



**GERDAU**



**SIDERPERU**



# **SUSTAINABILITY REPORT 2022**

**SIDERPERU**



WELCOME LETTER	4
ABOUT US	6
CORPORATE GOVERNANCE	13
OUR SUSTAINABILITY APPROACH	19
ECONOMIC MANAGEMENT	25
ENVIRONMENTAL MANAGEMENT	29
SOCIAL MANAGEMENT	59
GRI CONTENT INDEX	82

## TABLE OF CONTENTS



## About this report

GRI 2-1, GRI 2-3, GRI 2-4



Chimbote Plant - SIDERPERU

We are proud to present the second sustainability report<sup>1</sup> of Empresa Siderurgica del Peru – SIDERPERU, prepared taking into account the GRI Standard.

This document was produced within the framework of the Competitive Business Program, promoted by the Global Reporting Initiative, to foster information transparency through the elaboration of sustainability reports.

Our report is released annually. The data contained in this document corresponds to the management conducted in 2022. The content from our previous report has been preserved and indicators have been added based on the principle of materiality, which determines the importance of the issues for the company and its stakeholders.

For any questions about this report, contact Samantha Sophia Meyer Buendia, Head of Institutional Affairs and External Communication, at [samantha.meyer@sider.com.pe](mailto:samantha.meyer@sider.com.pe)

<sup>1</sup> The last sustainability report released corresponds to the 2021 period.

# WELCOME LETTER

GRI 2-22



**Steel for Peru's  
development**

Dear Friends:

It is a great satisfaction to begin the presentation of this SIDERPERU's second sustainability report with the confirmation that we already are a B Corp. This certification confirms that we are an organization that has managed to align its business purpose with environmental and social objectives. This rigorous international certification evidences that we manage and measure our contribution to the planet and to Peru.

As you will be able to review in this sustainability report, 2022 was a year of great achievements for our company, the largest scrap metal recycler and producer of long steel in Latin America with more than 6 decades serving the construction, industrial and mining sectors. In addition to this B Corp certification, we obtained positive satisfaction indicators from our clients and achieved optimal economic results, even more significant than those registered before the pandemic: USD 102 million of EBITDA and an increase of sales by 12% compared to the previous period.

Environmentally speaking, we invested close to S/ 900,000 to implement renewable energy, emissions and water management projects; and, we exceeded the goals in reducing water and oil consumption. As it is well-known, the core of our business is 100% environmental, since we buy scrap metal from local recyclers and then we convert it into steel. By doing so, we contribute to the development of different parts of Peru and abroad.

We proudly work with small and medium-sized companies that represent 92% of our suppliers and have payment terms of less than 30 days. In fact, in 2022 the growth of payments for local scrap metal was 41%, which demonstrates a solid relationship with our supply chain.



## WELCOME LETTER

GRI 2-22



Steel for  
Peru's  
Development

At SIDERPERU, we are truly committed to increasing the presence and contribution of women to our sector. For this reason, we launched #MujeresDeAcero, the first professional internship program exclusively for women with the aim of improving their retention ratio and increasing the percentage of women in our company. In addition, as proof that people are at the heart of our business, we have obtained an employee general satisfaction indicator of 85%.

On the other hand, our social responsibility materialized in more than 8,800 people and 80 institutions benefiting from our initiatives and 2,269 hours of volunteering by our staff. Our Technical School project (Profesionales de Acero [Steel Professionals]), which has granted scholarships to 123 students, won the competitive award called Creatividad Empresarial (Business Creativity), organized by the Universidad de Ciencias Aplicadas (Peruvian University of Applied Sciences), in the Education category.

This is how we are achieving hand in hand with each of our teams that, together with the guidelines of Gerdau, a business group of which we have been a part of since 2006, provide us with the consistency and vision to continue leading not only our industry but also to be a benchmark for private investment in Peru.

As a result of our renowned tradition and experience, and the support of the city of Chimbote in which we are located, we look forward to multiply the value that we have generated for our stakeholders this 2023. We will remain committed to the cause of sustainable development that has an impact on our company, Peru and of course the planet, our home.

A handwritten signature in blue ink, appearing to read 'Aldo Tapia', written over a light blue circular stamp.

**Aldo Tapia**  
SIDERPERU's General Manager

## 2022 IN FIGURES

**We are the first steel company in Peru and the second in the world with the B CORP CERTIFICATION.**



We achieved an increase in sales by 12% in comparison to 2021.

**+S/ 870,000** invested in environmental initiatives.

**92%** of our suppliers are local and are paid in less than 30 days.

We obtained the Anti-Bribery certification from Empresarios por la Integridad foundation.

**We reached more than 8 thousand people and 80 institutions with our Social Responsibility actions.**

**We obtained 80% of job satisfaction.**

We launched **#MujeresDeAcero**, the first internship program exclusively for women.

Our most important social project, called Technical School, was the winner of the Business Creativity award, in the Education category.

**Our employees invested + 2,200 hours towards volunteering**

**We entered into a contract with ENEL Peru that guarantees us with energy supply from renewable sources for the next 12 years.**

## First steel company in Peru<sup>2</sup>

GRI 2-1, GRI 2-6,

We are proudly the first steel company in Peru and one of the most important recyclers in the country for more than six decades. We are capable of adapting and transforming to new scenarios and, since 2006, we have been part of one of the 9 units of Gerdau<sup>3</sup>, the largest producer of long steel in Latin America.

Our 550-hectare industrial complex is based in Chimbote (Ancash). We have 1 commercial unit in Lima and 3 distribution centers. In addition, we count on the support of 2 industrial plants from strategic partners<sup>4</sup>.

- 1 Industrial Complex (Chimbote)
- 1 Distribution Center (Lima)
- 1 Enabled Iron (FEHAB) Production Unit
- 1 Meshes & Derivatives Production Unit (Lima)
- 1 Distribution Center (Arequipa)



## Steel that brings progress

The steel we produce is found throughout Peru as we supply the civil construction, industry and mining sectors, bringing progress, safety and quality of life. Our products transcend the Peruvian borders, reaching Bolivia.

Our main clients are trading companies, retailers, the metal-mechanic industry, construction companies, mining companies and end users.

<sup>2</sup>We are a privately owned company incorporated through a Publicly Trade Company (S.A.A).

<sup>3</sup>The other Gerdau units are located in Colombia, Uruguay, Mexico, Argentina, the Dominican Republic, the United States, Canada and Brazil.

<sup>4</sup>1 enabled iron unit, by Ferralía Perú SAC and 1 mesh and derivatives plant in Lima, jointly with PERUAL.

# First steel company in Peru<sup>2</sup>

GRI 2-6,

## Main products:

SECTOR	PRODUCTS
<b>Construction</b>	Construction steel rods, construction steel wire rod, construction corrugated steel roll, enabled iron, nails, annealed wire, reinforcing bars, culverts and guide rails, meshes and derivatives.
<b>Industry</b>	Hot rolled electro-welded pipes/ cold rolled electro-welded pipes/ electro-welded galvanized pipes, round and square profiles, angles, drawn wires, meshes and derivatives.
<b>Mining</b>	Mining rods and Mill Balls for mineral grinding.



For the production of our steel we use raw materials, spare parts and quality services that comply with current technical standards and that meet the highest expectations.

- Our main input is the reuse of residues, that is, ferrous scrap, which comes from the sale of metal recyclers, mining companies and industries.

- In our production process, each ton of scrap is recycled and transformed into steel.

- The other elements of the chemical composition of our steel correspond to complementary inputs: ferroalloys and other non-ferrous minerals extracted, treated and supplied by national and foreign suppliers.



## Our suppliers:

### GROUP OF COMMERCIAL CLIENTS

GRUPO YAGI
GRUPO PAKATNAMU
GRUPO CABAL
LA VIGA S.A.
GRUPO FERRONOR
GRUPO DINO
GRUPO CAF
REPALSA S.A.
GRUPO MAESTRO / SODIMAC
GRUPO QUIROGA
GRUPO SALQUI
GRUPO SUCA
GRUPO SANTA FE
GRUPO QUISPE
PALMANDINA S.A.C.
GRUPO ATENCIO

We maintain healthy levels of client satisfaction:

- NPS 2022: +44 points: result corresponding to clients of the Civil Distribution business, which represents the majority of our sales.
- CSAT 2022: > 83% satisfaction: result corresponding to clients of the Civil Distribution business.

First steel  
company in  
Peru<sup>2</sup>

GRI 2-6,

## Strategic business partnerships:

<b>Progresol</b>	We maintain a partnership with UNACEM and its network of PROGRESOL hardware stores, with a presence in Lima, Sur Chico, Norte Chico, Ica, Ayacucho, Huancayo, Huanuco and Huaraz; in order to strengthen our competitive position in the traditional retail channel. We are a brand that sponsors the PROGRESOL loyalty program, offering the possibility of accumulating points to hardware dealers and master builders for each purchase they make.
<b>PERUAL</b>	To expand our portfolio while focusing on market needs, we established a partnership with PERUAL, which manufactures cold-rolled wires, drawn bars, electro-welded meshes, nails, annealed wires, etc.
<b>La Mezcladora</b>	Construction innovation hub that captures, promotes and develops technological solutions for the construction and real estate industry. It promotes topics such as access to financing; housing design and massification, and urban planning; industrialization and productivity; client experience and digitization; as well as sustainability.
<b>Ferralia</b>	In order to develop differentiating and 100% comprehensive solutions, we partnered with Ferralia Peru SAC of the Spanish group Ferralia, which provides manufacturing services for reinforced concrete structures worldwide and has developed a comprehensive system based on innovation and modernization of its processes. Its industrial plant located in Lurin is capable of managing 100,000 tons per year.

First steel  
company in  
Peru<sup>2</sup>

GRI 2-6,

## First steel company in Peru<sup>2</sup>

GRI 2-6,

### OUR DNA

#### Purpose

“Empower people who build the future”.

#### Aspiration

“To become, in 10 years, one of the most cost-effective and respected companies in the steel business around the world, and one of the most relevant in the Americas”.

#### Strategic plans:

- Increase our competitiveness and grow in long, flat and SBQ steels in the Americas.
- Invest in new businesses complementary to steel.
- Perfect our ESG practices (environmental, social and corporate governance).

#### Our principles:

- Safety first.
- Act ethically.
- Ownership attitude.
- Simplicity. Diverse and inclusive environment.
- Generate value for everyone.
- Each client is unique.
- We are all leaders.
- Be open with truthfulness and respect.
- We outdo ourselves every day.

#### Standards and Code of Conduct (behavior):

- We communicate with truthfulness and respect.
- We make things happen with self-sufficiency, responsibility and ownership attitude.
- We outdo ourselves every day.



## Management system:

First steel  
company in  
Peru<sup>2</sup>

GRI 2-6,



## Governance

GRI 2-9, GRI 2-11,  
GRI 2-12, GRI 2-18,  
GRI 2-16

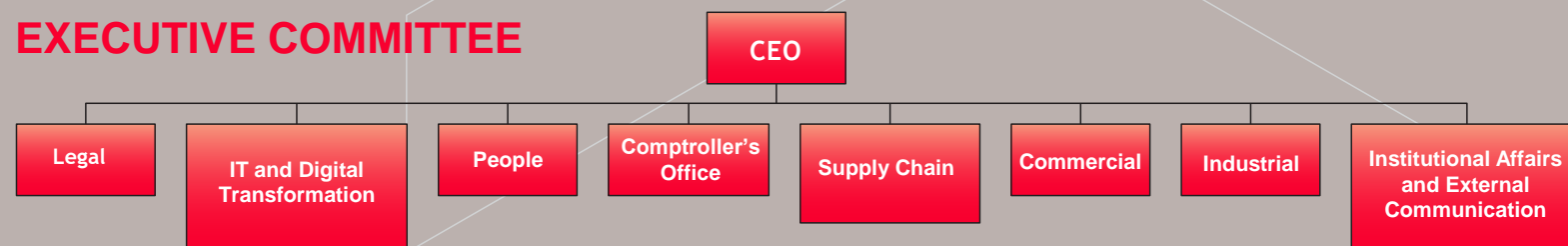
Our corporate governance system is based on the Compliance System of our parent company Gerdau. Gerdau's Board of Directors, made up of members from the Gerdau Johannpeter family and independent members, is responsible for defining long-term strategies and the following up on the guidelines and goals established for the business.

In addition, the Company has an Audit Committee in charge of monitoring the actions conducted by the administrators as well as the financial statements. Corporate management is the responsibility of the Executive Management and the leaders in charge of business operations.

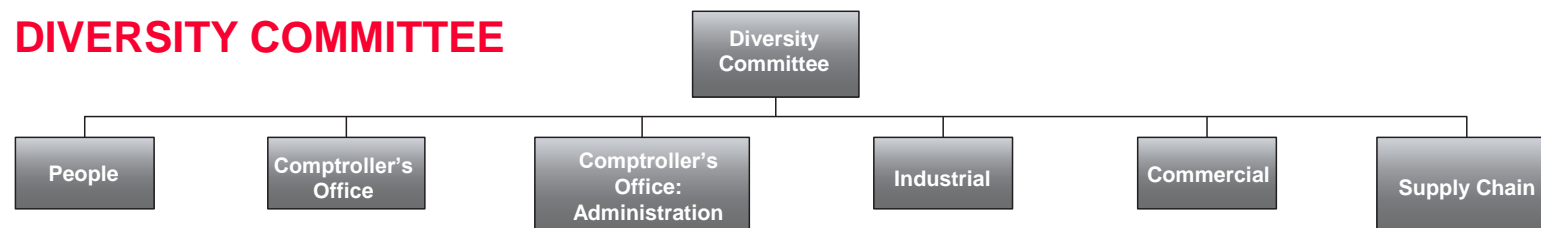
The Chairman of the SIDERPERU's Board of Directors is Mr. Leslie Pierce Diez Canseco, who is not an executive of the company nor an employee of the controlling shareholder. The members of our Board of Directors are not shareholders of SIDERPERU and do not have performance evaluations.

We have the following committees:

### EXECUTIVE COMMITTEE

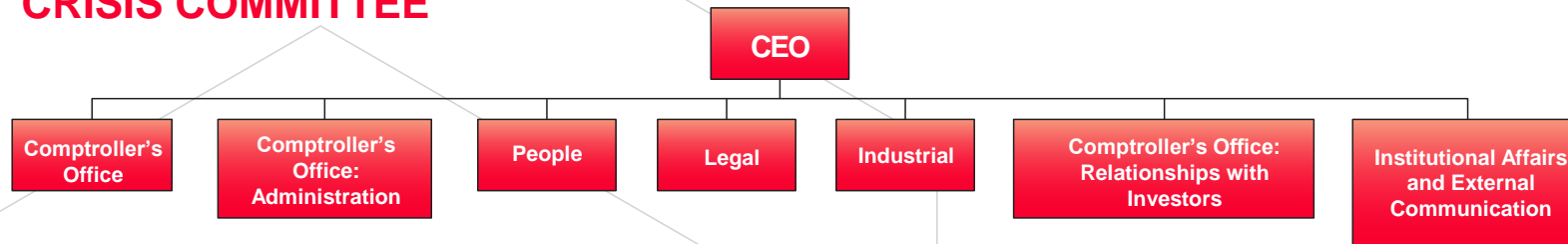


### DIVERSITY COMMITTEE





## CRISIS COMMITTEE



## OCCUPATIONAL HEALTH AND SAFETY COMMITTEE



## INTERVENTION COMMITTEE AGAINST SEXUAL HARASSMENT IN THE WORKPLACE



## Governance

GRI 2-9, GRI 2-12,  
GRI 2-18, GRI 2-16

SOCIAL RESPONSIBILITY COMMITTEE



SIDERPERU's plant in Chimbote.



Governance

GRI 2-9, GRI 2-12,  
GRI 2-18, GRI 2-16

## Ethics

GRI 3-3, GRI 2-5, GRI 2-27,  
GRI 205-1, GRI 205-2,  
GRI 205-3

“Acting ethically” is one of our principles because we believe that the best business is to be honest, since it avoids risks to our reputation and makes our commitments consistent. Within this framework, regulatory compliance is a fundamental pillar: in 2022, we did not record any fines or sanctions; neither are complaints for anti-competitive behavior or conflict of interest (GRI 2-27).

Our policies guide us in terms of relationships, commitments and actions. They are approved by the highest level, within Gerdaú, and are mandatory for all employees, who are notified every time there is an update to them. These guidelines are found in a portal to which all personnel have permanent access; and those that may not be of proprietary nature, are located on our website:

- Code of Ethics
- Code of Ethics and Conduct for Third Parties
- Anti-corruption Policy
- Compliance Policy
- Risk Management Policy
- Human Rights Policy
- Sustainability Policy

**B Corp Certification:** In 2022, and after two long years of work, we were the first steel company in Peru and the second in the world to obtain the B Corp international certification. This recognizes that we follow good sustainability practices and that we effectively connect our business with the purpose of “Empowering the people who build the future”.



**Anti-bribery Company:** We also obtained the Anti-bribery certification granted by Empresarios por la Integridad, a non-profit association made up of business leaders, whose objective is to fight corruption from the private sector. This certification recognizes companies that prove they have implemented the anti-bribery prevention model based on Peruvian legislation.

*For more details on our commitments and policies, review the Annexes section.*

## Ethical risks and their assessment:

We assess 100% of our operations annually on a permanent and rotating basis, with the Compliance area analyzing the processes that generate the greatest risk of compliance<sup>5</sup>. The identified risks are evaluated by the process leaders, who define plans to eliminate or minimize them.

Although the main risk observed is in the relationship with third parties (contracts and payments), no cases of corruption have been registered during 2022.

100% of our Board of Directors and the members of the Executive Committee, both present in Lima, have received information and training on policies and procedures against corruption

## Crime prevention model:

This model, which also applies to suppliers and clients, includes strategies to raise awareness and denounce any ethical breach or doubt in this regard. It covers procedures and rules to manage the risks of committing crimes; and, promote integrity and transparency.



## Ethics

GRI 3-3, GRI 2-5  
GRI 205-1, GRI 205-2,  
GRI 205-3

<sup>5</sup> The Prevention Officer is responsible for reporting these issues to the Board of Directors.

It has a risk matrix and considers those that could be committed taking into account our characteristics, the geographical areas where we operate, the regulatory environment, the public and private entities with which we interact, etc. The adequate identification of risks allows us to timely implement the necessary controls.

### Ethics Channel:

It is a tool available to receive complaints or suspected violations of the law, the Code of Ethics and/or the guidelines of our company. This channel guarantees the confidentiality and anonymity of the complainant. It is audited annually and all its complaints are investigated: in 2022 we received 5 (three less than in 2021).



### Channels:

- Online: On the Gerdau's website ([www.gerdau.com](http://www.gerdau.com)) or on the company's Intranet.
- Telephone: (+5551) 3323-1901 or internal extension 1901.
- Email: [canal.etica@gerdau.com.br](mailto:canal.etica@gerdau.com.br)
- Traditional mail: Sent to the Gerdau's Audit Committee: Av. Dra. Ruth Cardoso, 8,501 – San Pablo– SP– CP 05425-070

100% of our employees are trained in:

- Our code of ethics and its different updates.
- The crime prevention model.
- Prevention of sexual harassment.

## Ethics

GRI 3-3, GRI 2-5  
GRI 205-1, GRI 205-2,  
GRI 205-3



## Sustainability

GRI 2-29,  
GRI 3-1, GRI 3-2

We are the first steel company in Peru and we continue to demonstrate that sustainability is part of our DNA, which allowed us to meet all the requirements to obtain the B Corp certification, a seal that verifies our genuine intention to unite our economic goals with our social and environmental objectives.

We possess a Sustainability Policy that establishes the guidelines for conducting our activities and reinforces our commitment to generating value for business and society. At SIDERPERU, we begin this commitment to sustainability at home: we permanently share with our people the importance of sustainable development. This allows a true internalization of the practices and the purpose of the projects and activities that we carry out.

### Development for all

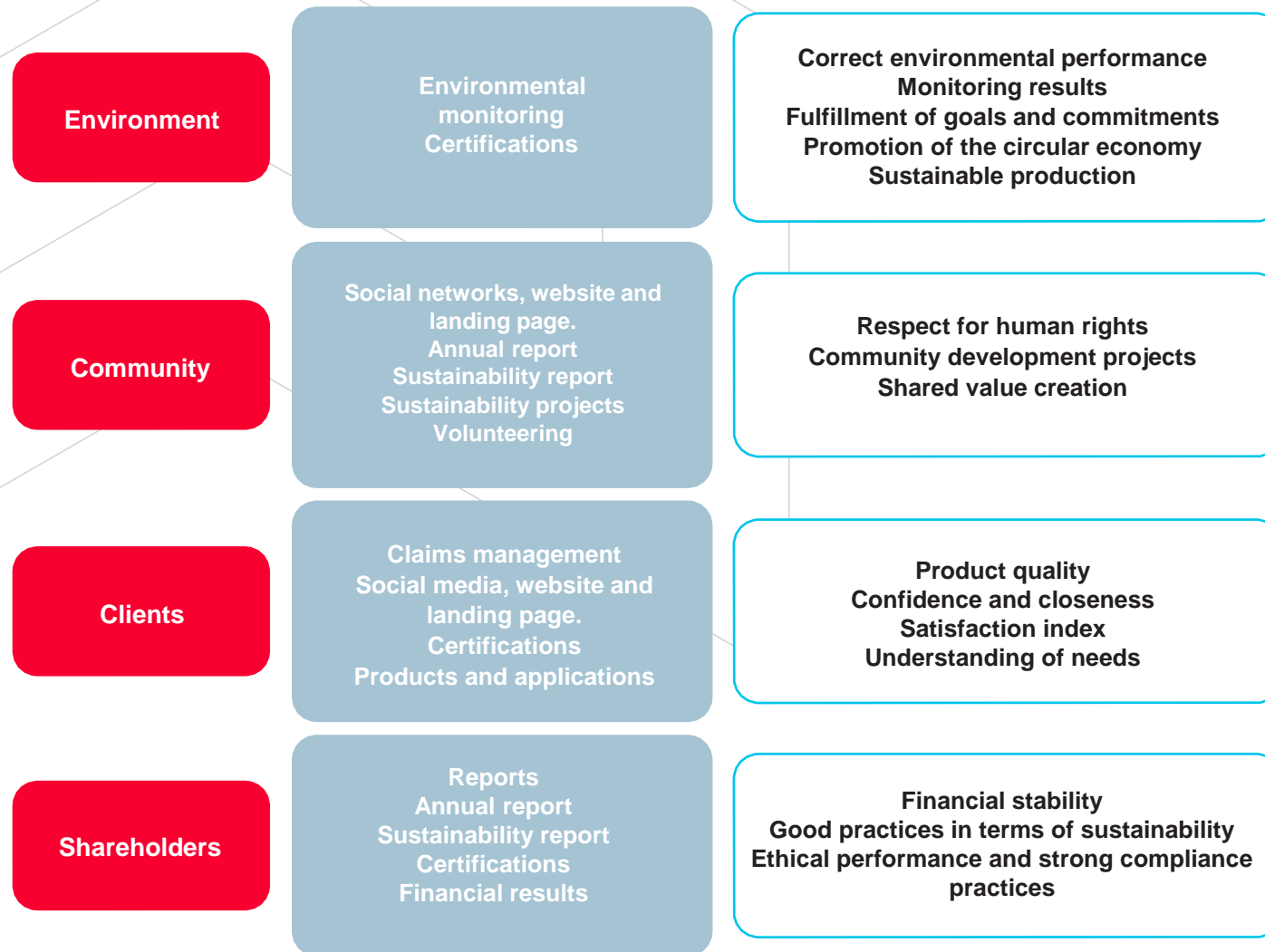
Our growth is completely connected to the development of our employees, clients, suppliers, community and shareholders. It is important to know their perceptions, expectations and impacts that we generate in them, so that we can take the necessary actions for the common well-being.

We maintain the same stakeholders as our parent company<sup>6</sup>:



<sup>6</sup>They were identified through a study that considers the categories of stakeholders that impact or are impacted by our operations.

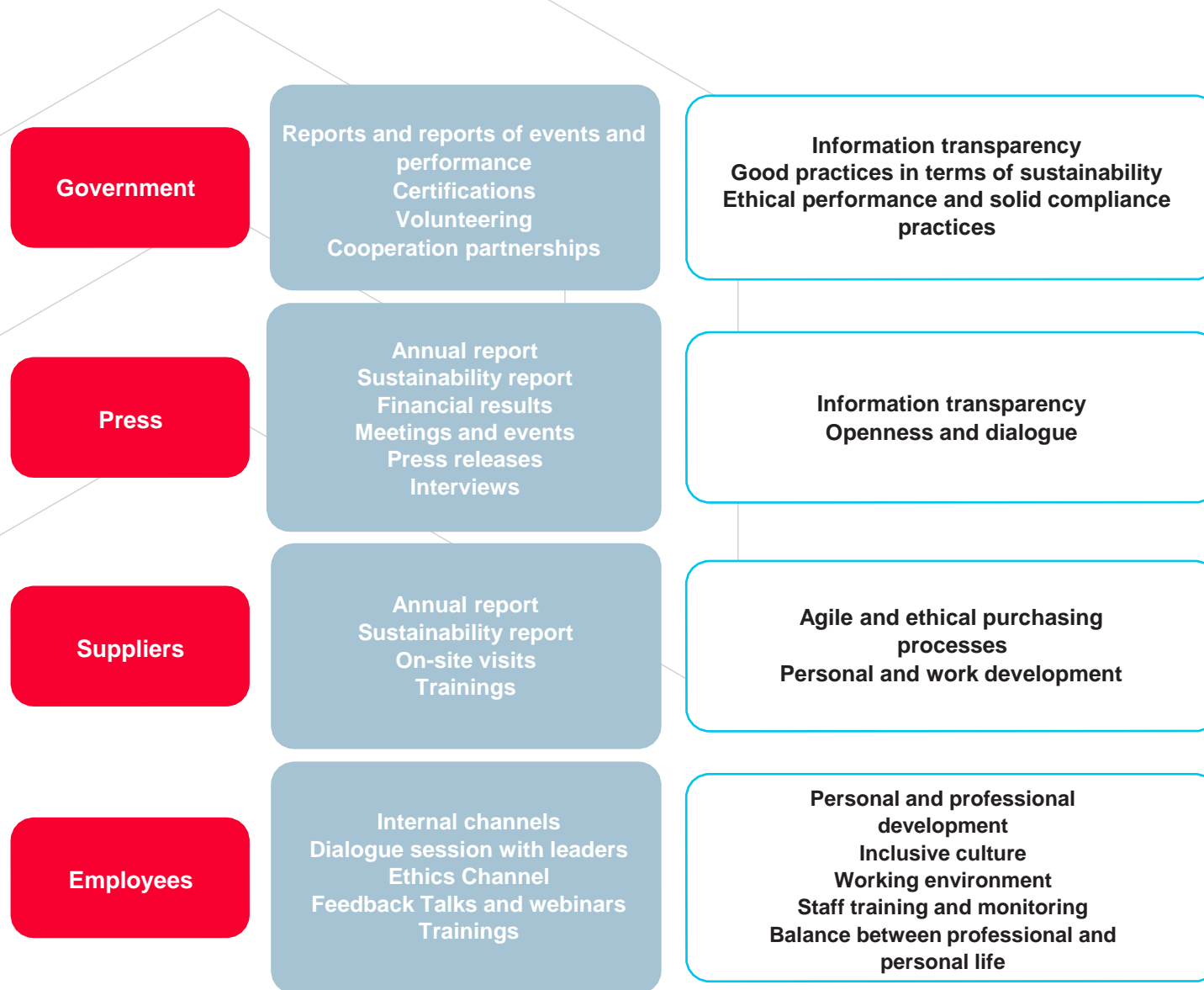
## How we communicate with stakeholders and what we hope to achieve



## Sustainability

GRI 2-29,  
GRI 3-1, GRI 3-2

## How we communicate with stakeholders and what we hope to achieve



## Sustainability

GRI 2-29,  
GRI 3-1, GRI 3-2

## Sustainability

GRI 3-1, GRI 3-2

### Key sustainability matters

This report revolves around our performance on the most relevant environmental, social and economic aspects both for our stakeholders and for our company. These “material” aspects, as well call them, add up to 11 and are related to our operations and our way of managing the business. For this year’s report, we have included an indicator in terms of work with clients and an own indicator that serves us to measure our innovation efforts.

### Relevant sustainability topics<sup>7</sup>

STAKEHOLDERS	MATERIAL TOPICS	GRI STANDARD	SCORE	
			Impact on stakeholders	Importance for the Company
Employees, government.	<b>Safety first</b>	403 – Occupational Health and Safety	5	5
Employees, suppliers, clients, shareholders, press.	<b>Economic value</b>	201 – Economic Performance 205 – Anti-corruption 206 – Anti-competitive Behavior	4	5
Employees, suppliers, clients, shareholders, community, environment, government, press.	<b>Waste Management</b>	306-1 Waste Management 306-2 Significant Impact Management	4.8	5
Employees, suppliers, clients, shareholders, community, environment, government, press.	<b>Innovation</b>	Own indicator	4.5	4.8
Employees, government	<b>Human Value</b>	401-1 New employment 401-2 Benefits	4.5	4.5
Community, employees, government	Shared value	413-1 Operations with local community engagement	5	4.5
Clients	Clients	416 – Client Health and Safety	5	4
Employees, suppliers, clients, shareholders, community, environment, government, press.	<b>Circular economy</b>	302 – Energy 303 – Water 305 – GHG Emissions (scope 1)	4	4
Employees.	<b>Diversity</b>	405 - Diversity	3.5	4
Suppliers.	<b>Suppliers</b>	414-1 New suppliers that were screened using social criteria	3	4
Employees.	<b>Training</b>	404 – Training and Education	3	4

<sup>7</sup>Or material topics, that is, important both for SIDERPERU and for our stakeholders.

# Sustainability

GRI 3-1, GRI 3-2

In the “Safety first” material topic, a score of 5, both for our stakeholders and the company, was determined based on the fact that this is our main pillar and there is no more important result than the well-being of our people. Thus, we do understand the importance of safety for our stakeholders.

In “Economic value”, the score for stakeholders is 4, since, although they give importance to this issue, they tend to put other aspects more related to environment preservation and the relationship with the communities above it.

Regarding “Waste Management”, a score of 4.8 was determined for the stakeholders, since this is a highly relevant topic within our operation and our different Stakeholders pay a lot of attention to our correct management of this material topic.

Regarding the own indicator “Innovation”, a score of 4.5 was established for stakeholders and 4.8 for the company, since we consider that it is a factor that, over time, has been gaining more relevance both for us and the industry, as well as for our stakeholders; and it is in the process of positioning as one of the most relevant ones.

In the “Human Value” material topic, we determined a score of 4.5 for both groups, since it is a key aspect for us and the people, and other audiences interested in attracting and retaining talent by the Company.



Employees at the Santa Anita site.



# Sustainability

GRI 2-30,  
GRI 3-1, GRI 3-2

On the other hand, in “Shared Value”, a score of 5 was given for our stakeholders, due to the relevance that they give to our relationship, collaboration and commitment to the community. In addition, we give it a 4.5 for the company because this is a factor in constant development and improvement within the organization, seeking to produce an impact on more and more people.

In the “clients” indicator, the score was determined based on the importance that this material topic represents for us and the relevance that we believe our clients give to our management.

In the “Circular Economy” material topic, a score of 4 was determined for both groups (company and stakeholders), due to the relevance given to these topics within the organization and because we are aware of their interest in our correct management of the following environmental topics that are currently highly relevant: water, energy and emissions management.

On the other hand, in “Diversity”, “Suppliers” and “Training”, similar qualifications were given, in relation to the importance they have within the company and how we are progressing, and to the relevance that our different stakeholders give to these factor in particular.



Employees in the plant of Chimbote.

The process to define the contents of this document occurred within the framework of the Competitive Business Program and has been guided by our implementing partner Impacto Positivo, who invited us to prepare<sup>8</sup> in 2022, our second report under the GRI methodology. A strict materiality analysis was carried out in which company representatives participated as well as opinions and prioritization topics regarding sustainable management were shared.

<sup>8</sup>The 8 sustainability reporting principles have been applied: sustainability context, completeness, precision, balance, clarity, comparability, reliability and punctuality.



# ECONOMIC VALUE

*We reached S/ 386 million of EBITDA and recorded an increase by 12% of sales in comparison to the previous period.*

## RESULTS THAT SUPPORT US

Our profitability  
allows us to sustain  
our purpose in the  
long term while  
continue  
contributing to the  
development of  
Peru.

## We ensure value GRI 3-3

As a result of our good economic performance, we can maintain and expand quality jobs, continue investing in Peru and broaden the scope of our social projects.

- We have guidelines so that our economic management is 100% controlled in terms of resource management<sup>9</sup>.
- We submit our financial statements to the stock market on a quarterly basis (through the Superintendencia del Mercado de Valores, SMV [Superintendency of Securities Market]) and, annually, these are audited by an independent and reputable company, chosen by the General Shareholders' Meeting.

## Key figures GRI 201-1

- S/. 386 million was the registered EBITDA<sup>10</sup> (less than in 2021). However, the previous year was extraordinary due to the economic reactivation, in addition to the demand incurred due to the partial inactivity during 2020; however, if we compare the results of 2022 with those of 2019 (pre-pandemic period), EBITDA grew 96%.
- 12.4% increase in sales (S/. 2,743 million) compared to 2021, mainly explained by a higher price to offset the increase in production costs.
- The economic value distributed was S/. 2,883 million (41% more than in 2021).
- S/. 123 million (US\$ 32 million) of economic value added (EVA) reflecting the ability to generate economic value for society.

<sup>9</sup> For example, payments are made prior registration in the SAP system, with approval and release of accountability and with powers duly approved by the Board of Directors. Collection and payment management is monitored and reported to the Executive Committee to generate greater confidence and make the best decisions in line with our strategic objectives.

<sup>10</sup> EBITDA = operating profit including depreciation, amortization and adjustments that do not require cash outflow.

Scope	Material Topic	Indicators	2020	2021	2022
Governance	Ethics and Corporate Governance	EBITDA	254	566	386
		EVA – Economic Value Added	56	283	123

\*Thousands of Soles.

Economic Value Generated		2022		2021	
Income		2,743*		2,439*	
		Soles	%	Soles	%
Payment to suppliers		2,509	87.0%	1,513	85.4%
Payment to workers (salaries and social benefits)		122	4.2%	120	6.7%
Payment to the State (taxes)		252	8.73%	138	7.8%

\*Thousands of Soles

## RESULTS THAT SUPPORT US

GRI201-1

Our profitability allows us to sustain our purpose in the long term while continue contributing to the development of Peru.

## RESULTS THAT SUPPORT US

Our profitability allows us to sustain our purpose in the long term while continue contributing to the development of Peru.

### Free and fair competition GRI 3-3, GRI 206-1

Our good results must always be accompanied by competitive practices in accordance with competition and antitrust legislation<sup>11</sup>. Thus, we protect our sector and strengthen relationships of trust with all our stakeholders.

- This issue is contemplated in a chapter of the Code of Ethics and Conduct that all our employees are familiar with. In addition, we make sure to include this content in the induction of new staff.
- We have a corporate directive (DC-46 - Competition Practices) that establishes the guidelines related to competition practices, in compliance with local laws and definitions of the Code of Ethics and Conduct, guiding the relationship with third parties (competitors, suppliers or clients), the confidential treatment of information and the responsibilities of the employees involved.
- We do not admit or accept that our professionals engage in anti-competitive practices, such as cartel formation, market division, price manipulation or predatory conduct.

<sup>11</sup> No complaints for anti-competitive practices or conflict of interest were registered during 2022.





# ENVIRONMENTAL VALUE

*We invested close to S/ 900,000 for the implementing of renewable energy, emissions and water management projects.*

## CONTINUOUS IMPROVEMENT

We act in accordance with the corporate directives, the National Environmental Management System and the ISO 14001 Standard, which regulate from the entry of raw materials to the delivery of our products.

### Environmental guidelines

#### Pillars:



**Water treatment and  
recirculation**



**Waste Management**



**Environmental  
Commitments**



**Legal  
Compliance**



**Emission Control**



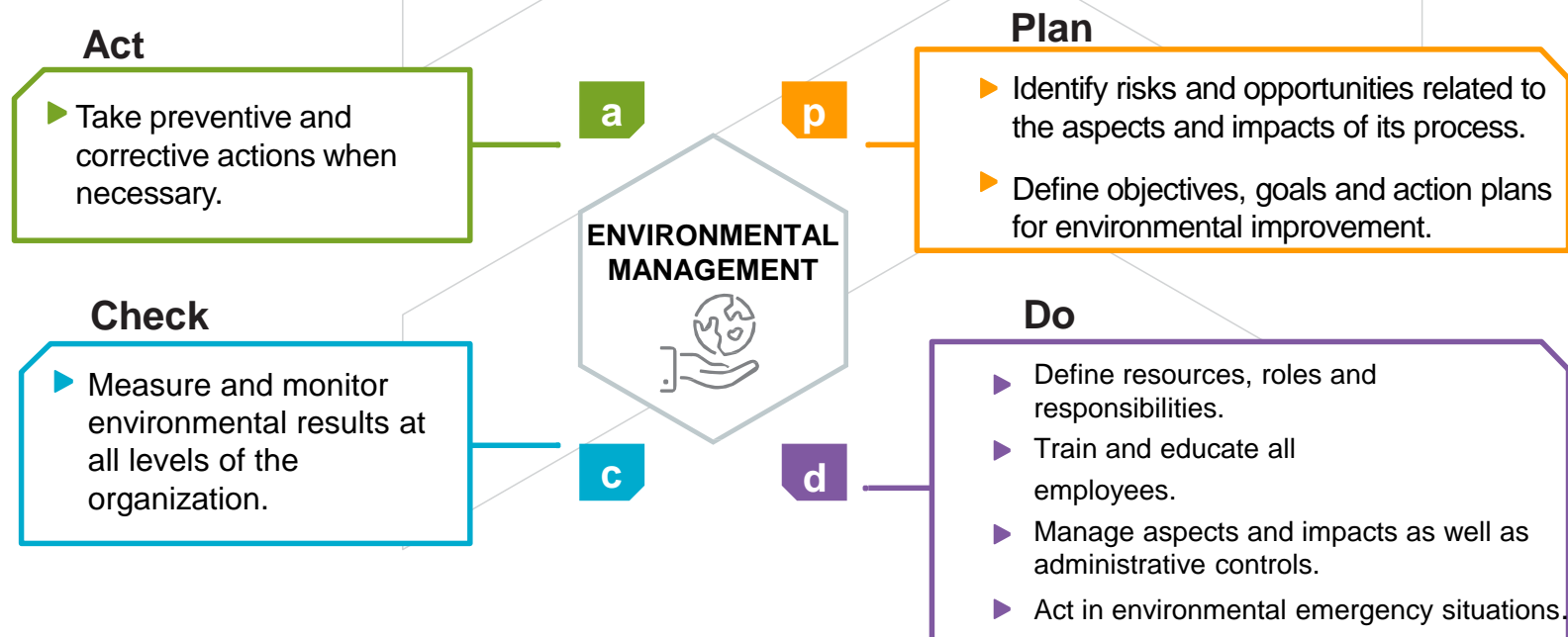
**ISO 14001**

## CONTINUOUS IMPROVEMENT

We act in accordance with the corporate directives, the National Environmental Management System and the ISO 14001 Standard, which regulate from the entry of raw materials to the delivery of our products.

## Environmental guidelines

### PDCA cycle (Plan, Do, Check, Act):

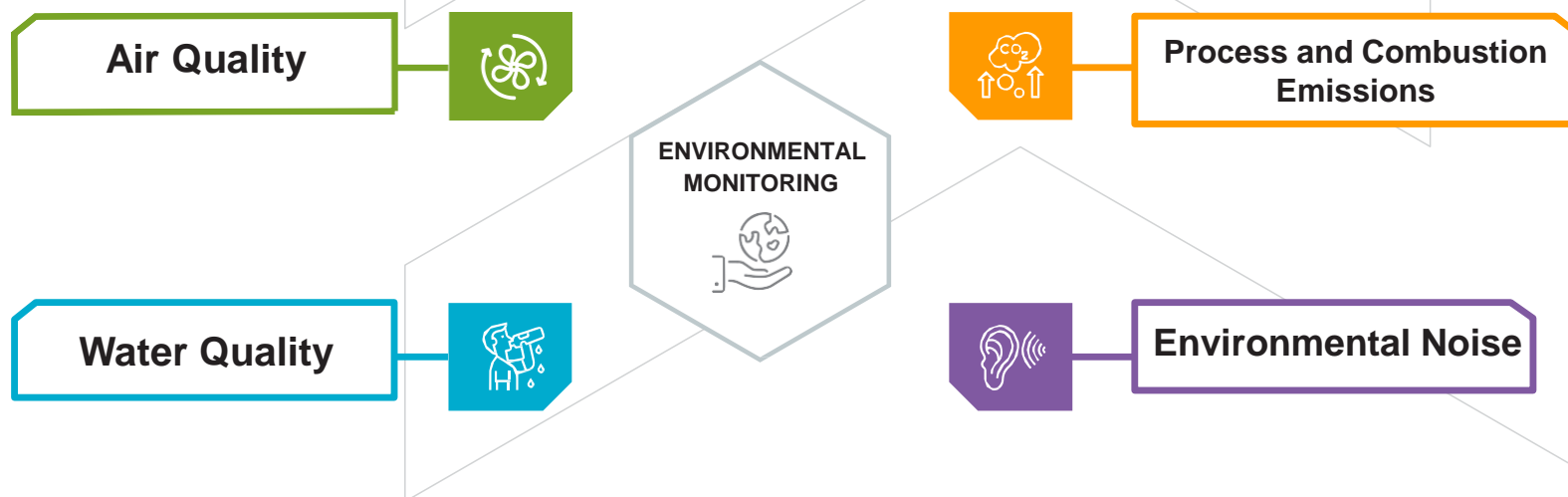


## CONTINUOUS IMPROVEMENT

We act in accordance with the corporate directives, the National Environmental Management System and the ISO 14001 Standard, which regulate from the entry of raw materials to the delivery of our products.

## Environmental guidelines

### Environmental monitoring:



# What do we do?

- We are 100% aligned with compliance with environmental requirements, as this prevents and mitigates potential impacts, as well as regulates our processes avoiding negative effects on the environment. We comply with current legal requirements and have environmental licenses issued by the Ministerio de la Produccion (Department of Production).
- We have an emissions treatment plant that, through special filters, retains composite materials generated during the steel manufacturing process.
- We assess our emissions at fixed combustion stations thus complying with the annual environmental monitoring program and with the preventive maintenance of our equipment.
- In 2022, environmental investments amounted to S/ 870,000.
- We conducted the following projects:
  - Emissions roadmap to 2031.
  - Expansion of the water network of the industrial water treatment plant (PTARI) for irrigation of green areas.
  - Project for the installation of solar water heaters in changing rooms of the Chimbote complex.

**In 2022, we received the validation and approval of our Clean Production Agreement (CPA) with the Department of Environment.**



Recirculating water treatment plant

## CONTINUOUS IMPROVEMENT

We act in accordance with the corporate directives, the National Environmental Management System and the ISO 14001 Standard, which regulate from the entry of raw materials to the delivery of our products.



# ENERGY

## Commitments and actions

GRI 3-3



SIDERPERU and ENEL partnership

- We seek to ensure that our electricity supply, in the short and long term, comes from 100% renewable sources. In 2022, 100% of the electrical energy that our electricity supplier (ENEL) provided to cover the electrical demand of our operations came from renewable sources. And, thanks to an partnership with this provider, we will continue to supply ourselves with energy from renewable sources for the next 12 years.
- We developed an energy savings project of more than 26,110 KWh, through the installation of hybrid solar water heaters in all the changing rooms of the 5 production areas of our Chimbote plant. These have solar collectors that allow the water used in the changing rooms showers to be heated. This project contributed to the reduction of 11,804.33 tons of CO<sub>2</sub> in 2022.
- From 2020 to 2022 we have the following energy sources, invoiced with the following units:
  - Electricity (Mwh)
  - Natural Gas (MMBTU)
  - Diesel (Gal)
  - Anthracite (TM)



SIDERPERU's Energy Area

# ENERGY

## Consumption

GRI 3-3

The energy consumption of 2022 presented an increment in comparison to 2021 due to the increase in our production, in addition to a greater demand for steel in the market.

### Total Consumption GRI 302 - 1

ENERGY CONSUMPTION	Unit	2020	2021	2022
Non-renewable fuel consumed	kWh	237,512,815	304,005,936	305,699,342
Renewable fuel consumed	kWh	0	0	0
Purchased electricity, heating, cooling and steam	kWh	224,469,965	273,141,507	288,963,485
Self-generated, electricity, heating, cooling and steam	kWh	0	0	0
TOTAL CONSUMPTION	kWh	461,982,780	577,147,442	594,662,827
Electricity, heating, cooling and steam sold	kWh	0	0	0
TOTAL	kWh	461,982,780	577,736,541	594,552,028

As part of our energy management, we manage indicators that allow us to monitor how our energy consumption ratio per ton of finished product (kWh/ton) is going. By doing so, we were able to observe a 6% reduction. That is, for each ton produced in 2022, less energy was used in the processes, as compared to 2021:

Energy consumption ratio	
2021	2022
1194.75 kWh/ton	1124.89 kWh/ton

- The water we use in our production processes comes from underground wells, whose consumption we strictly control; then, it is diverted to a treatment plant where we reuse it and, finally, it is used for irrigation of our green areas.
- In 2022, our water consumption was 1.9 m<sup>3</sup>/t of steel produced, exceeding the established goal; and 2.26m<sup>3</sup>/t of solid steel.
- The volume of inlet water was 851,100 m<sup>3</sup> while the volume of recirculated water was 42,514,632 m<sup>3</sup>/year; that is, we registered a recirculation rate of 98%.
- Since 2013, as a result of our industrial water treatment system, we have been avoiding dumping discharges into the Chimbote Bay.
- Industrial water and domestic wastewater are monitored, fulfilling the commitment of the environmental monitoring program.

- We evaluate water management by keeping a monthly historical record of our consumption and measuring a specific consumption indicator, which, similarly to the energy indicator, allows us to know and control the volume of water required for each ton of finished product.
- We have measurement points through which we control the consumption of make-up water to the processes



Employees in the water treatment plant.

## WATER AND WASTEWATER

### Commitments and actions

GRI 3-3

## Water consumption 303-5

Total water consumption (in megaliters) WATER CONSUMPTION	Unit	2020	2021	2022
Total water abstraction (surface water + groundwater + seawater + third-party water)	ML	810.09	976.67	851.10
Total water discharge (surface water + groundwater + seawater + third-party water)	ML	0	0	0
TOTAL CONSUMPTION	ML	810	977	851

**WATER AND  
WASTEWATER**

**Consumption**  
GRI 303-5

## EMISSIONS

## Commitments and actions

GRI 3-3

- The management of CO2 emissions is very important because, by measuring them, we know what our impact on the environment is and we can set goals to reduce them. At our Corporate Group, our ambition is to be carbon neutral by 2050. For this reason, we are focused on initiatives such as changing the energy matrix, by transitioning from Diesel and residual oil to LPG.
- In 2022, we prepared a CO2 emissions roadmap with the intention of meeting the CO2 emission reduction goals defined in Gerdau's Sustainability Policy. The first step is to identify opportunities in the short, medium and long term.
- We will continue to monitor our emissions and drive initiatives to reduce our carbon footprint. For example, we have self-generation pilot projects, through a solar plant, within the steel complex.

SIDERPERU's Emission Collector Plant



## Indicators

- Direct GHG emissions (Scope 1): 78,262.86 tCO2e.
- Direct GHG emissions (Scope 2): 57,997.44 tCO2e.
- Direct GHG emissions (Scope 3): 21,772.96 tCO2e
- Biogenic CO2 emissions in metric tons of CO2 equivalent: 84.59 eq.

## EMISSIONS

## Commitments and actions

GRI 3-3

### Emissions of scopes 1, 2 and 3 GRI 305-1, 305-2, 305-3

Scope	Precursor	Ton CO <sub>2</sub> Eq
SCOPE 1	Stationary combustion	71,785.76
	Mobile combustion	39.81
	Fugitive emissions	634.02
	Industrial processes	5,777.26
	Solid waste and wastewater	26.02
SCOPE 2	Purchase of electrical energy	57,977.44
SCOPE 3	Goods and services acquired	21,694.46
	Waste originated in operations	78.50
TOTAL		158,013.27



- Waste management is one of the most important environmental pillars, as it is one of the tangible ways in which we work towards the circular economy. We train our employees. For us, recycling is a continuous renewal cycle that contributes to the preservation of the environment and is a fundamental part of our business strategy.
- In management tools and we have been reducing the generation of hazardous waste, thus improving source separation and reusing waste through practices such as recycling.
- We are part of the largest scrap metal recycler in Latin America. Scrap metal is a waste that, in our steelmaking process using an electric furnace, we turn it into steel and then it returns to society to be used in civil construction, mining and road infrastructure.
- Annually, we buy hundreds of thousands of tons of ferrous scrap and we guarantee our suppliers the correct environmental management and the return to the recycling chain.
- In addition, we apply source separation and reuse the waste generated in our production process, giving it a second life or using it as raw material in other processes. Our “Slag from Electric Furnace” project will use these remnants to transform them and give them a second life as a cement

mixture, asphalt layers, sports slabs, paths, bricks, etc. We are even venturing into the circular economy and reuse (recycling) of waste such as wood, cardboard and plastics.

- As part of our ISO14001:2015 certification and environmental legal compliance, we monitor and measure the generation, disposal and reuse of our waste.
- We have strategic partners that circulate waste that is considered an environmental liability. We have two waste management lines (collection and disposal) which are carried out by operating companies that comply with current regulations. Likewise, the waste that can be traded is evacuated by authorized companies.

For us, recycling is a continuous renewal cycle that contributes to the preservation of the environment and is a fundamental part of our business strategy.

## WASTE

## Commitments and actions

GRI 306-1, GRI 306-2

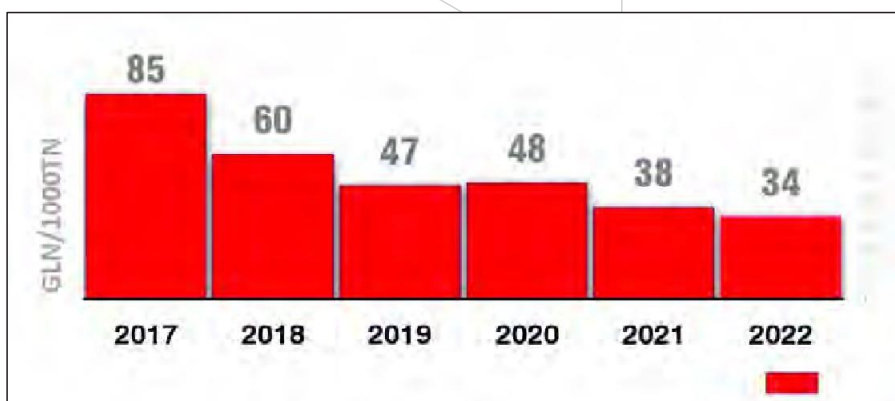
## Indicators GRI 306-1

We reuse the waste derived from our steel production. Those that are reported consider the residues that are generated in greater volume and that are reusable (slag, flakes and dust from steelworks).

The increase in the amount registered in 2022, compared to previous years, is due to different precisions that have been made over time and the categorization that is given to this waste internally.

Waste generated Type of waste	Total generated (Ton) 2020	Total generated (Ton) 2021	Total generated (Ton) 2022
Dangerous	60.52	63.10	5730.79
Not dangerous	16,602.41	50,150.23	57954.02
Total	16,662.93	50,213.33	63,684.77

## Evolution of oil consumption GRI 306-1



- By 2022 we will reach a consumption of 34 gallons per 1,000 tons of steel, exceeding the proposed goal.

**WASTE**

**Commitments  
and actions**

**GRI 3-3**

# INNOVATION AND TECHNOLOGY

## Commitments and actions

GRI 3-3

We seek to transform the way we do business with a strategic vision in people, processes and technology, focused on generating digital value for our end user.

Axes:

- **People:** innovative and sustainable culture.
- **Processes and efficiency:** review and redefinition.
- **Digital technology:** tech driven.
- **Data and Analysis:** integrated and automated.

Process for working on innovative culture:



### Most important projects

1 . Warehouse Project 2 . 0: It will allow us to transform and digitize our operations and storage processes for spare parts and materials, with the implementation of a warehouse management system that will help us improve traceability and purchasing management.

2. TMP (Transport Management Portal): Integrated system that allows us to optimize the process of supplying raw materials and the dispatch of finished products.

3. Automation Project: Its objective is to reduce costs through the integration of applications that replace manual processes, accelerating the execution time of tasks and eliminating possible human errors that can be made.



# HUMAN VALUE

*Our overall employee satisfaction indicator yielded a result of  
80% in 2022.*

## DECENT AND SAFE JOBS

### Scope

GRI 3-3

In a country like Peru, where labor informality is around 80%, we are sure that creating decent, equitable, healthy, inclusive and diverse jobs multiplies the well-being of thousands of Peruvian families.

- Our way of understanding sustainability implies contributing to the development of Peru and one of those most visible contributions is through employment. Employees are our strength and guaranteeing the maximum development of their potential is one of our main objectives.
- In our selection processes we look for people who share our purpose and cultural principles, because we want to work with those who make things happen. Innovation is one of our fundamentals; For this reason, we detect and call on people who always want to change and improve things.
- Likewise, safety is our number one pillar, which is why we developed different physical, nutritional and mental health programs.

Our overall employee satisfaction indicator yielded a result of 80% in 2022.

#### Pillars for Talent Management:

- Culture and organizational climate.
- People development.
- Performance management.
- Differentiated benefits within our sector.
- Employer Branding.

Employee of the Chimbote site



We are based in the city of Chimbote and our actions to attract talent are focused on people from Chimbote, Ancash and talent from the northern cities of Peru: Lima, Trujillo, Chiclayo and Piura.

- We create alliances with many local institutions to advertise our job openings and share technical knowledge through our specialists in employability spaces.
- We design enriching training and development initiatives: we have the Professional Internship Program in place, which every year identifies and retains the best talent at an early stage, through an attractive and dynamic selection process for young graduates from university and technical programs.
- We seek to increase the number of women in the organization, encouraging them to join all those who are already making history in similar areas. Although the challenge is still great, we are promoting this change from the new generations. In 2022 we launched #MujeresDeAcero, our first internship program aimed exclusively at women, which seeks to ensure that more and more young people are encouraged to break stereotypes.
- We are respectful of the right to union association and collective bargaining: more than 50% of our employees (both men and women) are unionized<sup>12</sup>.

In 2022, more than 900 employees<sup>13</sup> helped us



Interns of the #MujeresDeAcero program.

achieve the milestones of our management:

- 925 employees in total<sup>14</sup>.
- 810 employees based in the city of Chimbote, 106 based in Lima, 2 in Arequipa, 3 in Trujillo, 1 in Huancayo and 3 in Chiclayo.
- We hired 25 new employees: 7 women and 18 men, of whom 15 and 10 joined our Chimbote and Lima sites, respectively.
- We registered a voluntary turnover rate of 1.3% with a total of 12 terminations<sup>15</sup>.

### Key recruiting data

Women in shortlists: All our attraction and selection processes ensure equal opportunities. We have gone from processes with 100% finalist male candidates, to having at least one woman in the shortlist to join the Industrial team.

#MujeresDeAcero: We developed our first professional internship program exclusively for women, with the aim of improving our internship program retention ratio and increasing the percentage of women within the company.

## WORK PROSPECTS

## SIDERPERU Talent

GRI 2-7, GRI 401-2

<sup>12</sup>In November 2022, we began a collective bargaining with the Employees Union within an environment of dialogue and respect, outlined by the Ley de Relaciones Colectivas de Trabajo (Law on Collective Labor Relations) and by our internal policies.

<sup>13</sup>At SIDERPERU, we do not have part-time employees.

<sup>14</sup>More than 97% of all employees have a permanent contract.

<sup>15</sup>Of these terminations, 4 were women and 8 men, of whom 4 and 8 occurred in the Chimbote and Lima sites, respectively.



## TRAINING AND DEVELOPMENT

### Scope

GRI 3-3

Inspired by our purpose: "Empowering the People who build the future" and, protected under it, we are permanently concerned with training our employees, in order to enhance their development and preparation. For this reason, we constantly invest in improving the technical and soft skills of them all.

In recent years, we have trained our employees with specialized programs and courses, such as security, leadership, digital transformation, as well as technical programs, through two platforms: LMS platform (e-learning courses, tailored to our needs), and face-to-face training.



Employees at Lima site.

## Results GRI 404-1, 404-2

- 100% of employees trained.
- More than 50 suppliers trained in: Ethics and Compliance, Sustainability, Leadership and Digital Transformation.
- Our technical employees possess international certifications.
- Modern LMS platform, contests and e-learning, tailored to our needs.
- Provide support to our employees in terms of Master's degrees, diplomas and specializations, in recognized national and international Universities.

We have a local Mentoring Program that seeks to develop soft skills. The program, in addition to training our first mentors, who have in-depth knowledge of the business, guides our young leaders in their development while it strengthens our culture. This program has been very enriching and has raised an interaction scheme between teams from different areas. The program ended in July 2022.

# TRAINING AND DEVELOPMENT

## Scope

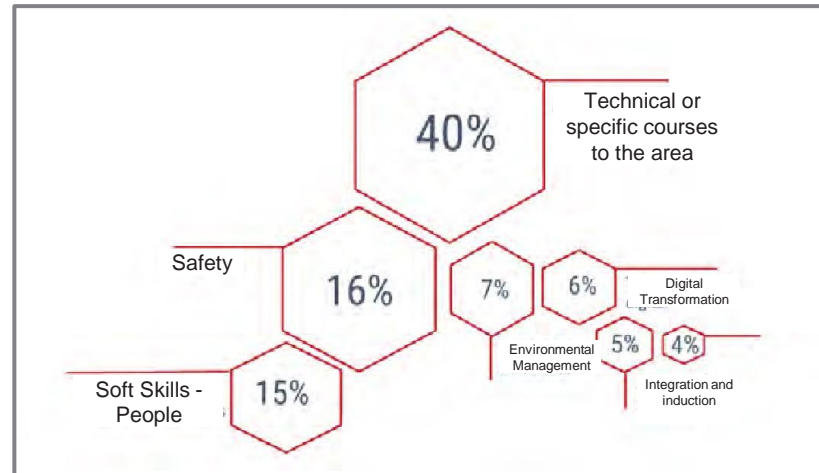
GRI 3-3

### Men Training Hours:

- Total training hours: 44,888.5 hours.
- Total employees: 927 employees.
- Man-hour training indicator: 48,41 hours.

### Women Training Hours:

- Total hours: 4,953 hours.
- Total employees: 73 women.
- Man-hour training hours: 67.85 hours.



We evaluate 100% of employees based on feedback. Each (annual) cycle allows the employee to have information about the things that he/she has been doing well and the aspects that require more attention. In addition to the employee's immediate superior, peers, internal and external clients, and the team in charge, if they have one, are involved in the process. The information is collected during the year and it is the employee's immediate superior who is responsible for transferring his/her results in formal feedback spaces.



Employee at Chimbote site.

- At the executive level, we have 100% of the leaders evaluated (30% women and 70% men) and 99% of them with specific action plans.
- At the administrative and operational level, the scope of the evaluation process is 100% (7% women and 93% men).
- This 2022, at the administrative level, work has been done in workshops for the construction of Development Plans, making possible that 93% of the administrative team submit a first version of their individual development plan.

## PERFORMANCE ASSESSMENT

GRI 404-3

## DIVERSITY AND INCLUSION

GRI 3-3, 405-1

Our purpose “Empower the people who build the future” and one of our ten principles “Diverse and inclusive environment”, indicate the ambition that we dream for our sector and the country. We work to increase the number of women who are part of our company; guarantee a safe, diverse environment, free from bullying and harassment; equal opportunities and development for all, starting from the processes of attracting talented individuals.



Employee at Chimbote site.

We have a Diversity Committee made up of employees who are diverse in gender, post, area and age. This committee works on the development of talent with a gender focus and measures a monthly indicator of the participation of women in the different occupational groups: operators, administrative staff and executives.

- In 2022 we set ourselves the goal of having 1 woman in the shortlist of each external selection process, which has been successfully met regardless of the selection decision.
- Of 100% of our processes, 28% of our contracts have been women (86% administrative and 14% executive).

Indicators	2020	2021	2022
% of women in SIDERPERU	7%	8%	8%
% of women in a leadership position	29%	28%	30%
% of women in practices (technical, university and apprentices)	53%	38%	50%
% of people with disabilities	0.3%	0.2%	0.43%

## SAFE WORK ENVIRONMENT

### Scope

GRI 3-3, GRI 403-1

Safety is a value that guides our day-to-day decisions to build a risk-free environment in our operations, as well as being key to complying with applicable legislation and the commitments assumed.

For Gerdau-SIDERPERU, the human being is a value that is above all other objectives and priorities of the company. No emergency situation, production or result can compromise the health or safety of people. It is stated in our Integrated Health, Safety, Environmental and Quality Policy and confirmed within our Corporate Principles.

The scope of the Occupational Health and Safety Management System<sup>16</sup> applies to all employees, either employed directly by us or through third parties, who carry out activities within our facilities and at their different locations.



Employee at the Chimbote plant

We have been certified in the ISO 45001 standard since 2020 (before that, we had OHSAS 18001 certification).

<sup>16</sup> This system is developed based on Act 29783, its Regulations established by Supreme Decree (DS) No. 005-2012 and its subsequent amendments, aligned with our principles, objectives and Integrated Health, Safety, Environmental and Quality Policy.



## SAFE WORK ENVIRONMENT

### Scope

GRI 3-3, GRI 403-1

ESTABLISHED GOALS AND LIMITS	INDICATOR DESCRIPTION	REAL GOALS AND LIMITS
1	Lost time accidents (CPT)	3
6	Non-lost time accidents (CPT)	4
15	First Aid (PA)	13
4.2	*Safety Weighted Index (ISP)	4.35
35	Severity Rate (TG)	24.6
18%	PSIF Event Percentage	18.8%
85%	Safety System Management Index (IGSS)	85%

## Key indicators

\*The Safety Weighted Index considers all accidents that occurred in our facilities, including First Aid.

Plant employees during the Safety Week - Chimbote.





## ACTIONS, INITIATIVES AND RESULTS

GRI 403-2, GRI 403-3,  
GRI 403-4, GRI 403-5,  
GRI 403-6, GRI 403-8,  
GRI 403-9, GRI 403-10

We have a risk prevention management service, with assessment programs for physical, chemical, and biological agents, as well as ergonomics and mental health programs to identify health risk factors in order to create a safe, healthy, and inclusive environment<sup>17</sup>. Our employees have access to these programs 24 hours a day, 7 days a week, and we measure ourselves with daily satisfaction



Employee at the Chimbote plant.

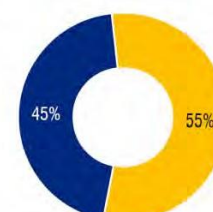
surveys, achieving 97.1% satisfaction from our employees and third parties.

We have a joint occupational health and safety committee that meets monthly to be able to communicate the needs of other employees such as improvements to the work environment<sup>18</sup>.

# 29,163

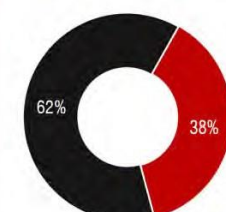
Training  
Hours

Per type of employee



■ From us ■ Contractors  
13,191 h 15,972 h

Per type of training



■ E-learning ■ Face-to-face  
18,180 h 10,983 h

<sup>17</sup> In addition, for this, we make use of state-of-the-art technology such as RPA; Machine Learning and Artificial Intelligence.

<sup>18</sup> Currently, we use digital and face-to-face means to maintain communications with all our employees, such as: internal communications, WhatSider, SiderTalks, En Sintonia, cell meeting and routine checks.

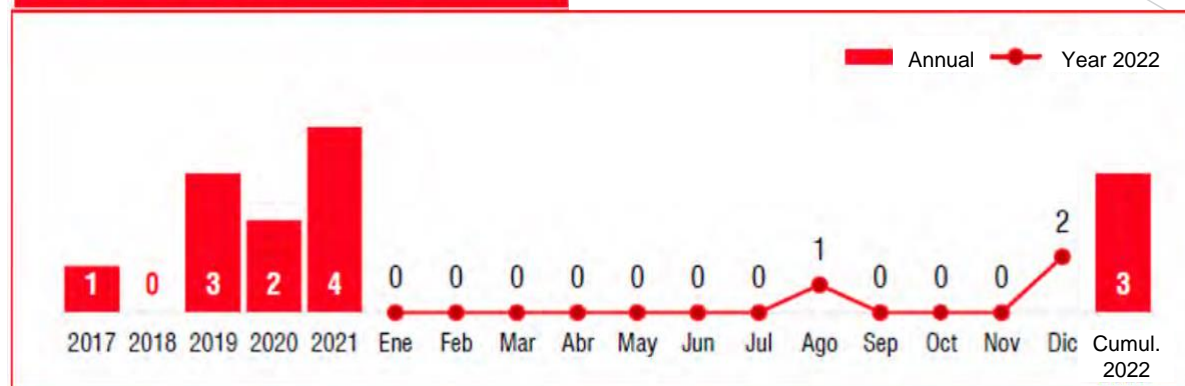
## ACTIONS, INITIATIVES AND RESULTS

GRI 403-2, GRI 403-3,  
GRI 403-4, GRI 403-5,  
GRI 403-6, GRI 403-8,  
GRI 403-9, GRI 403-10

## Key indicators

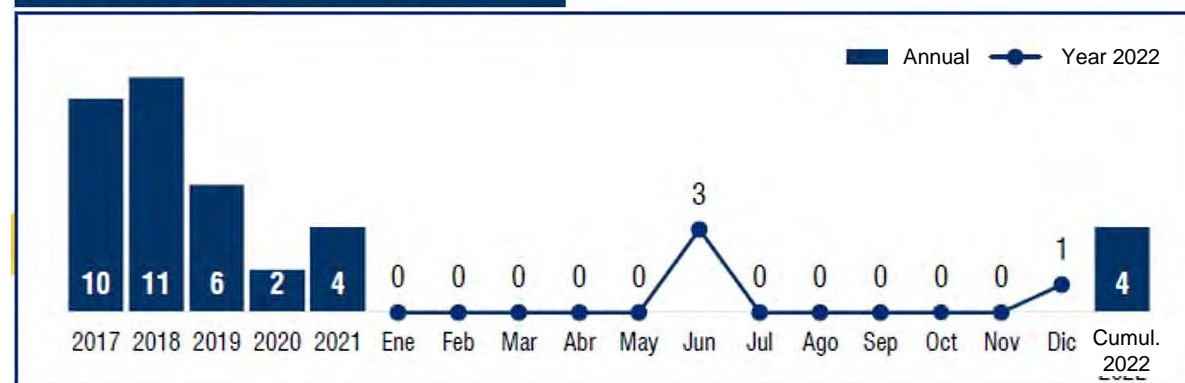
CPT: including lost time.

### 2020 CPT ACCIDENT HISTORY



SPT: without lost time.

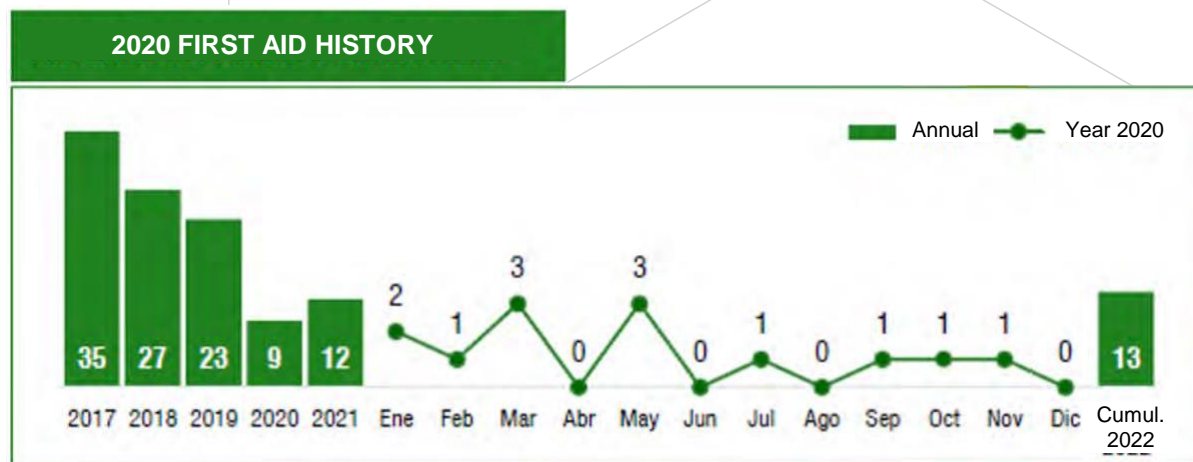
### 2020 SPT ACCIDENT HISTORY



## ACTIONS, INITIATIVES AND RESULTS

GRI 403-2, GRI 403-3,  
GRI 403-4, GRI 403-5,  
GRI 403-6, GRI 403-8,  
GRI 403-9, GRI 403-10

### Key indicators



- There have been no deaths resulting from an occupational illness or disease. Regarding occupational diseases, 3 work-related musculoskeletal injuries (“rotator cuff syndrome”) were recorded and 6 were under study.
- The incidence rate of work-related hearing loss is less than 2% per year.
- In addition, the main types of work-related ailments and diseases are musculoskeletal ailments and work-related hearing loss.

## NETWORK OF PARTNERS

**We work together with our contractors and suppliers and thus promote the development of our industry and the generation of employment in it.**

- We have local suppliers for the maintenance of our equipment. Regarding highly specialized services, it will depend on the type of process to be carried out, but in general the services are attended by national providers.
- We work with small<sup>19</sup> and medium-sized companies that represent 92% of our suppliers and have competitive payment terms (on average, under 30 days).
- We have local metal recyclers, who supply us with scrap metal and to whom we increase the amount of purchase:

	2021	2022	Increase Percentage
Invoicing of local suppliers	More than 180 million Soles	More than 250 million Soles	The growth of payments for local scrap metal in 2022 was 41% (measured in Soles).

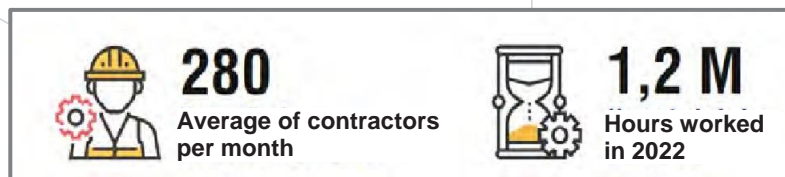
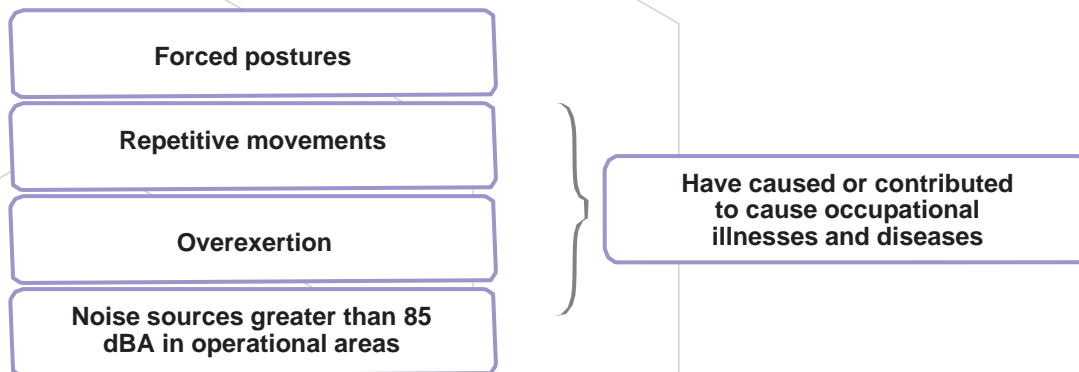
- Classification of suppliers: Scrap metal and Industries.
- Development programs with suppliers: supplier training according to the annual agenda. The topics considered include: ethics, compliance, waste management, separation, etc.
- Supplier communication channels: WhatsApp, cell phone, mail, face-to-face visits and phone calls.
- Training for suppliers: we have registered 147 personalized training sessions given to our suppliers in 2022, whose main topics were: separation of dangerous materials and radioactivity.



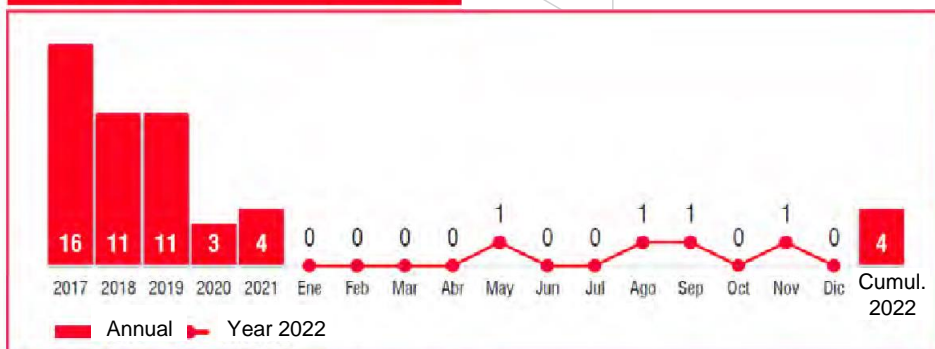
SIDERPERU's scrap yard

<sup>19</sup>We define "small" suppliers those who sell us less than 100 tons of scrap metal per month.

- There have been no deaths resulting from occupational illness or disease among our contractors' employees. No cases of occupational illnesses and diseases have been determined.
- The occupational hazards that presented a risk of illness or disease were:



#### ACCIDENT RATE OF CONTRACTORS



- This chart includes 1 CPT accident and 3 First Aid Assistances

There was an increase in hours worked in comparison to 2021, due to engineering projects and the 4 annual shutdowns for maintenance at the Long Steel Rolling and Steelmaking facilities.

## CONTRACTOR SAFETY



**15,972**

Hours of training carried out by all employees, contractors and suppliers, between induction of EHS and critical risks.

**+ 300**

Safety and Environment Plans reviewed. The quantity is increased during the services carried out in the annual shutdowns of Long Steel Rolling and Steelworks.

**+ 100**

Safety and Environment inspections carried out; corrective actions are taken immediately and the most critical ones are recorded in the EHS software for follow-up.

**879**

Corrective approaches made for unsafe acts; critical acts were sanctioned in accordance with our Consequences Policy in coordination with the Supply Department.

**1,063**

Contractors were observed during Index of Safe Behavior (ICS) walkthroughs, of which 147 were found committing some type of unsafe act.

## CONTRACTOR SAFETY



# STRICT STANDARDS

GRI 3-3, GRI 414-1

Gradually, we have been demanding that contractors and suppliers comply with the following aspects:

- Letter of responsibility and commitment.
- Training on sustainability issues: includes issues such as ethics and compliance, waste management, etc.
- Relationship time: On average, our relationship with suppliers is over 6 years old.
- Code of ethics and conduct for third parties: the application of this code applies to 100% of our suppliers. For this, the signing of the letter of responsibility has been applied since 2022.
- Approval of suppliers: applicable to suppliers of raw materials and inputs, under the import process management.
- Assessment process: there is an assessment process for suppliers in ESG terms with a periodicity of every 3 years.

We are identifying the ESG risks in our chain to establish indicators to measure and, finally, define the goals to work on. To that end:

- We have collected information equivalent to 82% of the invoicing received in 2021 from our suppliers.
- The information collected focuses on: International certifications, management positions in charge of women, emission control (water, gases, solid waste, etc.), compliance with labor regulations

(fair pay, child labor, labor benefits, etc.), contracted companies owned by people belonging to underrepresented groups, among others.

- Hand in hand with our parent company Gerdau, we began a diagnosis of the socio-environmental impact throughout the supply chain. This work began in Brazil for each item of purchases made and we seek to replicate it in our operation.
- A supplier training program was established to address issues such as ethics, compliance, waste management, leadership, etc.

We expect to achieve, after the work carried out in the corporate group, the same models of that criticality matrix in Peru in order to establish the indicators to be measured and, consequently, the objectives to be worked on.



Employee of SIDERPERU.



# SOCIAL VALUE

*More than USD 124,000 investment in social projects.*

We are interested in promoting social development in the areas where we operate: the more opportunities there are for people in the communities that surround us, the better it will be for all of us. For this reason, we have a social investment and shared value generation approach that knows the contexts, manages projects and monitors results.

We work to be socially responsible with all our stakeholders: Employees, Clients, Suppliers, Shareholders, Community, Environment, Governments and Society. As for our communities, we have a relationship built decades ago with a common agenda in favor of education, children and youth in Chimbote.

Our social investment pillars are: education, recycling and housing. We provide technical, financial and volunteer support to people and organizations, so that they are capable of transforming themselves, thus generating positive changes for them and their towns.

- **Entrepreneurial education:** We support technical vocational training by providing scholarships for young people with a desire to excel. In addition, we have training projects for teachers and young people on vocational guidance and leadership.
- **Housing:** We train masons and foremen in the civil construction sector, for raising awareness regarding the construction of safe houses and about complying with the technical standards to prevent risks in the event of earthquakes.

- **Recycling:** We participate in projects oriented at the entrepreneurial spirit to promote recycling, the reuse of materials and conscious consumption. We support initiatives with the objective of encouraging the recycling of materials, promoting circular economy and improving the quality of life of the population that works in recycling.

We have a Social Responsibility Committee made up of employees from different areas:

- General Manager
- Industrial Manager
- Human Resources Manager
- Supply Chain Manager
- Head of Institutional Affairs and External Communication
- Head of Occupational Health
- Head of Accounting
- Head of Social Responsibility



Volunteers and students of the Technical School in Beach Cleaning Bay of Chimbote.

## COMMUNITIES

## Scope

# PROJECTS WITH THE COMMUNITY

GRI 413-1

At **SIDERPERU** we have different social and environmental projects and initiatives that seek to benefit, from different angles, the communities in which we act. For the company, development and growth is extremely important, not only for our employees, clients and suppliers, but also for society.

Through our different social projects, in 2022, we have managed to achieve:

- More than 8,800 people benefited from our initiatives.
- More than US\$ 124,000 invested in social projects.
- 80 institutions benefited.
- 123 scholarship students at the Technical School.
- 270 volunteers.
- 90% volunteer satisfaction.
- 2,269 hours of volunteering.
- 29% of employees who are volunteers.

## Our own technical school:

- We have been changing ,through our most important social responsibility project, Technical School, the lives of young people from Chimbote for more than 23 years. This is about our own program that offers completely free and comprehensive scholarships so that young people with limited resources and high school graduates from the Ancash region can be trained with quality technical education. In partnership with the Servicio Nacional de Adiestramiento en Trabajo Industrial, **SENATI** (National Service for Industrial Training), young people receive 2 years of theoretical education in modern classrooms and facilities, within our plant.
- At the final stages of their education, in their last year, they conduct professional internships within our Company.

In 3 years, young people obtain a title on behalf of the nation. This project, in addition to positively transforming the future of young people and their families, also meets the great need of the industrial market for competent professionals with quality training. . In 2022, 41% of students were women and 50 students began their education with our scholarships and are currently studying. To date, there are more than 1,000 graduates, of which 240 are women. Young people from the Technical School take specialized training, accumulating last year, 720 hours of it.



Technical School students.





## PROJECTS WITH THE COMMUNITY

GRI 413-1

### Volunteers at the service of the people:

- We encourage our employees to be part of the development of the community, through activities that benefit it, allowing them to put their solidarity into action.
- In the year 2022, more than 8,800 Peruvians have benefited from volunteer initiatives.
- 29% of employees are volunteers, investing more than 2,269 hours.
- We have a strong commitment to education, which is why we have different programs for educational institutions:

**Cleaning the Bay Campaign:** Our volunteers come together to clean the beach of La Caleta. We do this with the support and supervision of the Provincial Municipality of Santa. In 2022, more than 3 tons of waste were collected.

**Mochilazo Escolar (School Backpack) Program:** It is a program through which we deliver school supplies to students from vulnerable areas. In 2022, more than 600 kits were delivered.

**Vocational Guidance:** 10 employees shared their professional experiences in order to help 5<sup>th</sup> grade high school students from Chimbote schools to make a better decision regarding the career they intent to study.



Orquesta Sinfonica Infantil y Juvenil de Chimbote

### Culture for development:

- For more than 12 years we have been supporting the Orquesta Sinfonica Infantil y Juvenil de Chimbote, OSIJCH (Children and Youth Symphony Orchestra of Chimbote), an educational, social and artistic inclusion project, oriented at children and young people from Chimbote, developed in partnership with the Centro Cultural Centenario (Centennial Cultural Center) and, since 2019, with APROFERROL.
- In 2022, this support was renewed, managing to benefit more than 133 children and young people from Chimbote. To date, we have contributed to the social and cultural inclusion of more than 1,800 children and young people, and we seek to continue impacting more lives, helping them fulfill their personal dreams and also giving them the opportunity to grow professionally in music.

Beach cleaning

## PROJECTS WITH THE COMMUNITY

GRI 413-1

### Plant more life:

- Since 2010, "Sembrando Vida" ("Planting Life") began, an environmental project carried out in partnership with the Rotary Club, which seeks to promote the generation of green areas and forestation in urban and rural sectors of the province of Santa. We
- support annually with an investment of S/ 25,000 to the planting of thousands of trees. To date, more than 530,000 trees of various
- species have been planted.

### We transform violence into well-being:

- In 2015 we joined the Superintendencia Nacional de Control de Servicios de Seguridad, Armas, Municiones y Explosivos de Uso Civil, SUCAMEC (National Superintendency for the Control of Security Services, Arms, Ammunition and Explosives for Civilian Use) to carry out, for the first time, the weapons foundry activity, through which we transform these weapons into steel, through its smelting in the electric furnace in our Chimbote plant. We have delivered, on several occasions, children's friendly gyms and playgrounds, both in Lima and Chimbote, made with the steel resulting from the foundry. We managed to turn the violence and insecurity generated by weapons into useful spaces for citizens
- that offer an alternative for recreation and well-being for hundreds of families.

In 2021, in coordination with the "Barrio Seguro" ("Safe Neighborhood") Multisectoral Strategy, we delivered children's friendly gyms and playgrounds in the "William Benites" park in San Juan de Lurigancho, benefiting more than 1,500 children and

- young people. Since the beginning of this joint activity, more than 30,000 weapons in total have been destroyed nationwide and benefited thousands of families.

In 2022, we signed again a cooperation agreement to continue transforming weapons into recreational spaces.



Weapons Foundry Activity



Weapons Foundry Activity



Swings delivered as a result of the Weapons Foundry Activity



## PROJECTS WITH THE COMMUNITY

GRI 413-1



Technical School students



Delivery of school supplies – Mochilazo Escolar (School Backpack) Program



### Allies against cancer:

- Since 2016, we have joined the admirable work of the Fundación Peruana de Cáncer, supporting them in their “Ponle Corazón” (“Put your heart in it”) collection, through which they seek to raise funds to provide comprehensive assistance to the country’s cancer patients in most need.

### Virtual learning LMS platform - Learn with SIDER:

- Virtual platform that SIDERPERU makes available to the community (university students, technicians and teachers) with more than 10 specialized courses on Safety, Environmental Management, Leadership, etc.

### Educame Mas (Educate Me More) Program:

- Program that aims to train teachers, students and parents of 5 educational institutions in Chimbote. More than 2,000 people were benefited through topics for children such as “Educa Cuentos”; in addition to workshops for teachers and parents.

### GERDAUS’s 5S:

- With the participation of 5 employees, five public schools are implementing the business program of order and cleanliness, changing and improving their culture.

### Training of brigade members in schools:

- Our SIDERPERU’s brigade members train teachers and students in public schools in Chimbote. In addition, first aid talks are provided.

Delivery of school supplies – Mochilazo Escolar Program



# ANNEXES

## ANNEXES

This section expands on the development of some GRI contents with which this sustainability report complies.

### **GRI 2-2 Entities included in the presentation of sustainability reports**

SIDERPERU does not consolidate financial statements for their presentation before the Superintendencia del Mercado de Valores, SMV (Superintendency of Securities Markets).

### **GRI 2-12 Role of the highest government body in supervising the management of impacts**

Prevention is the foundation of impeccable performance. For this reason, the directors, managers, administrators and representatives consider not only the interests of the shareholders, but also of their employees, clients, suppliers, consumers and other parties directly or indirectly connected to the organization. Likewise, they ensure the collective and community interests where the company carries out its activities, including care for the environment and respect for local culture.

The Executive Committee permanently watches over the prevention and mitigation of risks; and, when any of these have some probability of materializing and generating a relevant impact, the person in charge establishes controls to appease their effects or monitor their progress. Risks must be identified and assessed according to their probability of occurrence and their impact on our company. Mitigation actions must be compatible with the degree of risk exposure.

Our risks have been classified as follows:



We design action plans that prevent and mitigate risks to guarantee the operability of the business and maintain our ethical and responsible actions. The Risk Committee is responsible for ensuring that all business operations and corporate processes conduct the pertinent analyzes so that the critical risks identified are kept under control. It is also capable of periodically assess some risk indicators reported by areas such as Internal Audit, Compliance, Information Security and Legal.

## ANNEXES

### **GRI 2-15 Conflicts of interest**

We avoid and manage conflicts of interest, guaranteeing that the Board of Directors complies with SIDERPERU's Code of Ethics and Conduct. Regarding affiliation to different Boards, there has been the case of a member of the Board of Directors who abstained from voting on any matter constituting a conflict of interest, in connection to the controlling shareholder and his situation of labor dependency with him, leaving an express and written record of the reasons in the minutes, thus overcoming the conflict by abstaining from deliberating and voting on the matter in question.

Regarding cross-shareholding with suppliers and other stakeholders, there has also been the case of a member of the Board of Directors who abstained from voting on any matter that contains a conflict of interest, in connection to the controlling shareholder and his situation of labor dependency with him, leaving an express and written record of the reasons in the minutes, thus overcoming the conflict by abstaining from deliberating and voting on the matter in question.

For the cases when there is a controlling shareholder; conflicts of interest are disclosed to Gerdau S.A., through the channels of the Code of Ethics and Conduct. Additionally, our Compliance Ambassador is the secretary of our Board of Directors, and conflicts of interest may be dealt by the latter and, through him, by Gerdau's corporate Compliance area.

We comply with the regular publications of our controlling shareholder, through regulated communications to the Superintendencia del Mercado de Valores, SMV (Superintendency of Securities Markets) and Bolsa de Valores de Lima, BVL (Lima Stock Exchange).



SIDERPERU's construction bar.

## ANNEXES

### GRI 2-23 Commitments and policies

- Code of Ethics: This is a document addressed to all our employees, including directors, regardless of their area of activity at Gerdau, their position or function and their geographical location. It expresses the commitment to adopt behaviors based on the highest ethical standards.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Code%20of%20Ethics%20and%20Conduct.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Code%20of%20Ethics%20and%20Conduct.pdf)
- Code of Ethics and Conduct for Third Parties: It establishes guidelines for situations foreseen in Gerdau's relationship with its third parties, such as its suppliers, service providers and clients; records Gerdau's main commitments to issues related to ethics and compliance with the law; guides how third parties are part of the guarantee of compliance with these commitments; and highlights unacceptable situations that are subject to review of contracts and even their cancellation.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Code%20of%20Ethics%20and%20Conduct%20for%20Third%20Parties.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Code%20of%20Ethics%20and%20Conduct%20for%20Third%20Parties.pdf)
- Policy against Corruption: It establishes the guidelines and obligations in the fight against corruption, in compliance with the laws and the Gerdau Code of Ethics and Conduct, before public agents and in the relationship with suppliers, clients, employees, investors and the community.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Anti-Corruption%20Policy.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Anti-Corruption%20Policy.pdf)
- Compliance Policy: It establishes the guidelines, obligations and commitment of Gerdau-SIDERPERU to follow the best practices in terms of compliance and ethics, in line with its principle of “Acting Ethically”.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Compliance%20Policy-2022.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Compliance%20Policy-2022.pdf)
- Risk Management Policy: It establishes the guidelines for risk management, its scope, definitions, information flow and the structure of critical risk reports. Assigns responsibilities for identification and forms of treatment, to prevent or minimize the impact of its risk factors.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Risk%20Management%20Policy.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Risk%20Management%20Policy.pdf)
- Human Rights Policy: It establishes the guidelines that promote respect for human rights in all business activities. Gerdau-SIDERPERU fully endorses and supports the Human Rights Policy, the Universal Declaration of Human Rights, the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Human%20Rights%20Policy%20%281%29.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Human%20Rights%20Policy%20%281%29.pdf)
- Sustainability Policy: It establishes guidelines for the sustainable conduct of Gerdau-SIDERPERU's activities, considering economic, social, environmental and governance elements, as well as an assessment of associated risks and opportunities. This policy reinforces Gerdau-SIDERPERU's commitment to creating value for the company and society.  
[https://www.siderperu.com.pe/sites/pe\\_gerdau/files/PDF/Sustainability%20Policy.pdf](https://www.siderperu.com.pe/sites/pe_gerdau/files/PDF/Sustainability%20Policy.pdf)

## ANNEXES

### GRI 2-25 Processes to remedy negative impacts

It is very important that anyone, whether internal or external to Gerdau, and who knows or suspects a violation of the laws, the Code of Ethics and Conduct and/or Gerdau's procedures (that has happened, is happening or may happen) feels comfortable reporting their concerns directly to the Ethics Channel.

It is the obligation of employees to report violations of this Code of which they are aware. It should be noted that any possibility of persecution or reprisal, based on a complaint, is considered a violation of this Code and Gerdau's principles.

Evolution of complaints received through the Ethics Channel:

	2021	2022	General Total
Inadmissible	5	2	7
Admissible	1	2	3
Partially admissible	2	1	3
<b>General Total</b>	<b>8</b>	<b>5</b>	<b>13</b>

### GRI 2-26 Mechanisms for seeking advice and raising concerns

Queries, concerns or requests for advice on ethical conduct are made to the direct managers of the employees, as well as to the Human Resources Manager and/or the Compliance Ambassador (Prevention Manager or Compliance Officer). Advice on legal conduct is referred to our Legal area.

Concerns are related to:

- **Unethical or illegal conduct:** the theft of spare parts, components, pieces, products, non-ferrous metal scrap. These cases are reported to the competent State authority.
- **The integrity of the organization:** the tendency or temptation to have a situation of protection or captive market in terms of sales or acquisitions that would violate our Code of Ethics and the Conduct and the Political Constitution of Peru.



## ANNEXES

### COMMUNICATION AND TRAINING ON ANTI- CORRUPTION POLICIES AND PROCEDURES GRI 205-2

- We developed a training to present our Crime Prevention Model.
- 100% of new hires were trained in the Code of Ethics and Sexual Harassment.
- Our employees received training in the Code of Ethics.
- 2 new e-learning courses will be applied in 2023: Sexual Harassment and Fight against corruption and crime prevention model.



## ANNEXES

### **GRI 3-3 Anti-competitive Behavior**

The Legal area is in charge of identifying possible cases of Anti-competitive Behavior as well as infringements of Corporate Directive DC-46 - Competition Practices are subject to disciplinary sanctions, defined according to the nature and seriousness of the offense. Once the offense is identified or, in the case of assumption of a possible offense, the situation must be communicated to the immediate superior supervisor and the Compliance supervisor, or to the Ethics Channel.

### **Main Energy and Utilities Management procedures that strengthen the Environmental Management System:**

- We are a certified company holding ISO 14001 (Environmental Management System).
- GLP-FP-521-001 Energy Process Sheet: It includes the different indicators and documents that are needed for the monitoring of our processes.
- GLP-PR-521-012 Efficient Management of Electric Motors.
- GLP-PR-521-013 Efficient Management of Air Conditioning Equipment.
- GLP-PR-521-014 Efficient Management of Lighting Equipment.
- GLP-FP-522-002 Utility Process Sheet: It mentions the different indicators and documents that are needed for the monitoring of processes related to water use.
- GLP-PR-522-007 Final Treatment Plant and Security Gap: Guidelines for proper operation of the industrial water treatment plant.

### **GRI 3-3**

#### **Main talent management procedures:**

- Attraction and Selection process, from which we guide and provide the necessary guidelines for the success of our processes, which range from the survey of needs with our internal users, dissemination of vacancies in our official channels and job boards, application of evaluations to candidates and the selection of the ideal candidate for the position.
- Internal calls in the company, where we bet on our internal talent and that allows our employees to enhance their development and pursue a career path in this exciting industry.



# ANNEXES

## GRI 401- 1 NEW EMPLOYEE HIRES AND STAFF TURNOVER

Breakdown by age group:

20-29 years old	30-39 years old	40-49 years old
19	05	01

Breakdown by age group:

20-29 years old	30-39 years old	40-49 years old
05	06	01

## GRI 2-30 Collective Bargaining Agreements

2022:

TYPE	Women		Men		Total Quantity
	Quantity	%	Quantity	%	
EMPLOYEES' UNION	2	0.2%	299	32.3%	301
WORKER'S UNION	0	0.0%	222	24.0%	222
NON-UNIONIZED	69	7.5%	333	36.0%	402
General Total	71	7.7%	854	92.3%	925

2021:

TYPE	Women		Men		Total Quantity
	Quantity	%	Quantity	%	
EMPLOYEES' UNION	1	0.1%	292	31.6%	293
WORKER'S UNION	0	0.0%	218	23.6%	218
NON-UNIONIZED	67	7.2%	341	36.9%	408
General Total	68	7.4%	851	92.6%	919

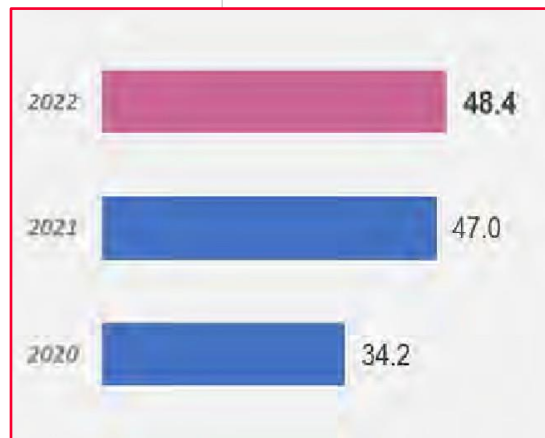
2020:

TYPE	Women		Men		Total Quantity
	Quantity	%	Quantity	%	
EMPLOYEES' UNION	1	0.1%	282	30.5%	283
WORKER'S UNION	0	0.0%	217	23.5%	217
NON-UNIONIZED	65	7.0%	354	38.3%	419
General Total	66	7.2%	853	92.8%	919

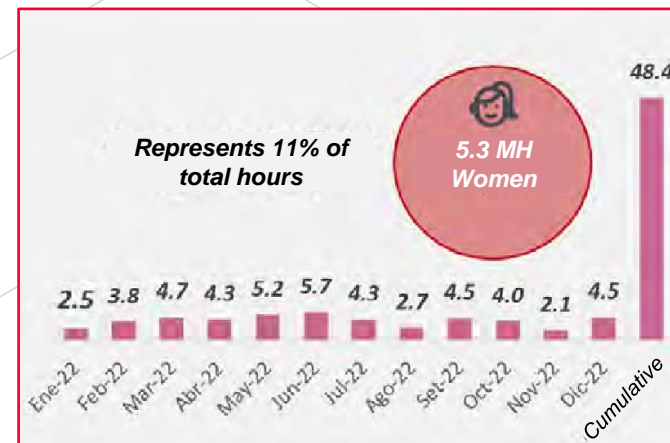
# ANNEXES

## GRI 404-1 Average hours of training per year and per employee

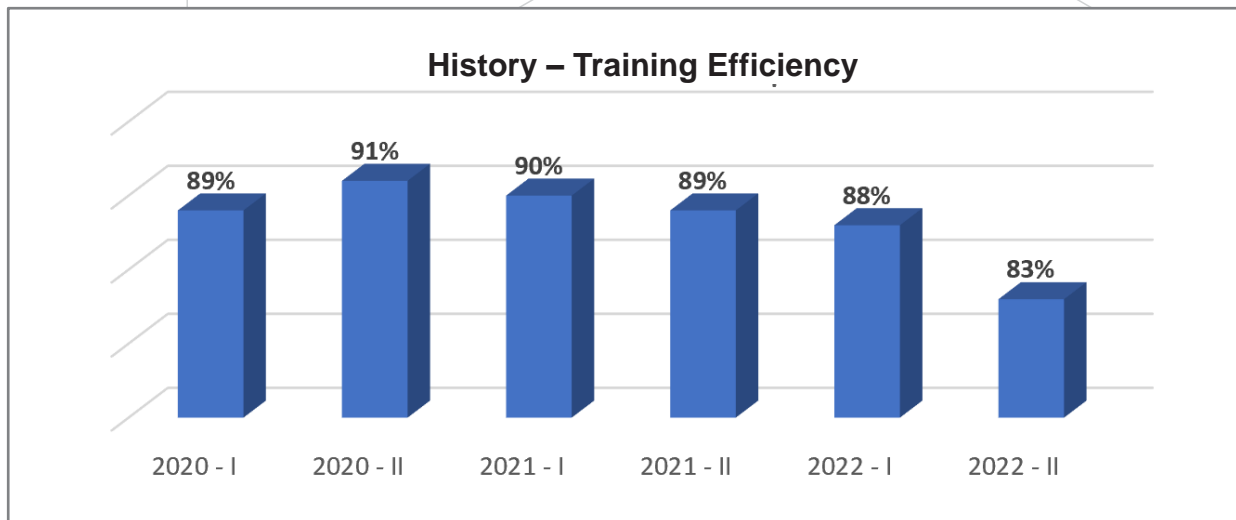
Our training is for all levels:



Total man-hours



Total hours of training for women only.



**GRI 405-1- Diversity in Governance Bodies and Employees**

a. The percentage of people on the organization's governing bodies for each of the following diversity categories:

## i. Sex

SEX	Quantity	Percentage
FEMALE	71	8%
MALE	854	92%
<b>General total</b>	<b>925</b>	<b>100%</b>

## ii. Age group: under 30, between 30 and 50, over 50

< 30 years old	30-50 years old	50 years old <
7%	63%	31%

## iii. Other diversity indicators, where applicable (such as minority groups or vulnerable groups)

	%
<b>VULNERABLE POPULATION</b>	<b>0%</b>

The percentage of employees by job category for each of the following diversity categories:

## i. Sex

	ADMINISTRATIVE STAFF		OPERATORS	
SEX	Quantity	Percentage	Quantity	Percentage
FEMALE	68	26%	3	0.5%
MALE	192	74%	662	99.5%
<b>General total</b>	<b>260</b>	<b>100%</b>	<b>665</b>	<b>100%</b>



## ANNEXES

### ii. Age group: under 30, between 30 and 50, over 50

TYPE	< 30 years old	30-50 years old	50 years old <
ADMINISTRATIVE STAFF	13%	79%	8%
OPERATOR	4%	57%	39%

### iii. Other diversity indicators, where appropriate (such as minority groups or vulnerable groups)

	%
VULNERABLE POPULATION	11%
Senior citizen (>60 años)	11%
LGTB Community	0.1%

### GRI3-3

To evaluate the approach to safety and health management at work, we seek to prevent accidents at work, as well as occupational diseases. Therefore, the following indicators have been established:

**Safety Weighted Index (ISP):** It measures the degree of total accident rate, considering lost time accidents (CPT), non-lost time accidents (SPT) and First Aid (PA). It is calculated using the following formula:

$$\text{ISP} = 0.55 \text{ CPT} + 0.35 \text{ SPT} + 0.10 \text{ PA}$$

**Severity Rate:** measures the severity of accidents by calculating the number of days lost per million hours worked.

**Safety System Management Index (IGSS):** It quantifies the compliance of safety management tools that seek to prevent occupational accidents and illnesses. Included in this indicator are the timely attention to reports of occurrences, the safety time of the facilitators, the planned general inspections (IGP), the behavioral approaches and communication and participation of the employees.

#### 2017-2022 ISP annual evolution



*With the exception of 2020, which was an atypical year due to the COVID 19 situation (operations paralyzed for 2.5 months), the ISP trend has been to decrease each year.*

## ANNEXES

In 2022, the leadership of our company established the annual limits and goals for the management of Industrial Safety. The indicators were designed by analyzing and assessing the results of the last three years.

### Information on occupational health and safety policies, management systems and tools.

The activities for the Hazard Identification and Risk Assessment (IPER), and the associated control measures are carried out following the provisions of Act 29783 and based on the reference of the Ministerial Resolution (RM) No. 050-2013-TR. The IPER matrix is updated annually and when:

- Changes are made in processes, equipment, materials, supplies, tools and work environments that affect the occupational health and safety of workers.

Accidents/incidents occur if necessary.

- Changes are made in labor legislation.
- 

Likewise, we have a series of tools that help us identify hazards, assess risks, as well as investigate accidents, such as:

- HSE software, which allows the recording and processing of events due to unsafe acts and conditions identified by the employees. It is also possible to record the deviations and opportunities for improvement found in the various tools described below:
  - Planned General Inspections
  - Equipment Pre-Use Inspections
  - Inspections of the Occupational Safety and Health Committee.

- Internal and external audits of the Integrated Management System.
- Rejection of Tasks, a tool with which employees are authorized to express themselves, without fear of retaliation, against the existence of extreme and unusual exposures to potential safety, health, and environmental problems, and other exposures to uncontrolled hazards that could put in jeopardy their physical or functional integrity in the short or long term.
- Accident and incident investigation procedure.
- The methodologies used are: the Why Tree and the Ishikawa Diagram.
- Critical Risk Directive.
- Internal Regulation of Occupational Safety and Health (RISST).
- Hazard Identification, Risk Assessment and Control (IPERC) matrices.

At GERDAU-SIDERPERU, we have a series of tools that encourage employee participation and consultation, such as the following:

- Elections of the Occupational Health and Safety Committee (Joint Committee).
- HSE Software.
- Integrated Management System (SIG) Internal and external audits.
- Audit of the Safety System Management Index (IGSS).
- Rejection of Tasks.

## ANNEXES

### Safety indicators

Programs	Scheduled courses	Progression Status	General Status
Safety and Health	Fault treatment	92%	81%
	Information Security	74%	
	SIG	91%	
	Water resources	88%	
	Active Care	88%	
	Hot working	80%	
	Ergonomics	50%	

### PROMOTION OF WORKERS' HEALTH GRI 403-6

All our own employees and third parties have access to primary care services 24 hours a day, 7 days a week within our facilities, as well as different forms of medical insurance such as Social Security, Complementary Risk Work Insurance (Universal), Self-funded Family Health Insurance (Program self-supported by the company and employees), as well as contracts with Health Care Providers (EPS).

### WORKERS COVERED BY A HEALTH AND SAFETY MANAGEMENT SYSTEM AT WORK GRI 403-8

Employees and workers whose work is controlled by the organization and who are covered by an occupational health and safety management system:

Type of worker	No. of workers with coverage	Percentage of workers with coverage
Direct (employees and operators)	927	100%

## ANNEXES

**Employees and workers whose work is controlled by the organization and who are covered by an occupational health and safety management system, subject to an internal audit:**

Type of worker	No. of workers with coverage	Percentage of workers with coverage
Direct (employees and operators)	927	100%
Outsourced	210	100%

**Employees and workers whose work is controlled by the organization and who are covered by an occupational health and safety management system, subject to an internal audit or certification by a third party:**

Type of worker	No. of workers with coverage	Percentage of workers with coverage
Direct (employees and operators)	927	100%
Outsourced	210	100%

### **NEW SUPPLIERS THAT HAVE PASSED SELECTION FILTERS ACCORDING TO SOCIAL CRITERIA GRI 414-1**

The supplier model with choice based on ESG criteria is in planning process. To date it has not been established as the final selection criteria.

## ANNEXES

### CLIENT HEALTH AND SAFETY GRI 3-3

#### 2022 Communication with clients:

- o We maintain different communication channels such as WhatsApp, web platforms, telephone, etc. Our communication is structured according to the commercial work, the qualification of the clients as well as the demand for specific cases.

#### Client satisfaction:

- o NPS 2022: +44 points (result corresponding to clients of the Civil Distribution business, which represents the majority of the organization's sales).
- o CSAT 2022: > 83% satisfaction (result corresponding to clients of the Civil Distribution business, which represents the majority of the organization's sales).

#### Client training programs:

- o Digital Training:

Attendants: Master Builders, Civil Engineers, Engineering Students.

Platform: Facebook (via live link).

Time: Wednesday 7 p.m.

Frequency: Weekly (from February to December).

NPS:+70pts.

Number of trainings 2022: 37 digital trainings.

Topics: construction process techniques, reading of structural plans, assembly of structures with SIDERPERU's products.

Total reach 2022: > 561,000 people.

Certifications Granted 2022: > 16,000 certificates.

- o Face-to-face training:

Attendants: Master Builders.

Carried out in the cities of: Piura, Chiclayo, Trujillo, Chimbote, Arequipa and Cuzco.

Frequency: Monthly (September to December).

Number of trainings 2022: 9 face-to-face trainings.

Topics: SIDERPERU's construction iron bending techniques and reading of structural plans.

Total reach 2022: > 1,300 people.

Certifications Granted 2022: > 1,200 certificates.

## ANNEXES

### Commercial campaigns:

- **Strong Idea: Brand + Star Product.**
- **Concept: SIDERPERU, Resistant Irons.**
- **Reason Why:** the challenge is to impact the mass audience and strengthen our position in potential and existing consumers. Reinforce the brand-product association in a massive way. We directly attack the pain of the public with the message: SIDERPERU, Resistant Irons. This message helps to identify the brand with the flagship product (construction iron) and reinforces the message with a relevant attribute for Master Builders and Work Owners, who want to have a resistant product and, due to the fact that we are a seismic country, that their project will last for more than 100 years.
- **Actions conducted:**
  - ATL: advertising panels, advertising LED screens, murals, mobile billboards, public transport advertising.
  - BTL: point-of-sale management with a third-party merchandising team, point-of-sale advertising (posters, eye-catching, facade painting, signaling flags, advertising banners).
  - Digital: SEM and SEO actions, digital advertising in Retail, digital communication pieces on social media
- **Duration: From September to December 2022.**

SIDERPERU's Steel complex in Chimbote.





# GRI CONTENT INDEX

<b>Declaration of use</b>	GERDAU-SIDERPERU has prepared the report in reference to the GRI Standards for the period between <b>January 1 and December 31, 2022.</b>
<b>GRI 1 used</b>	GRI 1: Fundamentals 2021

GRI Standard	Content	Page No.	Omission		
			Omitted Requirement s(s)	Justification	Explanation
General Content					
GRI 2: General Content 2021	2-1 Organizational details	3,7			
	2-2 Entities included in the organization’s sustainability reporting	66			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	3			
	2-6 Activities, value chain and other business relationships	7,8,9,10			
	2-7 Employees	72			
	2-9 Governance structure and composition	13,14,15			
	2-11 Chair of the highest governance body	13			
	2-12 Role of the highest governance body in overseeing the management of impacts	13,14,15,66			
	2-15 Conflicts of interest	14,67			
	2-18 Evaluation of the performance of the highest governance body	13,14,18			
	2-22 Statement on sustainable development strategy	4,5			
	2-23 Policy commitments	11,12,68			
	2-25 Processes to remediate negative impacts	69			
	2-26 Mechanisms for seeking advice and raising concerns	69,70			
	2-27 Compliance with laws and regulations	16			
	2-29 Approach to stakeholder engagement	19,20,21			
	2-30 Collective bargaining agreements	24			

# GRI CONTENT INDEX

Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22,23,24			
	3-2 List of material topics	22,23,24			
Economic Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	26,28			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	26,27			
GRI 3: Material Topics 2021	3-3 Management of material topics	16,17			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	16,17,18			
	205-2 Communication and training about anti-corruption policies and procedures	16,17,18			
	205-3 Confirmed incidents of corruption and actions taken	16,17,18			
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	28			
Environmental Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	30,31,32			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	35			
GRI 3: Material Topics 2021	3-3 Management of material topics	36			
GRI 303: Water and Effluents 2018	303-5 – Water Consumption	37			

# GRI CONTENT INDEX

GRI 3: Material Topics 2021	3-3 Management of material topics	40			
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	38, 39			
	305-2 Energy indirect (Scope 2) GHG emissions	38, 39			
	305-3 Other indirect (Scope 3) GHG emissions	38, 39			
GRI 3: Temas Materiales 2021	3-3 Management of material topics	40			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	40			
	306-2 Management of significant waste-related impacts	40			
	306-3 <b>Waste generated</b>	41			
Social Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	44, 71			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	45			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45			
GRI 3: Material Topics 2021	3-3 Management of material topics	50,76,77			
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	50			
	403-2 Hazard identification, risk assessment, and incident investigation	52,53,54			
	403-3 Occupational health services	52,53,54			

## GRI CONTENT INDEX

	403-4 Workers participation, consultation, and communication on occupational health and safety	52,53,54			
	403-5 Workers training on occupational health and safety	52,53,54			
	403-6 Promotion of worker health	52,53,54,78			
	403-8 Workers covered by an occupational health and safety management system	52,53,54			
	403-9 Work-related injuries	52,53,54			
	403-10 Work-related ill health	52,53,54			
GRI 3: Material Topics 2021	3-3 Management of material topics	46			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	46,47,74			
	404-2 Programs for upgrading employee skills and transition assistance programs	46,47			
	404-3 Percentage of employees receiving regular performance and career development reviews	48			
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49,75			

## GRI CONTENT INDEX

GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	61,62,63,64			
GRI 3: Material Topics 2021	3-3 Management of material topics	55,58			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	58			