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APPROVED BY::
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CORPORATE ENVIRONMENTAL POLICY

ACEROS AREQUIPA

1. OBJECTIVE

Define guidelines for the Environmental Management of Corporación Aceros Arequipa and subsidiaries (hereinafter CAASA) aimed at the prevention, control and mitigation of negative environmental impacts in all production operations, logistics and business facilities, in products and services, including distribution and delivery services.

Promote and maintain an environmental culture that contributes to the sustainable development of the country and shows that the steel industry and its related businesses can operate in harmony with the environment.

We are committed to establishing objectives and developing strategies and initiatives that allow us to ensure compliance with this policy permanently.

2. SCOPE

To CAASA's stakeholders: shareholders, customers, employees, suppliers of goods and services, contractors, community and government; and when working with other business partners (such as unmanaged operations, joint venture partners, licensees, outsourcing partners, etc.). Also having scope in Due Diligence processes, company mergers and acquisitions.

3. REFERENCE LEGAL FRAMEWORK

- Political Constitution of Peru (1993), Laws, Legislative Orders (Decretos Legislativos), Executive Orders (Decretos Supremos), and other applicable regulations in force and of mandatory compliance in the country.
- Environmental laws in force in the countries where CAASA operates.
- ISO 14001 Environmental Management Systems.

4. DEFINITIONS

4.1. Environment: It is the set of physical, chemical and biological elements, of natural or anthropogenic origin, that surround living beings and determine their conditions of existence.

4.2. Sustainable Natural Resource Use: Is the use of natural resources in such a way as not to affect the possibility of their indefinite future use, respecting their functional integrity and the ability of ecosystems to handle such exploitation. This term refers specifically to the exploitation of renewable natural resources, and is not applicable per se to non-renewable natural resources.

4.3. Protected Natural Areas: Mainland and/or marine spaces within national territory expressly recognized and declared as such, created to conserve biological diversity and other associated values of cultural, scenic, and scientific value, as well as their contribution to the country's sustainable development.

4.4. Environmental Aspect: An element of an organization's activities, products, or services that interacts or can interact with the environment.

4.5. Environmental Quality: Condition of natural equilibrium that describes the set of geochemical, biological, and physical processes, and their various, complex interactions that occur over time, within a given geographical space. Environmental quality may be affected, whether positively or negatively, by human actions, posing a risk to the integrity of the environment and human health.

4.6. Climate Change: Generally speaking, climate change refers to significant statistical variations in the state of the climate or its variability, which persist for an extended period of time, and which may be due to natural causes or result from human activities.

4.7. Environmental Pollution: Action and state resulting from human introduction of pollutants into the environment in excess of the maximum permitted quantities and/or concentrations, taking into account the accumulative or synergetic effects of the pollutants in the environment.

4.8. Sustainable Development (or Sustainability): Development that meets humans' current needs without compromising the ability of future generations to meet their own. This rests on a long-term perspective in which the social, environmental, and economic aspects of development are integrated in a balanced matter, with a view to improving the public's quality of life.

4.9. Biodiversity: The different forms and varieties in which life manifests itself on Planet Earth, i.e., from living organisms to ecosystems. This includes the diversity found within each species (genetic diversity), as well as between species (diversity of species) and ecosystems (diversity of ecosystems).

4.10. Ecoefficiency: Ecoefficiency refers to producing more goods and services with fewer environmental impacts.

4.11. Circular Economy: Is an economic concept framed within sustainable development, the purpose of which is to produce goods and services while reducing the consumption and waste of raw materials, water, and energy.

4.12. Greenhouse Effect: Is a phenomenon in which part of the sun's energy returned by Earth is absorbed and retained in the form of heat in the lower atmosphere. The augmented (or accentuated) greenhouse effect consists of an increase in the concentration of greenhouse gases (GHGs) that result in a greater opacity of the atmosphere to infrared radiation and an increase in the temperature on the Earth's surface due to the emission of certain gases such as carbon dioxide and methane, as a result of human activity.

4.13. Carbon Footprint: Is the totality of greenhouse gases (GHGs) issued due to the direct or indirect effects of an individual, organization, event, or product. Carbon footprint analysis thus provides data that can be used as an overall environmental indicator of an organization's activity. Carbon footprint also serves as a basic reference point for undertaking actions to reduce energy consumption and the use of resources and materials with better environmental behavior.

4.14. Environmental Impact: The alteration, whether positive or negative, of one or more of the environment's components due to a project's actions. The "impact" is the difference between what would have happened with the action and what would have happened without it.

4.15. CAE Program: Strategic Environmental Compliance Program that seeks to raise awareness of environmental matters among the team members of the organization and its subsidiaries through training sessions, workshops, campaigns, and publications.

4.16. Solid Waste: Is any object, material, substance, or element resulting from the consumption or use of a good or service that is disposed of by its owner, or which the owner has the intention or obligation to dispose of for management, prioritizing the valorization of waste and, in this latter case, the final disposal thereof. Solid waste includes all waste or garbage in a solid or semisolid state. Waste is also considered to include anything in a liquid or gas state that is contained in receptacles or storage containers that will be disposed of, as well as those liquids or gases which, due to their physicochemical characteristics, cannot be fed into the emissions and effluents treatment systems and thus cannot be released into the environment. In such cases, gases or liquids must be safely fitted out for their adequate final disposal.

4.17. Industrial Symbiosis: Is the association of companies that develop relationships with each other to improve the use of resources and reduce their environmental impacts together. Facilitating the exchange of energy, materials, water and by-products to close material and energy cycles, maximize the use of waste and minimize the use of virgin materials.

4.18. Industrial Byproduct: Is all material resulting from the production process of CAASA that may be reprocessed by the organization, or which has potential value that may enable the research and development of new technologies and materials nationwide.

5. GENERAL GUIDELINES

The environmental decisions of CAASA and its subsidiaries, as well as its relations with the competent authorities, are governed by the following guidelines:

- Guarantee the establishment of control measures that conserve the environmental components in the design of each one of its projects, based on the sustainable use of natural resources, compliance with all legal requirements, care for biodiversity, and a focus on measures for the adaptation and mitigation of climate change.
- Assume the economic, legal, and other implications resulting from any environmental deterioration caused by its operations.
- Guarantee steel production in harmony with the environment and our surroundings.
- *Setting environmental objectives and targets aligned with the organization's priority environmental aspects and impacts, promoting their integration into operational plans and monitoring them through performance management tools.*
- Define strategies tied to social, environmental, and economic aspects, to be integrated in a balanced manner, taking into account the principles of the circular economy.
- Promote adaptation and mitigation strategies in the face of climate change, with a view to reducing the organizational carbon footprint related to direct and indirect emissions from electricity consumption, achieving carbon neutrality by 2050 in Scope 1 and 2.
- Develop carbon footprint reduction strategies (upstream and downstream of our operations) with our main suppliers in the supply chain.
- Promote the continuous improvement of our environmental performance through the strategic management cycle of the organization.
- *Consider the voluntary contributions of our stakeholders in the implementation of the environmental management system, with an emphasis on those linked to our areas of influence and value chain, in order to align our actions with the context in which we operate.*

6. PILLARS OF ENVIRONMENTAL MANAGEMENT

The commitment to the preservation and care of the environment is a priority issue in CAASA's sustainability strategy; therefore, our response actions are developed according to the 6 pillars detailed below:

6.1. Circular Economy

6.1.1. Regarding inputs

- Promote the responsible consumption of resources by selecting technologies and processes that use renewable or high-performance resources, wherever and processes that use renewable or high-performance resources, wherever this is viable.
- Optimize the performance of resources within the organization. This includes designing remanufacturing, reconditioning, and recycling processes to increase the degree to which resources are used.
- Implement environmental criteria for the acquisition of supplies and materials in the organization, in order to have the least possible environmental impact as a result of their use.
- Promote strategic alliances to ensure the supply of ferrous scrap in our production process and thus become active members of the recycling value chain.

6.1.2. Regarding outputs

- Minimize the generation of solid waste, evaluating new technologies and appropriately selecting the inputs and materials used in the processes.
- Promote investment projects related to the valorization of solid waste and industrial by-products.
- Encourage industrial symbiosis through our "Industrial By-Products Exchange", promoting its potential uses for commercial or research purposes.
- Promote the formalization of waste pickers and recyclers and other actors involved in solid waste management.
- Maintain Clean Production Agreements on Solid Waste with the competent authorities.
- Promote the prevention and control of environmental risks associated with the use, handling and disposal of chemicals and hazardous materials.
- Ensure that chemicals and hazardous materials, which for various reasons must be disposed of, are handled in an environmentally safe and appropriate manner.
- Disseminate in the organization good practices in the handling of chemicals and hazardous materials and promote the adoption of risk control criteria during their use and final disposal.

6.2. Biodiversity Conservation

- Comply with local, regional, and national legal requirements regarding the management of the earth and protection of diversity; and avoid operating in areas considered world heritage or protected areas that fall within Categories I-IV of the International Union for the Conservation of Nature (IUCN).[1]
- Evaluate the impact on biodiversity in our current and future areas of operation, as necessary, depending on their location. Where areas of globally or nationally significant biodiversity are identified, the mitigation hierarchy of avoid, reduce, restore, regenerate and transform will be applied. For all current CAASA's projects, measures will be implemented to minimize impacts on biodiversity.
- Develop management plans to foster the importance of biodiversity. Prioritize the conservation of key species; species with a special conservation status; species that have historically inhabited the area; and species with a history of traditional use and value for local communities.
- Collaborate with stakeholders to guarantee the long-term conservation of native species in the area of influence of our operations.
- Identify and define action plans to ensure no net loss[2] ***and increase net positive impact*** of biodiversity in important habitats located near our operations.
- Promote the gathering, analysis, and improvement of information and knowledge on biodiversity, in collaboration with experts.
- Acquire, develop, and apply systems and technologies to reduce impacts on biodiversity.
- Avoid deforestation as a consequence of CAASA's activities, and if necessary, offset any negative impact with afforestation programs, and continue to maintain our operations with zero deforestation.
- Working together with external partners from the public and private sectors to fulfill our commitment to biodiversity conservation in our area of influence.

[1] The IUCN Protected Area Management category system creates a common understanding and international frame of reference for protected areas both between and within countries, classified into: Category I (Strict Protection), Category II (Ecosystem Conservation and Protection), Category III (Conservation of Natural Features), Category IV (Conservation through Active Management), Category V (Landscape and Seascape Conservation and Recreation), and Category VI (Sustainable Use of Natural Resources).

[2] The principle of no net biodiversity loss or net biodiversity gain refers to offsets that are designed and implemented to achieve measurable in situ conservation outcomes that can reasonably be expected to result in no net loss.

6.3. Raising Environmental Awareness

- Promote a culture and ways of life compatible with the principles of sustainability, deploying environmental guidelines to employees.
- Train our collaborators in the identification and evaluation of environmental impacts; and the control measures that are in place to mitigate them, in each of the processes where they carry out their work activities.
- Promote environmental awareness in children and adolescents of educational institutions, which are in our area of influence, through training, workshops and/or campaigns
- Recognize and encourage good environmental practices developed by our stakeholders.

6.4. Efficient Use of Natural Resources

- Adopt codes of conduct for the sustainable use of renewably natural resources and the rational and responsible use of non-renewable resources based on criteria of continuous improvement.
- Promote technological innovation, applied investigation, and clean technologies for the use of natural resources.
- Consolidate the responsible use of water resources based on criteria of efficiency and an ongoing focus on economic compensation for use, in accordance with the environmental laws in force.

6.5. Mitigation of Greenhouse Gas (GHG) Emissions

- Identify, assess and manage risks related to climate change based on the organization's GIRO methodology.
- Avoid or minimize energy consumption and GHG emissions generated by *our* activities.
- Establish GHG emission reduction targets aligned with the latest trends and standards.
- Establish mechanisms for managing energy use and emissions that allow objective measurement of performance evolution and decision-making.
- Identify opportunities for the promotion of environmentally friendly products and services, adapted to the potential impacts of climate change and that contribute to the transition to a low-carbon economy.
- Use adequate and appropriate technologies for climate change adaptation and mitigation of GHG emission and air pollution.

6.6. Pollution Control and Regulatory Compliance

- Ensure the treatment of particulate matter and minimize the concentration of atmospheric emissions in compliance with applicable maximum permissible limits.
- Ensure the adequate treatment of domestic and industrial wastewater so that it can be reused and/or it complies with the maximum permissible limits, depending on the type of discharge.
- Adopt measures to decrease the use of substances that affect the ozone layer.
- Use systems for the control and maintenance of water, air, and soil quality.
- Incorporate environmental criteria into decision-making processes and operational management, tied to the control of pollution in all of its different forms.
- Identify possible scenarios that may be considered emergencies and execute environmental emergency response plans.
- Identify the environmental legal requirements applicable to each one of our operations and implement compliance and monitoring actions.
- Identify and assess the risks related to alleged violations of the environmental laws in force.
- Have legal advice for the identification and interpretation of applicable legal requirements.
- Periodically monitor compliance with environmental legal requirements with the support of experts.

7. TRADE ASSOCIATIONS

Participate in trade associations that support the interests and rights of our industry, considering several criteria in the selection and approval of memberships, including alignment between the trade and lobbying associations' positions and our policies and values, which will be reviewed periodically.

It is important that trade and lobbying associations embrace the Paris Agreement and share our commitment to fighting climate change.

In case discrepancies are identified, we seek to influence and reconcile the position with the association. If no agreement is reached, membership is evaluated and it may be decided to terminate the relationship with the association.

8. ROLES AND RESPONSIBILITIES

The following table reports on the responsibilities and commitments of the instances or areas within CAASA to implement this policy.

Instances or areas	Description
Board of Directors	Responsible for approving the policy and any of its modifications
Sustainability Committee [3]	Responsible for monitoring the execution and compliance with all the guidelines described in this document.
Strategic Management Control Department	Responsible for supporting and supporting the Sustainability Committee in the execution and compliance with the guidelines described in this document. Likewise, you are responsible for reviewing and updating the content of the document when you identify a necessary change.
Managements and Process Owners	Responsible for identifying, evaluating and maintaining effective controls of the environmental risks of the processes they direct. Design and execute specific initiatives to minimize environmental impacts in its process, aimed at continuous improvement of the organization's environmental performance.

9. VALIDITY AND DEROGATIONS

This Policy will be reviewed and updated when the responsible management identifies any substantial change in its content. This Policy was approved at the Board meeting on June 23, 2020, modified on May 27, 2021; June 30, 2022; June 27, 2024 and ***July 24, 2025*** and it has been effective since the date of its approval.

The monitoring of its application and guidelines, of this document, is under the responsibility of the Sustainability Committee[3] together with responsible management.

3. The Sustainability Committee is made up of seven members of executive management: General Manager; Projects, Mining and Social Responsibility Manager; Central Production Manager; Supply Chain Manager; Strategic Management Control Manager; Administration and Finance Manager; and Human Resources Manager.

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