



**COMMITTED TO GROWING
RESPONSIBLY**



Cementos Lima S.A.A.

S U S T A I N A B I L I T Y R E P O R T 2 0 1 1



Cementos Lima S.A.A.

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1. Message from the Management of Cementos Lima S.A.A.

When we speak of sustainable growth and say that companies should adapt to new ways of doing business, this means changing attitudes that demonstrate a commitment to the different stakeholders. A real and effective commitment that creates confidence translates into activities, processes, decisions and strategies applicable to every part of the company, its subsidiaries and stakeholders.

The significance of sustained responsible growth for the governance of the company will be what productivity was a few years ago. Obviously requiring joint work between the public and private sectors and civil society.

Among our stakeholders, we consider that our collaborators, as ambassadors of the company, have a growing importance in its management. Every day internal communications are more and more essential to understanding the company's responsibility policies.

Furthermore, as an extractive industry one of our major challenges is our commitment to local communities. Achieving consensus is a win-win situation empowering communities in the pursuit of their own development in terms of health and environmental stewardship, the creation of job opportunities, education infrastructure and teaching for effective and competitive development as well as promoting the practices necessary for them to acquire genuine skills that enable participation by grass-roots organizations and the community in general.

With this in mind, suppliers, contractors and clients must also take continual care to bring their corporate practices into line with each one, articulating and integrating the actions, processes and decisions necessary for effective, responsible and sustainable management.

A sustainable participation with growth in the market requires an organizational structure that adapts the internal culture to the threats that obstruct the changes necessary to achieve sustainable growth and efficient corporate governance.



Our main milestones and achievements in 2011 were the modernization of the plant and the use of natural gas as an energy source in the production process, which has enabled us to reduce carbon dioxide (CO₂) emissions by approximately 120,000 tons. The efficient use of the Atocongo – Conchan conveyor belt has reduced environmental risks as those arising from transport of raw materials and products, producing important social benefits in the form of new roads, bus stops and parks, improving the appearance of the area, drastically reducing the gas and dust emissions as well as noise caused by heavy trucks.

We have also implemented a waste water treatment plant that is treating 100% of our waste water, thus reducing our consumption of ground water by 35%.

Another of our achievements in 2011 was meeting our cleaner production objective to maintain our leadership within Peru in the sale of carbon credits, becoming one of our permanent challenges in achieving integration with greater impact and improved corporate results.

Because of this, this is the fifth report using the Global Reporting Initiative (GRI) with verification level “B” and the eighth since we started these activities in 2004; in it we share our progress in corporate social responsibility and our commitment to a better future with ethical management, in an objective and transparent manner.

Armando Casis
General Manager
Asociacion Atocongo

Carlos Ugás
Managing Director
Cementos Lima S.A.A.

2. Reporting Parameters

The scope and coverage established by the GRI guidelines for this report are shown below:

- This Sustainability Report is our eighth annual report and the fifth report drafted using the Global Reporting Initiative guidelines (www.globalreporting.org), (3.2, 3.9 and 3.11) which covers the period between the January 1st, 2011 and December 31st, 2011, in which there were no significant changes affecting the content or structure of the organization; we continue to report on an annual basis. (3.1, 3.3, 3.10, 3.11)
- The report covers the social responsibility of Cementos Lima in Villa María del Triunfo – Lima, (3.6), both the factory and administrative offices.
- It is structured in accordance with the directives of the Guidelines for Drafting Sustainability Reports included in version G3 of the Global Reporting Initiative. (3.7, 3.8)
- The report consists of three stages: The diagnostic stage, accumulation of information and content development. Each stage is described in detail below: (3.5)
 - a. Diagnostic stage:
 - Sustainability report benchmarking. Sustainability reports from large international companies were analyzed.
 - Perception of the stakeholders: information was sought through our different channels of communication.
 - b. Materiality test:

This report represents the joint efforts of all the departments that are in daily contact with each stakeholder connected with the company. The materiality test recommended by the GRI was carried out with advice from Peru 2021 and used the following documents as sources of information:

 - Internal conduct regulations
 - Safety regulations
 - Information on stakeholders
 - Detection of needs analysis - direct clients of Cementos Lima, prepared by Ipsos APOYO
 - Diagnosis of social responsibility indices – Cementos Lima, prepared by Peru 2021



- Executive summary of an environmental impact study for the Cementos Lima Atocongo plant modernization project
- Good corporate governance report
- Social responsibility policy
- 2010 Sustainability Report

c. Information accumulation stage:

This stage involves every department in the company, each one is responsible for providing the specific indicators of the GRI in their own fields. The information is compiled centrally by the corporate social responsibility department (Asociación Atocongo).

d. Content development stage:

All the information received is analyzed and the content drafted, taking into account Cementos Lima's social responsibility towards each one of its interest groups.

To make any comments, queries or requests regarding information on the social responsibility of Cementos Lima, please contact:

Martha Azpur

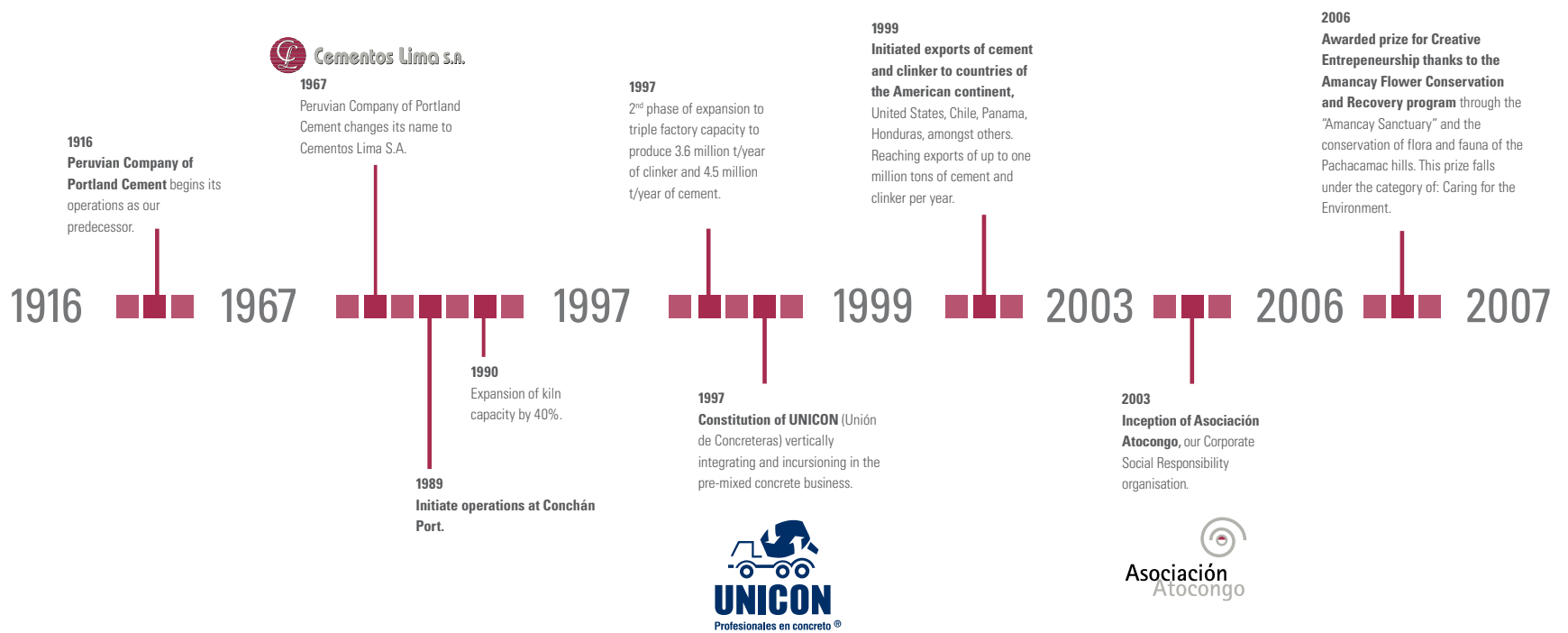
Head of Development Communications

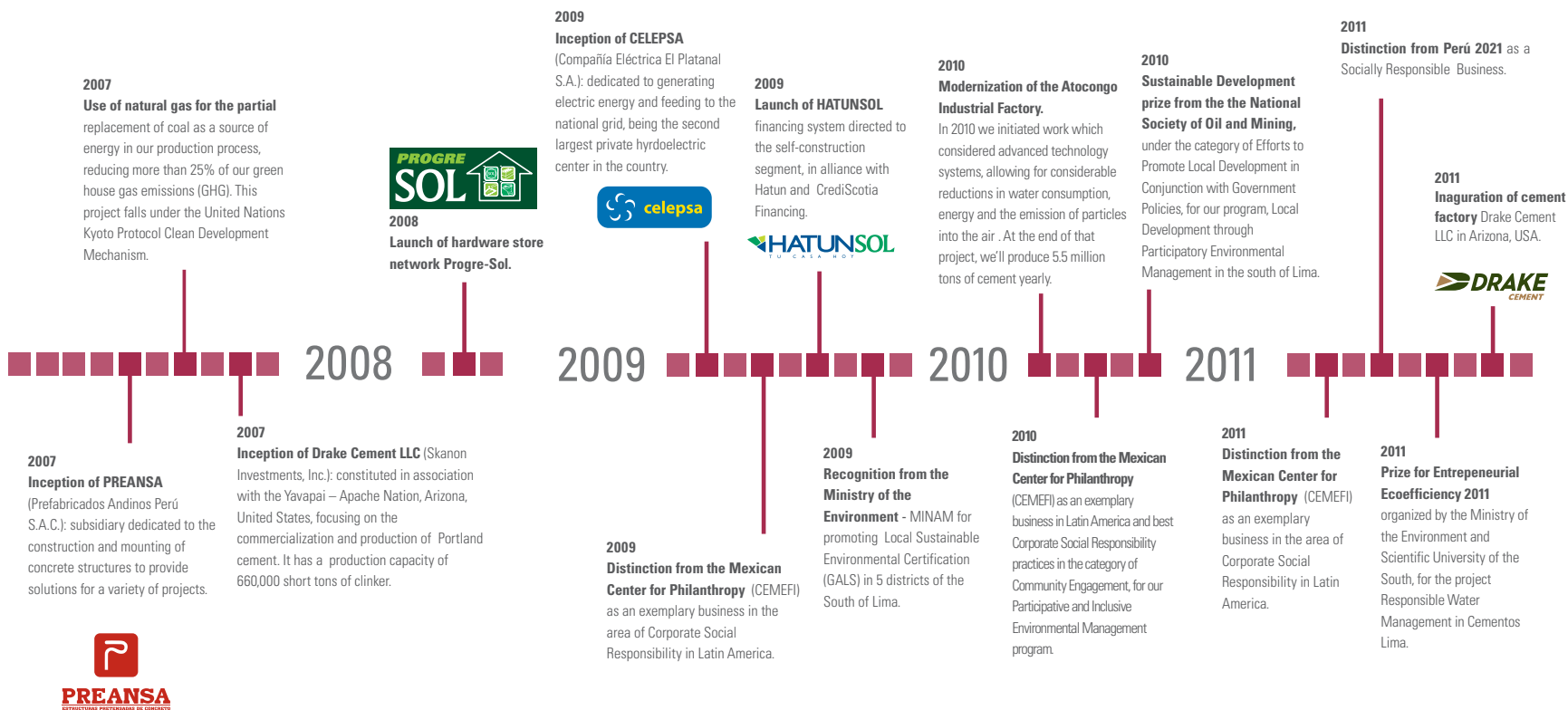
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Cementos Lima: A story of success









3. Cementos Lima: A story of success

Cementos Lima S.A.A, from now on referred to as Cementos Lima is located in Atocongo Avenue 2440, Villa Maria del Triunfo, Lima. Started its operations in 1916 as Compañía Minera Peruana de Cementos Portland S.A. and was incorporated under its present name in 1967. It is part of a large Peruvian group of businesses whose parent is Holding Sindicatos de Inversiones y Administración S.A. (SIA) (2.1, 2.4, 2.6) and share in the domestic market is approximately 39.1% of all dispatches in Perú, its production capacity is 4,5 million tons of cement a year, including 3,6 million tons of clinker a year. (2.8)

3.1. Mission, Vision, Values and Dimensions (4.8)

The shareholders use the mission and vision of the company to report upon its development and management perspectives.

Mission

To satisfy our clients by supplying high-quality products and services at competitive prices, protecting business rights within the law and creating value for shareholders, employees and society in general.

Vision

To always be a leading organization in the national market and achieve a competitive position at an international level.

Values

Our integral social responsibility model is based on our corporate values:

- Excellence that guarantees the quality of our products and services at all levels, for both internal and external interest groups.
- Responsibility in every area of our operations, emphasizing development, safety and health, as well as environmental protection.
- Ethical conduct as a norm, in which we value honesty, recognize loyalty and encourage fair treatment and mutual respect.
- Commitment that encourages identification and integration through active participation.
- Innovation that favors the application of new and improved management systems.
- Legality that favors social rights and protects business activity within the current legal framework.

These corporate values guide our company's mission and provide a focus for management in which business strategy includes economic, social and environmental impacts; and implies a renewed commitment and the alignment of the company to its environment and interest groups.

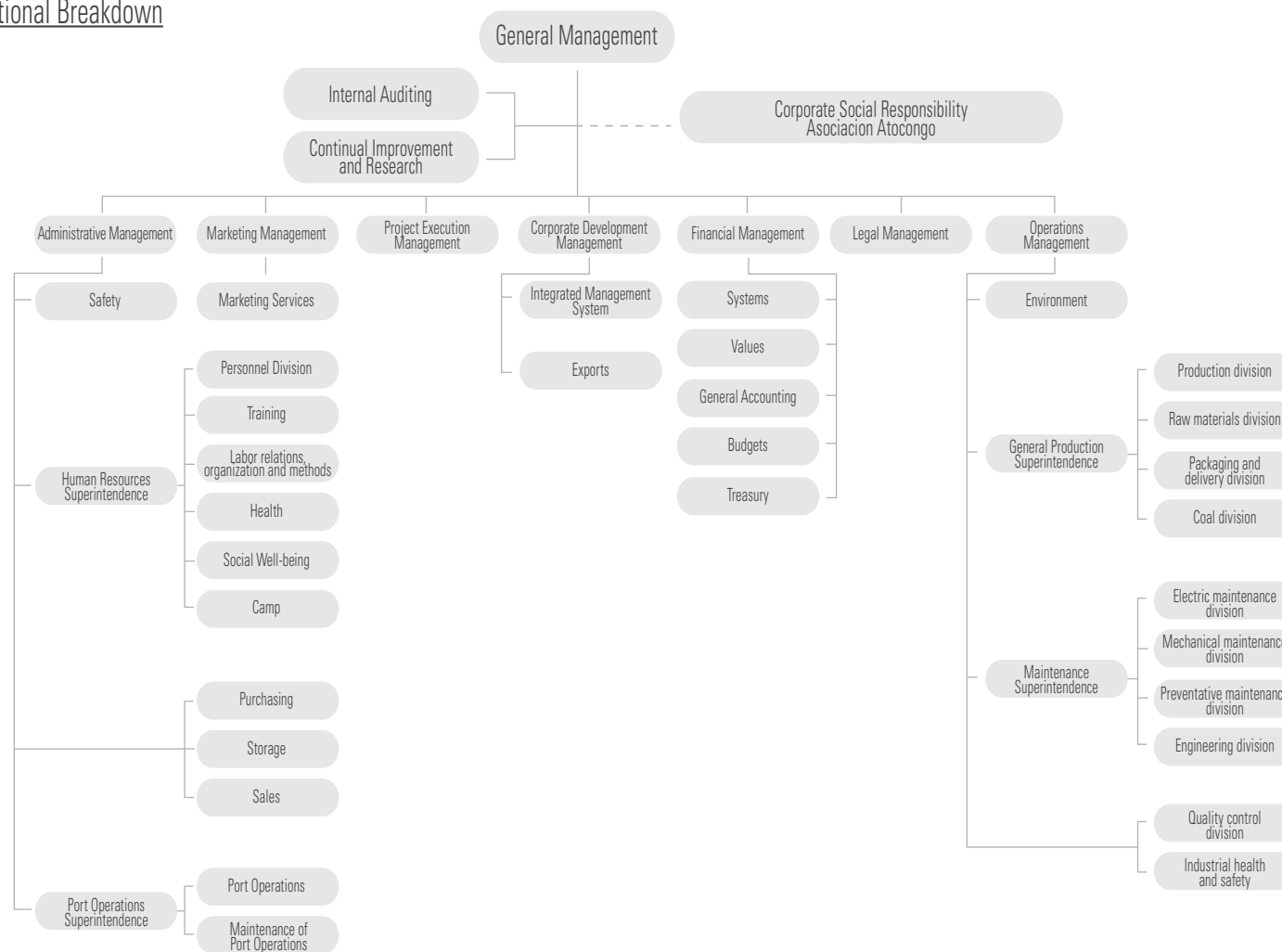


Dimensions (2.8, 2.9)

As of December 2011, Cementos Lima had 361 collaborators. It is worth pointing out that during the year there were no changes in the size, structure or ownership of the company.

Our management team is made up of professionals of proven ethical commitment, academic education and wide experience. At Cementos Lima we have eight management departments including the general management and social responsibility department (Asociacion Atocongo), as shown in the table below: (2.3, 4.1)

Organizational Breakdown



3.2. Market and job creation

Throughout all of its years of operation and many economic, political and social changes, Cementos Lima has remained a leader in the domestic market. Its proximity to the capital, places it in a privileged position, as Lima has the largest concentration of construction work in the country.

3.2.1. Main Products (2.2)

Cementos Lima produces and sells Portland cement and clinker (an intermediate product used in cement manufacture). It also makes related products that promote development and growth in the construction sector, as well as demand for and consumption of cement.

The company produces the following brands of cement in bags: Cemento Sol (Type I Portland cement), which is the best-known brand in the market (7 out of 10 builders in Lima use it, according to a survey by Ipsos Apoyo Opinión y Mercado)¹, Cemento Atlas (Type IP Portland cement) and Type V cement.

"Sol" Type I cement is used for general construction work such as: pre-fabricated concrete, fabrication of blocks, water and sewage pipes, terrazzos and paving blocks, mortar for brick laying, rendering, tiling and other uses. "Atlas" Type IP cement is used for large concrete structures, foundations in all salty terrain, maritime construction and sanitary installations, hydraulic floor tiles., masonry (brick and stonework), sealing, prefabricated items cured by thermal treatment, mortar for brick laying, rendering and tiling, the manufacture of blocks, water and sewer pipes, terrazos and paving blocks, etc.

Type V Portland cement is also recommended for general and large-scale construction work, especially when high resistance to sulfates and moderate heat of hydration are desired. It is a cement that is resistant to the alkali / aggregate reaction.

All our products are supported by our brand names, good quality and price. In other words, we ensure that each bag is the correct weight of 42,5 Kg., and that the product is fresh, which can be seen from the packing date printed on our bags. Indeed, for the end user, many of whom are self-builders, these attributes are valuable as they provide a guarantee and enable them to work with confidence at reduced cost.

1. Attitudes to cement and its use, Ipsos Apoyo Opinión y Mercado. Sample: 127 builders in Lima. January - February 2010. Margin of error +-8.7%



We comply with all the legal requirements and Peruvian standards for product labeling: (PR3)

- Law 28405, Product Labeling.
- S.D. 020- 2005 PRODUCE Executive Regulations to the Product Labeling Act.

3.2.2. Main markets (2.7)

Cementos Lima's main market is the country's capital, Lima, though it also sells in other domestic markets, as well as a market broken down by business units, details of which are given below:

Markets by geographical location

- The north coast: as far as Casma and Huarney.
- The south coast: as far as Nazca and, occasionally, the city of Tacna.
- The central highlands: as far as San Mateo.
- The southern highlands: we serve the cities of Ayacucho, Apurimac and Andahuaylas.
- The jungle: Pucallpa and Iquitos.

Market breakdown by business units and distribution channels

A. Bagged cement business unit:

Traditional hardware stores:

- Progre-Sol hardware store network.
- Independent hardware stores.

Modern hardware stores: Large self-service warehouses

- Maestro Home Center.
- Sodimac.
- Promart.

B. Bulk cement business unit:

- Pre-mixed concrete (concrete manufacturers).
- Industry (companies that use cement as a raw material in the manufacture of their products).

C. Exports (2.5)

For many years the company has exported cement and clinker to different countries in the Americas, such as the United States, Canadá, Panamá, Chile, Ecuador and Argentina, among others.

However, in 2009, the company suspended its exports (except for isolated dispatches), and dedicated all its production to the domestic market.

In 2011 there was only one shipment of 30,927 metric tons of clinker to Ecuador.

3.3. State, manufacturing and social investment (2.8, EC1)

Recent years have seen continual growth in the construction sector, behavior that is directly related to gross domestic product (GDP), in other words when global GDP expands, so does the construction industry.

This growth has had an impact on the performance of other economic sectors, creating jobs, higher disposable income and the availability of consumer credit, leading to greater development in the industrial, manufacturing services and retail sectors, among others.

The demand for cement by the end of 2011 had grown by 3.7% and Cementos Lima had produced 8,8 million tons annually, an increase of 15.7%.

This dynamism was the result of higher demand from the construction sector, which started to recover between 2010 and the end of 2011. The main projects consuming cement in the domestic market were: housing projects, mines, shopping malls, public hygiene and highway infrastructure, among others.

Proof of this demand is that during 2011 Cementos Lima saw its local sales continue to expand, with earnings from such sales amounting to S/. 1,068,482 000 nuevos soles.

Compared to 2010, dispatches were 1.6% higher and net earnings amounted to S/. 221 million nuevos soles, only 0.1% lower than in 2010, which is equivalent to a basic profit per ordinary share of S/. 0,186 nuevos soles in 2011 (S/. 0,187 nuevos soles in 2010). (EC1)

Table N° 1 Earnings by Cementos Lima

TYPE OF EARNINGS	TOTAL (IN THOUSANDS OF NUEVOS SOLES)
Sales	1,068,482
Financial earnings	2,929
Dividends received	6,989
TOTAL	1,078,400

In addition, Cementos Lima, has contributed to this growth by meeting its obligations to the State in the form of taxes amounting to S/. 153,889 000 nuevos soles.

Table N° 2 Payments to the State

PAYMENTS TO THE STATE	TOTAL (IN THOUSANDS OF NUEVOS SOLES)
Income tax	92,992
VAT	52,622
Others	8,275
TOTAL	153,889

Equally, as part of its corporate social responsibility, the company intervened in projects and programs valued at S/. 10,571,000 nuevos soles.

Table N° 3 Investment in the community

INVESTMENT IN THE COMMUNITY	TOTAL (IN THOUSANDS OF NUEVOS SOLES)
Donations by Asociacion Atocongo	10,370
Others	201
TOTAL	10,571

Furthermore, salaries and wages in 2011 amounted to: (EC1)

Table Nº 4 Wages and salaries

WAGES AND SALARIES	TOTAL (IN THOUSANDS OF NUEVOS SOLES)
Wages and salaries	S/. 95,912

And investment in purchase orders placed with suppliers in 2011 was²:

Table Nº 5 Payments to suppliers

PAYMENTS TO SUPPLIERS	TOTAL (IN THOUSANDS OF NUEVOS SOLES)
Suppliers	S/. 172,416

Furthermore, important investments for the country are planned, which will increase the value by 2013 to US\$ 610 million to be spent on various projects relating to the cement business and its subsidiary companies.

At present we have five active subsidiaries:

- Depósito Aduanero Conchán S.A. (99% owned).
- Generación Eléctrica Atocongo S.A. - GEA (100% owned).
- Inversiones en Concreto y Afines /Unicón (73.5% owned).
- Compañía Eléctrica El Platanal S. A. (60% owned).
- Skanon Investments Inc. / Drake Cement LLC (78.7% owned).
- Prefabricados Andinos - PREANSA (50% owned).

We have also developed and implemented important projects relating to an increase in our operating capacity, such as the installation of innovative machinery, implementation of the latest fuel use and clean technology aimed at supplying our products responsibly and in an environmentally efficient manner.

2. Purchase orders placed with suppliers were valued at 63,857,681. US dollars (US\$) The exchange rate used was 2.70 nuevos soles.

Details of projects undertaken in 2011 are given below:

- Use of natural gas.
- Use of additives in the manufacture of cement.
- Modernization of the plant.
- Atocongo-Conchan environmentally-friendly conveyor belt .
- Internal campaigns.

Asociacion Atocongo manages its social investment using 1% of the company's annual sales income. At present we have 13 programs and 51 projects.

3.4. Good corporate governance (4.1)

At Cementos Lima we apply the principles of good corporate governance in areas such as: equal treatment for shareholders, management of conflicts of interest, capital structure and revelation of information, among others; thus we provide full security and confidence to all economic agents who have any type of interest in the company.

We also have a transparency policy towards our interest groups and those principally involved, such as: our collaborators, the environment, the community and value chain.

In August 2003 the company decided to consolidate this management model and create the social responsibility entity - "Asociación Atocongo", a non-profit association with a mission to implement the social responsibility policy of Cementos Lima as a means of establishing links and transmitting ethical values to guide its conduct and relationships inside and outside the company.

Social responsibility policy (4.8, 4.10)

Our corporate social responsibility translates into:

- Dialogue and confidence between our interest groups.
- Quality intervention, seeking fundamental solutions in accordance with the needs of our interest groups.
- Ensured that our interventions produce positive returns for society such as reducing poverty and inequality, aims that are part of our Corporate Social Responsibility.
- Identify and contract suppliers of goods, products or services based on the needs of Asociacion Atocongo as defined by technical and professional criteria.
- Support fair competition and facilitate alliances in the search for the sustainable development of Peru. All our partners and allies are treated with the same respect as we would expect to receive.
- Try to be objective and independent, encouraging strict compliance with the law.
- Encourage transparency in the processes and procedures we apply and report the results to our interest groups.
- Manage the resources of our strategic partners transparently and effectively, complying in full with the purposes and principles agreed, which include: rendering account of processes and results.



Code of Corporate Social Responsibility (4.8, 4.10)

- Ensure that corporate social responsibility programs promote and use best practices aimed at sustainable development.
- Participate in the social development of the community, designing and implementing projects and programs in which the latter take part.
- Promote participation by the public sector, civil society, private entities, international aid organizations and the community at large in the company's social responsibility initiatives.
- Respect and propagate the values, customs and culture of all our interest groups.
- Communicate and report transparently and ethically on our operating and social activities to all our interest groups and the public in general.

Code of Conduct (4.8, 4.10)

Our code of conduct is more than a guide to conduct, it is a commitment. It states our values: excellence, responsibility, ethical conduct, commitment, innovation and the legality of our activities, functions and the daily work of each member of the Cementos Lima family.

All the directors, officers and collaborators of Cementos Lima, are committed to maximizing our values and, furthermore, to ensuring that our firm is recognized for its integrity. We are proud to work for Cementos Lima and we do so with respect and honesty towards each other and towards our shareholders, suppliers, clients and society in general.

Integrated Management System (IMS) (4.9, 4.11)

We use an integrated management system (IMS) based on four key aspects for the growth and sustainability of the company: quality management system, environmental management system, health and safety at work, and the BASC control and protection system.³

Our integrated management system (IMS) provides management tools for facilitating procedures in the different departments of the company.

Our principal management tools are:

- Our documented quality, environment, health and safety at work policy.
- Our management program, which includes the company's goals and objectives concerning quality, the environment, occupational health and safety, protection and the activities necessary to achieve them.
- Management indicators in relation to our aims and objectives.
- Quality planning.
- Evaluation of the environmental impacts and risks of processes and projects.
- Formal operating controls of the variables that determine quality characteristics, significant environmental impacts and relevant risks.
- Planning for the systematic management of emergencies, contingencies and crises.
- Internal and external communications, including the systematic and effective management of complaints and claims.
- Documentation and record keeping.
- Internal management audit process.
- Procedure for managing "non conformities".

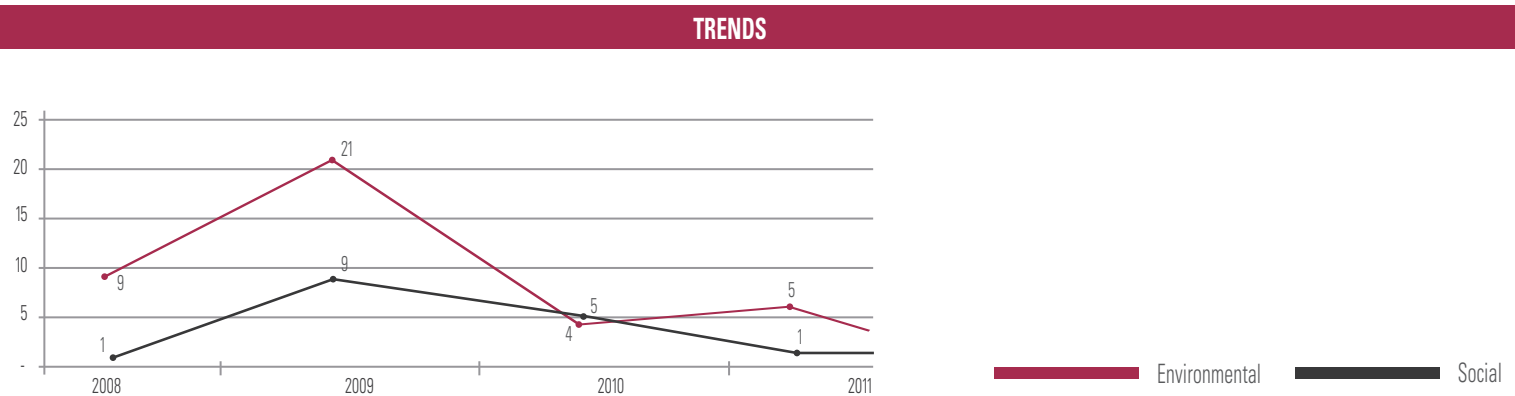
The past 12 years have seen the gradual implementation of Cementos Lima's integrated management system (IMS), which has improved the alignment and integration of policies, planning and procedures affecting quality, health and safety at work and the environment. In other words, it has established a commitment for continual improvement, effectiveness and performance on the part of the company regarding quality and protection. (4.11)

Thus all of our international certificates are renewed periodically, as shown below: (4.9)

- ISO 9001: Valid from November 2009 to October 2012. (4.12)
- Business Alliance for Secure Commerce (BASC)
 - Plant: Valid from May 31st, 2011 to May 31st, 2012.
 - Port facility: Valid from May 31st, 2011 to May 31st, 2012.
- Ship and port facility protection (ISPS): (2009-2014)
- We are currently in the middle of the certification process:
 - OSHAS 18001
 - ISO 14001

Equally, our IMS includes procedure PG-GA-001, "Communication with Stakeholders", through which we record complaints, claims, queries and other communications with all our stakeholders regarding social, environmental and other matters. The stakeholders can transmit their claims, queries or other communications by word of mouth or in writing to Asociacion Atocongo, the company's corporate social responsibility (CSR) entity. (4.17)

Graph N°1 Complaints and queries



Every two years, we carry out a working environment survey aimed at measuring our collaborators' perception in order to identify our strengths and opportunities for improvement.

We base our relationship with our community on participation and formal dialogue. Together with our clients, we commissioned a study from IPSOS – APOYO of the traditional sales channel, using the Loyalty Optimizer methodology to discover the level of satisfaction and improve our management. In the medium term we report information on relevant matters or the principal concerns of our stakeholders. (4.17)

In 2004 we signed the Global Compact in an attempt to promote, through collective action, corporate civic responsibility so that the business world can become part of the solution to the challenges of globalization. In Cementos Lima we practice the 10 principles of the Global Compact, including the principle on anti-corruption, based on three pillars: human rights, work and the environment. (4.12)

3.5. Awards and recognitions (2.10)

During 2011 we were recognized as a socially responsible company for our management and the creation of new alliances with different groups, as well as for our commitment to continuing to strengthen community organizations in our direct area of influence.

Our efforts seek alignment, connection and integration of business ethics at work, giving priority through our value chain.



The following results were obtained in 2011:

Table N° 6 Awards and recognitions

GRANTING INSTITUTION	AWARDS AND RECOGNITIONS
Mexican Center for Philanthropy (CEMEFI)	Exemplary company in the field of corporate social responsibility – Latin America.
Perú 2021	ESR – Socially Responsible Company.
Ministry of the Environment	Ecological Efficiency Award - Category: Water.
Mexican Center for Philanthropy (CEMEFI)	Recognition of best CSR practices, Latin America – Category: Care and Preservation of the Environment.
Perú 2021	Award for corporate social responsibility – Category: Government and Civil Society. Award for corporate social responsibility – Category: Multistakeholder.
Local governments, community organizations and the community in general	Recognition in the form of diplomas, plaques, engraved gifts and other items for Cementos Lima's social work.

3.6. Membership of organizations and associations (4.13)

Cementos Lima seeks, as a part of responsible management, to contribute to organizations and associations that affect the development of Peru:

Government organizations

- Ministry of Energy and Mines (MEM)
- Ministry of Production (PRODUCE)

- Ministry of the Environment (MINAM)
- Ministry of Culture
- Ministry of Labour and Job Creation (MINTRA)
- Ministry of Education-UGEL N° 01
- Ministry of Health-DISA N° 01

Principal Societies / Chambers /Associations / Organizations

- National Industries Society
- Peruvian Mining Petroleum and Energy Society
- Society of Foreign Trade of Perú - COMEXPERU
- American Chamber of Commerce of Perú (AmCham Peru)
- British Peruvian Chamber of Commerce
- Perú - Brazil Binational Chamber of Commerce and Integration (CAPEBRAS)
- Peruvian Chamber of the Construction Industry (CAPECO)
- Lima Chamber of Commerce (CCL)
- American Concrete Institute (ACI)
- Cement Producers' Association (ASOCEM)
- Exporters Association (ADEX)
- National Advertisers Association (ANDA)
- Peruvian Roads Association (APC)
- Peruvian Human Resources Association (APERHU)
- Peruvian Association of Port Operators (ASPORT)
- BASC Civil Association Perú (BASC PERU)
- Association Club of Bank and Commerce (CBC)
- College of Engineers of Perú (CIP)
- National Confederation of Private Entrepreneurial Institutes (CONFIEP)
- Global System, Global Standard and Global Solution -1 GS1
- Institute of Mining Engineers of Perú (IIMP)
- Peruvian Institute of Entrepreneurial Action (IPAE)

- Peruvian Economics Institute (IPE)
- Mining Safety Institute (ISEM)
- Friends of the Police SINACOOOP-PNP
- RedAmérica
- Entrepreneurs for Education
- Lima Cómo Vamos
- Perú 2021
- Perú Green Building Council

Social platforms

- Round table for the fight against poverty - Southern Cone
- Association of Municipalities of Southern Lima - AMASUR
- Southern Lima Integral Development Plan
- Citizens Safety Committee of Villa Maria del Triunfo
- Round table "Ciudad Productiva" - Villa El Salvador
- Urban Agriculture Forum of Villa Maria del Triunfo
- José Gálvez Area Environment Committee
- Lurin Area Environment Committee
- Nueva Esperanza Area Environment Committee

3.7. Social responsibility and sustainability strategy (1.2)

Cementos Lima's business and social responsibility model is based on its social responsibility policy, code of corporate social responsibility, code of conduct and integrated management system, and on two main axes:

- The first axis is the integration of economic, social and environmental aspects in all its operations and actions.

- The second axis is a grass-roots development approach for its principal interest groups, which facilitates and prioritizes relationships with shareholders, employees, clients, suppliers, the environment, the community, government and civil society.

Thus Cementos Lima has carried out an analysis of its main risks and opportunities, and has defined different strategies and activities to strengthen these links both inside and outside the company in the following areas:

Economic

- The defense ethical behavior, the promotion of excellence, responsibility, commitment, innovation and legality.
- Aiming to generate the maximum value for society and its stakeholders.

Environment

- Consolidate the commitment to protect the environment and the promotion, both internally and externally, of a culture of corporate social responsibility.
- Climate change: to reduce CO₂ emissions from our plant.
- Environmental management: our operations have an impact on the environment and we actively work to reduce this as much as possible. These impacts are monitored monthly using various indicators.

Social

- Strengthen the abilities of our collaborators, who are the fundamental asset of Cementos Lima. We train our collaborators and our different interest groups continually so that they integrate our strategy into their daily work.
- Relationships with the community: we have developed tools to discover the concerns and needs of the community, which provide us with ideas for directing our efforts.
- Health and safety: we are aware that the health and safety of our operations are integral parts of daily management. We make maximum effort to improve conditions for our collaborators.
- Respect human rights and eliminate of all forms of corruption.

Shareholders
Collaborators
Community
Clients
Suppliers
Government
Environment

Our stakeholders





4. Our stakeholders (4.14, 4.15)

Our stakeholders have been identified and chosen as a function of the impact that Cementos Lima has on them, as well as the impacts and/or expectations that these stakeholders generate concerning the company. The following chart gives a list of the stakeholders and sub-stakeholders identified with the help of Peru 2021:

Table N° 7 List of stakeholders

DEFINITION OF CEMENTOS LIMA STAKEHOLDERS (SH)	SUB-STAKEHOLDERS (SUB-SH)	
SH 1: SHAREHOLDERS		
Majority and minority shareholders in Cementos Lima.	Sub-SH 1	Majority shareholders
	Sub-SH 2	Minority shareholders
SH 2: COLLABORATORS		
Consisting of employees on fixed term and open ended contracts.	Sub-SH 1	Managers of the different departments, including the general management and social responsibility department (Asociación Atocongo).
	Sub-SH 2	Employees including the personnel of the different departments
	Sub-SH 3	Administrative personnel
	Sub-SH 4	Plant employees & others
	Sub-SH 5	Families of collaborators
SH 3: SUPPLIERS AND CONTRACTORS		
Consisting of the companies that supply goods and services to Cementos Lima.	Sub-SH 1	Domestic suppliers of critical products
	Sub-SH 2	Domestic suppliers of non-critical products
	Sub-SH 3	International services suppliers
	Sub-SH 4	Contractors
SH 4: CLIENTS		
Consisting of the companies and individuals who buy the products of Cementos Lima.	Sub-SH 1	Progre-Sol hardware store network: more than 220 associated hardware stores
	Sub-SH 2	Clients of the Micro-Finance system for self-building: HatunSol

SH 5: COMMUNITY	
Consisting of those living near the operations of Cementos Lima.	Sub-SH 1 District of Villa María del Triunfo
	Sub-SH 2 District of Villa El Salvador
	Sub-SH 3 District of San Juan de Miraflores
	Sub-SH 4 District of Pachacámac
	Sub-SH 5 District of Lurín
	Sub-SH 6 Others districts of Lima
SH 6: THE ENVIRONMENT	
Made up of the environment in which Cementos Lima operates, including the air, water, soil, natural resources, flora, fauna, human beings and how they interrelate.	Sub-SH 1 Community of Villa María del Triunfo
	Sub-SH 2 Community of Villa El Salvador
	Sub-SH 3 Community of San Juan de Miraflores
	Sub-SH 4 Community of Pachacámac
	Sub-SH 5 Community of Lurín
	Sub-SH 6 Ministry of the Environment
	Sub-SH 7 Central government
	Sub-SH 8 Local governments of southern Lima
	Sub-SH 9 United Nations Development Program (UNDP)
	Sub-SH 10 Municipal Environment Commissions of southern Lima
SH 7: GOVERNMENT	
Consisting of the regulatory authorities monitoring compliance with legislation and the payment of Peruvian taxes, who have the power to impose fines, issue regulations that imply greater cost to the company, grant licenses, impose land taxes, municipal taxes and stamp duty.	Sub-SH 1 Ministries (Ministry of Labour, Ministry of the Environment, Ministry of Production, Ministry of Education, Ministry of Finance, Ministry of Health)
	Sub-SH 2 Municipal Environment Commissions of southern Lima (Villa María del Triunfo, Villa El Salvador, Lurín, San Juan de Miraflores and Pachacámac)
	Sub-SH 3 Municipality of Villa María del Triunfo
	Sub-SH 4 Central government - programs: Water for All and Building Perú
	Sub-SH 5 Sedapal
	Sub-SH 6 Other institutions (SUNAT)

Direct contact and frequent dialogue with our interest groups has created a relationship of trust based on mutual respect; for this reason Cementos Lima has Asociacion Atocongo, its corporate social responsibility management, which is responsible for keeping all the stakeholders informed as an expression of the company's ethical and transparent corporate governance policy. (4.16, 4.17)

The communication tools used by Cementos Lima and its stakeholders are as follows: (4.4)

Table Nº 8 Communication mechanisms with stakeholders

MEANS OF COMMUNICATION	STAKEHOLDERS
E-mail	Shareholders / collaborators / clients / suppliers / government / community
Telephone	Shareholders / collaborators / clients / suppliers / government / community
Web Site	The general public
Directly within the Company	Shareholders / collaborators / clients / suppliers / government / community

The communications mechanisms used by shareholders and interest groups are e-mail, telephone or direct communication within the company.

Cementos Lima's communication with its stakeholders is publicly accessible through the Annual Report, the Sustainability Report, the company web site, its quarterly reports (Newsletter), telephone queries, the corporate magazine "En Concreto" and the presence of company spokesmen at interviews in the media. (4.4)

In 2011 we received around 2,200 applications for information from different stakeholders, all of which were dealt with. (4.16)



4.1. Committed to our shareholders and investors (4.16, DMA EC)

It is clear to our shareholders and investors that the company's social responsibility implies, beyond legitimate action and optimizing economic efficiency, guaranteeing that management includes a series of policies and indicators that increase the efficiency of the value chain.

We apply the principles of good corporate governance to our business and our operations. Our principles of transparency, confidence, fairness, social responsibility and the fluidity and integrity of information enable us not only to attract and retain financial and human capital and operate efficiently, but also to create sustainable value for the corporation and its shareholders.

Our work is evident in ethical corporate management, as we adhere to the principles of the Global Compact, we comply with our integrated management system (IMS) and have drafted this report using the GRI indicators and guidelines.

Cementos Lima is a public limited company with 2,628 ordinary shareholders as of the December 31st, 2011. The shareholders who own more than 100% of the company's subscribed and paid up capital are: (2.6)

Table N° 9 Shareholder nationality

SHAREHOLDERS	% CAPITAL
Peruvian	97.68
Foreign	2.32

Table N° 10 Voting shareholders

VOTING SHARES		
Holdings	Number of shareholders	Percentage shareholding
Less than 1%	2,619	12.15
Between 1% - 5%	8	27.61
Between 5% - 10%	0	0
More than 10%	1	60.24
TOTAL	2,628	100

Furthermore, each year we engage a prestigious external auditing firm to examine our financial information, among other tasks.

Information transparency with our shareholders and investors (4.9)

Cementos Lima maintains a policy of transparency concerning its operations and financial results. As in previous years, we have hired an external auditing firm, this time Medina, Zaldívar, Paredes & Asociados Sociedad Civil (a member firm of Ernst & Young).



The organization of Cementos Lima (4.1)

Board of Directors of Cementos Lima

The board of directors of Cementos Lima consists of eleven members, three of whom are independent directors proposed by the private pension funds (ordinary shareholders).

The current board of directors was approved at the obligatory annual general meeting of shareholders held on the April 7th, 2010, for the period from April 2010 to March 2012.

President	: Jaime Rizo Patrón Remy
Vice-president	: Ricardo Rizo Patrón de la Piedra
Directors	: Oscar de Osma Berckemeyer Alfredo Gastañeta Alayza Diego de la Piedra Minetti Drago Kistic Wagner Marcelo Rizo Patron de la Piedra Jaime Sotomayor Bernos Alfredo Torres Guzmán Carlos Ugas Delgado Roque Benavides Ganoza

Cementos Lima has a procedure for determining the training and experience required for members of the board of directors, so that they can guide the organization's strategy on social, economic and environmental aspects. It should be mentioned that neither the president nor the vice president occupy an executive position. (4.7, 4.3, 4.2, 4.10)

The directors also have agreements to prevent conflicts of interest, which are set forth in the internal conduct regulations of Cementos Lima. No conflicts of interest arose during the period to which this report refers. (4.6)

Management

There are eight management departments of the company, including the general management and the corporate social responsibility entity, Asociacion Atocongo.

General Manager	: Carlos Ugas Delgado
Financial Manager	: Alvaro Morales Puppo
Administration Manager	: Jorge Trelles Sánchez
General Counsel	: Julio Ramírez Bardález
Operations Manager	: Evor Velezmoro Espinoza (until 11-30-2011) Juan Asmat Siquero (from 12-01-2011)
Corporate Development Manager	: Jaime Bustamante Gereda (until February 10th, 2012)
Project Manager	: Jeffery Lewis Arriarán
Marketing Manager	: Kurt Uzátegui Dellepiane

and the Asociacion Atocongo represented by:

General Manager	: Armando Casis Zarzar
-----------------	------------------------

The management of Cementos Lima receive bonuses for meeting annual sales targets, in addition to their remuneration. Furthermore, the members of the board of directors receive defined emoluments. (4.5)

Committees (4.9)

The management of Cementos Lima is assisted by committees:

- Management Committee
Has as its main responsibility the specific tasks of organizing and developing the projects. The Management Committee is made up of the company's managers.
- Integrated Management System Committee
The principal responsibility of this committee is to monitor and provide support to the application of strategic and flow processes.
- Health and Safety at Work Committee (LA6)
Is principally responsible for supervising the company's health and safety. It has twelve members; it is a joint committee, meaning it has six members representing the employer and six from the employees, who represent 100% of the company's workers. The Operations Manager presides.





4.2. Generating human talent (collaborators) (4.16, DMA LA)

Cementos Lima encourages personnel management through its quality, environment, safety and occupational health policy:

Our success is based on the skills and attitudes of everyone working here to protect quality, security, costs, harmony and the environment. Cementos Lima's human capital is one of the company's main resources. One of the main commitments to our collaborators is:⁴ (EC3)

- Legal salaries and entitlements.
- Family medical insurance.
- Life insurance.
- Recognition by performance evaluation.
- Continual and adequate training.
- A safe and agreeable working environment.
- Emergency loans.

We are also concerned to provide the best infrastructure and working environment in our installations. The company is designed so that both operatives and office workers can carry out their tasks in suitable conditions (lighting, ventilation, ergonomic seating, computer screens with filters, constant cleaning, etc.) giving them the best working conditions.

Other benefits for our collaborators: (EC3)

Locker rooms: The company has built modern and spacious locker rooms for its collaborators, with lockers, rest rooms and showers (with hot and cold water). Maintenance is continual and it should be pointed out that the collaborators themselves keep the locker rooms clean and tidy.

4. The value of social benefits is confidential information belonging to the reporting company.

Periodic health examinations: The company provides an annual preventive medical examination to all collaborators.

Sick bay: The company has a sick bay staffed by health professionals 24 hours a day, providing basic and emergency services. This service is also made available to neighboring communities.

Mess room: Balanced meals are provided in suitable surroundings by qualified personnel. This service is free of charge for collaborators.

Professionals and pre-graduation practice: For students or recent graduates of technical or professional courses. We also sponsor students at SENATI during their studies (three years).

As of December 31st, 2011 we had 361 collaborators, broken down as shown below: (2.8)

Table N° 11 Personnel broken down by category and gender (LA1)⁵

CLASSIFICATION	TOTAL	MALE	FEMALE
Administrative staff	161	120	41
Employees	100	78	22
Plant employees	100	100	0
TOTAL	361	298	63

At Cementos Lima we seek to encourage the technical, professional and social development of neighboring communities; in 2011, 28% of our collaborators lived in districts (Villa María del Triunfo, Pachacámac, Villa El Salvador, San Juan de Miraflores and Lurín) adjacent to our installations.

Table N° 12 Type and category of local collaborators

NUMBER OF LOCAL COLLABORATORS (RESIDING IN NEIGHBORING COMMUNITIES)	101
Administrative staff	8
Employees	30
Plant employees	63
PERCENTAGE OF LOCAL EMPLOYEES	28%

5. Breakdown of our personnel by type of contract is confidential information belonging to the reporting company.

Cementos Lima also encourages the inclusion of female personnel in order to strengthen gender equality in Peru. In accordance with the principles of the Global Compact (Principle 6), we discourage discrimination in relation to employment and occupation, having 63 female employees in 2011.

Personnel rotation during 2011 was 1.93% of the total workforce, as shown in the following table:⁶ (LA2)

Table N° 13 Rotation of personnel

GENDER	AGE	TOTAL	%
Women	< 30	0	0
	30 - 50	0	0
	> 50	0	0
Subtotal		0	0
Men	< 30	0	0
	30 - 50	2	0.55
	> 50	5	1.38
Subtotal		7	1.93
TOTAL		7	1.93

Mechanisms of communication with collaborators (4.4)

We have a series of internal communication tools such as: Intranet, e-mail, notice boards, the weekly bulletin "El Concretito", a bi-monthly magazine called "En Concreto", the institutional brochure, annual report and sustainability report, among others. The aim is to offer up to date information on the company, as well as details of interest to all and useful to our collaborators.

Details of some of these channels of communication are given below:

El Concretito: a weekly bulletin containing company news (innovations, awards, new processes, social responsibility matters, etc.), its collaborators and current events. It is available in virtual and printed versions, posted on the company's notice boards.

Intranet: a web page containing the company's code of conduct, indicators, projects, the integrated management system (IMS), publications of interest and others.

En Concreto: a bi-monthly magazine with articles, interviews, social responsibility activities, notes of interest and others. Furthermore, our general manager complements our collaborators in different ways, one of which is a public letter sent over the Intranet or a communiqué sent to all personnel. The different departments also congratulate their collaborators for the achievements of the department.

Others channels of communication: (4.4)

- Open door policy for our collaborators.
- Weekly meetings between the human resources department and the Cementos Lima labor union.
- Working meetings between our collaborators, the general management and other departments to discuss matters concerning the company's business activity.
- Report on the company's situation to our collaborators in July and December.

Working environment

Taking into account that workplace harmony is important to Cementos Lima, every two years we carry out a working environment survey aimed at measuring the perception of our collaborators and thus identifying our strengths and opportunities for improvement. In 2011, we carried out different activities in this regard:

- "Leadership zero accidents", a training scheme designed to minimize accidents at work, taking into account that leadership and interpersonal relationships between supervisors and their personnel are key factors in safe working.

- “Happiness is highly profitable”, a talk by David Fishman aimed at improving leadership and effectiveness on a subject applicable to personal and professional aspects.
- Getting to know our factory program: this program aims to integrate collaborators' families with the company, giving them the opportunity to see Cementos Lima's installations and production process.
- Analysis on the use of new internal communications media to be implemented in 2012.

Training for collaborators

One of the company's principal commitments in its integrated management system (IMS), is to improve the skills of personnel whose work is relevant in the quality of products and services, safety, occupational health or environmental impacts.

In 2011 we offered 16,796 man-hours of training, equivalent to an average of 46,53 hours per collaborator. See details in the attached table:

Table N° 14 Summary of training programs (LA10)

CLASSIFICATION	Nº OF ACTIVITIES	MAN-HOURS (MH)	AVERAGE MAN-HOURS (AVERAGE MH)
Administrative staff	910	9,795	60.84
Employees	564	4,492	44.92
Plant employees	410	2,509	25.09
TOTAL	1,884	16,796	46.53

Safety, health and working conditions for our collaborators

Risk prevention (LA8)

In accordance with our principle of prevention and awareness raising for personnel through continual training, in 2011 we produced an annual risk prevention program for our industrial plant and port facilities.

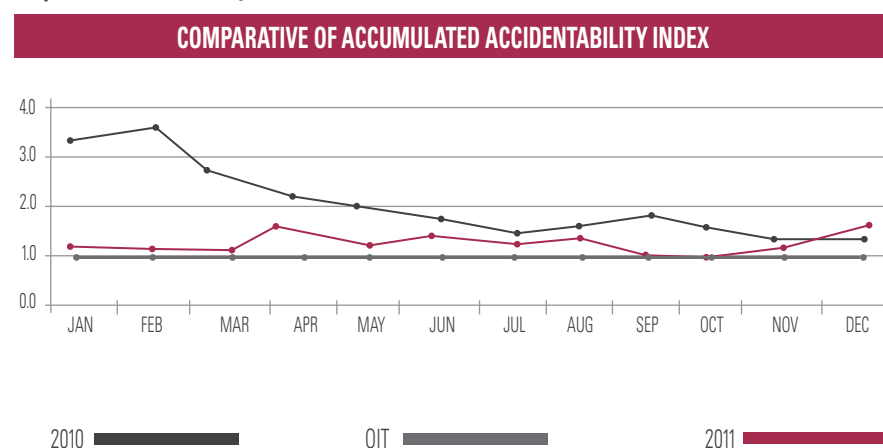
We have a general induction program for new employees, which includes safety and industrial hygiene in general, first aid, fire fighting and care for the environment. During 2011 this training was held weekly.

The principal activities seek to raise awareness through training for our own personnel and those of contractors; the courses given in 2011 are outlined below:

- Leadership in a zero accidents system.
- Hazard identification and risk evaluation.
- Workplace inspections.
- Incident investigation.
- Management of health and safety in the workplace.
- Happiness is highly profitable.

During 2011, as a result of the expansion of the plant, there was a significant increase in contractors' personnel on-site and high rotation of that personnel, principally because of the civil engineering work, which meant that our accident rate was 1,5 - slightly higher than in 2010, as shown in the following graph: (LA7)

Graph N° 2 Accidentability index



Preparation for emergency responses (4.11)

In order to prepare ourselves for any occurrence that could affect our operations, during 2011 we implemented an aggressive training and certification program for our emergency response brigade, mainly in first aid and fire fighting. Our brigade consists of a total of 44 collaborators; in addition, the contractors have their own brigade consisting of 30 collaborators, who are given similar training.

In 2011 various emergency drills were conducted; involving earthquake evacuation, fire fighting, first aid for accident victims, flooding and others. Collaborators from the different departments of the company demonstrated their competence, detecting different opportunities for improving our emergency response program.

Occupational health (LA 8)

Every year we perform complete preventive medical examinations on our personnel, both male and female, in order to preserve the health of our collaborators⁷. Details of the examinations are given below:

Table N° 15 Type of medical examinations

ACTIVITIES	N° OF COLLABORATORS
Occupational medical examination	381
Pre-hiring medical examination	13
Chest X-rays	380
Laboratory analyses	381
Induction training on occupational health and infectious / contagious diseases	100

Furthermore, we gave a series of talks in 2011:

- High blood pressure: risks and prevention.
- HIV treatment: contagion, non-discrimination legislation (included in our internal regulations).
- Prostate trouble and erectile dysfunction.
- Brochures were handed out on the prevention of high blood pressure by our nutritionist.



Labor union (HR5)

Cementos Lima respects the right to free association of its personnel and compliance with collective bargaining agreements. We are committed to maintaining a transparent and permanent dialogue (weekly) with union representatives aimed at finding solutions to problems and strengthening positive attitudes, thus complying with employment, health, safety and environmental legislation. 55.40% of Cementos Lima's collaborators are covered by a collective bargaining agreement. (LA4)

Good practices enabled Cementos Lima to take part as a founding partner in the Association of Good Employers in Perú, sponsored by the American Chamber of Commerce (AmCham), which consists of companies recognized as respecting their employees and creating an appropriate working environment in all their processes.

Collaborators and families

Cementos Lima is committed to the families of its workers and this can be seen in the activities in which these families take part, fostering comradeship and family integration.

Cementos Lima encourages active participation by its employees and their families in many activities, projects and social programs aimed at integration, solidarity and building the identity of the corporate family.

In 2011 our collaborators' spouses and children took part in our "getting to know our factory" program (131 visits), new year celebrations, children's parties and an internal mixed volleyball tournament (seven teams), the children's Christmas party and football training (600 children).

4.3. Growing with our community (4.16, DMA S0)

We are aware of the impact of our operations and, what is more, of the importance of a commitment to and relations with the local community. For this reason at Asociación Atocongo we have a short, medium and long term plan that enables the company to create confidence in a sustainable manner, thus generating value for all concerned.

Our approach is based on participation, arising fundamentally from dialogue. Our responsibilities include the prevention and resolution of conflicts with the community and this is a priority to create confidence leading to the social permission that will guarantee the sustainability of our operations in the long term.

In 2011 we held meetings with 97 Community Organizations (CO) in southern Lima, represented by their leaders, in order to inform them of the company's progress with environmental matters, operations that affect them directly, social investment, etc; creating a space for dialogue and decision-making.

This process, as well as participatory workshops facilitated by our collaborators, has identified problems and prioritized projects, identifying the potentials of the community, support from the company, participation by local government and other allies.

Our intervention, the reach and effectiveness of the programs are carried out with four approaches: education, social infrastructure and local development and community relations. Details of each of these are given below: (S01)

Education

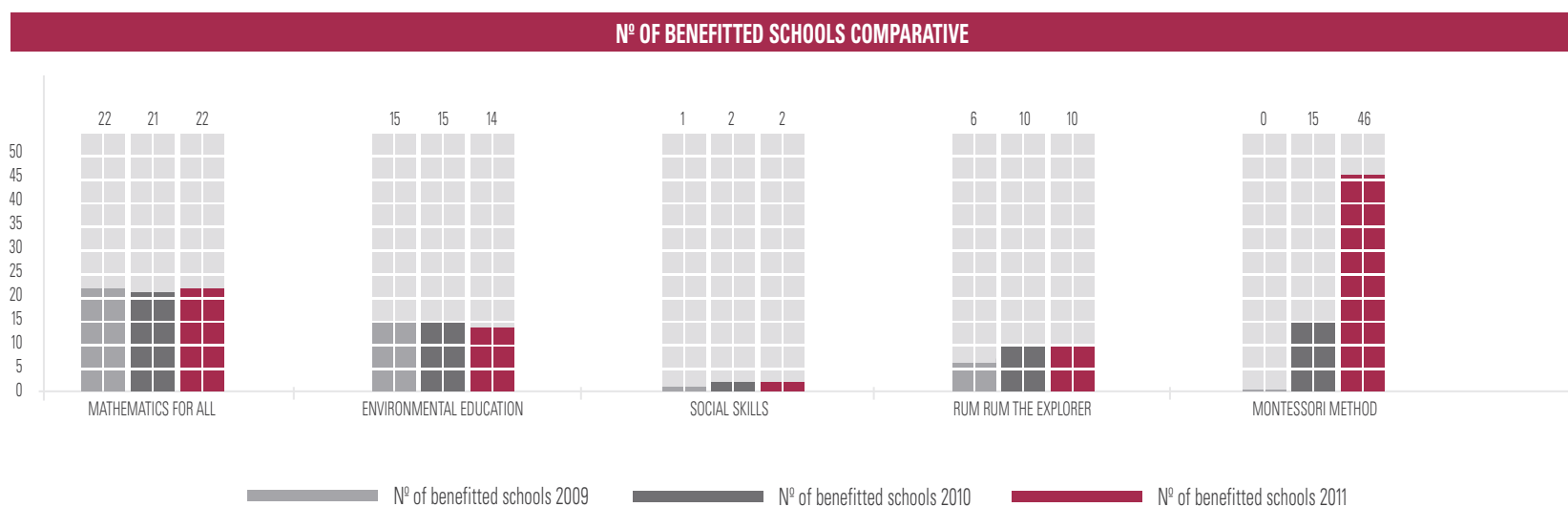
- 78 educational institutions benefiting
- 938 teachers trained
- 27,633 children benefiting from various educational programs

Illustration Nº 1 Intervention in education southern Lima - 2011



Our intervention is aimed at public educational institutions in marginal urban and rural areas with low incomes in southern Lima. From 2004 to the present we have been generating social capital in the educational community in southern Lima, which is reflected in positive attitudes towards our company and recognition by local education authorities, teachers, parents, public and private institutions.

Graph Nº 3 Number of beneficiary schools



The purpose of our intervention in children's education is to encourage the creation of skills and knowledge in order to raise the quality of education for teachers and children in initial grades (3 to 5 years old) and primary school (6 to 11 years old) in southern Lima.

For that purpose, we have created alliances with the public and private sectors and civil society, identifying educational programs that mesh with the public policy of the education sector.

Our relationship with the educational community is based on a Framework Agreement with Local Education Management Unit 01 – UGEL 01, the local education authority in southern Lima. In practice, we deal directly with the authorities of the schools and their teachers, who give their approval of our intervention and assume the commitments necessary for success.

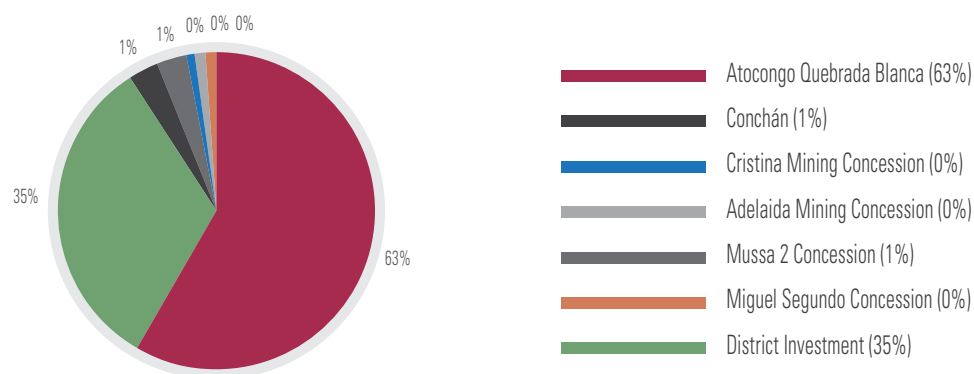
In 2011 the following programs were implemented together with the education community in southern Lima:

- Strengthening the abilities of teachers in marginal urban areas in Inclusive Schools by applying the Montessori Method, "Help for life"
- Environmental Education – "School Vegetable Patches"
- Social Skills
- RUM RUM The Explorer
- Mathematics for All
- Archeological Research

The educational programs mentioned above are being implemented mainly in the zone of influence of Cementos Lima's factory. 28 educational institutions benefit from these programs in areas influenced by the following production processes:

- Cement manufacture, extraction of limestone and pozzolan: 21 educational institutions.
- Loading and discharging of cement and clinker and other port services: two educational institutions.
- Extraction of limestone: five educational institutions.

Graph N° 4 Investment in educational programs

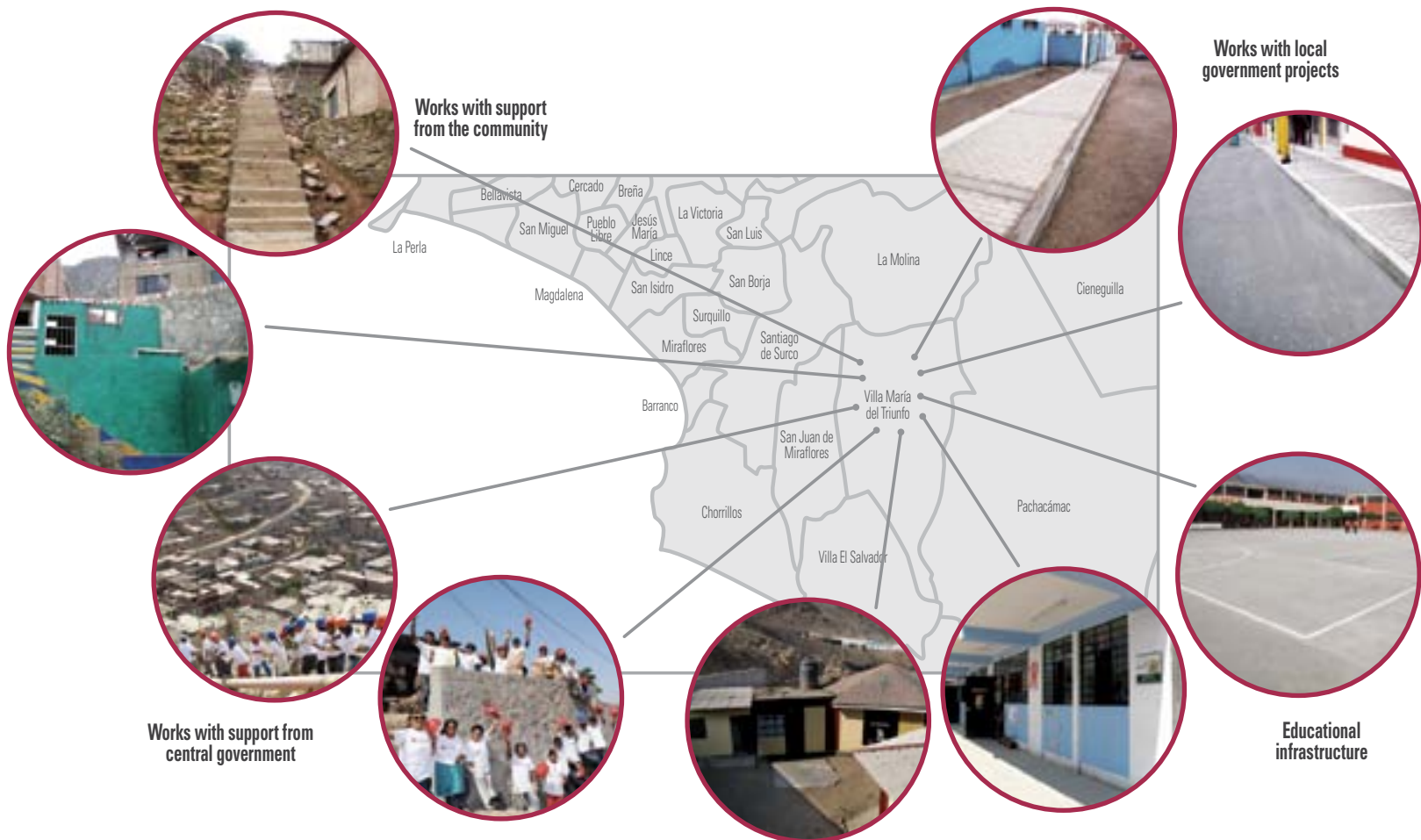


The social investment in educational programs in the 28 institutions represents 70% of total social investment in basic education made by Cementos Lima.

Social infrastructure (EC8)

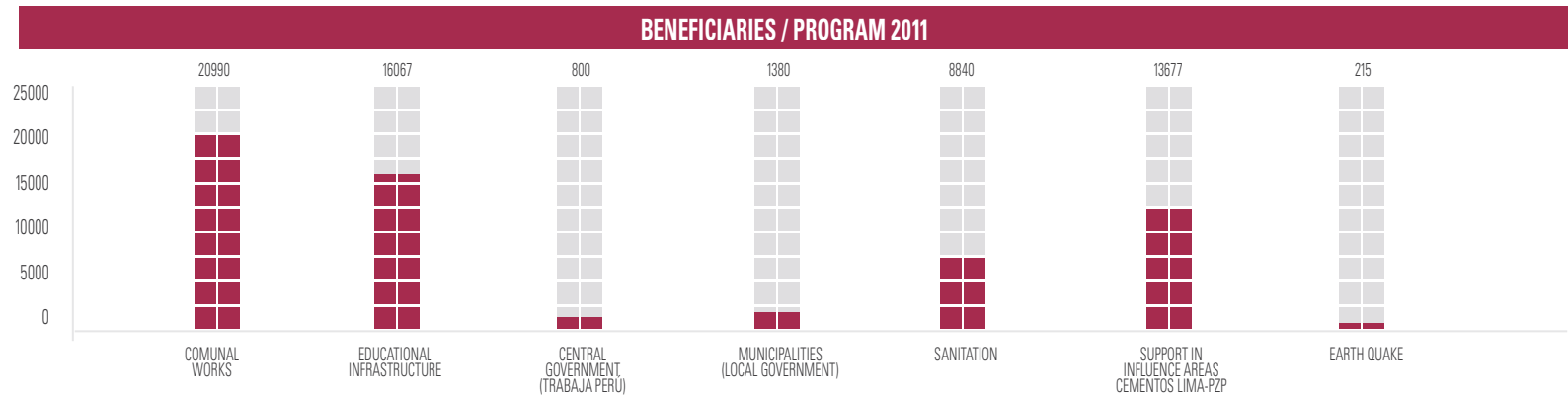
- 61,969 beneficiaries
- 101 items of social infrastructure implemented, 76 community organizations and 14 educational institutions as beneficiaries

Illustration N° 2 Social infrastructure in southern Lima - 2011



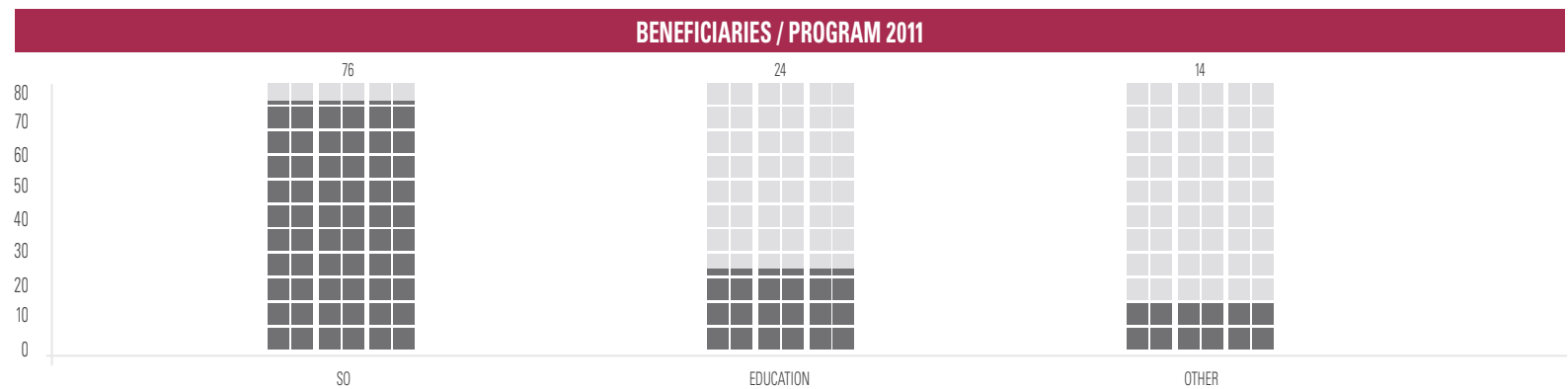
The infrastructure program aims to encourage development through community grass-roots organizations, neighborhood social organizations and state schools. The aim of Cementos Lima is to propagate a culture of solidarity that sees each inhabitant as the driver of his own progress.

Graph N° 5 Number of beneficiaries by type of social infrastructure program



In 2011 we continued with social infrastructure development by donating cement and other materials and providing technical support for works that benefit the community.

Graph N° 6 Number of beneficiaries of the social infrastructure program broken down by type of organization



Projects based on proposals from social organizations were implemented after being carefully examined to ensure that they benefited a specific community.

Thus community leaders, representatives of educational institutions and members of the public demonstrated their ability to work together, by providing labor and materials for managing and building significant works of infrastructure, such as new pavements, parks, community premises and retaining walls, which are necessary before the water and drainage company install water mains and sewers.

This year we carried out the following projects together with the community and grass-roots organizations, central government, local government and educational institutions:

- Educational infrastructure projects

We helped improve educational infrastructure (classrooms, sports fields, fences, toilet modules, both interior and exterior paths), thus encouraging a change of attitude among pupils.

- Public hygiene projects

We have contributed to new projects, supervised construction work and made donations of cement for the construction of retaining walls, manholes and domestic water and sewer connections. All of this work was carried out in an alliance with the central government's Trabaja Peru (formerly Construyendo Peru) program; it was jointly managed by the "Water for all" program and SEDAPAL (potable water and drainage provider in Lima).

- Community works projects

Access infrastructure work was carried out in different districts of Lima, with priority given to the south, in order to give local people legal security tenure of the land they occupy in high-risk zones.

- Social infrastructure projects with the central government

Cementos Lima has had the opportunity to support central government initiatives such as "Construyendo Peru", in which community infrastructure is built with the active participation - in most cases - of women, giving them temporary income and helping alleviate the extreme poverty in which they live.

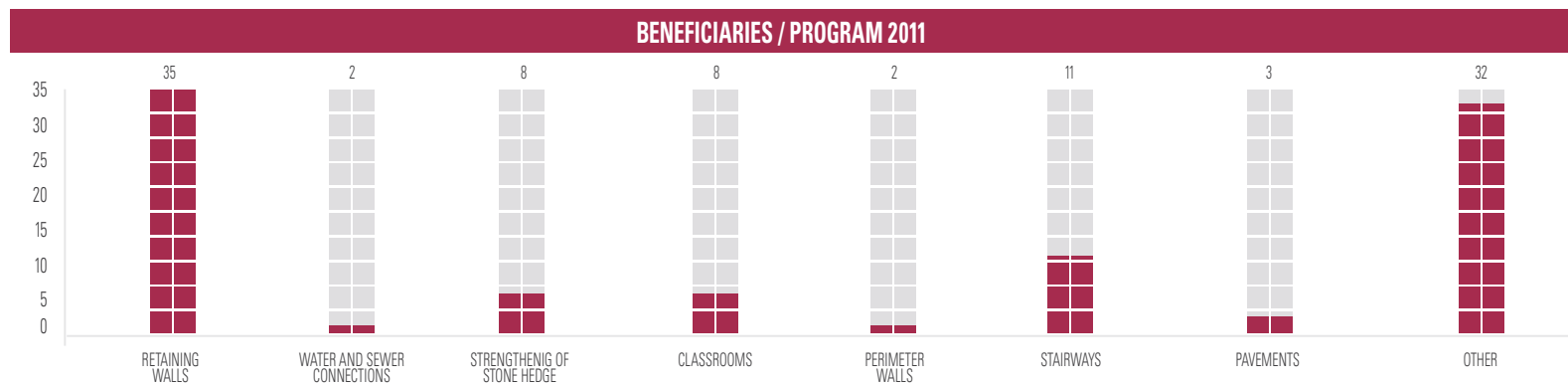
- Social infrastructure projects with local governments in southern Lima

We have worked in conjunction with their urban development departments to implement social infrastructure projects, providing technical advice throughout the process. These projects include: retaining walls, pavements and sports fields, among others.

- Projects in priority zones in southern Lima

The objective of these projects is to improve community infrastructure in marginal settlements and/or neighborhood committees by project management, involving either donations of cement or other materials (construction of retaining walls, pavements, strengthening of dry stone walling, community premises, PRONOEI and others), or assistance with project design (project bank, implementation of civil engineering works, machinery, earthmoving, removal of detritus, terrain leveling and technical supervision). The types of work done are detailed below:

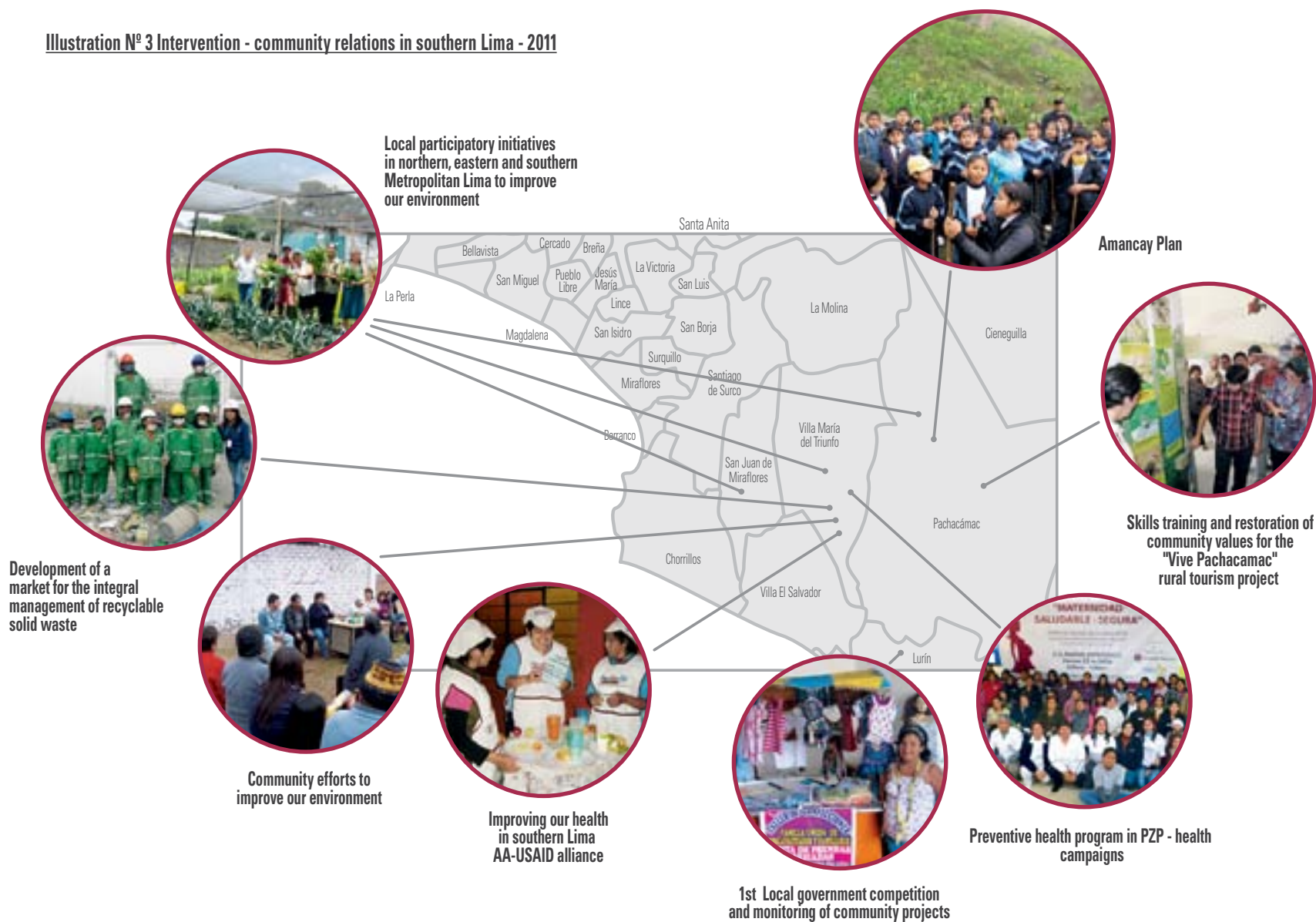
Graph N° 7 Type of work carried out



Community relations

- 22,136 people benefited from environmental, community and health programs and donations in southern Lima.
- 13,584 m² of parks and gardens and 1,270 plants planted in southern Lima.
- 54 activities of the Southern Lima Municipal Environmental Agenda implemented.

Illustration N° 3 Intervention - community relations in southern Lima - 2011



Action taken in the field of community relations seeks to create and facilitate access by the community to economic, social, cultural and environmental opportunities that provide it with personal, organizational and local development from a grass-roots and territorial basis.

The relationship depends on knowledge of the context, recognition of the zones in which we intervene and an understanding of the dynamic of organizations and settlements located in our area of influence.

We respect their culture and knowledge when we intervene in a reciprocal process of learning and participation. Here are some of our processes:

- Develop the management skills of community organizations (CO).
- Encourage the participation of local people.
- Joint management of the interventions.
- Accompaniment and monitoring.

Our interventions take three approaches: The environment, health and community development, in which programs and projects involving local people (social organizations, authorities, local residents and others), both public and private: (EC8)

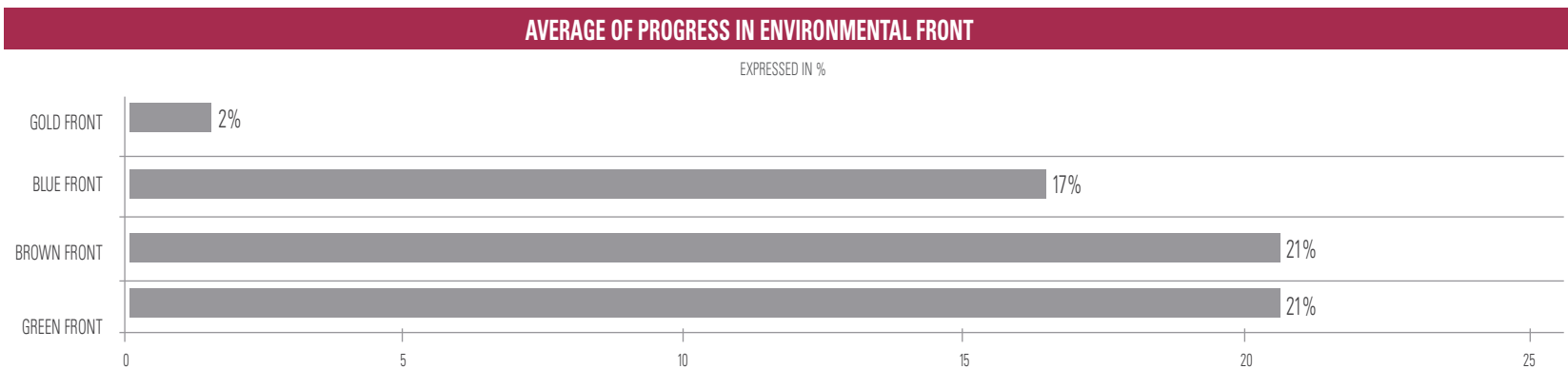
- Approach 01: The environment (4.12)

Monitoring and technical aid provided to the area environmental committees (AECs) and municipal environmental commissions, for their existing environmental agendas. We work in the following areas:

- Tree planting.
- Training in environmental management (rules and standards and proper management of solid waste among others).
- Projects relating to the use of community natural resources.

The projects: Community efforts to improve our environment; development of a market for integral management of recyclable solid waste; local and participatory initiatives to improve our environment; Vive Pachacamac (rural tourism) and Plan Amancay.

Graph N° 8 Progress with environmental projects



- Approach 02: Health

Health promotion and preventative action seeks to encourage families to take care of their health and create healthy surroundings (strengthening knowledge and habits).

We work in the following areas:

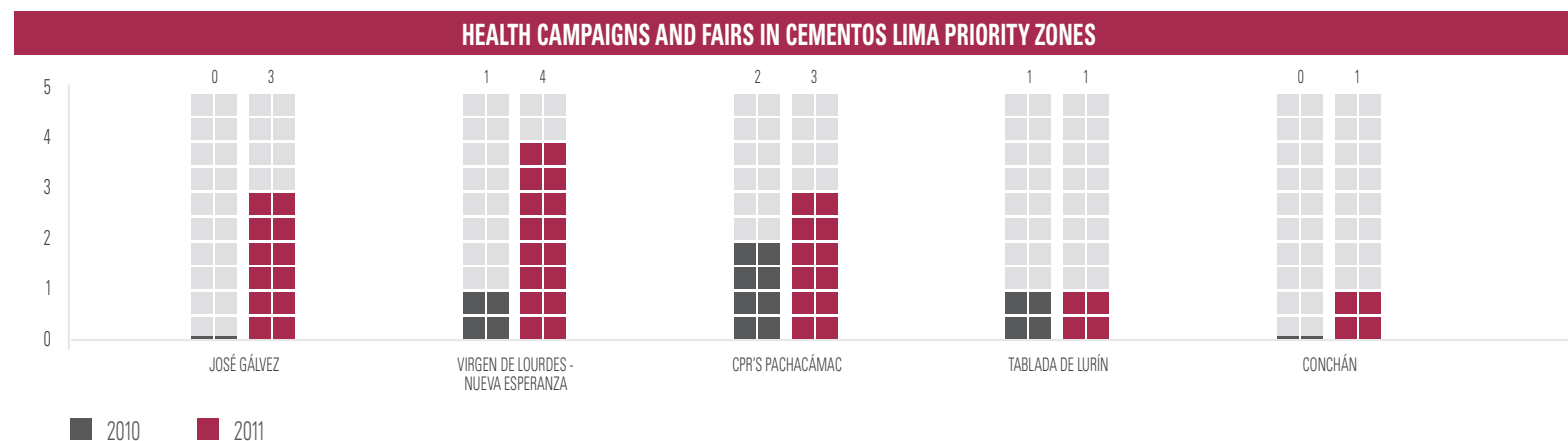
- Family workshops on hygiene, balanced diet and hand-washing technique, as well as technical aid meetings involving the leaders of neighborhood committees, who are assigned the role of monitoring and committing to the changes being encouraged.
- Working with healthcare personnel of the area to ensure that the intervention is sustainable.
- Integral health campaigns (different specialties) aimed at communities adjacent to our factory.



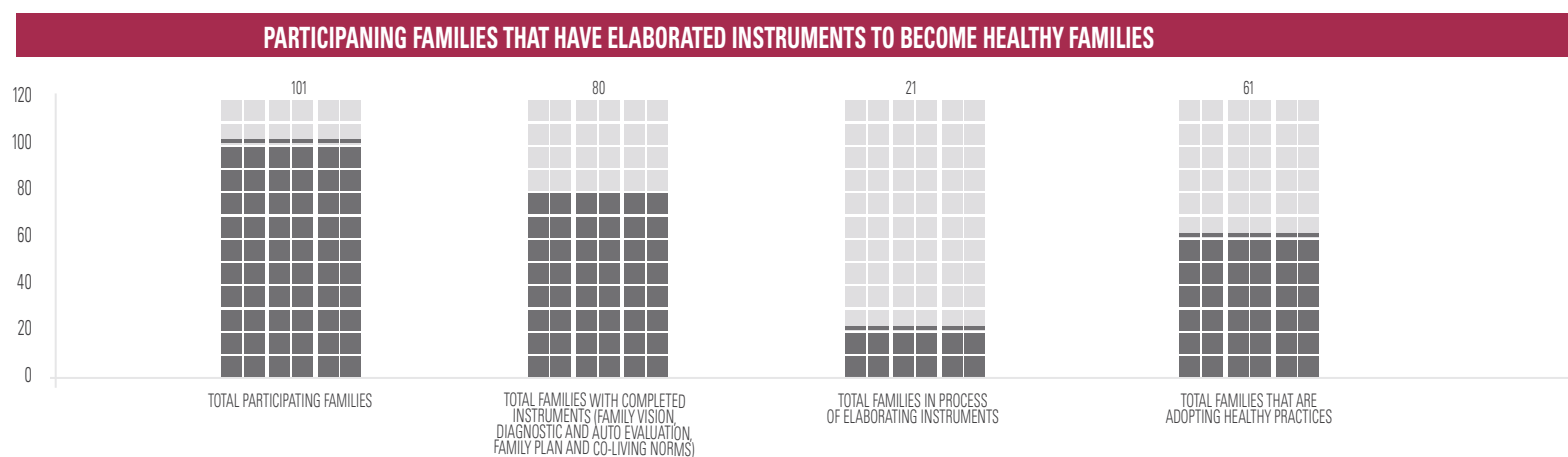
During 2011 we developed other activities, such as: A children's fair, care for pregnant women and health fairs aimed exclusively at senior citizens.

The projects: Improving our health in southern Lima – health families (USAID – Asociación Atocongo alliance), health promotion and prevention program in priority areas – health campaigns⁸.

Graph N° 9 Number of campaigns and fairs



Graph N° 10 Number of families participating who have adopted healthy practices



8. The health campaigns and fairs were organized through close cooperation with healthcare establishments in the jurisdiction and a strategic alliance with Asociación Civil Solidaridad en Marcha (SEM), with which we are working for a second year.

- Approach 03: Community development

We provide technical aid to community organizations for formalization and strengthening (incorporation, municipal RUOS procedure, review of by-laws, regulations and work plan), as well as specific aspects of management.

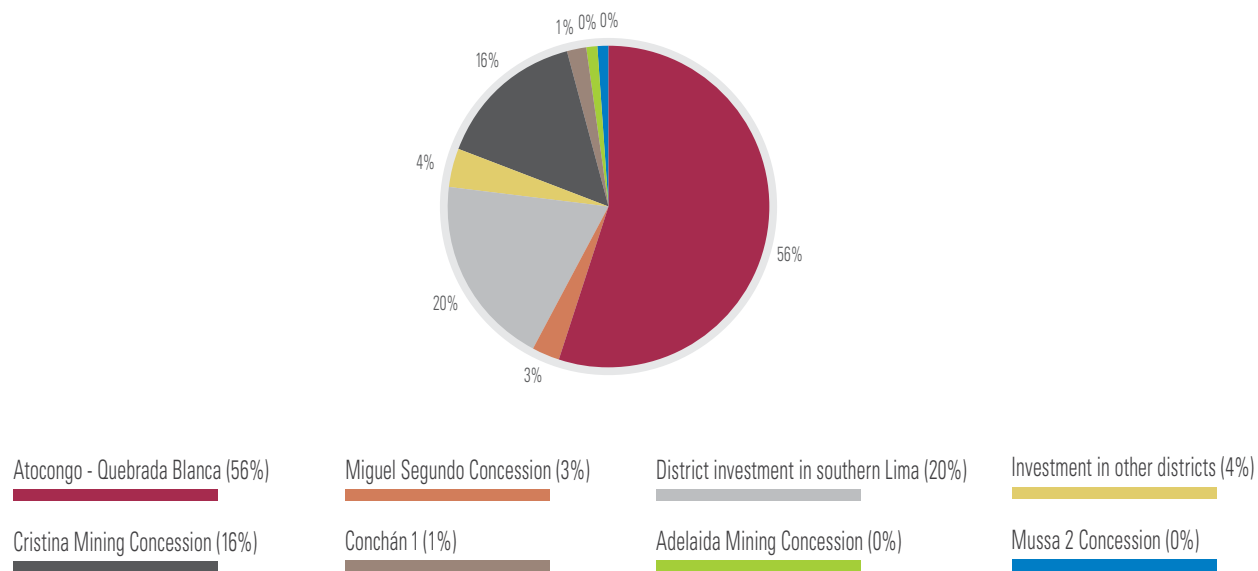
Furthermore, we implement the grass-roots development methodology in coordination with the monitoring and evaluation department of Asociacion Atocongo to ensure monitoring of the improvement plans.

We also maintain permanent contact with local governments in southern Lima. Furthermore through our donations program we attend requests from community organizations, associations and municipalities, which are evaluated according to the following criteria: applicant's zone, origin, background and the impact to be generated.

Projects: Local government competition and monitoring of community projects.

The programs and projects have progressed and, in accordance with evaluations have been concentrated with regard to the company's production or operating units.

Graph N° 11 Percentage investment broken down by type of company operation



58% of the investment was concentrated on the Atocongo - Quebrada Blanca production unit, which covers Tablada de Lurín, José Gálvez, Virgen de Lourdes, Nueva Esperanza (a district of Villa María del Triunfo) and Centros Poblados Rurales - CPR (a district of Pachacámac).

A further 17% was concentrated on the Cristina mining concession (Pachacámac). 3% was concentrated on the Mussa 2 concession (CPR Cardal, Sta. Rosa de Mal Paso in Pachacámac).

Finally, the community relations investment concentrated on the Conchan I production unit was 1%.

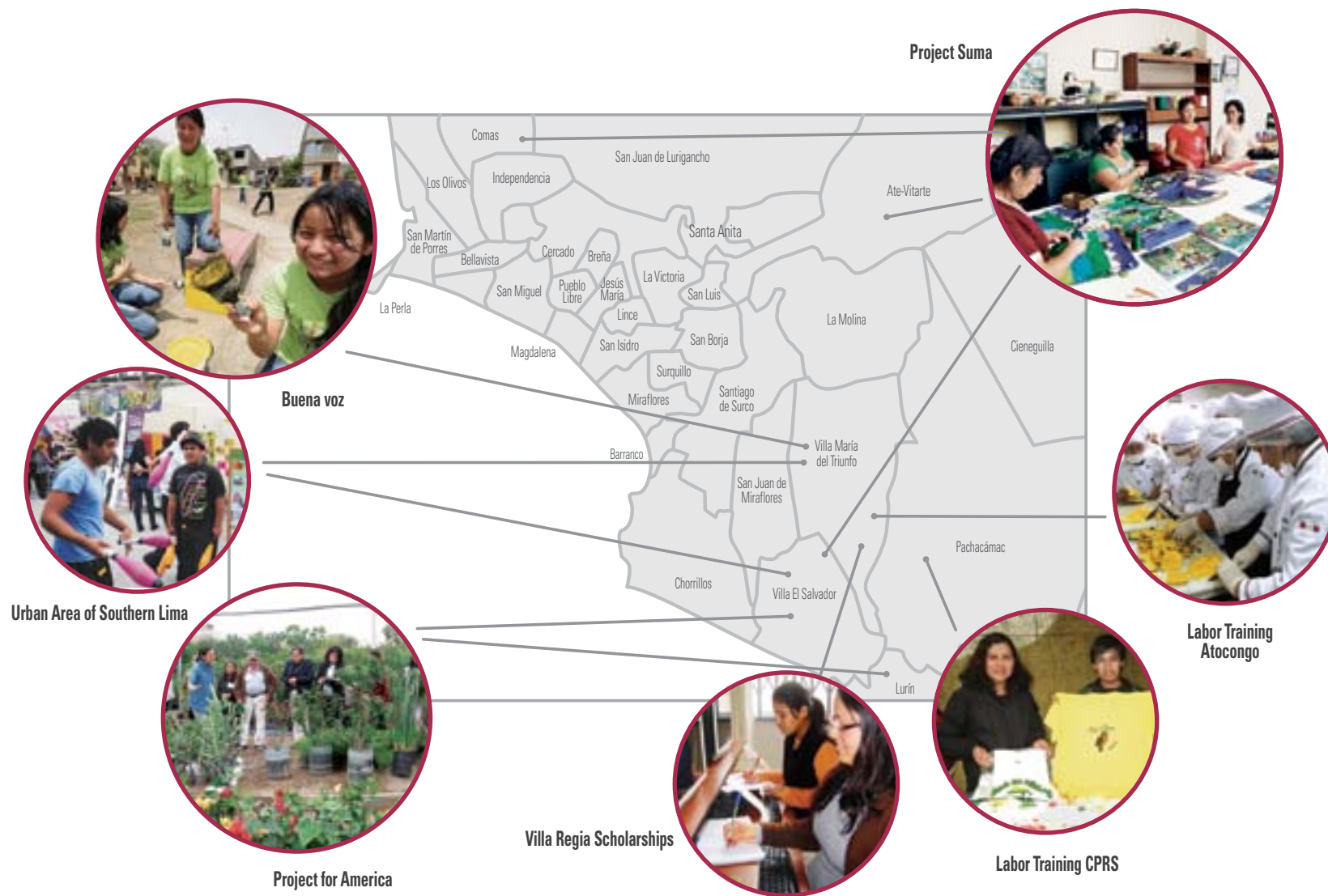
Finally, the community relations, environment and training departments of the company arranged the “factory visits” that are designed to bring the company closer to local communities, demonstrating our operations, the cement production process and our social responsibility work.

Local development

- 820 people benefited from local development programs
- 366 people were trained for entrepreneurship.
- 221 producers (67%) increased their sales.
- 23 community organizations (14 producers and 11 juvenile) had their collective skills and social capital strengthened.
- 147 youth developed their leadership skills to be better citizens in their communities.



Illustration Nº 4 Intervention - community relations in southern Lima - 2011



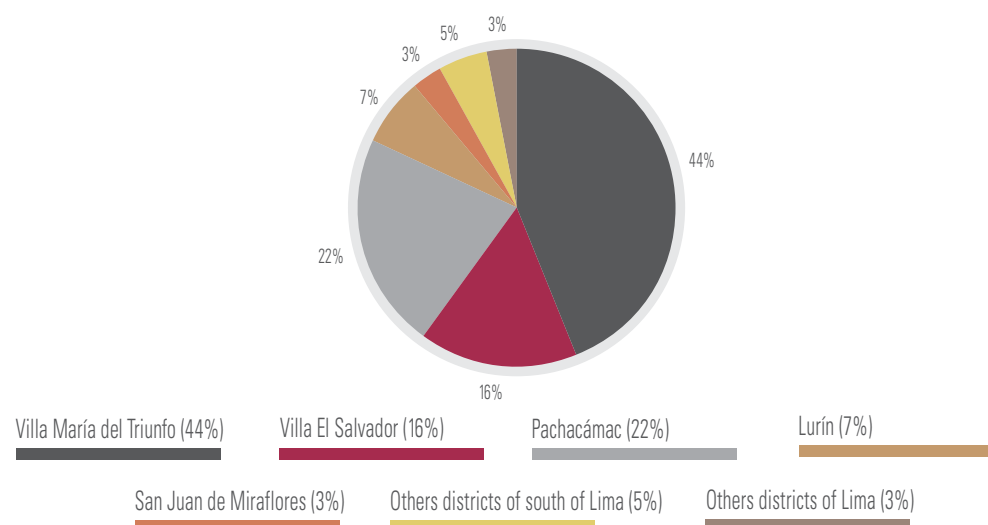
Our work as part of the local development program aims to further the integral development of skills for work and economic achievement and strengthen of the community organizations, thus contributing to the development of the areas adjacent to the company.

In this sense, we have three approaches to our intervention with their respective projects:

- Approach 01: Labor training

Facilitates access by youth and adults (principally women) to occupational training in five subjects lasting one year, enabling them to find jobs or start businesses. The beneficiaries come mainly from southern Lima.

Graph N° 12 Students of the labor training program broken down by district
Students / districts 2011 (expressed in %)



During 2011, this program took place at four centers: Atocongo (Cementos Lima camp -Villa María del Triunfo) and three rural settlements in Pachacámac (Guayabo, Picapiedra and Quebrada Verde). It should be noted that we have the backing of five Technical Production Centers of Education (CETPROS) that guarantee official recognition for the technical subjects in question (hotel trade, electronics, screen printing, beauty and crafts). The program also includes training in business risks, values, client service, formal incorporation, etc.

Furthermore, in alliance with the Villa Regia Center (Villa María del Triunfo) we grant annual scholarships, principally to 100 youth, for technical careers.

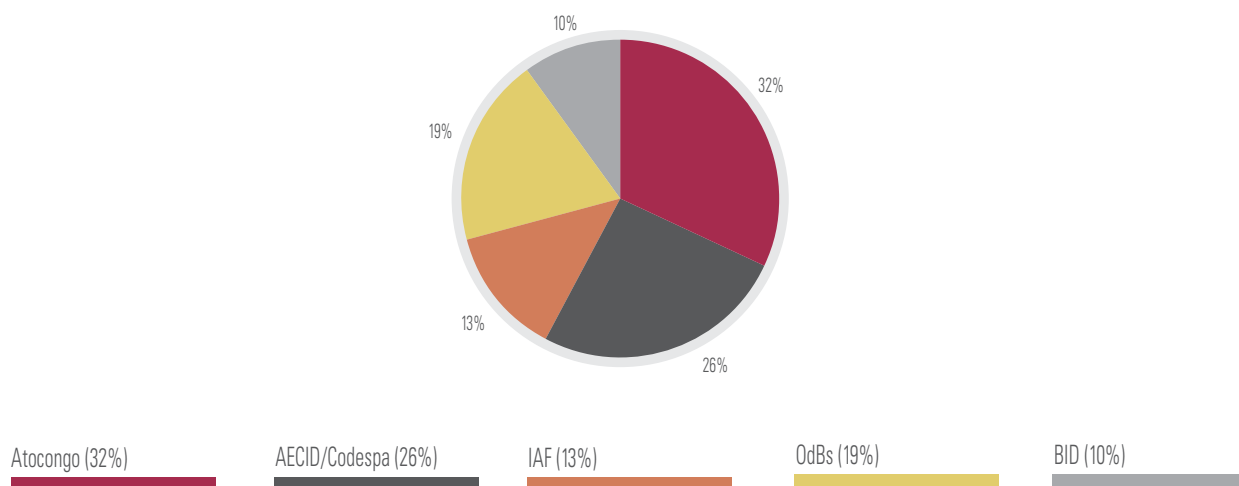
- Approach 02: Income generation

Through alliances with international aid and corporate social responsibility organizations, we have created funds available to help finance projects by community enterprises made up of achievers with few resources. The projects aim to strengthen the organization of these businesses, improve their equipment and productive capacity, and facilitate market access in a competitive and sustainable manner.

The Suma Fund (alliance between Asociación Atocongo, AECID-Fundación Codespa, Fundación Interamericana and Asociación Los Andes de Cajamarca) supports twelve productive projects and together with the Fondo Por América (alliance between BID/Fomin and RedEAmérica), support two further projects. Alliances between the municipalities in southern Lima, eastern Lima and northern Lima have been formed to promote the funds and identify suitable organizations.

Graph N° 13 Available funds

Participation by AA in available funds (expressed in %)



In the 14 productive projects, the investment percentages are 32% from Asociación Atocongo, 19% from the organizations and 49% from other institutions.

- Approach 03: Encouraging youth

One of the priority stakeholders for Cementos Lima consists of youth. Youth promotion offers opportunities to develop leadership, talent, personal and social skills and values so that they can make a contribution to the progress of their communities.

Through our Buena Voz project, we have been developing young leaders since 2003 in two state schools in José Gálvez (a district of Villa María del Triunfo), encouraging environmental awareness and community work.

Furthermore, through the Xona Urbana Lima Sur project, we are strengthening juvenile organizations so that they can propose and implement improvements to their neighborhoods and communities and bring the youth problem onto the local agenda.

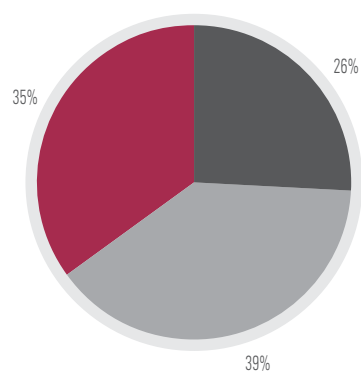
Working with these young community leaders allows us to directly help to solve problems through intervention by the youth themselves, thus we have advised nine youth organizations, that have produced their own development projects to solve problems in their neighborhoods such as delinquency, lack of opportunities for young artists, unemployment, zoonotic diseases, etc.

In 2012, these youth will receive financing and technical aid to implement their project, which will directly benefit their neighborhoods in the districts of Villa Maria del Triunfo and Villa El Salvador.

Local development projects are implemented as a priority in the area of influence of the company. 65% of the investment is destined for projects and initiatives in southern Lima.

Investment in projects close to our production units in 2011 amounted to 26%. These projects were located close to the Atocongo-Quebrada Blanca production unit and the Adelaida mining concession.

**Graph N° 14 Percentage distribution of the Promoción Juvenil project by location
Investment / CL production unit - 2011 (Expressed in %)**



CL Concessions (Quebrada Blanca y Adelaida)

Investment in southern Lima

Investment in others districts of Lima

Communication for social transformation

- 2,216 beneficiaries in artistic disciplines.
- 500 students from southern Lima took part in Rhythms of Peru.
- 36 theater, dance and music workshops in 2011.

Cementos Lima's organization Asociacion Atocongo operates a training center (TC) which imparts knowledge and encourages cultural and artistic initiatives that help to stimulate equal opportunity and integral development.

As far as the programs developed for our approach to community involvement (education, social infrastructure, local development, culture and art, among others), our TC has the facilities to provide different training and development plans. The Training Center has been suitably equipped and is close to the community.

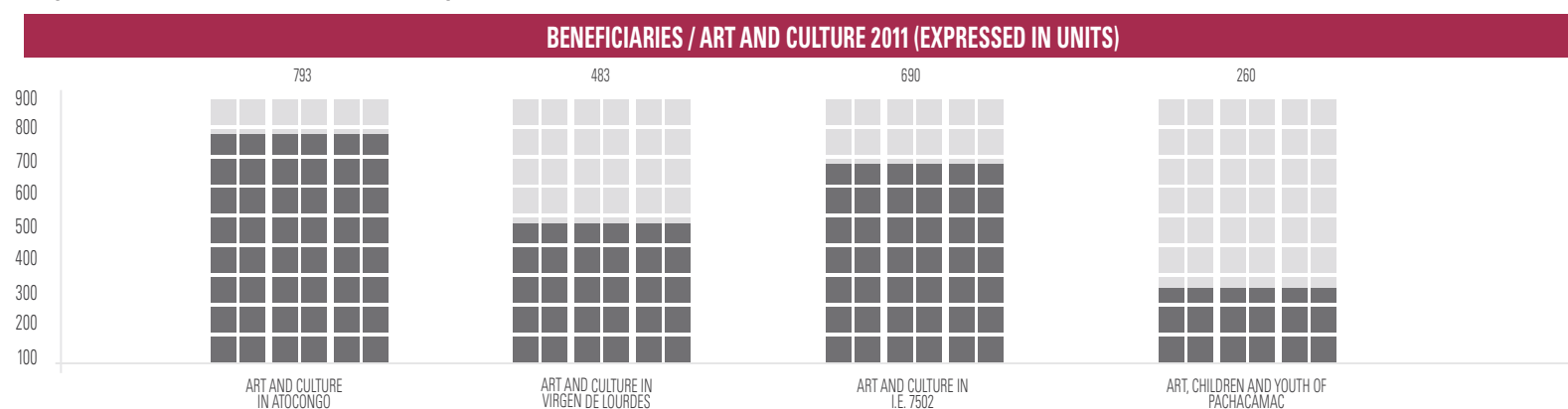


Art and culture (A&C)

In 2011, our Art and Culture initiative encouraged the adequate use of free time, generating positive changes in the conduct and values of children, adolescents, adults and senior citizens who participated in artistic and cultural activities at the training center. This year the program was implemented in the Virgen de Lourdes marginal settlement and School N° 7502 in Villa Maria del Triunfo, as well as Centro Poblado Rural Quebrada Verde in Pachacámac.

This program offered participants a wide range of artistic disciplines, such as theater, clowning, public speaking, dance (marinera and modern dance) and music (guitar and flute) over three seasons in 2011 (summer, autumn-winter, spring), benefiting a total of 2,216 participants (children, adolescents, adults and senior citizens).

Graph N° 15 Beneficiaries of the art and culture program



Rhythms of Perú

With a vision to raise awareness of the roots of our national identity through cultural elements such as dance, Cementos Lima organized the 9th school dance competition entitled Rhythms of Perú 2011. This program is aimed at high schools students in state and private schools in the districts of Villa María del Triunfo, Villa El Salvador, San Juan de Miraflores, Lurín and Pachacámac. Around 50 schools participated.

With a healthy competition atmosphere, enthusiasm, talent and commitment to expression through dance, one of the cultural manifestations of Peru, the pupils of Mariscal Toribio Luzuriaga school in Villa El Salvador (VES) and Fe y Alegría N° 17 school in the same district, took first place in the 9th "Rhythms of Peru" school folk dance competition organized by Cementos Lima, with the dance "Papatarpuy" from Cuzco.

Art, children and youth of Pachacámac

For another year and in conjunction with Escuela Declara, we developed attitudes based on education and solidarity using art as a common language. This contributed to the integral education of the students, who developed skills and received incentives with ethical principles.

The project took place in two schools in Pachacamac: I.E 7040 San Martín de Porras (Guayabo) and I.E 6055 Virgen de Fátima (Cardal). Drawing, painting and music workshops were held; strengthening the development of the children and youth of Pachacámac.





Strengthening and support for talent

Our aim is to support and develop the talents of Peruvians with few opportunities. Thus it was that three years ago our neighbors Deysi and Jorge Cori were given help and professional development as chess players, including training from Peruvian and international grand masters.

Deysi Cori

First Peruvian chess grand master and the youngest in South America. One of the five best players in the world, with an ELO rating of 2,376 points. She is in first place in her category in America. Her achievements:

- 2010 Gold medal in the under-20 world chess championship held in Chennai - India
- 2010 Silver medal in the world youth chess championship (Halkidiki - Greece)
- 2009 Gold medal in the girls under-16 world championship (Antalya - Turkey)

Jorge Cori

Occupies first place in his category (under-16) in Latin America and is an international master and grand master. His ELO rating is 2,482 points. His achievements:

- 2011 Winner of the world under 16 chess championship held in Caldas Nova – Brazil.
Classified and took part in world adult championship in Russia
- 2010 4th place in the continental absolute championship (Cali -Colombia)
- 2009 Gold medal in the world youth under 14 championships (Antalya - Turkey)

4.4. Generating value for our clients (4.16, DMA PR)

We generate value business and commercial growth together with our clients. In recent years, we have helped them integrate into our value chain through participation in programs designed and created for them.

Our relationships with our clients produced the following results in 2011:

- Progre-Sol network of retail distributors

The Progre-Sol hardware store network consists of more than 220 associated stores; all of them run by independent owners. Progre-Sol has enabled these stores to reorganize and experience the benefits of greater professionalism and formality with, therefore, better prospects for sustainable growth.

The greatest achievements of the Progre-Sol network are:

- An increase in the turnover of hardware stores (increased cement sales over and above the growth in the market).
- Greater profitability for these stores.
- Integration, potential and empowerment of the hardware business.
- Strengthening of the relationship with smaller hardware stores, builders, self-builders and independent construction firms.

- HatunSol

Our HatunSol micro-financing system has brought self-builders into the Peruvian financial system; these people are responsible for between 50% and 60% of house building in Peru and generally belong to the poorest sectors of the population. HatunSol provides financing not only for construction materials, but also for labour and transport of the materials to the building site; it also provides advice from professional engineers free of charge.

It thus seeks to mitigate a serious problem with self-building in Peru: informality resulting from lack of professional training.

Our clients' satisfaction (4.16)

It is important for Cementos Lima to know that its clients are satisfied, so we measure satisfaction levels in order to confirm that we are on the right track and to reveal opportunities for improving our processes. The study was carried out by IPSOS – APOYO and covered the traditional sales channels. It employed the Loyalty Optimizer methodology, which included in-depth interviews and surveys of a sample of 69 clients of the Progre-Sol network. Furthermore, next year it is planned to carry out a satisfaction survey entitled ProgreSol 2.0.

Table N° 16 Participation in the general client satisfaction survey 2011 (PR5)

TYPE OF CLIENT	PERCENTAGE PARTICIPATION 2011
The ProgreSol network	27%
Distributors	52%

Our marketing and advertising practices are governed by the policies of the Peruvian Association of Advertisers (ANDA). (PR6)

4.5. Standing by our suppliers (4.16, DMA EC)

During 2011, work with our suppliers was once again based on good business practices such as compliance with social and employment law by their collaborators and, of course, by anyone working on our premises.

Furthermore, Cementos Lima's integrated management system (IMS) contains procedure PG-GA-003 for the selection, evaluation and re-evaluation of suppliers. The purpose of this is to ensure the quality of the goods or services, guarantee technical support and improve costs and delivery times.

Cementos Lima also has a weekly induction program for new suppliers and collaborators that includes subjects such as safety and hygiene, first aid, fire fighting and care for the environment.

After induction, participants have to pass an evaluation before they receive their induction card (which is renewed every year after further training and evaluation).

At present, Cementos Lima has more than 8,000 registered Peruvian (local) suppliers and 1,500 foreign suppliers; these include suppliers of critical products (products that affect the production process), suppliers of non-critical products, and service providers, among others.

In 2011 we issued the following purchase orders: (EC6)

Table N° 17 Number of domestic and foreign purchase orders

SUPPLIERS / CATEGORY	P/O NUMBER
Domestic (local)	503
Foreign	91

Investment in purchase orders was: (EC1, EC6)

Table N° 18 Value of domestic and foreign purchases

PURCHASES	UNITED STATES DOLLARS (US\$)
Domestic (local)	32,999,965
Foreign	30,857,716

4.6. Respecting government (4.16, DMA S0)

As the largest cement manufacturer in Peru and a socially responsible enterprise, our commitment to the country's development is even greater. Thus we comply promptly with our obligations to the different departments of government.

Table N° 19 Compliance with obligations to the Government - 2011 (In thousands of nuevos soles)

PAYMENTS TO THE GOVERNMENT	S/.
Income tax	92,992
Value added tax (VAT)	52,622
Other taxes	8,275
TOTAL	153,889



We also have links and commitments to the Ministry of the Environment, the Ministry of Employment and Social Promotion, the Ministry of Education through the local education management unit (involving social investment programs), the Ministry of Health (DISA) and government infrastructure and education agencies that enable us to stimulate the development of those suffering poverty and extreme poverty. All this takes place within the framework of agreements between institutions, in accordance with sector, national and local policies.

Furthermore, this year we have worked together with local governments in southern Lima and have made progress with social infrastructure projects and preservation of the environment.

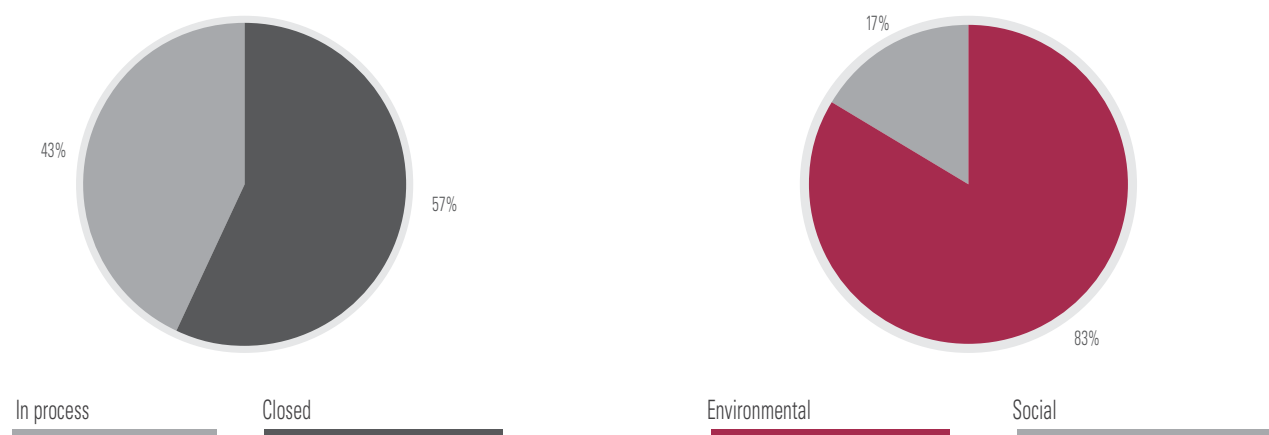
4.7. Responsibilities for our environment (4.16, DMA EN)

Cementos Lima accepts its responsibility for the environment as being an essential part of management. For this reason our company concentrates its efforts on the use of clean technology and improving capacities, in order to mitigate the impact of our operations on the environment.

We are committed to the health and safety of our people, care for the environment and the satisfaction of our clients, therefore our actions are a function of our quality, environment, safety and occupational health policy. We include pollution prevention and monitoring of our environmental aspects, such as blasting in our quarries, carbon dioxide and particle emissions during clinker manufacture, electricity consumption by the production process and particle emissions while loading vessels.

Furthermore, our integrated management system (IMS) includes procedure PG-GA-001, "Communication with Stakeholders", through which we record complaints, claims, queries and other communications with all our interest groups regarding social, environmental and other matters.

Graph N° 16 Number of complaints and claims



During 2011, we also took part in different environmental forums, as well as presentations and workshops such as:

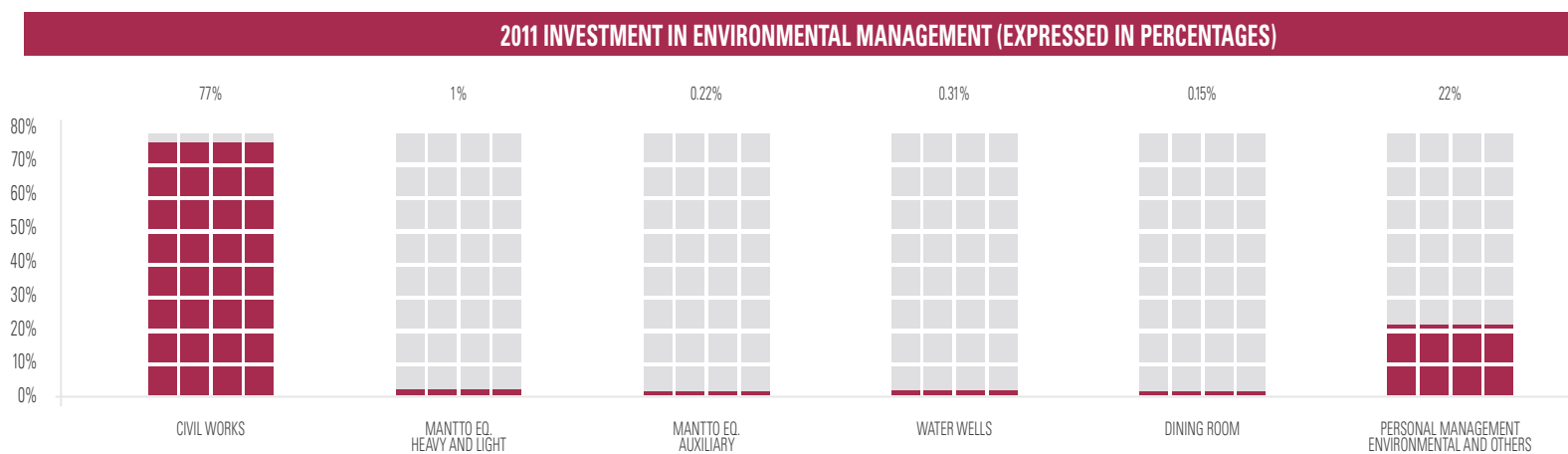
- Six meetings with the five municipal environmental commissions – CAMs in southern Lima.
- Approximately 192 meetings with the five area environmental committees (3-4 meetings / week / committee).
- One workshop reporting on the environmental impact study for the Las Dunas 3 second concession (December 2011).
- Seminars and forums organized by the Peruvian Mining and Petroleum Society.

Also, as part of our “environment week”, we encouraged awareness raising among our stakeholders (collaborators, authorities, and municipal officials, consultants, recyclers, leaders of community organizations and the community in general) about environmental subjects through talks, workshops and theatre.

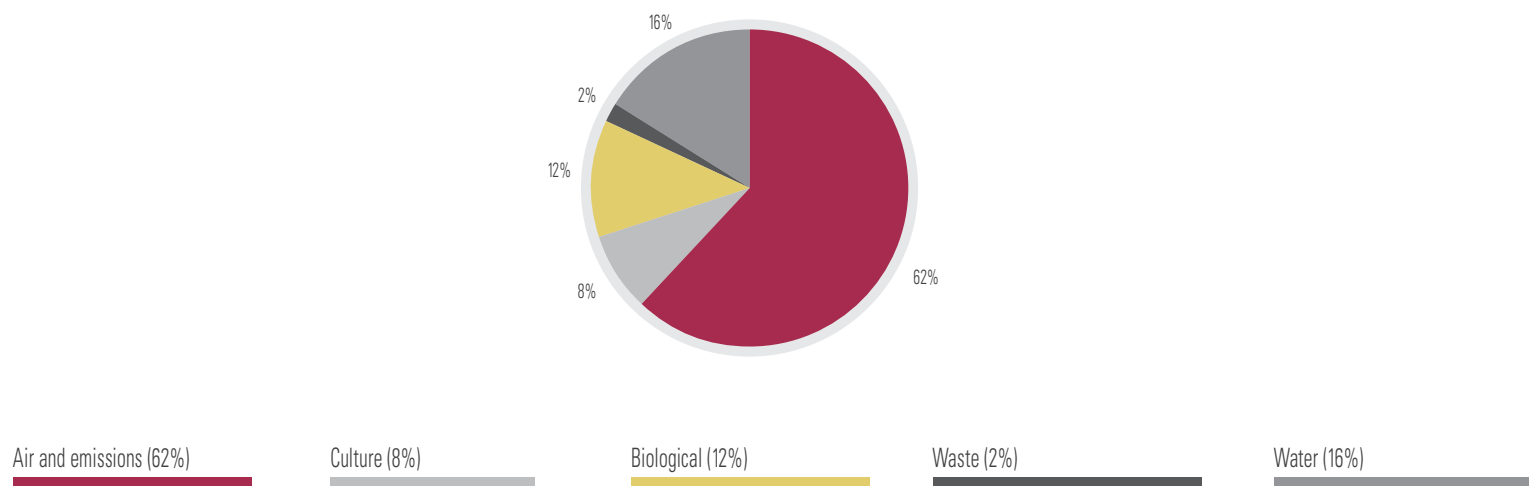
Environmental investment

Our investment during 2011 in managing environmental aspects was approximately 6 million dollars, spent on different items, as can be seen in the following illustration: (EN30)

Graph N° 17 Investment in environmental management 2011



Graph N° 18 Investment by environmental aspect 2011



Environmental projects

We are aware of our responsibility to the environment and we have implemented important projects that provide, effective and safe response to society concerning our environmental and social behavior and our integral approach to mitigating climate change: (EN26)

a) Partial replacement of coal by natural gas: thanks to the use of natural gas as a source of energy in the production process, we have reduced our carbon dioxide (CO₂) emissions by approximately 120,000 tons CO₂, making us the first Peruvian cement manufacturer to issue CO₂ emission reduction certificates (CER's) as part of the Kyoto Protocol's Clean Development Mechanism (CDM). (EN18)

- b) Implementation of modern particle capture systems in the kilns and clinker cooler: the use of sleeve and electrostatic filters makes it 99,99% efficient in retaining particulate materials.
- c) Implementation of a waste water treatment plant: the plant treats 100% of our waste water and has a nominal production of 18,000 cubic meters a month of treated water that is used to irrigate our parks and gardens and in our fire fighting system, thus reducing the consumption of ground water from our two wells at Las Palmas, five kilometers from the plant, by 35%.
- d) Modernization of the plant: will make our processes more efficient, saving thermal energy (10%) and electricity (17%) in the cement manufacturing process, as well as reducing the consumption of 15,000 cubic meters a month of industrial water.
- e) Operation of the Atocongo - Conchan environmental conveyor belt: a conveyor belt approximately 8 km long, from the plant to the port facility, which has reduced environmental risks as those arising from road transport of raw materials and products, providing important social benefits in the form of new roads, bus stops and parks, improving the appearance of the zone and drastically reducing gas emissions, dust and noise from heavy vehicles.

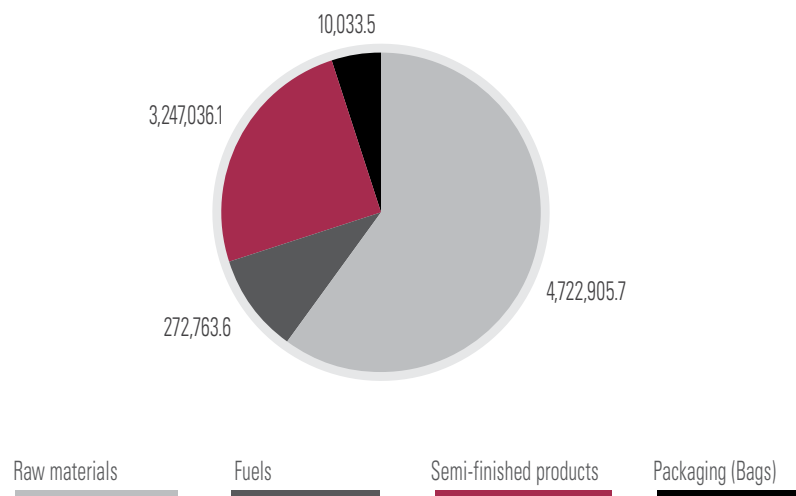
Raw materials and supplies (EN1)

The following points are worth mentioning regarding the materials used by Cementos Lima:

Table N° 20 Investment in environmental management 2011

MATERIALS	SUPPLIES	TONS (tn)	DESCRIPTION
Raw materials	Limestone, Pozzolan, gypsum, silica and iron ore.	4,722,905.7	<p>The process of manufacturing clinker and cement is dry and starts with the extraction of raw materials (limestone, gypsum and pozzolan) from our quarries, which are open pit. 65% of the limestone is obtained from the Atocongo quarry and approximately 35% comes from the Cristina concession.</p> <p>The Atocongo quarry is adjacent to the plant (500 m away) while the Cristina concession is 11,5 km from the plant. The gypsum used in the manufacture of cement is obtained from Las Dunas N° 2, Las Dunas, Virgen de Fátima and Las Hienas quarries; the first two are located in the province of Pisco and are the quarries that provide most of the gypsum used for cement manufacture; the other two quarries are located in the province of Canta and Cañete, respectively. The pozzolan is obtained from the Adelaida quarry adjacent to the plant and other products, such as silica and iron ore are acquired from suppliers and are used as additives in the manufacture of clinker.</p>
Fuels	Natural gas, fuel oil and coal	10,490,907.7 (JG)	At present Cementos Lima uses mainly natural gas (60%), and other sources such as coal, fuel oil and diesel 2 to a lesser extent (40%), while the production line uses 100% natural gas. (EN3)
Semi-finished products	Clinker	3,247,036.1	<p>The limestone is transformed into a duly balanced intermediate product called clinker, by means of a physical - chemical reaction that takes place at high temperature (1 450°C).</p> <p>The clinker is finely milled with gypsum to produce the final product: Portland types I to V cement. If pozzolan is added during the milling process the result is pozzolanic Portland cement.</p>
Packaging (bags)	Paper bags and Big Bags	10,033.5	At present cement is sold in 42.5 kg bags, in 1.5 ton Big Bags and in bulk in batches of approximately 30 tons, but 42.5 kg bags account for the majority of sales.

Graph N° 19 Quantities of raw materials, supplies and fuel for cement production



Environmental control and monitoring program

We continued to monitor air quality in our production units during 2011, in accordance with the monitoring program established in each management plan for the environmental instruments used by Cementos Lima.

Our production units have air quality monitoring points at the factory and the Atocongo quarries, the Conchan pier and the Cristina, Las Hienas, Virgen de Fátima and Las Dunas quarrying concessions.

Atmospheric emissions (EN26)

We have a system of control for atmospheric emissions and to measure them we use the methodology known as "Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacture" (ACM003. Version 07.3), approved and registered under the CDM - United Nations Framework Convention on Climate Change (UNFCCC), for a project to partially replace coal with natural gas in cement manufacture.

Furthermore, cement manufacture produces direct emissions from the main source of thermal energy, which is combustion of coal and natural gas, the latter making up the higher percentage.

Indirect emissions of greenhouse gases come from renewable electric energy from the El Platanal hydroelectric power station (CELEPSA), with which we are strategic partners, and non-renewable electricity from Generación Eléctrica Atocongo, a subsidiary of Cementos Lima, which uses gas engines to drive its generators. Thermally generated electricity amounted to 11% of total electricity consumed in 2011. Harmful atmospheric emissions are detailed below: (EN19, EN20)

Table N° 21 Gas and other harmful emissions into the atmosphere

DESCRIPTION	2009		2010		2011	
	KILN I	KILN II	KILN I	KILN II	KILN I	KILN II
Percentage (%) of cement kilns with a monitoring system for the principal contaminants	100	100	100	100	100	100
Specific emissions of particulate materials (mg/cubic meter)	29.6	72	6.7	8.6	31.09	3.45
Specific NOx emissions (mg/normal cubic meter)	335.3	905.5	856.6	386.7	1,474.12	559.83
Specific SOx emissions (mg/normal cubic meter)	1,483.5	2,062.8	1,825.4	1,323.4	645.77	1,609.78



The Clean Development Mechanism of the United Nations Framework Convention on Climate Change - UNFCCC (EN18)

May 2011 saw the completion of the second periodic verification of emissions reductions relating to the fuel replacement project for which Tüv Süd, the designated operational entity (DOE) is responsible.

Table N° 22 Number and earnings of certified emissions reductions (CERs) – May 2011

VERIFICATION PERIOD	N° OF CERTIFIED EMISSIONS REDUCTIONS (CERs)	INCOME (€)
From May 1st, 2009 to August 31st, 2010	112,346 tn	1'303,980

N.B. The certificates were transferred in June 2011 to EDF Trading's account

The third verification period started in December 2011 and covered the period from the September 1st, 2010 to August 31st, 2011; total reductions amounted to 137,754 tn. It is estimated that the CERs will be issued in June 2012.

VCS voluntary standard

Greenhouse gas emissions (GHG) reductions achieved outside the United Nations CDM, were validated and verified under the voluntary standard framework (VCS). (EN18, EN26)

Table N° 23 Number and earnings of certified emissions reductions (CERs) – August 2011

VERIFICATION PERIOD	N° OF VOLUNTARY EMISSIONS REDUCTIONS (VER)	INCOME (USD)
August 1st, 2006 to November 9th, 2008	297,485 tn	200,566

N.B. The VER were transferred to the account of Ecoinvest Carbon S.A. (a Bunge group company) in October 2011.

Energy efficiency (EN4)

Our main sources of intermediate energy for the manufacture of cement are: electricity (89%) and thermally generated energy (11%). At Cementos Lima we are concerned to use energy efficiently. Our use and consumption ratios in 2011 are shown below:

Table N° 24 Sources and consumption of intermediate energy

INTERMEDIATE ELECTRICAL ENERGY			
ORIGIN OF ELECTRICAL ENERGY	TYPE OF ENERGY	% ENERGY USE	TOTAL ENERGY CONSUMPTION (JG)
CELEPSA (El Platanal hydroelectric power station)	RENEWABLE	88.8	83,588,684.4
Generación Eléctrica Atocongo (thermal station)	NON-RENEWABLE	11.2	10,589,985,556

Furthermore, in order to raise the awareness of our collaborators we form part of the "Earth hour" campaign. (EN18)



Efficient use of water

Cementos Lima is aware that water is indispensable for life and responsible water management is a daily part of caring for the environment. The reuse of treated water and reducing water consumption are strategic pillars of Cementos Lima's water management.

The principal source of water for Cementos Lima's processes is ground water. (EN8)

For this reason we have implemented a project entitled "responsible water management" containing a number of initiatives:

- Study of the hydric balance, concerning the consumption of ground water from our own source five kilometers from the factory. As far as our water use and consumption are concerned, we have reduced water use from 70,000 to 50,000 meters³ per month; we have also reduced the residual effluent percentage to 35% of total water consumed, providing savings in excess of 4 million dollars since we started this project. (EN8)
- The waste water treatment plant enables us to treat and reuse 100% of industrial and domestic effluents, so that we no longer discharge any waste water into the public sewers. This means we extract 200,000 m³ less ground water, sufficient to supply 2,190 people for one year at a consumption rate of 250 liters/inhabitant/day. (EN10)

This operation produces an average saving of S/. 370,000.00 nuevos soles annually by avoiding discharges into the public sewer network. Furthermore, the approximately 16,070 m³ of water a month used in the fire fighting system and for irrigating parks and gardens at our plant and in the community represents an additional annual saving of S/.170,000.00 nuevos soles by replacing ground water with treated water. This reuse of effluent helps to preserve the water table.

- In 2011 the civil engineering work was completed for modernization of the plant. This project seeks to reduce the consumption of industrial water by approximately 15,000 m³ a month (180,000 m³ annually). A new pre-heater will be installed that will make use of the heat in the combustion gases, avoiding the need for industrial water used to cool the gases in the Lurgui tower on production line 1, thus reducing the consumption of fresh water by 90% of total industrial water. We will thus increase production efficiency and considerably reduce the consumption of industrial water. (EN10)

- The “Make a difference” campaign is aimed at raising our collaborators' awareness of responsible water use. Information and tips are offered to reduce water discharged into the sewer network. To date, messages have been posted in the toilets. We have also implemented savings systems such as automatic urinal cisterns and faucets, as well as automatic irrigation systems for internal parks and gardens. We expect to continue implementing water savings systems in the factory, offices and camp.

The use of this set of measures has made the “Cementos Lima responsible water management” project into an example of environmentally efficient water management. The measures implemented have not only reduced consumption and increased reuse of water, but have also stimulated production efficiencies in the plant and achieved significant savings for the company.



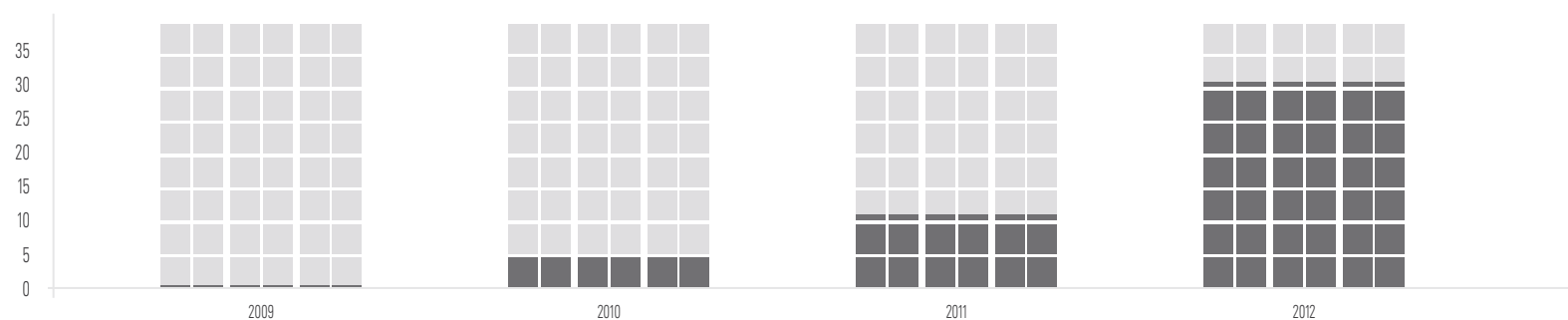
The following table shows the volume of ground water consumed and reuse from 2009 to 2011: (EN10)

Table N° 25 Volume of ground water used and reused

YEAR	GROUND WATER (m ³ /month)	TREATED WATER (m ³ /month)	% WATER REUSED
2009	52,108.33	0	0
2010	49,173.92	2,500	4.84
2011	51,869.25	6,833.33	11.64
2012*	35,869.25	16,000	30.85

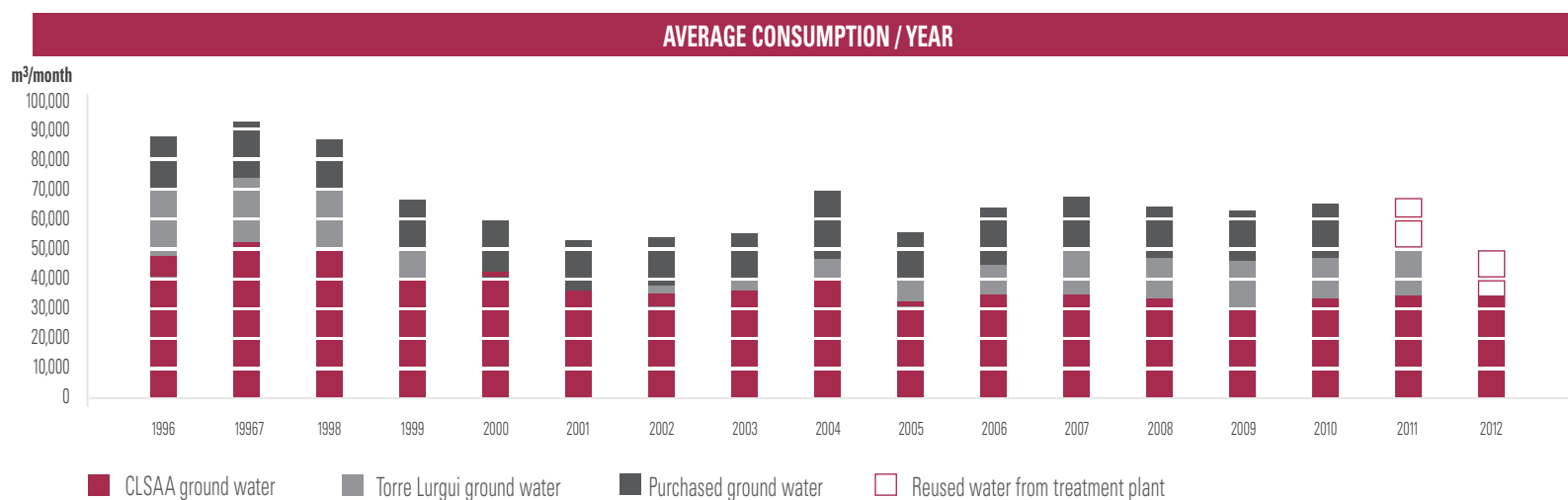
*Forecast

Graph N° 20 Percentage of water reused per year



The following shows the trend towards savings in the consumption of domestic and industrial water:

Graph N° 21 Average water consumption per year (EN8)



Protecting biodiversity (EN14)

Cementos Lima respects areas of high biodiversity and carries out different measures to protect them, such as the Amancay Sanctuary. The company carries out biological monitoring on its quarry concessions at Las Dunas, Atocongo, Cristina, Virgen de Fátima and Las Hienas to understand how the wild flora and fauna of the area behave during the dry and wet seasons and to evaluate the possible impact over time of our activities. Representative species identified in biological surveys carried out during 2011 are shown below:

Table N° 26 Species identified in biological surveys

CONCESSIONS	N° OF SPECIES	TYPE OF SPECIES
Atocongo	120	Ismene amancaes "amancay", Begonia octopetala "begonia", Carica candicans "mito", Lagidium peruanum "vizcacha", Nothoprocta pentlandii "perdiz serrana", Bolborhynchus aurifrons "perico cordillerano" among others.
Cristina	197	
Las Dunas	57	Rollandia Rolland "zambullido pimpollo", Butorides striatus "garza tamanquita", Ajaia ajaja "espatula rosada", Anas bahamensis "pato gargantillo", Pandion haliaetus "aguila pescadora", among others.
Las Hienas	36	

Waste disposal

Solid waste, both hazardous and non-hazardous is disposed of in authorized landfill sites through solid waste service companies (EPS-RS); the majority goes to the Portillo Grande landfill site. We also generate solid waste that can be sold, which is handled by waste trading companies (EN22) and used in the manufacture of other products.

Solid waste disposal by zones and type of waste during 2011 is shown below: (EN22)

Table N° 27 Weight of waste generated by classification and origin (EN22)

WASTE-GENERATING AREAS	CLASSIFICATION	
	HAZARDOUS (tn/year)	NON-HAZARDOUS (tn/year)
Industrial plant and port facility	98.71	3,288.24
Cristina concession	1.04	49
Atocongo concession	3.07	37.6
TOTAL	102.82	3,374.84

Table N° 28 Weight of waste generated by type – industrial plant and port facility

INDUSTRIAL PLANT AND PORT FACILITY		
CLASSIFICATION	TYPE OF WASTE	WEIGHT (tn/year)
NON-HAZARDOUS	Domestic waste	1,113.7
	Rubble & refractory bricks	1,281.53
	Scrap metal	692.95
	Conveyor belts	5.48
	Timber	153.79
	Tires	0.16
	Paper and bags	33.27
	Drums	5.26
	Square plastic containers	2.1
	TOTAL NON-HAZARDOUS	3,288.24
HAZARDOUS	Dirty rags	16.07
	Hospital waste	0.12
	Organic mud	15.41
	Fluorescent tubes	0.58
	Filters	14.04
	Oil drums	24.686
	Used oil	27.66
	Others	0.14486
	TOTAL HAZARDOUS	98.72
	TOTAL	3,386.96

Table N° 29 Weight of waste generated by type – Cristina concession

CRISTINA CONCESSION		
CLASSIFICATION	TYPE OF WASTE	WEIGHT (tn/year)
NON-HAZARDOUS	Domestic waste	49
	TOTAL NON-HAZARDOUS	49
HAZARDOUS	Rags and wipes	0.53
	Oil filters (207 items)	0.135
	Paint (140 tins)	0.042
	Batteries (15 units)	0.375
	TOTAL HAZARDOUS	1.04
	TOTAL	50.8

Table N° 30 Weight of waste generated by type – Atocongo concession

ATOCONGO CONCESSION		
CLASSIFICATION	TYPE OF WASTE	WEIGHT (tn/year)
NON-HAZARDOUS	Domestic waste	37.6
	TOTAL NON-HAZARDOUS	37.6
HAZARDOUS	Rags and wipes	2.369
	Oil filters (649 items)	0.3245
	Paint (3 tins)	0.0009
	Batteries (15 units)	0.375
	TOTAL HAZARDOUS	3.0685
	TOTAL	40.67

In addition, Cementos Lima has a program entitled “Your paper doesn't stay here.... recycle it”. Special bins have been placed at strategic points throughout the company for disused white paper and newsprint, and employees have been taught to Reduce, Reuse and Recycle paper. We have an agreement with Asociación Las Palmeras in Villa María del Triunfo, a recycling business in that area, the purpose of which is integral handling of solid waste and improving their sales capacity. In 2011 the Asociación Las Palmeras sold 100% of total waste delivered, with 50% of sales for the organization's funds and the remainder (50%) paid to the recyclers.

Transport (EN29)

It should be noted that the company's safety and industrial hygiene department carries out inspections of vehicles belonging to our personnel and to contractors to ensure that they meet the corresponding technical standards.

The income generated by these services are low compared with greenhouse gas emissions (GHG) from the cement factory, however it is worth emphasizing the positive environmental impact of the Atocongo - Conchan conveyor, which represents an investment of 40 million dollars and has considerably reduced emissions into the atmosphere.

In addition, Cementos Lima asked truckers to replace their vehicles at the end of their useful lives, to ensure not only the safety of the company's personnel but to reduce GHG emissions.

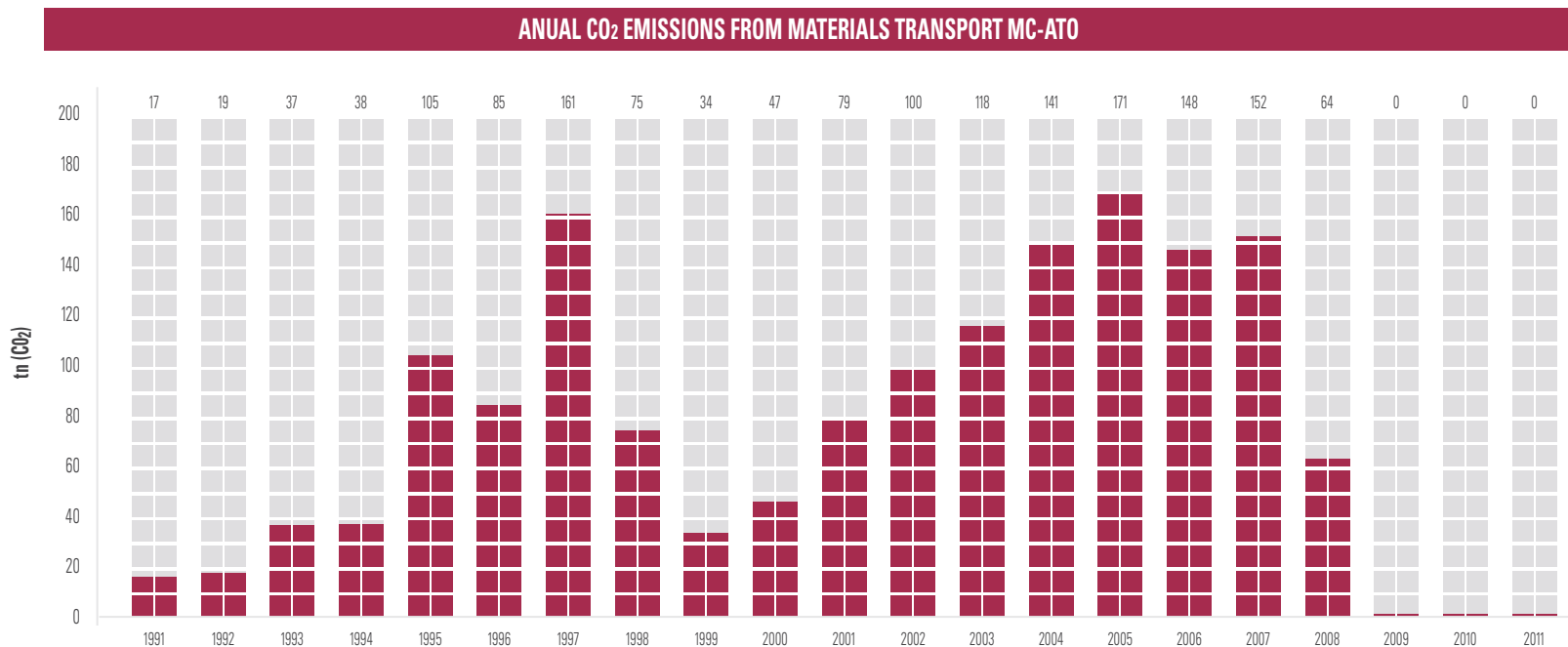
We have identified the principal environmental aspects relating to road transport:

- Fuel consumption by vehicles carrying materials and personnel.
- GHG emissions from fuel consumption.
- Waste generation (paper, used oil, etc.)
- Noise on the company's premises and in the community.
- Potential spillages of fuel and/or lubricants

Equally, in order to mitigate greenhouse gas emissions from road transport, products and raw materials, we make use of the Atocongo - Conchan environmental conveyor, which has substantially reduced road transport of raw materials to the plant. It should be mentioned that the quantity of greenhouse gases (GHG) produced by this service is very low compared with the production process using thermally generated electricity and is considered insignificant in accounting for GHG.

The emissions generated by the transport of raw materials from the Conchan jetty to the plant have been calculated for the period 2002 to 2008; since 2009 Cementos Lima has been using an environmental conveyor belt that has reduced its CO₂ emissions.

Graph N° 22 Annual CO₂ emissions (EN16)



The methodology used in this calculation is that contained in ISO 14001.



2012 Challenges





5. 2012 Challenges

The future sustainability agenda will more than ever involve all sectors. As for businesses, our contribution to sustainability should take into account climate change and involve exemplary practices and socially responsible investment.

Like all companies, we have short, medium and long term goals. We will work on our internal and external aims with a moral commitment based on ethics; demonstrating, through our actions, respect for the dignity of the individual and of all our interest groups.

Furthermore, we will continue working with the community, strengthening its leaders and the communities themselves as agents of economic, social and environmental development.

Finally, Cementos Lima, as an agent of change, is committed to strengthening the alignment and integration of its corporate social responsibility policies throughout its value chain and among all of its stakeholders.



Commitment to the Global Compact





6. Commitment to the Global Compact (4.12)

At Cementos Lima we continue with our commitment of adhesion to the Global Compact, contributing as a company to finding solutions to the challenges facing the planet and globalization.

Last year we promoted good practices and made improvements to competences and our commitment to the 10 principles of the Global Compact, including that concerning corruption, within the framework of its three pillars: human rights, work and the environment.

We have strengthened our value chain by motivating our collaborators and implementing conditions that favor production. (HR1)

Human rights (DMA HR)

Principles 1 and 2 (HR1): from its earliest days, Cementos Lima has respected human rights as a company committed to its collaborators and third parties. Beyond their stated contents, its Code of Ethics and Standards of Conduct contain standards and principles that are included in the integrated management system, together with control indicators, measurements and preventive and corrective actions.

Employment rights

Principles: 3, 4, 5 and 6 (HR5): Apart from their legal rights, our collaborators enjoy an agreeable working environment, which includes, among other things, an occupational health plan, professional promotion and social welfare programs for them and their families, as well as a commitment to gender equality and to local hiring. We also respect the right to free association and transparent negotiations, which translate into high levels of performance and productivity.

The environment

Principles: 7, 8 and 9: Cementos Lima, being an extractive industry, is committed to identifying hazards and impacts, both positive and negative, on the environmental aspects of our operations. In this manner we continually evaluate the probability, frequency and consequences of these impacts, through the environmental control and monitoring program (environmental instruments), control of atmospheric emissions (sleeve filters and connectors), energy efficiency (use of natural gas) and efficient use of water (a renewable resource). All of the above are subject to evaluation and continual improvement. Furthermore, every year we promote projects that help improve environmental stewardship.

The fight against corruption

Principle 10: the success of Cementos Lima is based on its competitiveness and the efficiency of the company and its business, never on unethical or illegal practices. All of our collaborators are committed to correct behavior towards clients, suppliers, competitors and workmates and to abstaining from unfair advantages as a result of manipulation, the abuse of privileged information, submission of inaccurate materials or any other unfair practices on their own part or that of third parties.

Third Party Checked





7. Third Party Checked letter - Cementos Lima S.A.A. Sustainability Report 2011

**Messrs.
Cementos Lima S.A.A.
Villa María del Triunfo
Lima**

This is a Third Party Checked letter to confirm compliance with level B application of the Sustainability Report for 2011 produced by Cementos Lima S.A., in accordance with the requirements of the Global Reporting Initiative (GRI).

Cementos Lima, a Peruvian company with a solid business background, has incorporated sustainability as the basis of its management strategy. The company enjoys considerable prestige in the sustainable business community for its trajectory and programs implemented with the Asociación Atocongo, a civil society organization sponsored by the company. This model enables it to develop its business based on three-fold results: economic, social and environmental, in line with current global trends.

The production of sustainability reports enables the organization to manage its business in an integral manner, identify opportunities for improvement and strengthen its commitment to its interest groups. That is why it is important to emphasize that this is the fifth sustainability report produced by the company using the GRI methodology, thus ratifying its commitment to sustainable management and information transparency.

Our external verification was based on a detailed review of the report using the "Guide to Sustainability Reports" contained in version G3 of the GRI.

This analysis, the conclusions of which are contained in this letter, covered the following points:

- A general review of its adherence to the principles of the GRI for sustainability reports.
- Confirmation of the B classification in accordance with its compliance with the indicators necessary for that level.
- Suggested opportunities for improvement in future reports.

Our principal conclusions follow:

1. Adherence to the principles of the GRI

1.1. Principles for defining the contents of the report

Cementos Lima's Sustainability Report 2011 complies with the principle of Materiality as it includes the main policies and management systems that guide the company's performance; it also gives relevant information on its actions during the period covered.

Nevertheless, we consider that because of the importance of the sector for the development of Peru, the management approach and different initiatives that have been implemented to contribute to the social and economic development of society and encourage good citizenship should be discussed in greater detail; specifically, programs such as HatunSol.

The report also complies with the principle of Interest Group Participation as it gives a detailed list of groups and sub-groups of interest to the company, it explains the methodology used to identify them and mentions the channels of communication between them and the company.

As part of the commitment to involvement and relations with interest groups, it is necessary to include the principle subjects or suggestions they submit and how solutions were found, both at management level and in the sustainability report itself.

The document also complies with the principle of Sustainability in context because it includes its understanding of sustainable management, as well as detailing and giving a brief explanation of the social responsibility principles and policies that govern its actions and mentions certain initiatives based on analyses of the company's impact on its different interest groups.

It is important to point out that setting management goals enables social responsibility to be recognized as one of the company's management tools and reveals the good practices adopted by Cementos Lima in its areas of influence; so we suggest that they should be developed in greater depth over the next period.



Third Party Checked letter - Cementos Lima S.A. Sustainability Report 2011

As far as the principle of Exhaustivity is concerned, we consider that this is complied with in full, as Cementos Lima provides sufficient information to reflect the different impacts and opportunities of the organization and enables its interest groups to evaluate its performance.

1.2 Principles for defining the quality of the report

The report is balanced as it incorporates both the principles achieved and management milestones in the year under evaluation, and those matters that have been identified as opportunities for the organization to make improvements. Nevertheless, these opportunities should be taken as challenges for future reporting periods. Furthermore, the language employed is clear, simple and direct and avoids the use of technical terms that may confuse the reader.

The principle of comparability has been adequately developed insofar as the report includes data, mainly environmental, from which trends can be evaluated. It is therefore important that in the future this comparability of information applies to the indicators of other aspects, such as labor or economic aspects.

With respect to the reliability of the information, it all comes from internal company sources and the priority given was determined by an evaluation by the company.

2. Compliance with the indicators necessary to confirm level B application

The Cementos Lima Sustainability Report 2011 contains all necessary indicators of profile; as well as 28 performance indicators, of which 21 are principal indicators and 7 are additional.

According to the GRI guidelines, information on profile indicators must be provided to comply with level B:

In addition, information on a minimum of 20 performance indicators must be given, and at least one from each of the following dimensions: Economic, social and environmental.

Therefore, the review confirms that Cementos Lima's Sustainability Report 2011 meets the requirements of application level B.

3. Opportunities for improvement in future reports

The Cementos Lima Sustainability Report 2011 meets the criteria for content definition and quality established in the GRI for documents of this type. Nevertheless, as a leading cement manufacturer and a benchmark for sustainable management with a significant impact on national development, we recommend:

- Giving detailed information on the principal interests and suggestions of the different interest groups on matters of sustainability and how to incorporate them into management and the sustainability report.
- Extending the information on risks and management opportunities with regard to the interest groups and the economic and social environment of the country.
- Special emphasis should be placed on the presentation of programs such as HatunSol that contribute to development and good citizenship in Peru.



Third Party Checked letter - Cementos Lima S.A. Sustainability Report 2011

- The sustainability report should become a management tool internally and a tool for communication externally. This implies making the document more friendly, using practical cases as examples of how the company's social responsibility practices have taken root and what they have achieved with its interest groups.
- We suggest socializing and validating this document with the groups in order to receive their suggestions on matters of form and content.
- Finally, the information developed should be prioritized, taking into account the creation of value for the company and its respective interest groups.

Responde is a consultancy specializing in sustainability and reputation management, and has had no part in the production of the sustainability report in question. We can therefore confirm that Cementos Lima's Sustainability Report 2011 meets the conditions required for the following level:

B: "Third Party Checked"

Yours faithfully,

Jorge Melo Vega Castro
General Manager

8. Statement GRI Application Level Check



Statement GRI Application Level Check

GRI hereby states that **Cementos Lima S.A.A.** has presented its report "Sustainability Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 13 April 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 6 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

9. Global Reporting Initiative Index, Global Compact Principles and ISO 26000

9. GRI index, Global Compact Principles and ISO 26000 (3.12)

Basic contents of the GRI	Pages	Global Compact	ISO 26000
1. Strategy and analysis			
1.1 Declaration of the most senior decision-taking instance of the organization.	4 and 5	-	Clause 6.2
1.2 Description of the principal impacts, risks and opportunities.	28	-	Clause 6.2
2. Profile of the organization			
2.1 Name of the organization.	12	-	-
2.2 Main brands, products and services.	15	-	-
2.3 Operating structure of the organization.	14	-	Clause 6.2
2.4 Location of the organization's registered office.	12	-	-
2.5 Number of countries in which the organization operates.	17	-	-
2.6 Nature of ownership and legal structure.	12 and 36	-	-
2.7 Markets served.	16	-	-
2.8 Dimensions of the reporting organization.	12,14,17 and 41	-	-
2.9 Significant changes during the period covered by the report in the size, structure and property of the organization.	14	-	-
2.10 Awards and distinctions received during the period covered by the report.	25	-	-
3. Annual report parameters			
<i>Profile of the Annual Report</i>			
3.1 Period covered by information contained in the report.	6	-	-
3.2 Date of the most recent previous report (if any).	6	-	-
3.3 Frequency of presentation of the Annual Report (annually, biannual, etc.)	6	-	-
3.4 Point of contact for questions about the report or its contents.	7	-	-

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Scope and coverage of the report</i>			
3.5 Process of defining the content of the report.	6	-	-
3.6 Coverage of the report.	6	-	-
3.7 Indication of any limitations on the scope or coverage of the report.	6	-	-
3.8 Basis for including information on joint ventures, associates, leased installations, subcontracted activities and other entities that may significantly affect the comparison between periods and/or between organizations.	6	-	-
3.9 Techniques for measuring data and the bases for calculation, including the hypotheses and techniques underlying the estimates used in compiling indicators and other information in this Annual Report. Explain the reasons why it was decided not to apply the GRI protocols, or discrepancies with them.	6	-	-
3.10 Description of the effect that may arise from a re-expression of relevant information from previous reports, together with the reasons for such re-expression (for example: mergers and acquisitions, changes in reporting periods, the nature of the business or methods of valuation).	6	-	-
3.11 Significant changes relating to earlier periods in the scope, coverage or valuation methods used in the report.	6 and 11	-	-
Index of contents of the GRI			
3.12 Table indicating the location of the basic contents of the report.	110	-	-
<i>Verification</i>			
3.13 Current policies and practices relating to requests for external verification of the report. If the verification report is not included in the sustainability report you should explain the scope and basis for any other external verification. The relationship between the reporting organization and the provider or providers of the verification.	102 - 106	-	Clause 7.5.3

This report does not have external verification, but is Third Party Checked.

Basic contents of the GRI	Pages	Global Compact	ISO 26000
4. Government, commitments and participation by interest groups			
<i>Government</i>			
4.1 The government structure of the organization, including the most senior committees responsible for tasks such as the definition of strategy or supervision of the organization. Describe the mandate and composition (including the number of independent and non-executive members) of these committees and indicate their direct responsibility for economic, social and environmental performance).	14,20 and 38	-	Clause 6.2
4.2 Indicate whether the president of the most senior governing entity also holds an executive position (and if so, his function within the management of the organization and reasons to justify this).	38	-	Clause 6.2
4.3 In those organizations that have a unitary management structure, indicate the number of independent or non-executive members of the senior governing entity. Indicate how the organization defines the terms "Independent" and "non-executive".	38	-	Clause 6.2
4.4 Mechanisms available to shareholders and employees for communicating recommendations or indications to the senior governing entity. Identify aspects related to the economic, social and environmental performance that have arisen through these mechanisms during the period covered by this report.	34,42 and 43	-	Clause 6.2
4.5 Link between the remuneration of members of the most senior governing entity, senior management and executives (including severance agreements) and the performance of the organization (including social and environmental performance).	39	-	Clause 6.2
4.6 Procedures for avoiding conflicts of interest in the senior governing entity.	38	-	Clause 6.2
4.7 Procedure for determining the training and experience required of members of the most senior governing entity, for guiding the organization's strategy on social, environmental and economic aspects.	38	-	Clause 6.2
4.8 Mission statements and internal values, codes of conduct and principles relevant to the economic, environmental and social performance and their implementation.	12,21 and 22	-	Clause 6.2

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<p>4.9 Procedure used by the senior government entity for supervising the organization's identification and management of economic, environmental and social performance, including related risks and opportunities as well as adhesion to or compliance with international standards, codes of conduct and principles. Indicate the frequency with which the most senior entity of government evaluates its performance in matters of sustainability.</p>	22,24,37 and 39	-	Clause 6.2
<p>4.10 Procedure for evaluating the performance of the senior governing entity, particularly with respect to economic, environmental and social performance.</p>	21,22 and 38	-	Clause 6.2
<i>Commitments to external initiatives</i>			
<p>4.11 Description of how the organization has adopted a precautionary proposal or principle. Article 15 of the Rio Principles introduces the precautionary approach. A response to this section may include the organization's approach to risk management in relation to operational planning or development and the introduction of new products.</p>	22,23 and 46	-	Clause 6.2
<p>4.12 Social, environmental and economic principles or programs developed externally, as well as any other initiative subscribed to or approved by the organization.</p>	24,25,58 and 98	-	Clause 6.2
<p>4.13 Main associations to which it belongs (such as business associations) and/or domestic and international bodies supported by the organization and:</p> <ul style="list-style-type: none"> - is present on the governing entity. - participates in projects or committees. - provides significant financing that exceeds the obligations of the members. - Has strategic considerations. <p>This refers to participation as members at organizational level.</p>	26	-	Clause 6.2
<i>Participation by interest groups</i>			
<p>4.14 List of interest groups included by the organization.</p>	32	-	Clause 6.2

Basic contents of the GRI	Pages	Global Compact	ISO 26000
4.15 Base for identifying and selecting interest groups to which the organization is committed. This will include the organization's procedure for defining interest groups and determining which groups take part and which do not.	32	-	Clause 6.2
4.16 Approach adopted for including interest groups, including the frequency of their participation broken down by type and category of interest groups.	34,36,40, 49,71,72,73 and 74	-	Clause 6.2
4.17 Principal concerns and aspects of interest that have arisen from participation by interest groups and the way in which the organization has responded to them in preparing the report.	24,25 and 34	-	Clause 6.2
5. Management approach and performance indicators Economic performance management approach (DMA EC). Environmental performance management approach (EN). Management of employment practices and ethics at work approach (DMA LA). Human rights management approach (DMA HR). Society management approach (DMA SO). Product liability management approach (DMA PR).		Principles 1, 4, 6 and 7 Principles 7, 8 and 9 Principles 1,3 and 6 Principles 1,2,3,4,5 and 6 Principle 10 Principles 1 and 8	
Economic dimension	36		
<i>Economic performance</i>			
EC1. Direct economic value generated and distributed, including income, costs of exploitation, wages and salaries, donations and other investments in the community, benefits not distributed and payments to providers of capital and the government.	17,18,19 and 73	-	Clauses 6.8, 6.8.3, 6.8.7 and 6.8.9
EC2. Financial consequences and other risks and opportunities for the organization due to climate change.	Not reported	Principle 7	Clause 6.5.5
EC3. Coverage of the organization's obligations arising from social benefits programs.	40	-	
EC4. Significant financial aid received from government.	Not reported	-	

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Market presence</i>			
EC5. Range of ratios between standard starting wage and minimum local wage in areas where significant operations are carried out.	Not reported	Principle 1	Clauses 6.4.4 and 6.8
EC6. Politics, practices and proportion of expenditure corresponding to local suppliers in areas where significant operations are carried out.	72 and 73	-	Clauses 6.6.6, 6.8, 6.8.5 and 6.8.7
EC7. Local hiring and proportion of senior executives from the community in the areas where significant operations are carried out.	Not reported	Principle 6	Clauses 6.8, 6.8.5 and 6.8.7
<i>Impactos económicos indirectos</i>			
EC8. Development and impact of investments in infrastructure and services rendered principally for public benefit through commercial contracts, pro bono or in kind.	53 and 58	-	Clauses 6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7 and 6.8.9
EC9. Understanding and description of significant indirect economic impacts, including the scope of these impacts.	Not reported	-	Clauses 6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7 and 6.8.9
Environmental dimension	74		
<i>Materials</i>			
EN1. Materials used, by weight or volume.	79	Principle 8	Clauses 6.5 and 6.5.4
EN2. Percentage of materials recycled.	Not reported	Principles 8 and 9	Clauses 6.5 and 6.5.4

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Energy</i>			
EN3. Direct energy consumption broken down by primary source.	79	Principle 8	Clauses 6.5 and 6.5.4
EN4. Indirect energy consumption broken down by primary sources.	83	Principle 8	Clauses 6.5 and 6.5.4
EN5. Energy savings through conservation and efficiency improvements.	Not reported	Principles 8 and 9	Clauses 6.5 and 6.5.4
EN6. Initiatives to provide products and services that are energy efficient or based on renewable energy, and the reductions in energy consumption resulting from these.	Not reported	Principles 8 and 9	Clauses 6.5 and 6.5.4
EN7. Initiatives to reduce indirect energy consumption and reductions achieved by such initiatives.	Not reported	Principles 8 and 9	Clauses 6.5 and 6.5.4
<i>Water</i>			
EN8. Total water use broken down by source.	84 and 86	Principle 8	Clauses 6.5 and 6.5.4
EN9. Water sources that have been significantly affected by water use.	Not reported	Principle 8	Clauses 6.5 and 6.5.4
EN10. Percentage and total volume of water recycled and reused.	84 and 86	Principles 8 and 9	Clauses 6.5 and 6.5.4
<i>Biodiversity</i>			
EN11. Description of land adjacent to or within natural protected areas or unprotected areas high in biodiversity. Indicate the location and size of land owned, leased or managed, which has a high biodiversity in areas far from any protected areas.	Not reported	Principle 8	Clauses 6.5 and 6.5.6
EN12. Description of the most significant impacts on biodiversity in natural protected areas or unprotected areas high in biodiversity, deriving from the activities, products and services in protected areas and in areas of high biodiversity adjacent to protected areas.	Not reported	Principle 8	Clauses 6.5 and 6.5.6

Basic contents of the GRI	Pages	Global Compact	ISO 26000
EN13. Protected or restored habitats.	Not reported	Principle 8	Clauses 6.5 and 6.5.6
EN14. Strategies and action, both planned and implemented, to manage impacts on biodiversity.	87	Principle 8	Clauses 6.5 and 6.5.6
EN15. Number of species broken down by danger of extinction, included in the IUCN* and domestic lists, whose habitats are in areas affected by the company's operations, by degree of threat to the species.	Not reported	Principle 8	Clauses 6.5 and 6.5.6
<i>Emissions, discharges and waste</i>			
EN16. Total direct and indirect emissions of greenhouse gases, by weight.	91	Principle 8	Clauses 6.5 and 6.5.5
EN17. Other indirect emissions of greenhouse gases by weight.	Not reported	Principle 8	Clauses 6.5 and 6.5.5
EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved.	77, 82 and 83	Principles 7, 8 and 9	Clauses 6.5 and 6.5.5
EN19. Emissions of substances damaging to the ozone layer, by weight.	81	Principle 8	Clauses 6.5 and 6.5.3
EN20. NOx, SOx, and other significant atmospheric emissions, by type and weight.	81	Principle 8	Clauses 6.5 and 6.5.3
EN21. Total discharges of waste water, by nature and destination.	Not reported	Principle 8	Clauses 6.5 and 6.5.3
EN22. Total weight of waste managed, by type and method of treatment.	87 and 88	Principle 8	Clauses 6.5 and 6.5.3
EN23. Total number and volume of the most significant accidental spillages.	Not reported	Principle 8	Clauses 6.5 and 6.5.3
EN24. Weight of waste transported, imported, exported or treated, considered hazardous according to the Basle Convention classification, annexes I, II, III and VIII, and percentage of waste carried across international borders.	Not reported	Principle 8	Clauses 6.5 and 6.5.3
EN25. Identification, size, state of protection and biodiversity value of water resources and related habitats significantly affected by discharges of water and runoff from the reporting organization.	Not reported	Principle 8	Clauses 6.5, 6.5.4 and 6.5.6

* International Union for the Conservation of Nature Red List.

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Products and services</i>			
EN26. Initiatives to mitigate the environmental impacts of products and services, and degree of reduction of such impacts.	77, 80 and 82	Principles 7, 8 and 9	Clauses 6.5, 6.5.4, 6.6.6 and 6.7.5
EN27. Percentage of products sold and packaging materials recovered at the end of their useful lives, broken down by product category.	Not reported	Principles 8 and 9	Clauses 6.5, 6.5.4 and 6.7.5
<i>Regulatory compliance</i>			
EN28. Cost of significant fines and number of non-monetary sanctions for non-compliance with environmental legislation.	Not reported	Principle 8	Clause 6.5
<i>Transport</i>			
EN29. Significant environmental impacts arising from the transport of products and other goods and materials used in the organization's activities, as well as transport of personnel.	90	Principle 8	Clauses 6.5, 6.5.4 and 6.6.6
<i>General</i>			
EN30. Total environmental expenditure and investments broken down by type.	76	Principles 7, 8 and 9	Clause 6.5
Social dimension			
Indicators of performance in employment practices and ethics at work			
<i>Jobs</i>			
LA1. All employees broken down by job type, contract and region.	41		Clauses 6.4 and 6.4.3
LA2. Total number of employees and average rotation of employees, broken down by age group, sex, and region.	42	Principle 6	Clauses 6.4 and 6.4.3
LA3. Social benefits for full-time employees that are not offered to temporary or part-time employees, broken down by principal activity.	Not reported		Clauses 6.4, 6.4.3 and 6.4.4

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Company / employee relations</i>			
LA4. Percentage of employees covered by a collective bargaining agreement.	48	Principles 1 and 3	Clauses 64, 64.3, 64.4, 64.5 and 6.3.10
LA5. Minimum prior warning period(s) for organizational changes, including whether such notifications are specified in the collective bargaining agreements.	Not reported	Principle 3	Clauses 64, 64.3 64.4 and 64.5
<i>Health and safety at work</i>			
LA6. Percentage of total employees represented on joint management-employee health and safety committees established to assist and monitor health and safety at work programs.	39	Principle 1	Clauses 64 and 64.6
LA7. Rates of absenteeism, work-related illnesses, days lost and number of fatal accidents at work broken down by region.	45	Principle 1	Clauses 64 and 64.6
LA8. Education, training and risk control and prevention programs applicable to employees, their families and members of the community relating to serious illnesses.	45 and 46	Principle 1	Clauses 64, 64.6, 6.8, 6.8.3, 6.8.4, 6.8.8
LA9. Health and safety matters covered by formal agreements with labor unions.	Not reported	Principle 1	Clauses 64 and 64.6
<i>Training and education</i>			
LA10. Average hours training per year per employee, broken down by employee category.	44		Clauses 64 and 64.7
LA11. Skills management and continual training programs to encourage the employability of workers and based on the management of their professional careers.	Not reported		Clauses 64, 64.7 and 6.8.5
LA12. Percentage of employees who receive regular performance and professional development evaluations.	Not reported		Clauses 64 and 64.7

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Diversity and equal opportunities</i>			
LA13. Composition of the corporate governance and human resources management broken down by gender, age group, minority presence and other diversity indicators.		Principle 1 and 6	Clauses 6.3.7, 6.3.10, 6.4 and 6.4.3
LA14. Relation between the basic wage for men and for women, broken down by professional category.		Principle 1 and 6	Clauses 6.3.7, 6.3.10, 6.4, 6.4.3 and 6.4.4
Social dimension Performance indicators for protection of human rights			
<i>Investment and supply practices</i>			
HR1. Percentage and total number of significant investment agreements that include human rights clauses or have been subject to an analysis of human rights.	98	Principles 1, 2, 3, 4, 5 and 6	Clauses 6.3, 6.3.3, 6.3.5 and 6.6.6
HR2. Percentage of principal distributors and contractors that have been subject to human rights analysis, and measures adopted as a consequence.	Not reported	Principles 1, 2, 3, 4, 5 and 6	Clauses 6.3, 6.3.3, 6.3.5, 6.4.3 and 6.6.6
HR3. Total number of hours training for employees on policies and procedures relating to those aspects of human rights that are relevant to their activities, including the percentage of employees trained.	Not reported	Principles 1, 2, 3, 4, 5 and 6	Clauses 6.3 and 6.3.5
<i>Non-discrimination</i>			
HR4. Total number of incidents of discrimination and measures taken.	Not reported	Principles 1, 2 and 6	Clauses 6.3, 6.3.6, 6.3.7, 6.3.10 and 6.4.3
<i>Freedom of association and collective bargaining agreements</i>			
HR5. Company activities in which the right to free association and to enter into collective bargaining agreements may be subject to significant risks and measures taken to support these rights.	48 and 98	Principles 1, 2 and 3	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3 and 6.4.5

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<p><i>Exploitation of children</i></p> <p>HR6. Activities identified as posing a potential risk of incidents of exploitation of children. Measures taken to eliminate them.</p>	Not reported	Principles 1, 2 and 5	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7 and 6.3.10
<p><i>Forced labor</i></p> <p>HR7. Operations identified as involving a significant risk forced labor and the measures adopted to eliminate them.</p>	Not reported	Principles 1, 2 and 4	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7 and 6.3.10
<p><i>Security practices</i></p> <p>HR8. HR8 Percentage of security personnel trained in the organization's policies or procedures in aspects of human rights relevant to its activities.</p>	Not reported	Principles 1 and 2	Clauses 6.3, 6.3.5, 6.4.3 and 6.6.6
<p><i>Rights of indigenous peoples</i></p> <p>HR9. Total number of incidents relating to the violation of the rights of indigenous peoples and measures adopted.</p>	Not reported	Principles 1 and 2	Clauses 6.3, 6.3.6, 6.3.7, 6.3.8 and 6.6.7
<p>Social dimension Indicators of social performance</p>	49 and 73		
<p><i>Communities</i></p> <p>SO1. Nature, scope and effectiveness of programs and practices for evaluating and managing the impacts of the operations on communities, including the arrival, operation and withdrawal of the company.</p>	49	-	Clauses 6.3.9, 6.8, 6.8.5, 6.8.7 and 6.6.7

Basic contents of the GRI	Pages	Global Compact	ISO 26000
<i>Corruption</i>			
S02. Percentage of total number of business units analyzed for risk of corruption.	Not reported	Principle 10	Clauses 6.6 and 6.6.3
S03. Percentage of employees trained in the organizations anti-corruption policies and procedures.	Not reported	Principle 10	Clauses 6.6 and 6.6.3
S04. Measures taken regarding incidents of corruption.	Not reported	Principle 10	Clauses 6.6 and 6.6.3
<i>Public policy</i>			
S05. Position in public policy and participation in the development of such policy and lobbying activities.	Not reported	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10	Clauses 6.6, 6.6.4 and 6.8.3
S06. Total value of financial contributions and contributions in kind to political parties or related institutions, broken down by country.	Not reported	Principle 10	Clauses 6.6, 6.6.4 and 6.8.3
<i>Unfair competition</i>			
S07. Total number of legal action taken relating to monopolistic practices and against free competition and their results.	Not reported	-	Clauses 6.6, 6.6.5 and 6.6.7
<i>Regulatory compliance</i>			
S08. Monetary value of significant sanctions and fines and total number of non-monetary sanctions deriving from non-compliance with laws and regulations.	Not reported	-	Clauses 6.6, 6.6.7 and 6.8.7*
Social dimension			
Product liability performance indicators			
<i>Client health and safety</i>			
PR1. Phases of the life cycle of products and services in which their impacts on the health and safety of clients are evaluated with a view to improvement, and percentage of product and service categories subject to such evaluations.	71	Principle 1	Clauses 6.3.9, 6.6.6, 6.7, 6.7.4 and 6.7.5

Basic contents of the GRI	Pages	Global Compact	ISO 26000
PR2. Total number of incidents derived from non-compliance with legal regulations or voluntary codes concerning the impacts of products and services on health and safety during their life cycle, broken down by type of result of such incidents.	Not reported	Principle 1	Clauses 6.3.9, 6.6.6, 6.7, 6.7.4 and 6.7.5
<i>Labeling of products and services</i>			
PR3. Type of information on the products and services required by current procedures and regulations and percentages of products and services subject to these information requirements.	16	Principle 8	Clauses 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6 and 6.7.9
PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning information and labeling of products and services, broken down by type of result of such incidents.	Not reported	Principle 8	Clauses 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6 and 6.7.9
PR5. Practices concerning client satisfaction, including the results of client satisfaction studies.	72	-	Clauses 6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8 and 6.7.9
<i>Marketing communications</i>			
PR6. Programs for compliance with legislation or adhesion to voluntary standards and codes mentioned in marketing communications, including advertising, other promotional activities and sponsorship activities.	72	-	Clauses 6.7, 6.7.3, 6.7.6 and 6.7.9
PR7. Total number of incidents arising from non-compliance with the regulations concerning marketing communications, including advertising, promotions and sponsorship, broken down by type of result of such incidents.	Not reported	-	Clauses 6.7, 6.7.3, 6.7.6 and 6.7.9
<i>Client privacy</i>			
PR8. Total number of justified claims relating to privacy and the loss of personal client data.	Not reported	Principle 1	Clauses 6.7 and 6.7.7
<i>Regulatory compliance</i>			
PR9. Cost of significant fines deriving from non-compliance with legislation concerning the supply and use of the organization's products and services.	Not reported	-	Clauses 6.7 and 6.7.6

10. Alliances and participation

- Association for the Promotion of Pre-school Education "Caritas Graciosas"
 - Escuela Declara Association
 - Codespa Foundation
 - Technical Production Center of Education "Don Bosco"
 - Technical Production Center of Education "Raúl Porras Barrenechea"
 - Technical Production Center of Education "Villa Regia"
 - Don Bosco Diocesan Seminary – CPR Guayabo - Pachacámac
 - "Construyendo Perú" Program
 - Ministry of Education – UGEL Nº 1
 - Ministry of Health – DISA LIMA SOUTH
 - Municipality of Lima
 - Municipality of Villa María del Triunfo
 - Municipality of Villa El Salvador
 - Municipality of San Juan de Miraflores
 - Municipality of Lurín
 - Municipality of Pachacámac
 - Sporting Association FUTSAL
 - Perú 2021
 - Social Responsibility Network
-

Platform for participation

- Entrepreneurs for Education Association
- Ministry of Education – Environmental Network
- American Chamber of Commerce – AmCham Perú (Sustainable Development Committee)
- British-Peruvian Chamber of Commerce (Social Responsibility Committee)
- National Industrial Society (Social Responsibility Committee)
- RedEAmérica
- Lima Cómo Vamos
- Round table for the fight against poverty - Southern Cone
- Association of Municipalities of Southern Lima - AMASUR
- Southern Lima Integral Development Plan
- Citizens Safety Committee of Villa María del Triunfo
- Round table “Ciudad Productiva” - Villa El Salvador
- Urban Agriculture Forum of Villa María del Triunfo
- José Gálvez Area Environment Committee
- Lurín Area Environment Committee
- Nueva Esperanza Area Environment Committee

1. To which of Cementos Li
 - a. The general public
 - b. Shareholders
 - c. Collaborators
 - d. Community
 - e. Clients

Your opinion is important

11. Your opinion is important to Cementos Lima

Your opinion is very important to us. It will help us to continue implementing our corporate social responsibility policies.

1. To which of Cementos Lima's stakeholders do you belong?

- a. The general public
- b. Shareholders
- c. Collaborators
- d. Community
- e. Clients
- f. Suppliers
- g. The environment

2. Choose the part of the report that interests you most.

- a. Message from the general management
- b. Cementos Lima: A story of success
- c. Stakeholders
- d. 2012 Challenges
- e. Commitments to the Global Compact
- f. Alliances and shareholdings

3. How would you rate the extended report?

- a. Very good
- b. Good
- c. Regular
- d. Poor



4. How would you rate the contents of the report?

- a. Very good
- b. Good
- c. Regular
- d. Poor

5. How would you rate the design and format of the report?

- a. Very good
- b. Good
- c. Regular
- d. Bad

6. Are there any other medium or means of communication by which you would be interested in receiving the report?

7. Would you like to see published any information in which you are interested that is not included in this report? If yes, what would it be?

Thank you very much!

Please send this survey to:

Address: Av. Atocongo 3020 Villa María del Triunfo, Lima-Perú
and/or e-mail: AzpurM@AsociacionAtocongo.org





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