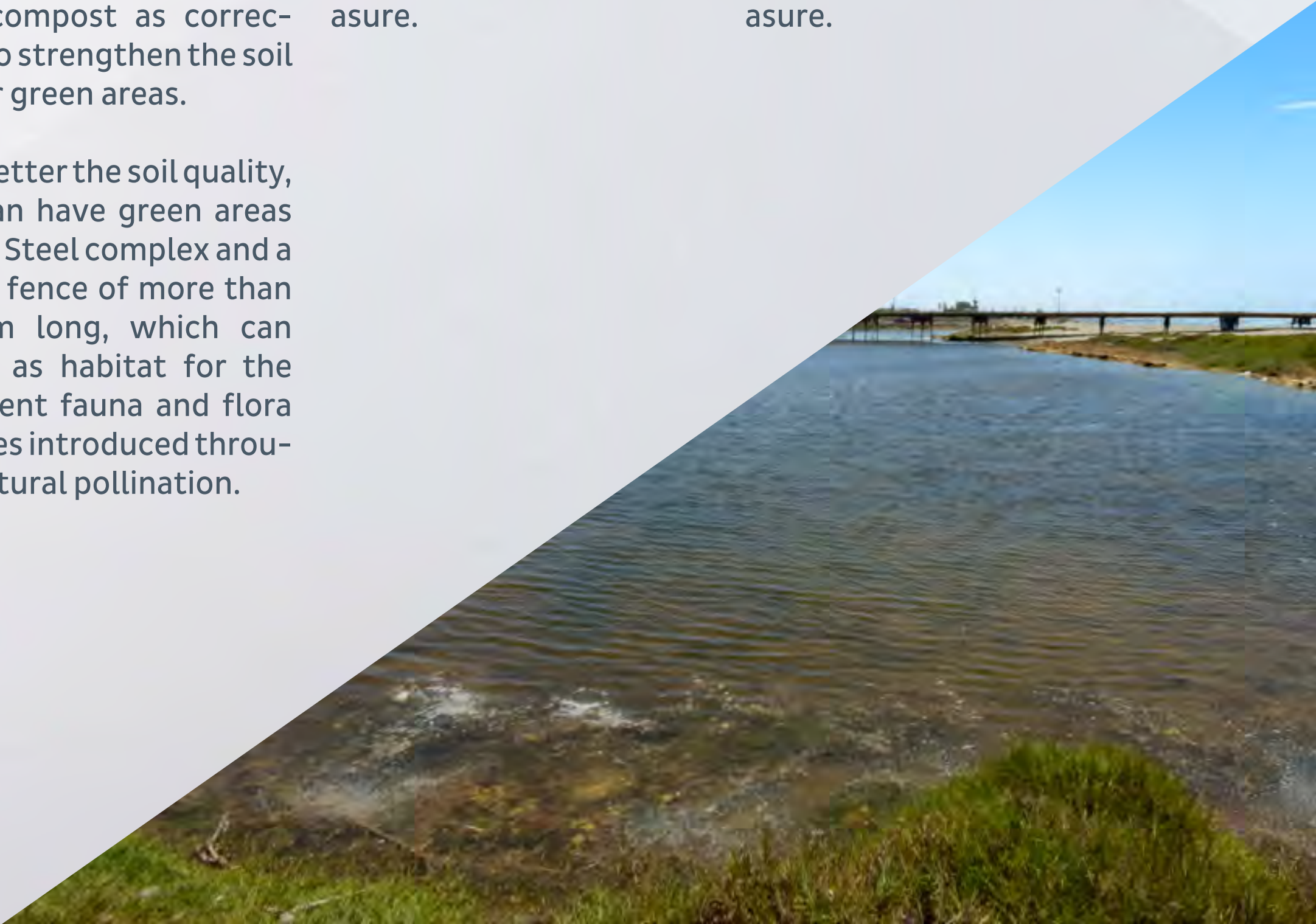
# CORRECTIVE MEASURES

### → RESTORE

Due to the implementation of our preventive measures, we do not need to apply this corrective measure.

### → COMPENSATE

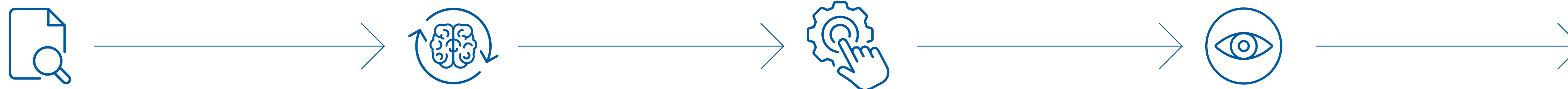
Due to the implementation of our preventive measures, we do not need to apply this corrective measure.





## BIODIVERSITY RISKS ASSESSMENT

At CAASA, biodiversity risk assessment is carried out using the company's GIRO Methodology, consisting of the following stages:



### IDENTIFICATION

This stage analyzes the geographic location of the activities, and a review of the biologic baseline included in the environmental impact assessment of the site's environmental instrument is carried out. This includes aspects related to the flora and fauna of the area, and the following risks are detected:

- **Impact risks:** deterioration of the habitat of the perimeter live fence due to the increase in atmospheric emissions from the steel complex.
- **Dependency risks:** interruption of the natural pollination of the perimeter live fence related to the operations of the steel complex.

### ANALYSIS AND ASSESSMENT

In this stage, the equivalences of the Leopold and Conesa methodologies are applied, these are used in the environmental impact assessments, with the GIRO Methodology to quantify the variables of probability and impact of each risk identified.

### RESPONSE PLANS

Measures focused on the following are then designed:

- **Conservation:** preserve the biodiversity coexisting with our steelmaking activities, especially through the maintenance of the perimetric live fence.
- **Collaboration:** encourage awareness raising of the importance of biodiversity together with stakeholders to ensure the long-term conservation of native species in the area of influence of our operations.
- **Research:** promote the collection, analysis and improvement of knowledge about biodiversity working hand in hand with experts on this topic.

### FOLLOW-UP

In 2024 we published our Biodiversity Guide.

To learn more about our **Biodiversity Guide:**





→ TABLE 14  
BIODIVERSITY  
IMPACT  
ASSESSMENTS

Actions	Number of sites	Hectares
Total number of sites and total area used for operational activities	1	322.20
Biodiversity impact assessments carried out in operational areas in the last five years	1	322.20
Number of sites owned by the company in protected or key areas for biodiversity	0	0

NET IMPROVEMENT IN BIODIVERSITY

The area where CAASAS's Steel complex is located is classified as a desert; however we have installed a perimeter live fence made up of two lines of mimosa and one of eucalyptus, and we have turned an arid area into a space with plant cover. Since 2018 we have expanded this initiative, increasing the fence from 5.8 km to 10 km de of eucalyptus and mimosa tress.

As part of our commitment to net biodiversity improvement, since 2021 we have started planting eucalyptus in an area destined to store industrial by-products. By 2026, this will add 0.95 km tour perimeter fence.

At the end of 2024, we have 10 km of mature perimeter live fence (over 10 m high) and 0.95 km internal fence, with an average height of 6 m.

In 2024, as a result of a flora inventory in the Steel complex, we identified 20,22 trees and bushes, belonging to 24 species, introduced both by our forestation actions as by natural pollination processes.

This project, considered as a forestation initiative, given that it established plantations in areas which did not have tree cover, generates a habitat to 16 local fauna species, among birds and reptiles, and provides a resting space for migratory birds.

NET INCREASE IN THE ZONE'S  
BIODIVERSITY THROUGH THE  
IMPLEMENTATION OF LIVE FENCES





## 3.2. Strategy against climate change (GRI 3-3)

→ INFOGRAPHIC 19  
**CLIMATE  
CHANGE**



### Objective

Sustainably reduce GHG emissions under scopes 1 and 2.

### Goal 2027

11 % GHG emission reduction  
(scopes 1 and 2).



### Goal 2030

15 % GHG emission reduction  
(scopes 1 and 2).



We are aware of the environmental problem generated by climate change and of the consequences that this phenomenon can cause in Peru and in the world. Therefore, we acknowledge that the production of Steel with low GHG emissions is an essential part of the solution required by the planet, and we assume the responsibility to lead the decarbonization of the Peruvian steel.

Our climate strategy is centered in energy efficiency, process development with lower carbon use and the promotion of electric mobility. Therefore, decarbonization in CAASA does not only promote environmental sustainability, but it is also closely linked to our competitiveness, continuous improvement of our operations and business profitability.

## MAIN INITIATIVES AND RESULTS

(GRI 302-1, 302-4, 305-5)

In 2024 we implemented a series of key initiatives as part of our strategy to address climate change, therefore consolidating our commitment to sustainability and the decarbonization of the Peruvian steel. Be-

low are the estimated calculations per CO<sub>2</sub> equivalent<sup>10</sup> reduction project.

### VERTICAL LIME KILN

We included this technology to optimize natural gas consumption per ton of lime produced. This innovation will **allow a reduction of more than 2,000 t CO<sub>2</sub>e per year**, improving the operational efficiency and reducing our environmental impact.

### EQUIPMENT MODERNIZATION

We replaced eight cranes that run on diesel, by electric cranes in the collection yards and in the Steel complex. Each crane implemented reduces approximately **150 tCO<sub>2</sub>e per year** and significantly contributes to our emissions reduction goals.

### TRANSPORTATION WITH LESS CARBON

We have a fleet of 52 natural gas trucks, which operation generates **CO<sub>2</sub> emissions five times lower than those issued by diesel trucks**, underscoring our commitment to reduce emissions in transportation of materials and products.





#### COMMITMENT TO SBTi

We signed our commitment to align with the Science Based Targets initiative (SBTi) to establish emission reduction goals based in science, as part of our goal to reach zero GHG emissions in the long term. We have set the challenge to define these goals and submit our file before 2026.

#### CALCULATION OF THE PRODUCT CARBON FOOTPRINT

For the first time, we calculated the ½" construction bar and the 2.5" round smooth bar carbon footprint, according to ISO 14067 standard. This analysis will allow the identification of improvement in our processes, and to offer our customers accurate data on the emissions generated during the manufacturing of these products, reinforcing transparency of and trust in our environmental management.

#### DEVELOPMENT OF THE HOT LOAD IN STEEL MILL 2

We optimized the use of natural gas in the reheating furnaces by feeding hot billets directly from the steel mill, which reduces the

need for additional heating and achieves a significant decrease in gas consumption. This project **saves 4,500 t CO<sub>2</sub> per year**.

#### IMPLEMENTATION OF THE SCRAP CLEANING MACHINE

We introduced this technology to reduce the consumption of electrical energy in the melting of liquid steel. The machine cleans the scrap that enters the electric furnace, which reduces energy consumption and contributes to greater efficiency in the process. Its implementation **reduces GHG emissions in 5 %** when processing one ton of liquid steel.

#### IMPLEMENTATION OF AN RPA TO CALCULATE THE ORGANIZATIONAL CARBON FOOTPRINT AND THE CO<sub>2</sub> RATIO

We automated the calculation of the GHG inventory through an RPA, allowing us to generate monthly reports, strengthening management monitoring and facilitating strategic decision making.

#### OTHER INITIATIVES

- **Fuel substitution:** since 2004 we have been using natural gas instead of diesel oil and R500.
- **Efficient lighting:** we implemented LED technology in all the operational areas of the finished goods warehouse.
- **Energy optimization:** the state-of-the-art technology of our Steel mill N.º 2 has allowed improving energy efficiency and reducing the intensity of CO<sub>2</sub>e from 88.7 kg to 85.5 kg CO<sub>2</sub>e per ton of liquid steel consumed.
- **Improvement of electric furnace operating voltage:** in 2023, we implemented a project to optimize electricity consumption, which increased energy efficiency in this key process.
- **Equipment modernization:** We use Energy Star certified laptops and PC, which we renew every three and four years, respectively to optimize power consumption.

- **Renewable energy consumption:** the electricity we use comes from the Mantaro hydroelectric power station, avoiding the use of fossil fuel.
- **Audits and certifications:** In 2024 we trained 31 internal auditors in energy management and moved ahead towards ISO 50001 certification. We trained 17 internal auditors in carbon footprint, as per ISO 14064-1 standards, to strengthen the quality of our GHG inventories.





# Carbon neutrality by 2050

At CAASA we understand the effects of carbon emissions on the environment and how the results of this interaction can affect operations. That is why our strategy to address climate change includes a mitigation approach to decarbonize steel. Therefore, our approach consists of three lines of action



## PROGRESS

### ENERGY EFFICIENCY

Increase energy efficiency in the production of liquid steel through an energy management system.

- Implementation of the carbon cleaning machine
- Implementation of the vertical lime kiln
- Implementation of hot load in the NTL

### LOWER CARBON PROCESSES

Maintain the ferrous scrap portion of the metallic load in Steel production and reduce CO<sub>2</sub> in inputs.

- Continuous ferrous scrap supply through an increase in collection yards and agreements.
- Prioritization of calcitic lime over dolomite lime.
- Currently, we have 52 natural gas operated trucks.

### ELECTRIC VEHICLES

Electrify the transportation and handling process inside the operations area.

- Currently, we have eight scrap handling cranes in our organization.

In August 2024 we made a commitment to SBTi to establish GHG emission reduction levels in the medium term. This commitment must be implemented within a maximum of two years.



SCIENCE  
BASED  
TARGETS

## CARBON FOOTPRINT REDUCTION GOALS

IN TCO<sub>2</sub>E/T FINISHED PRODUCT  
IN TCO<sub>2</sub>E/T LIQUID STEEL

2030

0.23 t CO<sub>2</sub>e  
0.26 t CO<sub>2</sub>e

2050

0.11 t CO<sub>2</sub>e  
0.11 t CO<sub>2</sub>e



## AIR QUALITY (GRI 305-7)

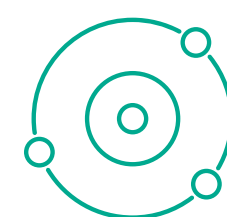
The pollution control and regulatory compliance pillar guides our actions to manage and minimize air quality related impacts. This way, in 2024, as part of our carbon footprint reduction goal we have prioritized the following initiatives:



### FUMES TREATMENT SYSTEMS

We have implemented advanced technologies to control emissions into the atmosphere.

- **Fumes plant at the steel mill:** oversized to capture and separate particulate matter generated in the furnaces, ensuring that emissions meet stringent environmental standards.
- **Electrostatic Precipitators:** used in the rotatory kilns to treat emissions and ensure compliance with the maximum permissible limits (MPL).
- **Sleeve filters in the new vertical lime kiln:** currently under commissioning process, these filters are designed to guarantee compliance with the MPL.



### CONTROL OF PARTICULATE MATTER DISPERSION IN THE HANDLING OF MATERIALS

To reduce the dispersion of particulate matter in the unloading and material supply activities, we implemented the following:

- **Airtight infrastructure** in the supply of raw material, for the Non-ferrous Recovery project, when unloading anthracite and in the evacuation of the char and Dolo char concentrates to the mill.
- **Wetting of piles and dust roads** in the industrial materials and recyclables yard, and a regular program for watering non-asphalt areas.



### LIVE PERIMETER FENCE

We use a natural tree barrier to mitigate the emission of particulate matter generated by transportation activities or wind action. Additional trees have been planted in the eco gravel storage pile, bag house box and recyclable and industrial materials yards.



### ENVIRONMENTAL MONITORING PROGRAM

We monitor atmospheric emissions and air quality on a semiannual basis, in compliance with LMPs and ECAs. The program consists of hiring laboratories accredited under ISO 17025 to measure the concentrations of combustion gases, particulate matter and metals in furnace stacks, as well as air quality at five strategic points near the perimeter of the steel complex.



## EMISSIONS (GRI 305-1, 305-2, 305-3, 305-4, 305-7)

Our emissions and air quality management are based on our environmental Monitoring Program, which assesses key parameters such as atmospheric emissions, air quality, noise levels, liquid effluents and non-ionizing radiation. The frequency and the scope of these measurements are determined according to the activities carried out in our facilities and are aligned with the requirements of the Environmental Management Instrument (IGA) approved by the Ministry of Production (Produce)<sup>11</sup>.

### GHG EMISSION RESULTS

Regarding GHG emissions, we apply ISO 14064 standard to identify direct and indirect sources, as well as to determine emission factors and activity levels associated with each source. The calculation, which are shown in units

of tons of CO<sub>2</sub> equivalent, provides a clear and accurate vision of our performance. In addition, we use the Worldsteel methodology to calculate the ratio of CO<sub>2</sub> emissions per ton of steel produced, thus strengthening our commitment to transparency and sustainability.

We have adopted the operational control approach as the most adequate one to estimate our carbon footprint, given that we are a company with its own capital, with full control over the activities of the sites included in the calculation. 2019 was established as the base year due to the availability of auditable data (first year calculated) and to the commitment of the organization to implement progressive actions to address climate change.

**WE HAVE ADOPTED THE OPERATIONAL CONTROL APPROACH AS THE MOST ADEQUATE ONE TO ESTIMATE OUR CARBON FOOTPRINT.**

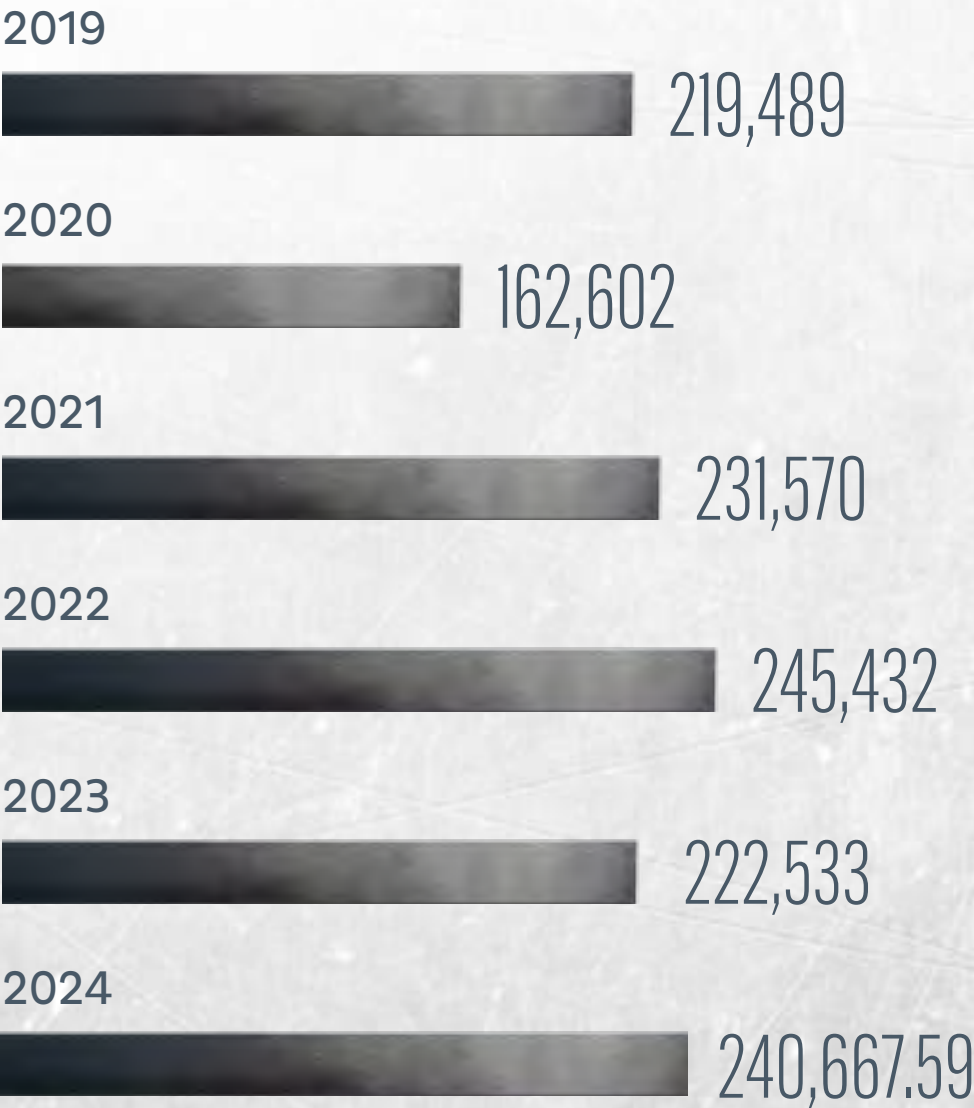
PANORAMIC VIEW LURIN DISTRIBUTION CENTER

<sup>11</sup> The sampling and analysis methodology, as well as the comparison of results, is based on DS N.º 003-2017-MINAM, which describes the methods for sampling and environmental quality standards (ECA), against which the results are compared.



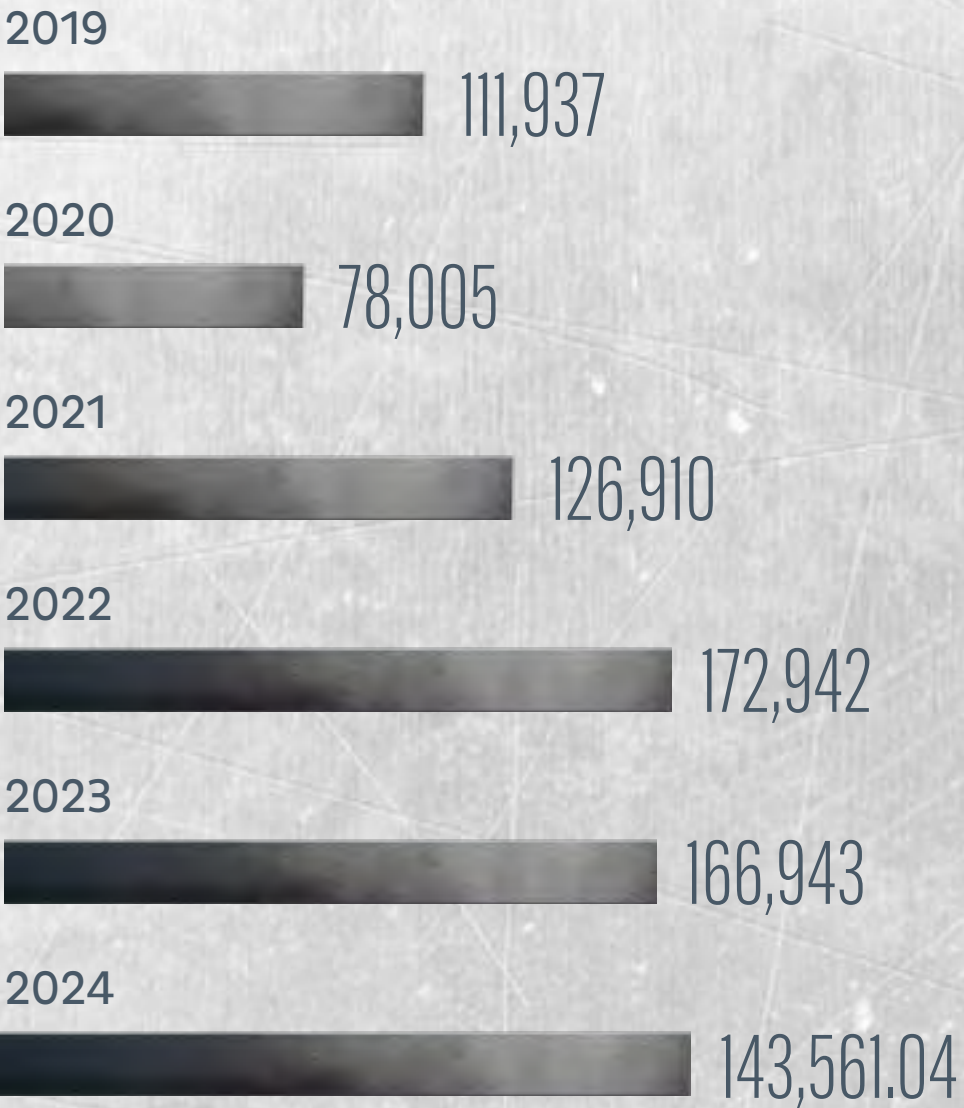


→ GRAPH 18  
**TOTAL  
DIRECT GHG  
EMISSIONS  
(SCOPE 1) IN  
CO<sub>2</sub>E METRIC  
TONS**  
(GRI 305-1)



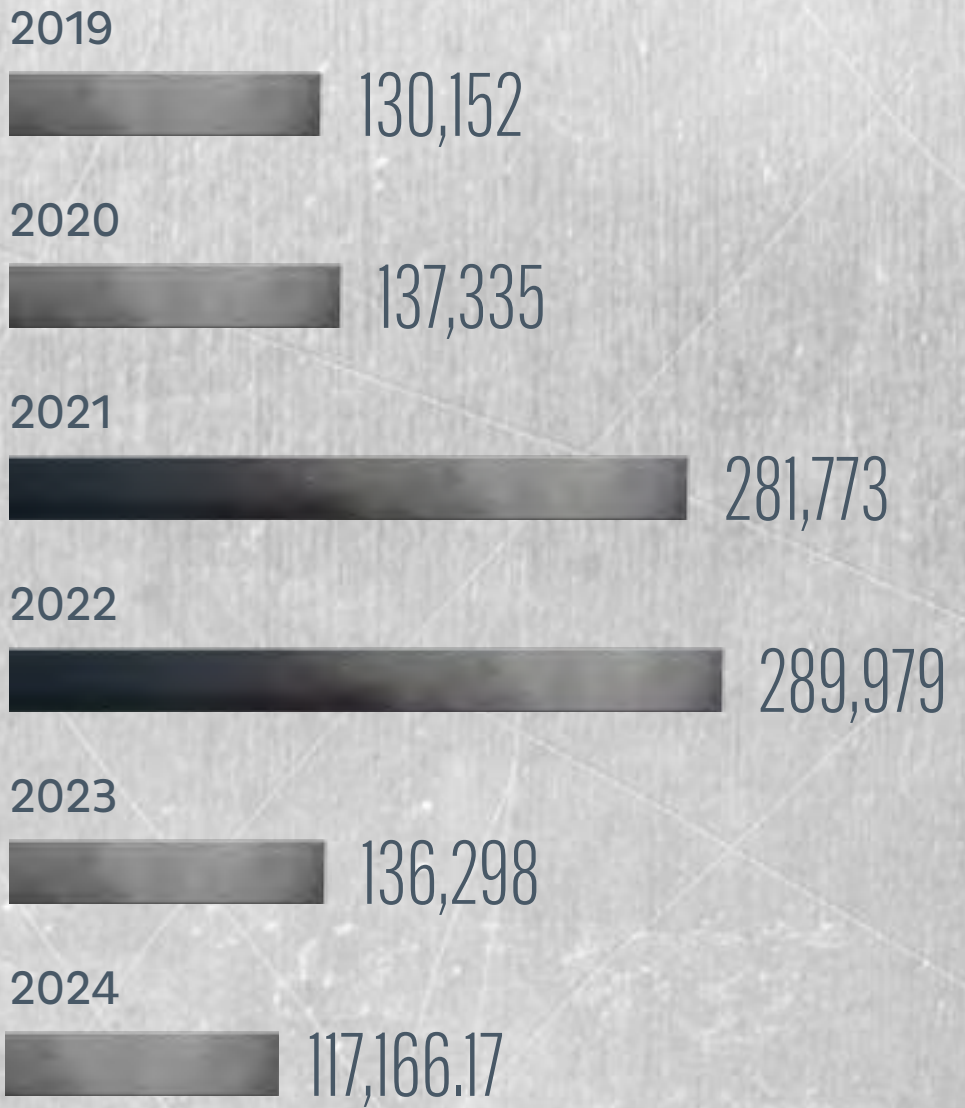
**200,000 t CO<sub>2</sub>e**  
OF SCOPE 1 EMISSIONS AS  
A GOAL BY 2024

→ GRAPH 19  
**TOTAL  
INDIRECT GHG  
EMISSIONS  
(SCOPE 2) IN  
CO<sub>2</sub>E METRIC  
TONS**  
(GRI 305-2)



**102,000 t CO<sub>2</sub>e**  
OF SCOPE 2 EMISSIONS AS  
A GOAL BY 2024

→ GRAPH 20  
**TOTAL  
DIRECT GHG  
EMISSIONS  
(SCOPE 3) IN  
CO<sub>2</sub>E METRIC  
TONS**  
(GRI 305-3, 305-4)



**127,000 t CO<sub>2</sub>e**  
OF SCOPE 3 EMISSIONS AS  
A GOAL BY 2024



→ TABLE 15  
GHG  
EMISSION  
RATIO

Year	Emissions ratio (tCO <sub>2</sub> /t liquid steel)
2019	0.68
2020	0.63
2021	0.66
2022	0.47
2023	0.45
2024	0.42

About the emissions:

Note 1. Our 2019 and 2020 inventories have been verified by Lloyd’s Register on January 20 and June 2, 2021, respectively. For the 2021 inventory we migrated our calculation methodology to the last version of the ISO 14064 standard, and was verified on June 9, 2022, by SGS Peru.

Note 2. For inventories in 2021, 2022, 2023 y 2024, the values reported correspond to categories 1 and 2. Scope 3 includes the sum of categories 3 and 4 of the GHG inventory.

Note 3. We have recalculated the base year considering the new version of ISO 14064-1 standard and the scope of the inventory related to the number of sites. The types of gases that have been included in the calculation of category 1 emissions (scope 1), categories 2 (scope 2) and categories 3 and 4 (scope 3), are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFC, PPC, NF<sub>3</sub> y HCFC, correspondingly. On the other hand, the types of gases for the calculation of the intensity ration and GHG emissions reduction were CO2 and CO2e.

Note 4: The data reported was produced with the Ministry of the Environment (Minam) tool Carbon footprint Peru. To calculate the Global Potential Warming, we used the IPCC Fifth Assessment Report (AR5). The sources of the emissions factors used are the following:

- Net Calorific Value (NCV) of fuels: National Inventories 2012 – Minam (stationary energy sources). Minem, Registry of Emission Generating Activities and inventories (Registro de Actividades Generadoras de Emisiones e Inventarios - RAGEI) 2016
- Emission Factor for Road Transportation: 2006 IPCC guidelines for national GHG inventories (volume 2)
- Emission factor for industrial processes: Direct Emission Factors (CO2 Data Collection, User Guide, version 11, 2022)
- Emission factor for electric power generation: Peru Carbon Footprint Program (Minam, 2024)
- Emission factor for heavy road and maritime transportation: UK Government GHG Conversion Factors for Company Reporting, Freightng Goods, 2018.

In 2024, 151.07 TnCO<sub>2</sub>eq of direct biogenic emissions and 0 TnCO<sub>2</sub>eq of indirect biogenic CO<sub>2</sub> emissions were recorded, derived from biomass combustion and degradation, respectively. Likewise, there were variations in emissions due to the increase in production. In scope 1, they increased due to greater consumption of natural gas and anthracite in the Pisco Plant. In Scope 2, they increased due to greater use of electric power. In Scope 3, they reduced due to the optimization of maritime routes and the use of natural gas units for road transportation.

LIME PLANT (PISCO - ICA)





RESULTS OF NOX, SOX EMISSIONS AND PARTICULATE MATERIAL<sup>12</sup>

(GRI 2-4, 305-7)

NOx and particulate material measurements are exclusively taken at the Pisco Steel complex, our only site with steel producing furnaces. These measurements are carried out in ISO 17025 certified laboratories, using equipment and methodolo-

gies established by USEPA. The emissions are expressed in mg/ Nm<sup>3</sup> units and are compared to benchmarks determined by the applicable environmental regulation. To calculate the annual emissions in tons per year (t/year), the results obtained are multiplied by the volumetric flow measured with the Pitot tube of the isokinetic method (Nm<sup>3</sup>/h) and the annual operating hours of each fixed source (h/year).

For SOx, emissions, we do not use the date of atmospheric emission monitoring, for the results obtained are so low that they are always under the analysis method quantification limit.

→ GRAPH 21  
NOX  
EMISSIONS  
IN METRIC  
TONS



→ GRAPH 22  
SOX  
EMISSIONS  
IN METRIC  
TONS



→ GRAPH 23  
DUST  
EMISSIONS  
IN METRIC  
TONS



Note. Emissions reductions compared to 2021 is due to the commissioning of the fumes plant, with a greater treatment capacity, compared to the former one.

<sup>12</sup> In 2024, a recalculation of the stack emission flow was made considering a smaller diameter, so the NOx and SOx values for the years 2021 onwards have been adjusted.



## 3.3. Operational eco-efficiency

(GRI 3-3)

→ INFOGRAPHIC 20  
**OPERATIONAL  
ECO-EFFICIENCY**



### Objective



#### Specific objective 1

Integrate an eco-efficient management system with international standards by promoting technological renovation initiatives and new criteria for assessing investment projects.

#### Specific objective 2

Promote water consumption and electric power reduction initiatives in our production processes.

### Goal 2027

Reduce water consumption per ton of finished product to 1.35 m<sup>3</sup><sup>13</sup>.

Reduce electric power consumption to 729 kWh per ton of finished product.



### Goal 2030

Reduce water consumption per ton of finished product to 1.35 m<sup>3</sup>\*<sup>13</sup>.

Reduce electric power consumption to 733 kWh per ton of finished product.

### Progress 2024



**1.297 m<sup>3</sup>**  
water  
consumption  
per ton

**1,176.28 kWh**  
electric power  
consumption per ton of  
finished product



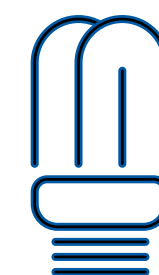
## ENERGY MANAGEMENT

At Aceros Arequipa we manage our operations under the principles of eco-efficiency, prioritizing the production of goods and services with a lower environmental impact. This approach not only contributes to environmental sustainability but also generates economic benefits by reducing operating

costs and optimizing equipment availability through technological renewal.

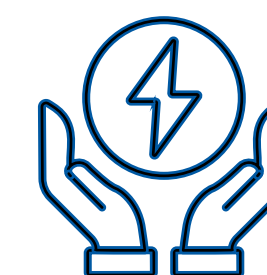
Our strategy for energy transition is focused on reducing the use of fossil fuels with greater environmental impact, such as oil, and gradually replacing them with cleaner alternatives such as natural gas and electric power. This transition reinforces our commitment to sustainability and reduction of GHG emissions.

## MAIN INITIATIVES AND RESULTS



### ENERGY MANAGEMENT SYSTEM BASED ON ISO 50001

We started the implementation of this system in the steel complex processes and rolling mill strengthening our energy management capacity to reach greater efficiency and sustainability in our operations.



### PARTICIPATION IN THE LEARNING NETWORK IN ENERGY MANAGEMENT SYSTEMS

In September 2024 we were chosen as one of the 18 companies to participate in this initiative led by the Ministry of Energy and Mines (Mimem). The purpose of this program is to optimize business energy performance through collaborative learning and the adoption of best practices.



**699,091.68 MWh**  
OF RENEWABLE ENERGY  
CONSUMPTION PURCHASED  
OR GENERATED IN 2024

**770,220.94 MWh**  
OF NON-RENEWABLE  
ENERGY CONSUMPTION IN  
2024

**1,469,312,620 MWh**  
TOTAL ENERGY  
CONSUMPTION IN 2024

#### INITIATIVES TO MINIMIZE ENERGY USE (GRI 302-3, 302-4)

This year, we highlight the modernization of our plants, which not only improves energy efficiency, but also increases production capacity.

- **New lime plant:** incorporation of advanced technology to increase energy efficiency and the number of tons produced, replacing less efficient equipment. The new plant started operations in November 2024, achieving a reduction in natural gas consumption from 190 Nm<sup>3</sup>/t to 90 Nm<sup>3</sup>/t, proving a significant efficiency increase during the months it operated. The calculation of the reductions was performed using standardized Sm<sup>3</sup>/t units, and applying tools validated by international standards.
- **New remelting plant:** implementation of modern infrastructure that significantly increases efficiency and replaces obsolete equipment
- **New nails plant:** technologic innovation that increases productivity and efficiency by replacing old equipment
- **Use of green energy:** to ensure that our energy demand is covered with renewable energy, the contract with Electroperú was extended to supply 100 % renewable electric power. The new contract will enter into force on September 1, 2025.

To guarantee efficiency in power consumption, we have power gauges installed in every production process, allowing energy performance constant monitoring. In addition, we implemented an annual calibration plan and contrast of these gauges, to ensure accurate measurement as part of our energy management strategy.

**WE HAVE POWER  
GAUGES INSTALLED  
IN EVERY  
PRODUCTION  
PROCESS,  
ALLOWING ENERGY  
PERFORMANCE  
CONSTANT  
MONITORING.**



We are moving towards the adoption of a structured methodology based on ISO 50001 international standard, to strengthen our capacity to manage, measure, and improve energy use in a systematic manner. A key element of this system is the execution of an annual calibration plan and contrast of gauges in our Pisco plant, to ensure accurate measurement and facilitate the identification of opportunities to optimize power consumption.

WATER MANAGEMENT

(GRI 3-3, 303-1, 303-2, 303-3, 303-4)

We are committed to the efficient and responsible use of water, aligned with the principles of circular economy. Aware of the challenges posed by the accelerated depletion of water resources, we have developed a comprehensive strategy that prioritizes optimizing water consumption and reusing domestic and industrial effluents to promote their reinsertion in our operations. This strategy is based on initiatives aimed at water reduction, substitution and valorization, supported using advanced technology, research into new sources and strict regulatory compliance.

Our main water sources are underground Wells, which have a license for use and exploitation, issued by the National Water Authority (ANA). In 2024 we have included as an additional source, desalinated water from the sea, providing operational and environmental advantages.

→ TABLE 16  
WATER  
CONSUMPTION  
IN MILLIONS  
OF CUBIC  
METERS  
(GRI 303-5)

	2021	2022	2023	2024
Total taken from municipal water supplies (or from other utility sources)	0	0	0	0
Fresh surface water used (from lakes, rivers, etc.)	0	0	0	0
Sea water extraction	0	0	0	0.700070
Fresh groundwater extracted	1.5042470	1.671989	1.682076	0.744228
Water returned to its initial source at a quality similar to or better than the water extracted	0	0	0	0
Total freshwater used	1.5042470	1.671989	1.682076	1.444298
Total freshwater consumption goal	1.621789	1.618555	2.073479	1.649478

Note: The scope of the information is from the Pisco plant. It does not consider water for green area irrigation.



1.297 m<sup>3</sup>/t  
WATER CONSUMPTION IN  
2024

The largest water consumption processes occur in the Steel plant and Rolling mill. To improve our water efficiency, we assess and monitor water consumption in each process monthly. We also implemented a water balance in the Pisco plant, recorded through high accuracy measurement systems, such as magnetic gauges.

Our plant is in an industrial zone of Paracas, Ica, a district that benefits from relatively stable freshwater supply. The region has access to aquifers, such as Lanchas, declared as a regulated sealing zone, by articles

127 and 129 of the regulations of the water resources law and the head resolution N.º 330-2011-ANA. Although we are not in a water-stressed area, water consumption in our region is ruled by the Government due to these restrictions. This regulation is applied to ensure the sustainability of water resources, especially during the seasons when there is a proven reduced availability.

#### WATER EXTRACTION (GRI 303-3)

In line with our commitment to sustainability and the optimization of resources through

WE ARE COMMITTED  
TO THE EFFICIENT  
AND RESPONSIBLE  
USE OF WATER,  
ALIGNED WITH THE  
PRINCIPLES OF  
CIRCULAR ECONOMY.



0.257752  
million m<sup>3</sup>

OF WATER REUSED

48.5 %

OF EXTRACTIONS  
CORRESPONDED TO  
DESALINATED WATER

clean technologies, in 2024 we started using sea water as an alternative source, accounting for 48.5 % of the total extracted amount. This percentage reflects a significant increase compared to 2023.

Data was collected through magnetic gauge technology, installed in the main pipelines at the entrance of the Pisco plant, to guarantee measurement accuracy and reliability.

#### EFFLUENT QUALITY CONTROL AND SPILL PREVENTION

(GRI 303-2, 303-3, 303-5)

In Aceros Arequipa we do not discharge to receiving bodies. The industrial effluents generated are used to cool slag, to wash scrap and for pollution control where water evaporates. On the other hand, domestic effluents previously treated in our domestic wastewater treatment plants (PTARD), are reused to irrigate green areas, therefore ensuring we meet the quality standards required.

The key aspect to guaranteeing effluent management is to ensure the operation of the equipment and infrastructure through main-

tenance strategies based on a criticality analysis, guaranteeing optimal performance. Effluent quality is reviewed daily, and an external laboratory performs monthly tests to verify parameter compliance.

We have to domestic wastewater treatment plants, located strategically inside our operation, with processing capacities of 125 m<sup>3</sup>/day and 205 m<sup>3</sup>/day. They both use the Moving bed biofilm reactor (MBBR) technology, to ensure efficient treatment and the reuse of water in a guaranteed and certified manner.

The effluents treated meet the Environmental Quality Standards for water – categories 3 (vegetable irrigation) and MPL established in the current regulations. Measurement of key parameters such as pH, temperature, turbidity and flow are carried out with specialized equipment and verified through external analysis by laboratories certified by Inacal. Effluent monitoring is carried out on a semiannual basis with a certified laboratory (SGS Peru). We operate under use and exploitation licenses issued by the National Water Authority (ANA).

As a result of these measures, during this year we have not received any environmental fines or sanctions related to water management, effluents or potential spills.

In addition, we comply with the regulation related to the extraction of water from its underground wells, by not exceeding the extraction volume stated in the licenses of these wells in the restricted area.

At CAASA we are aware of the adverse effects that spills can have on the environment, therefore, we have an environmental emergency response plan in place, in which spills have been identified as an emergency. This plan indicates the activities to be carried out before, during and after the emergency. We also carry out training and drills in the event of an emergency, for the use of the anti-spill kit, and we keep our personnel alert and equipped with the appropriate tools in the event of an emergency.

#### WATER RELATED RISKS MANAGEMENT

At Aceros Arequipa we recognize water is a strategic resource and a critical factor for the sustainability of our operations. As part



of our Strategic Management Cycle, we use the GIRO Methodology to identify, control, and mitigate water risks or impacts, with an operational and strategic approach.

This approach includes monitoring global and local trends, as well as the analysis of internal and external factors. Also, it is the starting point to identify and assess strategic and emerging risks.

Climate change, and especially water management, is becoming a central challenge. As part of our environmental risk management, and climate resilience planning, we have developed comprehensive water risks management strategies, described in our “Climate change risks and opportunities Report”. One of the water-related risks in the following: “RF1: Increased costs due to the use of alternative resources (forced air and desalinated water) for cooling in the production process, due to scarce availability of underground water in the steel complex location”.

We have carried out climate and stress tests and we assess the forecast of scarcity scenarios such as a 48 % and 42 % reduction of

water availability for the Pacific 1 and Pacific 3 hydrologic regions respectively, and we adapted our operations through growing use of desalinated water.

Although changes in regulations such as tariff increase or reduction of extraction volumes are not material for our operations, we maintain a proactive approach by using water efficiently to minimize any possible impact.

#### KEY INITIATIVES FOR WATER MANAGEMENT

To mitigate water-related risks, and to guarantee the sustainability of our operations, and minimize our water consumption, we have implemented the following actions:

- Forced air cooling systems: We incorporate this technology in process steps that do not require large temperature drops, reducing dependence on water.
- Desalinated water supply contract: we have partially replaced groundwater extraction with water from a desalination plant.

- Recirculation in production processes: we continuously improve the industrial water treatment system by increasing recirculation cycles and optimizing consumption.
- Treatment of domestic residual water: we maintain advanced systems to ensure allowable concentrations for irrigation of green areas and our perimeter live fence.
- Exploration of new water sources: We prioritize the extraction in areas with no water deficit, contributing to local water security.





## 3.4. Circular economy and waste management (GRI 3-3)

→ INFOGRAPHIC 21  
**CIRCULAR  
ECONOMY**



### Objective

**Specific objective 1:** Increase the use of our waste.

**Specific objective 2:** Increase the use of Industrial By-Products.

### Goal 2027

Reach 48 % use of waste and Industrial By-Products (IBP) generated.



### Goal 2030

Reach 60 % use of waste generated.

Reach 60 % use of Industrial By-Products generated.

Note: Industrial By-Product (IBP), resulting from our processes.



## WASTE MANAGEMENT

(GRI 306-1, 306-3, 306-4, 306-5)

At Aceros Arequipa we prioritize the valuation of waste generated during the Steel production process, focusing in minimizing final disposal. We have established indicators and implemented initiatives that allow us to meet specific goals in solid waste (SW) use.

We use the following classification to manage our waste efficiently:

1. **Solid Waste (SW):** include materials generated by ancillary activities such as cleaning, packaging and transportation of materials (timber, cylinders, containers, paper, and cardboard, plastic, glass and others similar to household waste).
2. **Industrial By-Products (IBP):** materials specific to the Steel industry, which generation is directly related to the steel production volume.

Our approach includes minimizing administrative waste and promoting sustainable practices such as the following:

- Avoiding unnecessary printing of documents and opting for digital formats through systems such as Goldenbelt, which virtually centralizes the integrated management system.
- Using digital signatures in specific procedures, significantly reducing paper consumption.
- Monitoring and controlling the number of documents printed per user.
- Implementing biodegradable materials at the cafeteria, such as replacing disposable products as cups, packages and bags.

We also promote and practice adequate segregation at the source. We have labelled containers to classify waste according to their physical characteristics. This is then transfer to the solid waste central warehouse. Management of waste generated by the organization is developed internally, except for the transportation and final disposal services, which are tendered through a due diligence process. In this process we verify authorized registries issued by the MINAM.





During the service, we review documents such as solid waste management manifests and certificates of final disposal.

To minimize waste generation in our operations and value chain, we implemented the Integrated Waste Management and Industrial By-products programs.

In 2024 there was an increase in waste generation resulting from projects developed in the Callao and Lurin sites, where we managed to value a significant quantity of debris.

Our focus is oriented to use the waste, for which we have established a goal of 35% valuation for 2024. In addition, an antagonist goal was defined, corresponding to the amount of non-reusable waste over the total amount of waste, estimated in 65 %. For this antagonist goal, good performance implies a reduction, that is, below 65 %.

In the last few years, significant progress has been made in sustainable waste management, progressively reducing the percentage of waste disposed or that has not been reused. In

2021, this percentage was 65%, in 2022 it was 78%, in 2023 it reached 72% and fell to 39% in 2024.

Non-hazardous waste management was classified in two large categories: reusable and non-reusable, with an additional sub-division according to the use and disposal alternatives. This year, we generated debris, managed through a company specializing in waste management, ensuring its recycling and reuse in the construction sector.

On the other hand, there was an increase in hazardous waste generation as a result of the Lurin tube plant implementation, and the relocation of the Callao tubes plant. Among these was the generation of contained oily water, managed by a solid waste operating company in charge of treating and recycling the oil present in the waste.

→ GRAPH 24  
**WASTE SOLD  
/RECYCLED/  
USED IN  
METRIC TONS**



→ GRAPH 25  
**WASTE  
GENERATED IN  
METRIC TONS**





## COMPREHENSIVE WASTE MANAGEMENT PROGRAM

(GRI 306-1, 306-2)

The purpose of our Comprehensive Waste Management program is to guarantee responsible handling of solid waste generated in our operations, including its minimization to its valuation of final disposal. This approach allows reducing significant environmental impacts and reaffirms our commitment to sustainability.

The main objective of this program is to promote responsible consumption of resources, in line with the principles of circular economy, promoting practices that help to reuse and recover materials.

### MOST IMPORTANT ACTIONS IN 2024

This year we have implemented the following initiatives, which have implied an investment in Research and Development to minimize waste:

- **Training in integrated solid waste management:** training sessions for employees to ensure adequate and responsible handling of waste.
- **Awareness-raising campaigns for proper segregation:** education activities that aim at raising awareness about the importance of correct separation of waste at the source.
- **Implementation of a composting machine:** technology installed to process organic waste and transform it into compost that can be reused.
- **Valorization of unused blankets:** conditioning of discarded blankets, to turn them into useful resources for new uses.

For data management related to SW generated, these are weighed when they come in and before their final disposal or valuation, and the data is monthly uploaded in the Environment Area. This information feeds the % of common and plant -corporate waste indicator.





After a correct segregation, we reuse the waste and handle it according to the following guidelines:



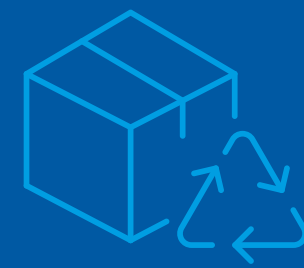
### SEGREGATION AND STORAGE AT THE SOURCE

It is the classification made by each generator considering the main physical characteristics and even the labeling of the waste. With this information, the generator will have to locate the nearest collection point and place the waste in the corresponding containers.



### INTERNAL COLLECTION

It is the company's collection system to transfer the waste from the collection points to the solid waste central warehouse.



### CENTRAL STORAGE

Space where the different types of waste are stored. Non-usable waste goes directly to a hopper, recyclable waste goes to its different cells for subsequent conditioning. (compacting), hazardous waste goes to its specific cell and the oil used is filtered for future sale. We also have cells for timber and tires, and a special cell for the cafeteria organic waste for compost production. Last, we have a cell for waste electrical and electronic equipment (WEEE), and another for bio contaminated waste.



### USE OF SOLID WASTE

We sell used oil, wastewood and plastic. We donate paper and cardboard waste to Asociación de Recicladores Ciudad y Mares Limpios, in San Andrés, Pisco, and in Lima to the Reciclar para Ayudar program, of Asociación de Ayuda al Niño Quemado (Aniquem).

We produce compost from organic waste of the cafeteria.



### FINAL DISPOSAL

We ensure proper final disposal of hazardous and non-hazardous waste in infrastructure authorized by Minam.



## IN OUR OPERATIONS, THE GENERATION OF IBP REPRESENTS BOTH A CHALLENGE AND AN OPPORTUNITY TO STRENGTHEN OUR COMMITMENT TO SUSTAINABILITY.

### IBP MANAGEMENT PROGRAM

(GRI 306-1, 306-2)

In our operations, the generation of IBP represents both a challenge and an opportunity to strengthen our commitment to sustainability. We identify the main IBP considering their volume and potential impact on the environment, especially regarding the land use related to its final disposal. To address this challenge, we implemented a comprehensive program that seeks to maximize the use of IBP through research, adoption of new technologies and collaboration with strategic partners.

The main purpose of this program is to promote responsible consumption of resources, in line with the principles of circular economy, and prioritizing valuation before final disposal.

This year, we have implemented several initiatives to encourage the use of IBP:

- **Use of zinc oxide from steel mill dust:** recycling this material for specific industrial uses
- **Recirculation of char and dolochar in the**

**melt shop:** reuse of these materials as inputs for the production processes

- **Recovery of metallic iron from slag:** slag processing to recover metallic iron and reuse it in the melt shop
- **Valuation of ecogravel to produce Eco blocks:** use of this by product to manufacture sustainable construction materials
- **Testing of eco gravel in concrete:** evaluation of its viability as a component in concrete mixtures
- **Donation of eco gravel:** use of this material to improve roads for the surrounding population, strengthening our relations with the areas of influence

For data management of the IBPs generated, the ratios are updated when the production processes change, and the responsible areas register monthly in the ERP-SAP system the generation and utilization data, based on weight. At the end of each month, the IBP utilization rate indicator is reported. In addition, every six months an external company is contracted to cube the IBP accumulations, verify the volumes recorded in ERP-SAP and adjust the data with the approval of management if necessary.

### CIRCULAR ECONOMY

Our circular economy strategy is designed to maximize the efficiency in the use of resources and minimize the environmental impacts of our operations, in line with our business model and with the sustainability and competitiveness principles.

Due to our electrical technology, our business model is in line with the circular economy:

- **Recycling as the basis of the model:** we consume large amounts of iron scrap as our main input and produce 100 % recyclable goods.
- **Natural resource efficiency:** we strive to use natural resources optimally to reduce production costs, guaranteeing competitive market prices.
- **Innovation and sustainability:** through investment in state-of-the-art technology, we seek to maximize the recovery of materials that generate economic and environmental value.



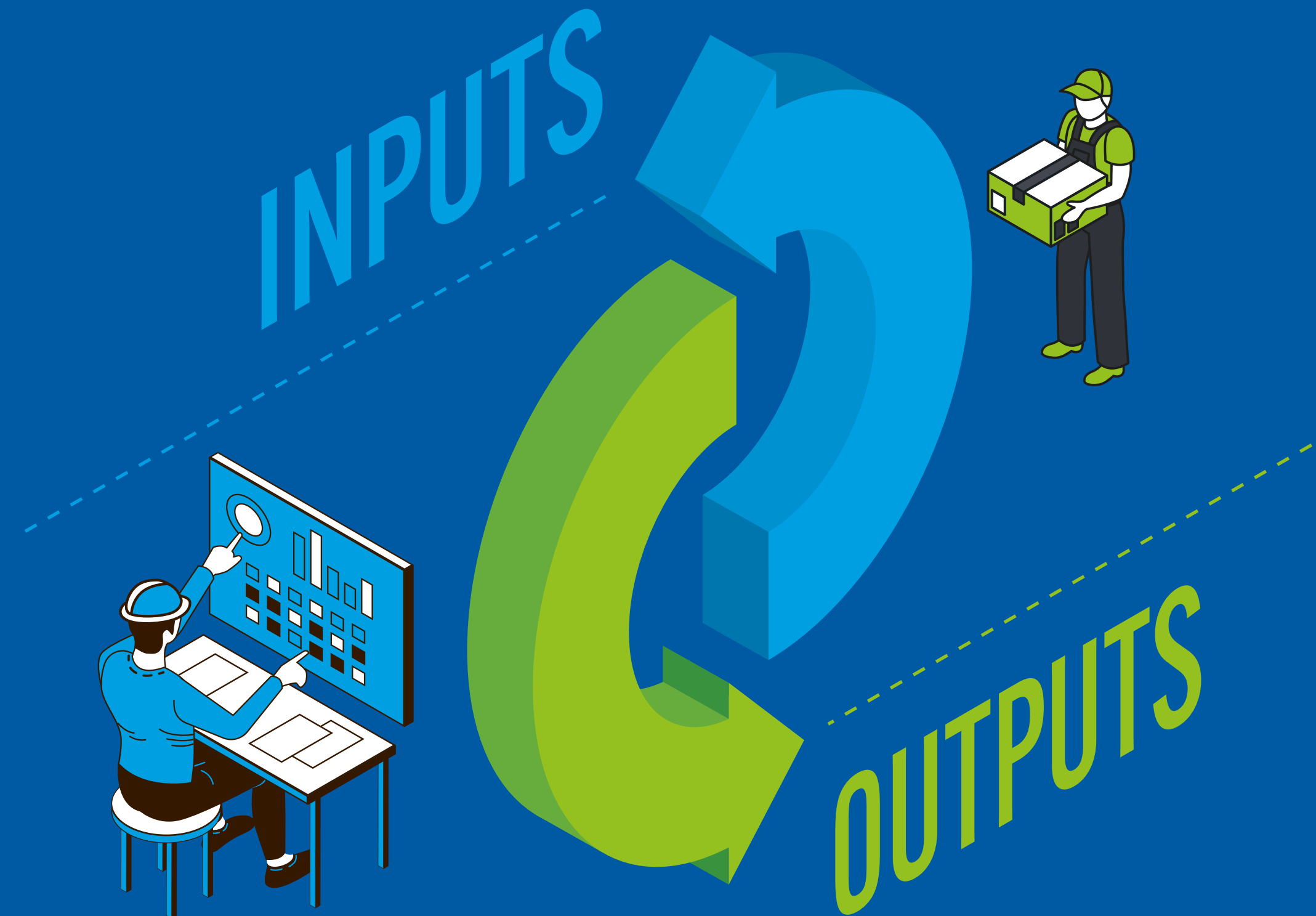
Our approach is divided into two key components: inputs and outputs.

### SUPPLY OF FERROUS SCRAP

We focus on strengthening the supply chain through strategic alliances with reliable partners and implementing storage yards in different parts of the country and abroad. This allows us to guarantee a constant flow of recycled material as the main input for our production.

### OPERATIONAL EFFICIENCY

We adopt state-of-the-art technology, and we develop continuous improvement projects in our operations to optimize the use of natural resources, reduce costs and improve market competitiveness.



### CHARACTERIZATION OF SOLID WASTE AND IBP

We carry out a detailed analysis of the materials generated in our operations, to identify technologies or establish collaboration with strategic partnerships that allow to reintroduce these materials in the internal and external value chain.

### REINSERTION AND INDUSTRIAL SYMBIOSIS

We invest in technological innovation and research to recover materials that can be reused in the Steel complex or that can be valuable for third parties, therefore promoting industrial symbiosis and contributing both to sustainability as to profitability.





### ESG AWARD BY SEMANA ECONÓMICA

Our Non-Ferrous Metals Recovery project was recognized in the third edition of the Semana Económica ESG awards, in the Environmental category. The purpose of this project is to value waste generated during the industrialization of scrap, specifically, in recovery of metals such as aluminum, copper, stainless steel, and others, through advance magnetic separation systems and gravimetry. This way, we help to reduce the extraction of virgin raw materials under our circular economy approach.

Every year we process around 36,000 t of industrial waste, and we manage to recover valuable metals to reintroduce them in the recycling value chain. The implementation of this project allows avoiding excessive waste accumulation, which significantly reduces handling costs and represents savings in transportation and final disposal. Additionally, the project generates a new income flow through the sale of recovered metals in international markets, therefore diversifying our financing sources and strengthening our financial position. This allows us to reinvest in key areas for the company's sustainable development and also, to reinforce our capacity to move towards more ambitious goals, such as 60 % use of IBP by 2030 and, later, to be recognized as a zero-waste company.



### IBP STOCK

We have implemented a dedicated space on our website detailing the technical data sheets of the various by-products generated by our operations, such as ecogravel, scale, refractories and other materials. These sheets highlight the physical and chemical properties of each sub-product and include relevant references for possible applications. By sharing the characteristics of these materials, we can sell or provide background for research that encourages circular economy in different sectors. **Click here to learn more.**





## → INDUSTRIAL BY-PRODUCTS (IBP)

### SLAG

Slag is a by-product generated during the Steel melting process in the electric furnace, when impurities are separated from liquid Steel in the furnaces, and is mainly made up of CaO, FeO y SiO<sub>2</sub>.

However, as part of the process, it drags part of the metallic load, which is recovered in the slag crushing plant. In this process, the slag is cooled down with rejected water from reverse osmosis, and through a system of hammers and magnetic bands, we can recover metallic iron (around 10 to 15 %), which is sent again to the smelting process. On the other hand, the remaining material generated is called ecogravel, granulated scrap.

### STEEL MILL DUST

Particulate matter captured by the steel plant's fume treatment system. It is generated as part of the steel mill emissions treatment. The fumes generated in the steel smelting and refining process are treated

in sleeve filters where the particulate material is captured, and gases are cleaned before they are released into the atmosphere.

### SCALE

It is an iron oxide generated during production, billet reheating and the industrialization process. It is formed from the oxidation and detachment of particles from the steel surface. Depending on the process, it may be laminar or granular.

### CHAR/DOLOCHAR

Mixture of solids with partially burnt carbon content. It was generated in the direct reduction process, where carbon was injected to reduce oxygen present in the mineral or iron pellets during the production of sponge iron. However, the carbon did not totally burn down, generating a high concentrate material called char/dolochar mixture.

### ECOGRAVEL

Ecogravel is an aggregate of artificial origin from the processing of steel slag from electric furnaces. Ecogravel is not toxic, reactive, corrosive or flammable, therefore it is defined as a totally inert material. Due to its characteristics and properties, ecogravel replaces conventional aggregates, mitigating environmental impacts and promotes circular economy.

Ecogravel is generated from metallic iron recovery contained in the slag of the electric furnace, made up of silicates and oxides.





CHAPTER 4

CREATING  
SHARED VALUE





## 4.1. Outstanding Talent Based on Merit (GRI 3-3)

→ INFOGRAPHIC 22  
EXTRAORDINARY  
TALENT BASED  
ON MERITOCRACY

### Objective



Develop talent with high levels of outstanding performance.

### Goal 2027

Over 85% on the Sevad assessment.

Keep the engagement score above 80% in the Great Place to Work (GPTW) assessment.



### Goal 2030

Over 90 % on the Sevad assessment.

Keep the engagement score above 80% in the Great Place to Work (GPTW) assessment.

### Progress 2024



## 100 %

timely fulfillment  
of operational  
performance.

## 83 %

in the GPTW  
assessment



At CAASA we recognize that our human talent is the key factor behind every achievement and the pillar of our business management. Our mission is to be a strategic partner for the talent management organization, to contribute towards achieving results and business sustainability. Therefore, our talent management strategy is driven by principles to ensure that our actions, corporate values, and internal policies are aligned with best practices in human resources and strict compliance with current labor legislation. This framework allows us to guarantee a working environment that fosters professional development, innovation, and commitment. So as to succeed, our commitment consists of attracting, retaining and developing talent by means of labor relations based on transparency, respect, equality and justice.



## AWARDS

In 2024, CAASA received various awards for its commitment to providing an excellent work environment for its employees.



We have been recognized as a Great Place to Work-Certified™ company for the December 2023-December 2024 period, in acknowledgment of our commitment to providing a world-class work experience for our employees.



We are listed in the Merco Talento 2024 Ranking for companies recognized for retaining and attracting talent. We ranked 72nd in the general ranking and first place in the steel sector in Peru.



## OUR WORKFORCE (GRI 2-7, 2-8)

1,050  
TOTAL 2023

1,061  
TOTAL 2024

In 2024, female employees accounted for 12% of the total workforce. This represented an increase of approximately 1.1% over the previous year. On the other hand, during the same period, the company had 1,228 outsourced workers (contractors and other external staff).

## DEVELOPMENT AND LEARNING

(GRI 404-1, 404-2)

Ensuring the continuous professional development of our employees is fundamental when it comes to driving change in our company. At CAASA we offer a range of training and development programs as well as opportunities designed to strengthen their skills and knowledge, fully aligned with our business strategy. These initiatives have a direct impact on achieving results and ensuring sustainability of the business.

In 2024, our employees received an average of 39.85 hours of training (10.14 hours of compulsory training and 29.71 hours of non-compulsory training). As part of our commitment to excellence, we acknowledge and reward the employees who achieve the highest number of training hours, to encourage their commitment to continuous learning.

The following are some of our regular internal development and training programs:

39.85

AVERAGE TRAINING HOURS  
PER PERSON PROVIDED IN  
2024

S/ 988.04

AVERAGE  
AMOUNT  
SPENT PER  
EMPLOYEE ON

TRAINING AND  
DEVELOPMENT PROGRAMS

### → GRAPH 26 EMPLOYEES BY GENDER





## → STEEL LEADERS PROGRAM

Steel Leaders (*Líderes de Acero*) is a comprehensive program aimed at consolidating the leadership skills of the employees which currently supervise equipment, as well as those who are moving into leadership roles. Addressed to senior leaders and individual leaders and employees.

**BENEFITS FOR THE BUSINESS:** with better trained leaders, we can manage organizational results more effectively, enhancing the performance and commitment of the people who make up their teams.

**CONTRIBUTE TO  
STRENGTHENING  
OUR WORKERS  
LEADERSHIP SKILLS.**

RESULTS FOR 2024:

**6 HOURS**  
OF TRAINING PER PARTICIPANT

**89**  
PARTICIPATING EMPLOYEES

**8 %**  
OF PARTICIPATION BY FULL TIME  
EMPLOYEES

**94 %**  
SATISFACTION OF PROGRAM PARTICIPANTS,  
IMPACTING ON INDICATORS OF  
ORGANIZATIONAL CLIMATE





## → EXCELLENCE LEARNING PROGRAM

This is an initiative that seeks to consolidate the skills of our employees with specialization courses at renowned academic institutions such as the University of Engineering and Technology (UTEC), Pacífico Business School, Centrum and Tecsup. Through this initiative, participants acquire new technical skills and soft skills, which consolidate their perfor-

mance in their current position and enhance their prospects for career development.

**BENEFITS FOR THE BUSINESS:** having highly trained employees means better organizational performance, optimized results and increased contribution to achieving strategic objectives.

**TO CONSOLIDATE  
THE SKILLS OF  
EMPLOYEES  
THROUGH  
SPECIALIZATION  
COURSES OFFERED  
BY PRESTIGIOUS  
INSTITUTIONS.**

RESULTS FOR 2024:

**24 HOURS**  
OF TRAINING PER  
PARTICIPANT

**61**

PARTICIPATING EMPLOYEES

**6 %**  
OF PARTICIPATION  
BY FULL TIME  
EMPLOYEES

**100 %**

SATISFACTION OF PROGRAM PARTICIPANTS,  
IMPACTING ON INDICATORS OF ORGANIZATIONAL  
CLIMATE





## → SALES PEOPLE OF STEEL PROGRAM: BOOST YOUR SALES

This program is designed to develop the teams' commercial skills, enhancing their performance in key areas such as negotiation, customer service and productivity. Over the course of seven practical and dynamic workshops, participants strengthened their interpersonal skills, adopted best practices and acquired tools to face the challenges of the commercial sphere more effectively. The initiative also fostered personal and profes-

sional growth and consolidated a culture of excellence and high performance within the organization.

**BENEFITS FOR THE BUSINESS:** directly contributes to organizational growth as it improves the team's ability to generate value in each commercial interaction, optimizes customer experience and enables strategic objectives to be achieved more efficiently.

## BUILDING THE TEAM'S COMMERCIAL SKILLS TO IMPROVE PERFORMANCE.

### RESULTS FOR 2024:

**24.5 HOURS**  
OF TRAINING PER  
PARTICIPANT

**90**

PARTICIPATING EMPLOYEES

**8 %**  
OF PARTICIPATION  
BY FULL TIME  
EMPLOYEES

**87 %**

SATISFACTION OF PROGRAM PARTICIPANTS,  
IMPACTING ON ORGANIZATIONAL CLIMATE  
INDICATORS





## → ADDITIONAL PROGRAMS TO HELP DEVELOP TALENT AT CAASA

At CAASA, together with our strategic learning programs, we offer a range of initiatives aimed at promoting the overall development of our employees, enhancing their technical skills, leadership, and adaptability in a constantly evolving environment.

### LABOR RELATIONS PROGRAMS: WORKPLACE DISCIPLINE

This program is designed to strengthen leadership skills of managers, superintendents, and directors, to ensure management is aligned with corporate values and in compliance with applicable regulatory frameworks.

### MICROSOFT EXCEL PROGRAM

Focused on developing practical skills for data management, information organization and report generation. This program enabled employees to optimize their daily workflows. During 2024, **3,330 hours of training** were provided, significantly impacting productivity.

### BUSINESS ENGLISH PROGRAM

Aimed at improving communication in English in work contexts. This program is focused on

key vocabulary for meetings, presentations, and drafting documents. In 2024, **13,920 hours of training** were delivered, enhancing employees' capabilities to engage effectively in today's globalized environment.

### SELF-GUIDED LEARNING PROGRAM

The LinkedIn Learning platform provided 150 licenses to employees who expressed an interest in self-learning. These licenses grant access to an extensive array of technical and personal development courses. This program provided **867 hours of learning**, which encouraged a culture of independent knowledge management.

### CULTURE OF INNOVATION PROGRAM

This program focused on preparing employees to face the challenges of digital transformation by means of online and face-to-face sessions on modern technologies, such as AI and advanced data analysis tools, which are key to efficiency and competitiveness.

### MANDATORY TRAINING FOR OUR EMPLOYEES

We have implemented a mandatory training

program based on performance and development evaluation results, management's performance ratings as well as on the needs identified by our leaders over the course of the year. We want to ensure that all our employees have the necessary tools and knowledge to perform their duties safely, ethically, and efficiently. Key topics covered with employees at the Pisco plant are outlined below.

# 100 %

OF EMPLOYEES  
RECEIVED TRAINING ON:

1. Code of Conduct and Ethical Line.
2. Occupational health and safety policy, as well as training on the main risks associated with their jobs.
3. Company's salary guidelines and policies.





## PERFORMANCE REVIEW

(GRI 404-3)

At CAASA the performance of employees is reviewed using our Sevad system, which aims to measure performance levels in three key areas: objectives, responsibilities, and skills. The entire process is collaborative and involves quick and frequent conversations along with continuous feedback. In addition, it provides timely feedback for

continuous improvement, guided by leaders, and allows for a personalized Individual Development Plan (IDP) to meet the needs of each employee. This assessment, for all employees of CAASA and its subsidiaries, covers both administrative and operational staff.

The scope of the system, which includes all CAASA and subsidiary employees, encom-

passes both administrative and operational staff. The performance assessment, which includes adherence to the Code of Conduct, also considers corporate competencies, as well as applicable warnings and sanctions. Review results help in proposing annual salary increases and making salary adjustments for promotions or wage deductions.

**100 %**  
OF TIMELY FULFILLMENT  
OF OPERATIONAL  
PERFORMANCE

### → GRAPH 27 ANNUAL ASSESSMENT CYCLE - SEVAD



#### Establishing Objectives and Responsibilities

- Proposal of objectives and responsibilities
- Approval of objectives and responsibilities



#### Mid-Year Assessment

- Mid-year self-assessment
- Mid-year self-assessment and feedback



#### Year-End Assessment

- Year-end assessment
- Final assessment



#### Feedback and Personal Development Plan

- Pre-calibration and calibration
- Final Review: feedback and PDP



**100%**  
OF EMPLOYEES  
PARTICIPATING IN  
THE SEVAD PROGRAM  
HAVE RECEIVED A  
MULTIDIMENSIONAL, TEAM-  
BASED PERFORMANCE  
ASSESSMENT.

The Sevad combines different approaches:

- **Management Based on Objectives:** indicators, initiatives and activities are set through the Balance Scorecard (Balsc) platform and monitored both at individual and team levels.
- **Responsibility-based Assessment:** based on the description of each job position.
- **Evaluation by competencies:** our competency model includes four core competencies and two area-specific competencies. At executive levels (senior leader, leader, and individual employee), adherence to the Code of Conduct is integrated as part of the performance assessment, with emphasis on ethical behavior in all activities. Furthermore, reprimands and sanctions have a direct impact on performance results.

#### MULTIDIMENSIONAL ASSESSMENT

Each semester we perform a multidimensional assessment integrating a 360° feedback process in which leaders, peers and internal clients participate, this is in addition to individual feedback sessions held every six months.

#### TEAM-BASED ASSESSMENT

The assessment is conducted systematically by setting out measurable goals, previously

agreed with the line manager. Performance metrics for operational staff are set for both individual and groups over a specific period. These criteria are aligned with organizational objectives, such as productivity, participation in training courses and suggestion schemes, attendance and punctuality.

#### APPRECIATION PROGRAMS

Appreciation is a key pillar for motivating our employees and showcasing outstanding behavior and results, as well as encouraging excellence and continuous development. This approach reflects our corporate value: "We are passionate about our work." The main activities include:

1. **Outstanding Sevad Acknowledgement:** at the first Strategic Internal Communication (CIE) event of the year, the general manager rewards those employees who obtained the highest score in their annual performance review (Sevad).
2. **Ongoing Acknowledgement Module:** available on the Sevad platform, it enables leaders to give out immediate recognition.
3. **Annual Comprehensive Acknowledgement Program:** awards for five outstanding categories

- Steel Leaders
- Mi CAASA y yo
- Self-Directed Learning
- Steel correspondents
- Employer brand ambassadors

In 2024, **11 outstanding employees** were acknowledged, and **87 awards were given in 9 of the 10 divisions**, reaffirming our commitment towards excellence and talent development.





**83 %**  
OF EMPLOYEES ENGAGED IN  
2023, WITH NO SIGNIFICANT  
DIFFERENCES BETWEEN  
MEN AND WOMEN<sup>14</sup>

### WORKING ENVIRONMENT

At CAASA we conduct regular assessments of the working environment at our sites based on the Great Place to Work® (GPTW) methodology, focusing on five key areas: respect, credibility, camaraderie, fairness, and pride. This approach helps us to maximize human potential and build trust through innovation, corporate values, and effective leadership.

Our last survey was conducted in December 2023; we achieved recognition as a Great Place to Work-Certified™ company for the second consecutive term (December 2023 – December 2024). This prestigious certification is a recognition to our ability to provide our employees with work experience that meets the highest international standards.

We measure our organizational environment every two years; the next assessment is in 2025. In the most recent survey, 96% of our employees participated actively, 83% of them declared themselves actively engaged<sup>15</sup> with the organization, an indicator that reaffirms our position as a place where people want to work, grow and contribute.

Key Indicators of the Study:

- **Job satisfaction (External Motivation):** This indicator measures overall employee satisfaction and identifies strengths and opportunities for improvement to keep a healthy workplace environment.
- **Purpose (Internal Motivation):** Assesses the level of personal motivation and meaning that employees find in their work. In this way we can monitor and manage tools that foster an emotional connection with the organization.
- **Happiness at Work:** Measures the level of happiness experienced in the workplace, ensuring a positive and motivating environment for employees.
- **Workplace Stress:** Monitors the level of stress felt, enabling the use of tools to mitigate its impact and promote overall well-being among our employees.

To strengthen bonds with our employees, we have implemented several internal communication strategies that foster interaction, transparency, and commitment. These initiatives include corporate e-mails and visual communication materials in the plant, such

**THIS APPROACH  
HELPS US TO  
MAXIMIZE HUMAN  
POTENTIAL AND  
BUILD TRUST.**

<sup>14</sup> The goal for work engagement level in 2023 was 87 %.

<sup>15</sup> Results of Engagement levels: women (86 %) and men (82 %)



as murals, bulletin boards, and closed-circuit television, which effectively ensure the dissemination of key information. In order to analyze and identify areas for improvement, results are broken down by department and hierarchy level.

Furthermore, every six months we hold the Strategic Internal Communications Event, a forum where the general manager and his management team share CAASA's progress, challenges and strategic projects. This event also provides an opportunity for the company`s employees and those of its subsidiaries to ask questions on various issues, which helps to reinforce two-way communication.

→ TABLE 17  
COMMUNICATION  
CHANNEL

Communication Channel	Frequency
Emails	Daily
Strategic Internal Communications Event	Biannual
Intranet	Daily
Public space media (murals, bulletin boards, and panels)	Weekly
People of Steel Magazine (digital and printed)	Quarterly
TV sets (dining area at Pisco site)	Daily
Steel Correspondents	Ongoing







## WITHHOLDINGS AND BENEFITS

(GRI 401-2)

We offer a wide range of benefits designed to promote the overall well-being of our employees, as well as their professional and personal advancement. At CAASA, all our workers enjoy the same working conditions and benefits, as there is no distinction based on the type of work they do. The following is a summary of these benefits aimed at promoting the health and well-being of our employees.

### → INSURANCE AND HEALTHCARE COVERAGE

- **Preventive Immunization:** influenza, tetanus, and hepatitis
- **Health Campaigns:** on-site campaigns at our facilities: ophthalmology, chiropractic treatment, dermatology, dental care
- **Partially Subsidized EPS (Private Healthcare Providers):** partially/fully subsidized Private Healthcare Provider coverage
- **Subsidized Insurance Policies:** full subsidy for insurance coverage: Statutory Life with no payout cap, Group Life insurance (supplement to Statutory Life Insurance), and personal accidents insurance
- **Discounts on Healthcare Services:** agreements with medical clinics to secure corporate rates.

### → STRESS MANAGEMENT AND HEALTHY LIFESTYLES

- **CAASA Takes Care of You (CAASA Te Cuida) Program:** initiatives such as presentations on use and abuse of substances, healthy recipes, nutrition, relaxation techniques, among others.
- **Awareness-Raising Sessions:** workshops on stress management and development of healthy habits.
- **Nutrition Counseling:** aimed at promoting a healthy diet and lifestyle in-company to reduce cardiovascular health risks and improve overall health of employees.
- **Active Breaks:** encouraging brief exercise breaks throughout the workday to improve concentration and reduce stress.
- **Monkeyfit:** exclusive benefits for employees and their families
- **Company Social Events:** sports events held in Pisco and Lima to promote teamwork and team building.

### → WORKING CONDITIONS

- **Flexible Work Hours:** flexible schedules during the workday
- **Hybrid Mode:** option to work from home 2.5 days a week
- **Summer Schedule:** shorter work week over the summer

### → FAMILY BENEFITS

- **Nursing Rooms:** specially equipped facilities available in Lima and Pisco to assist nursing mothers with breastfeeding.
- **Paid Parental Leave:** paid leave for primary caregivers after the birth of their child.
- **Leave for Prenatal Check-Ups:** a four-hour term of paid time off to attend monthly medical check-ups.



We offer maternity and parental leave as stipulated by law, consisting of 14 weeks of postnatal leave for the mother and one calendar week for the father. All employees who accepted this entitlement returned to work. Moreover, 100% of these employees have remained with the company for at least 12 months after the end of their leave.

(GRI 401-3)

**2 FEMALE EMPLOYEES  
TOOK MATERNITY LEAVE**

**11 EMPLOYEES TOOK  
PATERNITY LEAVE**

## → ADDITIONAL BENEFITS

- **Vacation allowance:** basic monthly salary/wage paid when employees take vacation.
- **Food allowance:** financial allowance granted for each effective day of employment (workers).
- **Transport allowance:** a 50% travel subsidy to the pisco plant for employees based in Ica and Chincha.
- **Night shift bonus<sup>16</sup>:** a 20% bonus on the basic hourly rate for working night shifts.
- **Advance salary payment:** payment program for salaries payable on the 14th (fortnight) and the 28th (end of the month).
- **School loan:** interest-free loans for school expenses granted every year between January and February.
- **Discount on iron purchases:** 25% discount on commercial iron purchased for the construction of family homes
- **Laptops sold at special prices:** Employees may purchase a laptop assigned to them at a special price upon renewal.
- **Parking:** parking space benefit for general supervisor categories or higher, subject to availability.
- **Allowance upon death:** allowance upon death of employee and immediate family (parents, spouse and children).
- **Discounts for entertainment and cultural activities:** agreements with entertainment providers to obtain corporate prices (hotels, theaters, amusement parks, etc.).
- **Discounts on goods and/or services:** special agreements with suppliers to obtain corporate prices (schools, gas stations, technological products, among others).
- **Discounts on academic programs:** Agreements with providers to obtain corporate prices (for postgraduate programs at universities, institutes of technology, language schools, among others).

## RETIREMENT INCENTIVE PLAN

(GRI 404-2)

We deeply value the dedication and commitment shown by our employees throughout their working careers. Mindful of the importance of facilitating a dignified and planned transition to retirement, we have introduced an incentive plan designed to encourage early retirement for employees approaching retirement age.

Under this plan, each employee receives a financial allowance, based on their years of service, in recognition for their contribution to the company's growth and success.

Through this initiative, we seek not only to thank and honor the efforts of those who have played a fundamental role in our history, but also to ease their transition towards a new stage of life by providing support and peace of mind.



**36.19 %**  
OF EMPLOYEES  
BELONG TO A UNION

### RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 2-30, 407-1)

At CAASA we recognize and respect our employees' right to freedom of association, and they are free to join the **Trade Union of Arequipa or the Trade Union of Pisco**. We value their participation in collective bargaining processes and ensure that there is no discrimination of any kind related to their union membership or activities.

Every year we carry out a collective bargaining process with both trade unions, ensuring a respectful and transparent dialogue. This year we managed to sign collective agreements with both unions during the direct negotiation phase, without disruptions or work stoppages, demonstrating our commitment for consensus and harmony at work. Furthermore, we have introduced the necessary adjustments to comply with regulations issued by the Government.

In order to guarantee compliance with the agreements reached, we carry out the following activities:

- **In-depth Monitoring:** we verify compliance with each of the provisions agreed upon in collective bargaining agreements.

- **Smooth Communication:** we keep open and transparent communication with union representatives and our employees, fostering mutual trust.

Regarding benefits and working conditions, the agreements reached in collective bargaining agreements apply equally to all employees, thus ensuring fair treatment within our organization. This approach underpins our commitment to an inclusive working environment whereby each person can feel valued and respected.

At CAASA our contractors also share our commitment to work ethics. Our Code of Ethics expressly establishes such principles as non-discrimination and freedom of association, thereby reaffirming our commitment to maintaining a work environment that is fair and respectful for everyone.

### DIVERSITY AND EQUAL OPPORTUNITIES (GRI 3-3)

A company that is diverse not only broadens its horizons, it is also capable of developing more innovative solutions that are better adapted to a global and heterogeneous market, thus ensuring sustainable growth both

locally and internationally. That is why a positive and respectful culture is fundamental to achieving our strategic priorities: people, market, excellence, international growth and sustainability.

We have three key committees to ensure effective management of these matters: a Sustainability Committee, a Management Committee, and a Human Resources Committee, all of which receive and oversee information related to guarantee the best experience for our workers. The first two are made up of senior managers, while the third also includes Board representatives, thus ensuring sound governance and a comprehensive approach.

At CAASA we are governed by policies that ensure fair practices, thereby eliminating all forms of discrimination based on race, color, age, gender, sexual orientation, marital status, ideology, political opinions, nationality, religion, disability or any other personal, physical, or social condition.





## Our Commitments

In addition, in our organizational climate survey conducted with Great Place to Work (GPTW), we measured employee perception, highlighting the respect dimension, which evaluates key indicators such as rewards, absence of favoritism and fair treatment. This information is vital for implementing continuous improvement plans in these specific areas.

To monitor the effectiveness of our management, we conduct an annual follow-up through sustainability indicators. Participation and equal pay are the most outstanding indicators.





## Initiatives Aimed at Promoting Diversity and Equal Opportunities:

### → STEEL WOMEN ENGINEERS PROGRAM

As part of our commitment the promotion of women in the steel sector, in 2024 we successfully completed the Steel Women Engineers Program, an intensive learning initiative based on the Learning by Doing methodology. This program ran from September 2022 to February 2024.

#### **Program Objectives:**

- Promote gender diversity and encourage the active participation of women in the steel and industrial industries.
- Attract the most talented female university graduates in engineering to develop high-impact projects across different areas of the company.
- Offer hands-on learning experiences in a range of fields implementing high value projects.
- Build a pool of female talent for key positions in the industry.

The program created 10 temporary vacancies specifically designed for this purpose, organized into 4 rotations: 3 four-month rotations and one six-month rotation. Thanks to this endeavor, the company offered permanent contracts to eight participants in a range of strategic areas such as IT, transportation, processes, metallurgy, maintenance, production, environmental issues and continuous improvement.

### → ROUND TABLE TO MARK INTERNATIONAL WOMEN'S DAY

To celebrate International Women's Day, we organized discussion groups at our offices in Lima and Pisco, providing safe spaces for conversation and the exchange of experiences among CAASA's female staff. The event was well-attended and highly interactive, thus reflecting CAASA's commitment to building a culture of inclusion and equity.

#### **Program Objectives:**

- To foster a trustworthy and mutually supportive environment.
- To reflect on female participation in the company and their contributions to its development.
- To provide a space for participants to share their learning and concerns, and to foster collaborative support among attendees.

### → INVESTIGATION AND DISCIPLINARY ACTION AGAINST SEXUAL HARASSMENT

Annual training course for Human Resources staff and members of the Sexual Harassment Intervention Committee, specialized in investigating and punishing cases of workplace harassment, reinforcing the company's commitment towards a respectful and safe workplace.



## 4.2. Health and Safety in the Workplace

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

→ INFOGRAPHIC 23  
**OCCUPATIONAL  
HEALTH AND  
SAFETY**

### Objective



Successfully managing occupational health and safety  
issues without accidents

### Goal 2027

Ensure the safety culture has reached a stage that is  
independent according to Bradley's Curve (Stage 3)



### Goal 2030

To maintain the target of ZERO disabling accidents  
for employees in all our operations.

To advance towards a target of ZERO accidents for  
contractors across all our operations

### PROGRESS 2024



### 7 DISABLING ACCIDENTS

among employees

### 36 DISABLING ACCIDENTS

among contractors



At CAASA we are firmly committed to continuously strengthening our occupational health and safety (OHS) culture. Effective OHS management has a direct impact on workers' safety and brings significant benefits on a corporate level. Such benefits include cost reduction, increased productivity, a stronger corporate image, and compliance with legal regulations. Enhancing our OHS management allows us to foster a responsible organizational culture, safeguard the health and well-being of our employees and promote fair working conditions. It also positively impacts on our business by increasing operational efficiency and minimizing accidents and work disruptions.

As part of our Corporate Occupational Health and Safety Policy and our Comprehensive Management Policy, our priority is strict compliance with current regulations, such as Law 29783, on Occupational Health and Safety (OHS), along with its regulations (Supreme Decree 005-2012-TR) and Supreme Decree 42F, which is the Industrial Safety Regulation, as well as other applicable provisions. Additionally, we have Internal Occupational

Health and Safety Regulations, specific instructions, OHS risk matrices, written safe working procedures and several documents that underpin our OHS management actions.

We have identified the main risks involved in our operations, with the most critical being potential accidents with serious consequences, such as injuries or casualties, resulting from flaws in our OHS management system, standards and procedures. Moreover, we consider occupational and personal factors that may lead to poor performance and inadequate conditions, such as non-compliance with procedures, disregard for regulations or the use of equipment and tools when they are not fit for purpose.

We are ISO 45001 certified for occupational health and safety management.

To mitigate these risks, we conducted an in-depth situational analysis and designed a comprehensive plan encompassing all workers and activities, whether carried out by us or third parties, that take place within our facilities or under our orders.

**At CAASA we are firmly committed to continuously strengthening our occupational health and safety (OHS) culture.**





Our plan consists of the following four strategic pillars:

## 01 LEADERSHIP AND SAFETY CULTURE

- We encourage visible leadership with a commitment to safety.
- We encourage the active participation of employees and the commitment of senior management.
- We ensure the implementation and compliance of clear OHS policies.

## 02 HEALTH AND SAFETY MANAGEMENT

- The company operates a management system certified under the ISO 45001 standard, ensuring the implementation and continuous improvement of key processes such as training, dealing with emergencies, as well as hygiene and occupational health.

## 03 RISK MANAGEMENT

- We identify hazards and assess risks giving priority to the application of hierarchical controls.

## 04 OPERATIONAL EXCELLENCE

- We improve operational processes using engineering and automation controls, thus reducing risk exposure and raising safety standards.
- We follow the principle that productivity and safety go hand in hand, creating synergies between both.





## JOURNEY TO ZERO ACCIDENTS

At CAASA we aim to establish a working environment free from disabling accidents. To this end, our initial strategy focuses on addressing the most critical challenges. During the year, we have worked on preventing serious incidents by identifying the most significant risks and strengthening existing controls.

As part of this approach, we have boosted the use of innovative technologies, such as AI and data analysis, to anticipate and prevent hazardous situations and dangerous behavior more effectively. At the same time, we will drive initiatives aimed at strengthening our prevention and safety culture, to align the entire organization with our shared goal of zero accidents.



## MAIN MILESTONES

- Award for OHS Excellence 2024 – Rimac for AI-related safety projects on wire rod crossheads and hoisting.
- Harmonization of OHS condition checks at CAASA and third parties using the Safe Management Index (SMI), consisting of an on-site assessment to check compliance with minimum controls as required by law.
- Supporting efforts to formalize OHS management in subsidiaries (Barcino and AA Bolivia).
- Development, along with the IT department, of the 360 Security System to digitize security event reporting and optimize analysis.
- Communication campaigns and strengthening of OHS culture to encourage responsibility, enhance event reporting and encourage basic safety behaviors.



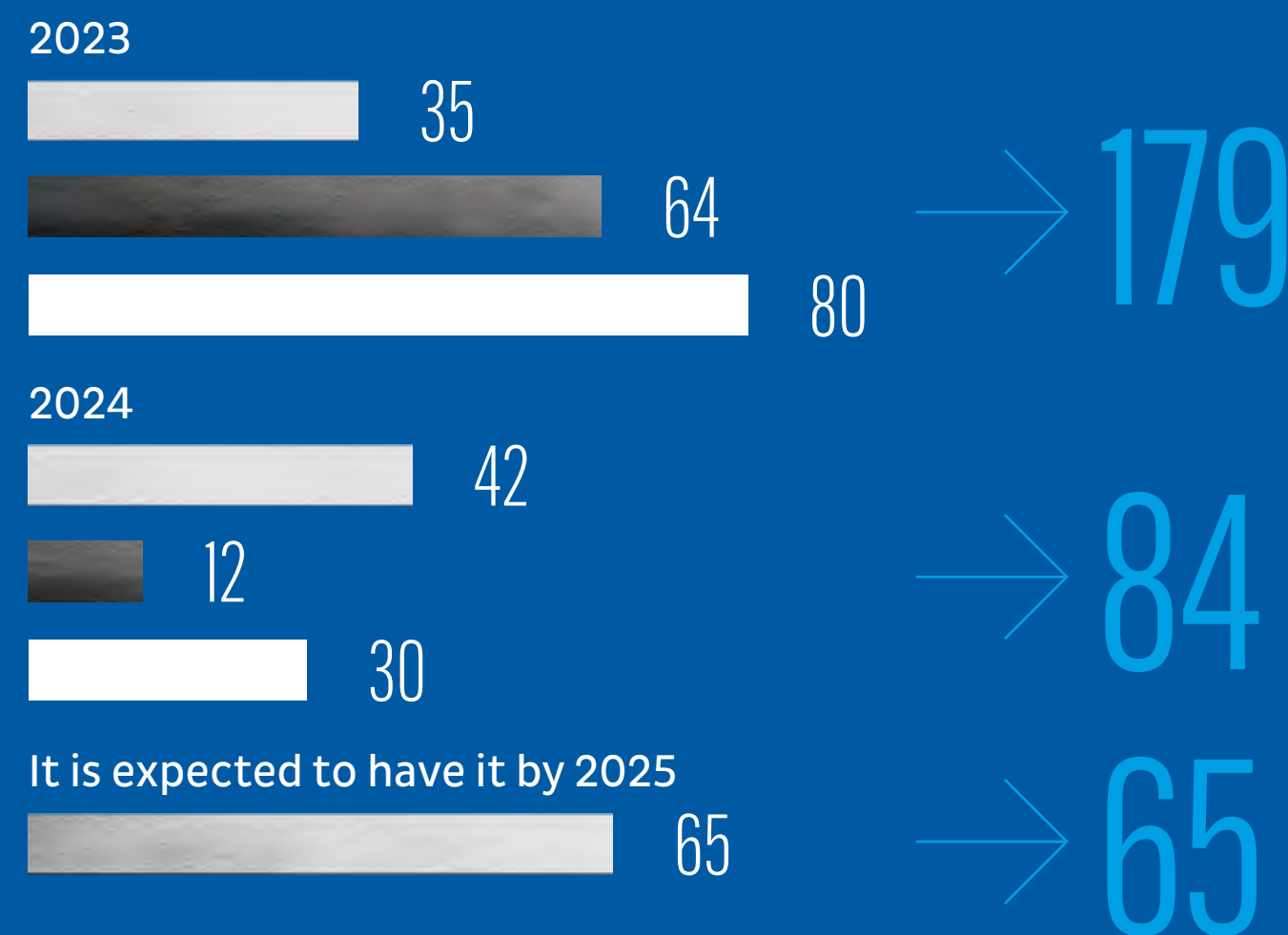
→ ZERO ACCIDENTS



## → OHS SERVICE OPTIMIZATION BY THIRD-PARTY COMPANIES

(Goal: Fewer supervisors with greater skills)

### → GRAPH 28 RESULTS OF THIRD-PARTY PREVENTIONISTS EVALUATED



Virtual  
Reality  
Assessment

- APPROVED PREVENTIONISTS
- DISAPPROVED PREVENTIONISTS
- PREVENTIONISTS NOT EVALUATED

164



## → SAFE MANAGEMENT INDEX (SMI)

### 42 OPERATIONAL CRITERIA

ACCORDING TO LEGAL REGULATIONS

- Order & Cleanliness
- Tools
- Equipment Operation
- Safety Harness
- Electrical systems
- Hoisting Loads
- Risk management
- Hazardous Energy
- Hazmat
- Signage

### 219 SMI ASSESSMENTS CONDUCTED

### 60 COMPANIES ASSESSED

WITH HIGH, MEDIUM AND LOW OHS RISK LEVELS

### 20 COMPANIES

APPROVED IN AUGUST

**SMI:** On-site assessment of level of minimum control compliance required by law.

## → IMPLEMENTATION OF SEGURIDAD 360

(System to report and analyze OHS events)

461

RECORDED AND  
INVESTIGATED  
EVENTS

- Pisco
- Lima
- Bolivia
- Colombia
- Ecuador
- USA



Quick communication via WhatsApp



## → COMMUNICATION PLAN AND REINFORCING OHS CULTURE



Different campaigns and messages on OHS served to strengthen the culture of our leaders and employees.

### 1. ENCOURAGE RESPONSIBILITY



#### SAFETY IS EVERYONE'S RESPONSIBILITY

Our management team spread this message, setting a good example and encouraging our employees to do the same.

### 2. STRENGTHENING EVENT REPORTING



#### MY TIMELY REPORT KEEPS ME SAFE

### 3. FOSTER BASIC SAFETY BEHAVIORS



#### RULES OF STEEL FOR LIFE

### 4. IDENTIFY AND RECOGNIZE MENTAL STATES THAT INCREASE OSH RISKS

#### SELF-CARE, STAYING SAFE STARTS WITH ME

The self-care campaign began with a workshop for leaders to help them understand the personal factors contributing to accidents. Videos and other audiovisual material are then used in each state to raise awareness among workers.

Hurry



Fatigue



Anxiety



Complacency





## → USE OF ARTIFICIAL INTELLIGENCE FOR OHS CONTROLS

AI is being used to implement projects to identify risky behavior using Computer Vision.



People  
detected while  
moving baskets



People  
detected  
during transfer  
of billets

Automatic Case  
Report to Cell  
Phone

Creation of Reports and  
Statistics (in progress)





## INCORPORATING ACTIONS TO PREVENT RISKS AND REACT TO EMERGENCY SITUATIONS

(GRI 403-2, 403-7)

Our main preventive measures are documented in our risk matrices, Safe Working Procedures (SWP) handbook, instructions and other guidelines contained in our Occupational Health and Safety Management System, as per ISO 45001-2018 requirements.

Our Occupational Health and Safety Policy is based on a comprehensive management approach aimed at anticipating risk and emergency situations. In order to fulfill our commitments, we set clear priorities and action plans and define quantitative objectives to drive continuous improvement in our OHS performance metrics. Our framework for risk prevention and emergency response is as follows:

- **Handling high-risk tasks:** before carrying out any task, we perform a safe work analysis (SWA), while for high-risk activities, we request a high-risk work permit (HRWP). These procedures, designed

to identify hazards and assess risks in the field, correct potential issues before work begins.

- **Documented Inspections:** we carry out occupational health and safety (OHS) inspections, recorded manually and using an integrated inspection application accessible from PC and Android devices.
- **Risk Management:** we have an Occupational Health and Safety Risk Management Instructions document, which identifies hazards, assesses risks and establishes controls based on control hierarchy. The risk matrices are updated annually following an internal procedure in line with legal requirements.

## MANAGING INCIDENTS AND ACCIDENTS

All dangerous situations are reported according to our procedures for managing incidents. The process used to manage OSH risks includes creating baseline and OSH risk management matrices, drawing up plans with improvement opportunities identified in the matrix, internal OSH inspections and assessing operational standards (SMI).

Our incident management procedure employs the Technique of Systematic Root Cause Analysis to identify the root cause of problems and implement controls focused on removal, replacement and engineering measures. Incident reporting is now more robust thanks to the Seguridad 360 application, providing immediate notification via WhatsApp, speeding up response times.

In work-related emergency situations, we follow specific protocols designed to protect our employees. We conduct monthly, unannounced and cross-checked inspections, recording hazards and planning how best to control them. Furthermore, workers can report risks,

either directly to the Occupational Health and Safety Committee or through established channels, thereby guaranteeing protection against reprisals thanks to our ethical guidelines.





## EMPLOYEE PARTICIPATION, CHECKS AND COMMUNICATION ON HEALTH AND SAFETY AT WORK

(GRI 403-4)

We encourage active participation from our employees in OHS management through the means of:

- **Occupational Health and Safety Committees:** joint bodies made up of company and worker representatives, responsible for inspections, investigations and approval of risk matrices.
- **Internal Communication Channels:** we use information panels, bulletin boards, and digital publications to disseminate relevant information and receive input from employees.

To ensure continuous communication and improve the system, we encourage our employees to participate actively through the OHS committees and internal communication panels. This allows us to receive valuable information on a range of management issues, including the identification of new risks and hazardous situations.

In addition, the company has put in place a dynamic communication and consultation process on OHS issues, using the company's internal communications management system. Relevant information is disseminated through committees and bulletin board postings, ensuring that all employees are informed and can contribute actively.

### OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

(GRI 403-4)

In compliance with current OHS regulations, we have an Occupational Health and Safety Committee at Pisco and Lima, with the main purpose of promoting occupational health and safety, as well as advising on and overseeing compliance of the Internal Occupational Health and Safety Regulations and applicable national legislation, thus contributing to occupational well-being and fostering both employer and employee advancement.

This joint committee includes an equal number of company and employee representatives. Its members actively participate in safety

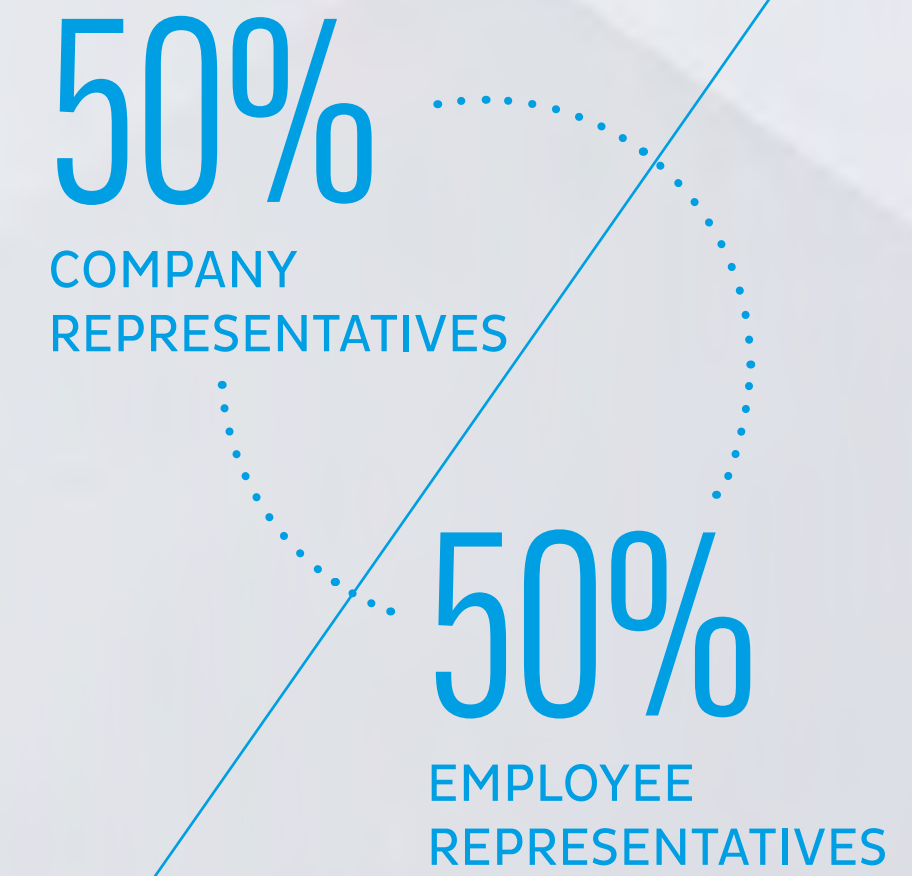
inspections and accident/incident investigations and are responsible for approving risk matrices and safety programs.

In 2024, both committees met 12 times. As part of a restructuring process, the Lima committee was turned into a subcommittee, the aim being to integrate it into a single national OHS committee for CAASA for the following period.

The committee meets monthly, with weekly inspection and management activities across the different work areas to help strengthen monitoring and implementation of occupational health and safety measures.

Throughout the period, the Occupational Health and Safety Committee received four 4-hour training sessions, totaling 16 hours, on topics such as their duties and responsibilities, Law No. 29783, the Occupational Health and Safety Act, regulations and amendments, accident identification, hazards and IPERC risk assessment, among others. The Committee's main activities were:

### OCCUPATIONAL HEALTH AND SAFETY COMMITTEE



- Participating in monthly Occupational Health and Safety Committee meetings
- Participating in accident and incident investigation
- Occupational health and safety inspections
- Attendance of external training



## HEALTH CARE SERVICES

(GRI 403-3, 403-6, 403-8)

CAASA offers a comprehensive medical surveillance service covering both health care and occupational health.

- **Health Care:** designed to treat common illnesses and respond to medical emergencies.
- **Occupational Health Surveillance:** aimed at preventing work-related illnesses and provide medical assistance for accidents and work-related emergencies.

These services are available to all direct employees and contractors. In addition, medical information is strictly managed by the occupational physician and their patients, which ensures that it will not be used to provide favorable or unfavorable treatment.

In compliance with the current legal provisions, all employees are registered in the Social Health Insurance scheme. Furthermore, CAASA has negotiated an agreement with a health service provider (EPS), giving employees the option

of accessing complementary and specialized health services based on their individual preferences.

## OVERALL WELL-BEING OF EMPLOYEES

At Aceros Arequipa, the well-being of our employees is a priority, covering physical, mental and emotional health. That is why we encourage mental and physical health initiatives with talks and online training focused on identifying and mitigating psychosocial risks, thus promoting an initiative-taking culture. These initiatives help our employees identify signs of stress, anxiety, or other emotional struggles, promoting preventive measures to avoid incidents while protecting their well-being.

We are committed to providing the necessary resources to ensure that our employees feel supported and empowered to always look after their wellbeing both in their professional and personal lives.

## TRAINING AND KEY PREVENTION MEASURES

(GRI 403-5)

The main objective of our OHS training program is to train and raise awareness among employees to enable them to perform their duties safely, to foster a culture of accident prevention and compliance to current regulations.

The Occupational Health and Safety Training Program was implemented throughout the period, as required by Law 29783 together with its regulations, focusing on regulatory updates relating to safety. This program's effectiveness is measured based on the reduction in occupational health and safety incidents, thereby strengthening a culture of prevention throughout the organization. The following topics were addressed, and training was provided in the following areas:

- **Firefighting:** training provided to 98 CAASA employees
- **Hazardous materials:** training provided to 11 CAASA employees
- **Evacuation:** training provided to 37 CAASA employees

- **First Aid:** 37 CAASA employees received training

Likewise, as part of the compulsory training program for personnel at the Pisco plant, the following areas were covered:

- **OSH Matrix:** training to identify, understand and disseminate the main risks associated with each job position.
- **Contingency Plan:** training to understand and act correctly when faced with risk or emergency situations.
- **OSH Policy:** sessions aimed at disseminating the strategic guidelines on occupational health and safety set by top management.
- **TASC Methodology:** training using this methodology, which allows for a detailed analysis of workplace accidents and incidents to identify root causes and set up effective controls.

A total of 1,589 hours of training were provided to employees, reinforcing their skills and knowledge enabling them to work in a safer and more controlled environment.



## INJURIES OR OCCUPATIONAL ILLNESS

(GRI 403-10)

Over the period, we found that the highest percentage of accidents with hand injuries (47%) were caused by manual or automated processes. Other main accidents suffered by employees or contractors:

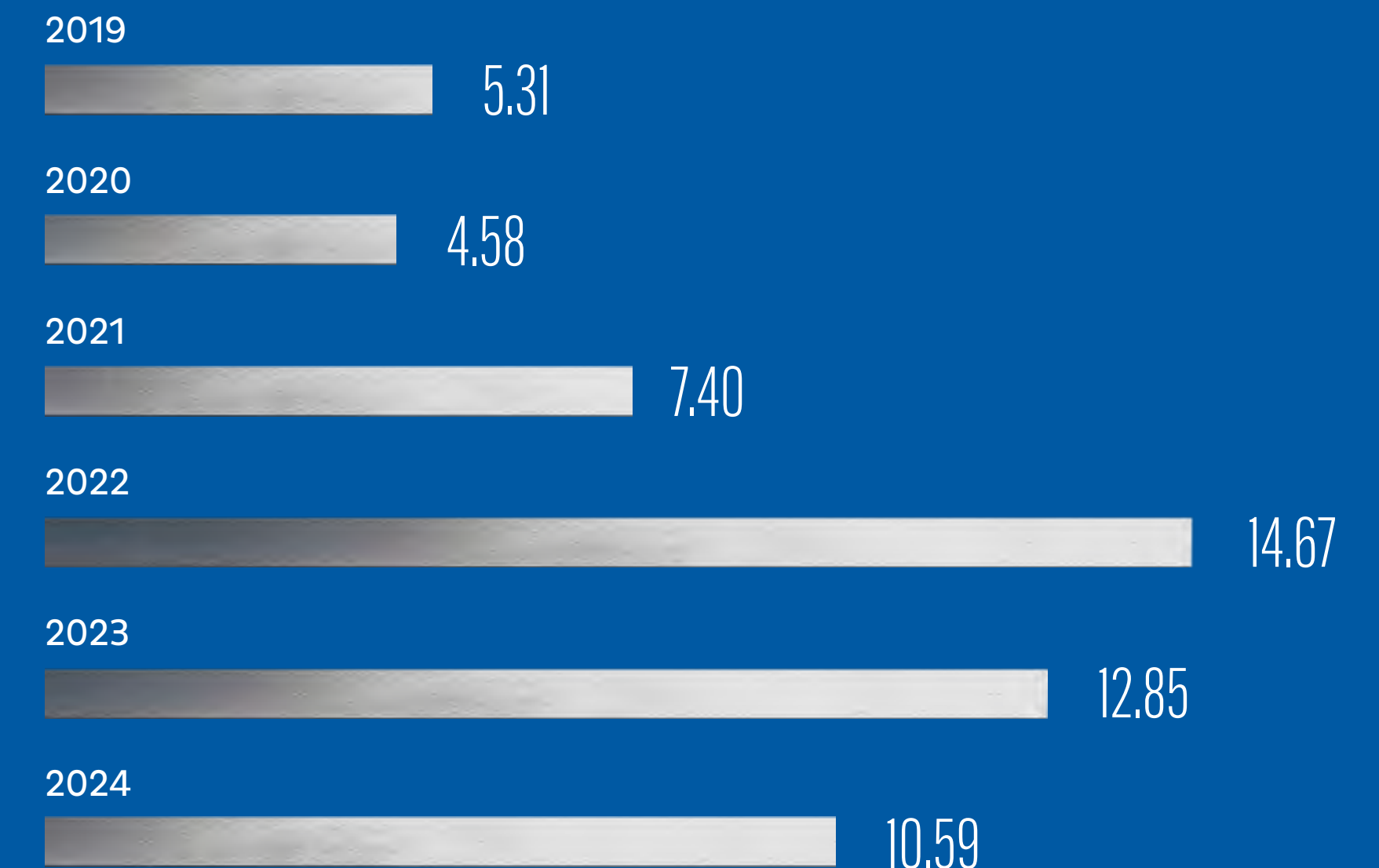
- 14% were caused by falls, slips or trips.
- 11% were caused due to flying particles or smaller objects
- 5 % were caused by moving machinery
- 4% were caused by the movement of overhead cranes
- 4 % were caused by falling objects
- 2 % were caused by hoisted objects
- 13 % were caused by other reasons

→ GRAPH 29  
**TOTAL  
RECORDABLE  
INJURY  
FREQUENCY  
RATE (TRIFR)<sup>17</sup> –  
EMPLOYEES**  
(GRI 403-9)



Note: Recordable injuries include minor and disabling accidents.

→ GRAPH 30  
**TOTAL  
RECORDABLE  
INJURY  
FREQUENCY  
RATE –  
CONTRACTORS**  
(GRI 403-9)



Note: Recordable injuries include minor and disabling accidents. Rates and indices calculated per million hours worked.



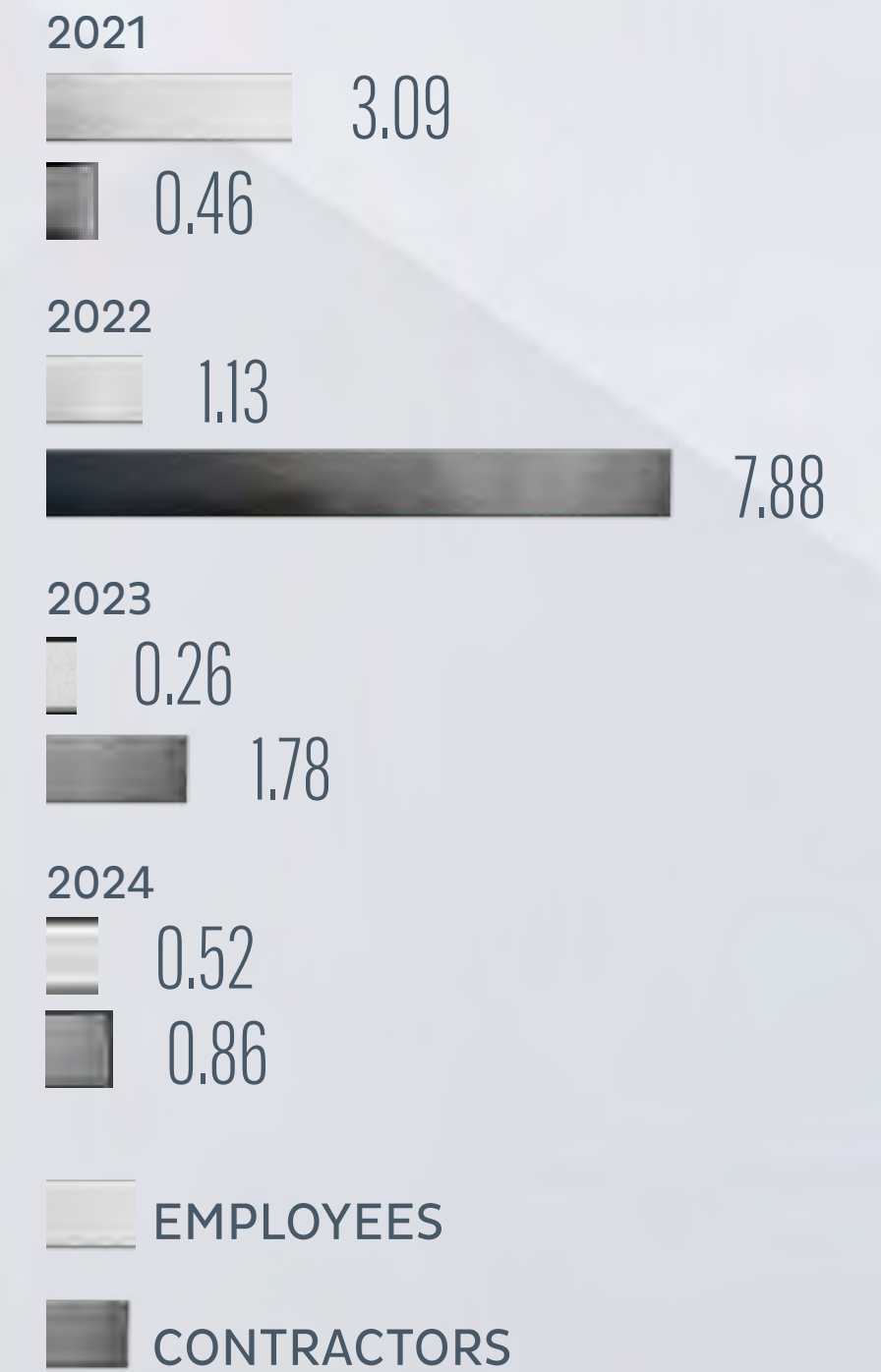
→ GRAPH 31  
**ACCIDENT  
FREQUENCY  
RATE –  
EMPLOYEES AND  
CONTRACTORS<sup>18</sup>**  
(GRI 403-9)



→ GRAPH 32  
**ACCIDENT  
SEVERITY RATE –  
EMPLOYEES AND  
CONTRACTORS**  
(GRI 403-9)



→ GRAPH 33  
**ACCIDENT RATE –  
EMPLOYEES AND  
CONTRACTORS**  
(GRI 403-9)



<sup>18</sup> The accident frequency rate index also corresponds to the total lost time injury frequency rate (LTIFR) for employees and contractors.



## 4.3. Responsible Supply Chain

(GRI 3-3, 2-4, 2-6, 2-29, 308-1, 308-2, 414-2)<sup>19</sup>

→ INFOGRAPHIC 24  
**RESPONSIBLE  
SUPPLY CHAIN**

### Objective



To manage our supply chain in a responsible way, guaranteeing respect for human rights, while sharing and promoting good practices with our suppliers.

## Goal 2027 → Goal 2030



#### Transportation

100% of active suppliers in delivery (sales) and replenishment operations to be assessed by 2027

100% of active suppliers in delivery (sales) and replenishment operations to be assessed by 2030

#### Corporate Procurement

70% of key service providers assessed on the list of key material/service providers.

80% of key service providers assessed on the list of key material/service providers.

#### Strategic Procurement

- 70% of scrap trading suppliers participate in training on sustainability issues (ESG)
- 90% overall satisfaction of national scrap suppliers
- 15 suppliers benefited from the loan of machinery

- 80% of scrap trading suppliers participate in training on sustainability issues (ESG)
- 92% overall satisfaction of national scrap suppliers
- 25 suppliers benefited from the loan of machinery

### Progress 2024



100 %

of active suppliers assessed during the period

46 %

of key service providers assessed

- **60.05%** of suppliers trained
- **87%** satisfaction
- Machinery loans will come into effect in 2025



Our supply chain strategy focuses on guaranteeing an efficient supply of inputs, strategic raw materials and services, both locally and internationally, to underpin the Company's sustainable growth. Accordingly, we focus on ensuring quantity, quality and timely delivery at the most competitive cost, aligning our operations to the principles of sustainability, innovation and ethics by means of the all-round development of our suppliers, following international best practice guidelines.

As part of this commitment, we have identified key actions aimed at strengthening our supply chain:

- **Encourage Collection of Domestic Scrap:** to reduce dependence on imported raw materials, optimize costs and stimulate the local economy.
- **Increase our International Supply Sources:** setting up strategic storage yards in other countries, thereby guaranteeing a continuous and diversified supply.

Our efforts have had a significant impact on the Company in terms of reducing costs and generating value. Efficient management of all processes, from planning and procurement to the distribution of finished products, enables us to achieve this, ensuring a balance between operational efficiency and sustainability.

To guarantee an efficient supply of inputs and services, both locally and internationally, we have put in place a governance structure which includes the active participation of the Sustainability Committee as well as of the Board of Directors. We also seek to promote transparent and responsible business relationships with our Code of Ethics for Suppliers and Contractors, available on our supplier website. This code, in line with international standards of good practice, sets out ethical, social, and environmental guidelines, as well as best practices on labor and human rights issues. We encourage our suppliers to adopt these principles, thereby strengthening

our supply network and creating a positive impact throughout the value chain. As part of our management process, we regularly assess supply chain management to ensure the organization's practices are aligned with our values and Code of Ethics.

We implemented the use of AI on the WherEX platform to manage purchases from local suppliers and small and medium-sized enterprises (SMEs). This step forward has allowed us to streamline response and purchasing processes, reduce operating costs and promote the inclusion of SMEs in our supply chain. Likewise, in line with our environmental sustainability objectives, we are committed to promoting the use of cleaner and more efficient transportation technologies, such as Euro 5, Euro 6 and NGV trucks.

2,458  
SUPPLIERS  
IN 2024

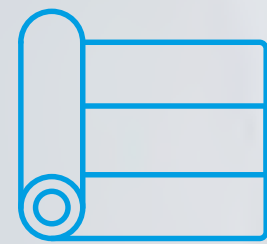
US\$ 281.45  
MILLION  
PURCHASES FROM  
NATIONAL SUPPLIERS

6% INCREASE  
IN SCRAP METAL  
COLLECTION NATIONWIDE



## OUR SUPPLIERS

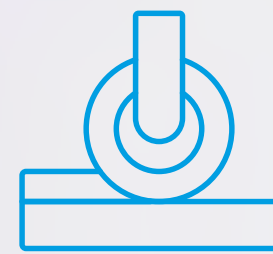
CAASA's supply management is categorized as follows:



### STRATEGIC PROCUREMENT

Purchase of raw materials (scrap and pig iron), strategic inputs (limestone, lime and anthracite) finished and semi-finished products, directly part of the company's value chain.

- **Interaction**      **Frequency:** monthly
- **Communication Channels:** e-mailing, Ariba, telephone



### CORPORATE PROCUREMENT

Purchase of spare parts supplies and other inputs (such as electrodes and ferroalloys), fixed assets and services for the company's entire operations.

- **Interaction**      **Frequency:** monthly
- **Communication Channels:** e-mailing, Ariba, Wherex, in-person/virtual meetings, supplier website, telephone



### TRANSPORTATION

Ensure efficient product distribution by constantly adapting to market demands as well as improving our processes. We have service providers for transportation, dispatch scheduling and tracking, and monitoring truck transit.

LURIN DISTRIBUTION CENTER





→ GRAPH 34  
NUMBER OF  
SUPPLIERS BY  
CATEGORY



Furthermore, we have defined key suppliers as those suppliers of goods or services for whom failure to supply in a timely manner and to a high standard could result in a high risk of production stoppage. (GRI 2-29)

NUMBER OF TIER 1 KEY SUPPLIERS

Our key suppliers are those whose lack of goods and services could lead to the risk of production stoppages. When it comes to strategic purchases, all our suppliers are key as this is a competitive market and the Company's main source of raw materials. Key transport suppliers are those that manage the highest volume of cargo, which represents 80% of total transported tonnage. During 2024, we had 32.55% of key tier 1 suppliers, which represented 82.02% of the total amount spent on suppliers.

→ GRAPH 35  
NUMBER OF  
TIER 1 KEY  
SUPPLIERS



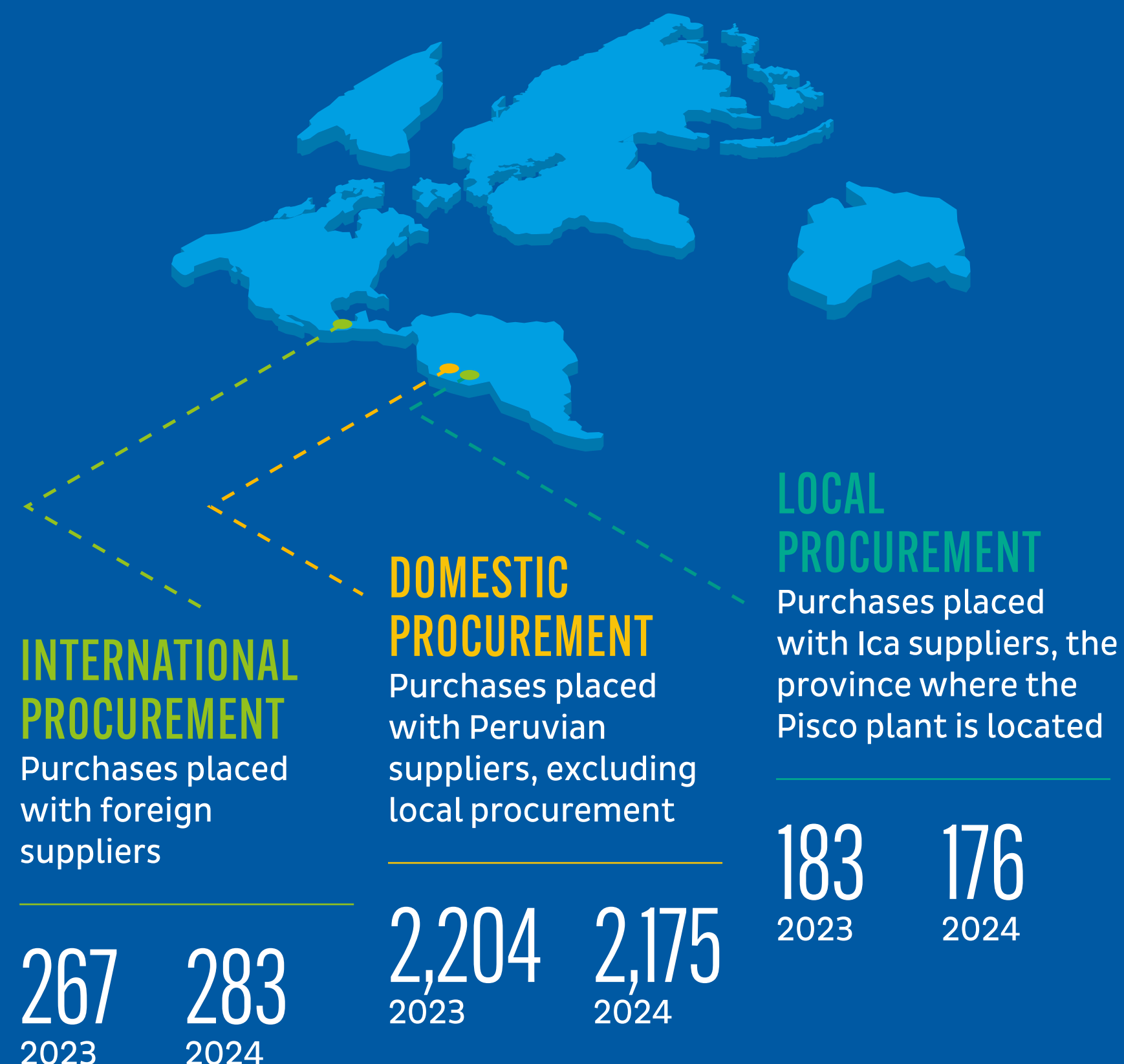
82.66 %  
OF SPENDING IN 2024  
CORRESPONDED TO  
CRITICAL SUPPLIERS.





We also rank our suppliers according to their location. [\(GRI 2-6\)](#)

→ INFOGRAPHIC 24  
**LOCATION AND  
NUMBER OF  
SUPPLIERS**



We are committed to creating shared value and boosting the local economy. Therefore, at CAASA, we prioritize working with domestic and local suppliers to increase procurement of goods and services, including hiring personnel within the area of influence.

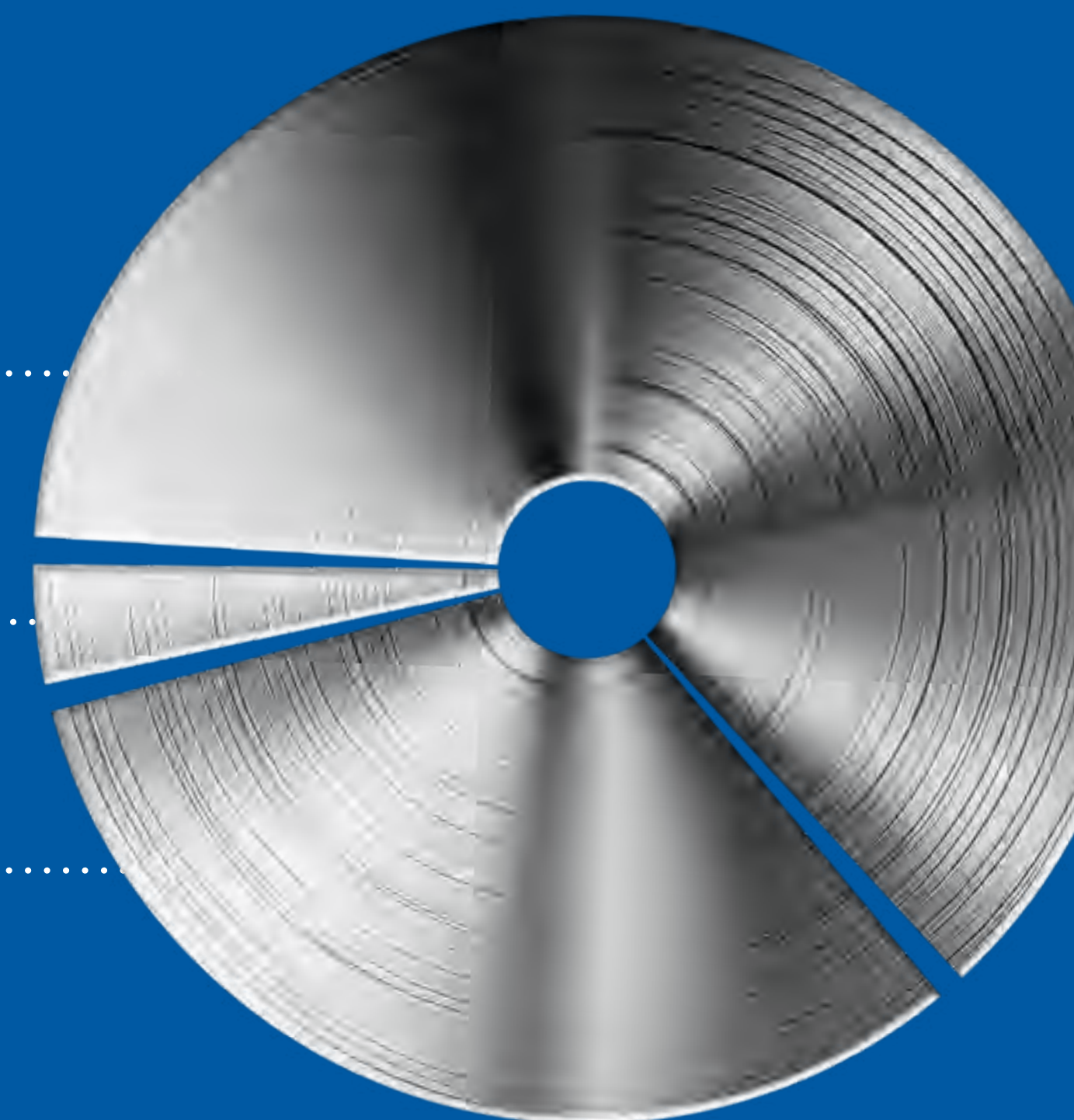
During 2024, purchases from local and domestic suppliers totaled US\$28.82 million and US\$281.45 million, accounting for 3.32% and 32.46% of total expenditure, respectively.

→ GRAPH 36  
**PURCHASES  
FROM  
SUPPLIERS BY  
LOCATION**

**64.21%**  
International

**3.32%**  
Local

**32.46%**  
National





## MAIN MILESTONES

- **Scrap Collection Using Crane Trucks:** we now use crane trucks to collect scrap directly from the premises of those suppliers who do not have the necessary loading equipment or machinery to load materials onto transportation vehicles. This facilitates logistics and enhances our suppliers' experience.
- **Delivery of Scrap Processing Machines:** After assessing supplier needs, we launched a program to loan equipment such as compactors and shears. These tools have enabled suppliers to improve their productivity, efficiency, and safety in scrap processing activities.
- **Collection Service with Roll On – Roll Off System:** we have introduced a specialized service for scrap collection using interchangeable containers, primarily designed for industrial use. We are expanding this service to commercial suppliers, thus optimizing logistics management and minimizing waiting times.
- **Increased Efficiency in Scrap Unloading Process:** this initiative involved adapting a swinging arm on both sides of the hopper

door, allowing trucks to dump their loads and unload the scrap directly without the use of a crane. The aim of this initiative was to optimize unloading times and minimize safety risks for drivers by reducing their exposure in intensive operation areas. To date, 83% of the hoppers (out of 95) have been adapted. This modification has had a positive impact on driver safety, minimizing the risks of accidents such as crushing, falling, or being hit.

- **Increase Barcino's NGV Vehicle Fleet:** We have added 20 state-of-the-art Natural Gas Vehicles to our fleet, replacing diesel trucks with vehicles that meet the Euro 6 standard. With this renewal, Barcino now has 52 NGV trucks, accounting for half of its total fleet of 108 vehicles, thereby consolidating its commitment to sustainability and operational efficiency. Barcino currently transports 21% of tons produced by Aceros Arequipa nationwide. This initiative will be a significant contribution to reducing carbon emissions and promote more environmentally friendly operations, in line with the company's high sustainability standards.

- **Embedding AI in Logistics Processes:** we are increasing the use of AI to optimize processes, reduce time, improve controls, and enhance security. An outstanding example is our improved hopper filling with HMS scrap at the port of Pisco, resulting in greater operational efficiency.
- *Customer Knowledge:* the supply chain team travels to the field three times a year to engage directly with customers, unders-

tand the added value they expect, and present innovative proposals to strengthen commercial relationships, with a positive impact on the customer.

## SUPPLIERS ESG SYSTEM

During this period, we established a system to encourage an ESG approach among our suppliers. The system is divided into five key areas:







## ESG RISK IDENTIFICATION

(GRI 407-1, 408-1, 409-1)

The Comprehensive Risk and Opportunity Management (GIRO) methodology provides a guide to good practices and tools to anticipate and manage risks from an ESG perspective, complying with business and process objectives, thus preparing for unexpected situations.

Furthermore, given the informal nature of much of the recycling and the scrap metal domestic market, child labor, forced labor and other types of informal activity can be a risk.

The risk identification process results are used to generate a series of matrices as a management tool for both the Corporate Procurement and Strategic Procurement departments.

→ Table 18

### ESG RISK MATRICES FOR CORPORATE AND STRATEGIC PURCHASES

#### Corporate Procurement

- Corporate Procurement Risk Matrix
- Supplier Performance Assessment Risk Matrix

#### Strategic Procurement

- Scrap Procurement Risk Matrix
- Strategic Supply Procurement Risk Matrix
- Tender Risk Matrix
- Contract Management Risk Matrix

Identified risks are classified as follows:

- Operational risks, related to occupational health and safety and the environment
- Compliance risks, concerning the financial situation, links with money laundering, terrorism, among others
- Ethical compliance risks, regarding human rights violations of the company's employees



You can learn more about our strategic and emerging risk analysis and assessment of our supply chain in the **Corporate Risk Report 2024-2025**.





## ESG PERFORMANCE BY SUPPLIERS

Our Company is committed to the sustainable development of all our suppliers, particularly SMEs and micro-enterprises, encouraging them to incorporate ESG criteria as part of their day-to-day business activities. Drawing on identified needs, we have designed a comprehensive strategy to strengthen our business relations and jointly foster ethical, responsible and sustainable growth.

### REVIEW AND ACCREDITATION

- **Safety Management Index (SMI):** carried out to guarantee compliance with OHS standards
- **Accreditation of New Suppliers:** process carried out through an external organization (SGS) to assess and certify key service providers, ensuring high-quality standards and regulatory compliance

### DIGITIZATION

We promote transparency and accessibility through digital tools that improve communication and optimize supplier management:

- **Ariba:** integrated web platform to optimize procurement management, guaranteeing traceability and efficiency in supply
- **Wherex:** digital platform designed to register potential suppliers, communicate calls for tenders and services, and optimize processes through data analysis and AI
- **Portal Supplier Website:** internal website where all suppliers can access documents or important information regarding their service or for internal administrative purposes.

### DEVELOPMENT AND TRAINING

- **Club of Steel:** a loyalty and development program for scrap suppliers, with the aim

of increasing domestic scrap collection. This program rewards suppliers for delivering scrap through the accumulation of points that can later be exchanged for rewards. In 2024, the program had 163 participating trading suppliers.

- **ESG Management:** creation of audiovisual materials aimed at raising awareness and training suppliers on the importance of incorporating ESG criteria into their operations.
- **Use of the Supplier Website:** we provide ongoing training on the use of our digital platforms, including purchase order (PO) management processes, invoicing and access to corporate policies. Three training sessions were held in 2024, aimed at strengthening digital capabilities and compliance with our policies. In addition, we use the supplier platform to promote human rights

best practices and encourage suppliers to integrate ethical principles into their daily operations.

- **Training in the use of Banned, Explosive and Flammable Materials:** aimed at reinforcing safety and regulatory compliance in our suppliers' operations, to guarantee compliance with safety and sustainability standards. Two training sessions, attended by 97 participants, were provided during the period.
- **Interaction Forums:** carrier committees with type A suppliers (30 suppliers that transport 60% of the cargo), to share best practices in safety issues, foster two-way learning and strengthen commitment to existing standards.





## RISK ASSESSMENT

(GRI 308-1, 308-2, 414-2)

Comprehensive process that includes the company's environmental, social and governance assessment as well as its business relevance, both during the selection period and while providing the service.

### SUPPLIER SELECTION

In addition to what is set out above, when selecting suppliers, we consider their governance and business relevance to ensure high standards of transparency, compliance and performance. These include the following:

- **360 Compliance Report (Cumple 360):** used for background checks on corruption, money laundering and terrorist financing (MLTF). If a supplier appears on an interna-

tional restrictive list, registration will be denied immediately. Any other observations will be reviewed before any business relationship is established.

- **Sentinel Report:** allows us to review the supplier's credit history to prevent risks associated with unethical behavior, as well as non-compliance with OHS or environmental requirements.

Depending on the type of provider, **they will be required to complete and sign** the following documents:

- Liability statement
- Sworn statement on anti-corruption and measures to prevent money laundering as well as crimes related to illegal mining and organized crime
- Conflict of interest statement, among others

These checks are also carried out on an annual basis on registered suppliers, to validate that no observations were submitted over the previous last year.

### SUPPLIER PERFORMANCE REVIEW

#### Corporate Procurement

Performance assessment of corporate procurement suppliers aims to ensure compliance with procurement and service policy standards, as well as corporate instructions and environmental and social criteria (OHS).

This assessment is carried out by a type of supplier, using a mathematical method that weights the criteria based on specific factors:

- **Asset rating: Carried out every month, based on two main criteria:** a) level of technical compliance, based on the warehouse team's returns report; and b) compliance with delivery times. Each criteria carries a weight of 50%.
- **Service Assessment:** Conducted annually and managed directly by the user or service administrator. The criteria assessed are service compliance (50%), business performance (20%), and environmental and industrial safety compliance (15% each).

#### Strategic Procurement

As part of the supplier assessment process, a quality assessment of imported products was carried out for 41 suppliers. If the goods meet quality standards, they are released for sale; otherwise, a non-compliance report is issued and communicated to the supplier and penalties, or corrective actions are applied.

Likewise, to boost our supplier assessment and development process, in 2024 we developed and implemented instructions to assess our scrap suppliers, which enables us to identify those that require improvement in terms of quality and delivery. The assessment is based on the following criteria and respective weights: amount of scrap metal received (30%), product quality (30%), number of shipments of hazardous materials (20%) and non-compliant materials (20%). This assessment will be applied to suppliers from January 2025.





Transportation

During this period, we performed our first assessment of delivery and replenishment transportation service providers. The assessment considered every transportation company involved in our operations, based on 100% of the schedules carried out during the last quarter prior to the assessment.

The assessment criteria and their respective weights for both local and provincial dispatch are set out below:

- Effectiveness of logistics distribution (35%)
- Transportation services settled according to established deadlines (35%)
- Compliance with fleet inspections (30%)
- Unsafe and substandard conditions of companies, drivers and vehicles (minus 20%)
- Driver strikes (minus 15%)
- Transportation Authority (SUTRAN) fines (minus 5%)

→ TABLE 19  
STEPS IN  
SUPPLIER  
ASSESSMENT

	Supplier Selection	Performance evaluation	
		Permanent	Yearly
<b>Financial Assessment:</b> analysis of market prices and potential risks	X	X	X
<b>Financial and Commercial Assessment:</b> review of the supplier's profile and financial situation to ensure stability and solidity. Documents requested: <ul style="list-style-type: none"><li>• Status/contribution (proof of registration with the National Superintendency of Tax Administration - SUNAT)</li><li>• Cover letter</li><li>• Level of indebtedness / creditworthiness (debt report databases - Sentinel, Infocorp)</li></ul>	X		
<b>OHS and Environmental Assessment:</b> assessment of adherence to minimum ESG criteria in relation to OHS and the environment	X	X	X
<b>Technical Review:</b> during selection, samples are examined thoroughly (chemical analysis) or relevant certifications checked, depending on type of materials or services offered. <b>SMI:</b> this is carried out on a monthly basis to prioritize strategic suppliers and ensure compliance with occupational health and safety.	X	X	X
<b>Compliance Assessment:</b> performance and compliance with agreed quantities and delivery times for goods and services		X	X





## RISK CONTROL AND RESPONSE

### CORPORATE PROCUREMENT

As part of the annual evaluation process, corporate procurement suppliers are rated on a scale of bad, fair and good, based on how well they meet the assessment criteria and how recommendable they are. Suppliers with a rating of fair and poor will enter a monitoring stage for up to six months, depending on the complexity of the service, with monthly reviews until observations are addressed. If the improvement plan is not put in place and observations are not addressed within the estimated time, the company will be removed from our supplier list.

In the event of fraud or similar acts, an internal investigation is conducted. Depending on the results, corrective actions can be adop-

ted, ranging from sanctions and suspensions through to the supplier's termination.

The assessments did not identify any actual or potential negative environmental or social impacts. During 2024, 79 corporate procurement suppliers were assessed.

### STRATEGIC PROCUREMENT

The new assessment guidelines for scrap metal suppliers with lower ratings consider the following action and control plans:

- **Quality:** Increase the number of visits to scrap yards to directly inspect shipments
- **Hazardous Materials:** Provide customized training along with assessment tests to help identify and manage hazardous materials correctly
- **Non-Compliant Material:** Offer specific training, assessment tests and distribute

information brochures to improve knowledge on the subject

### TRANSPORTATION

A report on the inspections of transportation providers provides the basis for a notice issued to companies with observations that received a score of less than 70% in the evaluation. The notice outlines the points observed and gives the company 15 working days to send a detailed action plan to the CAASA Transportation Assistant, focusing on improving the areas of concern. After the deadline, if the stipulated conditions are not met, the Transport Authority may apply the corresponding temporary or permanent suspensions. Based on our assessments for the period, we have detected opportunities to improve the use of delivery applications as well as compliance with settlements.

373  
PROVIDERS  
ASSESSED





## MONITORING AND CONTINUOUS IMPROVEMENT

### CORPORATE PROCUREMENT

The following strategies are used to monitor performance and provide incentives for continuous improvement among corporate procurement suppliers:

- Regular assessment of suppliers and contractors in accordance with established procedures, in which a score is assigned for each area (service, environmental compliance, OHS compliance, commercial). The result is used to establish action plans and corrective measures to improve scores.
- We work on annual action plans, which are constantly monitored, to close gaps across the different areas assessed and to help suppliers improve the way they manage ESG, legal and operational issues.
- Providers who successfully fulfill their action plans are reassessed to ensure they

meet the score required to be eligible to contract with CAASA.

### STRATEGIC PROCUREMENT

When evaluating suppliers of finished goods, we identified non-compliance issues in 10 suppliers. A corrective action plan was drawn up for each of them.

Likewise, as part of our monitoring activities, we paid unexpected weekly visits to our suppliers' premises. The purpose behind these visits is to ensure compliance with current legislation, to assess conditions at the facilities,

making sure they are adequate and operational, and to verify if working conditions are respectful of human rights and promote a decent working environment.

Regarding the assessment guidelines developed for scrap metal suppliers as of 2025, there are two main reasons for negative impact: non-compliance in the quality of orders and the presence of hazardous material in scrap metal deliveries. Personalized training to reinforce knowledge and practices will be applied to address the above situations, along with action plans with corrective measures.

### COMMUNICATION CHANNELS

To keep constant communication with all our suppliers, we have set up the following lines of communication:



**ARIBA**

Supplier collaboration software program



**E-MAIL**

Electronic mail



**TELEPHONE**

By telephone



**WEB**

[www.acerosarequipa.com](http://www.acerosarequipa.com)



## 4.4. Evolution of the Local Population

→ INFOGRAPHIC 26  
**DEVELOPMENT  
OF OUR  
SURROUNDING  
POPULATION**

### Objective



#### Specific Objective 1:

To ensure lasting relationships with local actors.

#### Specific Objective 2:

To strengthen projects in our areas of activity with the local population, focusing on academic development, health prevention and the environment.

#### Specific Objective 3:

Strengthen alliances with strategic partners to promote projects of shared value contributing to the SDGs.

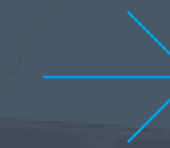
#### Specific Objective 4:

To contribute to the productive economic development of our local community with programs designed to strengthen their capabilities.



#### Human Resources Management

### Goal 2027



### Goal 2030

Of the total number of employees working at our iron and steel complex in Pisco, 75% are based in the Ica region.

Of the total number of employees working at our iron and steel complex in Pisco, 75% are based in the Ica region.

#### Social Responsibility

- To maintain zero conflicts with the local population.
- Increase the number of Aceros Arequipa scholarships to 2.
- 35,000 school students participate in the Aceros Arequipa Mathematics Competition.
- Increase to 4 the number of schools participating in the Save the Hummingbirds Project.
- Training in administrative and digital topics provided to 5 soup kitchens.

- To maintain zero conflicts with the local population
- Increase the number of Aceros Arequipa scholarships to 4.
- 40,000 school students participate in the Aceros Arequipa Mathematics Competition.
- Increase to 6 the number of schools participating in the Save the Hummingbirds Project.
- Training in administrative and digital topics for 10 community kitchens.

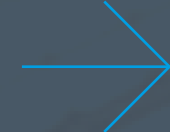
#### Supply Chain – Transportation:

Retain a minimum of 15% of business with local suppliers in Ica by 2027.

Retain a minimum of 15% of business with local suppliers in Ica by 2030.



## Progress 2024



**79.05%**  
of employees  
working at the  
Pisco plant will be  
residents of the Ica  
region by 2024

- **No conflicts** with the local population throughout 2024.
- **Full scholarships** for young high achieving students to study at prestigious universities. Other scholarships within the framework of the "Avanzamos Juntos" ("Together We Make Progress") Program.
- **29,269 students** took part in the Aceros Arequipa Mathematics Competition.
- **2 schools** participating in the Save the Hummingbirds Project.
- **5 soup kitchens**, training over 30 people in administrative and digital-related matters.

**13.71%**  
local supplier  
share in 2024

PANORAMIC VIEW OF THE CITY OF PISCO - ICA





Our commitment to society goes beyond providing quality steel; we provide meaningful employment, we boost the economy in the areas in which we operate and have a strong and responsible relationship with the communities around us, enhanced through dialogue and our involvement in social projects and initiatives. We are a company committed to sustainable development that seeks to strengthen relationships with our stakeholders. Despite not having an area of direct influence as we are in an industrial area, we acknowl-

ge the value of having an open and constructive dialog with our stakeholders. To this end, we have developed a range of social projects and forums that seek to reinforce our relationship and provide benefits to the local community.

These efforts not only seek to improve their quality of life, but also to foster a relationship of trust and cooperation.

Social responsibility not only strengthens a company's image, it also paves the way for

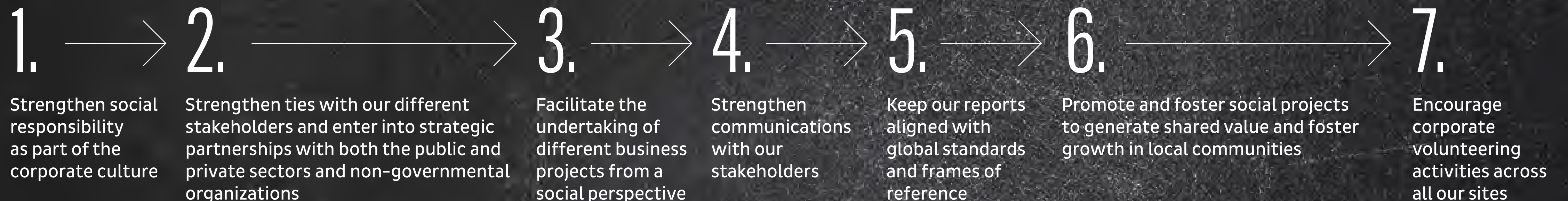
more stable, and more efficient operations, which in turn leads to a reduction in long-term financial costs.

Our social responsibility strategy is based on a set of ethical, environmental and social principles that underpin our organizational culture. Our social responsibility policy is designed to create the right conditions to enable us to roll out and develop projects, programs and actions that will contribute to boosting the local economy. To this end, we focus on

three main areas: helping to improve education, promoting preventive healthcare and protecting the environment.

Throughout the year, we have shared our vision, progress and activities related to our social management plan via the company's internal website. In this way, we keep our employees informed and actively involved with our commitment to social responsibility.

## → OUR SOCIAL MANAGEMENT PLAN





## MANAGING OUR LOCAL COMMUNITY

At Aceros Arequipa, we approach each project in a way that prioritizes mutual understanding and constructive dialogue with our stakeholders. This allows us to strengthen communication, build trust and establish the necessary conditions for seamless operations, in line with our social responsibility and sustainability goals.

Our approach to community relations is based on a structured process designed to ensure effective interactions and a positive impact on our communities.

WE APPROACH EACH  
PROJECT IN A WAY THAT  
PRIORITIZES MUTUAL  
UNDERSTANDING AND  
CONSTRUCTIVE DIALOGUE

## → PROCESS FOR COMMUNITY RELATIONS



1. Mapping of Players and Identifying Interests
2. Analysis of Expectations and Needs
3. Identification of Risks and Impacts
4. Opinion Gathering and Analysis
5. Implementation of Relationship Strategy and Social Projects
6. Interaction and On-Going Communication
7. Monitoring and Assessment



## KEY PRINCIPLES FOR ENGAGEMENT

- **To ensure integrity and respect for human rights:** our process for identifying social, environmental, or human rights risks adheres to the OECD's recommended model. Where high-probability risks are detected, we assess the project's feasibility and develop contingency plans to mitigate potential impacts.
- **Cooperation and Opinion Gathering:** we create clear and effective communication channels with stakeholders to ensure their concerns are heard and dealt with. This includes specific grievance mechanisms, such as our Acero Ethics Line, to address operational risks, cultural heritage conservation, and other social and environmental impacts.
- **Open and On-Going Communication:** We promote transparency and active stakeholder participation in decision-making. This approach fosters long-term relationships based on continuous feedback, thus building mutual trust and commitment to sustainability (see Annex: Communications Matrix).

## STAKEHOLDER MAPPING AND IDENTIFICATION OF INTERESTS

(GRI 2-23, 2-29)

Stakeholder mapping seeks to determine which are the key stakeholders with whom we interact, including the local community, non-governmental organizations, local authorities, employees, and other relevant stakeholders. During 2024, we have updated our stakeholder mapping process by conducting interviews with different stakeholders, in order to understand their expectations,

develop communication strategies and propose improvements to our stakeholder engagement mechanism.

Data collection analysis classifies stakeholders according to interest, power and position variables held in relation to the company's strategies, projects, or activities.

- **Interest:** reveals the level of attention and alignment of the actor in the development of the strategies of the company or organization.

- **Power:** reveals the possibility of obtaining coercive resources, utilitarian resources and symbolic resources to impose one's will on others in a relationship.
- **Position:** reveals the position of the actors with respect to the performance of the company.

This stakeholder mapping study has a two-year validity period; this means that the next assessment and stakeholder interviews will take place in 2026.

## → KEY STAKEHOLDERS





SOCIALLY VALUABLE INITIATIVES

Our three lines of action allow us to fulfill our mission, have a positive impact in our area of influence and work towards the SDGs.

→ TABLE 20  
AXES OF  
ACTION OF  
SOCIAL VALUE  
INITIATIVES

Lines of Action	Description	Goal	Sustainable Development Goals (SDGs)
Academic Development	We promote access to high-quality education.	To contribute, thanks to strategic partnerships, in helping local residents and students improve their access to quality education.	
Preventive Health Care	We strive to improve the quality of health care available to the people in our area of influence.	By establishing strategic partnerships with health authorities, we develop preventive health care programs for local communities.	
The Environment	We encourage caring for the environment.	Contribute, through strategic partnerships with local governments, governing bodies and local communities, to raise awareness and promote care for the environment.	







## → ACADEMIC DEVELOPMENT

### 1. UNIVERSITY SCHOLARSHIPS

Our university scholarship program seeks to offer academic tools to support high-achieving, low-income students to further their professional development and contribute to the success of their future career.

We are currently running the following scholarship programs:

## 1 FULL SCHOLARSHIP FOR A CIVIL ENGINEERING STUDENT

## 2 SCHOLARSHIPS OF THE "AVANZANDO JUNTOS" ("TOGETHER WE MAKE PROGRESS") PROGRAM, AWARDED TO SENIOR STUDENTS

### OUTSTANDING ACHIEVEMENTS:

The student benefitting from the full scholarship undertakes a pre-professional internship in the company's Projects Department, to consolidate his/her academic training with practical firsthand experience in the professional world.

IN PARTNERSHIP WITH:



### 2. ANNUAL CONGRESS OF BUSINESS EXECUTIVES (CADE) FOR UNIVERSITY STUDENTS

We actively participate in the CADE for University Students congress, a space created for young leaders from different fields and universities from all over the country to connect, learn and develop key skills to help them enter the labor market. At CAASA we encourage students from national universities within our area of influence to participate and support their all-round education and leadership.

OUTSTANDING ACHIEVEMENTS:

## 5 SCHOLARSHIPS TO OUTSTANDING STUDENTS IN FIELDS SUCH AS ACCOUNTING, ECONOMICS AND INTERNATIONAL BUSINESS STUDIES

IN PARTNERSHIP WITH:







## → ACADEMIC DEVELOPMENT

### 3. ACEROS AREQUIPA NATIONAL MATHEMATICS COMPETITION

The Aceros Arequipa National Mathematics Competition was created with the aim of promoting and developing logical and mathematical thinking in the country.

The aim of the project is to assess and strengthen the mathematical skills of students enrolled in Peru's standard education program, who belong to science and technology clubs, and to promote and develop an interest in science. During the competition, participants are required to apply mathematical strategies and knowledge, and to systematize and analyze information for problem solving in a range of situations, allowing them to develop skills and knowledge crucial for their academic and professional future.



The first edition of the competition took place in 2023, with 4,500 students participating across the country. Due to the competition's remarkable success, a second edition was held in 2024, in which 29,269 students participated nationwide, a **550% increase** over the previous year. Such a significant increase in the number of participants is evidence of the growing recognition and importance this competition has gained throughout the country, consolidating its position as a key platform for promoting and incentivizing mathematics education in Peru.

29,269 STUDENTS  
TOOK PART IN THE NATIONAL  
MATHEMATICS COMPETITION

46 %  
OF PARTICIPANTS WERE WOMEN

25.72 %  
OF PARTICIPANTS CAME FROM RURAL  
SCHOOLS

100 %  
OF THE COUNTRY'S REGIONS PARTICIPATED

IN PARTNERSHIP WITH:







## → PREVENTIVE HEALTH CARE

### 1. HEALTH CAMPAIGNS

At CAASA we conduct annual preventive medical check-up campaigns designed to mitigate health risks in the province of Pisco. The following campaigns were conducted during our reporting period:

**Two preventive campaigns took place at Santa Cruz, in Paracas, in March and November 2024**

OUTSTANDING ACHIEVEMENTS:

# 12 DIFFERENT SPECIALTIES

WERE OFFERED IN BOTH CAMPAIGNS

# 2,130 PATIENTS

WERE TREATED IN BOTH CAMPAIGNS,  
INCLUDING CHILDREN, ADULTS AND SENIORS

# 9,931 PATIENT CARE

IN MEDICAL SPECIALTIES

IN PARTNERSHIP WITH:



**A dental care campaign conducted in the town of Casalla, in Pisco.**

IN PARTNERSHIP WITH:



OUTSTANDING  
ACHIEVEMENTS:

# 355 PATIENTS TREATED

# 1,035 DENTAL CARE

IN ALL SPECIALTIES





## → THE ENVIRONMENT

### 1. APRENDAMOS CON CAASA (I LEARN WITH CAASA)

In line with our environmental policy and our commitment to care for the environment, we have developed the program Aprendo con CAASA (I learn with CAASA), which seeks to educate pupils from schools in Pisco on environmental topics.

This program is aligned with the UN's Sustainable Development Goals (SDGs) and Aceros Arequipa's 2030 sustainability strategy. The aim of this program is to achieve the following objectives:

- Promote a culture of responsible solid waste management, resource saving and composting.
- Foster environmental and social values among children from an early age.
- Create a scalable educational model.

OUTSTANDING ACHIEVEMENTS:

**5 EDUCATIONAL  
INSTITUTIONS IN PISCO SIGNED  
AN AGREEMENT TO IMPLEMENT  
THE PROGRAM**

COORDINATION TO IMPLEMENT THE  
PROGRAM IN EARLY 2025

IN PARTNERSHIP WITH:



### 2. SAVE THE HUMMINGBIRDS

The project aims to help in the conservation of five hummingbird species present in the Pisco area, by creating and improving gardens with native plants.

A total of 1,504 students from two schools in the province of Pisco, ranging from 2nd to 6th grade, participated in two workshops. These initiatives raised awareness on the importance of growing native flora in Ica to preserve the five hummingbird species that inhabit the region.

OUTSTANDING ACHIEVEMENTS:

**TWO CONSOLIDATED  
SCHOOLS IMPLEMENTED  
THE PROGRAM.**

**47 TRAINING  
AND AWARENESS TALKS WERE  
CONDUCTED.**

TRAINING PROVIDED TO 1,447 STUDENTS,  
47 TEACHERS AND 10 ASSISTANTS.

IN PARTNERSHIP WITH:





### 3. WATER CONSERVATION BRIGADES (GRI 303-1)

The “Water Conservation Brigade” project was set up to promote a culture of conservation and responsible use of water in the Salas district community. This is made possible through dynamic educational programs, hands-on activities and strategic inter-institutional partnerships, all sharing our commitment to preserving water resources and the environment.

Awareness-raising and communication are the mainstays of the program, which aims for a change in attitude towards the efficient use of water. It seeks to train students from local schools as water conservation brigade members, actively involving school principals, teachers, administrative staff, and parents.

Together with the National Water Authority, we firmly believe that change begins through education and is strengthened when the community is actively involved.

This project was successfully implemented both at the Carlos Noriega Jimenez School in the district of Paracas, and at the General Juan Pablo Fernandini School.

#### OUTSTANDING ACHIEVEMENTS:

**30 STUDENTS**

ARE MEMBERS OF THE ENVIRONMENTAL WATER CONSERVATION BRIGADE, WHO CONSTITUTE A VITAL FORCE IN DRIVING THE PROJECT FORWARD.

**10 TEACHERS**

COMMITTED TO WORKING ON A PROMINENT ENVIRONMENTAL ISSUE AT THEIR SCHOOLS.

**2 SCHOOL PRINCIPALS**

WHO PLAY A KEY ROLE IN IMPLEMENTING AND SUPERVISING THE PROGRAM.

**100 PARENTS**

WHO ARE AWARE OF AND INVOLVED IN WATER CONSERVATION THANKS TO EDUCATIONAL CAMPAIGNS.

IN PARTNERSHIP WITH:





SOCIAL INVESTMENT AND DONATIONS

Social investment helps us to have a positive impact on improving the quality of life and promoting social development in our community. In 2024, our cash philanthropic contributions amounted to S/ 1,121,856. The main investments included donations to the League Against Cancer and the Peruvian Cancer Foundation, totaling US\$ 20,000 each.

CORPORATE VOLUNTARY WORK

At CAASA we are firmly committed to promoting the social advancement of all Peruvians, particularly the members of our workforce. We value the importance of voluntary work for the good of the local community.

This experience adds value both to the Company and to society, as well as strengthening our organizational culture. Our Steel Volun-

teers Program began with the dream of involving our employees right from the management stage, making them part of the program as well as its co-creators.

FOOD COLLECTION FOR COMMUNITY SOUP KITCHENS

The aim of this project was to collect food for soup kitchens in deprived areas in Lima, working in collaboration with the NGO Caritas Lima.

30 REGISTERED  
EMPLOYEES

2 HOURS  
DEDICATED TO ACTIVITIES

ARTISTIC AND CULTURAL INITIATIVES  
AT CERRO SAN COSME, IN LA VICTORIA  
DISTRICT, LIMA

Designed to reclaim public spaces, this project used artistic murals and cultural activities to transform the area. The initiative was carried out in partnership with other private organizations: InLearning, Corriente Alterna and Zegel.

15 REGISTERED  
EMPLOYEES

5 HOURS  
DEDICATED TO ACTIVITIES

→ TABLE 21  
PHILANTHROPIC  
CONTRIBUTIONS  
IN SOLES

Body	2021	2022	2023	2024
Cash contributions via banking transactions	403,685	389,051	900,429	1,121,856
Time: paid voluntary work	18,244	2,840	18,718	15,958
Donations of products or services, projects or similar	1,058,231	106,412	202,305	222,195
Administrative Costs	144,320	297,041	187,701	242,513

Note: The value of "Time: paid voluntary work" corresponds to the amount spent in managing voluntary work.



# 4.5. Enhancing Human Rights Compliance

(GRI 3-3, 406-1, 407-1, 408-1, 409-1, 410-1)

→ INFOGRAPHIC 27  
HUMAN RIGHTS  
AND EQUAL  
OPPORTUNITIES

## Objective



**Specific objective:**  
Ensure CAASA complies with the Human Rights due diligence cycle.

People Management

Retain 100% of trained employees in positions managing human rights issues.

Supply Chain (these initiatives will be promoted in 2025)

- **Transportation:** ensure that 100% of our type A and B suppliers comply with established human rights standards and undertake to implement such standards in their operations.
- **Corporate and Strategic Procurement:** create human rights questionnaires to assess suppliers.

Retain 100% of trained employees in positions managing human rights issues.

**Transportation:** ensure that 100% of our type A and B suppliers comply with established human rights standards and undertake to implement such standards in their operations.

Goal 2027 → Goal 2030



Progress  
2024



100 %  
of trained employees in positions that deal with human rights issues



At Corporación Aceros Arequipa, our commitment is to identify, prevent and mitigate any potential impact that our activities, value chain, and relations with stakeholders may have on human rights. We are guided by the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and the National Action Plan on Business and Human Rights 2021-2025 (Peru).

→ TABLE 22  
**GOVERNANCE  
STRUCTURE FOR  
HUMAN RIGHTS  
MATTERS**

Body	Role or Position
Human Resources Department	Responsible for systematizing and integrating progress made by Aceros Arequipa in the field of human rights, highlighting any shortcomings and driving actions for improvement.
Sustainability Committee	Responsible for monitoring and supervising compliance with human rights work plans and company performance.
Ethics Committee	Responsible for monitoring adherence to the Code of Ethics, reviewing investigation results and proposing actions to management based on the facts identified during the investigations.





## HUMAN RIGHTS DUE DILIGENCE MODEL (GRI 406-1, 407-1, 408-1, 409-1)

In 2021 we implemented a human rights due diligence model designed to identify, prevent, mitigate, and report on how we address real and potential impacts in our activities, supply chain and business relationships.

No human rights-related complaints were recorded during this period through our Ethics Hot-line or other communication channels.

### → INFOGRAPHIC 27 RESPONSIBLE BUSINESS BEHAVIOR OECD MODEL

**1. POLICIES AND MANAGEMENT SYSTEMS**  
Develop policies within the Human Rights management framework

**2. IDENTIFY AND EVALUATE RISKS**  
In operations, supply chains and business relationships.

**3. STOP, PREVENT OR MITIGATE RISKS**  
In activities within the value chain and with all stakeholders



**4. MONITOR**  
Constant monitoring of model effectiveness. Includes regularly evaluating related parties.

**5. REPORT**  
On how impacts are addressed

**6. REPAIR OR COLLABORATE**  
Repairing the impact when appropriate



Due diligence includes the following scope for risk identification:

### In Our Operations

We conduct regular assessments to identify and assess potential human rights risks in our operations. This process includes overseeing working conditions, labor practices, and the well-being of our employees. We guarantee adherence to our Code of Ethics and internal human rights policies, and we ensure responsible management in line with our values.

### In Our Value Chain

We apply our human rights due diligence throughout all our value chain. We work closely with suppliers and contractors to check they comply with our standards and policies. We analyze their labor procedures by means of thorough assessment and we demand compliance with our Code of Ethics. In the event of non-compliance, we take corrective measures, which may include terminating business relationships, thus reaffirming our commitment to human rights.

### In New Business Relations

Before entering into any new business relationship, whether it be a merger, an acquisition or a joint venture, we undertake a rigorous due diligence process. This includes assessing working conditions, financial stability, environmental impact and other relevant factors. Any human rights-related risks identified during these assessments are analyzed and addressed thoroughly, ensuring alignment with the company's corporate standards.





We regularly review identified risks, enabling us to anticipate potential problems and proactively adapt our strategies. This systematic approach means our human rights due diligence processes are constantly improving and reinforces our commitment to responsible and sustainable management. Every

year, we assess 100% of our sites' processes through self-monitoring routines. In the last period, we identified 20 human rights risks, which based on how critical each was, were classified as follows: 12 were moderate and 8 were significant risks. To mitigate these risks, we have put in place 39 controls.

We require all our contractors and suppliers to comply with approval processes, registration, and acceptance of our Code of Ethics to mitigate these risks. Specific evidence is required, such as certificates guaranteeing freedom of association. We also have strict measures in place, including contract termi-

nation for suppliers or contractors who violate our Code of Ethics on issues such as child, youth or forced labor.

In line with our commitment, we provide training, for example a session on **Key Tools to Strengthen Human Rights**, for all CAASA employees, with the aim of reinforcing our human rights culture and promoting responsibility in all our business operations. A total of 135 employees took part in the training. Moreover, **100% of security personnel** received formal training on policies and procedures specific to human rights and how to apply them in security-related matters. [\(GRI 410-1\)](#)

→ TABLE 23  
**IDENTIFIED  
RISKS AND  
CONTROLS IN  
PLACE**

Issue	Identified Risks and Current Controls	Detail and control measures
Risk of failing to respect freedom of association or collective bargaining	1 moderate risk 1 control in place	Risk related to freedom of association. The Labor Relations Sub-Management meets monthly with the two unions to address labor requests according to the Collective Bargaining Agreement. We guarantee free union membership.
Child labor or exposing young employees to dangerous work	2 significant risks 2 controls in place	Risk related to purchases. Annually, the strategic purchasing team inspects suppliers of strategic inputs and makes weekly visits to suppliers of domestic ferrous raw materials.
Risk of forced labor	1 moderate risks 1 controls in place	Risk linked to the compensation area due to restrictions on freedom of movement or change of employment. All resignations receive a documented response and settlement in accordance with current regulations.
Other issues	16 related risks 35 controls in place	Other risks related to working conditions, abuse of force, discrimination, harassment, and impacts upon local communities.



## 4.6. Business Management (GRI 3-3, 2-29)

We are a leading steel company in the Peruvian market, renowned for our vocation for customer service, our philosophy of quality and our commitment to continuous improvement. These strong points enable us to respond to high demands both in the national and international markets, which is why we have a wide-ranging portfolio of products and services to meet the needs of the construction, industrial and mining sectors. We focus on optimizing each stage of the customer service process, which includes storage, sales, delivery, debt management, billing and after-sales service.

Our success is based on a clear vision, talented human capital, technological innovation, our focus on overall quality, caring for the environment and contributing positively to the community.

### KEY MILESTONES OF THE YEAR

During this year we have participated in major national infrastructure projects, such as the following:

- Upgrading and expansion of flood and landslide protection services along the Huaycoloro ravine
- Costa del Sol Hotel at Lima Airport
- Chinchero International Airport
- Bicentennial school packages

ALikewise, after the acquisition of Comfer, we consolidated our position as manufacturers of electro-welded mesh used in mining and construction, as well as producing nails and annealed wire. As for new products, we have ventured into the roofing and fencing market (TR4).

Likewise, within the framework of our Acedim Prearmado system, we have incorporated new pre-assembled solutions, such as pre-beams, electro welded mesh, trusses and rollmats. These solutions are used for various projects in the construction industry.

Our commitment to our users and end consumers is to develop and disseminate free, high-value resources to build safe homes and

techniques applied to metalwork projects. These materials are made available through online training courses, our corporate fanpage and on our website.

### COMMUNICATION CHANNELS

To strengthen our relationship with customers, we strive for operational excellence and offer clients personalized sales advice, nationwide coverage as well as customer service through various communication channels.

Customers can register their complaints or claims through the Aceros Pro system, send them through their sales representative or by email. In addition, we have management indicators that monitor service times from the moment the claim is registered until a formal response is issued, thus ensuring a fast and high-quality service. In 2024, we have addressed or settled 99.54% of complaints or claims submitted by customers through the communication channels made available to them.





## CUSTOMER SATISFACTION

Customer satisfaction is a priority at every stage of the service process. Our approach, which focuses on generating added value through cutting-edge engineering, technology and methodologies, guarantees high-quality products that meet the most demanding market standards.

We offer personalized support that covers everything from engineering design to on-site installation; we are also able to adapt to the specific needs of each customer.

Every year we conduct a customer satisfaction survey to identify opportunities for improvement in various key areas. This study is conducted using telephone surveys and the Likert scale to analyze the following variables: sales service, price, financing, complaint resolution, delivery compliance and quality, product quality, overall customer satisfaction and the Net Promoter Score (NPS).

Our goal is to constantly improve our customers' experience, optimizing all the services

we offer, including storage, sales, and delivery, as well as managing credit, billing and after-sales support.

## TECHNOLOGY FOR OUR CUSTOMERS

At Aceros Arequipa, technological innovation is key to providing cutting-edge, and efficient solutions for our customers.

## INNOVATION IN STRUCTURAL ENGINEERING AND AUTOMATION

The company has developed structural engineering techniques to produce prefabricated components, incorporating automation technologies and parametric design. Hereunder are some of the company's most noteworthy projects:

- **ArmaBIM:** a mechanism that uses virtual models for pre-construction, monitoring, and project management. This allows for early decision-making, reduced variability, and optimized on-site construction.
- **OptiTruck:** an application based on genetic algorithms and machine learning, which automates generation of loading layouts in

the logistics area. It optimizes the number of necessary transportation units and minimizes problems associated with volume, deformation, or excess weight.

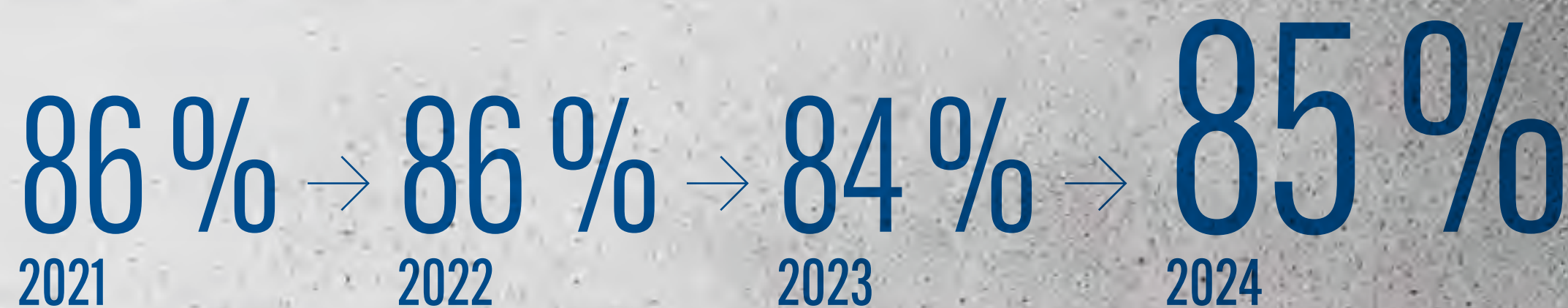
- **PrearmAR:** using augmented reality technology ensures quality in the assembly of pre-assembled products, increasing precision and reducing errors in the process.

## INDUSTRIALIZATION IN CONSTRUCTION

Our prefabricated business unit stands out as a strategic pillar for industrialization in construction. This approach now offers our clients the following:

- Time savings in field execution
- Superior quality standardization

Based on the client's original design, we assemble structures in concrete and steel blocks (prefabricated elements) considering field restrictions, logical construction sequence and transportation constraints. The prefabricated elements include inserts and permanent bolts embedded from the plant, and undergo rigorous structural design checks in all



Note: Our customer satisfaction target for 2024 was 85%.



stages, from engineering through to transportation. This process ensures transparency, optimization, and quality in every project.

#### NEW PRODUCTS AND SERVICES

Innovation has been driven forward as a key factor for continuous development. Recent breakthroughs include the following:

- New high-carbon grades in bars for grinding balls, flat bars for springs and wire rod for mattress springs.
- Launch of OneMat, an innovative product for the mining and construction sectors.
- Design of grinding rods for mining, adapted to the industry's requirements.

#### PROGRAMS FOR MASTER BUILDERS

To reaffirm our commitment with end consumers, we offer free training programs for construction foremen through the Steel Technical Training program and for metal carpenters through the Metal Carpentry Workshop.

These free training courses, offered nationwide, combine theory and hands-on practice to ensure participants acquire knowledge directly applicable to their work. Course materials, certificates of participation highly valued by attendees, and a coffee break are part of the experience.

Likewise, since 2020 we have also developed virtual training courses under the umbrella brand Academia del Acero (Steel Academy). These sessions are conducted using the Streamyard platform and are also broadcast on our social media and corporate channels. We have specialized speakers who conduct the sessions, supported by moderators who guarantee seamless interaction and answer questions in real time. To encourage attendance, we organize raffles giving out useful prizes and we also send out invitations to participate using social media, such as Facebook, as well as e-mailing campaigns targeting our database.





# ANNEXES

CHAPTER

5





## 5.1. How to read this report

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

This document presents the results and the activities of Corporación Aceros Arequipa SAC between January 1st and December 31st, 2024. This report has been designed following the Global Reporting Initiative (GRI) standards. It also included indicators from the Sustainability Accounting Standards Board (SASB) for Iron and Steel producer companies in the industrial sector, and metrics from the Dow Jones Sustainability Index (DJSI), that assess our level of commitment to sustainability. We also comply with the guidelines established by the Securities Market Superintendency (SMV).

In addition, we reaffirm our commitment with the United Nations Global Compact (UNGC) and contribute to the attainment of the Sustainable Development Goals (SDGs).

This report was produced and supervised by the Social Responsibility area, with the supervision and approval of the Sustainability Committee and the Board of Directors. To guarantee the transparency and reliability of the information, the report has been externally verified by SCG, which verification letter can be found at the end of this document.

The scope of the economic, social and environmental indicators presented include 100 % of our production and considers all our operations in the following sites:

- |             |             |
|-------------|-------------|
| 1. Lima     | 5. Arequipa |
| 2. Callao   | 6. Piura    |
| 3. Pisco    | 7. Lurín    |
| 4. Trujillo |             |





## 5.2. General Information

### GENERAL INFORMATION ABOUT THE ISSUING COMPANY

CORPORACION ACEROS AREQUIPA S.A. was incorporated by public deed on December 31st, 1997, before notary public Carlos Gómez de la Torre R., after the merger between Aceros Arequipa S.A. and Aceros Calibrados S.A., from which were dissolved without liquidation to establish the new company. Aceros Arequipa S.A. was incorporated by public deed on May 13th, 1964 before notary public Ricardo Samanamud. The Company was registered under entry 01 item A of file 10456, now electronic file 11010518 of the Arequipa Corporations Registry.

In 2015, the company approved an amendment to its by-laws, changing its domicile, and was registered under electronic file N° 70627037 at the Callao Corporations Registry. Later, in 2019, the company approved a new amendment to the bylaws, to change the domicile from Callao to Lima. This change was registered under electronic file N° 15202705 at Lima Corporations Registry. The duration of the company is indefinite.

By virtue of a modification to the corporate purpose, made in 2022, the main purpose of the company is steel making, in the form of the production of steel for the manufacture and sale of billets, bars, merchant bar and wire rods, in different shapes and qualities. Other activities include the sale of products for construction and industry in general (light engineering, mining, fishing, agribusiness, etc.), as well as the import and export of inputs and raw materials related to the above-mentioned goods and products. It may also carry out mineral prospecting, sampling, exploration, exploitation, and other mining activities.

The company is also engaged in the transfer in any form of technology acquired or developed by the Company, as a bonded warehouse keeper, and electricity generation and transmission. Furthermore, the amendment to the company's purpose made in 2022 includes the storage of hydrocarbons and fuels for internal use and the sale of solid waste, as well as agricultural activities in general.

The company's main line of business is encompassed in economic activity code N° 2410, according to the United Nations Standard Industrial Classification.

Regarding its relationship with the Government, it should be noted that the company does not receive special tax treatment, exemptions, or other benefits.

The company's main sites include the following:

**(GRI 2-1, 2-2)**

- The administrative and management offices are located at Av. Antonio Miró Quesada N° 425, 17th Floor, Magdalena del Mar.
- The manufacturing plant is located at Panamericana Sur Km. 241, district of Paracas, Pisco province, Ica department
- The finished product warehouses and the tube plant are located at Av. Enrique Meiggs N° 329 - Callao, Tel. (51) (1) 517-1800.
- Lurin distribution center: CA. S/N Almonte UC11258. Predio 0057972 Zona A -Pampas de Lurin.

Operated by a third party:

- The Arequipa distribution center is located at Variante de Uchumayo Km 5.5, Cerro Colorado, Arequipa.
- The Trujillo distribution center is located at Avenida Tupac Amaru 1620. The collection yard is located at the corner of Calle 3 and Avenida 2; Manzana: "B-1", Lote: "06, 07, 08, 09, 11, 12", Sub-Lote: "B", Urbanización: Parque Industrial, La Esperanza district, Trujillo province, La Libertad department
- The Piura distribution center is located at: Carretera Piura Paita SN Lote A5 Sector Coscomba - Veintiséis de Octubre district
- The Huachipa stockyard is located at: Parcela Nro 63 - Parcelación Cajamarquilla 1ra Etapa - Lurigancho district - Chosica
- The Oquendo stockyard is located at: Cruce de la Calle By Calle 10 - Urbanización Victoria.



## 5.3. Administration





→ TABLE 24  
**MANAGEMENT**  
(GRI 2-11)

	Name	Position
1	Mr. Ricardo Cillóniz Champín	Executive Chairman <sup>20</sup>
2	Mr. Tulio Silgado Consiglieri	CEO
3	Mr. Augusto Cornejo Cañedo	Chief Product Officer
4	Ms. Mariana Talavera Rubina	Supply Chain Manager
5	Mr. Diego Arróspide Benavides	Strategic Procurement Manager
6	Mr. Ricardo Guzmán Valenzuela	Chief Financial Officer
7	Mr. Gonzalo Arróspide del Busto	Commercial Manager
8	Mr. Juan Manuel Otoya Wherrems	Human Resources Manager
9	Mr. Rafael Cáceres Gallegos	IT Manager
10	Mr. Fernando Bustamante Cillóniz	Strategic Control Manager
11	Mr. Ricardo Cillóniz Rey	Project, Mining, Social Responsibility and Innovation Manager
12	Ms. Mariana Olivares Maldonado	Legal Affairs Manager
13	Mr. Humberto Barragán Herrera	Internal Audit Manager

1

**MR. RICARDO CILLÓNIZ CHAMPÍN**

He is a civil engineer and holds a master's degree in business administration from Michigan State University. He has held the position of Managing Director of Corporación Aceros Arequipa S.A. since March 1988 and on January 1st, 2007, he was appointed Executive President. He is a director of several companies, including Compañía Eléctrica el Platanal S.A. (Celepsa). He was a director of Rímac Seguros y Reaseguros from 1979 to 2023.

2

**MR. TULIO SILGADO CONSIGLIERI**

Mr Silgado is an agronomist by Universidad Nacional Agraria and has studied at the Kellogg School of Management, among other institutions. He is the CEO since January 2015. Previously he was director and general manager at Cerámica San Lorenzo from 1994 to 2015. He was also a director of Cerámicas Cordillera Chile and Cerámica San Lorenzo Colombia. He worked as sales manager at Imperial Chemical Industries (ICI) for Central America and the Caribbean, was general manager of ICI Dominicana and agrochemical manager of ICI Peru from 1987 to 1994. He is currently a director of Fundo Buenos Aires Quilmana S.A.C., Fábrica Peruana Eternit and Tecnofil.

<sup>20</sup> The regulations for the Board of Directors establish as the only exception that the Chief Executive Officer may serve as Chairman of the Board of Directors. The regulations also establish that in the event of conflict of interest, the Director involved must notify the Board so that his or her abstention in such matters is evaluated.



3

**MR. AUGUSTO CORNEJO CAÑEDO**

He is an electro-mechanical engineer, with a master's degree in administration and a major in business management. He holds a PHD in business sciences by Universidad San Luis Gonzaga de Ica. He holds the position of Central Production Manager since January 2016. He previously served as manager of the rolling mill and finishing plants, and rolling mill superintendent.

4

**MS. MARIANA TALAVERA RUBINA**

She is a business management engineer by Universidad Nacional Agraria La Molina, She holds the position of supply chain manager since June 2018. Before that, she held local management positions in the procurement and supply chain departments in Kimberly Clark, Intralot del Peru and ABInbev, and she also worked as Regional Purchase Manager at Kimberly Clark.

5

**MR. DIEGO ARRÓSPIDE BENAVIDES**

He is an industrial engineer, graduated from the Universidad de Lima. He holds a master's degree in operations management from UPC. He holds the position of strategic procurement manager since July 2017. Previously he held management positions in procurement and logistics areas in companies such as Engie Energía Perú, Peruana de Combustibles, BBVA Continental and British American Tobacco.

6

**MR. RICARDO GUZMÁN VALENZUELA**

He is a business manager, with specialization in finance at The University of Texas at Austin, he holds an MBA from The University of Chicago Booth School of Business. He was corporate finance manager of Corporación Aceros Arequipa S.A. since July

2011 and holds the position of CFO since April 2017. Previously, he was executive director of Corporate and Investment Banking at BBVA and head of mergers and acquisitions for Peru. Before that he worked in corporate finance for several financial institutions.

7

**MR. GONZALO ARRÓSPIDE DEL BUSTO**

He is a business manager, with postgraduate degrees by ESAN and North Western University U.S.A. Mr Arróspide holds the position of commercial manager since December 1998. He previously worked at Cerámica Lima S.A., as commercial manager.

8

**MR. JUAN MANUEL OTOYA WHERREMS**

He graduated as an attorney from Pontificia Universidad Católica, he holds an MBA from Maastricht School of Management and followed specialization courses in human resources management at ESAN, senior management at ESADE and executive coaching at INCAE. He is the human resources manager since August 2020. Previously he was human resources manager at Unique, a member of Yanbal International, human resources director at GRUPO CODERE in Peru, Colombia and Argentina, and human resources manager at ORUS S.A., part of GRUPO ROMERO.

9

**MR. RAFAEL CÁCERES GALLEGOS**

He is an electronic engineer and holds the position of IT manager since September 1999. Before that, he served as manager of @Phone S.A. Until 1998, he worked as operations manager for Americatel Peru S.A.



10

#### MR. FERNANDO BUSTAMANTE CILLÓNIZ

He graduated from Boston University as a mechanical engineer and holds an MBA from the University of Piura. He has held the position of strategic management control manager since 2010. Previously, he served as internal consultant, head of merchant bar marketing, corporate TQM coordinator and head of PCI and inputs warehouse. Currently, he is also a director of Fundo San Fernando.

11

#### MR. RICARDO CILLÓNIZ REY

He graduated as an industrial engineer from Universidad de Lima and holds an MBA from Kellogg School of Management and a master's degree in engineering from McCormick School of Engineering. He has held the position of projects, mining, social responsibility and innovation manager since November 2010. From 2005 to 2010 he was consultancy manager at Bain and Company - United Kingdom. He has also held positions at Deutsche Bank - London and South Pacific Business Development. Currently, he is also a director of Agroindustrias AIB S.A. and Consorcio Industrial de Arequipa S.A.

12

#### MS. MARIANA OLIVARES

She is an attorney by Universidad de Lima and has pursued studies at the Institute for US LAW of George Washington University. She is the Legal Affairs Manager since June 2023. Previously she worked as legal and corporate affairs director at Sodexo

Peru, she was general manager of Asociacion Sodexo por el Desarrollo Sostenible and a partner at Munizlaw law firm.

13

#### MR. HUMBERTO BARRAGÁN HERRERA

Mr. Barragán is a certified public accountant who graduated from Pontificia Universidad Católica del Peru - PUCP. He has a postgraduate degree in internal auditing, management control and quality management from Universidad de Lima, as well as a postgraduate qualification in finance and international accounting standards by ESAN. Formerly external financial auditor at KPMG, internal auditor at Aliaxis Latin America (a group manufacturing tubes, fittings, plastic valves and related products for residential, commercial and industrial construction), based in Costa Rica; internal auditor in Ecuador's Grupo H&H road construction company in Peru of and internal auditor of Empresas de Transporte de Energía Eléctrica en Peru, part of the Colombian Grupo Empresarial ISA. He was a part-time professor at Pontificia Universidad Católica School of Accounting Sciences. He has been the internal audit manager since December 2013.

Degree of relationship by affinity or consanguinity between directors and management:

1. Renee Cillóniz de Bustamante and Ricardo Bustamante Cillóniz are related by blood in the first degree.
2. Ricardo Cillóniz Champín and Ricardo Cillóniz Rey are related by blood in the first degree.
3. Ricardo Cillóniz Champín and Renee Cillóniz de Bustamante are related by blood to the second degree.
4. Ricardo Bustamante Cillóniz and Fernando Bustamante Cillóniz are related by blood to the second degree.
5. Ricardo Cillóniz Champín and Ricardo Bustamante Cillóniz are related by blood to the third degree.



# 5.4. Economic and Financial Information

## RESULTS OF THE YEAR

After the application of the International Financial Reporting Standards (IFRS), the audited result for fiscal year 2024, in thousand soles was:

→ TABLE 25 AUDITED RESULT FOR FISCAL YEAR 2024	Net Profit for the year	S/ 196,493
	(-) Legal Reserve	S/ 0
	Freely Available Profit	S/ 196,493

The General Corporations Law requires that a minimum of 10 percent of distributable profits after income tax be transferred to a statutory reserve until that reserve equals 20 percent of the company's capital. The Company covered the required percentage during 2018, and it does not need to be deducted.

The Company's capital stock as of December 31, 2024, was S/ 890,858,308, represented by 890,858,308 shares with a nominal value of S/ 1.00. As of that date, the Investment Shares amount to S/ 182,407,512, represented by 182,407,512 shares of S/ 1.00 nominal value.

The Board of Directors proposes a cash dividend of S/ 78,597,000.00, charged to the retained earnings of previous years. A deduction of cash dividends approved on July 23, 2024, corresponding to advanced dividends for 2024 and paid on August 15, 2024 for a total amount of US\$ 5,629,000.00 (equal to S/ 21,152,000.00), as well as the one approved on October 31, 2024 and paid on Novem-

ber 26, 2024 for a total amount of US\$ 7,553,000.00 (equal to S/ 28,519,000.00) must be deducted. The remaining amount of S/ 28,926,000.00, that shall be paid in US Dollars, at the closing exchange rate of the day prior to the General Shareholders' Meeting, shall be applied both to common shares as to free circulation investment shares that add up to 1,073,265,820 shares, therefore the dividend per share equals S/ 0.026951, which shall be paid in US Dollars. The Free Available Profit shall be channeled to the Accrued Results account.

The following are the proposed registration and payment dates:

Registration date:	15.04.2025
Payment date:	21.04.2025

With the approval of the proposed dividends, the Accrued Results and the Equity of the Company in thousand soles is:

→ TABLE 26 ACCRUED RESULTS AND EQUITY	Capital Stock	S/ 890,858
	Investment shares	S/ 182,407
	Legal reserve	S/ 178,927
	Excess from revaluation	S/ 183,447
	Accrued results	S/ 1,356,549
	Total Equity	S/ 2,792,189



### ASSETS AVAILABLE FOR SALE

In 2025, several properties will remain on sale, among which, a 85,000 m<sup>2</sup> plot in Pisco, a 801m<sup>2</sup> in Paracas and two plots that total 60,000 m<sup>2</sup> in Arequipa, among others. In addition, according to the Board of Directors meeting resolution of January 2018, a plot of land was purchased in Lurín, to move the main warehouse of the company in Callao, and selling an additional 43,000 m<sup>2</sup>.

### PERSPECTIVES

In 2025 we expect an improvement in the Company's results from higher margins in long products, and others.

From a market point of view, in 2025 we expect larger sales volumes to the different recurrent markets served. However, we are cautious about the economic performance of Bolivia given the scarcity of United States Dollars, the growing increase of fees to transfer funds abroad, as well as the possible effects of the electoral period and the 2025 elections. Likewise, Ecuador will also hold presidential elections. This could also affect the demand and sale of products to that country. In the case of exports to non-recurrent markets, we will maintain

a policy of exports when it is economically convenient. From a product category standpoint, we expect that bars for mining mill balls to represent a greater share of our portfolio.

As regards international raw material prices, we expect them to remain relatively stable during 2025.

In 2025 the Company will maintain its focus in generating economic value through the execution of productivity and capacity improvements and procurement assurance under its core objectives of employee health and safety, process automation and innovation, care for the environment and the generation of shared value for society, and continuous improvement in the quality of our products and processes.

In 2025 the cycle of large-scale investment will be completed, and we will focus on executing these investments and making them profitable. Next, we will move on to a gradual deleveraging process (long-term financing) until the next large investment cycle. However, the Company will maintain its policy of continuous evaluation of

investment opportunities for vertical and horizontal integration to grow and optimize its processes.

The following are the investments planned for 2025:

- Capacity increase and other improvements in the Steel Mill N° 2.
- Scrap cleaning machine.
- Finalization of investment in train N° 3, among other.

In 2025 the Company will continue to optimize its working capital and product portfolio, by diversifying regional sales through our subsidiaries; it will continue to increase its presence in the mining sector through the sale of bars for mill balls, it will continue selling by-products and seeking to sell nonproductive assets. All the same, we will continue to improve corporate sustainability to better serve our stakeholders.

Perspective for our subsidiaries:

- **Aceros America Corporation (United States of America):** In 2025, through its subsidiaries Aceros America Port Manatee LLC and Aceros America St. Pete LLC, we expect to have greater exports of ferrous

**IN 2025 WE EXPECT  
LARGER SALES  
VOLUMES TO  
THE DIFFERENT  
RECURRENT  
MARKETS SERVED.**



and non-ferrous scrap versus the amount exported in 2024. Volume increase will be supported by a greater collection of scrap, and investment in machinery to optimize the recovery of by-products. We must mention that this investment, besides obtaining new by-products which were not sold before, will allow cost reduction and operational risks.

- **Aceros Arequipa S.A.S. (Colombia):** larger sales volumes are projected in 2025 compared to 2024, and consequently, we expect higher sales than in the previous year, leveraged by the growth of sheets, beams, wires and nails. On the other hand, we will be cautious due to the uncertainty of the Colombian Government public investments and reforms.
- **Corporación Aceros Arequipa AA S.A.S. (Ecuador):** We expect higher sales volume in 2025 compared to 2024, as well as greater margins as a result of portfolio optimization. We will remain cautious and monitor the economic impact of the elections 2025 presidential elections of Ecuador.
- **Corporación Aceros Arequipa S.R.L (Bolivia):** We expect 2025 to be a challenging year for the Bolivian economy due

to the scarcity of US Dollars, the increase of fees for transfers abroad affecting importing companies such as ours and the uncertainty that presidential elections may cause. Regarding finished products, the entry of a new competitor may affect construction bars sales volumes, however, we expect consolidation in other lines such as preformed profiles, tubes and sheets. Despite a challenging scenario, we expect improvements in sales and profits for 2025.

- **Aceros Arequipa SPA (Chile):** We expect a significant increase in sales for 2025, compared to 2024 due to a greater collection of scrap, that will translate into better margins and lower financial expenditure.
- **Tecnología y Soluciones Constructivas (Perú):** increase in operations in 2025 compared to 2024, in line with the Company's growth and the projects granted.
- **Transportes Barcino (Perú):** In 2025 there will be an increase in sales because of larger volume of materials transported, and to process improvement, providing specialized and sustainable service to the Company.

However, these opinions of forecasts may vary as a result of unforeseen events.

Finally, the Company will maintain its communication strategy with the market and its stakeholders. To this end, it will hold meetings with investors and will make quarterly results calls, providing relevant information about the Company and its performance.





## 5.5. Capital stock and shareholding structure

### CAPITAL STOCK

→ TABLE 27  
**CAPITAL  
STOCK**

A. Capital stock (*): Fully subscribed and paid	S/ 890,858,308
B. Investment shares	S/ 182,407,512
C. Number of ordinary shares	890,858,308
D. Nominal share value:	S/ 1.00
E. Shares held by domestic investors	77.57 %
Shares held by foreign investors	22.43 %

### SECURITIES

According to CONASEV General Management Resolution N°061-98-EF/94.11 the common and investment shares of Corporación Aceros Arequipa S.A. were registered before the Securities Market Public Registry on 23.02.98. Changes during 2024 are shown below:

Book Value share as of year end:	S/ 2.63
----------------------------------	---------

### SHAREHOLDERS

→ TABLE 28  
**SHAREHOLDERS**

Shareholder	%	Origin
Cillóniz Champín Reneé	15.94 %	National
Olesa Investment Corp.	10.96 %	Bahamas
Cillóniz Rey Ricardo	8.53 %	National
Cillóniz Rey Andrea	8.50 %	National
Servicios de Asesoría S.A.	5.47 %	National
Grenview Invesment Inc.	5.37 %	Panama
Baertl Montori José Antonio	5.22 %	National



→ TABLE 29  
ORDINARY  
SHARES

Holding	Number of shareholders	Percentage
Less than 1%	507	19.25
Between 1%-5%	13	20.77
Between 5%-10%	5	33.09
Morer than 10%	2	26.89
Total	527	100.00

→ TABLE 30  
INVESTMENT  
SHARES

Holding	Number of shareholders	Percentage
Less than 1%	3,332	58.73
Between 1%-5%	18	41.27
Between 5%-10%	0	0.00
Morer than 10%	0	0.00
Total	3,350	100.00

→ TABLE 31  
COMMON  
SHARES  
STOCK  
QUOTATION

Month	Opening	Closing	Maximum	Minimum	Average
Jan-24	1.80	1.75	1.80	1.75	1.80
Feb-24	1.75	1.75	1.75	1.75	1.75
Mar-24	1.75	1.70	1.75	1.70	1.71
Apr-24	1.69	1.65	1.72	1.65	1.68
May-24	1.65	1.60	1.65	1.60	1.64
Jun-24	1.55	1.55	1.55	1.55	1.55
Jul-24	1.55	1.55	1.55	1.55	1.55
Aug-24	1.60	1.60	1.61	1.60	1.60
Sep-24	1.60	1.66	1.66	1.60	1.61
Oct-24	1.66	1.67	1.67	1.66	1.67
Nov-24	1.70	1.70	1.70	1.70	1.70
Dec-24	1.67	1.67	1.67	1.67	1.67



→ TABLE 32  
**INVESTMENT  
SHARES  
STOCK  
QUOTATION**

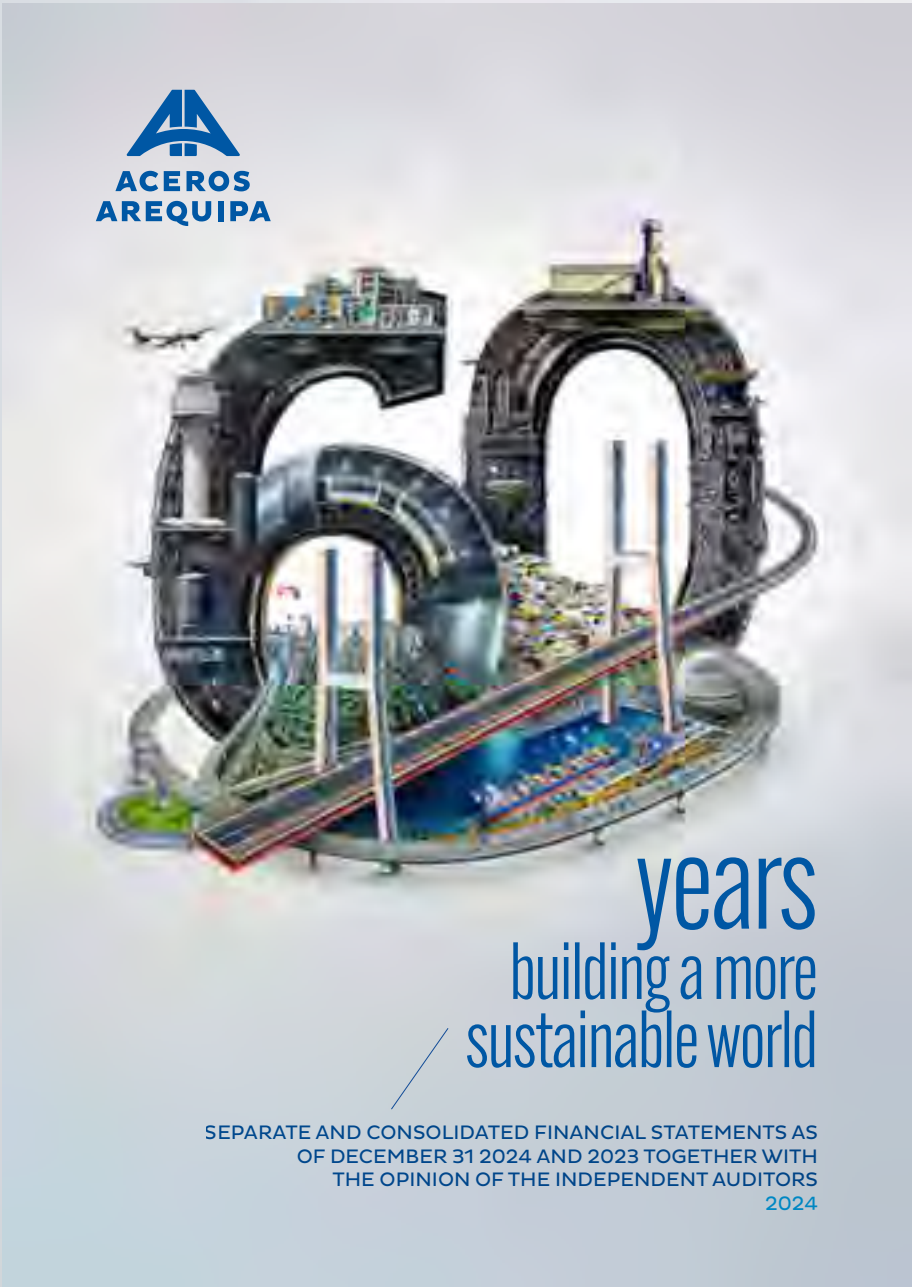
Month	Opening	Closing	Maximum	Minimum	Average
Jan-24	0.95	1.02	1.02	0.93	0.97
Feb-24	1.02	1.15	1.15	1.00	1.06
Mar-24	1.15	1.11	1.15	1.08	1.12
Apr-24	1.10	1.05	1.10	0.95	1.01
May-24	1.08	1.01	1.14	1.01	1.07
Jun-24	1.00	0.98	1.04	0.97	0.98
Jul-24	1.00	1.10	1.10	1.00	1.07
Aug-24	1.10	1.07	1.10	0.99	1.04
Sep-24	1.07	1.03	1.09	1.01	1.04
Oct-24	1.03	1.04	1.06	1.01	1.04
Nov-24	1.06	1.04	1.07	1.01	1.04
Dec-24	1.05	1.04	1.05	1.00	1.02

PANORAMIC VIEW OF LURÍN DISTRIBUTION CENTER





# 5.6. Financial Statement



Translation of a report originally issued in Spanish - See note 36

## Report of Independent Auditors

To the Shareholders of Corporación Aceros Arequipa S.A

### Opinion

We have audited the accompanying separate financial statements of Corporación Aceros Arequipa S.A, which comprise the separate statement of financial position as of December 31, 2024, and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the separate financial statements, including information on material accounting policies

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Corporación Aceros Arequipa S.A. as of December 31, 2024 and its financial performance and its cash flows for the year then ended, in accordance with IFRS accounting standards and instructions from the Superintendence of Stock Market (SMV for its Spanish acronym),

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for its application in Peru by the Board of Deans of Peruvian Public Accounting Associations. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Inscrita en la partida 13222951 del Registro de Personas Jurídicas de Lima y Callao  
Miembro de Ernst & Young Global



Translation of a report originally issued in Spanish - See note 36

## Report of Independent Auditors (continue)

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

### Existence of inventory

**Description of the matter** The inventories of Corporación Aceros Arequipa S.A. amount to S/1,193 million, representing 21% of the Company's total assets. These inventories are made up mainly of finished products and merchandise sold by the Company, as well as raw materials, products in process and other materials that are necessary for the production and operations of the Company. Inventories are located mainly in its Pisco plant and in the distribution centers located in Lima, Arequipa, Trujillo and Piura.

To validate the existence of inventories, the Company plans and executes an annual inventory, which is carried out according to the schedule approved by Management. This procedure implies significant participation by the audit team, as well as the involvement of a specialist for the measurement of scrap, the main raw material. Based on this, we believe that the existence of inventories is a key audit matter.





Translation of a report originally issued in Spanish - See note 36

Report of Independent Auditors (continue)

Existence of inventory

*How we addressed the matter in our audit* We obtained an understanding, evaluated the design and enhancing the controls of the Company's processes related to the completeness and existence of inventories. Our audit procedures included, among others:

- Define the participation strategy according to the locations and type of inventories that the Company maintains.
- Participate, through representative samples using statistical tools, on the days and sites established in our inventory strategy.
- Evaluate the integrity of the inventories counted on the days of our participation, through reconciliation with the accounting balances on the date of taking the inventories.
- Verify compliance with the procedures established by Management for counting.
- Review the tally sheets, as well as the differences identified, verifying their disposition or registration in the Company's books.
- Involve an external specialist to validate the methodology used by the Company to calculate the amount of scrap it had on inventory days.
- We carried out connection procedures on inventory balances, from the date of taking inventory until the end of the period.
- We reviewed the reports on the conclusions of the inventories.
- Review of the adequacy of the related disclosures in the financial statements.

Emphasis on separate information

The separate financial statements of Corporación Aceros Arequipa S.A. have been prepared in compliance with the legal requirements in force in Peru for the presentation of financial information and instructions of the Superintendence of Stock Market, as indicated in note 1. These separate financial statements must be read together with the consolidated financial statements of Corporación Aceros Arequipa S.A. and Subsidiaries as of December 31, 2024, which are prepared and presented separately on dates consistent with the instructions of the Superintendence of Stock Market.

Other information included in the Company's 2024 Annual Report

Management is responsible for the other information. The other information comprises information included in the Annual Report, but it is not part of the separate financial statements or our Auditors' Report.



Translation of a report originally issued in Spanish - See note 36

Report of Independent Auditors (continue)

Our opinion does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charge with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.



Translation of a report originally issued in Spanish - See note 36

Report of Independent Auditors (continue)

As part of an audit in accordance with ISAs, approved for application in Peru by the Board of Deans of the Colleges of Public Accountants of Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.





Translation of a report originally issued in Spanish - See note 36


Report of Independent Auditors (continue)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so, would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru  
February 28, 2025

Countersigned by:

*Torales, Valdivia & Asociados*

  
Ricardo Del Águila  
Audit Partner In Charge  
C.P.C.C. Register No. 37948

CENTRO DE DISTRIBUCIÓN LURIN





## 5.7. Good Corporate Governance Code Compliance Report





## 5.8. Double materiality

### DOUBLE MATERIALITY PROCESS

(GRI 3-1)

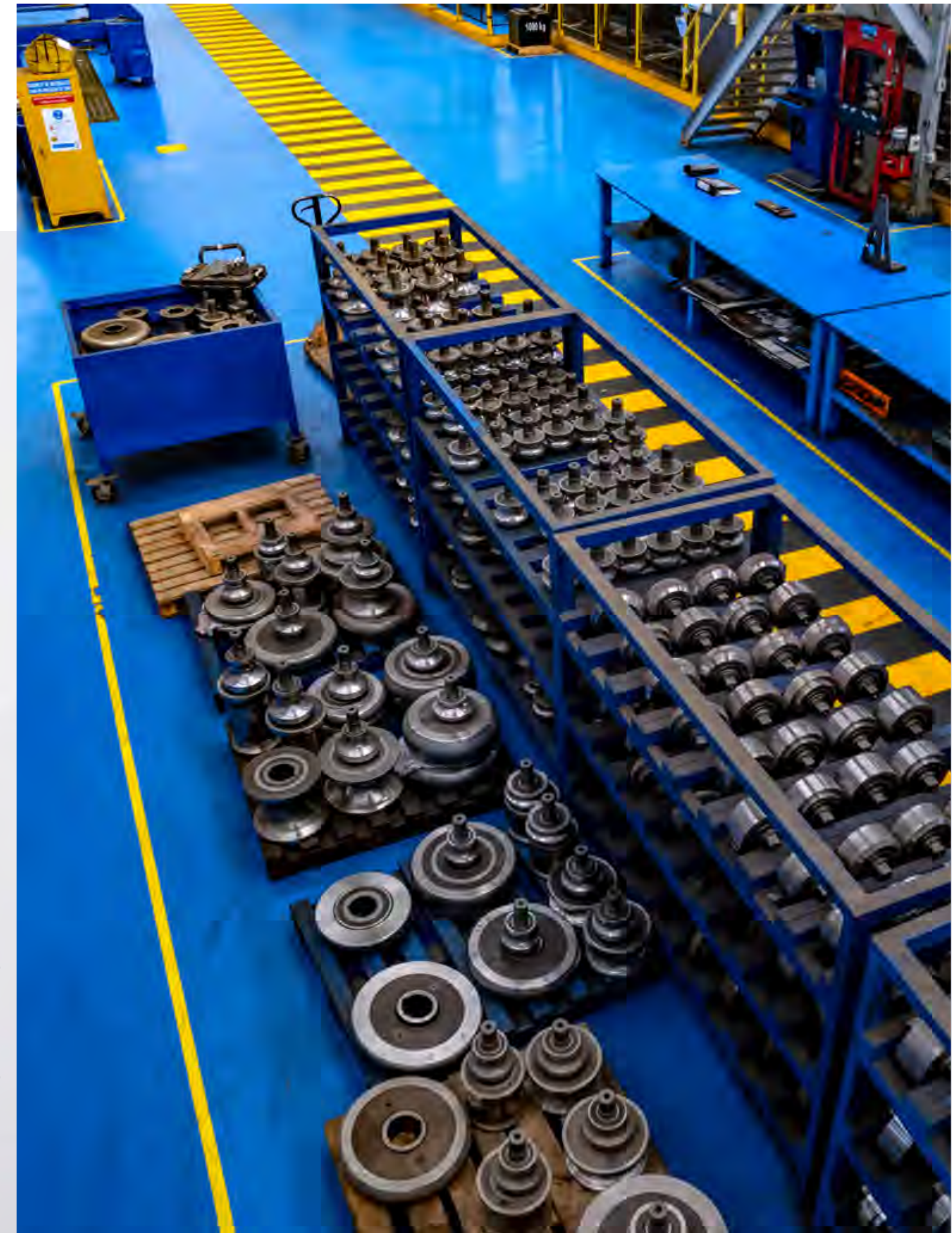
In 2023, we implemented the double materiality process, a key initiative to assess the impact of our operations both externally and internally, which influence is reflected in our organizational performance. This approach allowed identifying and prioritizing environmental, social and governance issues (ESG), from two complementary perspectives: impact materiality, considering the relevance for our stakeholders and financial materiality, assessing its impact on business performance.

This analysis included a thorough review of the main sustainability standards and global commitments, an evaluation of the organizational context, collection of information on the industry's potential or real impacts, related to our industry. Also, we took into consideration the expectations and interests of our employees, customers, suppliers, the surrounding communities with which we interact and the Government.

The priority issues identified were actively included in our sustainability strategy, our risk management process and reporting mechanisms. This comprehensive approach not only allows us to carry out internal progress monitoring but also allows us to transparently inform our stakeholders about our achievements and challenges. Therefore, we reaffirm our commitment with a proactive approach, addressing critical concerns, ensuring that our actions and decisions are aligned with both social expectations and the organization's financial objectives.

The double materiality analysis process was led by the Project, Mining, Social Responsibility and Innovation Management, and was reviewed and approved by the Executive President, ensuring the strength and strategic alignment of this important initiative.

TUBE PLANT IN LURIN





→ TABLE 33  
DOUBLE  
MATERIALITY  
PROCESS 2023

CONTEXT ANALYSIS		IMPACT ASSESSMENT		IMPACT VALIDATION AND REPORTING	
<b>Analysis of the macro and micro environment</b>	<b>Macroenvironment:</b> <ul style="list-style-type: none"><li>• Analysis of issues of importance to the industry both locally and globally in terms of sustainability.</li><li>• Analysis of industry ESG policies and regulations.</li></ul> <b>Microenvironment:</b> <ul style="list-style-type: none"><li>• Review of internal documents and direct organization environment.</li></ul>	<b>External Relevance</b>	<ul style="list-style-type: none"><li>• Analysis of the priority issues of the main sustainability standards: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Indexes (DJSI), Sustainable Development Goals (SDGs), sector indicators for Socially Responsible Companies (SRC) and the principles of the Global Compact.</li><li>• Collecting stakeholder perceptions: 2022 stakeholder mapping and 11 stakeholder surveys that included members of adjacent communities, suppliers, customers, civil society and the government.</li></ul>	<b>Validation of prioritized material issues</b>	Impacts were categorized into environmental, social and governance topics, resulting in two lists with priority topics based on their positive and negative impacts. <ul style="list-style-type: none"><li>• Boths lists were weighed.</li><li>• The result was a final <b>list of 10 topics.</b></li></ul>
<b>Preselection of material topics</b>	From this analysis, a preliminary list of ESG topics was made, identifying positive and negative impacts.	<b>Internal Relevance</b>	<ul style="list-style-type: none"><li>• Employee survey, using a sample of 123 people.</li><li>• Interview with the CEO</li><li>• Leaders panel</li><li>• Workshop with managers</li></ul>		



## DOUBLE MATERIALITY MATRIX

15 ESG topics were identified in this process, among which 11 were material topics, and 4 were priority topics.



### ENVIRONMENTAL

- A1** Response to climate change and energy management
- A2** Air quality management
- A3** Adoption of circular economy, waste management and product lifecycle
- A4** Biodiversity Protection
- A5** Water Management

### SOCIAL

- S1** Occupational Health and Safety strengthening
- S2** Relationship with customers
- S3** Talent management
- S4** Human Rights protection
- S5** Managing relations with the surrounding population
- S6** Promoting diversity and equal opportunities

### ECONOMIC AND GOVERNANCE

- G1** Research, development and innovation
- G2** Corporate governance and risk management
- G3** Creation of value for shareholders
- G4** ESG supply chain management



LIST OF MATERIAL TOPICS

(GRI 2-24, 3-1, 3-2)

→ TABLE 34  
POLICIES  
PER  
MATERIAL  
TOPIC

Material topics		Definition	Policies, standards or documents that guide our management
Economic and Governance dimension			
1	Research, development and innovation (GRI 3-3)	Technological research and development in the production process, product design and services, considering the needs of the customers, impacts on health, society and the environment. Also, adaptation to industry disruptive events, maintaining our competitiveness and implementing strategies to expand our product portfolio and standards to ensure continuity.	<ul style="list-style-type: none"><li>• Information Security Policy</li><li>• Cybersecurity Policy</li><li>• Guidelines for Information Security and Cybersecurity</li><li>• Disaster Recovery Plan</li><li>• Awareness Raising Plan</li><li>• Cybersecurity Management Process</li></ul>
2	Corporate governance and risk management   (GRI 3-3)	Implementation of rules, processes and principles that guide the governing bodies in efficient decision making for the company's comprehensive management. The purpose of this approach is to ensure transparency in all the operations, promote anti-corruption policies and anti-competitive practices, and maintain an integral business conduct at all levels, considering the interests al all the shareholders (including minority shareholders) and actively promote respect for anticorruption policies and anticompetitive practices among directors, employees and contractors. Also, it is focused on identifying and mitigating key business risks which include established, emerging, and human rights risks, as well as proactive management of possible crisis derived from social conflicts.	<ul style="list-style-type: none"><li>• Code of Ethics</li><li>• Code against Acts of Fraud and Corruption</li><li>• Internal Control and Risk Management Corporate Policy</li><li>• GIRO Methodology (Risks and Opportunities Comprehensive Management)</li><li>• Risks and Strategic Opportunities Management Matrix</li><li>• Process Risks Matrices</li><li>• Materialized Risks Management Subprocesses</li><li>• Guidelines for Self-control Routine</li></ul>
3	Supply chain ESG management (GRI 3-3)	Efficient risk and opportunities managements related to the supply chain and creation of formation transfer and compliance mechanisms in ethics and integrity topics, environmental and social standards, and OHS for suppliers.	<ul style="list-style-type: none"><li>• Scrap Purchase Policy</li><li>• Code of Ethics for Suppliers</li><li>• Protocol for Interaction with Public Officers</li><li>• Instruction for Domestic Scrap Purchase</li></ul>



Material topics		Definition	Policies, standards or documents that guide our management
			<ul style="list-style-type: none"><li>• Scrap Suppliers Manual</li><li>• Goods and Services Corporate Policy</li><li>• Procurement and Services Policy</li><li>• Instructions for Corporate Purchases</li><li>• Instruction for Supplier Selection and Assessment</li><li>• Instruction for the Assessment of Transportation Supplier Service</li></ul>
Environmental dimension			
4	Response to climate change and energy management   (GRI 3-3)	Promote the reduction of our carbon footprint and the implementation of GHG reduction programs, associated to the company’s operation to facilitate the transition towards a low carbon economy and achieve carbon neutrality by 2050. This approach, that also includes the adoption of efficient and sustainable energy management in our operations, includes the use of renewable energy sources.	<ul style="list-style-type: none"><li>• Environmental Corporate Policy</li><li>• Climate Change Risks and Opportunities analysis</li></ul>
5	Adoption of circular economy and waste management (GRI 3-3)	Maximize the use of industrial by-products and the effective management of waste generated. Prioritizing the use of recycled material instead of virgin raw materials promotes sustainability and reduces dependence on natural resources. Comprehensive management includes classification, reduction, reuse, and recycling of industrial waste, including hazardous and non-hazardous, as well as the effluents generated in the operations. This approach seeks to minimize environmental impact and fosters responsible practices in the value chain.	



Material topics		Definition	Policies, standards or documents that guide our management
6	Water management (GRI 3-3)	Responsible use of water, strictly complying with the controls and limits under the current regulations, identification and mitigation of water related risks considering the water stress factor.	<ul style="list-style-type: none"><li>• Environmental Corporate Policy</li><li>• Climate Change Risks and Opportunities analysis</li></ul>
Social dimension			
7	Strengthening of occupational health and safety (GRI 3-3)	Promoting a culture of prevention and protection of the health and safety of all personnel, including contractors and third parties involved in operations. Likewise, identification of potential related hazards and health risks external to the Company's management, such as epidemics or pandemics.	<ul style="list-style-type: none"><li>• Occupational Health and Safety Corporate Policy</li><li>• Integrated Management Policy</li><li>• Occupational Health and Safety Internal Regulation</li></ul>
8	Relationship with customers (GRI 3-3)	To ensure customer satisfaction and loyalty through better communication management and the implementation of information gathering tools to better understand their needs, generate better products and after-sales services to strengthen customer relationships.	Corporación Aceros Arequipa SA Discount Policy
9	Talent management (GRI 3-3)	Program development to improve the skills of the workers and provide growth opportunities within the organization, including benefits and talent retention programs.	<ul style="list-style-type: none"><li>• Human Resources Corporate Policy</li><li>• Internal Work Regulation</li><li>• Code of Ethics</li><li>• Code against Fraud and Corruption</li><li>• Occupational Health and Safety Policy</li><li>• Compensation Policy</li><li>• Benefits Policy</li><li>• Talent Acquisition Policy</li></ul>



Material topics		Definition	Policies, standards or documents that guide our management
10	Human Rights Protection <span>(GRI 3-3)</span>	Identification, evaluation, prevention and mitigation of risks related to human rights in any part of our value chain and stakeholders; efficient management of relationship protocols between stakeholders that interact with the communities in the area of influence that could potentially violate the rights of the communities. Establish our due diligence model that supports our commitment to human rights.	<ul style="list-style-type: none"><li>• Policy for the Contracting and Management of Outsourcing Services</li><li>• Policy for the Prevention, Investigation and Punishment of Sexual Harassment</li><li>• Human Rights and Diversity Corporate Policy</li></ul>
			<ul style="list-style-type: none"><li>• Human Rights and Diversity Corporate Policy</li><li>• Human Resources Corporate Policy</li><li>• Talent Acquisition Policy</li><li>• Compensation Policy</li></ul>
	Promoting diversity and equal opportunity <span>(GRI 3-3)</span>	Promote a fair work environment that guarantees diversity and multiculturalism in our workplace, equal pay and growth opportunities, as well as compliance with labor rights.	<ul style="list-style-type: none"><li>• Human Rights and Diversity Corporate Policy</li><li>• Human Resources Corporate Policy</li><li>• Talent Acquisition Policy</li><li>• Compensation Policy</li></ul>



→ TABLE 35  
**IMPACTS AND  
MEASURES  
ADOPTED PER  
MATERIAL  
TOPIC**  
**(GRI 2-25)**

Material topics		Impacts	Measures taken and their efficiency
1	Research, development and innovation	<p>(-) Interruption of the flow of operations due to lack of timely supply of raw materials</p> <p>(+) Improved product quality and increased competitiveness in the market to meet customer needs</p>	<p>(-) A comprehensive supply chain management strategy was implemented to ensure a timely and efficient supply of raw materials. In addition, supplier monitoring was optimized with monthly and annual evaluations to identify possible risks and establish contingency plans.</p> <p>(+) Research and development programs will be strengthened, and constant feedback will be collected from customers to continuously adjust the products and services offered.</p>
2	Corporate governance and risk management	<p>(-) Weak reputation due to leakage of private information or non-compliance with best practices or violations of the Code of Ethics.</p> <p>(+) Improved work culture by promoting transparency, ethics and accountability</p>	<p>(-) Ethics awareness and training programs were implemented, and robust incident response protocols were established. Aceros Arequipa has a governance and ethics system, a Code of Ethics, a Code against Acts of Fraud, a prevention model, and an antibribery management system.</p> <p>On the other hand, the Línea Ética de Acero Ethics line is managed by a third party, to ensure impartiality. We have not received ethics related complaints during this year.</p> <p>(+) Internal communication programs have been strengthened, establishing effective channels for ethics complaints and we continue to promote an organizational culture based on integrity and transparency.</p>
3	Supply chain ESG management	<p>(-) Violation of human rights of strategic partners' workers (outsourcing and suppliers)</p> <p>(+) Implementation of new cleaner technologies in the supply chain</p>	<p>(-) Rigorous supplier assessment and monitoring programs have been implemented through periodic audit protocols, which include reviewing labor conditions, and complying with ethical and human rights regulations, in accordance with our internal policies and Code of Ethics. At CAASA we actively promote collaboration with suppliers committed to social and ethical standards, seeking continuous improvement throughout the supply chain.</p> <p>(+) Workshops and other spaces have been provided to mention the importance of implementing clean technologies and to inform about more efficient alternatives available in the market.</p>



Material topics	Impacts	Measures taken and their efficiency
4 Response to climate change and energy management	<p>(-) Acceleration in climate change and driving changes in climate change-related regulations resulting in high costs</p> <p>(+) Reduction of GHG in the environment through the use of cleaner technologies in the company and throughout its value chain</p>	<p>(-) As part of the carbon footprint reduction strategy, Aceros Arequipa has established mandatory purchase requirements for technologies used in the industry. Also, the company has abandoned the use of fossil fuels, especially in critical areas such as hot load and vertical furnace. An energy management system has been implemented according to ISO 50001 standard, to ensure efficient and sustainable energy management in our operations.</p> <p>(+) In response to the challenge of reducing GHG and moving towards carbon neutrality by 2050, CAASA has implemented a comprehensive management system detailed in the environmental policy. This includes the execution of a Strategic Environmental Compliance Program, with the active participation in the Peru Carbon Footprint Program, solid waste integral management. Aceros Arequipa, which stands out as one of the steel plants with the lowest carbon footprint worldwide, has reached less than 0.5 t of CO<sub>2</sub> equivalent per ton of liquid steel. The company has committed to becoming carbon neutral by 2050.</p>
5 Adoption of circular economy and waste management	<p>(-) Increase in industrial by-products</p> <p>(+) Reduction of non-recycled raw materials use</p>	<p>(-) Strengthen measures to identify and take advantage of industrial byproducts at all stages of the value chain.</p> <p>(+) The use of recycled material has been prioritized over virgin raw materials in production. The implementation of more sustainable processes and technologies has allowed us to reduce our dependence on natural resources and reduce the consumption of non-recycled raw materials. We also foster employee awareness and participation in materials management responsible practices to contribute to environmental sustainability.</p>



Material topics		Impacts	Measures taken and their efficiency
6	Water management	(-) Accelerated depletion of water resources due to uncontrolled water use (+) Availability of new water sources (treated water) to supply and recirculate water in the company.	As to strengthen water availability, we have entered into an agreement for the supply of desalinated sea water for our operations at the Steel complex. This strategic step not only ensures an additional and sustainable water source, but it also reduced our dependency on local water resources, mitigating additional water-related risks and ensuring the continuity of our operations in the long term.
7	Strengthening of occupational health and safety	(-) Increased occupational health and safety risks. (+) Decrease in the rate of occupational accidents and illnesses, complaints, economic and human losses.	(-) A sound Occupational Health and Safety Policy has been established, together with the implementation of an Occupational Health and Safety Internal Regulation. At CAASA we actively promote employee participation through consultations, communications and the effective operation of the Occupational Health and Safety Committee. (+) We have strengthened our inspections program as a preventive measure in the event of accidents and incidents. This proactive approach has allowed the anticipated identification of risks and to plan effective controls, resulting in a significant reduction in the work accident index and work-related diseases.
8	Relationship with customers	(-) Loss of customers and sales reduction due to bad service or disappointment. (+) Improve operational efficiency, optimization of processes that help to meet customer needs and ensure customer loyalty and retention.	(-) The implementation of a corporate digital transformation initiative and significant investments in technological development have allowed us to effectively incorporate customer needs into an agile and digital service. This has contributed to improving the overall customer experience and providing faster and more customized solutions. (+) We have strengthened our suggestion program and encouraged the active participation of employees in identifying opportunities to improve customer satisfaction. This measure has proven to be effective in optimizing internal processes and implementing positive changes based on direct feedback from those in direct contact with customers.



Material topics		Impacts	Measures taken and their efficiency
9	Talent management	(-) Increase in turnover, loss of Jobs, lack of growth opportunities for employees, creating a bad working environment and economic losses (+) High growth opportunities, professional development and employee satisfaction, generating greater productivity	(-) We have implemented comprehensive programs to develop workers' skills and provided significant opportunities for growth within the organization. In addition, we have deployed specific benefits and talent retention programs. (+) The professional growth and development opportunities we offer have generated greater employee satisfaction and strengthened the loyalty of our staff.
10	Human Rights Protection	(+) Strengthening of human rights prevention and respect culture in the value chain	The implementation of the due diligence model, which comprehensively supports our commitment, raises awareness and promotes responsible practices at every stage of our operations. This culture, which has contributed to strengthening our relationships with stakeholders, promotes a respectful environment and generates tangible benefits for all parties involved.
11	Promoting diversity and equal opportunity	(+) Improving the quality of life of employees by guaranteeing a safe and respectful work environment, creating opportunities and equality and respecting employees' human rights.	At CAASA, we encourage diversity and equal opportunities, we guarantee a fair and respectful work environment, and promote diversity in all our job positions. We have clear policies that ensure equal pay and growth opportunities for our employees, regardless of gender, ethnicity, sexual orientation, etc.



→ TABLE 36  
CHANGES  
WITH  
RESPECT  
TO THE  
PREVIOUS  
YEAR (GRI 3-2)

Changes in materiality					
Topics 2020		Topics 2022		Topics 2023-2024	
1	Competitiveness	1	Research, development and innovation	1	Human Rights Protection
2	Health and Safety	2	Strengthening of occupational health and safety	2	Corporate governance and risk management
		3	Relationship with customers	3	Water Management
		4	Risk management	4	Relationship with customers
3 y 4	Ethics / Corporate Governance	5	Corporate Governance and ethical management	5	Fostering diversity and equal opportunities
		6	Talent Management	6	Talent Management
5	Water	7	Response to climate change and energy efficiency	7	Supply chain ESG management
6	Air Quality	8	Air quality management	8	Adoption of circular economy, waste management and product lifecycle
		9	Human rights protection	9	Strengthening of occupational health and safety
		10	Value creation for shareholders	10	Response to climate change and energy efficiency
7	Social Impacts in communities		In 2022, priority topic, not material	11	Research, development and innovation



## 5.9. Corporate sustainability report





## 5.10. External verification letter

(GRI 2-5)





# 5.11. ESG Frameworks and standards

→ TABLE 37  
GRI CONTENT INDEX

Declaration of use	<b>Corporación Aceros Arequipa has submitted the information included in this GRI content index for the period between January 1st and December 31st, 2024, using the GRI standards as a reference.</b>
GRI 1 used	<b>GRI1: Foundation 2021</b>

GRI standard	Content	Page number	Omission/ Detail
GENERAL CONTENTS			
GRI 2: General Contents 2021	2-1 Organizational details	30, 38, 206	
	2-2 Entities included in the organization’s sustainability reporting	38, 205-206	
	2-3 Reporting period, frequency and contact point	205-242	Annual, from 01/01/2024 to 31/12/2024, aligned with the date of the financial reports.
	2-4 Restatements of information	126, 172, 205	
	2-5 External assurance	234	The environmental and social information has been verified by an independent third party. Details of the indicators can be found in the assurance letter at the end of the report.
	2-6 Activities, value chain and other business relationships	44, 52, 176	
	2-7 Employees	146, 245-246	



GRI standard	Content	Page number	Omission/ Detail
GRI 2: General Contents 2021	2-8 Workers who are not employees	146	*
	2-9 Governance structure and composition	65	
	2-10 Nomination and selection of the highest governance body	65	
	2-11 Chair of the highest governance body	208	
	2-12 Role of the highest governance body in overseeing the management of impacts	65	
	2-13 Delegation of responsibility for managing impacts	34, 71	

\* External workers perform activities that have a direct impact on the finished product, in-process or strategic raw material. It does not include complementary work, such as conditioning or oxycutting of materials. The contractor company holds a direct agreement with CAASA.

GRI standard	Content	Page number	Omission/ Detail
GRI 2: General Contents 2021	2-14 Role of the highest governance body in sustainability reporting	34, 205	
	2-15 Conflicts of interest	66, 79	
	2-16 Communication of critical concerns	71, 79	
	2-17 Collective knowledge of the highest governance body	71, 73	2025 training plan for risk management, sustainability and ESG training
	2-18 Evaluation of the performance of the highest governance body	66	
	2-19 Remuneration policies		*
	2-20 Process to determine remuneration		*
	2- 21 Annual total compensation ratio.		*

\* Omission for confidentiality reasons, since it is sensitive information.



GRI standard	Content	Page number	Omission/ Detail
GRI 2: General Contents 2021	2-22 Statement on sustainable development strategy	5-28	
	2-23 Policy commitments	30-36, 188	Policies have links to the website
	2-24 Embedding policy commitments	224-227	Applicable policies are detailed in the "Double materiality" annex."
	2-25 Processes to remediate negative impacts	228-231	
	2-26 Mechanisms for seeking advice and raising concerns.	79, 84-86	
	2-27 Compliance with laws and regulations	79, 112	
	2-28 Membership associations	262	
	2-29 Approach to stakeholder engagement	172-175, 188, 201-203	

GRI standard	Content	Page number	Omission/ Detail
	2-30 Collective bargaining agreements	157	The Company grants the benefits agreed through collective bargaining to union members and the benefits established in its compensation policy to the rest of the workers, according to the legal provisions in force and preserving internal equity, general wellbeing and a good organizational climate. Omission: The Company decided not to report on the percentage of total employees covered by collective bargaining agreements due to confidentiality restrictions.
	MATERIAL TOPICS		
GRI 3: Material topics 2021	3-1 Process to determine material topics	221-232	
	3-2 List of material topics	224-227	



GRI standard	Content	Page number	Omission/ Detail	GRI standard	Content	Page number	Omission/ Detail
RESEARCH, DEVELOPMENT AND INNOVATION				GRI 206:	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	83-84	
GRI 3: Material topics 2021	3-3 Material topics management	74-78, 100-107, 224		Unfair Competition 2016			
Own indicator	Investment in digital technology development	75		GRI 415: Public Policy 2016	415-1 Contribution to political parties and/or representatives	261	
Own indicator	Number of projects implemented	104			Integrated risk and opportunity management methodology	89-96	
Own indicator	Amount of savings generated by high impact improvement projects.	104		Own indicator	Implementation of risk culture	97-99	
CORPORATE GOVERNANCE AND RISK MANAGEMENT					Risk Governance	87-99	
GRI 3: Material topics 2021	3-3 Material topics management	65, 79, 224		ESG SUPPLY CHAIN MANAGEMENT			
	205-1 Operations assessed for risks related to corruption	81		GRI 3: Material topics 2021	3-3 Gestión de los temas materiales	172, 224-225	
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption	81-82			308-1 New suppliers that were screened using environmental criteria	180-181, 259-260	
	205-3 Confirmed incidents of corruption and actions taken.	83		GRI 308: Supplier Environmental			



GRI standard	Content	Page number	Omission/ Detail
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	180-183	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken.	180-183	
RESPONSE TO CLIMATE CHANGE AND ENERGY EFFICIENCY			
GRI 3: Material topics 2021	3-3 Material topics management	118, 127-130, 224	
	302-1 Energy consumption within the organization	119-120, 273	
GRI 302: Energy 2016	302-2 Energy consumption outside the organization	129, 274	
	302-4 Reduction of energy consumption	119-120, 129, 273	
ADOPTION OF CIRCULAR ECONOMY AND WASTE MANAGEMENT			
GRI 3: Material topics 2021	3-3 Material topics management	134, 225	

GRI standard	Content	Page number	Omission/ Detail
	306-1 Waste generation and significant waste-related impacts	135-139	
	306-2 Management of significant waste-related impacts	137-139	
GRI 306: Waste 2016	306-3 Waste generated	135-136, 266-271	
	306-4 Waste diverted from disposal	135-136, 266-271	
	306-5 Waste directed to disposal	135-136, 266-271	
WATER MANAGEMENT			
GRI 3: Material topics 2021	3-3 Material topics management	130-133, 226	
	303-1 Interactions with water as a shared resource	130-133, 194	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	130-133	
	303-3 Water withdrawal	130-133, 272	
	303-4 Water discharge	130-133, 272	



GRI standard	Content	Page number	Omission/ Detail	GRI standard	Content	Page number	Omission/ Detail
GRI 303: Water and Effluents 2018	303-5 Water consumption	130	Water footprint 2024: Direct consumption of 0.70 m³/t of liquid steel and indirect consumption of 1.45 m³/t in the supply chain and 11.27 m³/t in transportation and fuel were recorded.	GRI 403: Health and safety at work 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	160, 168	
					403-5 Worker training on occupational health and safety	160, 169	
					403-6 Promotion of worker health	160, 169	
					403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	160, 167	
GRI 3: Temas materiales 2021	<b>STRENGTHENING OCCUPATIONAL HEALTH AND SAFETY</b>			GRI 3: Material topics 2021	403-8 Workers covered by an occupational health and safety management system	160, 169	
	3-3 Gestión de los temas materiales	160, 226			403-9 Work-related injury	160, 170-171, 253-256	
	403-1 Occupational health and safety management system	160			403-10 Work-related ill health	160, 170, 253-256	
	403-2 Hazard identification, risk assessment, and incident investigation	160, 167			<b>RELATIONS WITH CUSTOMERS</b>		
GRI 403: Health and safety at work 2018	403-3 Occupational health services	160, 169		Own indicator	3-3 Material topics management	201, 226	
					Grievances and complaints Solved	201	
					Customer satisfaction level	202	
					Communication channels	201	



GRI standard	Content	Page number	Omission/ Detail	GRI standard	Content	Page number	Omission/ Detail
TALENT MANAGEMENT				HUMAN RIGHTS PROTECTION			
GRI 3: Material topics 2021	3-3 Material topics management	144, 226-227		GRI 3: Material topics 2021	3-3 Material topics management	196-200, 227	
	401-1 New employee hires and employee turnover	247-248		GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	198	
GRI 401: Empleo 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	155	The company has no part-time employees.	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	157, 178, 198	During the year, only the right to freedom of association and collective bargaining in operations has been reported.
	401-3 Parental leave	156, 249					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	146, 250		GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	178, 198	
	404-2 Programs for upgrading employee skills and transition assistance programs	146-150, 156	Section B on transition assistance programs is not reported, for reasons of confidentiality.				
	404-3 Percentage of employees receiving regular performance and career development reviews.	151					



GRI standard	Content	Page number	Omission/ Detail
FOSTERING DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 3: Material topics 2021	3-3 Material topics management	157-159, 227	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	252	
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor cases	178, 198	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	196, 200	During the year, only the company's security personnel have been considered.
NON-MATERIAL TOPICS			
GRI 305: Emissions 2016	305-1 Direct GHG Emissions (Scope 1)	123-125	
	305-2 Energy indirect GHG emissions (Scope 2)	123-125	

GRI standard	Content	Page number	Omission/ Detail
GRI 305: Emissions 2016	305-3 Other indirect GHG emissions (Scope 3)	123-125	
	305-4 Intensity of GHG emissions	123-125	
	305-5 Reduction of GHG emissions	119-120	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	122-123, 126	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	62	
GRI 207: Tax 2016	207-1 Tax approach	63	

For comments, questions and suggestions regarding the content of this Report, please contact: **(GRI 2-3)**:

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ECONOMIC INDICATORS

→ TABLE 38  
TAX REPORT  
PER  
JURISDICTION  
(IN THOUSANDS)

Concept	Other countries						Minus Intercompany operations	CAASA and Subsidiaries
	Peru	Bolivia	Colombia	Chile	USA	Ecuador		Total
Number of employees	1,061	24	24	3	18	28		1,158
Percentage	91.62 %	2.07 %	2.07 %	0.26 %	1.55 %	2.42 %		100%
Revenue	4,439,789	493,208	146,799	57,973	204,655	63,524	(657,097)	4,748,851
Percentage	93.49%	10.39%	3.09%	1.22%	4.31%	1.34%	(13.84%)	100%
Earnings before taxes	281,518	6,969	(12,899)	(15,881)	8,103	(7,719)	21,528	281,619
Accrued income tax (current year)	(87,973)	(1,866)	4,227	4,566	(427)	1,569	(1,481)	(81,385)
Income tax paid	707	0.00	763	1,109	0.00	0.00	0.00	2,579



→ TABLE 39  
NET SALES IN  
SOLES

(In thousand Soles)	2023	2024
Net sales in soles	4,505,013	4,369,096
National sales:	3,760,803	3,877,126
Sales abroad	744,210	491,970

→ TABLE 40  
SALES CLASSIFIED  
PER MAIN  
PRODUCTS

(In thousand Soles)	2023	2024
Construction Bars and Wire Rods:	3,114,445	2,943,706
Profiles and Plain Bars:	423,588	543,607
Sheets, Coils and others:	966,980	881,783



LIME PLANT- PISCO-ICA



SOCIAL INDICATORS

HUMAN MANAGEMENT **(GRI 2-7)**  
All figures are as of year end.

→ TABLE 41  
SEGMENTATION  
OF EMPLOYEES  
PER COUNTRY

Region	2024
Peru	99.81%
Venezuela	0.19%

→ TABLE 42  
EMPLOYEES  
PER REGION,  
ACCORDING TO  
THEIR PLACE OF  
WORK

Region	Male	Female
Arequipa	9	0
Lima	188	99
Pisco	709	21
Callao	20	7
Trujillo	1	0
Lurín	7	0

→ TABLE 43  
EMPLOYEES,  
PER TYPE OF  
CONTRACT

Type of Contract	Male	Female
Indeterminate term	858	107
Fixed term	76	20
Number of trainees/interns hired	7	12

→ TABLE 44  
EMPLOYEES  
PER REGION,  
PER TYPE OF  
CONTRACT

Region	Indeterminate term	Fixed term	Trainees/interns hired
Arequipa	6	3	0
Lima	243	44	15
Pisco	687	43	0
Callao	23	4	4
Trujillo	1	0	0
Lurín	5	2	0



→ TABLE 45  
SEGMENTATION OF  
EMPLOYEES PER  
AGE

Employees	2024		
	< 30 years	Between 30 and 50 years	> 50 years
Male	35	556	343
Female	38	84	5
Total	73	640	348

→ TABLE 46  
INCLUSION OF  
EMPLOYEES WITH  
DISABILITIES

Employees	2024
Male	0.5 %
Female	0 %
Total	0.5 %

LURÍN DISTRIBUTION CENTER





→ TABLE 47  
RECRUITMENT  
INDICATORS  
(GRI 401-1)

Indicator		2021	2022	2023	2024
Per gender	Male	54	37	34	49
	Female	25	29	21	19
Per age group	Under 30 years	19	33	24	24
	Between 30 and 50 years	51	32	28	42
	Over 50 years	9	1	3	2
Per position	Managers	0	0	2	0
	Head	2	1	5	4
	Employees <sup>21</sup>	3	5	46	43
Per region	Arequipa	0	2	1	1
	Lima y Callao	57	45	41	34
	Pisco	22	19	13	33

Indicator	Male	Female	Total
Total number of new employee hires	49	19	68
New employee hiring rate	15 %	5.2 %	6.4 %
Percentage of positions filled by internal candidates	50 %	60 %	58 %
Average hiring cost / FTE (soles)			19,776

→ TABLE 48  
EXTERNAL  
WORKERS  
(CONTRACTORS  
AND OUT  
OF DIRECT  
ALLOCATION)  
DISTRIBUTED PER  
REGION

Region	Average 2024
Lima y Callao	279
Pisco	627
Arequipa	0
Piura	9
Trujillo	13

<sup>21</sup> At CAASA employee category includes heads.



TURNOVER INDICATORS

To analyze the turnover ratios, we systemically examined the causes, both voluntary and involuntary, to identify patters and areas for improvement. From this analysis, actions plants are implemented to reduce rotation and promote talent retention.

→ TABLE 49  
TURNOVER  
INDICATORS  
(GRI 401-1)

Indicator		2021	2022	2023	2024
Total employee turnover rate		6.32 %	7.20 %	5.05 %	4.62 %
Voluntary turnover rate		1.70 %	2.20 %	1.80 %	2.1 %
Turnover					
Per gender	Male	1.03 %	1.10 %	1.60 %	1.8 %
	Female	8.51 %	11.90 %	3.50 %	3.9 %
Per age group	Under 30 years	14.50 %	13 %	6.90 %	0.5 %
	Between 30 and 50 years	1.30 %	2 %	1.50 %	1.5 %
	Over 50 years	6.20 %	0 %	1.20 %	0.1 %
Per position	Managers	0 %	0 %	12.50 %	0.0 %
	Chiefs	3.20 %	3.50 %	1 %	7.7 %
	Employees	3.00 %	2.10 %	1.70 %	1.4 %
Per region	Arequipa	-	-	10.00 %	11.1 %
	Callao	-	-	7.70 %	7.4 %
	Pisco	-	-	0.30 %	0.1 %
	Lima	-	-	4.80 %	6.3 %



→ TABLE 50  
PERCENTAGE  
OF EMPLOYEE  
DEPARTURES  
(TOTAL  
AND WITH  
INCENTIVES)

(GRI 401-3)

	2022	2023	2024
Total number of departures /total number of employees	7.2 %	5.05 %	4.62 %
Number of departures with incentives/ Total number of departures	61.8 %	58.5 %	44.9 %

INDICATOR	2024	
	Male	Female
Number of employees who have been entitled to parental leave	11	2
Number of employees who have taken parental leave	-	-
Number of employees who have returned to work after the end of parental leave	11	2
Total number of female employees who have returned to work after parental leave ended and who remained employed 12 months after returning to work <sup>22</sup>	27	2
Rate of return to work	100%	100%
Retention rate	-	-

<sup>22</sup>It considers employees who used their license during 2023.



→ TABLE 51  
AVERAGE  
TRAINING  
HOURS  
(GRI 404-1)

Indicador	Employees	2022	2023	2024
Per gender	Male	33	46.66	33.56
	Female	73	93.1	86.09
Per age group	Under 30 years	61	91.27	95.78
	Between 30 and 50 years	38	55.49	43.38
	Over 50 years	26	35.38	21.63

→ TABLE 52  
AVERAGE  
TRAINING  
HOURS PER  
WORKING  
LEVEL

Indicator	Gender	2021	2022	2023	2024
Managers and deputy managers	Female	54.91	119	46.9	34
	Male	41.86	121	106.2	30
Chiefs and superintendents	Female	68.24	80	112.9	84
	Male	34.55	60	90	65
Employees	Female	30.34	63	89.2	90
	Male	21.5	24	48.9	48
Workers	Female	-	-	0	0
		-	-	28	21
Total		25.31	36	51.7	39.85

→ TABLE 53  
INDICATORS  
ON LOCAL  
EMPLOYABILITY

Local employment	2024
Employees working at the Pisco plant	730
% of employees working in the Pisco Plant and who live in the Ica Region	79.05
% of employees in leading positions working in the Pisco Plant and who live in the Ica Region	52

Note: Local employees are those domiciled in the Ica region.

→ TABLE 54  
EMPLOYEE-  
RELATED  
EXPENSES:  
SALARIES +  
BENEFITS

2024	318,604,644
2023	271,800,051
2022	243,551,684
2021	230,880,704



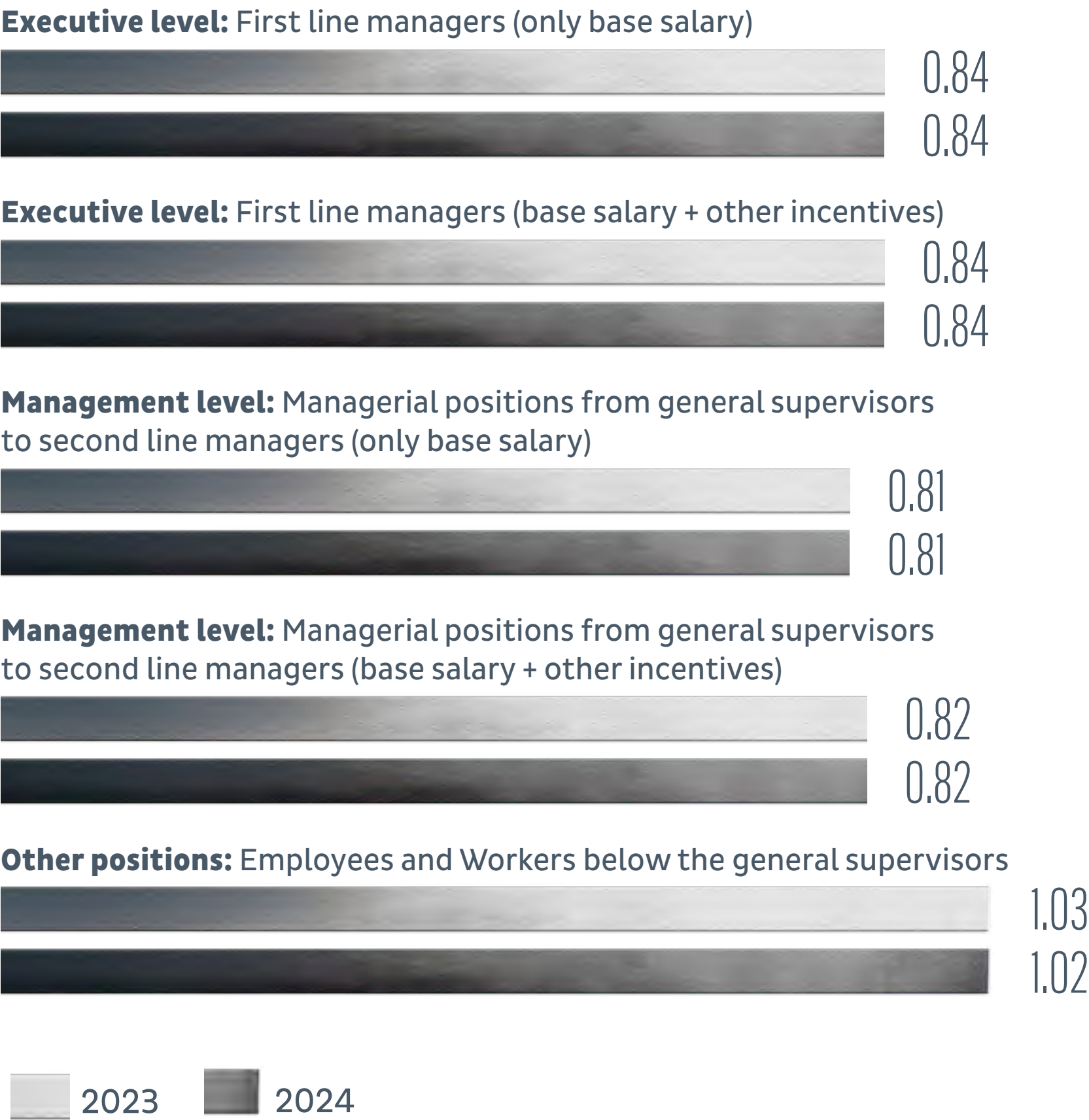
→ TABLE 55  
WOMEN PER  
WORK CATEGORY

	2021	2022	2023	2024	Goal 2024	Breakdown	2024
Percentage of women out of total employees	8.9 %	9.50 %	10.8 %	12.3 %	11.0 %	% women employed at management level	18.2
Women in management positions, including all levels (as % of total administrative employees)	12.6 %	13.80 %	15.1 %	17.0 %	15.0 %	% women employed at chief level	19.4
Women in junior administrative positions, e.g. first level of administration (as % of all junior positions)	13.8 %	15.00 %	16.5 %	17.7 %	16.5 %	% women employed at professional level	21.2
Women in senior management positions, e.g. maximum two positions below the CEO or similar positions (as % of total of all senior management positions)	6.6 %	10.40 %	11.8 %	11.8 %	12.5 %	<b>Management level:</b> one level below the CEO position. The managerial position reports to the CEO (first line managers). <b>Chief level:</b> from two levels below the CEO position <b>Professional level:</b> positions to which they do not report.	
Women in administrative positions with revenue-generating functions (e.g. sales) as a % of all positions of this type (eg. Excluding functions such as legal, HHRR, IT, etc.)	7.8 %	8.50 %	8.2 %	10.9 %	8.5 %		
% of women in STEM positions (eg. Positions that use science, technology, engineering or mathematics) out of the total number of employees (new)	15 %	17.30 %	18.0 %	20.8 %	18.0 %		

Note: the calculation of the indicator is calculated taking into account the end of the period (December).



→ GRAPH 37  
EQUAL PAY<sup>23</sup>  
(GRI 405-2)



LURIN TUBE PLANT

<sup>23</sup> It is calculated as the average compensation of women divided by the average compensation of men; it is broken down by labor category. The calculation presented is for all the company's employees.



OCCUPATIONAL HEALTH AND SAFETY

→ TABLE 56  
ACCIDENT  
INDICATORS  
2024  
(GRI 403-9)

Accidents	Number of minor accidents 2024	Number of disabling accidents
Direct employees	5	7
Contractors	56	36

→ TABLE 57  
CASUALTY  
INDICATORS  
(GRI 403-10)

Casualties	2021	2022	2023	2024
Direct employees	1	0	0	0
Contractors	0	1	0	0
Deaths due to occupational disease or illness		2022	2023	2024
Direct employees		0	0	0
Contractors		0	0	0

→ TABLE 58  
OTHER  
INDICATORS

	2024	
	Employees	Contractors
Number of recordable accidents	12	92
Number of days lost	443	1,797
Man – Hours worked x 1,000	2,446	8,688



→ TABLE 59  
**RISKS IDENTIFIED,  
PREVENTIVE  
AND CONTROL  
MEASURES IN CASE  
OF EMERGENCIES**  
(GRI 403-9, 403-10)

RISKS	PREVENTIVE AND CONTROL MEASURES	EVENTS 2024
Health emergencies (injuries or serious acute illnesses)	<ul style="list-style-type: none"><li>Measures to prevent accidents in all activities<ul style="list-style-type: none"><li>Risk control for working conditions</li><li>Risks control derived from personnel supervision and safe behavior</li></ul></li><li>Medical aptitude on the part of all workers. All employees, own or outsourced, pass occupational medical examinations.</li><li>Implementation of health services to attend and evacuate people with symptoms of a health emergency</li><li>Having properly trained first-aid brigade members.</li></ul>	There were 461 safety events, including disabling accidents, minor accidents, first aid and incidents. In all cases, an investigation has been carried out under the root cause analysis technique and corrective actions have been defined in each case.
Earthquakes	<ul style="list-style-type: none"><li>Earthquake-resistant buildings</li><li>Earthquake drills</li><li>Signs and meeting points correctly identified.</li><li>Updated risk and evacuation map.</li></ul>	There were no events
Fires	<ul style="list-style-type: none"><li>Maintain a good standard of order and cleanliness.</li><li>Daily inspections of equipment and machinery</li><li>Fire drill</li><li>Updated risks and evacuation map.</li></ul>	Fifty-seven fire breaks have been developed. In all cases, the controls have worked with the participation of the fire brigade members at each site.
Hazardous materials or Hydrocarbon leaks or spills	<ul style="list-style-type: none"><li>Hazardous materials handling safety instruction training</li><li>Maintain a good standard of order and cleanliness</li><li>Having an anti-spill kit</li><li>Updated risk and evacuation map</li><li>Hazardous material spill drill</li></ul>	There were no events.



RISKS	PREVENTIVE AND CONTROL MEASURES	EVENTS 2024
Floods	<ul style="list-style-type: none"><li>• Maintain the plant pumps in good condition.</li><li>• Cleaning and maintenance of the entire sewage system of the facility.</li><li>• Updated risk and evacuation map</li></ul>	There were no events.
Natural gas leak, with and without fire	<ul style="list-style-type: none"><li>• Preventive maintenance</li><li>• Monitoring of the pipeline with gas detector</li><li>• Maintain a good standard of order and cleanliness</li><li>• No open fires close to the pipeline</li><li>• Updated risk and evacuation map</li><li>• Natural gas leak drill</li><li>• Inspection of oxyfuel equipment</li></ul>	There were two natural gas leaks, registered as incidents without injuries.
Engine and electric system fires (panels, cables, cable trays)	<ul style="list-style-type: none"><li>• Predictive and preventive maintenance program</li><li>• Maintain a good standard of order and cleanliness</li><li>• Daily equipment inspections</li><li>• Engine and electric systems fire drill</li></ul>	There were no events.
Liquid steel spill	<ul style="list-style-type: none"><li>• Predictive and preventive maintenance program for buckets, electric furnaces and cranes</li><li>• Daily inspections of equipment and machinery</li><li>• Adequate transit zones for cranes and buckets</li><li>• Signaling</li><li>• Sand for containment</li><li>• Updated risk and evacuation map</li><li>• Molten Steel spill drill</li></ul>	Eight events. No people were affected.



RISKS	PREVENTIVE AND CONTROL MEASURES	EVENTS 2024
Exposure to source of radiation	<ul style="list-style-type: none"><li>• Detector of radiation source</li><li>• Training in safety operating procedures for detection, temporary storage and final disposal</li><li>• Updated risk and evacuation map</li></ul>	No events involving exposure of people have occurred
Vandalism	<ul style="list-style-type: none"><li>• Private security service</li><li>• Police</li><li>• Updated emergency numbers</li></ul>	There were no events.
Paracas winds	<ul style="list-style-type: none"><li>• Suspension of de all types of work performed at heights</li><li>• Vehicles are parked with the lights on</li><li>• People located in correctly identified safe zones</li></ul>	Application of safety protocols during the events occurred. No injuries registered.
Unexpected blackout	<ul style="list-style-type: none"><li>• Emergency electric power stations in good operating conditions</li><li>• Emergency lights in good operating condition</li><li>• Meeting points and correctly identified and signaled</li><li>• Updated risk and evacuation map</li><li>• Unexpected blackout drill</li></ul>	Application of safety protocols during the events occurred. No injuries registered.
Outbreaks of infectious diseases (epidemics, pandemics)	<ul style="list-style-type: none"><li>• Monitoring medical alerts defined by the health authorities</li><li>• Formation of a crisis care committee</li><li>• Design of plans and programs to control and mitigate outbreaks of infectious diseases and their consequences</li></ul>	In the first quarter dengue was identified as an epidemiologic outbreak in Peru. We carried out monitoring and follow-up of cases. Reinforcement of water sources control and weekly fumigation in the most critical areas.



SUPPLY CHAIN

→ TABLE 60  
**TOTAL  
SUPPLIERS**

SUPPLIERS	LOCAL (ICA)	DOMESTIC (ALL OF PERU, INCLUDING ICA)	INTERNATIONAL	TOTAL PER AREA
Corporate purchases	90	1,226	224	1,450
Strategic purchases	32	555	59	614
Transportation	54	394	-	394
Total	176	2,175	283	2,458





→ TABLE 61  
CRITICAL  
SUPPLIERS

IDENTIFICATION OF CRITICAL SUPPLIERS	STRATEGIC PURCHASES	CORPORATE PURCHASES	TRANSPORTATION	TOTAL
Total tier 1 suppliers	614	1,450	394	2,458
Critical tier 1 suppliers (significant)	614	81	105	800
US\$ spent in tier 1 suppliers (in MM)	579.88	237	50	866.67
US\$ spent in tier 1 critical suppliers (in MM)	579.88	97.7	39	716.39
% of the total spent in tier 1 critical suppliers	66.91 %	11.27 %	4.48 %	82.66 %
Other critical suppliers	0	0	0	0
Total number of significant suppliers	614	81	105	800

→ TABLE 62  
SUPPLIER  
ASSESSMENT  
AND  
DEVELOPMENT  
INDICATORS

ASSESSMENT AND DEVELOPMENT	STRATEGIC PURCHASES	CORPORATE PURCHASES	TRANSPORTATION	TOTAL
Total number of suppliers assessed through document or on-site evaluations	41	79	253	373
Total number of suppliers supported to apply corrective action plans	10	0	0	10
Total number of suppliers in capacity development programs	163	0	0	163



→ TABLE 63  
EXPENDITURE  
IN MILLION  
DOLLARS  
ACCORDING TO  
ORIGIN

EXPENDITURE IN MILLION DO- LLARS	LOCAL (ICA)	DOMESTIC (ALL OF PERU, INCLUDING ICA)	INTERNATIONAL	TOTAL
Corporate purchases	21.0	169.6	67.7	237.30
Strategic purchases	2.65	90.88	489.00	579.88
Transportation	5.17	49.80		49.80

→ TABLE 64  
NEW SUPPLIERS  
ASSESSED THAT  
HAVE PASSED  
THE SELECTION  
CRITERIA

GRI 308-1

NEW SUPPLIERS ASSESSED	NUMBER OF NEW SUPPLIERS	NUMBER OF NEW SUPPLIERS ASSESSED ACCORDING TO CRITERIA		PERCENTAGE OF NEW SUPPLIERS ASSESSED ACCORDING TO CRITERIA	
		Environmental Criteria	Social Criteria	Environmental Criteria	Social Criteria
Strategic purchases	150	0	0	0 %	0 %
Corporate purchases	424	33	0	8 %	0 %





→ TABLE 65  
ENVIRONMENTAL  
AND SOCIAL  
SUPPLIER  
ASSESSMENT  
(GRI 308-1)

EVALUATED SUPPLIERS	NEGATIVE ENVIRONMENTAL IMPACT		NEGATIVE SOCIAL IMPACT	
	Strategic purchases	Corporate purchases	Strategic purchases	Corporate purchases
Number of suppliers assessed with respect to the impacts	0	79	0	79
Number of suppliers with significant potential and real negative impacts	0	0	0	0
Percentage of suppliers with significant potential and real negative impacts – with which and improvement plan or corrective actions have been agreed upon	0	0	0 %	0
Percentage of suppliers with significant potential and real negative impacts – with which the commercial relation has been terminated. Describe the reasons	0	0	0	0



CONTRIBUTIONS

→ TABLE 66  
**CONTRIBUTION  
TO POLITICAL  
ENTITIES,  
COMMERCIAL  
ASSOCIATIONS AND  
CIVIL SOCIETY IN  
SOLES**  
**(GRI 415-1)**

	2022	2023	2024
Lobbying, representation of interests, or the like	0	0	0
Regional, local or national political campaigns / organizations / candidates	0	0	0
Commercial Associations or tax exempted organizations (eg. Think tanks)	1,314,657	1,283,992	1,322,585
Other (eg. Expenditures related to election polls or referendums)	0	0	0
Total contributions and other expenditures	1,314,657	1,283,992	1,322,585
Data coverage (in % of the denominator, indicating the organizational scope of the data informed)	100	100	100



→ TABLE 67  
MAJOR  
CONTRIBUTIONS  
AND  
EXPENDITURES<sup>24</sup>  
(GRI 2-28, 415-1)

Topic			2024	
Total cost of donations in kind (goods or services subsidized or directly purchased for transfer of possession / property):			1,235,539	
Topic	Position of the company	Commitment	Total expenditure in 2024	
Strengthening technical skills of new professionals in the industry	Support	For Aceros Arequipa, it is important to support institutions that work on developing the skills of new professionals to contribute to the development of the country.	975,224	
Industry relations and trend update	Support	Aceros Arequipa is committed to promoting good practices, fair competition and communication spaces with other companies in the sector.	347,361	
Name	Type of organization /Brief summary		Relation with the organization	Total 2024
Cámara Peruana de la Construcción (CAPECO)	Commercial Associations / More than sixty years ago, on May 9, 1958, CAPECO was born with the purpose of grouping and representing all those who work in the construction activity in the Peru		Subscription	22,560
Servicio Nacional de Adiestramiento en Trabajo Industrial (SENATI)	Commercial Associations / SENATI is an institution created by the National Society of Industries. The founding entrepreneurs instituted a dynamic and flexible educational organization, directed and supported by the productive sector, to respond with relevance and efficiency to the professional qualification demands of the labor market.		Framework Agreement	952,664
Sociedad Nacional de Industrias (SNI)	Commercial Associations / SNI is a non-profit institution that promotes the development of the manufacturing industry, fosters market economy and contributes to the development of the country through economic, labor, and tax sectorial technical proposals, among other.		Subscription	131,346

<sup>24</sup> CAASA prohibits sponsoring of political associations, therefore we do not contribute to political campaigns.



ENVIRONMENTAL INDICATORS

→ TABLE 68  
ENVIRONMENTAL  
INVESTMENT  
(IN THOUSAND  
SOLES)

	2021	2022	2023	2024
Environmental investments	2,851,767	4,486,563	5,432,434	5,257,521
Operational Expenses	21,016,345	11,720,746	16,841,645	12,503,753
Total	23,868,112	16,207,309	22,274,079	17,761,275
Savings, profit, tax incentives	52,147,672	40,473,882	42,869,173	54,151,380

→ TABLE 69  
SINGLE USE  
PLASTICS  
IN TONS

Metric tons
3.02

→ TABLE 70  
OTHER  
EMISSIONS  
t/year

AIR POLLUTANT	EMISIONES (T) 2024
Volatile organic compounds (VOC)	Does not apply to our type of industry (we use electricity and natural gas as our main power matrix)
Hazardous Air Pollutants (HAP)	Unknown
Particulate Material (PM10)	Unknown
Persistent Organic Pollutants (POP)	Does not apply to our type of industry (we use electricity and natural gas as our main power matrix).
Mercury (Hg)	0.02
Lead (Pb)	Unknown
Carbon Monoxide (CO)	347.56
Manganese oxide (MnO)	Unknown
Toxic air Pollutants (TAP)	Unknown
Other	Unknown



→ TABLE 71  
INDUSTRIAL  
BY-  
PRODUCTS  
IN METRIC  
TONS

CIRCULAR ECONOMY	2021	2022	2023	2024
IBP generated	162,830.34	212,043.72	273,848.08	402,391.02
IBP used	252,434.34	58,715.63	125,746.26	85,705.30
Ecogravel	85,939.00	41,058.41	70,908.76	56,658.30
Limestone fines	1,210.00	307.88	1,421.28	751.00
Bag house RD powder	1,194.00	471.00	0	0
Scale and flake	147,634.37	166.29	26,000.00	0
Char concentrated used to replace coal in the melt shop	225.97	4,212.50	4,704.70	2,642.00
Metallic iron recovered in the slag crushing process	3,607.00	8,144.16	9,808.83	7,468.00
Used refractory concrete	9,626.00	0	0	0
Carbon briquettes processed from non-metallic shredder material	2,322.00	0	0	0



CIRCULAR ECONOMY	2021	2022	2023	2024
Nails scrap	0	137.29	134.53	189.00
Zinc fume	676.00	4,218.10	3,601.21	3,578.00
Large Zorba	0	0	673.04	4,324.00
Medium Zorba	0	0	531.16	2,717.00
Pellet fines	0	0	2,050.00	0
Low grade ore	0	0	3,458.75	0
Ore fines	0	0	2,454.00	0
Ferrous material over 100 mm	0	0	0	6,582.00
Zurik	0	0	0	796.00





(GRI 306-3, 306-4, 306-5)

→ TABLE 72  
**WASTE  
GENERATED  
AND USED IN  
METRIC TONS  
(TM)**

	2021	2022	2023	2024
a) Total waste generated	3,802.83	5,748.11	2,736.46	3,993.92
b) Total waste expired/recycled/used	1,058.44	1,249.91	946.08	2,444.54
Total waste disposed (A-B)	2,744.39	4,498.20	1,790.37	1,549.38
Wasted deposited in landfills	2,744.39	4,498.20	1,790.37	1,549.38
Waste incinerated with energy recovery	0	0	0	0
Waste incinerated without energy recovery	0	0	0	0
Other disposal operations	0	0	0	0
Waste with unknown disposal method	0	0	0	0
Final waste disposal goal	2,019.00	2,965.00	1778.71	2,596.05

Note: The information contained in this chart has a weight ticket and legal documents as provided for in the solid waste comprehensive management regulations.



→ TABLE 73  
**HAZARDOUS  
AND NON-  
HAZARDOUS  
WASTE  
GENERATED AND  
USED IN METRIC  
TONS (TM)**

	2021	2022	2023	2024
Non-hazardous waste generated	2,930.34	5,095.65	1,990.43	3,265.69
Non-hazardous waste used (diverted from disposal)	1,674.75	1,072.87	685.92	2,173.90
Non-hazardous waste not used (directed to disposal)	1,255.59	4,022.78	1,304.51	1,091.79
% Non-hazardous waste generated	77.06	88.65	72.74	81.77
Hazardous waste generated	872.49	652.46	746.03	728.23
hazardous waste used (diverted from disposal)	160.29	177.04	260.16	270.64
hazardous waste not used (directed to disposal)	712.20	475.42	485.87	457.59
% hazardous waste generated	22.94	11.35	27.26	18.23
% waste recycled	48.25	21.74	34.57	61.21



→ TABLE 74  
TYPE OF  
WASTE IN  
METRIC TONS  
(TM)

Type: non-hazardous waste	2021	2022	2023	2024
Non-hazardous waste generated	2,930.34	5,095.65	1,990.43	3,265.69
Non-hazardous waste used (diverted from disposal)	1,008.28	1,072.87	685.92	2,173.90
Prepared for reuse	764.92	832.37	173.51	182.44
Waste wood (including used pallets)	764.92	832.37	173.51	182.44
Recycling	243.36	176.28	304.76	1,704.03
Recovered scrap	39.08	2.36	41.75	11.19
Waste with relevant value (copper, bronze, etc.)	74.42	-	45.43	6.17
Plastic	0.93	2.32	4.00	0.86
Paper	44.89	13.31	8.84	5.58
Cardboard	58.88	35.78	39.00	34.75
Debris from demolition	-	120.81	159.77	1,557.16
Used tires	25.16	1.70	5.97	88.32
Other recovery operations	-	64.22	207.65	287.43



Type: non-hazardous waste	2021	2022	2023	2024
Non-hazardous waste used (directed to disposal)	1,922.06	4,022.78	1,304.51	1,091.79
Waste deposited in landfills	1,922.06	4,022.78	1,304.51	1,091.79
Waste incinerated with energy recovery	-	-	-	-
Waste incinerated with energy recovery	-	-	-	-
Other disposal operations	-	-	-	-

Notes: Collection is carried out through direct weighing and monthly input of the indicator.

Type: hazardous waste	2021	2022	2023	2024
Hazardous waste generated	872.49	652.46	746.03	728.23
Hazardous waste reused (diverted from disposal)	160.29	177.04	260.16	270.64
Preparation for reuse	-	20.62	24.98	15.49
Disused gallon containers	-	2.48	-	0.46
Disused cylinders	-	7.68	6.87	10.83
IBC tanks	-	10.46	18.11	4.2



Type: hazardous waste	2021	2022	2023	2024
Recycling	160.29	150.31	193.74	211.53
WEEE	3.72	13.18	19.45	9.22
Contained oily water	106.41	76.09	90.75	138.45
Residual oil	50.16	61.04	83.54	63.86
Other recovery operations	-	6.11	41.44	43.62
Hazardous waste not reused (diverted to disposal)	712.20	475.42	485.87	457.59
Waste deposited in landfills	712.2	475.42	485.87	457.59
Polluted waste	490.39	334.40	245.64	231.96
Asbestos corrugated sheets	-	-	5.75	-
Biomedical waste	-	0.89	0.36	-
Contained grease trap liquids	44.62	23.83	29.61	16.88
Septic tank sludge	52.41	-	-	-
Contained oily water	124.78	79.72	125.83	87.50
Metallic sludge	-	36.58	56.50	64.72
Other	-	-	22.18	56.53



Type: hazardous waste	2021	2022	2023	2024
Waste incinerated with energy recovery	0	0	0	0
Waste incinerated without energy recovery	0	0	0	0
Other disposal operations	0	0	0	0

Notes: All information has a weight ticket. According to the solid waste management regulations, specifically hazardous waste has solid waste handling manifests, which certify their adequate handling whether for reuse or final disposal.

LIME PLANT-PISCO - ICA





TYPE OF SCENARIO	2 °C or less	Above 2 °C
Transition scenario	AIE NZE 2050	IEA STEPS (formerly IEA NPS)
	IEA SDA or Nationally Determined Contributions (NDC)	
Physical scenario		RCP 4.5 (or SSP2 4.5)
		RCP 8.5 (or SSP5 8.5)

	2021	2022	2023	2024
Treated and reused domestic water t	0.073615	0.12775	0.033092	0.057423
Reused industrial residual water	0.371249	0.438279	0.194400	0.200329
Megaliters		Water extraction	Water discharged	
Surface water		0	0	
Surface water		744.228	0	
Sea water		700.070	0	
Water produced		0	0	
Water from third parties		0	0	
Percentage of water extracted in regions with high or extremely high-water stress (%):		0	0	

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→ TABLE 77  
**POWER  
CONSUMPTION  
IN MWH**  
(GRI 302-1, 302-4)

	2021	2022	2023	2024	Goal 2024
A. Non-renewable fuels (nuclear fuel, coal, oil, natural gas, etc.) purchased and consumed (MWh)	581,656.25	631,267.63	629,919.83	630,225.34	
B. Non-renewable purchased electricity	38,236.99	138,629.26	116,216.04	139,995.6	
C. Steam/heat/cooling and other types of purchased non-renewable energy	0.00	0.00	0.00	0.00	
D. Total renewable energy (wind, solar, biomass, hydroelectric, geothermal, etc.) purchased or generated (MWh)	686,455.20	717,750.20	663,738.6	699,091.68	682,537.27
E. Total non-renewable energy (electric and heat/cooling) sold	0.00	0.00	0.00	0.00	
Total consumption of non-renewable energy (A+B+C-E)	619,893.24	769,896.89	746,135.87	770,220.94	818,650.96

→ TABLE 78  
**TOTAL COST  
OF POWER  
CONSUMPTION  
IN SOLES**

2021	2022	2023	2024
165,146,933	216,179,748	202,087,785	215,199,502.74



→ TABLE 79  
POWER  
INTENSITY  
[GRI 302-3]

Year	Company power intensity ration
2023	1,161.37
2024	1,176.28

In 2024 there was a variation in power intensity due to the growth in production of billets at the Steel mill, compared to 2023, which significantly reduced the dependence on imported billets. Also, in February and June 2024, the wire drawing and annealing plant started operations, which contributed to the adjustment of power consumption.

Note: The types of energy included in the intensity ratio are electric power, natural gas and oil. The ratio covers consumption within the organization (Peru).

The specific parameter (denominator) for calculating the ratio

Pisco:  
Production of Rolling mill 1 = 307,978 t  
Production of Rolling mill 2 = 805,169 t  
Nail manufacturing process = 1,126 t  
Wire manufacturing process = 8,049 t

Callao:  
Coil slitting (Callao plates) = 17,947 t  
Clamping plates = 589 t  
Splitbolt-PT tube manufacturing = 733 t

Comasa:  
Cajamarquilla:  
Coil slitting (Cajamarquilla plates) = 4,031 t  
Cajamarquilla Tube manufacturing = 9,679 t  
Steel straps = 12,196 t

Comfer:  
Wire manufacturing process = 27,576 t  
Nail manufacturing process = 7,156 t  
Mesh manufacturing process Lima = 1,958 t

Lurín:  
Tube manufacturing Lurin: 44,929 t

TOTAL= 1,249,116 t



# 5.12. Communications Matrix

→ TABLE 80  
COMMUNICATIONS  
MATRIX

Stakeholders / Objectives	Relationship Mechanism	Frequency
<b>1. Employees</b> Ensure the wellbeing of employees and guarantee conditions that respect their human rights.	Trainings	Permanent
	Ethics line	Permanent
	Integrated Report	Annual
	Bulletin Boards	Permanent
	E-mails	Permanent
	Gente de Acero Digital newsletter	Quarterly
	Intranet	Permanent
	Leadership programs	Annual
	Website	Permanent
	Communications	Occasional specific
<b>2. Suppliers</b> Establish strategic relations with suppliers to strengthen service level and supply chain sustainability.	Meetings as needed	Permanent
	Integrated Report	Annual

Stakeholders / Objectives	Relationship Mechanism	Frequency
<b>3. Customers</b> Satisfy demand, strengthen brand preference and offer the best service in the market.	Telephone calls	Permanent
	E-mails	Permanent
	Press releases	Occasional specific
	Website	Permanent
	Ethics line	Permanent
	Supplier website	Permanent
	Guided visits	Occasional
	Ariba application	Permanent
	Training for final customers	Annual
	Press releases	Monthly
	Integrated Report	Annual
	Training for traders	Occasional



Stakeholders / Objectives	Relationship Mechanism	Frequency	Stakeholders / Objectives	Relationship Mechanism	Frequency
	Customer satisfaction survey	Annual		Ethics line	Permanent
	Participation in fairs	Occasional specific		Website	Permanent
	Ethics line	Permanent		Press releases	Occasional specific
	Website	Permanent		Management mailing	Occasional specific
	E-mails	Permanent		E-mails	Permanent
	Social network	Permanent		WhatsApp	Permanent
	Telephone switch	Permanent		Participation in events	Occasional specific
<b>4. Government</b> Maintain good institutional relations and regulatory compliance	Meetings with local governments	Occasional specific	<b>5. Society</b> Contribute to the improvement of our environment and strengthen social peace	Press releases	Occasional specific
	Integrated Report	Annual		Meetings with the population in our area of influence	Periodic
	Working groups	Quarterly		Official letters	Permanent
				Working groups	Occasional specific
				Integrated Report	Annual



Stakeholders / Objectives	Relationship Mechanism	Frequency	Stakeholders / Objectives	Relationship Mechanism	Frequency
	Ethics line	Permanent	<b>6. Shareholders</b> Provide transparency and key information for investment decision making for business continuity (sustainability).	Call with investors	Quarterly
	Website	Permanent		General Shareholders' Meeting	Annual
	Videos to share activities	Annual		Integrated Report	Annual
	Management mailing	Occasional specific		Ethics line	Permanent
	Social networks	Permanent		Website	Permanent
				Press releases	Occasional specific
				Important facts	Occasional specific
				Management mailing	Occasional specific
				E-mails	Occasional specific
				WhatsApp	Occasional specific
				Guided visit	Occasional



# 5.13. Risk appetite

→ TABLE 81  
ASSESSMENT CRITERIA AND  
RESPONSE STRATEGY

Response Strategy	Accept	Mitigate/Accept	Mitigate/Share/Avoid/ Accept	Mitigate/Share/Avoid
Impact	Low	Moderate	Considerable	High
Economic (Oper profit > 50 MM) Applicable to companies with Average Operating Profit greater than S/ 50 mi- llion in the last 3 years	Less than 0.25% of the avera- ge Operating Profit in the last 3 years.	Between 0.25% and 0.5% of the average Operating Profit in the last 3 years.	Between 0.5% and 1% of the Operating Profit in the last 3 years.	Greater than 1% of the avera- ge Operating Profit in the last 3 years.
Economic (Oper profit < 50 MM) Applicable to companies with Average Operating Profit of under S/ 50 million in the last 3 years	Under S/ 250 thousand.	Between S/ 250 thousand and S/ 500 thousand.	Between S/ 500 thousand and S/ 1 million.	Greater than S/ 1 million.
Impact on the operations and informa- tion systems (qualitative)	Interruption of operations for less than 1 hour. Does not affect the integrity and/or timeliness of the infor- mation.	Interruption of operations be- tween 1 and 8 hours. Affects the integrity and/or ti- melines of critical information	Interruption of operations be- tween 8 and 24 hours. Loss of CAASA or third-party non-critical information that cannot be recovered.	Interruption of operations for more than 24 hours. Loss of CAASA or third-party critical information than cannot be recovered



Impact	Low	Moderate	Considerable	High
Impact on reputation and image (qualitative)	Minimal public awareness and little or no company responsibility.	Moderate public awareness. Liability may exist.	Wide media coverage. Perception of corporate responsibility.	Massive public awareness and high frequency or permanence in the media. Receives political interest. Perception of corporate responsibility.
Regulatory and legal Impact (qualitative)	This could result in non-compliance with internal or legal, sector, labor, or tax regulations.	It originates the non-compliance with internal or legal, sectorial, labor or tax regulations, but does not generate the payment of penalties.	Failure to comply with legal, sectorial, labor or tax regulations will result in the payment of penalties. Ethical misconducts that do not comply with internal regulations and that do not constitute a crime.	Severe non-compliance with legal, sectorial, labor or tax regulations determines the payment of penalties, could result in criminal sanctions for the entity or representative, and/or the intervention of the regulator. Systematic ethical misconducts in violation of internal regulations and/or the commission of criminal offenses.
Environmental Impact (Nature of the event/affectation)	The scope of the impact is at the activity level. Impact on the company's facilities and infrastructure on pavement.	The scope of the impact involves the entire process. Impact on 1 environmental factor (air, soil, water, flora, and fauna).	The scope of the impact involves other processes. Impact on 2 or more environmental factors (air, soil, water, flora, and fauna).	The scope of the impact goes beyond the boundaries of the company. Impact on the sensitive natural environment or population (natural reserves).
Occupational Health and Safety (Nature of the incident and damage)	Very minor injuries may cause uneasiness or discomfort.	Minor injuries, no sick leave, no disability, may require first aid.	Temporary disability. Reversible health damage	Permanent total or partial disability Irreversible/mortal damage



## CREDITS

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