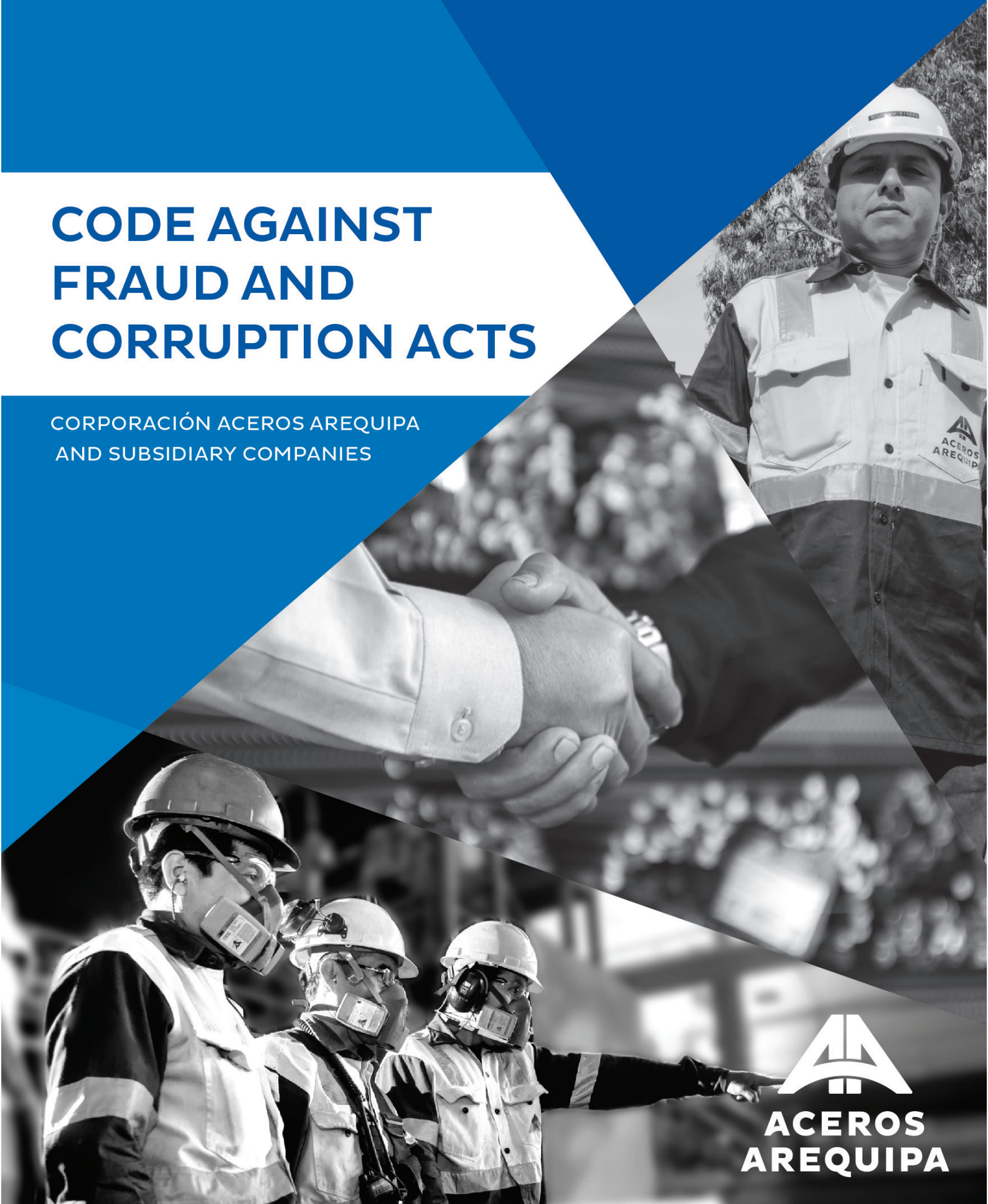


CODE AGAINST FRAUD AND CORRUPTION ACTS

CORPORACIÓN ACEROS AREQUIPA
AND SUBSIDIARY COMPANIES



**ACEROS
AREQUIPA**

LETTER FROM THE CHAIRMAN OF THE BOARD

Corporación Aceros Arequipa S.A. (hereinafter, “CAASA” or the “Company”) and its subsidiaries display full trust in each of their employees, managers and directors, establishing an ethical commitment, care and mutual respect. This commitment has been built throughout more than 50 years of history that we have and that consolidates us as a great family.

In spite of this, there may be isolated cases of people taking advantage of this trust granted, participating in fraud and corruption events through acts such as manipulation, falsification or alteration of records or documents, embezzlement, disposal or omission of the effects of certain transactions on records or documents, the recording of unsupported transactions, the misapplication of accounting policies, the payment of bribes or facilitations to public officials, all of this actions, incompatible with the ethical culture of CAASA.

Therefore, in CAASA and its subsidiaries we have a Code Against Fraud and Corruption Acts in which we communicate our culture of non-tolerance to fraud and corruption, in all its forms, in addition to our corporate guidelines and the assignment of responsibilities for its prevention, detection, investigation and response, which are consistent with our values, Code of Ethics and Business Policies.

Therefore, CAASA and its subsidiaries:

- They seek to generate relationships based on values, policies and commitments that strengthen corporate identity and institutional coherence;
- Promote management under an ethical and self-control environment;
- Establish the limits that guide business action; and,
- Develop processes that ensure the management of their risks.

Additionally, CAASA and its subsidiaries maintain good specific business practices for the prevention of fraudulent actions, corruption, money laundering and terrorist financing, including, but not limited to the provisions of Law 30424 and its Regulations and Legislative Decree 1352. Therefore, the policies contained in this Code Against Fraud and Corruption Acts conforms to the Prevention Model of the Company to which these standards refer.

I am sure that we will have the unconditional support of all our stakeholders (shareholders, suppliers, customers, employees, State and society) to make this Code effective, seeking to ensure that our value chain built with such effort is clean from fraud and corruption and maintain our positive image and good reputation achieved throughout these years.



Ricardo Cilloniz Champín
CHAIRMAN OF THE BOARD

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1. OBJECTIVE

The Code against Fraud and Corruption Acts of Corporación Aceros Arequipa S.A. (hereinafter “CAASA” or the “Company”) and its subsidiaries is a reference framework that seeks to document in writing the strategic will of the Board of Directors and the Senior Management of said companies regarding fraud and corruption, establishing a culture of non-tolerance and establishing corporate guidelines and responsibilities for prevention, detection, investigation and response.

2. CORPORATE REFERENCE FRAMEWORK

The interpretation and application of this Code must be consistent with what is defined in the Corporate Reference Framework of CAASA and its subsidiaries, paying special attention to the following related elements:

Corporate values

They identify their want to be and do, they support their trust and credibility, their behavior and the way they want to be recognized. The defined values are: "We focus on the relevant", "We work as a team" and "We feel passion for work".

Code of ethics

It is a formal reference of the personal and professional conduct that all its shareholders, directors, employees, suppliers and customers must fulfill, regardless of the position or function they occupy.

Codes and Business Policies

They define criteria and establish non-negotiable action frameworks that guide the management of all levels of the Company in aspects such as internal control, comprehensive risk management, accounting

practices, information, the purchase of goods and services, human management, investment management, inventory management, fixed asset management, credit and collection management, costs and budgets, management against acts of fraud and corruption, occupational health and safety, corporate governance and social responsibility. The Business Codes and Policies are development documents that have the purpose of regulating the operational processes necessary for the activities of the different areas of the Company and developing in a more specific way the application of this Code Against Fraud and Corruption Acts to each one of said operational processes.

3. CONCEPTUAL FRAMEWORK – DEFINITIONS

3.1. Social Balance of Donations

Detailed report of all donations made by the Company.

3.2. Conflict of Interest

Any situation in which personal interests may be incompatible with the interests of CAASA or its subsidiaries, which makes it possible to presume the lack of independence or impartiality in making decisions related to the situations or persons that are the object of such personal interests.

3.3. Donation

Delivery of money or goods voluntarily and without any consideration for such delivery.

3.4. Extortion, Bribery and Corruption

3.4.1. Extortion

Exercise of violence or threat in order to obtain an undue economic advantage or any other advantage.

3.4.2. Bribery and Corruption

It is the act of giving, offering or promising something of value (money, gift, favor, or other), in order to obtain any advantage, whether financial, commercial, and legal or of any other type, regardless of whether the offer or request is for your own benefit or a third party.

Bribery can occur in the public and private sectors and may include, among others:

- Payment of sums of money.
- Gifts, hospitality, travel and entertainment (the guidelines for this point are defined in the Gifts, Sponsorship, Hospitality, Travel and Entertainment Policy).
- Favors to public or private officials.
- Payment of advice or simulated services. Simulated advice or services are understood to be those that, with full knowledge of those involved, will not be carried out, but have the appearance of having been carried out, there being a consideration for the simulated advice or service.

In the case of the directors, managers and employees of CAASA, it may also be considered as bribery the direct or indirect reception (through family members) of gifts whose type and / or amount has been expressly prohibited in the Code of Ethics or other policies of the Company duly communicated.

3.4.3. Influence peddling

Act by which a person, invoking real or simulated influences, receives, makes, give or promises for himself or for a third party, donation, promise or any other advantage or benefit in exchange for interceding before an official or public servant he will meet, is knowing or has known a judicial case or administrative procedure.

3.5. Terrorism Financing

Provision, contribution or collection of funds aimed at committing the crime of terrorism, acts of collaboration with terrorism, crime of association with terrorist organizations, instigation of terrorism, impeding the action of justice or other related crimes or support, in general, to terrorist organizations or their members, in any form.



3.6. Fraud

Any act, or its attempt or omission, intentionally made to obtain an undue benefit, to the detriment of the principles and interests of CAASA and its subsidiaries.

Fraud can involve dishonest facts of customers, suppliers, representatives, competitors, employees, former employees, directors or third parties in general; therefore, fraud can be contextualized from the sources that originate it:

- **Internal fraud:** fraudulent acts carried out within the Company by its employees, directors or representatives.
- **External fraud:** fraudulent acts carried out by people outside the Company, such as suppliers, contractors, customers and third parties in general.
- **Mixed fraud:** fraudulent acts committed through the competition or the participation of internal actors of the Company or external persons, that is, those events in which one of these actors that have the complacency or complicity (by action or omission) of another element of the chain, with the purpose of committing fraud.

Fraud is made up of three main categories:

3.6.1. Appropriation or misuse of financial resources and other assets of the Company

Illicit change of destination or misuse of the financial resources and other assets of the Company and / or managed by it, to favor own or third party interests. Next, some cases included in this category, which do not limit the existence of additional ones:

- Appropriation or misuse of goods, equipment or inventories, embezzlement of funds, payments to fictitious suppliers, double payments, handling of cash surpluses, appropriation of money, improper use of funds, among others, whose property is owned by the Company or managed for her.
- Fictitious compensation concepts.
- Exceeding the authorized spending limits.

3.6.2. Inappropriate management of information assets

Create, access, delete, modify, alter, disclose or use information assets improperly and / or intentionally for improper purposes or for personal or third-party benefit. Some types of information assets included in this category are included below, which do not limit the existence of additional ones:

- **Digital information assets:** It is the structured and unstructured information that resides in or is transmitted through the elements of Information Technology - IT - and to which the company assigns a value, which must be protected.
- **Information assets in other physical and / or electronic media (videos, microfilms, etc.):** It is structured and unstructured information that resides in media other than digital and that the company directly assigns a value, so it must be protected.
- **IT element:** Products that support the management of digital information assets. This includes, but is not limited to workstations, operating systems, mobile devices, printers, software, storage media, servers, user accounts, internet browsing, networks, email, file transfer service, among others.

3.6.3. Falseness in reports

Creation, elimination, modification, alteration or disclosure of any type of information with the purpose of presenting false, inaccurate or biased information, distorting the recipient's understanding of the reality that should have been presented through said information.

It includes the suppression of material information that affects decision making. Next, some cases included in this category are included, which do not limit the existence of additional ones:

- Providing false information to cover up poor performance or to access bonuses or awards.
- Use false reports to deceive directors, investors, financial institutions, regulators or third parties in general.
- Manipulation of financial statements: inappropriate recognition of income, overvaluation or undervaluation of assets, undervaluation of liabilities, significant estimates and not in line with the reality of the business, among others.
- Concealment and deliberate violation of exchange, tax, accounting, industrial safety, occupational, occupational health, environmental regulations, in general of the regulations applicable to CAASA.
- Hiding accounting errors.

3.7. Money Laundering

Crime through which a person seeks to introduce into the economic or financial structure resources (money or goods) from illegal activities, with the purpose of and appear as legitimate.

3.8. International Lists

List of people and companies that according to the agency that publishes them, are linked to criminal activities that are the object of the list, such as OFAC (known as the Clinton list), Interpol and FBI, among others.

3.9. Suspicious Operations

According to the Financial Intelligence Unit (FIU), it should be understood as a Suspicious Operation, any operation performed by a natural or legal person, which by its number, quantity or characteristics is not framed within the normal business systems and practices of a business industry or sector determined and in accordance with the customs and habits.

3.10. Facilitation Payments

Payments or gifts made in order to expedite a process in a public entity or guarantee a routine procedure; for example, for the streamlining of:

- The issuance of environmental permits.
- Obtaining building or operating licenses.
- The issuance of visas or other public documents.
- Obtaining police protection.
- Customs procedures, among others.

3.11. Politically Exposed People - PEP

PEPs are natural persons, nationals or foreigners, who fulfill or who in the last five (5) years have performed outstanding public functions or prominent functions in an international organization; whether in the national territory or abroad, and whose financial circumstances may be the object of a public interest. Likewise, the direct worker of the highest authority of the company, those who perform or have performed public functions in the country or abroad that includes the senior hierarchies of the Executive, Legislative or Judicial Powers, of the Public Prosecutor's Office, is considered as PEP, Senior Military Commanders, Senior Executives, Directors of State Companies, Regional Governors, mayors of the main cities of the country and Principal Representatives of Political Parties. CAASA uses a special diligence in its relations with the PEP, so that no conflict of interest or appearance of influence peddling

can occur. Likewise, when hiring personnel, CAASA uses the filters that are necessary to comply with the regulations on prohibitions and incompatibilities applicable to former civil servants or public servants.

3.12. Third parties or intermediaries

It refers to any entity or individual acting on behalf of CAASA or its subsidiary companies in their relations with other parties.

Third parties may include:

- Customs, freight, tender, broker or similar agents, etc. Distribuidores.
- Dealers.
- Law firms
- Consultants, advisors or specialists.
- Other professionals designated by CAASA or subsidiary companies for the relationship with state authorities or with private companies.

The activities of third parties could have legal or reputational consequences in CAASA or its subsidiary companies, so that the Company has controls to ensure that the third parties or intermediaries, with whom it relates comply with the standards, have appropriate controls and maintain adequate ethics standards.

4. FRAMEWORK FOR ACTION

For CAASA and its subsidiary companies, ethics, as the main value, is a differentiating and dynamic element of their business, which implies that their management is executed within the highest standards of transparency and good business practices, within which a culture of prevention and administration of fraudulent and corrupt actions is incorporated.

Consistent with this, CAASA and its subsidiary companies establish the following general criteria, which define the will to act against the prevention, detection, investigation and response of possible fraudulent and corrupt events. These criteria are mandatory and are not discretionary in their interpretation or application:

4.1. A culture of non-tolerance to fraud and corruption is promoted.

Directors and employees set the tone, through their actions and decisions, of the unrestricted commitment of CAASA and its subsidiaries with an intolerant position to fraudulent acts and corruption.

4.2. The organizationally adopted approach is predominantly preventive, so that vulnerabilities are minimized from their origin, through appropriate organizational design criteria and cultural transformation programs.

4.3. Exposure to the risk of fraud and corruption is systematically and periodically evaluated in order to implement effective administration measures that allow its adequate and timely detection and management.

4.4. In the field of trust relationships established with the different interest groups, CAASA and its subsidiary companies generate an atmosphere of mutual collaboration and respect for common interests, which is why they develop anti-fraud strategies that contribute to the strengthening of relations of long term and the achievement of business sustainability.

4.5. All directors and employees must report to the Ethics Line, the internal audit area, the Ethics Committee or the Audit and Risk Committee, any information, doubt or suspicion of fraudulent acts and corruption. These types of reports will be handled with absolute reserve and guaranteeing their confidentiality.

4.6. Any possible fraudulent action, regardless of the amounts, characteristics or implied, will have a response from the administration, who will verify the reported facts and take the pertinent administrative actions, respecting what is established in the applicable regulations.

4.7. CAASA and its subsidiary companies, when appropriate, will inform the competent authorities of any conduct that contradicts the provisions of this Code and will also take and accompany the legal actions that are pertinent.

4.8. In case of fraud, corruption or illegal act, the information required by the public of interest will be transparent, impartial and objective.

5. GOVERNMENT STRUCTURE

The specific responsibilities of the different actors in the application of this Code against Fraud and Corruption Acts are defined below:

5.1. Directory

Within the responsibilities related to the adoption of specific measures with respect to the Government of CAASA and subsidiary companies, the Board of Directors is responsible for:

- Approve this Code against Acts of Fraud and Corruption and its updates.
- Provide directors with material and human elements that allow them to manage the risk of fraud and corruption.
- Provide guidelines regarding administration measures or controls that must be established for the proper management of fraud, corruption and illegal acts.
- Appoint the Prevention Officer, assign his duties and approve the budget required by his ordinary work, as well as any extraordinary work such as

specific audits, investigations, hiring consultants, among others.

- Ensure that the strategic objectives of the Company are aligned with an ethical culture and this Code against Acts of Fraud and Corruption.
- Deliberate and decide on the action plan for serious violations of this Code Against Fraud and Corruption Acts that the Prevention Officer and / or the Audit and Risk Committee makes known.

5.2. Audit and Risk Committee

In addition to what is defined in the Board Agreements, the Audit and Risk Committee will have the following responsibilities for CAASA and its subsidiary companies:

- Verify that the evaluation of fraud and corruption risks is carried out in an appropriate manner and in accordance with the characteristics of the business and that effective measures of prevention, detection,



investigation and response are implemented. For this purpose, the Audit and Risk Committee will receive the reports prepared by the Prevention Officer regarding the status of compliance with the Code against Fraud and Corruption Acts..

- Approve the work plan of the Prevention Officer, supervise its compliance and evaluate its management.
- Supervise the action plans aimed at minimizing the vulnerabilities of CAASA or its subsidiary companies in terms of fraud and corruption.
- Provide guidelines regarding the controls to be established for the proper management of the risk of fraud and corruption. Supervisar el cumplimiento del presente Código contra Actos de Fraude y Corrupción.
- Supervise compliance with this Code Against Fraud and Corruption Acts.
- Order the hiring of experts in the cases it deems appropriate.
- Inform the Board about the facts of fraud and corruption deemed relevant.

5.3. Ethics Committee

The responsibilities defined for the Ethics Committee for CAASA and its subsidiaries will be:

- Supervise compliance with the Code of Ethics and be accountable for ethical management.
- Submit semiannual reports of its management to the Audit and Risk Committee.
- Serve as a consultative body regarding concerns of employees or third parties about facts or circumstances that may affect business ethics.
- Analyze and resolve disputes regarding possible conflicts of interest reported by the employees to the administration, in compliance with the provisions of the Code of Ethics.
- Analyze freely and objectively each of the complaints that are made

through the different channels.

- Guide and support internal or external investigations that are necessary to clarify complaints made through the Ethics Line.
- Include in the plans and programs developed around Ethics, activities that foster a culture of fraud and corruption prevention.
- Process the Audit or whoever makes its time, of the complaints that are made known to it, related to possible fraudulent events.

5.4. General Manager

The General Manager will have the following responsibilities:

- Supervise compliance with the Code Against Fraud and Corruption Acts.
- Promote the implementation of adequate mechanisms for prevention, detection, investigation and response to fraud and corruption.
- Make the pertinent decisions regarding the necessary administrative and legal actions respecting the provisions of the applicable regulations.
- Promote a culture of integrity within the Company, through concrete acts that make visible the Company's commitment to such culture, such as publicly refraining from participating in acts contrary to ethics, positively recognizing employees who act according to guidelines ethical, promote projects of the Company related to risk management and, in general, direct the operations of the Company in accordance with the provisions of this Code.

5.5. Internal Audit

The Internal Audit Manager will have the following responsibilities for CAASA and its subsidiaries:

- Inform the Audit and Risk Committee about fraud and corruption events reported to the Ethics Committee.
- Make the necessary investigations to clarify possible fraud and corruption events independently and through the use of competent resources, always respecting what is established in current regulations, for which you must adopt a protocol for this purpose.
- Hire experts in the cases it deems appropriate, prior to the approval of the Audit and Risk Committee.
- Plan and carry out the evaluation of the design and effectiveness of controls against fraud and corruption.
- Actively participate in the integral management of the risk of fraud and corruption (prevention model), monitor compliance with controls and issue recommendations regarding the most appropriate strategies to mitigate them.
- Supervise the implementation of the anonymous complaints mechanism (Ethics Line) and guarantee its independence and confidentiality.
- Inform the Audit and Risk Committee about internal control evaluations, audits, investigations and related activities.

5.6. Prevention Officer

The person in charge of Prevention will have the following responsibilities for CAASA and its subsidiaries:

- Lead and articulate the design and implementation of the Company's Prevention Model.
- Define a work plan for the maintenance of the Prevention Model that considers among others the following activities:
 - » Facilitate those responsible for the processes, tools and methodology to keep updated the matrix of risks and controls related to fraud, corruption, money laundering and terrorist

financing.

- » Structure a strategy to disseminate the prevention model and ensure compliance.
- » Define, together with those responsible for the processes, self-control routines that leave evidence that the mitigation controls for the risks of fraud, corruption, money laundering and terrorist financing are operating according to their design.
- » These routines must be endorsed by the General Management and / or Executive Presidency.
- » Submit monthly reports to the Executive Presidency and General Management regarding the level of compliance with the controls.
- Present the work plan for approval of the Audit and Risk Committee, previously reviewed by the General Management.
- Submit quarterly reports to the Audit and Risk Committee regarding the level of compliance with the work plan of the Prevention Officer and the status of compliance with controls related to fraud, corruption, money laundering and terrorist financing.
- Supervise compliance and effectiveness of the controls established for risk prevention and proposes improvements and updates to the Audit and Risk Committee.

5.7. Colaboradores

In accordance with what is defined in the Internal Control and Integral Risk Management Policy in CAASA and equivalent documents for its subsidiaries:

- All employees are responsible for the correct application of Integral Risk Management criteria, through the identification, evaluation, management, monitoring, communication and dissemination of the risks associated with their processes and for implementing verification mechanisms.

- Each CAASA employee and its subsidiary companies apply the Internal Control criteria to build, maintain and exercise effective and efficient controls in the processes and activities under their charge.

In addition to the above, and in accordance with this Code, all employees must inform or report doubts or suspicions of possible fraudulent events and collaborate with fraud and corruption investigations.

6. PREVENTION, DETECTION, RESEARCH AND RESPONSE MECHANISMS

The evaluation of exposure to the risk of fraud and corruption is essential to achieve effective management. Your analysis helps:

- Understand the possible specific risks of fraud and corruption to which CAASA and its subsidiaries are exposed.
- Identify possible deficiencies in its administration.
- Establish and implement effective mechanisms for prevention, detection, investigation and response.

This evaluation must be carried out both strategically and operatively, in a systematic and periodic manner.

The evaluation of the risk of fraud and corruption must be framed in the Corporate Policy of Internal Control and Integral Risk Management of CAASA and include at least the evaluation of scenarios or schemes of fraud and corruption relevant to CAASA and its subsidiary companies, their

probability and severity, determining existing prevention, detection and protection mechanisms. This assessment should establish additional treatment plans necessary to minimize the vulnerability of CAASA and its subsidiary companies. This evaluation will be carried out by those responsible for the processes, with the support and accompaniment of the person in charge of prevention, risk management team and internal audit.

The following are the minimum prevention, detection, investigation and response mechanisms that CAASA and its subsidiary companies must implement, in accordance with the criteria set forth in this Code:

6.1. Prevention

The prevention mechanisms are intended to minimize the probability of occurrence of cases of fraud and corruption, and thus limit exposure to them.



In this sense, it is important to adopt a coherent and integrated approach that takes into account all the elements defined in the Corporate Reference Framework, as well as internal procedures and regulations in general, so that all operate effectively.

In this way, a strong fraud risk prevention strategy is adopted and intended to be incorporated into day-to-day management.

6.1.1 Prevention policies

6.1.1.1 Policy against Extortion, Bribery and Corruption

The purpose of this Policy is to ratify the zero tolerance of CAASA and subsidiary companies with respect to bribery, extortion and facilitation payments.

Definitions

1. Bribery: It is the act of giving, promising, something of value (money, gift, favor, or other), in order to obtain any undue advantage, whether financial, commercial, legal or of any other kind, for the benefit of CAASA, its subsidiary companies or its employees. Regardless of whether the offer or request is made for the requestor or for a third party.

Bribery can occur in the public sector and in the private sector, it can include, among others:

- Payment of sums of money.
- Gifts, hospitality, travel and entertainment (the guidelines for this point are defined in the Gifts, Hospitality, Travel and Entertainment Policy 6.1.1.7) prevention, detection, investigation and response.

- Favors to public or private officials.
- **Facilitation Payments:** Payments or gifts made in order to expedite a process in a public entity or guarantee a routine procedure such as, for example:
 - » Issue environmental permits.
 - » Obtain construction or operation licenses.
 - » Issue visas or other public documents.
 - » Provide police protection.
 - » Streamline customs procedures, among others.

2. Extortion: It is when a third party puts pressure on CAASA or its subsidiary companies, under threat of violence or harm, in order to force it to act in a certain way and obtain money or other benefit.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

- a. In CAASA and subsidiary companies the offer, delivery, authorization, acceptance, or request of any bribe or facilitation payment to persons or companies, whether directly or indirectly or in the case of public officials (local or foreign), is prohibited, people or private companies.
- b. Bribes and facilitation payments are prohibited by this code, regardless of their amount.
- c. The prohibition of making bribes and facilitation payments reaches CAASA employees and subsidiary companies. As well as to third parties acting on your behalf, for example: subcontractors, lawyers, customs agents, processors, or others.

- d. CAASA, its subsidiary companies or third parties hired by them, are prohibited from using their relatives to make bribes or facilitation payments.
- e. We do not allow bribes or facilitation payments in the performance of professional work for CAASA or subsidiary companies, even if they are made through personal finances and no refund is sought.
- f. All requests for bribes or facilitation payments by third parties must be reported to the Prevention Officer.
- If you have doubts about whether a requested or proposed payment constitutes a bribe or facilitation payment, consult your supervisor, manager or the Prevention Officer first.
 - People subject to this code will not suffer any type of damage for refusing to offer, pay, give or authorize a bribe, facilitation payment or any undue benefit, even if doing so results in the loss of commercial opportunities for CAASA or its subsidiary companies.
 - CAASA and its subsidiaries will reject any type of extortion by public or private third parties. If in case this fact puts the safety of any collaborator at risk, the measures considered reasonable must be taken and this situation communicated to the Prevention Officer.
 - The collaborator or director, who fails to comply with the guidelines of this Policy, will be responsible for the direct and indirect damages and losses caused by CAASA and subsidiaries, and will be subject to disciplinary measures, in accordance with the applicable norms and / or the Regulations Work Intern.

6.1.1.2 Conflict of Interest Policy

The purpose of this Policy is to regulate those situations in which a collaborator or member of the Board of Directors of CAASA, due to its position or functions, may participate, decide or influence matters of CAASA and subsidiary companies in which it has a committed personal interest.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

- a. No director or collaborator of CAASA or subsidiary companies will participate in contracts or negotiations in which there is a conflict of interest; the same applies to their spouses or partners, and their relatives, up to the fourth degree of consanguinity, second of affinity or first civil.



- b.** No director or collaborator should use the position or function he performs in CAASA or subsidiary companies to unduly influence the performance of private operations that have as their purpose:
 - a.** Obtain an economic advantage for private or personal purposes, either directly or indirectly.
 - b.** Take advantage of the business opportunities of CAASA or subsidiary companies, meaning business opportunity any possibility of making an investment or commercial operation that has arisen or has been discovered in connection with the exercise of his position.
 - c.** Obtain benefits or remuneration from third parties other than CAASA or subsidiary companies.
 - d.** Develop self-employment activities that involve effective competition, whether current or potential, with CAASA or subsidiary companies or that, in any other way, place you in a permanent conflict with the interests of CAASA and subsidiary companies. This prohibition shall not apply to those who hold executive or administrative positions in the parent company or in other companies of the Corporation.
 - e.** Directly or indirectly carry out professional or commercial transactions with CAASA, except in the case of ordinary operations, made under standard conditions for all clients and of little relevance.
- c.** For these purposes, you can communicate these situations using any of the channels of the Aceros Arequipa Ethics Line: www.lineaeticaacerosarequipa.com
- d.** Conflict of interest situations can be multiple, so it is not possible to identify all potential cases a priori. The following describes, by way of example, and without limitation or limitation, some circumstances

that give rise to or could give rise to a conflict of interest, classifying them according to the type of relationship between the employee and the situation generated by the conflict of interest:

d1. Family relationship: A CAASA collaborator or subsidiary may not make decisions that may directly or indirectly benefit people with whom it has a civil kinship relationship, by affinity or consanguinity that they administer to a CAASA supplier or client company or subsidiary.

d2. Property relationship: A CAASA collaborator who has ownership interest, directly or indirectly, in a company or company that is related to CAASA as a supplier, contractor, client or competitor, or lends it, is in a conflict of interest situation services to said supplier, contractor, client or competitor of CAASA.

d3. Management Relationship:

- Possible use, advantage or use by the collaborator, of the position he occupies in CAASA or subsidiary or of the information or business opportunities he accesses, due to the exercise of his functions, for his own benefit or that of third parties.
- Possess a personal interest in an operation involving CAASA, Subsidiaries, or a competitor, customer or supplier, except for the interests of the position held in CAASA or Subsidiaries and for which the employee benefits to the detriment of the interests of CAASA or Subsidiaries.

e. The employees of CAASA and Subsidiaries will immediately notify the Ethics Committee and Prevention Officer of any situation that could constitute or determine a potential or current conflict of interest, and will refrain from intervening in the operational process or decision-making regarding which has identified the situation of possible conflict.

In the case of the Directors, they will report the conflict situation to the Audit and Risk Committee of the Board of Directors.

- f. The collaborator or director who does not avoid (if it is up to him to do so) conflicts of interest or who does not timely inform the conflicts of interest that affect them or could affect them, will be responsible for the direct and indirect damages and losses that his performance causes to CAASA o Subsidiaries, and will be subject to disciplinary measures, in accordance with applicable regulations and / or the Internal Labor Regulations.

6.1.1.3 Donation Policy

The purpose of this Policy is to regulate and establish guidelines applicable to donations of money, goods or assets of any kind made by CAASA and its subsidiary companies.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

- a. CAASA and subsidiaries are committed to sustainable development, reconciling economic well-being, that of natural resources and that of society. Therefore, this Policy applies to exceptional cases of support for corporate social responsibility activities.
- b. This Policy applies to donations of money, goods and services.
- c. Donations will be made only to public entities or non-profit organizations that are constituted within the legal framework in force in the country or abroad; for example, communities, educational, cultural establishments and sports centers, among others. If a donation is made to an individual or institution that is not stipulated in current legislation, it must be authorized by the General Manager and Executive Presidency, indicating the reasons that justify this donation. Any donation made to a public entity must comply with the applicable legal framework and have the corresponding supporting documentation.

- d.** The donations will be destined to activities with positive social impact, mainly in our nearby communities that promote education and / or local development and whose mission and values are consistent and compatible with those of CAASA and its subsidiary companies. In this sense, donations may not be intended, under any circumstances, to exchange favors with the donor entity.
- e.** The beneficiary institution or organization may not use the donation made by CAASA or subsidiary companies for the personal benefit of friends or relatives of that representing the institution, organization or establishment to which CAASA or subsidiaries made the donation. Donations should be intended exclusively for the benefit of the institution, organization or establishment to which the donation was made.
- f.** When making the donation, those institutions that allow the use of tax benefits according to existing legislation are privileged.
- g.** It is not the Company's policy to deliver donations to direct and indirect employees. Exceptional situations that may arise must be authorized by the General Manager and the Executive President.
- h.** It is forbidden to make any kind of donation to beneficiaries whose activities are not within the current law, or whose proceeding could impact the image of CAASA and subsidiary companies; for example, public or private organizations or entities that are involved, or can be presumed, in money laundering, terrorist financing or bribery operations.
- i.** Donations and contributions to campaigns and political parties are prohibited.

- j.** The Deputy Manager of Social Responsibility must maintain a Social Balance of the donations made, indicating at least the beneficiary, the amount donated, the mode of donation (money, goods or services) and reasons for the donation. This information should be clear and easily accessible for reviews and audits. All donations must be registered in the SAP system, in a specific item for full identification and control.
- k.** CAASA employees and subsidiary companies are obliged to inform the Ethics and Prevention Committee of any event or situation that affects the adequate fulfillment of the purpose of the donations made. The directors must inform the Audit and Risk Committee of the Board of Directors. For these purposes, you can communicate these situations using any of the channels implemented in the Aceros Arequipa Ethics Line: www.lineaeticaacerosarequipa.com
- l.** The collaborator or director, who fails to comply with the guidelines of this Policy, will be responsible for the direct and indirect damages and losses caused by CAASA and subsidiary companies, and will be subject to disciplinary measures, in accordance with the applicable norms and / or the Internal Regulations.

6.1.1.4 Asset Laundering and Terrorist Financing Prevention Policy

The purpose of this Policy is to regulate and establish guidelines for the prevention of Money Laundering and Financing of Terrorism by any collaborator or director of CAASA and its subsidiary companies, to protect them from any situation that could affect their image and the ability to perform commercial activities with national and international companies.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

- a. CAASA and its subsidiary companies will avoid maintaining business relationships with clients who have a history related to money laundering or terrorism.



- b.** CAASA and its subsidiary companies will avoid carrying out operations with suppliers that supply products or services at prices less than or equal to their cost, and even at prices much lower than those normally offered in the market.
- c.** It is forbidden to support, in any form, terrorist organizations or their members, nationals or foreigners.
- d.** CAASA and its subsidiaries or any of its employees that represent it, will not use the name of the companies to conduct business, movements or financial operations on behalf of third parties.
- e.** In contracts of amounts greater than USD 1,000,000 annually, the international lists should be consulted, minimum in the Clinton list issued by the OFAC (Office for the Control of Foreign Assets).
- f.** CAASA and its subsidiary companies will establish policies and procedures to ensure compliance with the laws and internal regulations applicable to funds transfers, regardless of the means of payment used, taking into account that these operations are considered high risk.
- g.** If during the commercial relationship it is identified that a client qualifies as PEP (Politically Exposed Persons), it must be registered as such in the customer database, with the prior approval of the General Manager or Executive President for the conduct of commercial operations. This requirement is based on the risks of having a PEP client:
 - The possibility that PEPs abuse their public powers for illicit enrichment through corrupt acts.
 - The risk of handling corrupt PEP funds would severely damage the reputation of CAASA and subsidiary companies.
- h.** In the event that any collaborator, director, supplier or CAASA client and subsidiary companies identify suspicious activities related to Money Laundering or Terrorism Financing, they must inform the Audit and Risk Committee (Directors) the Ethics committee and the Prevention Officer, or through any of the channels of the **Aceros Arequipa Ethics Line**: www.lineaeticaacerosarequipa.com

- i. The collaborator or director who fails to comply with the guidelines of this Policy will be responsible for the direct and indirect damages and losses caused by CAASA and subsidiary companies, and will be subject to disciplinary measures, in accordance with the applicable regulations and / or the Internal Regulations of work.

6.1.1.5 Third Party or Intermediaries Policy

Define appropriate guidelines so that CAASA and its subsidiary companies maintain relationships with third parties that do not expose them to legal or reputational consequences in the face of corruption.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

- a. The services of third parties should not be contracted if it is suspected that they will offer, request or receive bribes on behalf of CAASA or its subsidiary companies.
- b. Third parties hired or designated by CAASA and its subsidiary companies must know and accept the guidelines of this Code regarding corruption.
- c. The contracts of CAASA and subsidiary companies with third parties must include terms that require compliance with this Code, the services of third parties that are not willing to accept such guidelines should not be contracted.
- d. The fees and expenses paid to third parties must represent an appropriate and justifiable payment for the services provided; these must be paid directly to the contracted third party, keeping an accurate financial record.
- e. Employees should be alert to possible alerts or situations that suggest that the third party could pose a corruption risk to CAASA or subsidiary companies, in which case they should consult their immediate

supervisor and determine if the relationship with the third party should have greater monitoring or I should not proceed. Some alerts may be:

- The fees requested by the third party are not justifiable or disproportionate for the work to be performed according to the market value.
 - The third party's success fees are not in proportion to the value of the services offered and could be an incentive for the third party to offer bribes.
 - The third party has inappropriate ethical behaviors related to bribery, corruption or others.
- f.** Si CAASA o sus empresas subsidiarias pueden considerar que una relación con algún tercero representa un riesgo de corrupción, para estos casos se debe evaluar el riesgo a fin de considerar si es apropiado realizar procedimientos adicionales para obtener información sobre la integridad y reputación del tercero.
- g.** The collaborator or director, who fails to comply with the guidelines of this Policy, will be responsible for the direct and indirect damages and losses caused by CAASA and subsidiary companies, and will be subject to disciplinary measures, in accordance with the applicable norms and / or the Internal Regulations.

6.1.1.6 Gifts, Hospitality, Travel and Entertainment Policy

This Policy regulates the acceptance of gifts, sponsorships, travel and entertainment from current or potential suppliers of various goods and services, including banking and insurance services and gifts received from customers or other third parties.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

a. Acceptance of gifts or presents: Before accepting a gift or favor, the collaborator, manager or director must consider the following:

- Gifts must be of reasonable value and;
- Gifts cannot be cash or equivalent and;
- Gifts must be for promotional purposes and;
- They should not influence the decisions of the collaborator who receives them.

If the employee has any questions or wishes to report any concern about the acceptance or receipt of gifts from suppliers, customers or other related third parties, you should consult your manager when you encounter difficulties when assessing the gift or failing to Ethics Committee or Prevention Officer.

It is forbidden to accept gifts that may reduce the ability to act objectively and independently of criterion, that improperly influence CAASA's business relationships or that may create obligations with customers, suppliers or related, current or potential third parties.

Regardless of the references given in the previous point; each collaborator, manager or director must have the criteria of analyzing and considering

any sample of courtesy of a supplier or customer, if it leads to an interest in influencing their judgment, with the respective refusal, very respectful, to their acceptance. In this case, self-control practices and personal and organizational values should guide the action.

b. Acceptance of Care, Hospitality, Travel and Entertainment:

It is allowed to accept attentions that do not go out of the courteous or of the formal tag:

- They are free to excuse themselves from participating in a tourist walk, a cultural or sporting activity, if they consider it excessive.
- Accept institutional gifts for propaganda purposes (issuer logo) such as agendas, calendars, cell phone chargers and other similar.

In the case the collaborator, manager or director is invited by a supplier, current or potential customer to a trip to visit industrial plants, in order to observe the manufacturing or logistics process, said trip or travel must be only for the collaborator, manager or director, it is not allowed to accept air tickets and stays for relatives or friends of the collaborator, manager or director.

All displacements for the reasons indicated in the previous paragraph must be communicated and approved by the General Management and Executive Presidency, and must be registered in the files of the employees.

In the case of General Management, Executive Presidency and Directors, the Audit and Risk Committee or the Board of Directors must be notified.

c. Treatment for receiving gifts or presents: The management of CAASA or its subsidiary companies will evaluate the acceptance of gifts in their respective areas depending on the proportionality of the gift depending on the organizational level of the employee. If you have any doubts about the disproportionality of the gift, you must discuss it with the General Management or the Executive Presidency.

In case the gift is accepted and depending on the proportionality of the gift, the departments will choose any of the following options:

- Raffle the gift within the department, only in the case that the gift or basket can be separated.
- Lower value gifts or merchandising (such as agendas) may be received by an employee with his/her manager's permission.

In case the gift is not accepted:

- It will be returned to the supplier with former approval from General Management or Executive Presidency.

In every case there must be a record of every gift received.

d. Gifts, Hospitality, Travel and Entertainment provided by the Company:

CAASA may provide gifts, hospitality, travel and / or entertainment only in the following circumstances:

- In favor of its employees, in cases of holidays and onomastics and without prejudice to any extraordinary bonus that may correspond to them as part of the incentive programs that the Company may approve.
- In favor of its clients for up to S/ 5,000 and 00/100 Soles and provided that (i) the Company is not participating in any bidding process carried out by said client; and (ii) the client is not a public institution or public official.

Any gift, hospitality, travel or entertainment for up to S / 1,000 and 00/100 Soles may be approved by the Manager of the area making such gift. In the event that the amount or value exceeds that amount and up to S / 5,000 and 00/100 Soles, you must have the joint approval of the Manager of the

area that makes the gift and the General Manager and / or the Executive President. If this last amount is exceeded, you must have the approval of the Board of Directors.

The Company may not provide gifts, hospitality, travel or entertainment under any circumstances to public officials or entities, unless it is a donation in compliance with the provisions of the Donation Policy contained in section 6.1.1.3.

6.1.1.7 Reorganizations, Acquisitions and Associative Contracts Policy

The objective of this Policy is that the Companies employ due diligence in the evaluation of any third party with which a merger, acquisition or associative contract is proposed.

Guidelines

For the fulfillment of the objectives of this policy, the following guidelines have been established:

a. Due diligence before engaging in a relationship: Before or during the negotiations of any corporate reorganization (merger, spin-off or simple reorganization), acquisition or associative contract, the Company must carry out a due diligence process in order to determine the level of criminal risk to which its company is exposed counterpart in the operation and / or the acquired company, if applicable, and verify if it has adequate controls for prevention, mitigation and response to these risks.

This process should include:

Search of criminal records of the Company and / or its main executives and the criminal proceedings in progress against the Company and / or its main executives.

- Inquiries from external sources such as newspapers, magazines, internet or consultations with government entities, as they become available.
- Review of its compliance program or Prevention Model, including the validation of the risk matrix, if any, and of the existing controls and policies to prevent the identified risks.
- Certifications you have (ISO 37001, Clean Hands, others).
- Meetings with the main executives of the counterpart or company to be acquired.

For this, the Company must hire specialized advisors such as law firms or auditors of recognized prestige.

As a result of due diligence, the Company must prepare (or receive from its advisors) a report evidencing the identified risks and the existence or not of a compliance program or Prevention Model, as well as its deficiencies and opportunities for improvement.

b. Declarations and obligations once the relationship is established: In the event that the reorganization, acquisition or associative contract is completed, the Company must use its best efforts so that the counterpart provides specific statements on the status of compliance with the rules for the prevention of corruption, money laundering and terrorist financing and is obligated to implement or improve its compliance program or Prevention Model, as identified in the due diligence process. Once the operation is closed, the Company must validate that the compliance program or Prevention Model has been implemented or improved, as the case may be, and if not, culminate with the implementation or improvement process that corresponds to the purpose of that the controls applicable to the counterpart or acquired company, as the case may be, maintain to the greatest extent possible the same standard of requirement as the controls applicable to CAASA.

6.1.1.8 Policy of contributions to political campaigns

The Company does not finance, under any circumstances, political parties or campaigns.

6.1.1.9 Preventive Controls

6.1.1.9.1 Human Management Practices

Given the importance of the human factor in the prevention of risks, in particular fraud and corruption, it is necessary that CAASA and its subsidiary companies evaluate the existing mechanisms related to the processes for human management and establish their sufficiency and relevance in this purpose.

For this purpose, the Human Management Department maintains a Human Management Policy.

Likewise, the Human Management Department has among its functions the following:

- Manage the recruitment and selection process of personnel, making the necessary revisions and filters to guarantee as it is possible that the contracted personnel is aligned with the values of the Company.
- Coordinate periodic training regarding ethics and this Code Against Fraud and Corruption Acts in coordination with the Prevention Officer and ensure that training in such matters is included in the induction of any new worker.
- In coordination with the Prevention Officer, carry out investigations in the event that any company worker is involved in any act of fraud, corruption or contrary to ethics.
- Ensure that sanctions and termination of workers for acts of fraud, corruption or contrary to ethics are carried out in accordance with the provisions of labor standards and respecting the rights of workers.

6.1.1.9.2 Self-Control Routines Program

The Self-Control Routines program is a facilitator for all process Leaders, in the evaluation and monitoring of control activities defined to manage the risk of fraud and corruption and on these detect possible control deviations, identify efficiency and effectiveness failures and monitor the inherent risks of each process defined in the Fraud and Corruption Risk Matrix.

The process leaders are responsible for keeping the controls associated with the risk of fraud and corruption updated, defining the periodicity of its execution, the record evidencing its operation and monitoring compliance. The Prevention Officer will evaluate the level of effectiveness of the self-control routines program through periodic reviews and report the results to the General Management, Executive Presidency and Audit and Risk Committee.

6.1.1.9.3 Goods and Services Purchase Practices

CAASA has a Business Policy for the Purchase of Goods and Services applicable to all the management responsible for purchases on behalf of the Company.

Subsidiary companies have defined their policy of purchasing goods and services applicable to the size of their operations, which include the principles of hiring CAASA: good faith, ethics, transparency, economy, equity, responsibility and equal treatment.

In CAASA and its subsidiaries, transparency is a fundamental criterion of application and is defined as follows:

“Acquisition or purchasing processes must be carried out based on clear, impartial procedures and objectives that guarantee the equal conditions and opportunities of the bidders”.

With regard to the specific management of the risk of fraud and corruption, it is necessary that CAASA and its subsidiaries evaluate the existing mechanisms, related to the processes for the purchase of goods and services, in order to consider the prevention of the risk of fraud and corruption, its sufficiency and relevance in this purpose are determined, and other additional elements are established if required.

Additionally, existing procedures should be constantly reviewed to ensure they are consistent with this Code, which is mandatory, both when acting as a contractor and as a contractor.

6.1.1.9.4 Internal Independent and Objective Audits

The existence of periodic internal audits in CAASA and its subsidiaries executed by an independent area of business administration, as a preventive mechanism, constitute a fundamental element within the internal control system and help to generate an adequate control environment.

Internal audits carried out by the Internal Audit Department must contribute to the preventive identification of aspects to improve in the management of fraud and corruption risk.

6.1.1.9.5 Security of the information

In CAASA and its subsidiaries, information, knowledge and products are valued and protected as strategic assets. Based on the above, there are guidelines and procedures to guarantee the security of information and systems.

Regarding information security, the procedures for the Use and Management of Information Technology - IT, Procedures for the Protection of Intellectual Property, Copyright and Industrial Property stand out.

In addition to the above, CAASA and its subsidiaries promote the permanent and systematic implementation of best information security practices and technological controls, including from their structuring, fraud and corruption risk management.

6.1.2. Dissemination Plan for the Prevention and Training Model

Dissemination and Training of the Prevention Model:

The General Management, through the Human Management Department, will be responsible for maintaining a permanent plan for dissemination and training of the Prevention Model within the Company, in coordination with the Prevention Officer and the Ethics Committee.

6.2. Detection

In accordance with the provisions of the framework of this Code, effective mechanisms must be implemented to detect fraud and corruption in a timely manner in order to minimize its impact. Without prejudice to the detective controls provided for in the Company's risk matrix, then we present the following:



6.2.1. Complaint Management and Ethics Line

CAASA and subsidiary companies have the Aceros Arequipa Ethics Line to which all employees and other stakeholders can report breaches of the Code of Ethics and this Code against Fraud and Corruption Acts. The communication will be received guaranteeing the confidentiality of the information and the identity of the person presenting it, unless it agrees to disclose it in order to collaborate with the investigations.

The Aceros Arequipa Ethics Line is conceived as the main tool for communicating facts suspected of fraud and corruption, which is managed by a specialized and independent company.

Notwithstanding the foregoing, any person may report acts of fraud and corruption or contrary to ethics directly with the Prevention Officer or, in the case of Company employees, with their immediate boss or any Company manager. The latter are obliged to report the facts to the Prevention Officer, the General Management and / or the Executive Presidency.

6.2.2. Independent Internal Audit

Audit and monitoring systems designed to detect fraud, corruption and irregular behavior are important tools used to determine if the controls of CAASA and its subsidiaries are fulfilling their function and detect certain acts of fraud or corruption or irregular behavior.

6.2.3. Technology Utilization

CAASA and its subsidiaries have arranged the technology to support business processes and facilitate the flow of natural information between processes, in a field of technological security with criteria of confidentiality, reliability and availability.

In addition to the traditional detection controls, CAASA and its subsidiaries

reserve the right to monitor their technological environment in order to avoid and detect possible fraud events respecting the confidentiality of the information within the framework of the applicable Law.

Additionally, it is intended for the effective implementation of early warnings in the processes and continuous monitoring schemes and the implementation of automatic controls is promoted to ensure impartiality in the detection of non-compliance.

6.3. Investigation

The investigation mechanisms are intended to advance the necessary actions to clarify possible acts of fraud or corruption and, if applicable, punish those responsible and report the evidence or evidence of crime to the appropriate authorities.

When information on fraudulent behaviors, whether potential or real, is available, CAASA and its subsidiaries will carry out the necessary verifications objectively and thoroughly with the support of the legal advisor. The purpose of such verifications will be to collect relevant information, so that the CAASA administration and its subsidiaries can decide the line of action to follow.

If the complaint comes from the Ethics Line or other means, the Audit Management in coordination with the Prevention Officer will evaluate the possibility that the investigation, according to its complexity, be carried out internally or with the resource of external specialists. This possibility will be presented for approval, depending on the complexity of the case to the Audit and Risk Committee or the Ethics Committee or the General Management or the Executive Presidency.

All research will be carried out by the Prevention Officer, with the collaboration of the Internal Audit Department, and monitored by the Board's Audit and Risk Committee, for which CAASA has a protocol. Investigations must be carried out always respecting the regulations applicable in Peru or where the subsidiary develops its operations.

The results will be presented to the General Management or Executive Presidency and the Audit and Risk Committee, notwithstanding the power of the Prevention Officer to report the facts to the relevant authorities in case there is evidence of the commission of any crime. If evidence of the existence of crimes is found, the Prevention Officer may hire the necessary or reasonable advice without requiring any approval, without prejudice to the subsequent surrender made to the Audit and Risk Committee.

6.4. Response

The response mechanisms are intended to take corrective measures and repair, if possible, the damage caused by fraud.

Consistent with the provisions of the criterion of the framework of this Code, fraudulent facts, duly supported and analyzed in investigation reports sent to the Ethics Committee or General Management or Audit



and Risk Committee, will have the administrative and legal response in accordance with what is established in the applicable internal and external regulations.

6.4.1. Responsible for Disciplinary Action

It should be noted that companies must submit the investigation report of the case and facts evidenced to the Human Management Department so that they legally assess the breach of the applicable Internal Regulations and legal regulations and, based on the conclusion of this evaluation, appropriate measures are taken to the companies. The results of the evaluation must be reported to the Prevention Officer and the Ethics Committee.

Other additional elements to consider are:

6.4.2. Incident management

In the event of a case of fraud and / or corruption, the Prevention Officer in coordination with the corresponding management, will study the causes of origin, the weaknesses of control detected and a response plan will be presented, ensuring that the risk and that controls will be strengthened. Incident learning will be generated to avoid its recurrence, taking into account aspects such as: process redesign, improvement plans, risk assessment update, determining if it is necessary to modify the profile and possible adjustments in controls.

6.4.3. Transfer

With the objective of minimizing the impact of the losses and damages caused, CAASA and its subsidiaries will keep in force the risk transfer mechanisms that it considers pertinent, in accordance with the

evaluation carried out for the risks that allow it, including the contracting of the insurances that result convenient and the implementation of other economic risk transfer mechanisms.

7. SCOPE, MONITORING AND VALIDITY

Area of application

The application of this Code includes all directors, managers and employees regardless of their hierarchical level in CAASA or its subsidiary companies. It is also applicable to customers and suppliers of the Companies where applicable.

Permanent monitoring

The internal control schemes established in the processes must allow the identification of deviations in them, so that the possible occurrence of events that contravene the provisions of this Code can be noticed early.

Compliance with this Code will be supervised by the Audit and Risk Committee of CAASA and subsidiary companies.

Validity

This Code was initially approved by the Board of Directors of Corporación Aceros Arequipa S. A. on June 25, 2015, and amended on May 31, 2018. This code is effective as of the date of its approval.

