

# **STAKEHOLDER MANAGEMENT AND ENGAGEMENT FRAMEWORK**



Our commitment to society goes beyond producing high-quality steel. We create decent work opportunities, boost the national economy, strengthen the value chain through our suppliers, and promote programs that foster sustainable development and generate shared value.

Although we operate in an industrial zone, we maintain ongoing and respectful dialogue with the surrounding community and stakeholders, developing initiatives in education, health, and the environment that contribute to sustainable development.



Our stakeholder engagement is based on transparency, active participation, and feedback mechanisms that strengthen mutual trust and ensure long-term relationships. In this way, we consolidate a management framework aimed at building strong relationships with all our stakeholders and contributing to a more sustainable society.



## **I. OBJECTIVE**

To establish a set of guidelines that serves as a tool for identifying and engaging with stakeholders, integrating their expectations into the company's decision-making processes. This framework is grounded in constructive, transparent, and ongoing dialogue, which strengthens mutual trust and reinforces our commitment to sustainability.

It also incorporates a strategic planning approach with objectives, lines of action, goals, and indicators that enable us to consolidate business sustainability and generate shared value while contributing to sustainable development.

## **II. SCOPE**

This framework applies to the entire Corporación Aceros Arequipa S.A. (CAASA) and its subsidiaries, covering all stages of our business management: the sourcing of raw materials and recycled scrap, steel production processes, distribution, and product commercialization.

It also includes contractors and critical suppliers that interact with prioritized stakeholders in any of these phases, both nationally and internationally.

## **III. GUIDELINES**

In accordance with international standards such as GRI (Global Reporting Initiative), CSA (S&P Global Corporate Sustainability Assessment), and our commitments under the UN Global Compact, we define stakeholders as individuals or entities that may be significantly affected by our activities, products, or services, or whose actions may influence the organization's ability to achieve its strategies and objectives.

Likewise, our stakeholder engagement is aligned with ISO 9001, ISO 14001, and ISO 45001, which guide quality management, environmental performance, and occupational health and safety. This integrated approach enables us to ensure responsible, transparent processes consistent with international best practices, strengthening trust-based relationships and contributing to sustainable development.

At CAASA, we have identified the following as priority stakeholders:



## IV. SPECIFIC OBJECTIVES OF ENGAGEMENT WITH OUR STAKEHOLDERS

Stakeholder	Specific objective
Shareholders	We generate sustainable economic value for our shareholders through responsible financial management, the creation of competitive advantages, and the promotion of strategic alliances that strengthen the company's long-term growth.
Employees	We foster the professional and personal development of our employees through training and growth programs, promote a safe work environment, and strengthen their commitment through recognition and work-life balance initiatives.
Clients	We build long-term, trust-based relationships with our clients by offering quality products and services and innovating in solutions that meet their needs.
Suppliers	We contribute to the economic and productive development of our suppliers through programs that strengthen their capacities. In addition, we transfer sustainability and quality standards to ensure an efficient and reliable value chain.
Government	We strictly comply with current legislation and applicable regulatory frameworks. We also establish strategic partnerships with public institutions to promote projects in education, health, and the environment.
Society	We foster trust-based, collaborative relationships with local stakeholders, promote projects in education, health, and the environment, and generate shared value through partnerships with strategic allies. We also minimize the impacts of our operations and promote sustainable development.

## V. PRINCIPLES

This framework is based on the following principles:

1

**Ensuring integrity and respect for human rights:** Our process for identifying social, environmental, and human rights risks follows the model recommended by the OECD. When risks are identified with a high probability of occurrence, we evaluate the viability of initiatives or projects and develop contingency plans to mitigate potential impacts.

2

**Collaboration and stakeholder input:** We create spaces for clear and effective communication with stakeholders and ensure that their concerns are heard and addressed. This includes specific grievance mechanisms, such as our 'Línea Ética de Acero' (Steel Ethics Line), to address operational risks, the preservation of cultural heritage, and other social and environmental impacts.

3

**Open and continuous dialogue:** We promote transparency and active stakeholder participation in decision-making through channels such as our Integrated Report, working groups, regular meetings, surveys, strategic alliances, and community dialogue forums. This approach fosters long-term relationships built on continuous feedback, strengthening mutual trust and reinforcing our commitment to sustainability.



# VI. STRATEGIC COMPONENTS OF ENGAGEMENT AND MANAGEMENT WITH THE SURROUNDING POPULATION

## 6.1 Social Management Plan

Its objectives are to:

1

Strengthen social responsibility within the organizational culture.

2

Strengthen relationships with our different stakeholders and establish strategic alliances with the public sector, private sector, and non-governmental organizations.

3

Support the execution of business projects through the social management component.

4

Strengthen communications with our stakeholders.

5

Keep our reporting aligned with global standards and reference frameworks.

6



Promote and support social projects that generate shared value and development for the surrounding population.

7

Encourage corporate volunteering activities across all our locations.



## 6.2 Action pillars of Social Management and their medium- and long-term objectives

Action pillar	Educational Development	Health Prevention	Environment
			
Description	We promote access to quality education.	We contribute to improving the health of the surrounding population.	We promote environmental care.
Objective	Contribute to improved access to quality education through strategic alliances for residents and students.	Through strategic alliances with health authorities, we develop preventive programs in favor of the surrounding population.	Contribute, through strategic alliances with local governments, regulatory bodies, and the surrounding population, to raising awareness and fostering care for the environment.
AI 2027	<ul style="list-style-type: none"> <li>• Maintain zero conflicts with the surrounding population.</li> <li>• Increase Aceros Arequipa scholarships to 2.</li> <li>• 35,000 school students participate in the Aceros Arequipa Mathematics Contest.</li> <li>• Expand the 'Save the Hummingbirds' project to 4 schools.</li> </ul>		5 community kitchens trained in administrative and digital skills.
AI 2030	<ul style="list-style-type: none"> <li>• Maintain zero conflicts with the surrounding population.</li> <li>• Increase Aceros Arequipa scholarships to 4.</li> <li>• 40,000 school students participate in the Aceros Arequipa Mathematics Contest.</li> <li>• Expand the 'Save the Hummingbirds' project to 6 schools.</li> </ul>		10 community kitchens trained in administrative and digital skills.

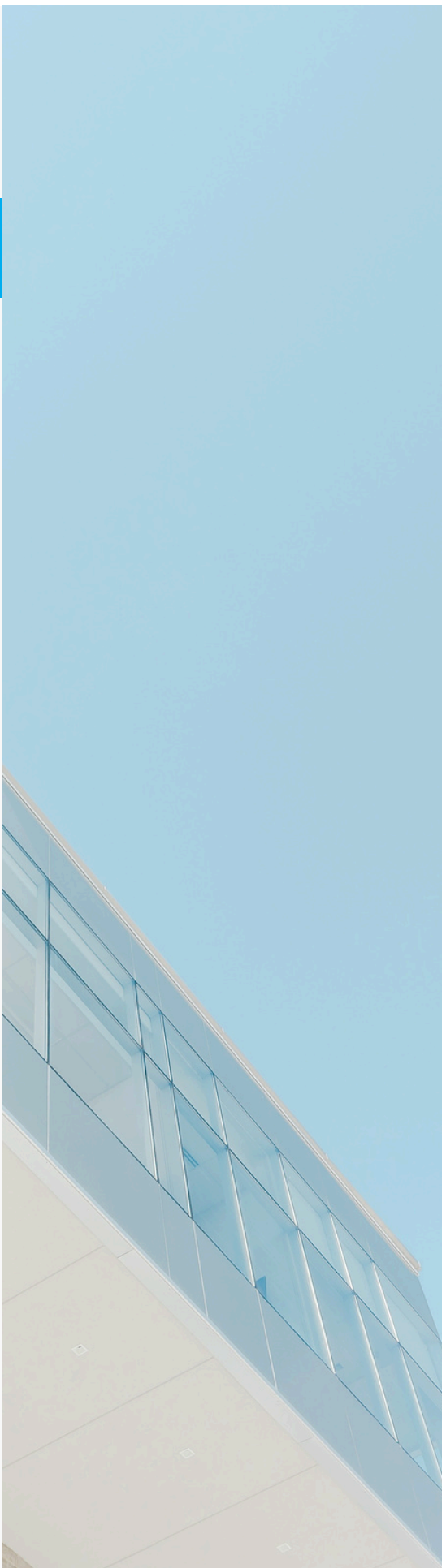
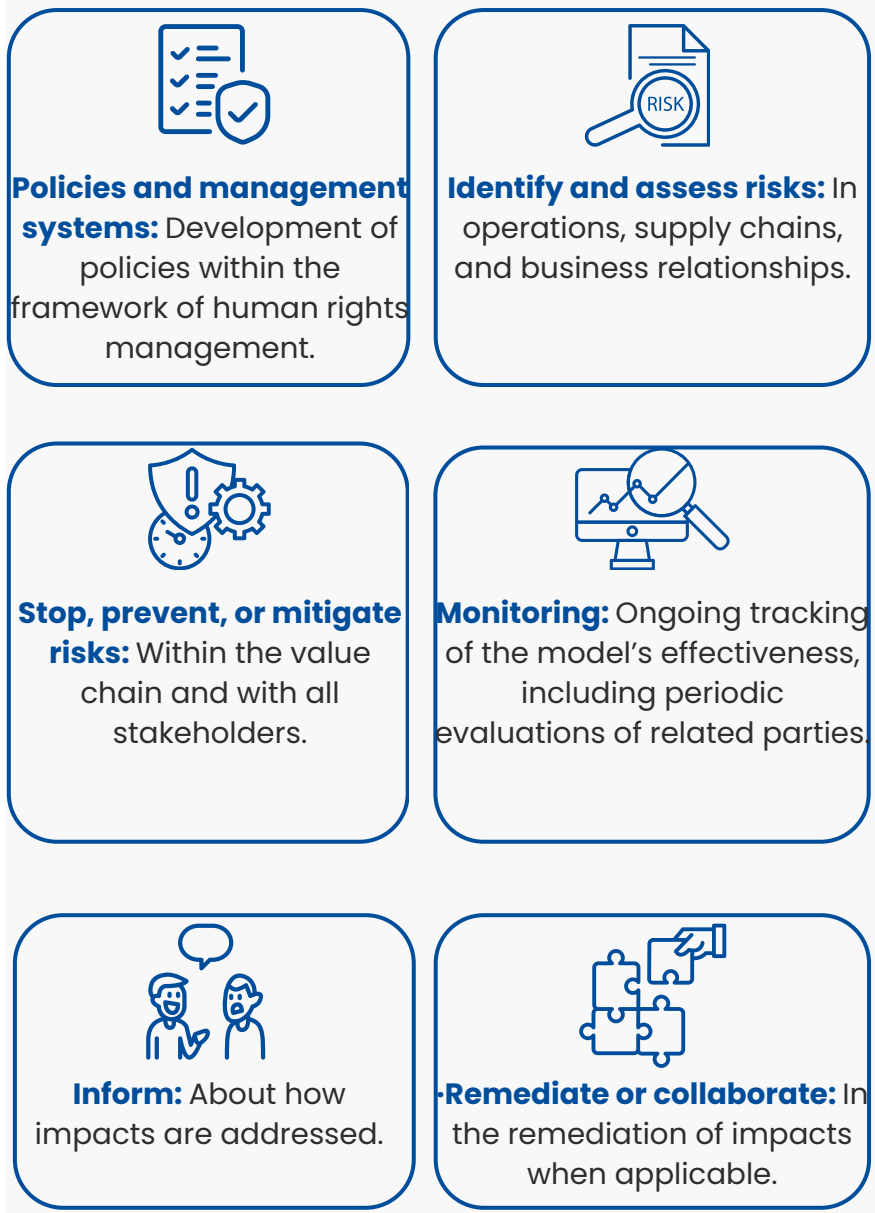
# VII. HUMAN RIGHTS MANAGEMENT

**Specific Objective:** Ensure compliance with the human rights due diligence cycle at CAASA.

## 7.1. Human Rights Due Diligence Model

We implement a human rights due diligence model designed to identify, prevent, mitigate, and communicate how we address actual and potential impacts in our activities, supply chain, and business relationships.

The model includes the following components:



## 7.2. Scope

Human rights due diligence covers the following areas of risk identification:

1

**In our operations:** We carry out periodic assessments to identify and evaluate potential human rights risks within our operations. This process includes monitoring working conditions, labor practices, and employee well-being. We ensure compliance with our Code of Ethics and internal human rights policies, guaranteeing responsible management aligned with our values.

2

**In our value chain:** We extend our human rights due diligence to our entire value chain. We work closely with suppliers and contractors to verify compliance with our standards and policies. Through comprehensive evaluations, we analyze their labor practices and require compliance with our Code of Ethics. In case of non-compliance, we take corrective measures, which may include terminating business relationships, reaffirming our commitment to human rights.

3

**In new business relationships:** For any new business relationship, whether a merger, acquisition, or joint venture, we conduct a rigorous due diligence process. This includes assessing working conditions, financial stability, environmental impact, and other relevant factors. Human rights-related risks identified during these evaluations are thoroughly analyzed and addressed, ensuring alignment with our corporate standards.

