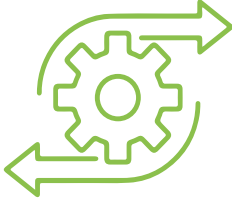
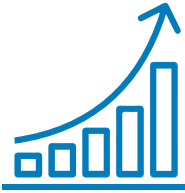




# SUSTAINABLE MANAGEMENT REPORT 2024

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We're shaping a **better future**

## LETTER FROM THE CHAIRMAN

**Dear customers, suppliers, collaborators and stakeholders in general:**

I am pleased to present our second Sustainable Management Report: a document that shares our environmental and social performance. Guided by our purpose of dressing the world with quality, social responsibility and environmental care, we operate with a focus that turns into concrete actions—something we have been strengthening over the past few years.

Through this report, we want to show our stakeholders that doing business with us means being part of a value chain that is respectful and responsible: with the environment, with our team, and with society.

**In 2024, we celebrate 27 years in the market and reached 6.3 million garments exported. Both are important milestones for our operation.** But that's not all: this year we faced several challenges, and we overcame them together as a team and as a family. Guided by our values and a strong commitment to long-term sustainable management, we will keep promoting the Sustainable Development Agenda, building a better future together.

The current context brings important challenges for the industry: from rising operational costs to the uncertainty caused by possible tariff increases in our main destination market, the United States. These factors affect our competitiveness as a company and as a country.

In response to these challenges, we have implemented an Operational Excellence department: a key pillar that helps us stand out by increasing efficiency and allowing us to respond quickly to external factors beyond our control. We truly believe that “efficiency will not only boost our competitiveness, but also create a positive impact on our surroundings.”

**With this in mind, in 2024 we took a special trip to an international manufacturing fair, with a clear goal: to connect directly with the latest technological innovations in our industry and integrate them into our operations. This step is part of a broader project: continuing our journey toward becoming an increasingly efficient company.**

This transformation will also involve key areas such as sustainability, organizational redesign, and planning a smooth succession process.

Next year, we hope to keep building on these advances, and without further ado, I invite you to read this report.

Jorge Velarde-Álvarez  
Chairman





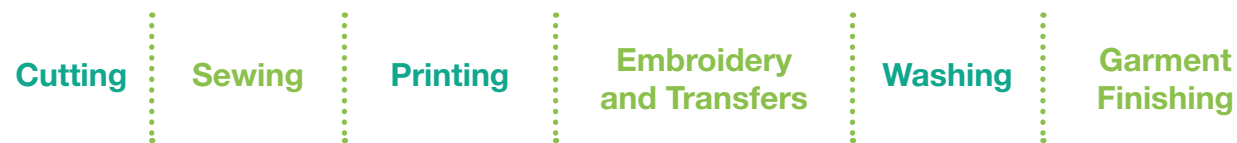
1.

## Who We Are

We are Southern Textile Network (STN), a company founded by a group of Peruvians that, for over 27 years, has been supplying key international markets with premium-quality knitwear.

At STN, we work with cutting-edge technology, adopting technical innovations that allow us to deliver excellence and meet global standards. We also have a highly experienced team that ensures the quality, fill rate, and timely delivery of our products.

Our production is secured thanks to our own manufacturing plant: Cut, Make and Trims del Sur (CMT del Sur), located in the city of Chincha, about 200 kilometers south of Lima. There, we carry out the following operations:



### 1.1. Purpose and Values

At STN, our actions are driven by our purpose and values.



**Our purpose:** To dress the world with quality, social responsibility, and environmental care.



**Our mission:** To offer the best textile solutions with excellent and flexible service.



**Our vision:** To be a benchmark in the Peruvian textile industry, achieving full customer satisfaction, developing our employees, and contributing to society.

#### Our Values



Obsession with the customer



Results-oriented



Sustainability



Teamwork



Innovation



Quality



Productivity

Our culture, as an essential part of our DNA, is reflected in every action taken by the shareholders, managers, and employees who make up this great team. Sustainability, integrated as one of the core values of our business, is managed across various teams under the leadership of our general manager. Additionally, we share this commitment with our main suppliers, who endorse our Code of Conduct, thereby strengthening our responsible and ethical value chain.

### 1.2. Key Figures

- Number of clients:  
**+45 clients** since the start of operations
- Number of employees in 2024:  
**1,750** (59% women and 41% men)
- Sales in 2024:  
**US\$ +70 million**

- Garments exported in 2024:  
**6.3 million**
- Export destinations:  
USA, Mexico, Canada, Panama, Colombia, Ecuador, United Kingdom, South Africa, Spain, Australia, and Japan





### 1.3. Certifications

Certifications help us in the continuous improvement of our processes and keep us at the forefront of the market. In this regard, we hold international certifications related to sustainability, which reinforce our commitment to social and environmental issues.

Additionally, we participate in evaluations, audits, and client visits, which we complete with outstanding performance. In August 2024, we were audited under the four pillars of SMETA (social responsibility, health and safety at work, environment, corporate ethics), where our Integrated System (comprehensive labor policies, site licenses and certifications) and fair wages (providing additional benefits such as free healthcare at the plant, food and transportation subsidies, among others) were highlighted as best practices.

Furthermore, we achieved 100% compliance in the Workplace Conditions Assessment (WCA) audit, Think Green Initiative (Think), and Global Security Verification, conducted by the auditing company INTERTEK, earning international recognition.

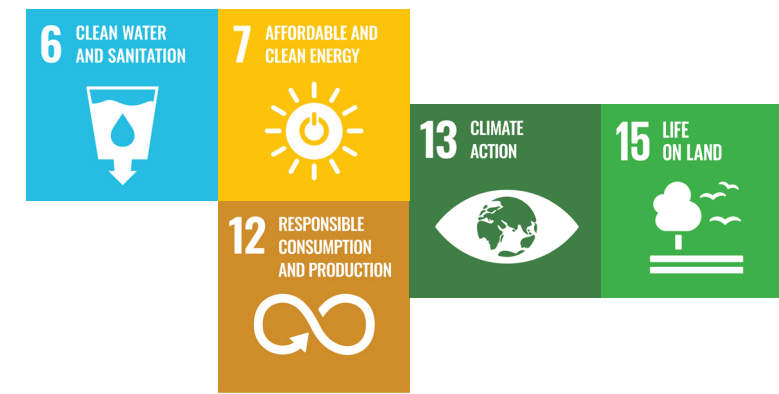
Our certifications include:

| Certification                                                                       | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | We have held the WRAP certification for over 17 consecutive years and were one of the first companies in Peru to obtain it. This certification measures compliance with strict social and labor rights criteria, promoting non-discrimination, freedom of association, prohibition of child labor, and occupational health and safety practices, not only internally but throughout the supply chain. It also evaluates environmental criteria. For the past 10 years, we have held the Platinum category, with our certification renewed in February 2025. |
|  | We have been certified with GOTS since 2020. This certification supports the use of organic products in our production and helps reinforce our initiatives and best practices in environmental matters.                                                                                                                                                                                                                                                                                                                                                     |
|  | We have been certified with GRS since 2020. This certification supports the use of products with recycled fibers in our production, further strengthening our environmental initiatives and best practices.                                                                                                                                                                                                                                                                                                                                                 |
|  | Cotton Leads: Since 2021, we have joined the Cotton Leads Program to support sustainable cotton production practices. This enables us to connect with textile suppliers, build networks, and be part of important associations.                                                                                                                                                                                                                                                                                                                             |
|  | Since 2021, we have been members of the U.S. Cotton Trust Protocol, which offers full transparency and traceability of American cotton throughout the entire supply chain.                                                                                                                                                                                                                                                                                                                                                                                  |
|  | Since 2019, we have been using the Higg Index methodology to measure the environmental impact of our operations. Since 2022, this has been verified by international auditors.                                                                                                                                                                                                                                                                                                                                                                              |

### 1.4. Sustainability Vision

We are convinced that sustainability is the way forward and a key factor to ensure our continuity. We firmly believe in the importance of environmental care and aspire to establish ourselves as a sustainable company over time. For this reason, our actions are aligned with the objectives set out in our 2030 Sustainability Plan.

Through our commitment to sustainable management, we promote the following Sustainable Development Goals (SDGs):



## 2. Value Chain

We have a strong network of strategic partners that make up our value chain in the textile sector, allowing us to offer a wide variety of products and fabrics that meet high-quality standards.

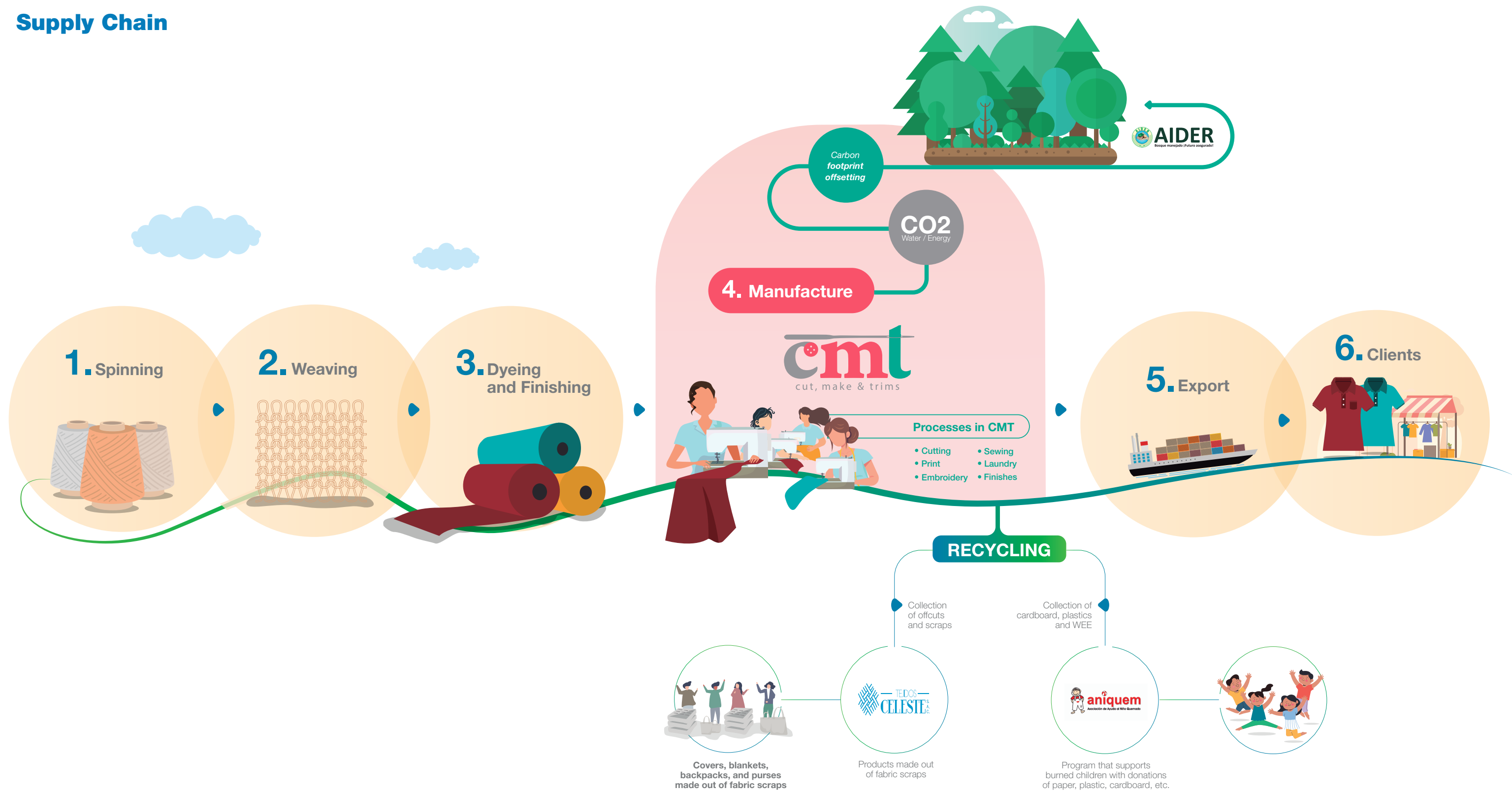
Collaboration with our partners is reflected in every stage of our processes: spinning, knitting, and dyeing. The garment manufacturing is carried out at our own plant, CMT del Sur, while STN handles the export process by outsourcing the transport and safeguarding of goods to the port of shipment.

Committed to sustainability, we manage our textile waste by delivering it for the production of blankets, backpacks, and bags, and we donate recyclable solid waste to support charitable causes.





## Supply Chain



## 2.1. Our Operations

Our operations include:

### Manufacturing Plant – Chinchá:

Our manufacturing plant, located in Chinchá (Ica), 200 km south of Lima, spans approximately 15,000 m<sup>2</sup> and is equipped with modern machinery, state-of-the-art technology, and a highly skilled workforce in the areas of: cutting, garment making, printing, embroidery, laundry, and garment finishing. This allows us to meet the highest quality standards in the manufacturing of our garments.

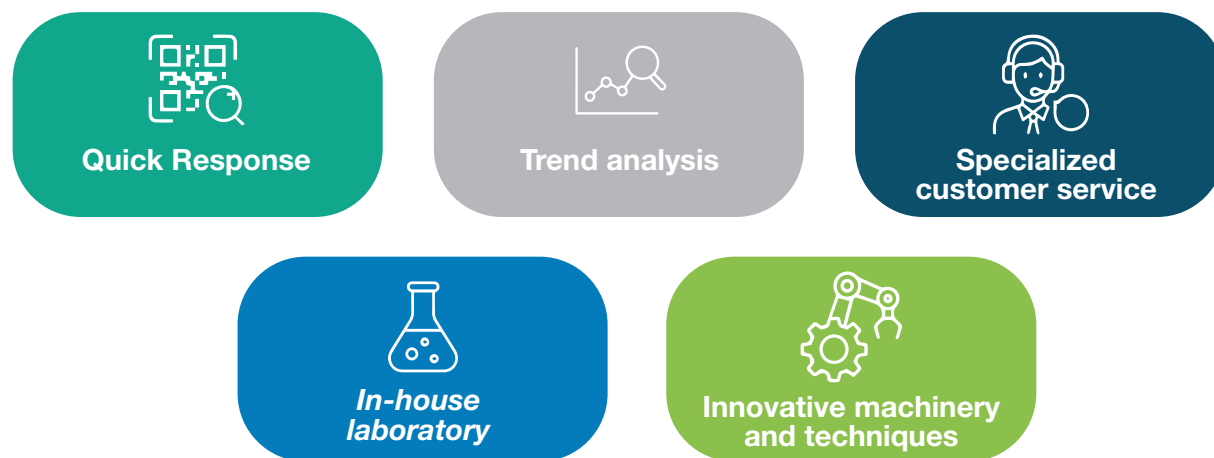
### Administrative Offices – Lima:

At our offices located in Chorrillos, the following departments operate:

- Product Development
- Textile Development
- Color Development
- Commercial Area
- Testing
- Laboratory
- Operations Planning
- Textile Planning, Control, and Procurement
- Systems and Processes
- Management
- Administrative Support

**In STN, our operations are designed to combine innovation, efficiency, and quality at every stage of production.** From material selection to product development and quality management, we work with a comprehensive approach that allows us to adapt to market needs and offer solutions that meet the highest standards.

Our operational strength is characterized by:



- 1 Materials:**  
Pima cotton with extra-long fibers and regular combed cotton. Artificial cellulose fibers. Polyester and polyamide – discontinuous and continuous filaments. A wide range of national trims.
- 2 Quick Response:**  
It involves maintaining inventories of raw materials or semi-finished products, which, together with capacity reservation management, allow last-minute or scheduled orders to be activated, thus reducing delivery lead times.
- 3 Product Development:**  
We have highly trained talent to assist clients from the crystallization of ideas, design concepts, to the transformation into commercial products.
- 4 Quality Control System:**  
Our commitment to quality is reflected in our management system. We also have our own laboratory with ISO 9001 certification, which allows us to control manufacturing processes and carry out complete testing analysis.
- 5 Trend Analysis:**  
At STN, we dedicate resources to the research and development of new materials, techniques, and functional attributes that later become part of our product offering.
- 6 Certified Sustainable Materials:**  
We use materials with globally trusted certifications to ensure that your sustainability efforts are solid and verifiable.

In addition, **during 2024, we managed the following indicators** related to our production capacity:

- **Sample production capacity:** 2,000 garments/month
- **Cutting production capacity:** 20,000 garments/day
- **Sewing:** 550,000 garments/month
- **Laundry:** 3.5 tons/day
- **Screen printing:** 420,000 prints/month
- **Embroidery:** 9.4 million stitches/day
- **Lead times:** \_\_\_\_\_



Production time: 75-120 days  
Prototype time: 15-30 days  
SMS (Salesman Samples)  
time: 60 days





## 2.2. Suppliers

Strategic partnerships with our textile suppliers allow us to work with a wide range of fabrics made from natural fibers and man-made fibers. In 2024, we worked with more than 10 textile suppliers, who formed part of our value chain and whom we consider strategic partners.

Since it is a long-term partnership, and with sustainability in mind, we strive to ensure that our suppliers incorporate this value. In this regard, we aim for our partners to comply with and integrate a series of actions to implement good practices, ensuring they share our sustainable goals. In 2024, 3 of our main suppliers conducted a self-assessment of their environmental management based on the Higg Index standard. In the coming years, we will continue supporting them in this process, encouraging continuous improvement and the verification of their systems by third parties.

## 2.3. Clients

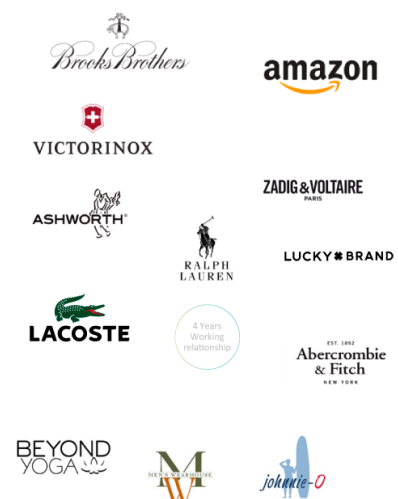
Our portfolio of over 15 clients is broad and diverse, reflecting our ability to provide a service that stands out for its quality and personalized attention.

We understand that our clients' expectations vary, covering aspects such as sustainability, quality, price, flexibility, or other specific elements. Therefore, our approach is focused on providing exceptional service, ensuring outstanding attention that adapts to the needs of each client.

### Current Brands



### Past Brands



## 3.

## Operational Excellence

### 3.1. Financial Performance

2024 marked a key year for STN, **with significant achievements in our financial operations despite the challenges facing the industry.** Our sales growth exceeded last year's figure by 20%, bringing us very close to the company's historical record, making us the second largest exporter of garments in Peru.

However, as we move into 2025, we face a challenging outlook for our industry. Our operating costs will increase due to the rise in the minimum wage in Peru, which could limit our margins and investment capacity. Finally, on the international front, the change in government in the United States, our main market, could lead to potential tariff increases that threaten our competitive position. **Nevertheless, we believe that through efficiency and innovation, we can overcome these challenges.**

### 3.2. Operational Efficiency

At STN, we believe that efficiency not only generates operational benefits but also helps us improve our performance in sustainability. By optimizing the use of resources and time, we reduce our environmental impact, contributing to a more sustainable operating model.

Operationally, we conduct monthly monitoring of key performance indicators (KPIs) that assess the plant comprehensively, covering aspects such as on-time deliveries, fill rates, portfolio concentration, production efficiency, fabric waste, surplus generation, quality ratios, employee turnover, and more. In case of any deviation, the causes are identified, and the necessary adjustments are made. This continuous monitoring process allows us to update our goals annually, maintaining a dynamic and improvement-driven approach.

In our pursuit of excellence, we have established a team dedicated to operational efficiency, led by a management team formed in 2024, working from our production plant. We firmly believe that innovation comes from the people involved in daily operations, who recognize challenges and propose solutions, becoming the true drivers of change.

This initiative reinforces our commitment to our human talent, becoming a seed we have integrated into our corporate DNA. By 2025, we aim to have a trained team that will multiply this approach, integrating the Lima team and extending it in the medium term to our suppliers as well.





### 3.3. Innovation

Being a competitive and efficient company is essential for us, as we compete at a global level. In this context, in 2024, we launched the “Gran Prix Fórmula 1” contest, where our employees identified needs or problems and proposed their solutions using the Kaizen methodology and innovative initiatives. The winning ideas were as follows:



- **Implementation of a digital application that uses barcodes instead of physical tickets in the transportation service we provide to our employees.** This solution facilitates passenger control and reduces the administrative workload, benefiting more than 400 people with a more agile transportation service.
- **Development of an application that allows employees to access information** about their contracts and vacations through tablets, eliminating the need to visit the Human Resources office.
- **Optimization of the operation in automatic sewing machines,** which has reduced the need for two operators to just one, increasing efficiency and productivity through a simple change in the operation method.

**On the other hand, we have made significant investments and advancements in cybersecurity. Today, we work with solutions based on artificial intelligence that strengthen our practices and mitigate the chances of potential attacks.**



## 4.

### Environmental Management

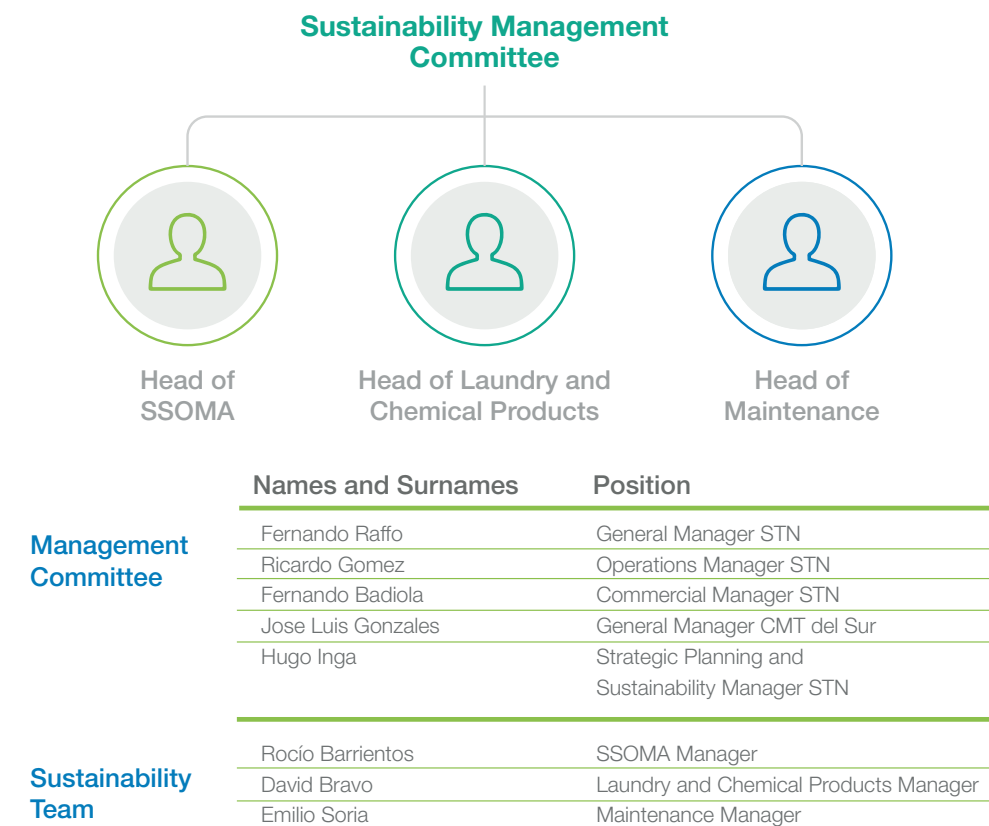
We are aware of the environmental impacts generated by our industry and work to reduce and mitigate them, thinking about future generations. Although our environmental impact is not significant, we pay special attention to minimizing it. At STN, “We sew today, caring for tomorrow,” through responsible environmental management that allows us to take charge of our environmental footprint.

Using the Higg Index tool, we organize and verify our environmental management. To date, we continue to meet relevant certifications such as GOTS, GRS, Higg FEM, and have remained exempt from environmental fines.

**Since 2019, we have applied the Higg Index methodology (Facility Environmental Module – FEM) as a reference in the textile industry to measure and assess the environmental performance of our plant. Since 2022, we have conducted an annual external verification by an authorized international certifier. In the 2024 evaluation, we maintained a positive trend in the results compared to the previous year. Despite this progress, we acknowledge that there are still opportunities for improvement, and we are committed to continuing to implement our corrective action plans to improve continually.**

Our environmental commitment is led by a sustainability team, consisting of the SSOMA manager, the Laundry and Chemical Products manager, and the Maintenance manager. This team regularly reports its progress to the Management Committee, ensuring a strategic approach aligned with our environmental goals.

#### STN Sustainability Governance





### The functions of the sustainability team include:

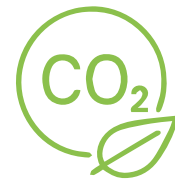
- Ensuring the fulfillment of our environmental purpose.
- Proposing and implementing sustainability initiatives.
- Recertification of sustainability seals.

### The functions of the Management Committee include:

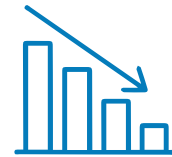
- Establishing the company's environmental guidelines.
- Approving sustainability initiatives and budget.
- Maintaining the environmental management system.

As part of our commitment to responsible management, we have set specific goals that we aim to achieve through a Strategic Plan for 2030:

## Goals for 2030



Be a **carbon neutral company.**



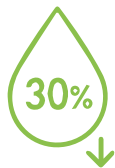
**Reduce** our energy consumption by **10%**



To have **100% renewable energy** in our plant.



**Reuse 20%** of our effluents in production processes.



Reduce our water footprint by **30%**

### 4.1. Emissions and Energy

At STN, we are committed to reducing our carbon footprint and making a positive contribution to climate change. Our main sources of environmental impact come from small emissions, chimneys, and energy consumption. To address these impacts, we have adopted the following measures:

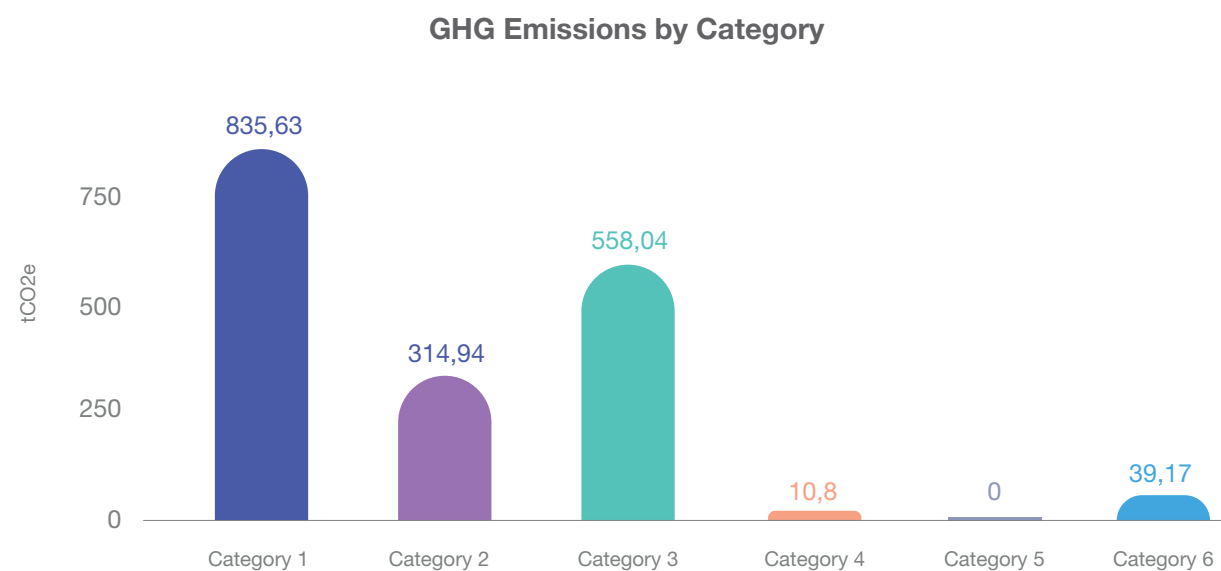
- ➔ Switching to LED lighting technology, achieving 100% implementation by the end of 2023, **resulting in more than 50% energy savings in lighting.**
- ➔ Replacing LPG fuels with **natural gas in printing and dining areas.**
- ➔ Use of **subsidized buses for our employees**, reducing transportation emissions.
- ➔ **Awareness campaigns** on sustainability among our team.
- ➔ Use of renewable energy sources in our production plant. We hold certification for **100% renewable sources.**
- ➔ Installation of **11 meters in operational areas**, allowing us to monitor energy consumption in detail.
- ➔ Replacing conventional motors with **electric motors.**
- ➔ **Upgrading machinery such as the printing "octopuses,"** which are now more modern and energy-efficient.





We measure our carbon footprint annually using MetricoCO2, an application developed by the A2G consulting firm. Its purpose is to simplify the calculation of the carbon footprint, normalizing it into tons of CO2 equivalent per garment produced or per dollar sold. On the other hand, we continue to make progress in the transition to natural gas and other cleaner energy sources. In this regard, in 2024, we renewed our electricity supply contract at the plant with a company that will issue us I-RECs (International Renewable Energy Certificates), which guarantees the renewable origin of the electricity consumed, reaffirming our commitment to sustainability and emission reduction.

Next, we present the carbon footprint measurement for 2023 of our production plant, CMT del Sur:



The three main categories that record the highest greenhouse gas emissions are:

**Category 1**

It represents 47% (835.63 tCO2e) of our total emissions. This is mainly due to the fuels used in our plant operations, with natural gas being the primary source. Compared to the previous year, emissions have decreased, as both the printing area and the dining area switched from LPG to natural gas.

**Category 2**

It represents 18% (314.94 tCO2e) of our total emissions. This amount is entirely due to the electricity consumption from the national grid. To reduce emissions, energy meters have been installed throughout the plant, and operational excellence projects are being considered to replace certain sewing machine motors with more energy-efficient ones.

**Category 3**

It represents 31% (558.03 tCO2e) of our total emissions. In the case of the plant, this mainly refers to the transportation of employees from home to work. The transportation capacity has been increased compared to the previous year in an effort to reduce emissions per dollar sold.



## 4.2. Water

Water is a vital resource, and at STN we are committed to managing it responsibly to ensure its future availability and prevent its depletion. Although our water impact is lower compared to other industries, we strictly comply with environmental regulations and treat our wastewater using flocculants and coagulants.

**The first step toward efficient management was to gather detailed information about our consumption. Since 2019, we have been measuring our water footprint and conducting assessments to better understand how we are managing this resource.**

To move toward more efficient water use, we have carried out the following actions:

- Installation of eight flow meters in the plant to monitor internal water usage. This analysis revealed that nearly 50% of water consumption takes place in restrooms, while the laundry area accounts for approximately 40%.
- Installation of faucets with automatic shut-off in all restrooms.
- Pilot project with toilets equipped with flushometers and sensors to automate water use.
- Awareness campaigns and contests involving employees and their families to promote responsible water use.
- Implementation of a primary wastewater treatment plant, complying with environmental standards (BMA).
- Optimization of water use in the Laundry area through the installation of PLCs in the washing machines. This allows us to reduce and control water consumption in each cycle, optimizing times and reducing the generation of wastewater in the plant.



### 4.3. Waste

Waste generation is one of the biggest environmental challenges we face, and at STN we work to minimize its impact and turn it into opportunities for the circular economy. Fabric scraps, trimmings, and leftover materials make up the largest volume of solid waste in our plant.

Proper waste management not only benefits the environment but also creates a positive impact on the economy and society. That's why we maintain strict control over solid waste and run campaigns for the proper disposal of electronic waste, achieving a high standard in our environmental practices.

To manage our waste efficiently and responsibly, we have developed key strategic partnerships that extend the positive impact beyond our operations:



**ANIQUEM:** we donate paper, cardboard, and waste from electrical and electronic equipment (WEEE), helping raise funds for their social work in treating and rehabilitating children with burn injuries. In 2024, we donated 9.10 tons of waste.



**Tejidos Celeste:** we deliver fabric waste that is transformed into blankets, throws, bags, and backpacks, promoting a circular economy practice. In 2024, we delivered 65.3 tons of waste.

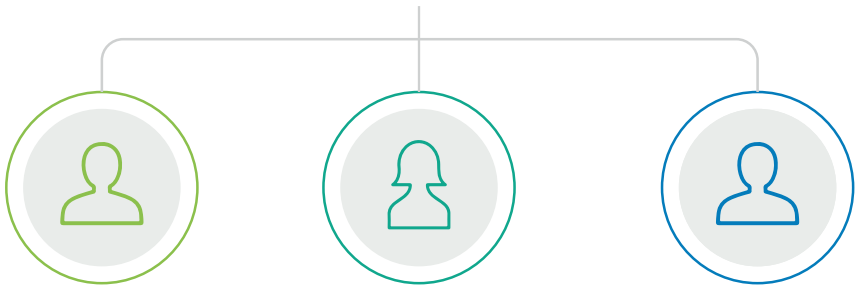


## 5.

### Social Management

Our commitment to sustainable management goes beyond our operations. Introducing social responsibility into the value chain means identifying and assessing our stakeholders in order to implement impactful initiatives.

#### Social Responsibility Management Committee



#### Management Committee

| Names and Surnames | Position                                          |
|--------------------|---------------------------------------------------|
| Fernando Raffo     | General Manager STN                               |
| Ricardo Gomez      | Operations Manager STN                            |
| Fernando Badiola   | Commercial Manager STN                            |
| Jose Luis Gonzales | General Manager CMT del Sur                       |
| Hugo Inga          | Strategic Planning and Sustainability Manager STN |

#### Social Responsibility Team

|                         |                               |
|-------------------------|-------------------------------|
| José Matías             | Head of Administration and HR |
| Celia Ramos/ Lady Leyva | Social Workers                |
| Rocío Barrientos        | Head of SSOMA                 |

#### The functions of the sustainability team include:

- Ensuring compliance with our social purpose.
- Proposing and executing social responsibility initiatives.

#### The functions of the Management Committee include:

- Establishing the company's social responsibility guidelines.
- Approving social responsibility initiatives and budget.



## 5.1. Our People

At STN, we are a company that cares about its people. We go beyond regulations, aiming to positively impact the well-being of our employees, their families, the community, and leave a legacy for future generations.

This commitment is also reflected in our recognitions and certifications. We hold the Worldwide Responsible Accredited Production (WRAP) certification in the Platinum category for over 17 consecutive years. Having WRAP, based on 12 principles, guarantees our ethical production practices, respect for labor rights, worker safety and health, environmental protection, and supply chain security.

In fact, our policies and procedures are aligned with WRAP principles such as:

- ➡ Equal opportunities for all.
- ➡ We do not tolerate forced labor.
- ➡ We do not tolerate harassment or discrimination of any kind.
- ➡ We are against child labor.
- ➡ We care for the safety and health of our employees.
- ➡ We provide fair employment and respect working hours.
- ➡ We respect the right to association and collective bargaining.

Another milestone in 2024 was that, for the second consecutive year, we won first place in the Ministry of Labor's (MINTRA) Good Labor Practices Contest, in the categories of forced labor and child labor. As part of our best practices, we have conducted training sessions both in the workplace and in schools, educating on the importance of eradicating child labor.

We strive to provide the best work environment possible within our capabilities, as our goal is for our employees to feel good and comfortable. For this reason, every two years, we carry out a work climate survey to evaluate areas where we can improve.



### 5.1.1. Recruitment and Staff Turnover

We have increased the number of employees, offering decent and stable jobs. For next year, we plan to expand our plant with an extension that will allow us to add new sewing lines. This growth will generate additional employment for more than 100 people, strengthening our operational capacity and contributing to local economic development.

#### Our employees during 2024:



High turnover presents a challenge shared by the industry, impacting costs, efficiency, and productivity. To mitigate turnover, **in early 2025, we conducted a thorough study with a specialized consultancy, which is allowing us to design and implement initiatives such as the continuous development of leadership capabilities for managers and supervisors**, improvement of sewing training programs, enhancement of employee onboarding processes (employee experience), ongoing evaluations, among others. In Chincha, we have already made significant progress, reducing turnover by approximately 20% in the past two years. However, there is still work to be done in attracting, developing, and retaining talent.

### 5.1.2. Organizational Structure Changes

In the last two years, we have incorporated two new managers as part of our succession plan: the Deputy Manager of Operations and the Manager of the Product Development Unit (UDP). This plan involves transitioning managerial roles to the next generation in the short term. During this year, we have made progress in consolidating key positions for succession both in the plant and in the administrative offices. Additionally, we have recruited and strengthened some strategic positions to build a more horizontal organizational structure in decision-making.

Therefore, we are working to promote greater agility in decision-making, encouraging delegation, and strengthening the roles of middle management. This process requires time and knowledge to design a more agile and participatory organization.





### 5.1.3. Employee Benefits

Being part of our organization means taking on significant responsibilities, but also enjoying important benefits. From the Human Resources area, we have designed a series of programs and benefits for our employees and their families, reinforcing our commitment to their well-being.

#### The main benefits we offer are:

- **Transportation and meal** subsidies for our plant staff.
- Applications for technical **higher education** scholarships with **SENATI and CIBERTEC**. Higher university education agreements with the Universidad Autónoma de Ica and the Universidad San Juan Bautista.
- **Education agreements** for the children of employees with the Ada and Byron schools.
- **Health agreement** with the Los Vásquez clinic (Chincha) and WSH (Lima).
- **Health campaigns:** We conduct 10 health campaigns each year, such as vaccinations against influenza, tetanus, pneumococcus, and screenings for cervical cancer, breast cancer, etc.

The social activities for our employees include:



#### Labor Day:

We raffle household appliances among our plant staff and give special recognition to employees who reach 6, 10, 14, and 18 years of service.



#### Sustainability Halloween:

In October, we invite our employees from the Lima office to a costume contest made from recycled materials, where they also perform a dance routine featuring traditional Peruvian dances.



#### Children's Christmas:

The goal is to provide a moment of fun and joy during the holiday season. We invite the children of our plant employees to a children's show, giving gifts to all attending children and raffling additional toys.



#### Christmas Peruvian Dance Contest:

In December, teams from Lima register to perform typical Peruvian dances related to Christmas. It is one of the most anticipated events of the year.



#### Two annual fellowship tournaments:

These are sports tournaments aimed at promoting inclusion, teamwork, and camaraderie in the plant. There are teams for both men and women who play weekly. In the Lima office, we also hold a tournament in September.



#### Year-End Party:

At the end of the year, the Lima office hosts a gathering to share a moment of camaraderie with all colleagues.

The quality of life improvement projects for employees and their families in 2024 included:

- **Subsidized Eternit Tanks Sale:** Concerned about the need for water collection and storage among our employees, we held a sale of subsidized tanks (1,100 liters) at 70% off for 95 workers.
- **Subsidized Glasses Campaign:** We organized a free eye exam campaign for employees and their families, covering a portion of the cost for glasses. Additionally, part of the cost for the children's glasses was subsidized.
- **School Gift Cards:** We secured preferential prices and financing for gift cards from Tailoy and other local bookstores, allowing employees to purchase school supplies. Payments were made in installments deducted directly from their payroll.
- **Support for Sports:** We financed the registration of a group of employees in various marathons, such as the Kia Marathon and the Lima Half Marathon, reinforcing our commitment to sports and physical well-being.

### 5.1.4. Health and Safety at Work

For STN, one of the pillars of operational excellence is occupational safety. Our commitment goes beyond regulatory compliance, as we continuously seek to improve our practices.

We constantly face rigorous audits from our clients, such as WRAP and other standards focused on health, safety, and working conditions. These audits have been a constant learning process, and thanks to them, we have been able to maintain outstanding ratings.

In 2024, we allocated more resources to occupational safety management, which has allowed us to give more attention and follow-up to aspects that were previously considered secondary. Additionally, we implemented a tool called "Safety Scorecard." This tool defines what constitutes an accident or incident, assigns responsible individuals by area, collects information, generates statistics, and evaluates safety performance across the entire plant. The results are shared among leaders, highlighting the areas with the best outcomes. This tool provides greater visibility of accidents and incidents, creating statistics that help us identify and track areas for improvement, while also generating valuable learning.



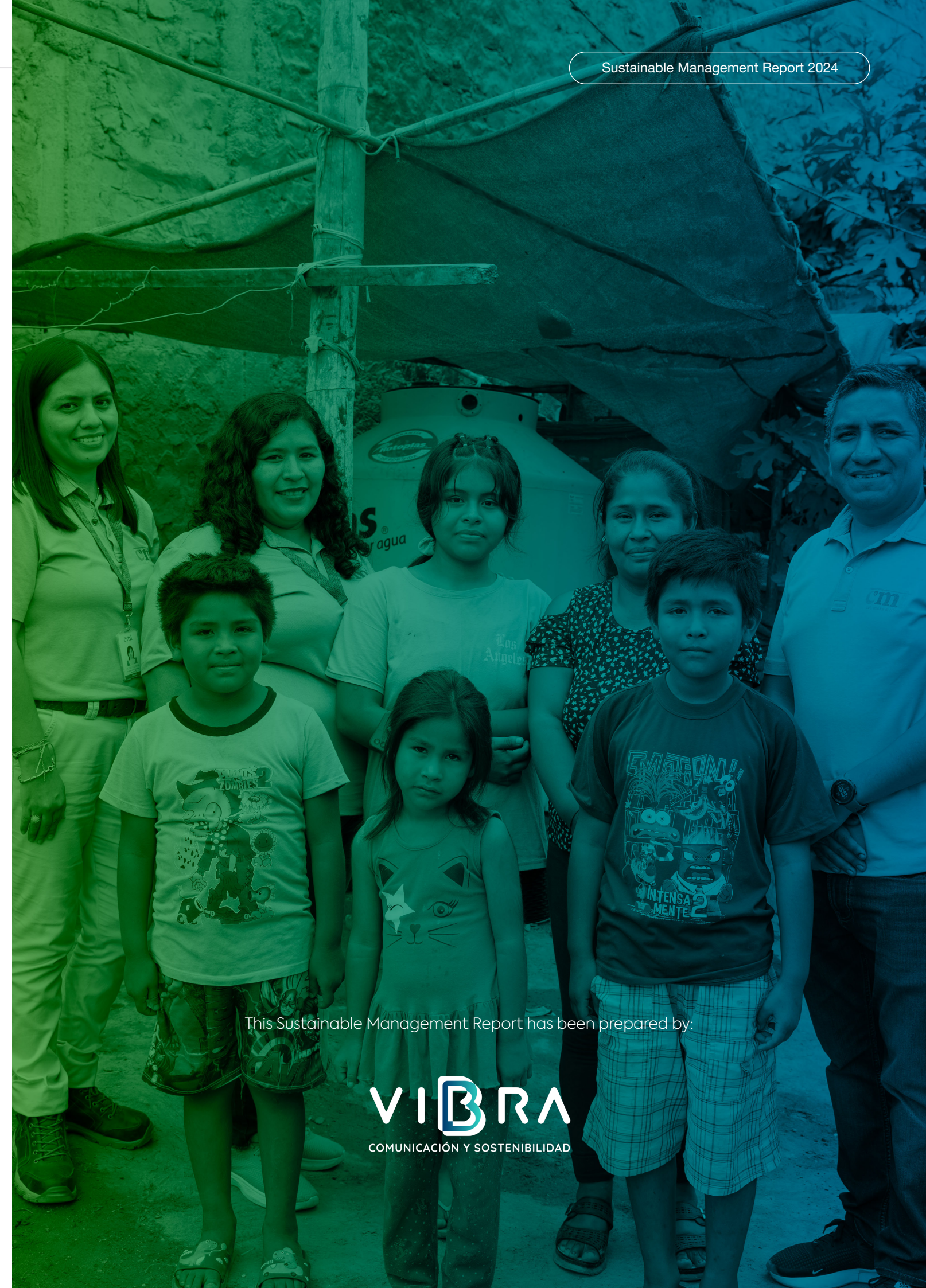


## 5.2. Community Commitment

At STN, our social responsibility not only involves our employees but also extends to our community; that's why we support projects through donations or community services.

As a demonstration of our commitment, we have carried out the following activities:

- ➔ **In Chorrillos**, we have established a partnership with the CEBE Beato Edmundo Rice school, which serves children with different abilities. Through this sponsorship, we have provided support in the form of gifts, classroom painting, children's shows, and more, contributing to the well-being of over 100 children attending the institution.
- ➔ **In Chinchá**, we have made presentations and donations to various schools in our area of influence, such as:
  - **I.E. N° 22685 – SAN MATIAS**, where a complete playground was implemented, sustainability talks were given, benefiting 45 children. Additionally, we donated an industrial kitchen, water filter, and speakers.
  - **I.E. N° 22752 – SAN PEDRO**, where a complete playground was also implemented and sustainability talks were offered, benefiting 95 children. We also donated an industrial kitchen, water filter, a speaker, and a system with a tank and pump to provide the school with permanent access to drinking water.
  - **Colegio Institución Educativa Litardo Bajo**, where training sessions were conducted with children on topics such as discrimination, child labor, sustainability, among others. Additionally, we made a donation of toys for Christmas, giving out more than 150 gifts.
- ➔ **In Chinchá, we held the Christmas campaign**, which gathered all workers to donate gifts for children from nearby communities. More than 450 gifts were collected and delivered to the populated centers of Puquio Santo, Santa Luisa, Campo Alegre, and Nuevo Tambo de Mora.



This Sustainable Management Report has been prepared by:

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