

## ESG ANNEXES 2022

### 1. Economic and Governance Indicators

#### 1.1. Sustainability Taxonomies

In Peru, there isn't a framework for sustainable finance taxonomy. Due to that, SIDERPERU have voluntarily mapped their operations to Green Taxonomy of Colombia.

On this framework, economic activities are classified on seven categories: energy, construction, waste management and emissions capture, water supply and treatment, transportation, information and communication technologies, and manufacturing. In the last one, the category of Components for the manufacture of iron and steel was identified. Our steel manufacturing process is taxonomy-aligned to this category since our main input is ferrous scrap.

According to Green Taxonomy of Colombia, secondary steel production (i.e. the use of recycled scrap steel) because its emissions are significantly lower than those of its primary production and given its contribution to the circular economy.

#### 1.2. Materiality

- Material Issues for Enterprise Value Creation

	<i>Issue 1</i>	<i>Issue 2</i>	<i>Issue 3</i>
<b>Material Risk or Opportunity</b>	Availability of scrap (raw material) to support market growth	Loss of local productive capacity - technological obsolescence	International steel price and local competition
<b>Business Impact</b>	Supply Chain Management	Innovation Management	Responsible Marketing & Labelling
<b>Category</b>	Risk	Risk	Cost
<b>Target year</b>	2025	2025	2025

#### 1.3. Tax reporting

We only report about SIDERPERU, whose corporate name is EMPRESA SIDERURGICA DEL PERU S.A.A with RUC number 20402885549. This is the only resident entity, whose geographical and fiscal scope is Peru.

Primary activity: SIDERPERU is mainly engaged in production and trade of steel products and serves civil construction, industry and mining markets, the company is empowered to be engaged in all activities allowed by Peruvian law, particularly those related to the steel industry.

Number of employees (2022): 925

<i>(in millions of soles)</i>	<b>2021</b>	<b>2022</b>
<b>Revenue</b>	2,439	2,743
<b>Profit before tax</b>	461	321
<b>Income tax paid</b>	138	252
<b>Cash taxes paid</b>	97	148

## 2. Environmental Indicators

### 2.1. Environmental Violations

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<i>Number of violations of legal obligations/regulations</i>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<i>Amount of fines/penalties related to the above. (Soles/PEN)</i>	<b>0</b>	<b>0</b>	<b>895,756.40</b>	<b>0</b>
<i>Environmental liability accrued at year end.</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 3. Social Indicators

### 3.1. Workforce Breakdown

#### 3.1.1. Gender

<b>Diversity Indicator</b>	<b>Percentage (0 - 100 %)</b>
Share of women in total workforce (as % of total workforce)	8
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	18
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	33
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	30
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	33
Share of women in STEM-related positions (as % of total STEM positions)	21

#### 3.1.2. Nationality

#### 3.1.3. Freedom of Association

<b>% of employees represented by an independent trade union or covered by collective bargaining agreements:</b>	<b>56.5</b>
-----------------------------------------------------------------------------------------------------------------	-------------

There is a total of 523 of our employees who are unionized.

### 3.1.4. Fatalities

Given the strong safety culture, we have no record of fatalities:

	2019	2020	2021	2022
Employees	0	0	0	0
Contractors	0	0	0	0

The safety of people is a principle that supersedes all of its other purposes and priorities. No result is more important than protecting people's lives. "Safety above all" is the top priority among Siderperu's principles.

The Company maintains a safe and healthy workplace for its employees and invests regularly in improving working conditions and training. It maintains a series of internal health and safety requirements and complies with all legislation of the countries where it operates.

### 3.2. Human Rights

Human Rights Due Diligence Process: In 2022, we have proactively conducted an assessment of potential human rights issues as part of an integrated risk management initiative. This evaluation will be every year.

For this first evaluation, we carry out the risk identification only in our own operations, but we have contemplated for the next years to carry out said evaluation also for our value chain.

In this assessment, we do not cover the following issues because we have already eliminated those risks in our operations, and we are very careful to extend and promote those guidelines in our value chain:

- Forced labor
- Human trafficking
- Child labor

Process	Business Risk (Human rights issues covered/identified)	Risk detail	Groups at risk
People management	Discrimination	Harm the work environment, contradicting one of our principles: diverse and inclusive environment / Damage our relationship with the community.	Own employees/ Women/ Local communities
People management	Equal remuneration	Gender pay gap	Women
People management	Freedom of association	Putting the relationship with more than 50% of our collaborators who are unionized at risk.	Own employees
People management	Right to collective bargaining	Deterioration of the relationship with the two unions.	Own employees

## Human Rights Mitigation and Remediation

### Governance

We have the following committees to address the different cases that could arise due to violation of human rights:

- \*Diversity Committee
- \*Occupational Health and Safety Committee
- \*Intervention Committee against sexual harassment in the workplace

**Scope:** Guidelines related to this topic are mandatory for all employees, regardless of where they operate:

- \*Chimbote (810)
- \*Lima (106)
- \*Otros: Arequipa (2), Trujillo (3), Huancayo (1) and Chiclayo (3).

### Mitigation actions:

- \*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.

### Remediation:

To date, SIDERPERÚ has not reported any incidents of human rights violations. Therefore, we have not had to apply any remedial measure.

Complaints related to these issues may be presented through the following 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

Evolution of complaints received through the Ethics Channel:

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

Neither of the two admissible complaints of 2022 was related to the issue of human rights, nor was the partially admissible one.

### 3.3. Customer Satisfaction Measurement

	2020	2021	2022
Customer satisfaction level	<b>88</b>	<b>89</b>	<b>83</b>

Percentage of satisfaction of all customers who answered the survey.

### 3.4. Occupational Health & Safety

#### 3.4.1. Lost-Time Injury Frequency Rate (LTIFR)

- Employees

	2019	2020	2021	2022
LTIFR (n/millions of hours worked)	<b>1.60</b>	<b>1.08</b>	<b>2.17</b>	<b>1.30</b>

- Contractors

	2021	2022
LTIFR	0	0.83

Number of hours worked (third-party employees): 707,178 (2021), 1.2MM (2022)

### 3.4.2. Total Recordable Injury Frequency Rate (TRIFR)

- Employees

	2019	2020	2021	2022
TRIFR (n/millions of hours worked)	3.20	1.08	1.71	1.73

- Contractors

	2021	2022
TRIFR	1.41	0

Number of hours worked (third-party employees): 707,178 (2021), 1.2MM (2022)