



**INTEGRATED**  
REPORT 2022









# Contents







LETTER FROM THE CHAIRMAN  
**OF THE BOARD**





# LETTER FROM THE CHAIRMAN

## To our stakeholders:

UNACEM Peru was created in 2022 after a general meeting of shareholders in Union Andina de Cementos S.A.A. decided in December 2021 to approve a simple reorganization and split off UNACEM CORP S.A.A. (formerly UNACEM S.A.A.), from our cement business in Peru.

UNACEM Peru began with a legacy of more than one hundred years of leadership in the cement industry and an inspiring goal: "Growing together to build a sustainable world".

## **GROWING TOGETHER TO BUILD A SUSTAINABLE WORLD**

We are convinced that the **way in which the business is managed is as important as its results.**

So we are committed to the company's financial results as well as the sustainable development of our business and that of our stakeholders.

UNACEM Peru is managed in line with our Strategic Plan, defined during 2022, which will act as a dynamic guide to our work in the coming years.



## The environment

The start of 2022 saw us gradually overcoming the restrictions imposed by the COVID-19 pandemic. The world seemed to have adapted fully to new ways of working and of doing things. Nevertheless, **the upturn in the global economy in 2021 could not be sustained in 2022, principally because of ruptures in the logistics chain, the notable increase in inflation and, in February 2022, the Russian invasion of Ukraine**, which marked the start of a bloody war in Europe, which has meant suffering and destruction for millions and has no end in sight.

The consequences of such a war in the 21st Century are political, social and economic, and extend beyond the borders of the belligerent countries; with three serious effects, principally in Europe, but also with a global impact: on capital, whether because of direct or indirect exposure by the main providers of financial resources and the consequent increase in interest rates; on inflation, due to the increase in energy and commodity prices and the resultant effect on domestic consumption; and finally on investor confidence as they demand higher risk premiums and, in the worst case scenario, capital flees certain countries for safer markets.



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**In this context, the world economy experienced a slowdown in 2022, growing only 3.4%. The euro zone grew 3.3%**, despite a serious contraction in the last quarter, with problems in the supply chain, lack of production inputs and a significant increase in energy prices. The United States grew by only 1.9%, mainly explained by restrictive monetary policy measures and a loss of household purchasing power, with inflation at 6.5%. Additionally, China showed a contraction in its growth from 8.1% in 2021 to 2.7% in 2022, with a decrease in private investment and trade, added to severe restrictions in that country due to COVID-19.

**In Latin America, regional economic performance was similar to that of the rest of the world, with adjustments to the main indicators for the year and growth of 3.6%**. Inflationary pressure in the countries in which we operate was high - Chile (12.8%), Colombia (13.1%), Peru (8.5%) and Ecuador (3.6%) - to which was added the devaluation of local currencies and higher raw materials and freight costs.



In Peru, all of this plus social unrest **led to only a moderate increase in GDP, which was lower than initial expectations and ended the year at a weak 2.7%.**

The 7th December 2022 message to the Nation in which President Pedro Castillo announced the closure of Congress and other tutelary institutions, led to an immediate declaration of impeachment by Congress and the constitutional succession of Vice President Dina Boluarte. This political uncertainty generated protests and confrontations, some of them violent, with the unfortunate consequence of dozens of fatalities, the destruction of public and private property and the forced stoppage of productive activities.



**The resilience of our clients and the commitment of all our workers allowed us to achieve clinker and cement production levels of 6.27 and 6.68 million metric tons respectively ”**

## Our results

In the midst of this challenging environment, **UNACEM Peru's operating and economic results were outstanding**, having surpassed historical production and sales records, with higher average prices in almost all marketing channels.

The resilience of our clients and the commitment of all our workers allowed us to achieve clinker and cement production levels of 6.27 and 6.68 million metric tons respectively, as well as dispatches of 6.67 million metric tons. We have also improved our market share as a result of better performance than the construction sector, which grew 3.0% during the year.

These excellent results, both industrial and commercial, were reflected in the financial performance of UNACEM Peru in 2022. Thus, **total sales reached a record high of S/ 2,835 million, 16.7% higher than in 2021.** Despite the inflationary environment in which we operate, we achieved an EBITDA of S/ 882 million, with an EBITDA margin of 31.1%, reflecting excellent operating performance.

Finally, net profit for the year was S/ 442 million, with a solid net margin of 14.9%. These results were accompanied by disciplined financial management that allowed us to meet our creditors' obligations and end the year with a Financial Debt to EBITDA ratio of 1.6.





“  
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challenge for  
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from our  
processes”

## Commitment to sustainability

Our goal: "Growing together to build a sustainable world", reflects our commitment to optimizing value creation, focused on health and safety, the reduction of our environmental footprint, generating social value, developing talent and cultural transformation, putting a value on the knowledge we have accumulated over so many years as a group.

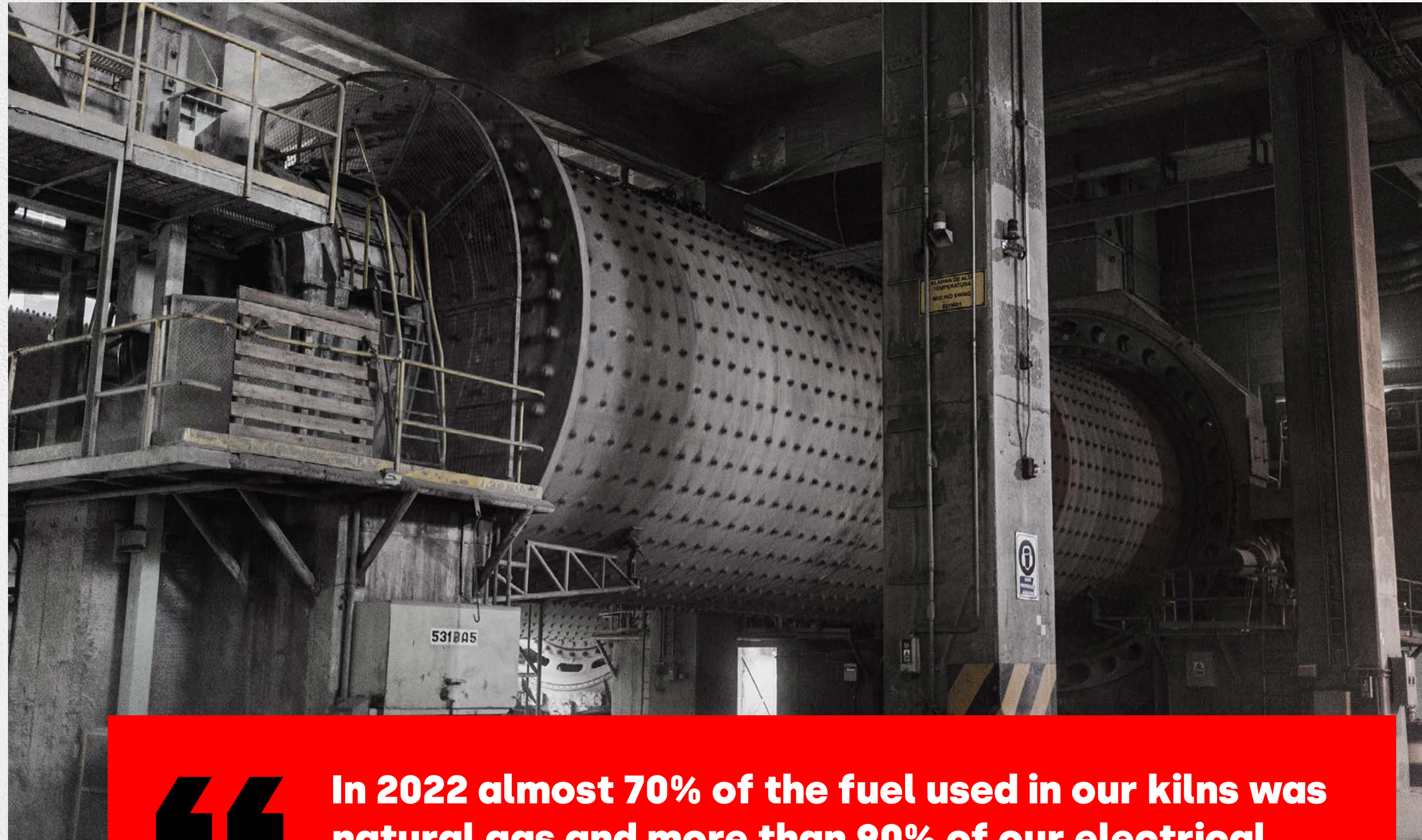
Our workers have been at the center of our management focus in 2022. **We have been implementing the Lives First corporate safety program, the purpose of which is to safeguard individuals' lives and integrity through a robust leadership system**, solid management and technical standards for critical activities, allowing us to reach a level of maturity in our interdependence on safety.

As far as the climate is concerned, the main challenge for our industry is to reduce CO<sub>2</sub> emissions from our processes. The UNACEM Group is a member of the Global Cement and Concrete Association (GCCA) and we, at UNACEM Peru, are working to achieve carbon neutrality by 2050. With this in mind, we have defined our commitment to reduce our CO<sub>2</sub> emissions by 20% by 2030 through specific action aligned with the recommendations of the GCCA and the Inter-American Cement Federation (FICEM).



## → LETTER FROM THE CHAIRMAN

We are working to **improve our energy consumption efficiency, both electricity and heat energy used in our kilns**. In 2022 almost 70% of the fuel used in our kilns was natural gas and more than 90% of our electrical energy came from renewable sources, thanks to our hydroelectric power stations Carpapata I, II and III and energy purchases from Celepsa.



**In 2022 almost 70% of the fuel used in our kilns was natural gas and more than 90% of our electrical energy came from renewable sources**

We have operations in areas of "lomas" or fog oases, and in line with our commitment to biodiversity **we continue to ensure the preservation** of these natural spaces, especially the **787 hectares of the Quebrada Río Seco Private Conservation Area (ACP) in Pachacamac**. This ACP is the first in Metropolitan Lima where we protect the endemic flora and fauna of the zone, we provide a space for research into the species of the lomas ecosystem, as well as for physical activity and we encourage community participation through local ventures and visits by schools, universities and the general public.

We have also been making real progress with the skills and performance management model thanks to our compensation system, which rewards achievement of the long-term goals that we have set ourselves.

We could not achieve the above without also strengthening our method of achieving our objectives. **As market agents, we take responsibility for competing in full compliance with the regulatory framework for free competition**; we work on governance and strategy implementation for integral risk management, we adhere to the new version of the Code of Ethics and Conduct approved by the UNACEM Group Board of Directors and we operate a comprehensive compliance system.



## Acknowledgment

I would like to thank **our shareholders** for the trust they have placed in us; **our clients**, for choosing our products and services, allowing us to work together to overcome the difficulties of an environment as volatile as the one we currently face; and each of the **members of the Board of Directors** for their dedication and support for our work at UNACEM Peru and, especially, **our workers** for their commitment to achieving this year's excellent results, on which we can build a promising future.

At UNACEM Peru we are enthusiastic about this challenge we have undertaken and **we remain committed to contributing to our country's development** by improving the situation of all of our stakeholders, focused on long-term value creation and always faithful to our aim: "Growing together to build a sustainable world".

I invite you all to read about the most relevant events affecting UNACEM Peru in 2022. (GRI 2-22)

**RICARDO  
RIZO PATRÓN  
DE LA PIEDRA**

Chairman of the board of directors





OUR  
**BUSINESS**





## EDUARDO SÁNCHEZ

General Manager UNACEM Peru.

We in UNACEM Peru work with enthusiasm and dedication in the development of our goal **"GROWING TOGETHER TO BUILD A SUSTAINABLE WORLD"**, for which sustainability is the principal strategy for the continuity of the cement industry and represents the essence of our business model.

**To achieve this objective, we work with our stakeholders today more than ever, especially with those who share our vision** and with the efforts of each one of those who work in UNACEM, we can say that we are making progress. Our good ESG (Environmental, Social and Governance) performance results achieved in 2022 are proof of this.

Thank you all for having assumed the challenge of **building a better world together** and for making it possible for us to reaffirm our commitment to this great goal every day.

**LET'S CONTINUE WORKING TOGETHER FOR A SUSTAINABLE FUTURE FOR OUR CHILDREN AND GRANDCHILDREN.**



## 2.1 Milestones in 2022

During 2022 **we passed some major milestones on the road to sustainability.** We are proud of these milestones because they are the result of a lot of effort and joint work at UNACEM Peru.

We achieved the **highest production and dispatch levels** in our history, at more than 6.6 million mt.

**We achieved an increase of 11%** in sales of additive-based cements.

**We achieved a 2.7% reduction in** CO<sub>2eq</sub> emissions per ton of cement.

**More than 90%** of our electricity came from clean energy sources.

We reduced our electricity consumption by **3.4%**.

We increased cement production by **7%** and clinker production by **1%**.

**34%** of sales were of **additive-based cements.**

**We reduced by 1.39%** the mt clinker/mt cement factor.

**69.7%** of the energy used in UNACEM came from natural gas.

We entered a **Works in lieu of Taxes Agreement** in order to finance and implement a project to improve and expand the provision of piped water and drainage in the village of Condorcocha.



**We concluded the Free Competition Regulatory Program**, which gave us a risk matrix with its respective mitigation plan, policies and guidelines, to promote the rules of free competition in our company.

We improved the accident rate by **16% with zero fatalities.**

**6.35%** of our purchases were made from local suppliers in our direct area of influence.

**We have updated** our Code of Ethics and Conduct (**CODEC**) and relaunched our Ethics Line complaints channel.

**42%** of the staff we hired in 2022 **are women.**

Our social investment projects benefited **more than 133 850 people.**



## 2.2

### Who we are

We are a **company specializing in the production of cement and clinker.**

We have a legacy of more than 100 years of leadership in the cement industry. We encourage a solid and inclusive industry that **respects the environment and people's quality of life.** We are guided and inspired by our goal:

**"GROWING TOGETHER TO BUILD A SUSTAINABLE WORLD" (GRI 2-1)**

#### We have two operations centers:

- **Atocongo Plant:** Located in the district of Villa María del Triunfo in Lima, the plant has a production capacity of 5.5 million tons of milled cement and 4.8 million tons of clinker. The site includes Atocongo thermal power station.
- **Condorcocha plant:** Located in the district of La Union – Leticia, in Tarma, Junín. It has a production capacity of 2.8 million tons of milled cement and 1.9 million tons of clinker. (GRI 2-1)

#### The following facilities are also part of our operation:

- **Carpapata I, II and III hydroelectric power stations,** in the district Palca, in Tarma, Junín; these plants generate electricity to supply the Condorcocha plant. (GRI 2-6)
- **The UNACEM Peru port facility,** located at Conchán in the district of Lurín, Lima. We export our products from this facility and import inputs and other materials. (GRI 2-6)
- **Raw material quarrying.**



## 2.3 The production process

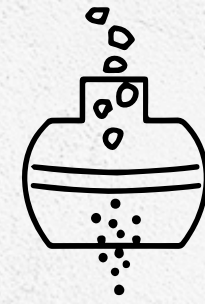
Our production process begins with the **extraction of raw materials** from our quarries, continues with the production of **clinker and cement**, and ends with the **marketing** of our products in Peru and abroad.

The different stages in this process are given below: (GRI 2-6)



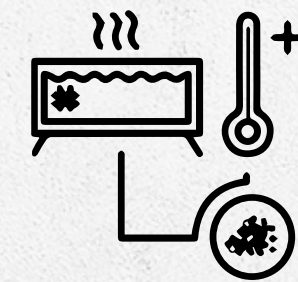
### Extraction

In this first stage of the manufacturing process limestone (raw material) is extracted from the quarries.



### Secondary crusher

The crushed limestone is further crushed in the secondary crusher to approximately 7.5 cm.



### Clinker production

The limestone undergoes a calcination process, at an average temperature of around 1450° C. This is how clinker is obtained, an intermediate input for cement.



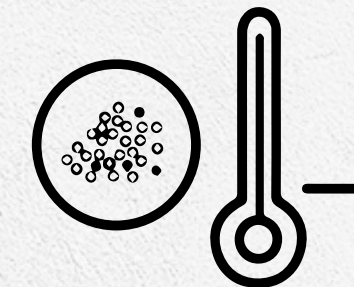
### Primary crusher

The extracted limestone is crushed in the primary crusher until its size is reduced to approximately 25 cm.



### Milling and homogenization

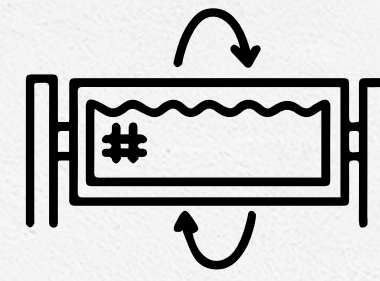
The limestone is taken to the mill for final reduction and adjustment of its chemical composition.



### Cooling clinker

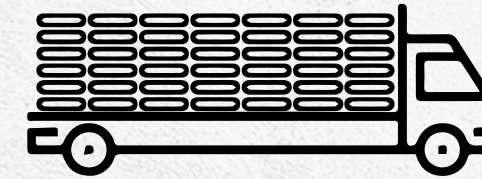
The clinker is taken to the coolers, where it cools from an average of 1200 °C to 100 °C. This process improves its chemical stability.





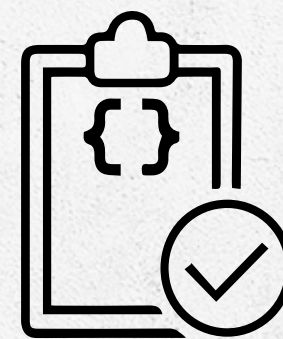
### Cement mill

The clinker is taken to a storage area, where it is mixed with gypsum and other additives, depending on the type of cement to be made in mills or roller presses.



### Sales

We sell through the Progresol network of independent hardware stores and DIY chains. In the provinces we have authorized distributors .



### Quality control

Our quality control process quality ranges from the selection and correct combination of raw materials to the dispatch and delivery of our cements.

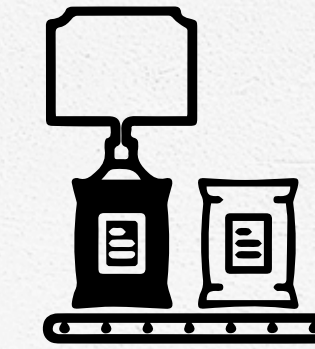
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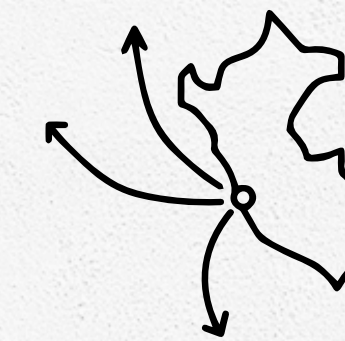
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### Packing and dispatch

Cement from the silos is dispatched in 42.5 kg bags, Big Bags and also in bulk.



### Export

We export and import raw materials through our port facility at Conchan, which is connected to Atocongo plant by a conveyor belt 8.2 km long, 95% of which is underground, which enables us to operate with minimal socio-environmental impacts.



## 2.4 Our products

We provide our clients with high quality cement, **stronger than required by Peruvian Technical Standards (NTP) and ASTM (American Society for Testing and Materials) standards.** In 2022 we produced six types of high-quality cement, in packaging that guarantees that their properties will be preserved:







ANDINO  
**TYPE V**

APU  
**TYPE GU**

SOL  
**TYPE I**

ANDINO  
**TYPE I**

ANDINO  
**TYPE HS (MR)**

ANDINO  
**TYPE MR (R)**



**TRADITIONAL  
TYPE 1 AND 5**

→ Higher %  
of Clinker (95%)



**APU, ANDINO,  
ULTRA HS AND  
FORTE ADDED**

→ Lower %  
of Clinker =  
**ecofriendly**



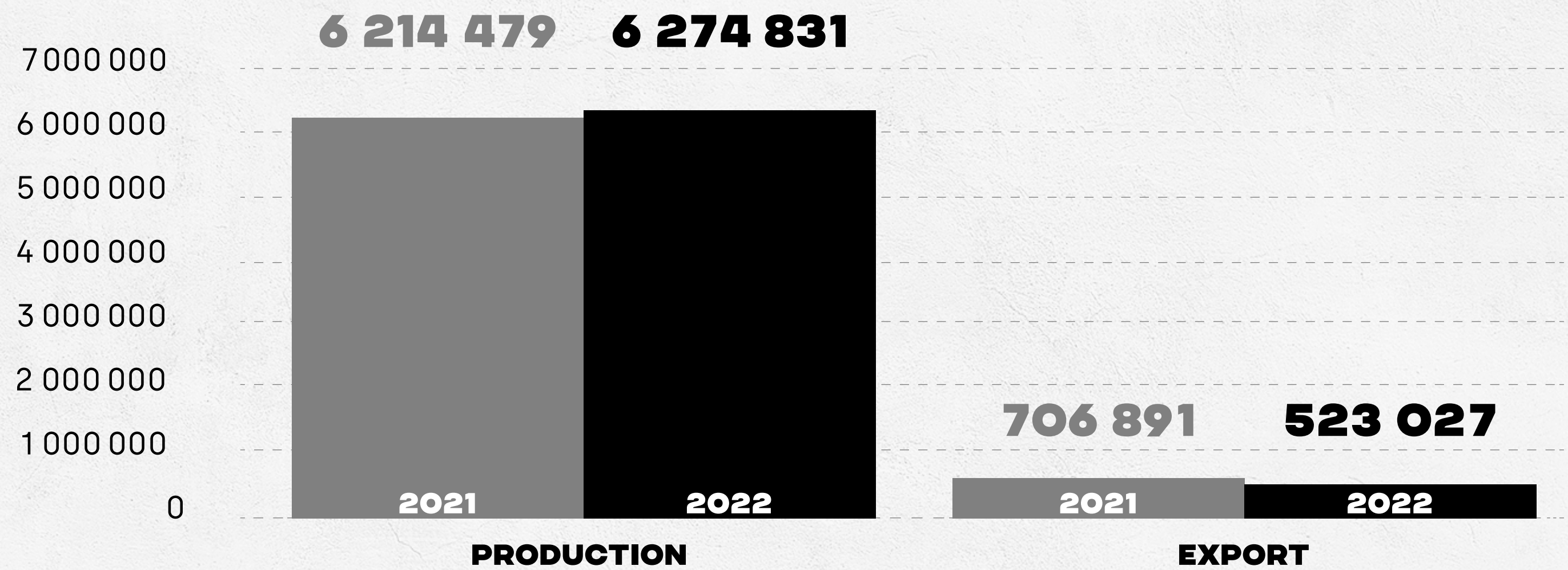
## 2.5 Production, dispatch and sales

During 2022 our **Atocongo and Condorcocha operations produced excellent operating results** and achieved a combined plant utilization ratio of **94%** for clinker production (versus 93% in 2021) and **81%** for cement (versus 75% in 2021).

### Clinker production and exports

Clinker production at the Atocongo plant was 4,612,420 tons, while the Condorcocha plant produced 1,662,411 tons, **resulting in total clinker production of 6,274,831 metric tons by UNACEM Peru**, 1% higher than our previous record, achieved in 2021. (GRI 2-6) (GRI 201-1)

Furthermore, clinker exports amounted to a total of 523,027 mt, 26% lower than in 2021, because our priority then was to fulfill orders for cement from the Peruvian market. All of our clinker exports went to Chile, most of them to supply UNACEM Chile. (GRI 2-6)



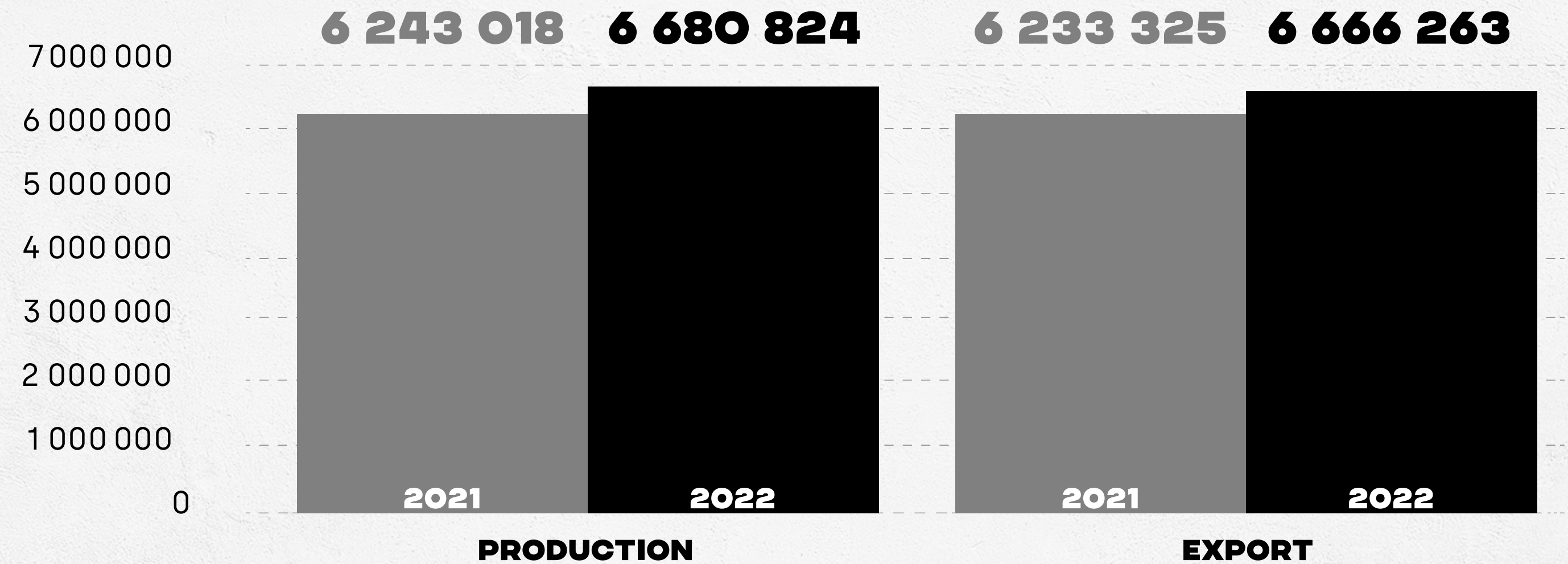


## Cement production and dispatches

In 2022 we recorded the highest production and dispatch levels in our history<sup>1</sup>, thanks to good industrial performance, commercial management and our clients' resilience in the adverse political and economic context affecting our country.

Cement production reached a record high of 4,620,610 mt at Atocongo and 2,060,214 mt at Condorcocha, exceeding 2 million metric ton barrier first time in the company's long history. **UNACEM Peru therefore produced 6,680,824 mt of cement**, an increase of 7% over 2021, confirming our **position as Peru's leading cement manufacturer**. We were thus able to meet high demand from the domestic market.

<sup>1</sup> When the company was called Union Andina de Cementos S.A.A. – UNACEM.



In 2022 a total of 6,666,263 mt was dispatched, 6.9% more than in 2021. Both plants dispatched record quantities, driven by strong demand from traditional distributors, especially for self-building and new concrete manufacturers. (GRI 2-6)



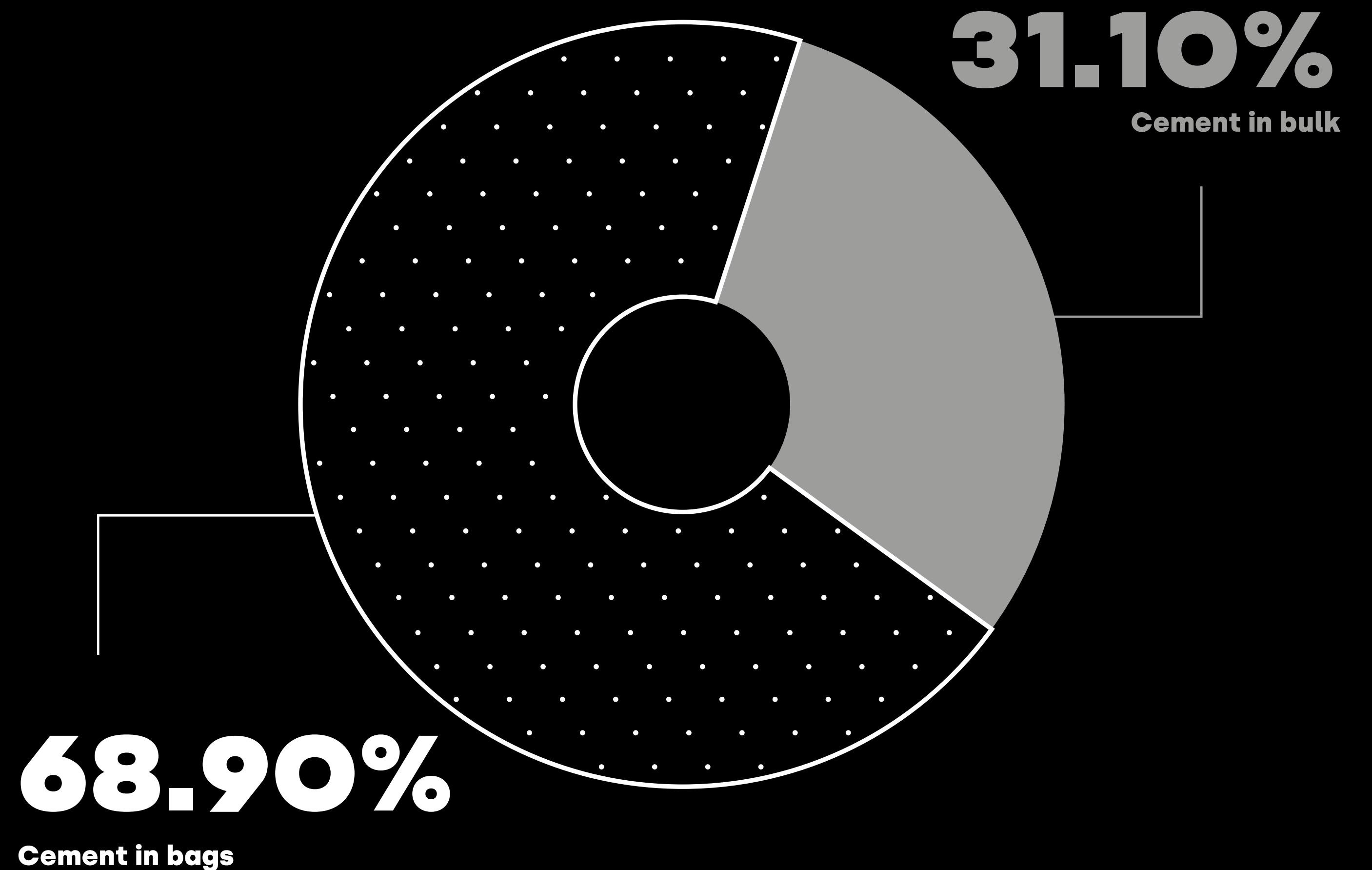
## Sales

In 2022 we consolidated the leadership of our product portfolio, providing our clients with high-quality cement brands with the highest perceived value in the market. Andino, Sol and Apu. As far as performance is concerned, **our products exceed the requirements of Peruvian Technical Standards (NTP)** and ASTM (American Society for Testing and Materials).

During 2022 we gradually increased prices in each sales channel in order to offset higher costs and inflation. The aggregate increase amounted to 8.4% compared with December 2021.

We have two business units to serve the market: **Bagged cement and cement in bulk.**

Sales of bagged and bulk cement in **2022** were as follows:







## Bulk cement

In 2022 we shipped bulk cement in 1.5 metric ton big-bags or cement tankers<sup>2</sup> directly to our clients.

mainly supply ready-mix concrete makers, mining and construction companies and manufacturers of cement-derived products. **58.6% of dispatches in 2022 went to ready-mix concrete makers and 32.5% to mining and industrial companies.** (GRI 2-6)

In 2022 this **channel grew by 21.2% compared to 2021**, especially via new ready-mix makers throughout Peru. (GRI 2-6) (GRI 201-1)

<sup>2</sup> Cement tankers -articulated trailers-

## Cement in bags

We dispatch six types of cement to precisely meet the differentiated needs of our customers. **Our bagged products are mainly marketed through two channels: traditional** hardware stores, consisting of the Progresol network and independent stores, **and large modern** self-service hardware stores.

91.2% of bagged cement is sold through the traditional channel, supported by demand from self-build projects and the remaining 8.8% goes to construction companies, industry and modern retail outlets. (GRI 2-6)





## Additive-based cements

We are continually evaluating the market so that we can provide products to meet the requirements of clients and end users, and to reduce our impact on the environment.

(GRI 3-3 Sustainable construction)

During 2022 we promoted sales of additive-based cements **Andino Ultra, Andino Forte and Apu**, in accordance with our climate-friendly aim to offer low-carbon cement, as well as to reduce energy consumption and, therefore, CO<sub>2</sub>e emissions. **We measure this environmental impact using the clinker factor** (t clinker/t cement) which in 2022 was 0.851. This represents a reduction of 1.39% compared with 2021. these additive-based cements today account for the 34% of sales.



## 2.6 Certifications and memberships

At **UNACEM Peru**, we currently hold the following **certifications and memberships** that reaffirm our commitment to achieving more **efficient and sustainable** operations and products. (Non GRI Certifications and memberships)

| Standard  | Scope  |
|---|--|
| <p style="text-align: center;"><b>Quality</b></p> <p>ISO 9001:2015 Quality management systems.</p>  | <p>Manufacture and sales of clinker and cement from production plants and associated operations.</p>     |
| <p style="text-align: center;"><b>The environment</b></p> <p>ISO 14001:2015 Environmental management systems.</p>                                       |  |
| <p style="text-align: center;"><b>Health and Safety at Work</b></p> <p>ISO standard 45001:2018 - Occupational Health and Safety Management Systems.</p> |  |
| <p style="text-align: center;"><b>Anti-bribery</b></p> <p>ISO 37001: 2016 Anti-bribery management systems.</p>  | <p>Manufacture and sale of clinker and cement.<br/>Ship loading and unloading.</p>                       |
| <p style="text-align: center;"><b>Safety</b></p> <p>Standard V05-2017 BASC Standard 5.0.1 Control and Security Management System.</p>                   | <p>Marketing of clinker and cement.<br/>Loading and unloading of ships at UNACEM Peru port facility.</p> |
| <p>Port Facility Statement of Compliance (SOC)– ISPS CODE.</p>  | <p>UNACEM Peru port facility.</p>  |
| <p>Port Facility Security Certificate (PFSC).</p>   |  |
| <p style="text-align: center;"><b>Others</b></p> <p>Blue Certificate.</p>   | <p>Recognition as a company responsible for water by the National Water Authority (ANA).</p>             |



## 2.7 Membership of organizations and associations

We belong to a number of organizations that promote **good commercial, innovation and sustainability practices.**

(GRI 2-28)

| Institution  | Type of service                               |
|--|---|
| <b>Asociación de Exportadores (ADEX)</b>   | Member  |
| <b>Alianza para Obras por Impuestos (Works for Taxes Alliance - ALOXI)</b>   | Member  |
| <b>American Chamber of Commerce of Peru (AmCham Peru)</b>  | Member  |
| <b>Asociación Nacional de Anunciantes (National Advertisers Association - ANDA)</b>  | Member  |
| <b>Asociación Peruana de Recursos Humanos (Peruvian Human Resources Association - APERHU)</b>  | Member  |
| <b>Alianza Peruana de Fundaciones y Asociaciones (Peruvian association of foundations &amp; associations - APFA)</b>                       | Alliance with and members of Managing Council |
| <b>Asociación Peruana de Profesionales en Logística (Peruvian association of logistics professionals - APPROLOG)</b>                       | Member  |
| <b>Asociación de Asistentes Sociales de Empresas (association of company social workers - ASEM)</b>  | Member  |
| <b>Asociación de Productores de Cemento (Cement Producers' Association - ASOCEM)</b>   | Founder member                                |
| <b>Asociación Peruana de Operadores Portuarios (Peruvian Association of Port Operators - ASPPOR)</b>                                       | Member  |
| <b>Business Alliance for Secure Commerce (BASC) Peru</b>   | Member  |
| <b>Lima Chamber of Commerce (CCL)</b>  | Member  |
| <b>Confederación Nacional de Instituciones Empresariales Privadas (national confederation of private business associations - CONFIEP)*</b> | Member  |
| <b>Encuentros Iberoamericanos de la Sociedad Civil (Ibero-American civil society institution - EISC)</b>                                   | Member and member of the Managing Council     |
| <b>Federación Interamericana del Cemento (Inter-American Cement Federation - FICEM)*</b>   | Member  |



| Institution   | Type of service   |
|---|---|
| <b>Federación Iberoamericana de Hormigón Premezclado (Ibero-American Pre-mixed Concrete Federation - FIHP)*</b>       | Member  |
| <b>Global Cement and Concrete Association (GCCA)</b>  | Member  |
| <b>Global Reporting Initiative (GRI) - Competitive Business Implementation Partner</b>                                | Member  |
| <b>Global System, Global Standard and Global Solution -1 GS1)</b>   | Member  |
| <b>Instituto de Auditores Internos del Peru (institute of internal auditors of Peru - IAI Perl)</b>                   | Member  |
| <b>Instituto Peruano de Investigación y Desarrollo Tributario (Peruvian tax research &amp; development institute)</b> | Member  |
| <b>Instituto Peruano de Acción Empresarial (Peruvian business action institute - IPAE)</b>                            | Participation in the Annual Conference of Executives (CADE) |
| <b>LATIMPACTO</b>   | Member and member of the Managing Council                   |
| <b>Perl Sostenible (Sustainable Peru)</b>   | Member  |
| <b>REDEAMÉRICA</b>  | Member  |
| <b>Sociedad Nacional de Minería, Petróleo y Energía (national mining, petroleum &amp; energy society - SNMPE)</b>     | Member  |
| <b>Sociedad Nacional de Industrias (national manufacturing society - SNI)</b>   | Member  |
| <b>SNI Sustainability Committee</b>   | Member  |
| <b>Worldwide Initiatives for Grantmaker Support (WINGS)</b>   | Member and member of the Managing Council                   |





CORPORATE  
**GOVERNANCE**



### 3.1 Shareholders

Our current corporate governance structure is detailed below: (GRI 2-9)

| Shareholders       | Percentage shareholding |
|--------------------|-------------------------|
| UNACEM CORP S.A.A. | 99.9999%                |
| DIGICEM S.A.       | 0.001%                  |





## 3.2 Board of directors

The Board of Directors is the **highest administrative body of UNACEM Peru**, it promotes a culture of comprehensive risk management and approves and periodically reviews the risk management strategy to ensure that it supports the Company's strategies and objectives.

It is made up of **eleven members elected by the annual general meeting of shareholders (AGM)**, for a two-year term and is subject to Peru's Companies Act. (GRI 2-12) (GRI 2-10) (GRI 3-3 Corporate Governance)

The members of the board of directors have different skills and abilities, they embody prestige, ethics, economic independence, availability and other personal and professional qualities relevant to the company. (GRI 2-10) (GRI 2-9) (GRI 3-3 Corporate Governance)



| N.º | Name                     | Position             | Executive or non-executive |
|-----|--------------------------|----------------------|----------------------------|
| 1   | Ricardo Rizo Patrón      | President            | Non-executive              |
| 2   | Alfredo Gastañeta        | Vice President       | Non-executive              |
| 3   | Marcelo Rizo Patrón      | Director             | Non-executive              |
| 4   | María Elena Rizo Patrón  | Director             | Non-executive              |
| 5   | Martín Ramos             | Director             | Non-executive              |
| 6   | Diego de la Piedra       | Director             | Non-executive              |
| 7   | Carlos Ugás              | Director             | Non-executive              |
| 8   | Jaime Sotomayor          | Director             | Non-executive              |
| 9   | Elmer Cuba               | Independent director | Non-executive              |
| 10  | José Antonio Payet       | Independent director | Non-executive              |
| 11  | Jorge Ramírez del Villar | Independent director | Non-executive              |

### Our Board of Directors:

- Approves and directs the strategy of UNACEM Peru.
- Establishes objectives, goals and plans of action, including strategic planning, annual budgets and business plans.
- Controls and supervises the management, governance and administration of the company.
- Ensures good corporate governance. (GRI 2-13) (GRI 2-14) (GRI 2-12)

The **UNACEM Peru** Board of Directors has one **specialized committee**: the **Commercial Committee**, created at a board meeting on the 3rd March 2023.





## **RICARDO RIZO PATRÓN DE LA PIEDRA**



CHAIRMAN OF  
THE BOARD  
OF DIRECTORS

### **EXPERIENCE**

**Mr. Rizo Patrón has been the chairman of the Board since 2012 and a director since 1985.**

He has been chairman of the Board of CELEPSA, Sindicato de Inversiones y Administración S.A. (SIA), Inversiones Andino S.A. (IASA) and Vigilancia Andina S.A. (VASA) since 2014, where he was also formerly vice-chairman. He has also been vice chairman of Nuevas Inversiones S.A. (NISA) since 1984. He was a manager of ARPL Tecnología Industrial S.A. (ARPL) from 1979 and member of the Board of Directors of El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A. in 2003.

### **QUALIFICATIONS**

He graduated as a chemical engineer from Notre Dame University and holds a master's degree in chemical engineering from Massachusetts Institute of Technology.





**ALFREDO  
GASTAÑETA  
ALAYZA**



VICE CHAIRMAN  
OF THE BOARD OF  
DIRECTORS

## EXPERIENCE

**Mr. Gastañeta has been vice chairman of our Board since 2012 and a director since 1981.**

He has been chairman of the Board of NISA since 1992 and a director of that company since 1977. He was also a director of Banco Internacional del Peru – Interbank from 2004 to 2015. He has been a member of the Board of Inversiones en Concreto y Afines S.A. (INVECO) since 1996, of UNICON since 1996 and of CELEPSA since 2005. He is also in a law firm García Sayán Abogados and has more than 40 years of experience in corporate and tax law.

## QUALIFICATIONS

He graduated as an attorney-at-law from the Pontificia Universidad Católica del Peru (PUCP).





**MARCELO  
RIZO PATRÓN  
DE LA PIEDRA**



DIRECTOR

## EXPERIENCE

**Mr. Rizo Patrón has been one of our directors since 1994.**

He has also been chairman of the Board of Directors of UNICON since 1996, of PREANSA Peru since 2007 and of BASF Constructions Chemicals Peru S.A., or Master Builders Solutions Perú S.A., since 2000. He has been manager and director of ARPL since 2001. He has also been a director of CELEPSA since 2005, of Entrepisos Lima S.A.C. since 2010, of PREANSA Chile since 2014 and of PREANSA Colombia since 2013.

## QUALIFICATIONS

He graduated as a mechanical engineer from Notre Dame University and holds a master's degree in mechanical engineering from Georgia Institute Technology. He is also a graduate of the Higher Business Management Program of the University of Piura.



# MARÍA ELENA RIZO PATRÓN DE LA PIEDRA



DIRECTOR



## EXPERIENCE

**Mrs. Rizo Patrón has been a member of the senior management of ARPL since 1995 and a director since 2007.**

She is also director and CEO of Inversiones JRPR S.A., member of the Board of Directors of UNICON S.A., Inversiones Nacionales y Multinacionales Andinas S.A. and of Inmobiliaria Santa Cruz S.A. She is also currently a member of the managing Board of Asociación Unacem. She has also been a director of UNICON since 2010 and of UNACEM since 2020.

## QUALIFICATIONS

She graduated in business administration from the Universidad del Pacífico. She is also a graduate of the Specialist Financial Management Program run by the University of Piura, Peru.





**CARLOS  
UGÁS  
DELGADO**



DIRECTOR

## EXPERIENCE

**Mr. Ugas has been one of our directors since 1996.**

He was production manager in 1988, operations manager in 1992 and general manager from 1996 until June 2020. He has been a director of UNICON since 2002, of FICEM since 2004, of CELEPSA since 2005, of the National Manufacturing Society since 2008 and of CONFIEP since 2015.

Before working in UNACEM, he was the general manager of Lar Carbon, a UNACEM subsidiary from 1984 to 1988. He also worked for Trupal S.A. from 1974 to 1982 and for Avepack S.A., from 1982 to 1984. He has more than 46 years of uninterrupted professional experience.

## QUALIFICATIONS

Mr. Ugas graduated in mechanical and electrical engineering from the National Engineering University and received special training from Reliance Electric in Cleveland, Ohio. He graduated from the management development, senior management and management skills programs run by the University of Piura, Peru.





**JAIME  
SOTOMAYOR  
BERNÓS**

 DIRECTOR

## EXPERIENCE

**Mr. Sotomayor has been a member of our Board of Directors since 1994.**

He has been a director of NISA since 1989 and of CELEPSA since 2005. He has been technical manager of ARPL since 1992 and general manager since 2019. At present he is the Latin America and Caribbean Regional Head of ASME (The American Society of Mechanical Engineering).

## QUALIFICATIONS

He graduated as a mechanical engineer from Pontificia Universidad Católica del Perú (PUCP) and holds an MSc from Columbia University and an MBA from University ESAN.



**DIEGO DE  
LA PIEDRA  
MINETTI**

 DIRECTOR

**EXPERIENCE**

**Mr. De la Piedra has been a director of our company since 2011.**

He has been the general manager and a director of La Viga S.A. (La Viga) since 1990, a director of SIA since 2011, of NISA since 2010 and of PSW S.A. since 2007.

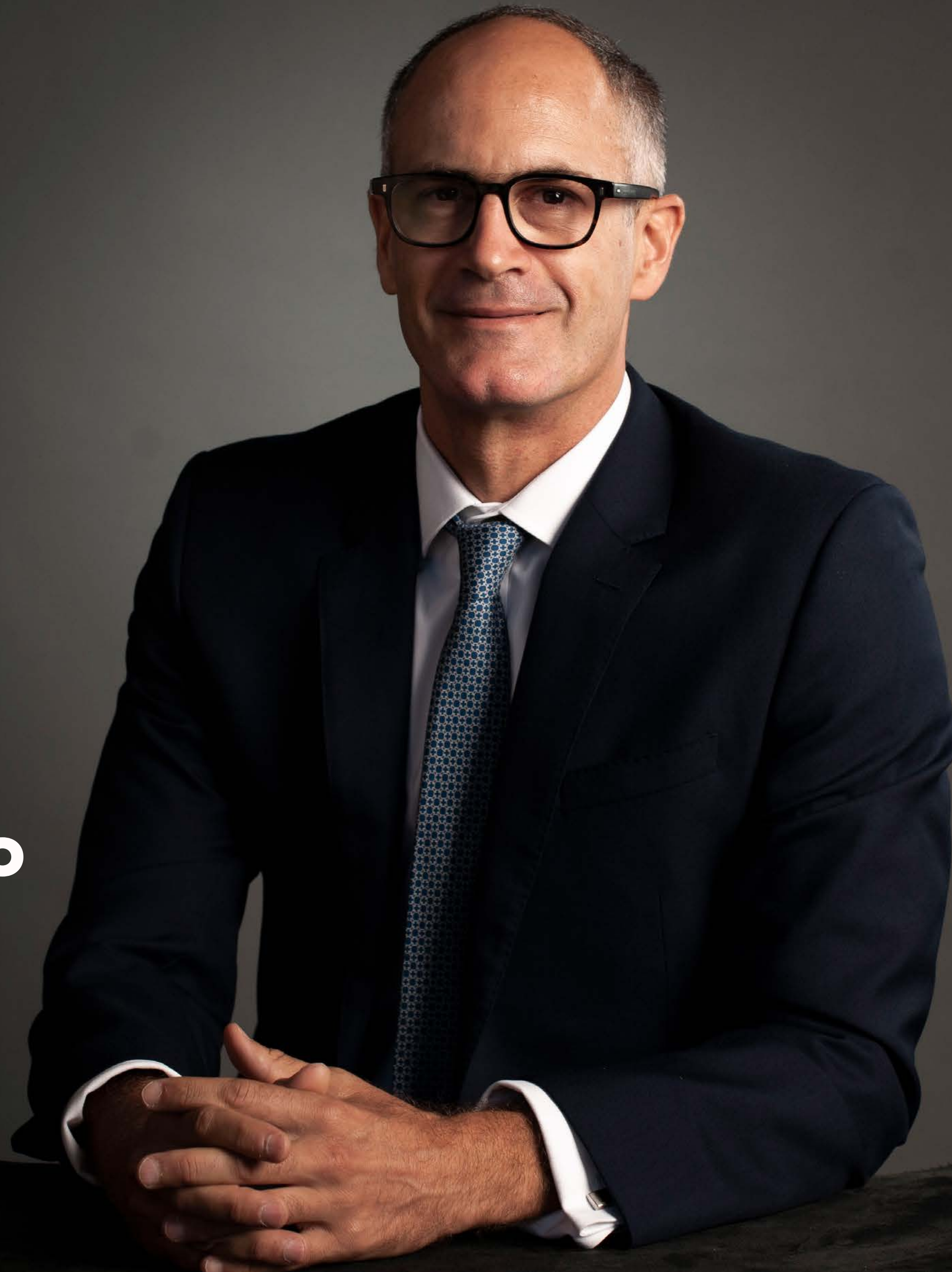
**QUALIFICATIONS**

He holds a degree in business administration from Universidad del Pacífico and an MBA from the University of Piura.



# MARTÍN RAMOS RIZO PATRÓN

 DIRECTOR



## EXPERIENCE

**Mr. Ramos has been a director of UNACEM since 2018.**

He has worked as an investment professional with The Rohatyn Group (TRG) since 2012, managing the LAPEF private capital fund and involved in the strategic management of the companies in his investment portfolio. Before that he was part of the Latin America investment banking and corporate finance team of Morgan Stanley Investment Bank, New York.

Previously he was a member of the investment banking and corporate finance team, concentrating on the technology sector of the American market. He has been an independent director of Pesquera Exalmar S.A.A. since 2016 and was formerly a director of Sindicato de Inversiones y Administración S.A. (2012-2015).

## QUALIFICATIONS

Mr. Ramos obtained a degree in sciences and electrical engineering and a licentiate in administrative sciences, majoring in finance from Massachusetts Institute of Technology (MIT) and also holds a master's degree in electrical engineering and information technology from MIT.



## JORGE RAMÍREZ DEL VILLAR LÓPEZ DE ROMAÑA



INDEPENDENT  
DIRECTOR



### EXPERIENCE

**Mr. Ramírez del Villar is currently a director of UNACEM, director of Drake Cement, director of Banco Pichincha Peru, director of Mercania - Mercados Integrados 2.0 and a member of the MBA consultative committee of the Universidad de Lima.**

He has been a director of Mibanco, Inversiones 2020, Solución – Empresa Administradora Hipotecaria, and the chair of VISTAGE. He was central operations manager, systems and administration, finance division manager and corporate finance manager of BCP.

Prior to that he was investment banking manager of Financiera de Credito, general manager of Prodebolsa (now Credicorp Capital), advisor to the senior management of Inversiones Centenario, a financial analyst at Occidental Petroleum Company and business consultant at Booz Allen Hamilton.

### QUALIFICATIONS

He holds a bachelor's degree in industrial engineering from UNI and a master's degree in systems engineering from the Moore School of the University of Pennsylvania, an MBA from the Wharton School of the University of Pennsylvania, a master's degree in economics from the London School of Economics and a master's degree in international relations from the University of Cambridge in the United Kingdom.



# JOSÉ ANTONIO PAYET PUCCIO

 INDEPENDENT  
DIRECTOR



## EXPERIENCE

**Mr. Payet has been an independent director of UNACEM since 2018.**

He is a founding partner of law firm Payet, Rey, Cauvi, Pérez Abogados, which was created in 1996 and specializes in general commercial law, mergers and acquisitions and financial transactions. He began his professional career in CONFIEP (1990), was an adviser to the Minister of Industry, Tourism, Integration and International Trade (1992-1993), General Counsel of AFP Integra (1993-1996) and a member of the Board and of the Fair Competition Tribunal of INDECOPI. He is a member of the Board of Directors in the Lima Stock Exchange (Bolsa de Valores de Lima S.A.A.), Inversiones Brade S.A., IncaRail S.A., Pesquera Diamante S.A. and UNACEM S.A.A. He is a member of the arbitration council of Lima Chamber of Commerce's Arbitration Center. He has also been a tutor in his own specialty at the Pontificia Universidad Católica Faculty of Law.

## QUALIFICATIONS

He graduated as an attorney from the Pontificia Universidad Católica del Peru and obtained a Master of Laws (LL.M.) from Harvard Law School.





## ELMER CUBA BUSTINZA

 INDEPENDENT  
DIRECTOR

### EXPERIENCE

**Mr. Cuba has been a member of the Board of Directors of UNACEM since 2020.**

He is a partner-director of Macroconsult S.A. and was formerly a director of Peru's central bank. In the public sector he has also been vice president of OSINERG and a member of its managing council; director of COFIDE and a member of its risks and audit committee; vice president and member of the fair competition commission of INDECOPI and member of the consultative council to the president of the Peruvian Judiciary. In the private sector he has been an independent director of Compañía Minera Milpo and RELAPASA. He has also been a consultant to the BID, World Bank, OIT, CEPAL, USAID, CAF, CAN, CIES, Fondoempleo, PCM, MEF and SUNAT; and macroeconomic consultant to major Peruvian and international companies operating in Peru.

### QUALIFICATIONS

He holds a master's degree in economics from Pontificia Universidad Católica de Chile and has taught the master in economics course at the same university.



## **Evaluating the performance of the board of directors**

As an example of good corporate governance practice, the performance of the board of directors and each of its members is **evaluated by an external adviser every year**. This evaluation began around the last quarter of 2022, the results have been duly reviewed and **an improvement plan has been determined for 2023**. (GRI 2-18)

## **Training for board members**

In order to keep up to date with the latest thinking, during 2022 board members attended training sessions on **significant events and the treatment of confidential information, management of conflicts of interest, the fight against corruption and compliance with free competition legislation**. We believe it is essential to address these subjects to ensure that the guidelines developed by our board are in line with current thinking and society, in order to continue **creating value for all of the company's stakeholders**. (GRI 2-17) (GRI 205-2)



### 3.3 Management Committee (CODIR)

UNACEM Peru's CODIR is made up of line managers and headed by the General Manager, its **mission is the efficient and timely management of the company** so that appropriate action can be taken to implement the strategy defined and approved by the board of directors. (GRI 2-9) (GRI 2-17) (GRI 3-3 Corporate Governance)

### MANAGERS BELONGING TO UNACEM PERU'S CODIR

| N.º | Name                           | Position  |
|-----|--------------------------------|---|
| 1   | Eduardo Sánchez Verdejo        | General Manager<br>VP - Industrial Operations of Grupo UNACEM |
| 2   | Francisco Barúa Costa          | Central Administration and Finance Manager                    |
| 3   | Gabriel Barrio Reátegui        | Commercial Manager  |
| 4   | Jeffery Lewis Arriarán         | Project Manager   |
| 5   | Pablo Kohatsu Choy             | Human Resources Manager                                       |
| 6   | Juan Asmat Siqueiro            | Atocongo Operations Manager                                   |
| 7   | Héctor Leyva Cruz              | Condorcocha Operations Manager                                |
| 8   | Carlos Miguel Delgado Raffo    | Supply Chain Manager  |
| 9   | José Luis Perry Gaviño         | General Counsel   |
| 10  | Carlos Adrianzén Panduro       | Safety, Environment and Sustainability Manager                |
| 11  | Rafael de las Casas Bamonde    | Internal Auditor  |
| 12  | Eleonora León y León Castañeda | Executive Director of Asociación UNACEM                       |



# EDUARDO SÁNCHEZ VERDEJO



GENERAL  
MANAGER



**Mr Sanchez has been our General Manager since January 1st 2022, he has also been Corporate Vice President of Industrial Operations since 2021.**

He graduated as a chemical engineer from the University of Salamanca, Spain and has a postgraduate degree in cement (Cement Master) from Lafarge University. He has extensive knowledge of the cement and construction materials industry, for which he has worked for more than 15 years. He was General Manager of HIDROINTAG (an electrical project company in Ecuador) and Plant Manager of UNACEM Ecuador for 10 years until 2021.



## FRANCISCO BARÚA COSTA

 INVESTMENT  
MANAGER

**Mr. Barúa has been our Investment Manager since 2014.**

Previously he was Vice President - Corporate Finance of Larrain Vial S.A. in Chile from 2011 to 2014 and an associate in the mergers and acquisitions team of Citigroup in the United States between 2009 and 2011. He graduated as an economist from the Universidad del Pacífico and holds an MBA from the Tuck School of Business at Dartmouth College.

## GABRIEL BARRIO REÁTEGUI

 COMMERCIAL  
MANAGER

**Mr Gabriel Barrio is our Commercial Manager, appointed in 2023.**

Prior to that he was Assistant Marketing Manager between 2013 and 2022, and Head of Marketing from 2009 to 2012. He previously worked for transnationals Johnson & Johnson and Pfizer. He has a degree in business administration from the University of Lima, an MBA from the IAE Business School in Argentina, and a Professional Leadership Certificate in Ethics and Compliance certification from the Ethics & Compliance Initiative.



## JEFFERY LEWIS ARRIARÁN



PROJECT  
IMPLEMENTATION  
MANAGER

**Mr. Lewis has been our Project Implementation Manager since 2009.**

Before that he was our Civil Engineering Supervisor between 1996 and 2009. He holds a degree in civil engineering from Universidad Ricardo Palma and an MBA from Universidad del Pacífico.

## PABLO KOHATSU CHOY



HUMAN  
RESOURCES  
MANAGER

**Mr. Kohatsu is a systems engineer, he graduated from the National Engineering University and holds a master's degree in finance from the Universidad del Pacífico.**

He has more than 20 years of experience in personnel management and organizational development, having worked in well-known Peruvian and multinational companies in the mining and of communications industries.



## **JUAN ASMAT SIQUEIRO**

 ATOCONGO  
OPERATIONS  
MANAGER

**Mr. Asmat has been the Operations Manager of the Atocongo Plant since 2011.**

Before that he was Maintenance Superintendent between 2005 and 2011, Chief Mechanic between 2003 and 2005, and Supervisor between 1990 and 2003. He qualified as a mechanical engineer from the National Engineering University and has an MBA from the Centrum Católica Postgraduate School of Business.

## **HÉCTOR LEYVA CRUZ**

 CONDORCOCHA  
OPERATIONS  
MANAGER

**Mr. Leyva has been our Operations Manager of the Condorcocha Plant since July 2018.**

Previously he was Assistant Production Manager from 2012 to 2018 and Head of the Production Department from 2002. He is a chemical engineer who graduated from the Universidad Nacional del Centro del Peru in Huancayo; he also holds a master's degree in business administration from Centrum Católica. He graduated from the leadership program at EADA in Barcelona, business management course at ESAN and the University of Piura directive leadership program.



## **CARLOS MIGUEL DELGADO**

 SUPPLY CHAIN MANAGER

**Mr Delgado has been our Supply Chain Manager since January 2022.**

He has a business administration qualification from the University of Lima, an MBA from Centrum Católica and studied a senior management program of the University of Piura, as well as various specialized courses in supply chain management. He has more than 20 years of international experience at the corporate level in Peru, USA and Brazil working on the design and implementation of new organizational structures and supply chain optimization projects, he has also worked as a supply chain consultant and coach.

## **JOSÉ LUIS PERRY GAVIÑO**

 GENERAL COUNSEL

**Mr. Perry has been our general counsel since December 2019.**

Previously he was the assistant legal manager since 2012 and before that legal adviser and attorney-in-fact of Cementos Lima from 2004 to 2012.

He is a qualified attorney and holds a master's degree in tax and fiscal policy from the University of Lima and a dual degree from the Universidad Autonoma de Madrid.



## **CARLOS ADRIANZÉN PANDURO**

 SAFETY, ENVIRONMENT AND SUSTAINABILITY MANAGER

**Mr Adrianzén has been our Safety, Environmental and Sustainability Manager since January 2022.**

Previously he was Environmental and Institutional Affairs Manager at CELEPSA from 2006 and Industrial Safety and Environmental Protection Manager at The Maple Gas Corporation of Peru between 2004 and 2006. He has been president of the Environmental Affairs Committee of the National Society of Mining, Oil and Energy since 2017. He graduated as an environmental engineer from Universidad Nacional Agraria La Molina and holds a master's degree in energy management from ESAN University.

## **RAFAEL DE LAS CASAS BAMONDE**

 INTERNAL AUDITOR

**Mr De Las Casas is our Internal Auditor.**

He is a public accountant who graduated from the Pontificia Universidad Católica del Peru and has taken the finance, costs and government course at the Management School of the University of Piura (PAD). He specialized in financial auditing at Coopers & Librand. He holds a master's degree in business administration from the Universidad del Pacífico and took the internal auditing course at the Institute of Internal Auditors of Peru (IAI).



## **ELEONORA LEÓN Y LEÓN CASTAÑEDA**



EXECUTIVE DIRECTOR  
OF ASOCIACIÓN  
UNACEM

**Mrs Eleonora León y León has been our Executive Director of Asociación Unacem since January 2022.**

She is a political and social affairs mediator. She has been a senior Peruvian government official, social affairs manager of Petroperu and management consultant for companies and unions in the mining, oil, energy, agribusiness and fishing sectors. She holds a master's degree in organizational design from the Universidad de Lima and is studied conflict transformation at the Universidad Continental.









The CODIR has found that it is important to **manage what stakeholders demand of us regarding ESG** (Environmental, Social and Governance aspects), **to ensure success over the next 100 years**. It is important to note that since June 2022, the CODIR has been conducting sustainability sessions led by the General Manager, with input from the Safety, Environment and Sustainability Manager. These sessions analyze, discuss and make decisions on matters of sustainable development: health and safety at work, sustainability, environmental management and the integrated management system. The CODIR held five sustainability sessions during 2022. (GRI 3-3 Corporate Governance)

## Training for the CODIR

The CODIR took part in the following workshops:

- **Tactical DNA Leadership**, as part of the Corporate Safety and Health at Work Program "Vida Primero", which addressed prioritization of health and safety at work as a key issue in the company's leadership.
- Materiality for the preparation of the **UNACEM Peru Integrated Report**.
- Updating the **Crisis Manual**.
- Identifying **stakeholders**.

It also took part in the following Grupo UNACEM initiatives:

- Talk on **conscious capitalism**.
- **Good Corporate Governance** Talk.
- The road to **carbon neutrality**.
- **The impact of ESG on stock market indices**. (GRI 2-17)



## **Qallariy: Strategic Plan 2022 - 2026**

In 2022, as part of our Qallariy Strategic Plan 2022 - 2026, we decided to **focus on governance and value generation**, particularly value capture and leveraging in the following fields:

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**01**

**ESG (Environmental, Social and Governance).**

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**02**

**Talent management.**

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**03**

**Consolidation of the core business.**

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**04**

**Promotion of cement use.**

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**05**

**Technology and innovation.**

The process of implementing our strategy continues in full. Some of the initiatives with the greatest impact this year were commercial and environmental, those related to health and safety and cost reduction.



### 3.4 Ethics and compliance

We implement **practices that ensure ethical and transparent behavior** in our operations and in the relationship with our stakeholders. This includes aspects such as the **prevention of fraud, corruption and money laundering**, and compliance with **competition regulations**.

| Alignment   | Risks and opportunities   | Prospects for 2023  |
|---|---|---|
| <p><b>ODS:</b></p>  <p><b>Pillar of our Sustainability Declaration</b></p>  | <p>It is essential to <b>maintain the highest global standards</b>. We must also ensure and promote compliance with them by our business partners, workers, suppliers, customers and other stakeholders.</p> <p>This context represents an opportunity to strengthen supervision <b>and adopt new regulations in a timely and effective manner</b>, including the integration of models, trends and capabilities for managing ethical and anti-corruption risks in our business strategy.</p> | <p>Implementing the second stage of the Integral Compliance System.</p> <p>Part of our approach will consist in:</p> <ul style="list-style-type: none"> <li>• Developing and <b>implementing a policy and procedures for due diligence by third parties.</b></li> <li>• Implementing a specialized training plan for the board of directors and workers on the <b>identification, prevention and management of compliance risks.</b></li> <li>• Implement <b>free competition controls and policies.</b></li> </ul> |



## Our performance in 2022

In February 2022, Grupo UNACEM approved an Integrated Compliance System applicable to UNACEM Corp S.A.A. and its subsidiaries, including UNACEM Peru S.A. **The Code of Ethics and Conduct (CODEC) reflects our commitment to ethics, integrity and compliance with the law,** which should prevail in each one of our decisions. Our CODEC is at the heart of our Integral Compliance System, it describes mandatory minimum standards of behavior and defines the basic principles that guide our responsibilities. (GRI 3-3 ethics and compliance)

Furthermore, the CODEC our commitment to due diligence.

For this reason, we evaluate the risks presented by our relationships with third parties, in order to determine if they are acceptable for our business environment. (GRI 2-12) (GRI 2-23)



## OUR RESPONSIBILITIES ACCORDING TO THE CODEC



**To our workers.**

**To our shareholders.**

**To our clients.**

**To wards our suppliers.**

**To society and the environment, including human rights.**

**We have reported the latest CODEC update to workers, suppliers and business partners** through emails, awareness bulletins and in the +Unidos WhatsApp group. We also launched a mandatory on-line CODEC course for workers through our corporate learning platform called Rankmi.

**In 2023 we will give training to our distributors and main customers on the CODEC.** (GRI 2-23) (GRI 2-24)

**Learn more about our CODEC, [here](#).**



## The fight against corruption

**Our CODEC requires zero tolerance for bribery and any act of corruption by public or private officials.** Our commitment to society consists in conducting our business operations in a transparent manner, in line with our values and respect for the law. It should be noted that, as established by the CODEC, we do not contribute to political parties or people related to them. (GRI 415-1)

**We have evaluated the risks of corruption in 100% of our operations in Peru,** including the manufacture and sale of clinker and cement, and loading and unloading ships, at the Atocongo and Condorcocha plants, Conchán port facility and our administrative offices. (GRI 205-1)

We have had an anti-corruption policy since 2018, in line with our commitment to comply with the CODEC and our country's anti-corruption legislation. This policy enables us to conduct our business in a transparent and upright manner, with zero tolerance for corruption.

Learn more about our anti-corruption policy [here](#).

## Free competition

A market in a system of free competition facilitates efficiencies that benefit everyone: competitors, suppliers, clients and the State. In **UNACEM Peru, therefore, we defend free competition and see obeying the corresponding regulations as a right and a duty that is particularly important.** We strive to win our clients' loyalty by the value that we generate with our products and services, and we reject all unfair practices.

In 2022, we concluded the Free Competition Regulatory Program. This provided us with a risk matrix and its respective mitigation plan, as well as commercial policies and guidelines aligned with free competition legislation.

It is important to highlight that **during 2022 no proceedings have been completed or initiated against UNACEM Peru SA for breaches of unfair competition and/or free competition legislation.** (GRI 206-1)



## Mechanisms for seeking advice and raising concerns

In Grupo UNACEM we have an official complaints mechanism administered by an external body and supervised by the Ethics and Conduct Committee. Employees, suppliers, stakeholders and the general public can report non-compliance with the CODEC or make inquiries related to ethical conflicts. (GRI 2-26)

**The Integral Complaints System is available through these channels:**

- <https://www.unacem.com/LE/>
- [eticagrupounacem@pwc.com](mailto:eticagrupounacem@pwc.com)
- Freephone – Peru: 0800 184 22

All complaints and queries we receive are investigated and analyzed following internal procedures for investigating and replying to queries. We do not tolerate reprisals or threats against any employee who in good faith reports possible violations or incidents of non-compliance with Code of Ethics and Conduct, or who collaborates in an investigation. (GRI 2-26)



In 2022 we received and confirmed 7 complaints of about third parties attempting to bribe a security contractor. **In all of the cases investigated and confirmed, we have prohibited those who tried to bribe our contractor from entering our facilities.** (GRI 205-3)

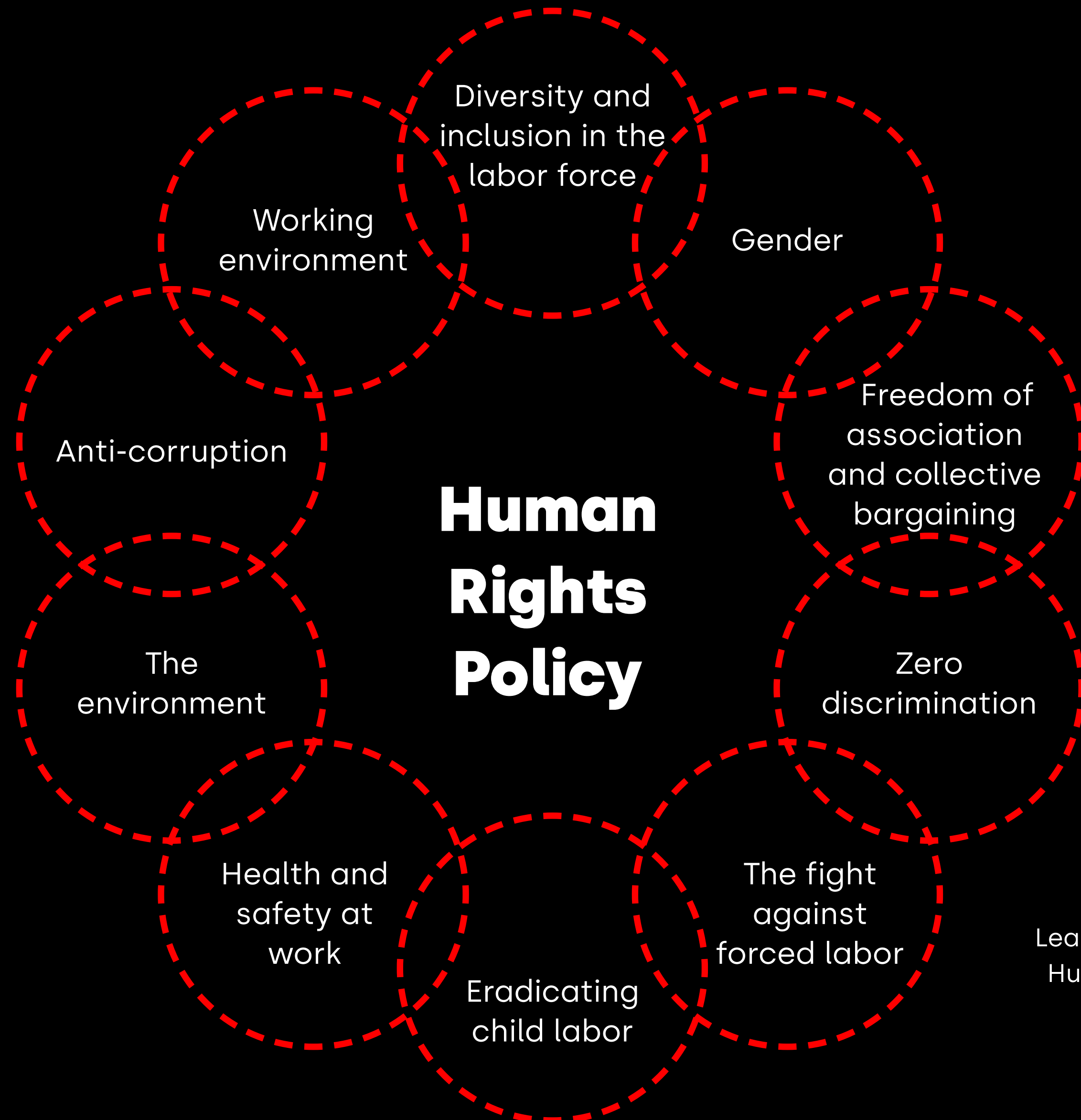
We have not found any cases of corruption involving UNACEM Peru employees. Neither have there been any court cases relating to corruption lodged by UNACEM Peru or its employees. (GRI 205-3)



Our human rights policy commitments focus on:

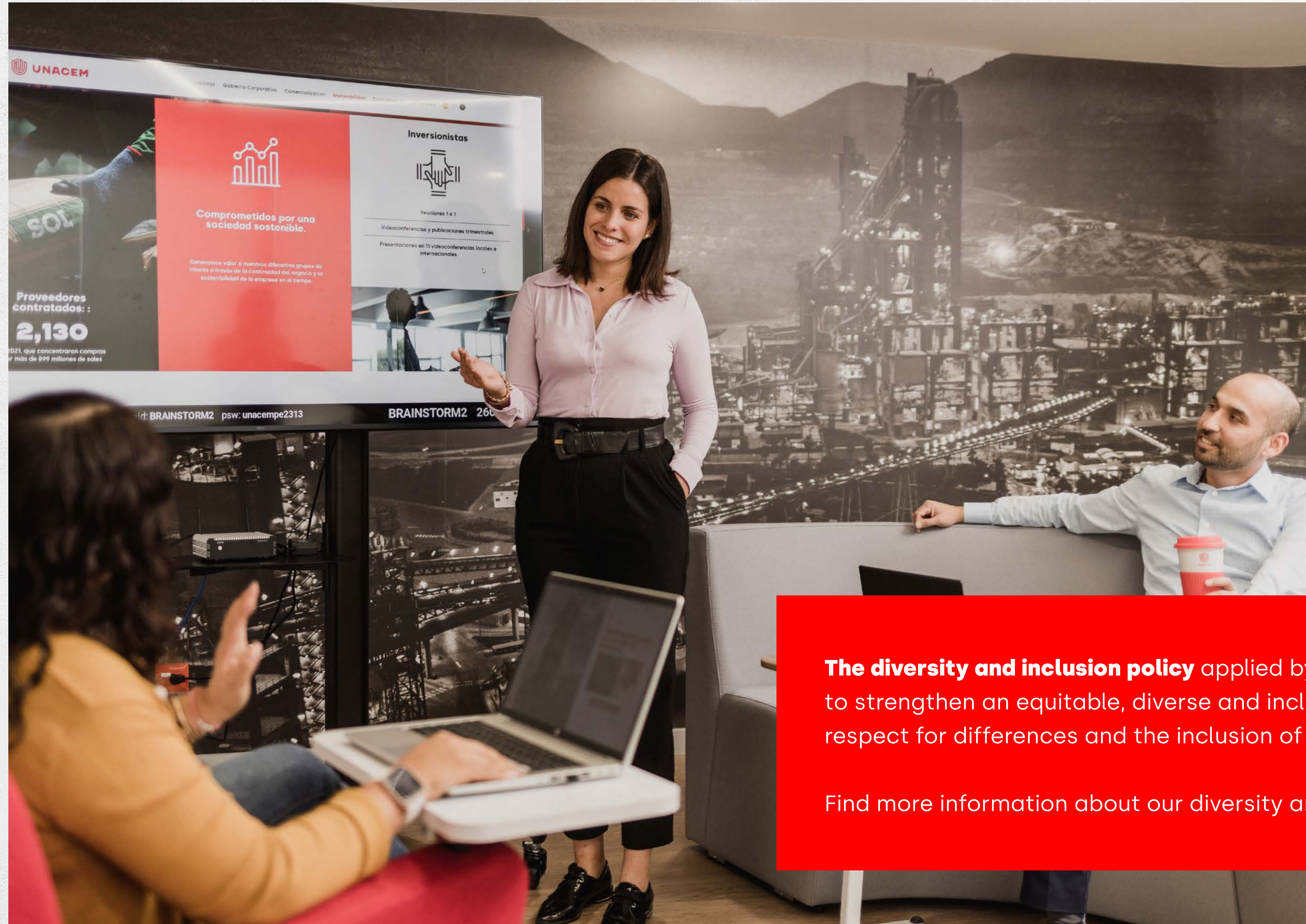
### 3.5 Human Rights Policy

In UNACEM Peru **we respect human rights and follow the Grupo UNACEM human rights policy**, by which our senior management undertakes to respect and promote the human rights of the stakeholders in our value chain. (GRI 3-3 Human Rights)



Learn more about our Human Rights policy, [here](#).





### 3.6 Diversity and inclusion policy

In line with our human rights policy, Grupo UNACEM has convened a **multidisciplinary working group**, which submitted the corporate diversity and inclusion policy to the corporate general management in December 2022.

**The diversity and inclusion policy** applied by each business unit of the UNACEM Group seeks to strengthen an equitable, diverse and inclusive environment, through actions that promote respect for differences and the inclusion of minorities, maximizing talent for value creation.

Find more information about our diversity and inclusion policy, [here](#).



## 3.7 Integrated Management System

### UNACEM Peru possesses an Integrated Management System. (GRI 2-24)

Our Integrated Management System connects and directs the activities of UNACEM Peru with regard to: quality, **health and safety at work, the environment, anti-bribery and protection against illegal activities in the supply chain.** During the year, we established objectives and goals aimed at continuous improvement in all our activities, risk management and compliance with our integrated management policy.

Find more information about our diversity and inclusion policy, [here](#).

## POLÍTICA DEL SISTEMA INTEGRADO DE GESTIÓN

### CALIDAD, MEDIO AMBIENTE, SEGURIDAD Y SALUD EN EL TRABAJO

En **UNACEM Perú S.A.** nos dedicamos a la fabricación y comercialización de clínker, cemento y otros materiales de construcción, a la auto generación de energía eléctrica, así como a la prestación de servicios portuarios.

#### EN EL MARCO DE LAS ACTIVIDADES DE LA ORGANIZACIÓN, NOS COMPROMETEMOS A:

- Respetar y hacer cumplir el Código de Ética y Conducta del Grupo UNACEM.
- Satisfacer los requisitos de nuestros clientes, así como aquellos definidos por la organización.
- Proteger el medio ambiente y prevenir la contaminación en el marco de las actividades de la organización, mediante el control de las emisiones, del consumo de energía y de los demás aspectos ambientales significativos.
- Proporcionar condiciones de trabajo seguras y saludables, con el fin de prevenir lesiones, dolencias y enfermedades, o incidentes relacionados con nuestras actividades extractivas, industriales, comerciales, de auto generación de energía eléctrica y portuarias, priorizando la eliminación de los peligros y reduciendo los riesgos en seguridad y salud en el trabajo.
- Garantizar que los trabajadores sean considerados y participen activamente en el sistema de gestión de seguridad y salud en el trabajo.
- Prevenir y evitar el uso de nuestras operaciones o instalaciones para fines ilícitos.
- Mejorar continuamente el desempeño de nuestro sistema integrado de gestión.
- Cumplir con los requisitos legales aplicables a nuestras actividades, así como los compromisos y requisitos acordados o asumidos voluntariamente por la organización.

El éxito de nuestra gestión se basa en la armonía, capacidad y actitud de los que laboramos en **UNACEM Perú S.A.**, los cuales consolidan la calidad de nuestros productos y servicios, la seguridad de los trabajadores, la rentabilidad y el cuidado del medio ambiente.



**Eduardo Sánchez**  
Gerente General UNACEM Perú S.A.

Versión 01 | 23 de marzo de 2022





## Internal audits

At the Atocongo and Condorcocha plants, we carry out scheduled internal audits of all the organization's processes, in order to verify compliance with our Integrated Management Policy, through IMS mechanisms such as: monitoring and measurement of process indicators, evaluation of legal compliance, measurement of customer satisfaction, audits of contractors, evaluation of environmental impacts and risks, evaluation of protection, operational and strategic risks, treatment of non-conformities and review by the address of the IMS; as well as ISO Standards requirements and, at Atocongo, BASC certification requirements.

In 2019, we introduced a formal **system for the application and monitoring of penalties imposed on contractors** for breaches of the procedures established in the IMS in **employment, environment and occupational health and safety matters**; this was to bring our standards in line with those of our contractors.

2022 saw the start of process **unification between Condorcocha plant and Atocongo Plant, with the aim of creating a single IMS for the whole of UNACEM Peru**. Part of this objective is to consolidate the management of: internal audits for our processes and contractors with documented information and management mechanisms to manage possible risks. This unification will be completed in 2023.



## Quality goals

Our quality goals concentrated on the most relevant matters relating to **internal and external clients**, product quality and process performance. In this manner we established goals for client satisfaction, market share, presence of products at points of sale, attention time, vessel loading and discharging operations, **product quality and variability**, quality control results, maintenance and logistics, among others.

## Environmental goals

UNACEM's main environmental goal is **the reduction of CO<sub>2</sub> emissions during the cement manufacturing process**. This objective is aligned with the commitments and efforts of the cement industry regionally and globally. Among other environmental objectives, the optimization of waste management, the reduction of groundwater consumption and the reduction of the specific consumption of fuels and electrical energy also stand out.

## Occupational Health and Safety goals

As far as health and safety are concerned, we prioritize the **implementation of energy isolation (EI) standard** during maintenance and other work on machinery and equipment, **improvements in noise management and, through our Lives First program, a reduction in the accident rate and improved occupational health.**





## Compliance with laws and regulations

Our legal department is responsible for safeguarding the rights and interests of the Organization, for ensuring compliance with our legal obligations and minimizing contingencies through preventive action. We use 'GEORGE?' software to supervise, identify and verify legal obligations (safety, the environment and mining) and we assign a responsible person to ensure compliance and issue early warnings. The legal department also carries out six-monthly audits to guarantee compliance with these obligations. (GRI 2-27)

During **2022 there were no cases of non-compliance** resulting in significant fines or monetary penalties. (GRI 2-27)



## 3.8 Risk and crisis management

At UNACEM Peru we seek to **manage strategic, operational and emerging risks** through **best practices and agile standards**. We also seek to train and empower our workers to develop a risk-averse culture. (GRI 3-3 Risk and crisis management)

| Alignment  | Risks and opportunities   | Prospects for 2023   |
|--|---|--|
| <p><b>ODS:</b></p>  <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <p><b>Risk management</b> is key to ensuring the sustainability of our business and maintaining positive relationships with our stakeholders.</p> | <ul style="list-style-type: none"><li>• <b>Identify the main strategic and operational risks to understand their impacts.</b></li><li>• <b>Manage the main strategic risks</b> involved in projects and operations.</li><li>• Set up a <b>risks committee</b>.</li></ul> |
| <p><b>Pillar of our Sustainability Declaration</b></p>                    |   |  |



## Our performance in 2022

The **UNACEM Group** has appointed a **Corporate Director of Risks and Compliance**, incorporated a **Corporate Comprehensive Risk Manager** and established a corporate model of **comprehensive risk management**.



### CORPORATE MODEL FOR COMPREHENSIVE RISK MANAGEMENT

Learn more about our corporate risk management policy [here](#).



## INTEGRATED RISK MANAGEMENT POLICY

The comprehensive risk management process is divided into seven stages:

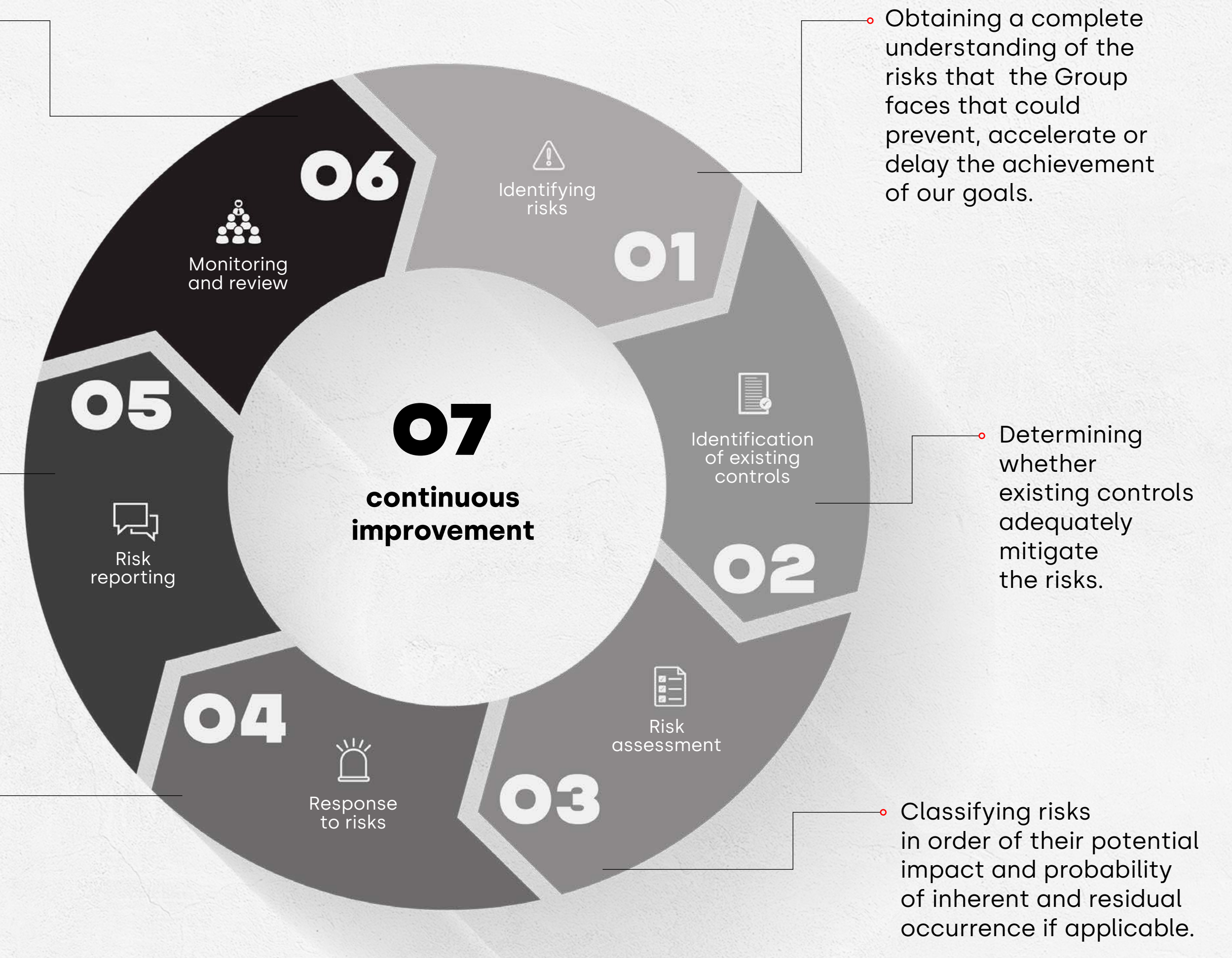
**UNACEM Peru's Internal Control and Risk Department** is in charge of implementing the company's model and policy. He will also **be responsible for comprehensive risk management**, which involves identifying and evaluating risks, implementing controls, designing action plans, and monitoring.

(GRI 3-3 Risk and crisis management)

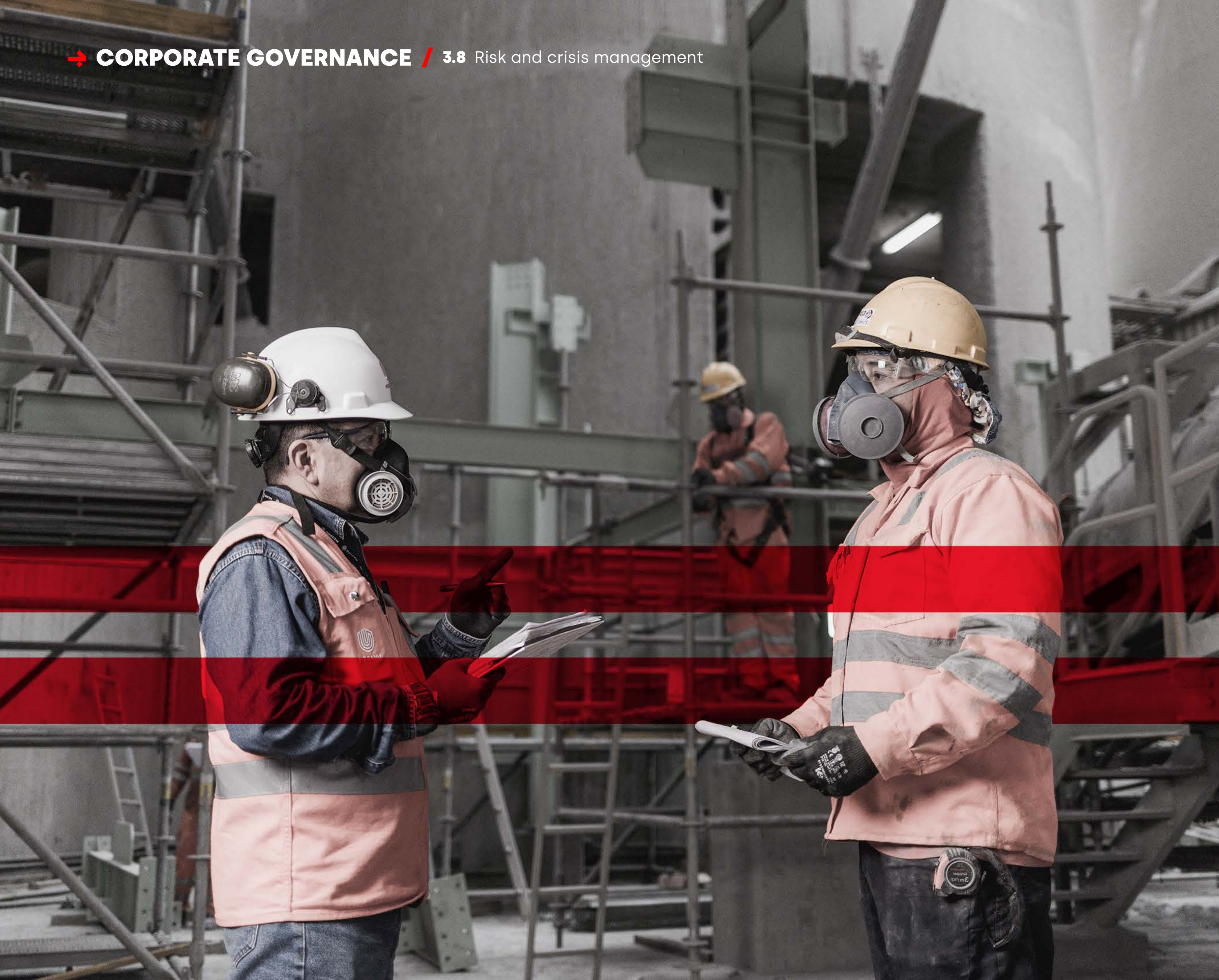
Ensuring that the planned response to risks is implemented and continues to be effective.

Informing decisions and ensuring that the risk profile of the Group is managed properly.

Proactive management of risks that are found to be unacceptably high (appetite for risk) and/or require additional attention.







We also have the **UNACEM Group's conflict of interest management policy**, which establishes guidelines to be followed by all employees of the group and its subsidiaries when dealing with situations relating to conflicts of interest.

Learn more about this policy, [here](#). (GRI 2-15)





# OUR FINANCIAL - **ECONOMIC PERFORMANCE**<sup>3</sup>

<sup>3</sup> For the purposes of this analysis, information on UNACEM Peru for 2022 will be compared with the separate financial information on UNACEM S.A.A. for 2021, making such adjustments as may be necessary to its role in the Peruvian cement business.



## 4.1 Economic environment

The global economy faced significant challenges in 2022. Still in the process of recovering from the impact of COVID-19 due to restrictive policies imposed by countries, particularly China; **the global economy suffered from the effects of Russia's war against Ukraine.**

**The latter brought with it an increase in interest rates, energy prices, inflation and other aspects that undermined investor confidence. .**

Thus the International Monetary Fund (IMF) estimated world economic growth of 3.4%, but only 2.9% for 2023.



Similarly, the United States' economy grew by 2.1% in 2022; a lower rate than in 2021. Analysts estimate that US growth will slow to an annual rate of 1.5% in the first quarter and then contract during the rest of the year to 0.5% in the second quarter, 2% in the third and 1.5% in the fourth. The Chinese economy also experienced reduced growth, which fell from 8.1% in 2021 to 2.7% in 2022.



In this region, the performance of Latin American economies was in line with international trends. According to the IMF, average GDP growth in South America fell significantly from 7.4% in 2021 to 3.9% in 2022. Inflation in the countries where we operate was high: Chile 12.8%, Colombia 13.1%, Peru 8.6% and Ecuador 3.6%; to which was added local currency devaluation and higher raw materials costs and freight.

Peru also faced these challenges. **The volatile international environment, added to political instability and social upheaval, generated an inflationary environment and a disincentive to private investment.** On the other hand, public investment grew 9%, according to the Peruvian Institute of Economics (IPE), due to higher spending by regional and local governments. Standard and Poor's (S&P) based their downgrading of Peru's credit rating from BBB to BBB on these first factors.

In terms of economic growth, **Peru's economy ended 2022 having expanded 2.7%**, according to the National Institute of Statistics and Information Technology (INEI), driven by a recovery in the hotel and restaurant sector (23.2%). A similar situation was observed in the construction sector, which grew by 3%, mainly driven by public works projects.

Annual inflation was 8.5%, according to the Central Bank. As far as construction materials were concerned, the INEI recorded price increases of 4.8% during the year. Our currency remained strong against the US dollar, having risen 4.2% by the end of the year, according to the IPE.

On the domestic front, political and regulatory instability increased the demand for foreign currency. However the country's macroeconomic strengths enabled it to cope with excessive exchange rate volatility and the Peruvian Sol has remained one of the most stable currencies in the region throughout 2022.

This stability is mainly attributed to the independence of the Central Reserve Bank of Peru (BCRP), which had a level of net international reserves of US\$ 73,288 million at the end of the year in order to address market uncertainty.



## 4.2 Creation and distribution of economic value

Our aim of “growing together to build a sustainable world” summarizes **UNACEM Peru's commitment to the development of Peru**. We seek to achieve this objective by managing our assets efficiently and our liabilities in a disciplined manner, achieving healthy profitability for our business and generating value for all our stakeholders.

### Our performance in 2022

**Cement dispatches in 2022 increased by 7% compared with 2021.** Cement sales as at the 31st December 2022 amounted to S/ 2,654.8 million, 19.7% higher than same in the same period of 2021. This increase was mainly due to a higher physical volume of cement sold. (GRI 3-3 Creation of sustainable economic value)

Our financial results for 2022 are given below: (GRI 201-1)

#### Financial results 2022 (in thousands of soles)

|                        |           |
|------------------------|-----------|
| Sales                  | 2 834 826 |
| Gross profit           | 1 030 519 |
| Operating profit       | 647 763   |
| EBITDA                 | 882 336   |
| Profit before taxation | 621 770   |
| Net profit             | 421 455   |



Our economic value in 2022 was distributed as follows:

| <b>Economic value created, distributed and retained</b> | <b>Year 2022 (thousands of soles)<sup>4</sup></b> |
|---|---|
| <b>Direct economic value created (DEV)</b>              | <b>2 860 275</b>                                  |
| a. Turnover   | 2 834 826   |
| b. Other income   | 25 449  |
| <b>Economic value distributed (EVD)</b>                 | <b>2 438 820</b>                                  |
| c. Remuneration and other social benefits for employees | 319 868   |
| d. Suppliers of goods and services                      | 1 784 879   |
| e. Financial costs (interest)                           | 72 927  |
| f. Taxes and payments to governments                    | 243 762   |
| g. Social responsibility and private social investment  | 17 384  |
| <b>Economic value retained (EVR)</b>                    | <b>421 455<sup>5</sup></b>                        |
| Shareholder dividends                                   | 240 109   |

<sup>4</sup> UNACEM Peru S.A. was incorporated in September 2021 as the result of a reorganization of UNACEM S.A.A. (now UNACEM Corp). On the 1st January 2022, UNACEM Corp transferred all assets and liabilities relating to the company's economic activity to it. Consequently the company began trading on the 1st January 2022, for which reason the income statement contains no comparative information.

<sup>5</sup> A net profit of S/ 421,455 was booked in 2022. Deduction of the statutory reserve of S/ 42,145 resulted in freely-available profits of S/ 379,310.



## Income

The excellent production and dispatch figures described above resulted in our highest ever sales levels. Thus net **cement sales amounted to S/ 2,655 million**, a figure 19.7% higher than that for the previous year. This increase was mainly due to the higher volume sold and a higher average sales price.

**Export revenue decreased 11% compared to the previous year**, due to the lower volume exported. Finally, **income from the sale of blocks, paving stones and pavements fell 19.6%** compared with the previous year due to lower demand for these products in the domestic market.

In summary, **total revenue in 2022 amounted to S/ 2,835 million**, a figure 16.7% higher than the total revenue for the previous year.







## Costs and expenses

Cement sales costs amounted to S/ 1,663 million, 20.2% higher than that for the previous year. This was mainly due to the increase in volume and costs for the main concepts influencing product manufacture, such as fuel, electricity and raw materials. At UNACEM Peru, we are constantly looking for more efficiencies in our production process.

**The export sales cost fell 15.6%** compared to the previous year, due to the lower volume exported. Finally, the sales cost for blocks, paving stones and pavements decreased 22.3% compared with the previous year, for the same reason as for exports.

**In summary, the total cost of sales in 2022 increased to S/ 1,804 million, a figure 15.8% higher than the cost of sales in the previous year.**

Administration and sales expenses rose to S/ 239 million in 2022. Furthermore, other net operating costs, consisting mainly of royalties paid to UNACEM Corp. S.A.A., increased to S/ 144 million.

Furthermore, **net financial expenses amounted to S/ 59.5 million**, a figure 61.9% lower than in the previous year. This decrease was mainly due to the lower net debt assigned to UNACEM Peru SA in the reorganization process.



## EBITDA margin and net profit

**Operating profit for 2022 amounted to S/ 648 million, 12.8% lower than operating profit for the previous year, with an operating margin for 2022 of 22.9%.** The reason for the decrease was that, due to the reorganization UNACEM Peru, as a newly formed company specialized in the cement business, did not receive dividends and royalties under the heading "other income", which UNACEM S.A.A. did receive in 2021; similarly, in 2022 payment of royalties to UNACEM Corp. was included under "other expenses". If we adjust operating profit to reflect these concepts, operating profit was better in 2022 than in 2021.

**EBITDA in 2022 amounted to S/ 882 million, a figure 11.5% lower than the EBITDA in the previous year,** with an EBITDA margin for 2022 of 31.1%. In line with the above, if we adjust for other income and expenses, EBITDA in 2022 would be 16.9% higher than that for 2021.

**Net profit in 2022 amounted to S/ 422 million, 6.6% higher than last year's net profit,** with a net margin for 2022 of 14.9%. The results for 2022 include a net gain from exchange rate differences of S/ 34 million, while those for 2021 include a net loss from exchange rate differences of S/ 48 million. A further factor benefiting UNACEM Peru in 2022 was a lower level of debt than in 2021 because of the company reorganization, as we explain below. This resulted in proportionately lower financial expenses.

## Financial debt

UNACEM Peru began 2022 with a debt of S/ 1,586 million arising from the company reorganization. During the year **the Company rigorously met its debt service obligations.**

Among the main financial safeguards that UNACEM Peru had to comply with was maintaining a debt coverage ratio or net financial debt/EBITDA of less than 3.5. As at the close of 2022 this ratio was 1.6, well below the figure given above.



## Capital and dividends

The company's subscribed and fully paid-up capital is S/ 2 156 485 445, represented by 2 156 485 445 ordinary shares with a nominal value of S/ 1.00 each. **UNACEM Corp. S.A.A. is the main shareholder with 2 156 485 444 shares.**

Dividends of S/ 240 million were declared in 2022, announced by the board on the following dates:

Board meeting on  
the 27th April:

**S/ 65M**  
in dividends  
declared

Board meeting on  
the 26th July:

**S/ 25.7M**  
in dividends  
declared.

Board meeting on  
the 26th October:

**S/ 93.4M**  
in dividends  
declared.

Board meeting on  
the 28th December:

**S/ 56M**  
in dividends  
declared.





## External audit

**Our external auditors during 2022 were Caipo y Asociados S. Civil de R.L. (a member firm of KPMG International Limited).**

The opinion on the statement of financial position, results, integral results, changes in net equity and individual cash flow accounts as at the (separate as at the 31st of December 2022) and the respective notes that form part of this Integrated Report, was issued without qualifications.



“

We are committed to a continual search for **innovative solutions that allow us to create long-term sustainable value**, which is why we continue to invest in digital projects such as Progre+ and internal innovation initiatives such as Ruray+, among others.

Thus not only do we work for the future of the company, we also **focus on improving the quality of people's housing and infrastructure, using disruptive ideas to address the great challenges to our in matters of sustainability** (ESG: environmental, social and governance), talent management, consolidation of our core business, promotion of cement consumption, technology and innovation.

**We are committed to innovation on all fronts in a spirit of creativity and entrepreneurship. ”**



**Francisco Barúa**  
Investment Manager





OUR COMMITMENT  
**TO SUSTAINABILITY**



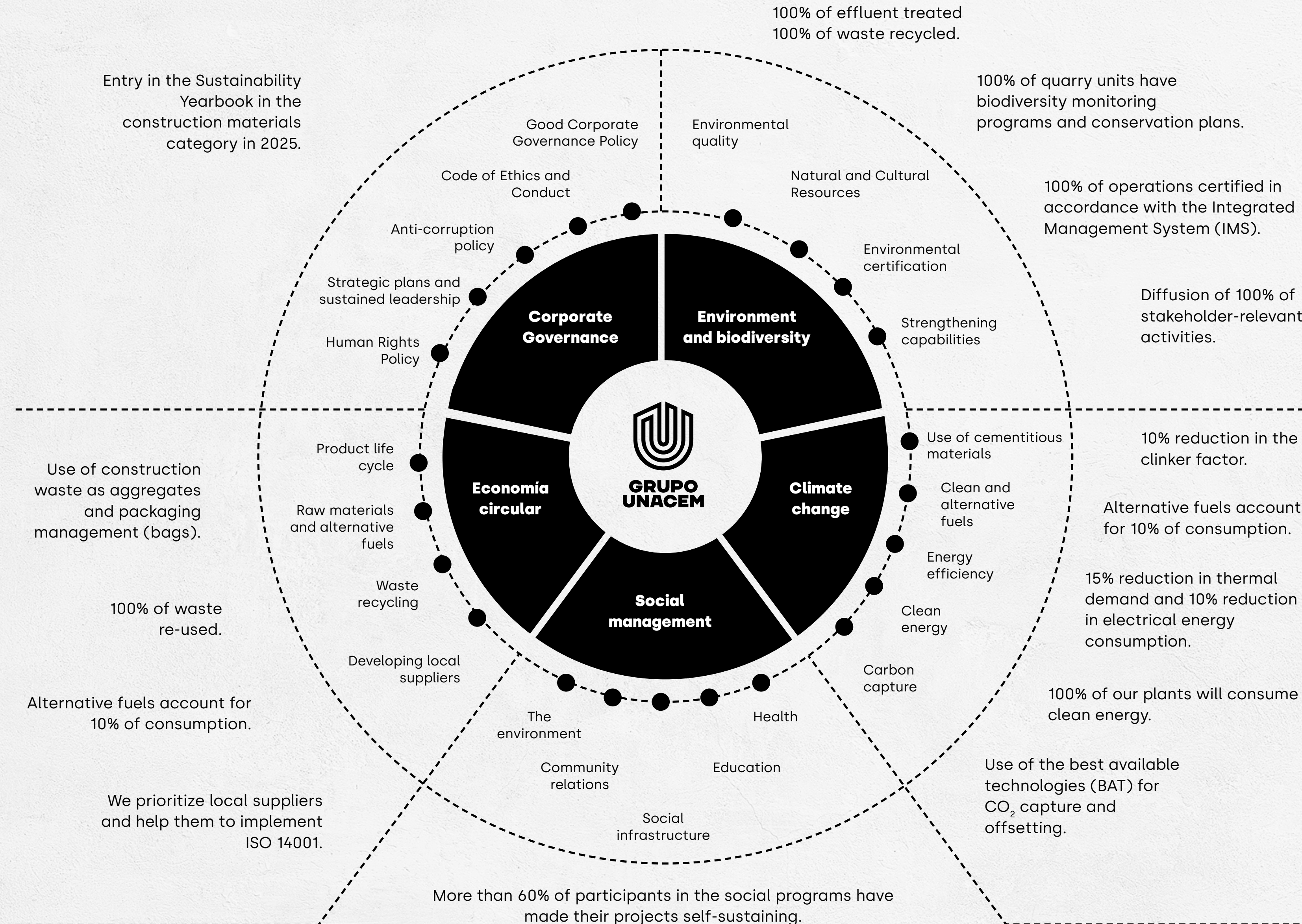
## 5.1 Sustainability declaration

Our commitment to sustainable management is based on Grupo UNACEM's 2021-2050 Sustainability Declaration, aligned with the United Nations Sustainable Development Goals (SDGs). **We have five pillars: corporate governance, environment and biodiversity, climate change, circular economy and social management.** (GRI 2-23)





## DECLARATION OF SUSTAINABILITY 2021-2050

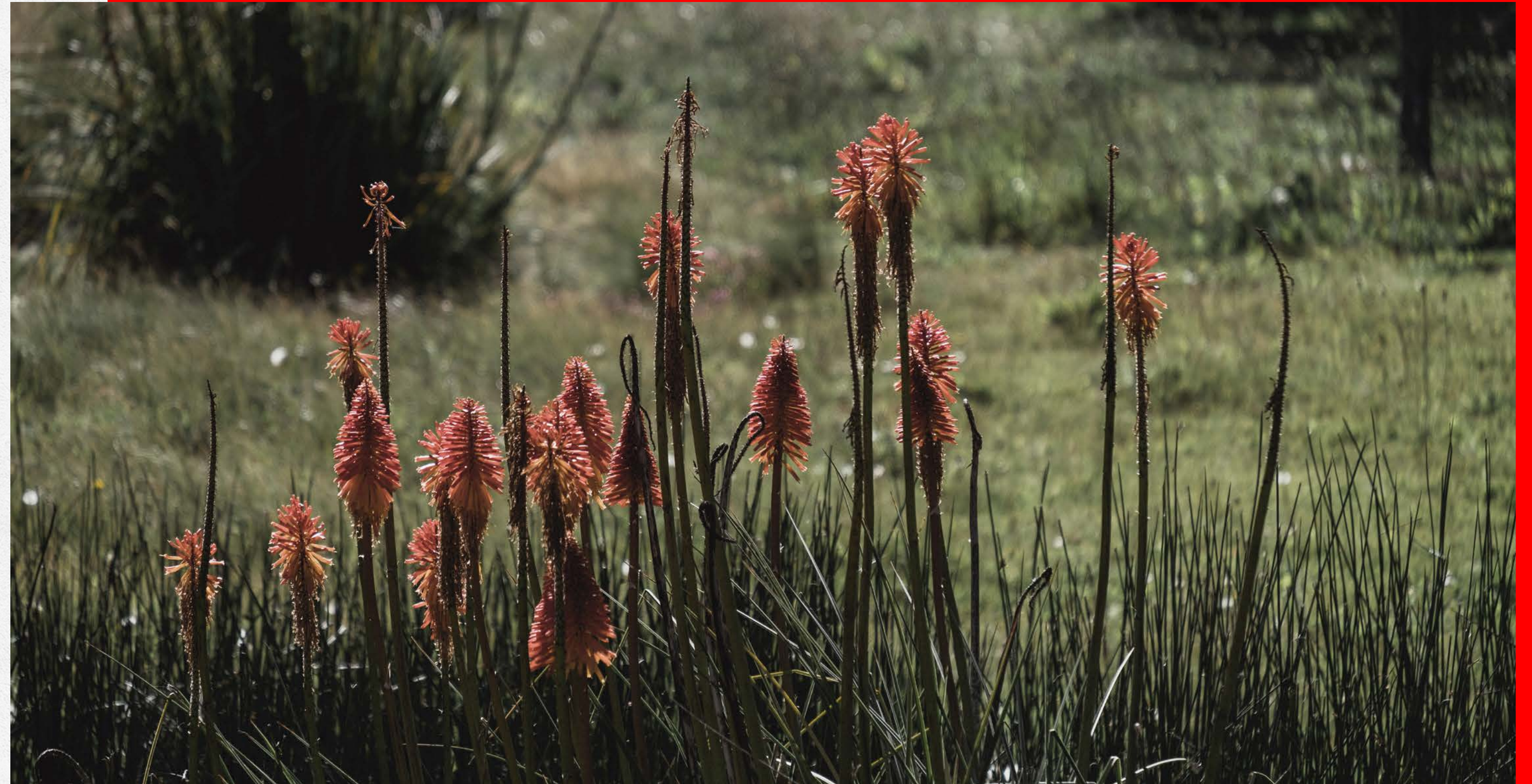




## 5.2 Contribution to the Sustainable Development Goals

At UNACEM Peru, **we incorporate sustainability management into our business strategy, guided by the Sustainable Development Goals (SDGs)**, which help us identify our most relevant impacts and develop continuous improvement plans with a focus on sustainability.

We use the SDG Compass tool to identify the strategic SDGs for our business based on the positive and negative impacts of our operation. We have managed these impacts and made a visible contribution to the most relevant SDGs, those that most affect our stakeholders such as employees, communities, suppliers, customers and shareholders.













### 5.3 Our stakeholders and how we relate to them

At UNACEM Peru, we are committed to **promoting dialogue and transparency**, reporting and communicating the results of our work to stakeholders, building trust and responding to any doubt or conflict. (GRI 2-29)

**Our stakeholders** are identified by an analysis of the value chain, proximity to our operations and the impact -whether positive or negative, direct and indirect- on them.

#### UNACEM'S STAKEHOLDERS








**Dialogue and communication mechanisms with our stakeholders**

We maintain a mutually beneficial relationship with our stakeholders. We have therefore implemented dialogue and communication mechanisms that allow us to understand their expectations, concerns and needs, and to incorporate them into our management. (GRI 2-16)

| Stakeholders  | Department responsible   | Our commitment   | Relationship mechanisms   | Frequency  | Subjects of interest  |
|---|--|--|---|--|---|
| <p><b>Employees</b></p>  | <ul style="list-style-type: none"> <li>Human Resources Department.</li> </ul>  | <ul style="list-style-type: none"> <li>Guaranteeing a safe and healthy working environment.</li> <li>Promoting a culture of recognition.</li> <li>Facilitating inspiring and challenging leadership.</li> </ul>  | <ul style="list-style-type: none"> <li>Managing performance.</li> <li>Face-to-face communications, notices, intranet and virtual media.</li> </ul>  | <ul style="list-style-type: none"> <li>Permanent.</li> </ul> | <ul style="list-style-type: none"> <li>Health and Safety at Work.</li> <li>Ethics and compliance.</li> <li>Talent management.</li> <li>Efficiency and productivity.</li> <li>News of interest.</li> <li>Internal activities, events and programs.</li> </ul>  |
| <p><b>Society</b></p>  | <ul style="list-style-type: none"> <li>Commercial Department.</li> <li>Safety, Environment and Sustainability Department.</li> <li>Asociación UNACEM.</li> </ul> | <ul style="list-style-type: none"> <li>Reduce, control and mitigate our environmental impacts (by measuring carbon footprint, water footprint and fugitive emissions).</li> <li>To be a good corporate citizen.</li> <li>To be a key actor in local development through our social investment strategy.</li> </ul> | <ul style="list-style-type: none"> <li>Website, social media, e-mail.</li> <li>Technical reports.</li> <li>Workshops, meetings, face-to-face and virtual communications.</li> <li>Community relations plan</li> <li>Complaints and queries procedure (GIS).</li> <li>Workshops, meetings, and communications via community relations specialists using virtual tools.</li> <li>Sustainability Report.</li> <li>Participation in forums, workshops and meetings between institutions using virtual media.</li> </ul> | <ul style="list-style-type: none"> <li>Permanent.</li> </ul> | <ul style="list-style-type: none"> <li>Environmental impacts of the operations on adjacent communities and ecosystems.</li> <li>Community relations.</li> <li>Human rights.</li> <li>Climate change.</li> <li>Efficiency and productivity.</li> <li>Ethics and compliance.</li> <li>Project financing.</li> <li>Commercial brand information.</li> <li>Information on safe construction.</li> <li>Institutional information.</li> </ul> |



| Stakeholders   | Department responsible   | Our commitment  | Relationship mechanisms   | Frequency   | Subjects of interest  |
|--|--|---|---|---|---|
| <b>Clients</b><br>      | <ul style="list-style-type: none"> <li>Commercial Department.</li> </ul>   | <ul style="list-style-type: none"> <li>Providing innovative products.</li> <li>Generate greater value such as the Progre+ service and its functions.</li> <li>Training customers concerning our products.</li> </ul>                                    | <ul style="list-style-type: none"> <li>Advice and assistance.</li> <li>Customer service line.</li> </ul>  | <ul style="list-style-type: none"> <li>Permanent.</li> </ul>                                      | <ul style="list-style-type: none"> <li>Ethics and compliance.</li> <li>Efficiency and productivity.</li> <li>Use of the product.</li> </ul>                                   |
| <b>Shareholders</b><br> | <ul style="list-style-type: none"> <li>Board of directors.</li> <li>General Manager.</li> <li>Corporate Investor Relations and Stock Market Office.</li> </ul> | <ul style="list-style-type: none"> <li>Ensure good corporate governance.</li> <li>Manage the continuity of the business and its sustainability over time.</li> <li>Focus on returns to shareholders.</li> </ul>   | <ul style="list-style-type: none"> <li>Personal meetings and direct communications.</li> <li>General meeting of shareholders:</li> <li>Integrated report.</li> <li>Website</li> </ul>                         | <ul style="list-style-type: none"> <li>Permanent.</li> <li>Quarterly.</li> <li>Annual.</li> </ul> | <ul style="list-style-type: none"> <li>Efficiency and productivity.</li> <li>Ethics and compliance.</li> </ul>  |
| <b>Suppliers</b><br>  | <ul style="list-style-type: none"> <li>Supply Chain Department.</li> <li>Legal Department.</li> </ul>  | <ul style="list-style-type: none"> <li>Promote the development and certification of suppliers.</li> <li>Establishes clear rules.</li> <li>Promote respect for free competition.</li> <li>Promote sustainable development in the value chain.</li> </ul> | <ul style="list-style-type: none"> <li>Personalized follow-up.</li> <li>Supplier evaluation (SSOMA audit).</li> <li>Integrated report.</li> <li>Competitive Business and Value Chain Program– GRI.</li> </ul> | <ul style="list-style-type: none"> <li>Permanent.</li> </ul>                                      | <ul style="list-style-type: none"> <li>Economic results.</li> <li>Efficiency and productivity.</li> <li>Health and Safety at Work.</li> <li>Ethics and compliance.</li> </ul> |



## 5.4 Guidelines for managing and remediating impacts

At UNACEM Peru we have a procedure called **Stakeholder Communication, Participation and Consultation**, in which we establish the guidelines and action needed to receive, register, analyze and respond to complaints, queries, reports and claims from our stakeholders.

The procedure applies to all those who communicate with us, either as members of our company or on behalf of it, **to discuss issues related to environmental management, quality management, health and safety and anti-bribery measures.**

The different departments in contact with stakeholders receive communications that are managed by the corresponding area. In addition, communications related to bribery are received through the Ethics Line. Complaints are entered in our Comprehensive Complaint System and we will gladly assist you. (GRI 2-25)





## 5.5 Digital transformation

**Digital transformation allows us to optimize our processes using technology.** That way we obtain a competitive advantage, simplifying our processes and generating quality data for decision making.

During 2022 we have implemented the following technological solutions:

1

### **Robotic Process Automation or RPA.**

Introduced in the accounts and tax departments to optimize man-hours in our processes.

4

### **Sharepoint documents.**

Used to enable data access and availability 24/7.

2

### **Electronic delivery note.**

We seek to gradually phase out the use of paper in this process, in addition to complying with legal and tax requirements.

5

### **Single Sign On (SSO).**

We are implementing single sign-on for different applications.

3

### **Payment Automation (Host to Host).**

We have started to use Host to Host, which automates the payment process and ensures consistency and data confidentiality. This project is still being implemented.



## 5.6 Optimization and efficiency projects

In 2022 we began to build new projects and continued with those started previously. We are also **continuing with pre-feasibility and feasibility studies for new projects** in line with our strategic and sustainability objectives. (Non GRI New projects of optimization, efficiency and ESG impact)





## Notable projects in the Condorcocha plant

- **Covering the clinker storage area:** we will enclose the plant's clinker storage area. It will have a storage capacity of approximately 125 000 tons.
  - **Progress:** we are continuing with the detailed engineering design.
  - **Forecast:** we expect to finish the final structure in 2024.
- **New cooler and sleeve filters for kiln 3:** We will install a new clinker cooler and dust control system, which will use sleeve filters. This will allow us to increase the capacity and efficiency of this production line and, with it, take better care of the environment. In addition, we will reduce the consumption of heat energy in kiln 3 by up to 5%.
  - **Progress:** we are continuing with the detailed engineering, procurement procedures and civil engineering work prior to shutting down the kiln.
  - **Forecast:** we expect to complete this project in 2024.

- **New N° 6 cement bagging and palletizing line:** We will install new automatic cement bagging and palletizing equipment, which will increase the Condorcocha plant's bagging and dispatch capacity by up to 39%. This will improve delivery times to our customers.

- **Progress:** we are continuing with the civil engineering work and mechanical and electrical installations.
- **Forecast:** The first stage will be completed in 2023 and the second in 2024.



In addition, we continue to invest in public infrastructure projects through the Works for Taxes mechanism, mainly in the commercial and direct areas of influence of our plants.

• **Improvement and expansion of the drinking water and sanitation service in Condorcocha, district of La Union, Province of Tarma – Department of Junín:** This project, through the Works for Taxes mechanism, consists of installing a storage and treatment facility and new water mains, sewers and waste water treatment system for the population of Condorcocha, located next to our plant, which will benefit 1200 inhabitants.

- **Progress:** after a public tender process selection of the winning bidder, on the 26th July 2022 we signed Public Investment Agreement 003-2022/VIVIENDA/VMCS/PNSR with the Ministry of Housing, Construction and Sanitation to finance and execute this Works for Taxes project.
- **Forecast:** we expect to start work by the end of the first quarter of 2023 and that it will be completed in six months.





## Outstanding projects in the Atocongo Plant

• **Clinker storage area at Atocongo:** We will enclose the clinker storage area and divide it into three independent zones. This will give us a more efficient clinker recovery system with a storage capacity of approximately 350,000 tons. With this project we will retain particulate material inside the covered areas, which will be better for the environment.

- **Progress:** in 2022 we carried out feasibility studies for the project and began the detailed engineering.
- **Forecast:** we plan to start construction in 2023 and finish the three zones by the end of 2025.



• **New N° 8 cement bagging and palletizing line:** involves the installation of a new automatic cement bagging and palletizing line, as well as palletizing machinery for the existing bagging lines 3, 4, 5 and 6. This project will increase the Atocongo bagging and dispatch capacity by up to 37%, thus shortening dispatch times to our clients.

- **Progress:** 2022 saw the start of the procurement stage and construction of this project.
- **Forecast:** we envisage completing the first stage in 2023 and the second in 2024.



“

At UNACEM Peru we are proud of what we have achieved in almost 100 years of experience and what we want most is to continue to contribute to our country's growth. Thus, **we are committed to sustainability as the only way for the future**, as we know that there will be no place in the coming decades for an industry that does not care about the environment.

This explains our commitment **to achieving carbon neutrality by 2050** and our willingness to **become a benchmark in environmental, social and governance aspects throughout the region.**

**Contributing to climate action represents a huge challenge on a professional and personal level, and at the same time gives great satisfaction. ”**

**Carlos Adrianzén**

Safety, Environment and Sustainability  
Manager







SOCIAL  
**MANAGEMENT**






## 6.1 Workforce management

Everyone who works at UNACEM Peru is essential to maintaining our leadership in the sector. We are committed to promoting and guaranteeing a **safe and healthy working environment**, promoting a **culture of recognizing** and encouraging inspiring and **challenging leadership**.

### 6.1.1 Attracting and retaining talent

We understand this issue as the employment of practices aimed at attracting and developing human resources, to maintain an inclusive and diverse culture within the organization.

| Alignment   | Risks and opportunities  | Prospects for 2023  |
|---|--|---|
| <p><b>ODS:</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1242 746 1459 962"> <p><b>1</b> NO POVERTY</p>  </div> <div data-bbox="1482 746 1699 962"> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  </div> </div> <hr/> <p><b>Pillar of our Sustainability Declaration:</b></p> <div data-bbox="1242 1200 1459 1414" style="text-align: center;">  <p>Corporate Governance</p> </div> | <p>Having an inclusive and diverse workforce and an environment that protects people's health and safety facilitates engagement, motivation and productivity. This, added to skills development, helps to make UNACEM Peru a more attractive company for new talent.</p> <p><b>We help to provide a good quality of life for workers and their families.</b> (GRI 3-3 Attracting and retaining talent)</p> | <ul style="list-style-type: none"> <li>• Having a succession map for critical positions and determining the skills that will be required to program the development of internal talent or recruitment of external talent.</li> <li>• Maintaining adequate relations with our unions, with dialog as a priority.</li> <li>• Strengthening communication and training for our workers and contractors about our CODEC. (GRI 3-3 Attracting and retaining talent)</li> </ul> |

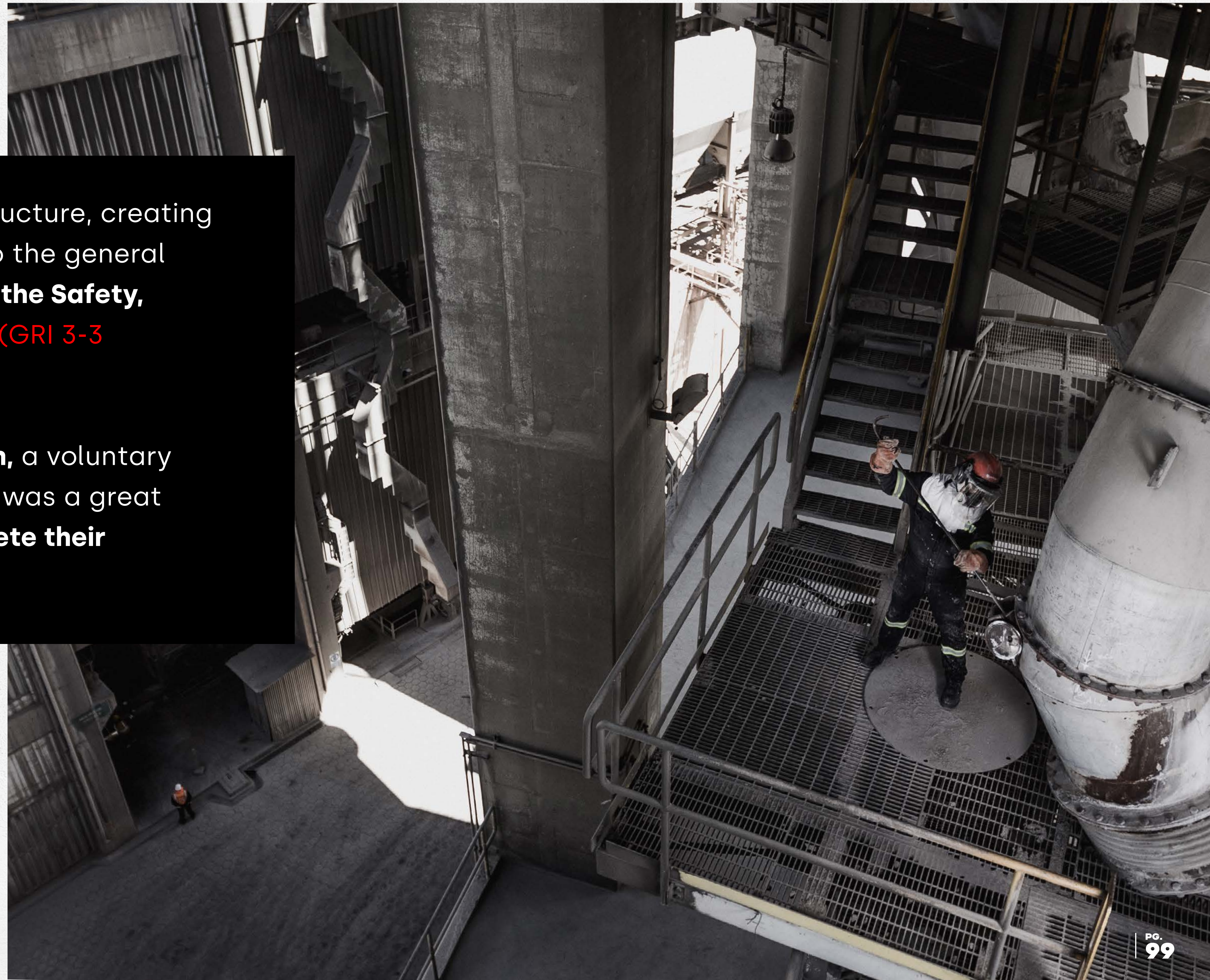


## Our performance in 2022

We have consolidated our organizational structure, creating two new departments that report directly to the general manager: **The Supply Chain Department and the Safety, Environment and Sustainability Department.** (GRI 3-3 Attracting and retaining talent)

We have also introduced the **Pawllu program**, a voluntary retirement plan for our employees. This plan was a great opportunity **for applicants to start or complete their personal and professional projects.**

In addition, **we have relaunched the pre-graduation and professional** internship program, with which we seek to align the functional needs of our departments with the learning needs of young students or recent graduates from higher education institutions.





In order to generate a culture aligned with the aims of Grupo UNACEM, in August 2022, **we began the Tinku cultural transformation project** (tinku is a Quechua word meaning "meeting"). In it, employees and leaders, together with the CODIR, combined efforts in order to explore solutions to facilitate the changes needed to **make UNACEM Peru into a sustainable company.**

It is important to highlight that we **remained focused on health care and the well-being of our employees**, as well as continuing with the COVID-19 Vigilance, Prevention and Control Plan. For example, we encourage our staff to have the necessary doses of vaccines to protect their health (to date, 99% of the staff have at least 3 doses).

We are also gradually returning to **face-to-face working in the support functions**, always providing hybrid work facilities to avoid contagion during peaks in the pandemic. We have returned to on-site working for plant personnel considered at risk of COVID-19, and provide all necessary biosafety measures. **Today, 100% of our plant employees work full-time or part-time (hybrid working) on site.**

Our contractors and third party personnel are a fundamental part of our operation. For that reason we sought to improve our management of them in 2022. With this in mind, we created a Labor Relations and **Third Party Management Office** within the Human Resources Department, whose function is to ensure, together with the Operations, Procurement and Industrial Safety Departments, that our contractors work in line with our aim.



**Demographics of our staff**

We had a total of 799 employees in 2022. We also encourage local hiring and respecting, above all, the principles of equity and opportunity. (GRI 405-1)

**Employees by gender (GRI 2-7)**

**UNACEM Peru workforce broken down by sex and place of origin in 2022**

| Classification  | Women     |          | Men        |            | Total      |
|-----------------|-----------|----------|------------|------------|------------|
|                 | Lima      | Junín    | Lima       | Junín      |            |
| Administration  | 72        | 6        | 184        | 73         | 335        |
| Employees       | 18        | 2        | 95         | 44         | 159        |
| Plant employees | 0         | 0        | 127        | 178        | 305        |
| <b>Total</b>    | <b>90</b> | <b>8</b> | <b>406</b> | <b>295</b> | <b>799</b> |



**Classification of workers by age group**

| Manual employees         | Gender | Under 30  | Between 30 and 50 | Older than 50 | Total      |
|--------------------------|--------|-----------|-------------------|---------------|------------|
| Staff                    | Men    | 0         | 12                | 17            | 29         |
|                          | Women  | 0         | 3                 | 3             | 6          |
| Administrative employees | Men    | 6         | 151               | 71            | 228        |
|                          | Women  | 12        | 47                | 13            | 72         |
| Employees                | Men    | 5         | 66                | 68            | 139        |
|                          | Women  | 3         | 10                | 7             | 20         |
| Laborers                 | Men    | 23        | 211               | 71            | 305        |
|                          | Women  | 0         | 0                 | 0             | 0          |
| <b>TOTAL</b>             |        | <b>49</b> | <b>500</b>        | <b>250</b>    | <b>799</b> |

**Temporary and permanent employees (GRI 2-7)**

**Number of temporary and permanent employees if UNACEM Peru in 2022**

| Classification  | Temporary |           | Permanent |            | Total      |
|-----------------|-----------|-----------|-----------|------------|------------|
|                 | Women     | Men       | Women     | Men        |            |
| Administration  | 2         | 4         | 76        | 253        | 335        |
| Employees       | 2         | 9         | 18        | 130        | 159        |
| Plant employees | 0         | 36        | 0         | 269        | 305        |
| <b>Total</b>    | <b>4</b>  | <b>49</b> | <b>94</b> | <b>652</b> | <b>799</b> |





## Training and education

We value the contribution of our workers and we seek to promote their growth, both personal and professional, through our training strategy.

(GRI 3-3 Attracting and retaining talent)

For this, **we have developed virtual courses (asynchronous and synchronous), face-to-face and hybrid, to reach all workers.** We are also making use of the UTEC/TECSUP platform to develop virtual safety courses and have launched the corporate e-learning platform Academia TALENT2GROW. (GRI 3-3 Attracting and retaining talent)

In 2022 we addressed the following subjects:

- Assertive and empathetic leadership courses.
- Individual and team conscious leadership program.
- *Feedback* (GROW) methodology workshops, the objective of which was to understand that adequate feedback increases everyone's performance.





We gave a total of 13,835 hours of training to our employees, which is equivalent to 17.38 hours per person on average. The results are shown below: (GRI 3-3 Attracting and retaining talent)

**Average hours per person**

| Unit               | Total employees | Total hours | Indicator: (hours/employee) |
|--------------------|-----------------|-------------|-----------------------------|
| <b>Atocongo</b>    | 493             | 9294        | 18.85                       |
| <b>Condorcocha</b> | 303             | 4541        | 14.99                       |
| <b>UNACEM Peru</b> | 796             | 13 835      | 17.38                       |

**Percentage training in health and safety at work**

| Unit               | Planned training | Total hours | Indicator: |
|--------------------|------------------|-------------|------------|
| <b>Atocongo</b>    | 1972             | 1909        | 96.81%     |
| <b>Condorcocha</b> | 1204             | 1200        | 99.67%     |
| <b>UNACEM Peru</b> | 3176             | 3109        | 97.89%     |



## Compensation policies

**At UNACEM Peru we promote an organizational culture based on merit.** Job performance, internal equity and transparency are key factors in managing our workers' compensation. In addition, we have a skills-based management model that includes: **selection, compensation, training and development.**

Our compensation strategy is part of the Grupo UNACEM corporate compensation management policy, which enables efficient administration of our payroll. It links the administration of compensation and benefits with our business strategy. Its objective is to promote high performance and guarantee external competitiveness and internal equity. (GRI 2-20)

### Our goals in compensation management are: (GRI 2-19)

- To establish general guidelines to **manage compensation and guarantee equity** among the jobs that make up our organization.
- To guarantee **the application of and unrestricted respect for the principle of meritocracy in all the hierarchical lines of our organization,** based on the individual value of each collaborator's contribution.

Our senior managers' remuneration is linked to a performance management process involving bonus payments (variable compensation). In 2022 members of UNACEM Peru's CODIR took part in this annual process, which seeks to define and measure the following objectives:

- **Business unit targets:** Applies to all members of the CODIR.
- **Individual targets:** Depending on the goals of the different departments. (GRI 2-19)





## Freedom of association and collective bargaining

We respect the right of our workers to establish or join such organizations as they deem appropriate. We recognize that collective bargaining is an integral part of a free and open society.

We have two labor unions: **Sindicato de Trabajadores de - Union Andina de Cementos Perl S.A. (Employees Trade Union of Union Andina de Cementos S.A.) Canteras de Atocongo**, made up of 162 employees and the **Sindicato Único de Trabajadores de Union Andina de Cementos Perl S.A. (Condorcocha)** (Single Workers Union of Union Andina de Cementos Perl SA (Condorcocha), consisting of 153 employees. (GRI 2-30)

In 2022, we negotiated 2 collective agreements with the unions of Condorcocha and Atocongo. **The main characteristic of the negotiations was the prioritization of dialogue and understanding.** In both cases negotiations took less than 3 months and resulted in one-year collective agreements. (GRI 3-3 Attracting and retaining talent)



## Diversity and equal opportunities

We manage the company within a framework of respect and equal opportunities, without discrimination of any kind and as established in our employment regulations, code of ethics and conduct (CODEC), anti-corruption policy and human rights policy.

In 2022, Grupo UNACEM conducted a diversity study of three of the group companies: UNACEM Corp, UNACEM Peru and Asociación UNACEM. The main aim was to understand the demographic diversity of UNACEM Peru, taking into account gender, age, disability, sexual orientation, ethnic origin, nationality and religious beliefs, among other data that would allow us to draw up a preliminary diagnosis. The study not only delved into the composition of minority groups, but will also serve to illustrate any gaps in this data.



After the study we will implement a diversity and inclusion plan in line with our corporate human rights policy. As part of this plan, the first corporate diversity and inclusion program was implemented **in 2022: "Voices United", aimed at building an equal, diverse and inclusive environment** by action to encourage respect for differences and the inclusion of minorities. Three diversion and inclusion committees were formed: Grupo UNACEM, UNACEM Peru and Asociación UNACEM. (GRI 405-1)



## Alignment with the principles of the Global Compact

**UNACEM Group adheres to the ten principles of the Global Compact. (GRI 3-3 Human rights)**

We manage our workforce in accordance with the following principles:

### Principles of the Global Compact

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Business should seek the elimination of all forms of forced and compulsory labor;

**Principle 5:** Businesses should advocate for the effective abolition of child labor.

**Principle 6:** Businesses should advocate for the elimination of discrimination with respect to employment and occupation.

### Human Rights Policy

**Freedom of association and collective bargaining:** We respect the right of our workers to establish or join such organizations as they deem appropriate. We recognize that collective bargaining is an integral part of a free and open society.

**Forced labor:** We do not allow involuntary labor. We do not approve of exploitation, abuse or physical punishment. We require our business partners and/or allies not to carry out these practices.

**Child labor:** Child labor is not acceptable. All personnel hired are over 18 years of age.

**Discrimination:** We promote equal treatment among all our workers and stakeholders, regardless of socioeconomic status, sexual orientation, gender, race, age, disability, religious beliefs or cultural diversity.

### 2022

The Internal Regulations of UNACEM Peru establish respect for the **right to the freedom of each worker** to join a union in accordance with current legislation. (GRI 407-1)  
We have received no complaints of human rights breaches by our suppliers or contractors. (GRI 407-1)

At UNACEM Peru, we require supplier companies **to comply with Peru's employment and occupational health and safety legislation.**  
The Labor Relations and Third Party Management Office ensures that contractor companies comply with employment rights and performs spot checks. (GRI 409-1)

We review the documentation of external personnel, before they enter our plants, to verify that **no employee of supplier or contractor companies is under 18 years of age.** (GRI 408-1)

To create a healthy environment that is free of discrimination and sexual harassment, **we organized six workshops on the Law for the Prevention and Prosecution of Sexual Harassment aimed at our workers,** human resources personnel and members of the intervention committees for the prevention and prosecution of sexual harassment. No complaints about discrimination were made in 2022. (GRI 406-1)





**The company that provides security services at our facilities** has an integrated management policy based on the standards and requirements of the National Superintendency for the Control of Security Services, Weapons, Ammunition and Explosives for Use (SUCAMEC). These requirements establish that its personnel must be **trained and sensitized on human rights issues and compliance with current legislation.**

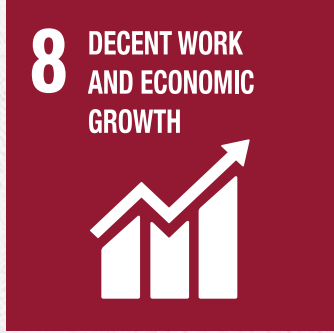

Security personnel must pass the Constitution and Human Rights course, which includes topics such as fundamental rights and duties related to individual life, integrity, liberty and security. They must also hold the permits and licenses required by law, pursuant to Legislative Decree 1213. (GRI 410-1)



## 6.1.2 Health and safety of our employees

UNACEM Peru's most valuable assets are its employees. For that reason, this year **we boosted our corporate program "Lives First"**, with which we have created new health and safety policies, to prioritize the well-being of workers and contractors.

Since the start of this project, **our accident rate has fallen by 16%** and although we are very proud of this achievement by ALL of us, we also see it as an indication that we can still make improvements.

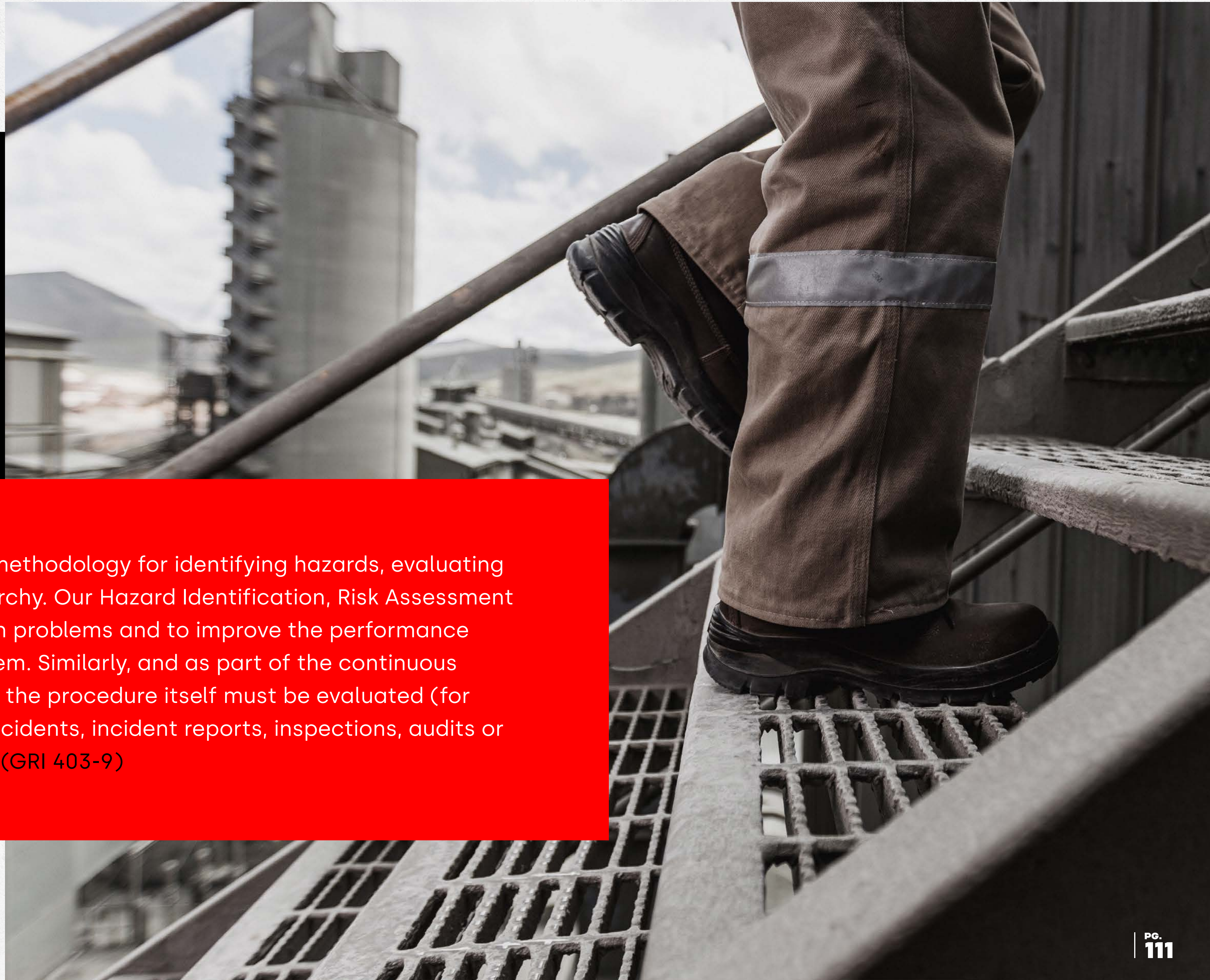
| Alignment   | Risks and opportunities   | Prospects for 2023   |
|---|---|--|
| <p><b>ODS:</b></p>  <p><b>Pillar of our Sustainability Declaration:</b></p>  | <p><b>Guaranteeing health and safe working conditions for workers and contractors</b> is one of the most important aspects of the cement industry.</p> <p>It is essential to manage the risk of accidents and diseases adequately, since poor management can seriously affect people's quality of life, generate absenteeism and a lack of commitment, and reduce productivity.</p> | <ul style="list-style-type: none"> <li>• <b>Consolidating the Lives First project</b> by creating more safety sub-committees.</li> <li>• <b>Consolidating homologation programs for contractors</b>, that give us strategic partners who share our values.</li> <li>• <b>Establishing recognition programs for workers</b> who stand out for their safety achievements.</li> <li>• <b>Implementing interactive classrooms</b> at the offices at Atocongo and Condorcocha.</li> <li>• Improving our response <b>to emergencies</b> by acquiring new equipment and generating more skills among our brigades.</li> <li>• <b>Continuing to work on programs and activities</b> that actively involve families in the safety of our workers. (GRI 3-3 Health and safety occupational)</li> </ul> |



## Our performance in 2022

We have an occupational health and safety management system, which is part of our Integrated Management System (IMS), certified under ISO standard 45001. **Our IMS offers coverage for 100% of our workers and our contractors**, pursuant to Law 29783 (the Occupational Health and Safety Act) and other legislation covering the mining, electricity, civil engineering and hydrocarbons industries.

Our IMS provides UNACEM Peru with a clear and precise methodology for identifying hazards, evaluating risks and establishing controls according to a strict hierarchy. Our Hazard Identification, Risk Assessment and Control procedure aims to prevent injuries and health problems and to improve the performance of the occupational health and safety management system. Similarly, and as part of the continuous improvement scheme, it establishes those cases in which the procedure itself must be evaluated (for example, in the event of process changes, accidents or incidents, incident reports, inspections, audits or other circumstances that warrant a review). (GRI 403-2) (GRI 403-9)

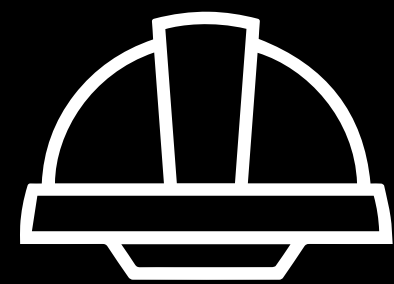




**Our Atocongo plant recorded an improvement in its reactive safety indicators.** The frequency index for recorded accidents fell by 8% and the severity index by 13%. The accident rate fell 21%, due mainly to the fact that more man-hours were worked in 2022 compared with 2021.

At Condorcocha on the other hand, there was a significant increase in the reactive safety indicators; nevertheless, the accident rate remained the same as in 2021.

| UNACEM Peru's own Occupational Health and Safety indicators |          |      |             |       |             |      |
|---|----------|------|-------------|-------|-------------|------|
| Reactive indicators   | Atocongo |      | Condorcocha |       | UNACEM Peru |      |
|   | 2021     | 2022 | 2021        | 2022  | 2021        | 2022 |
| Frequency index <sup>6</sup>                                | 5.4      | 5.0  | 4.6         | 6.9   | 5.1         | 5.6  |
| Severity index <sup>7</sup>                                 | 87.2     | 75.5 | 150.7       | 100.3 | 110.0       | 84.9 |
| Accident rate   | 0.5      | 0.4  | 0.7         | 0.7   | 0.6         | 0.5  |
| Fatal accidents   | 0        | 0    | 0           | 0     | 0           | 0    |



**The consolidated result for 2022 versus 2021 showed a 10% increase in the frequency. Severity decreased by 23% and the accident rate improved by 16%. (GRI 403-9) (GRI 3-3 Health and safety occupational)**

<sup>6</sup> Frequency index: this represents the number of accidents occurring in a given period by a certain factor (calculation factor: 1 000 000).

<sup>7</sup> Severity index: represents the number of days lost in a given time by a given factor (calculation factor 1,000,000).



**Occupational Health and Safety Indicators for UNACEM Peru employees and workers whose work or workplaces are supervised by UNACEM Peru – 2022**

| Indicators  | Atocongo              |                                       | Condorcocha           |                                       | UNACEM Peru |
|---|-----------------------|---------------------------------------|-----------------------|---------------------------------------|-------------|
|   | UNACEM Peru employees | Employees of contractors or suppliers | UNACEM Peru employees | Employees of contractors or suppliers |             |
| Number of workplace injury deaths   | 0                     | 0                                     | 0                     | 0                                     | 0           |
| Workplace injury death rate   | 0                     | 0                                     | 0                     | 0                                     | 0           |
| Number of accidents at work with serious consequences <sup>8</sup> (not including deaths) | 0                     | 0                                     | 0                     | 0                                     | 0           |
| Rate of workplace injuries with serious consequences (not including fatalities)           | 0                     | 0                                     | 0                     | 0                                     | 0           |
| Number of recordable work accident injuries <sup>9</sup>                                  | 8                     | 24                                    | 7                     | 17                                    | 56          |

In 2022, we recorded 56 recordable work-related injuries. Most of the injuries were caused by moving equipment, use of hand tools, and location hazards (use of ladders, confined working space, and unstable surfaces).

(GRI 403-9) (GRI 3-3 Health and safety occupational)

<sup>8</sup> This type of work accident injury causes death or injury that prevents the person from fully recovering their state of health prior to the accident within a period of six months.

<sup>9</sup> Work-related injuries, illnesses, and diseases derive from exposure to hazards on the job.





These incidents and accidents were analyzed and thereafter we drew up **corrective action plans to eliminate, substitute or control the risks.** We have implemented administrative controls such as awareness campaigns, training, workplace inspections, reinforcement of safety standards for critical activities, updating of the IPERC<sup>10</sup>, leadership incentive (for example, through the Visible Leadership Interventions [IVL 2.0] program, which rewards workers who are proactive in matters of safety), and procedural modifications. (GRI 403-9) (GRI 403-2)

**It is important to note that our internal Occupational Health and Safety regulations indicate that our personnel are allowed to leave the workplace when there is an imminent risk to their safety or health, which they must immediately report to their supervisors. (GRI 403-2)**

In addition, employee representatives to the Occupational Health and Safety Committee must report on hazardous situations where corrective measures may be complicated. **Our Internal Occupational Health and Safety Regulations set guidelines for free reporting without reprisals against personnel. (GRI 403-2)**

<sup>10</sup> Hazard Identification and Risk Assessment and Controls (HIRA).



## **Lives First: Corporate safety program**

In 2022 Grupo UNACEM introduced the Lives First corporate safety program. This was the first of the group's corporate projects. The program seeks to develop and **transform our safety culture in order to reach a level of interdependence in matters of safety.** It involves the commitment of leaders and all of us who work at UNACEM, as well as an improvement in operations management in order to safeguard the lives of our workers.



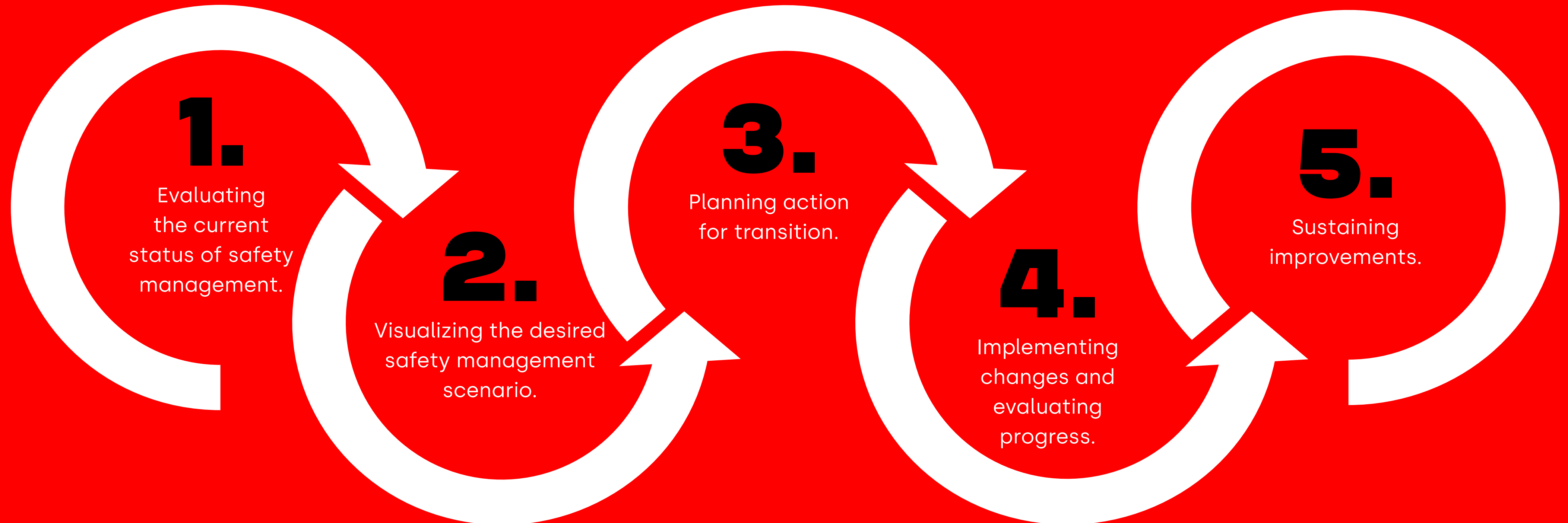
### **Our corporate safety vision indicates:**

To achieve interdependence in safety by 2030, implementing our LIVES First culture, in which I take care of myself and others, with **VISIBLE LEADERSHIP, COMMITMENT** and **ZERO** tolerance for non-compliance with standards.



This declaration reaffirms **safety** as one of our main corporate values. (GRI 3-3 Health and safety occupational) (GRI 403-1)

**Lives First** has five stages: (GRI 403-7)





**During 2022 the focus was on the transition stage and implementation of the necessary changes to strengthen our leadership in safety.**

To this end **12 management subcommittees were formed, which have members of the Management Committee as sponsors and will be in charge of consolidating this vision.** These subcommittees are : Visible leadership; Vision and Results Management; Performance Procedures and Standards; Training and Development; Integrated Organization; Responsibility, Roles and Resources; Talent Management; Motivation and Awareness; Effective Communications; Audits and Observations; Incident Investigation and, finally, Contractor Safety Management.



**One of the most important management elements is leadership and to strengthen these skills in the organization, 2 types of workshop were held in 2022:**

**(GRI 3-3 Health and safety occupational)**

- **Strategic:** In which members of the Board of Directors, the corporate team and first-line leaders of the business units took part.
- **Tactical and operational:** Held from July to September, involving the business unit leaders. These workshops included coaching programs, front-line leadership and mentoring sessions.

During 2022 we continued our efforts to prevent the spread of COVID-19 in our installations. We have reviewed and updated the COVID-19 Vigilance, Prevention and Control Plan approved by the Ministry of Health. We have included control measures to reduce the probability of contagion in accordance with risk levels and newly issued legislation. **(GRI 3-3 Health and safety occupational)**



## Health and safety workshops

As part of the return to face-to-face working and the new normal, we have designed improvements to what were formerly known as the 5-Minute Talks. They are now called **Lives First Moments**, and we apply a methodology to optimize participation by employees to **demonstrate their leadership and transfer knowledge that helps to avoid accidents**. 100% our personnel attended these talks in 2022.

<sup>11</sup> All the 5-minute safety talks and training were for UNACEM Peru personnel only. Any supplier or contractor company that provides a service to UNACEM Peru must first pass an Occupational Health and Safety induction course, as well as training in COVID-19 protocols.

## OCCUPATIONAL HEALTH AND SAFETY INDICATORS (GRI 403-5)

| Proactive indicators   | Atocongo |        | Condorcocha |        | UNACEM Peru |        |
|--|----------|--------|-------------|--------|-------------|--------|
|  | 2021     | 2022   | 2021        | 2022   | 2021        | 2022   |
| <b>Lives First Moment (5-minute talks on safety at the beginning of the working day) <sup>11</sup></b> | 100%     | 100%   | 100%        | 100%   | 100%        | 100%   |
| <b>Safety training</b>   | 100%     | 96.81% | 100%        | 99.67% | 100%        | 97.89% |
| <b>Register of occurrences</b>   | 1 140    | 876    | 3 581       | 3 151  | 4 721       | 4 027  |
| <b>Log of the percentage of registered occurrences addressed</b>                                       | 89%      | 81%    | 91%         | 73%    | 90%         | 75%    |
| <b>Percentage of observations of non-conformities addressed by the OSH committee</b>                   | 88%      | 90%    | 83%         | 88%    | 86%         | 89%    |
| <b>Percentage of actions to correct HSE non-conformities</b>   | 73%      | 93%    | 95%         | 100%   | 84%         | 97%    |
| <b>Visible leadership interventions</b>  | 1 447    | 7 827  | 1 201       | 3 226  | 2 648       | 11 053 |



Since hand injuries make up most of our occupational accident indicators, we carry out **awareness campaigns on protection** for these parts of the body. We have also reinforced participation in the Electrical Isolation course, the aim of which is to prevent injuries caused by the unexpected discharges. (GRI 3-3 Health and safety occupational)

After almost two years of social distancing, we successfully developed our **Brigade Training program**, which seeks to develop our volunteer brigade members' skills. We honored our volunteer workers at the close of the program. The four most outstanding brigade members traveled to Cartagena, Colombia, to attend the NFPA 1403 Live Fire Instructor workshop.

For UNACEM Peru, family integration is the key to achieving true commitment to health and safety. We successfully introduced a **Family and Safety Integration program**, in which the spouses of our Atocongo and Condorcocha plants participated. (GRI 3-3 Health and safety occupational)

As far as our **suppliers' and contractors' personnel** are concerned, they must attend an induction course in **Occupational Health and Safety and COVID-19 protocols**. It should be mentioned that the Labor Outsourcing Act prevents UNACEM Peru from training contractors' employees, so these companies are responsible for carrying out at least 4 training sessions each year. (GRI 403-5)





## Occupational Health and Safety Committees

Our **Occupational Safety and Health Committee** (CSST) ensures that our workers know how to **identify dangers, assess risks and establish control measures**. It also receives and responds to suggestions. It is made up of an equal number of representatives of the Company and of the workers: twelve in all. The latter are elected for two years by direct vote of their colleagues in elections held by the union. The CSST meets regularly once a month and extraordinarily at the request of its president, two of its members or in the event of a serious occurrence.

Employees' representatives, who have been recognized by their peers and wear their corresponding badges, actively investigate accidents and incidents in our plants, prepare documents, and conduct inspections and audits. They channel employees' requests for -for example- an improved working environment.

Another instance of participation by our employees is the drafting and review of the IPERC matrices. One group meets annually for each department to review these matrices that help us to identify hazards, assess risks and determine action to minimize them.

In addition, the **Visible Leadership Interventions (IVLS)** program enables us to supervise, create moments of reflection and commitment, and receive suggestions from our employees. (GRI 403-4)





**Carlos Pérez**

Safety Auxiliary

“

*Vida Primero is changing the culture of the company. I've been working in safety for 9 years and I've seen how this program is transforming workers' way of thinking, showing them the importance of preventing accidents.*

*Since it began, the involvement of management and all senior staff has been vital in supporting employees in their daily work, congratulating them and making recommendations. Although there's still a lot left to do, we're clearly making progress.*

**We need to carry on and keep the spirit of prevention active so that we can achieve the goal of no accidents at all. ”**





## Contractor health and safety management

Our Occupational Health and Safety system covers all the people involved in our operations, whether they are our own or external workers, and has an audit plan for contractor companies. (GRI 403-8)

The Lives First project covers the approval process for contractors and suppliers, through which we ensure compliance by them with health and safety at work legislation. (GRI 403-7)

In 2022 we established homologation criteria for contractors. These criteria covered occupational health and safety, compliance and financial aspects. We also carried out an ad-hoc evaluation of hauliers<sup>12</sup>. In accordance with this we have trained our own personnel and require contractors to train theirs in correct methods of working above the ground; thus we improve skills and therefore minimize risks. (GRI 3-3 Health and safety occupational)

<sup>12</sup> Ad-hoc evaluations are an effective way to discover problems during performance.



## Occupational health

Two specialist companies offer occupational medical services at our sites in Lima and Junín. Their staff provide for comprehensive health-care, **treatment and preventive medicine, and attend to emergencies**. Their services are available to our workers and those of our contractors.

In addition, **family health insurance makes medical care available at a number of private clinics**. Its benefits extend to family members registered by our employees. (GRI 403-6) (GRI 403-3)

We offer the following occupational health programs to safeguard the health of our workers and contractors: (GRI 403-3)

# 01

## Occupational health for our employees

**Healthcare and preventive medicine** are available to **workers and their families** at our two plants. Furthermore, we have two ambulances at each site health center for use in the event of emergencies or transfers.

During 2022 we implemented the following:

- Medical examination for new personnel.
- Occupational medical examination and occupational health plan monitoring.
- Preventive care talks.
- Psychological advice for employees and their families.
- Face-to-face nutritional advice for employees and families, especially for overweight and obese workers.

# 02

## Health services for contractors

Our two plants offer **care and preventive medicine**, as well as two ambulances at each site health center. We also require all our contractors to take out all-risks insurance.

(GRI 403-3)

As part of the **Annual Social Welfare Plan**, UNACEM Peru offers **other programs aimed at attending to the physical and mental health** of our workers and their families.

(GRI 403-6)



# 03

## I want to be healthy

This program seeks to promote a **culture of prevention among our workers and the incorporation of healthy life and work habits**, in order to reduce risk factors. We have spaces for reflection to provide tools and techniques that help employees to look after their health in four ways: mental and emotional health, preventive care, healthy nutrition and physical activity.

# 04

## Summer workshops

These workshops offer our employees' children a virtual space in which to develop their skills and abilities. We teach **mini-chef classes, content creation, plastic arts and clowning, among others.**

Finally, in February 2022 we carried out a health and well-being survey to reveal our employees' priorities and thus to define our activities plan. (GRI 403-6)





## 6.2 Managing contractors and suppliers

| Alignment  | Risks and opportunities  | Prospects for 2023  |
|--|--|---|
| <p><b>ODS:</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="819 752 1036 966"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div data-bbox="1059 752 1276 966"> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> </div> <hr/> <p><b>Pillar of our Sustainability Declaration:</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="819 1206 1036 1418"> <p>Corporate Governance</p> </div> <div data-bbox="1059 1206 1276 1418"> <p>Circular economy</p> </div> </div> | <p><b>Building good relations with our suppliers and contractors</b> by behaving responsibly towards them. This makes them our strategic allies.</p> <p>Promoting <b>compliance, health and safety, human rights and environmental care</b> in our supply chain helps us to optimize processes and contribute to the development of society.</p> | <ul style="list-style-type: none"> <li>• <b>Consolidating the Supply Chain</b> Department based on the 2022 sustainability gap diagnosis.</li> <li>• Completing the evaluation of critical and non-critical suppliers.</li> <li>• Developing <b>mechanisms to raise the performance of suppliers</b> who obtained a low score in health and safety during 2022, in coordination with the Industrial Safety Department.</li> <li>• Having an <b>integrated management system with ESG aspects for the supply chain</b> and establishing a performance improvement plan for critical suppliers. (Non GRI 3-3 Managing contractors and suppliers) (GRI 414-1)</li> </ul> |



## **Our performance in 2022**

Our **Supply Chain** Department manages the supply chain from the **extraction of raw materials to the finished product delivered to our customers**. The department's team is improving the service to our users (internal integration), our suppliers (external integration) and defines the most adequate strategies in each case.

Our purpose is to develop an integrated and sustainable supply chain that boosts the business of UNACEM Peru.

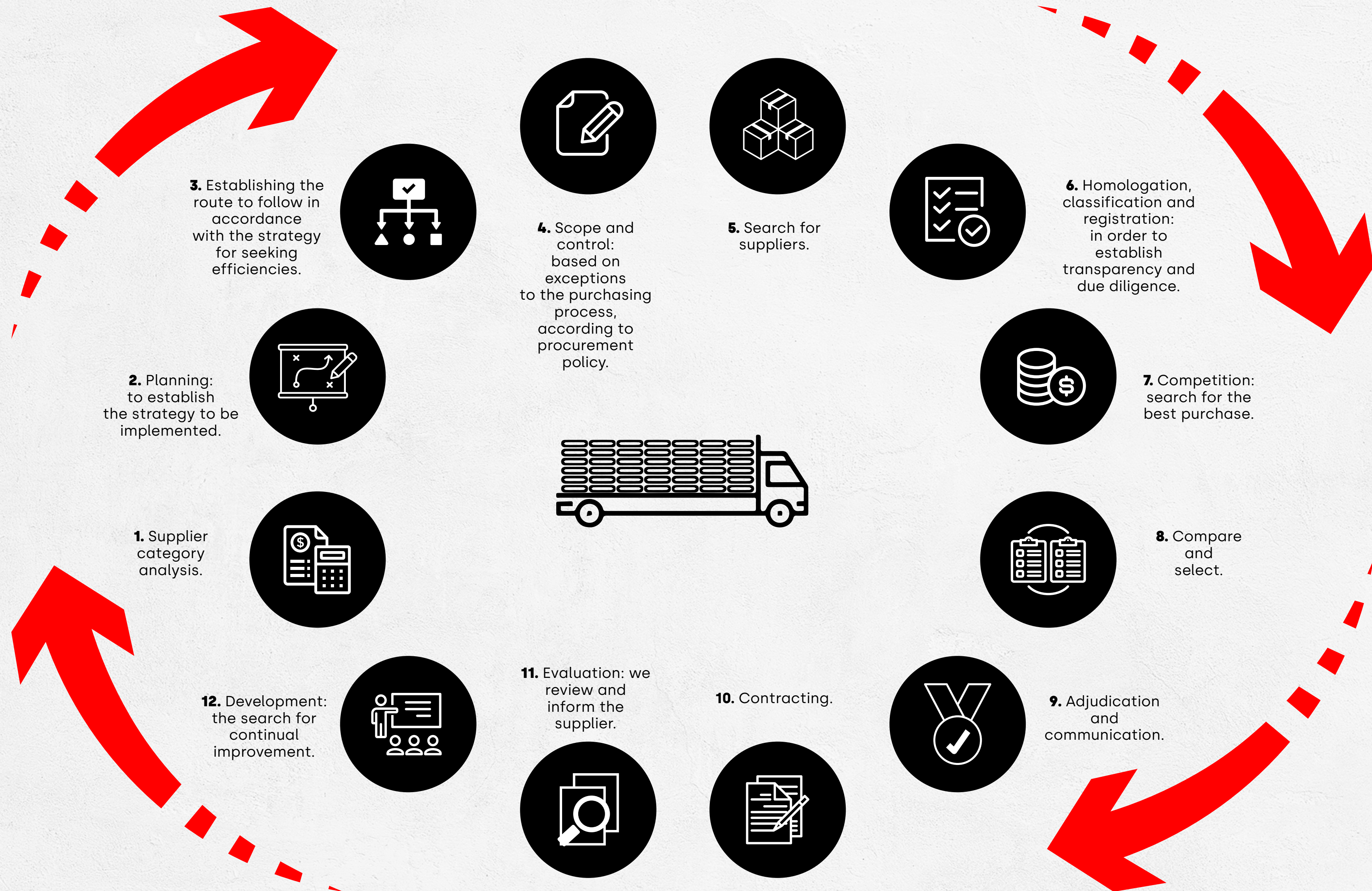
**Our goal for 2026 is to develop and maintain a world-class management model, through the specialization and integration of our stakeholders.**

(Non GRI ESG risks in supply chain)





**PROCUREMENT MANAGEMENT MODEL**





We concentrate on **reviewing the financial**, commercial and compliance status of each supplier **from the new perspective of our Supply Chain Department**, taking into account the risk to which they could expose us. A supplier risk and enablement matrix determines the risk attached to a supplier, whether critical or non-critical, according to:

- **Importance in terms of annual purchase value.**
- **Whether critical or not for our operations.**
- **Type of activity (strategic, leveraged and/or routine).**

Suppliers with a critical result in the matrix will be externally evaluated every year while non-critical suppliers will be evaluated internally every three years. (Non GRI 3-3 Managing contractors and suppliers)

During 2022 we evaluated close to 100% of high-risk suppliers based on the UNACEM Peru Occupational Health and Safety standard. As far as environmental matters were concerned, we evaluated the 34 contractor companies with the highest risk. (GRI 308-1) (GRI 414-1)

## Local procurement

Local suppliers are those whose registered offices are within our area of influence.

- **Atocongo Plant:** Lurín, Pachacamac, San Juan de Miraflores, Villa el Salvador and Villa María del Triunfo.
- **Condorcocha plant:** Tarma, La Union – Leticia, Palca.

We purchased goods and services worth S/ 2,020,276,963 from 2,235 suppliers in 2022. Our annual purchases from local suppliers represented 6.35% of our total acquisitions of goods and contracting of services. (GRI 204-1)



## Supply chain development

We develop our supply chain by means of two shared value programs, details of which are given below.

## COMPETITIVE BUSINESS PROGRAM

In 2022 we took part in the Global Reporting Initiative - GRI Competitive Business Program. We managed to get **29 partners** in our value chain to prepare and **publish sustainability reports**. The second component of our value chain development was to call upon this group of companies to design plans to close ESG gaps. These plans would be incorporated into the management of the business and reported on the following fiscal year. (Non GRI Developing suppliers)

The program included: **identifying these companies' ESG gaps and giving them technical assistance** to plan and implement improvements to achieve sustainable management. We obtained the following results:

- 27 suppliers **identified gaps in their economic, environmental and social management, and proposed plans to increase or improve** sustainable management in the short, medium and long terms.
- These plans **generated 143 projects and initiatives to address gaps in ESG** (73 for social matters and 70 for environmental matters). Of these, 23 social initiatives and 28 environmental initiatives were implemented in the short term.
- **We achieved 73% progress** in terms of closing gaps relating to ethics, anti-corruption and human rights statements and the human rights risk matrix.

In 2023, the participating companies will continue to monitor implementation of their plans, measure the results, and report on sustainability management in line with GRI standards. (Non GRI 3-3 Managing contractors and suppliers)



## **ECONOMIC INCLUSION AND SHARED VALUE PROGRAM FOR GYPSUM AND LIMESTONE SUPPLIERS**

In 2022, the Supply Chain Department introduced a program to improve economic and technical aspects of our local suppliers of gypsum and limestone, thus generating value shared by them and by UNACEM Peru.

**This program has three development criteria:**

**1.**



### **Commercial development**

An incentive system to acquire material of the highest quality, with zero rejections and in the volumes required by the scale of UNACEM's business.

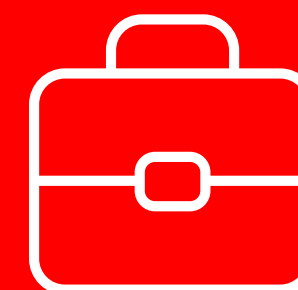
**2.**



### **Raw materials website**

Shows in real time, updated daily, the quality indicators of the material provided to UNACEM, so that suppliers can plan quality strategically and guarantee sustainability of the supply.

**3.**



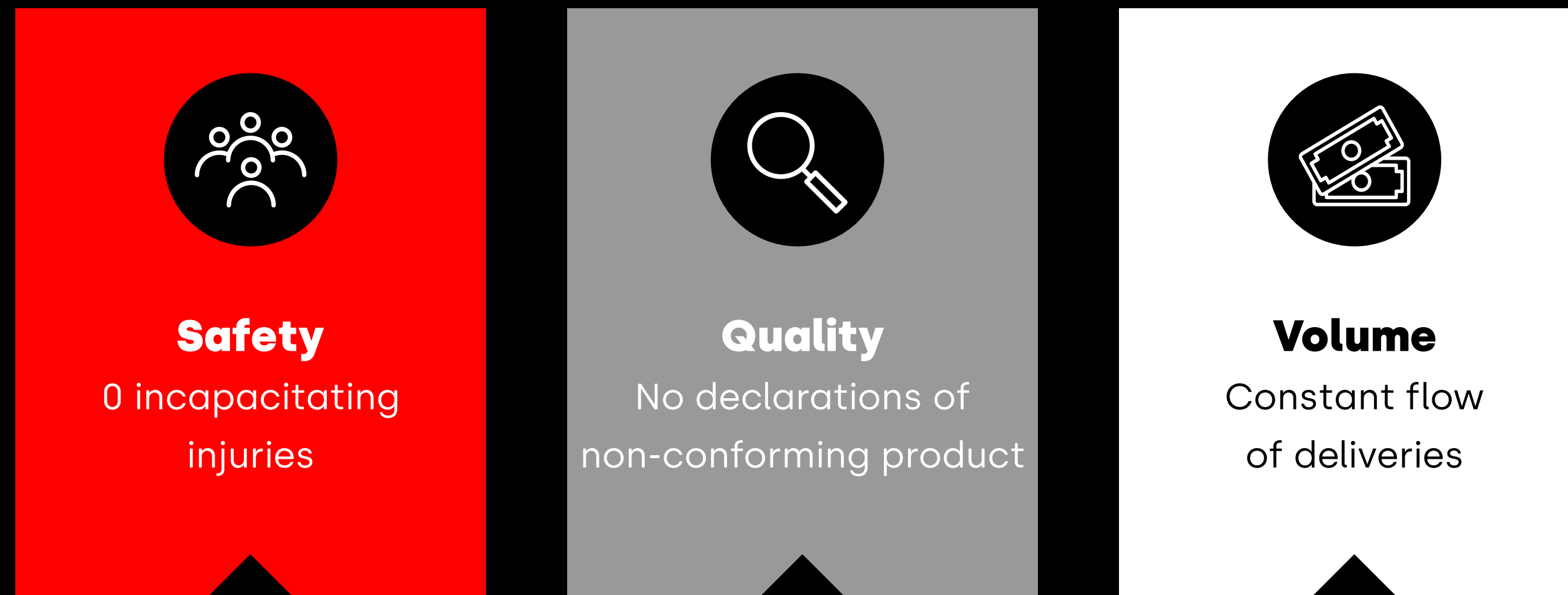
### **Knowledge transfer**

Raw materials suppliers spend time in our Quality Control Department, thus ensuring the implementation of best management practices, ensuring the quality of their deliveries and the program incentives.



In line with our safety culture, **the three business development criteria** for raw material suppliers are:

### BUSINESS DEVELOPMENT CRITERIA



It is worth noting that the economic impact of the program's shared value can be summarized as a total of 132 975 mt supplied in 2022 (the baseline was zero before the project was introduced), equivalent to 3.8 vessels or shipments. **One of the great achievements of the program is that this volume of raw materials met UNACEM Peru's and fulfilled the highest quality and safety standards.** These three attributes guarantee the sustainability of the initiative, while generating income of S/ 13,563,450 for raw material suppliers.





## Elena Juscamaita

Supplier of pozzolan, distributor of UNACEM products and representative of Women Entrepreneurs.

“

*My family has been a Unacem distributor for more than 50 years, also we have been suppliers of pozzolan for 25 years, strengthened the company's growth and improving its positioning in the market.*




*For a number of reasons I had to take over the administrative and operational management of the company and although at first they doubted my ability, today I feel satisfied that I took on the challenge.*

***So my message to women is that we can all lead without fear and have an equal chance to succeed. Although sometimes we set limits, we can always overcome them.”***



## 6.3 Client management

Our commitment to our customers is to provide them with the best quality products **by constantly innovating our production processes and product portfolio**, adopting high standards and continually listening to their requirements and needs.

| Alignment  | Risks and opportunities  | Prospects for 2023   |
|--|--|--|
| <p><b>ODS:</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1239 727 1459 941"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="1479 727 1699 941"> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  </div> </div> <hr/> <p><b>Pillar of our Sustainability Declaration:</b></p> <div style="text-align: center;">  <p>Corporate Governance</p> </div> | <p>We seek to manage risks related to non-compliance with the quality requirements of our clients, with the safe transport of our products and with any loss of trust and credibility in our industry.</p> <p>The presence of those risks also gives us an opportunity to <b>continually improve our operations in a transparent and ethical manner.</b></p> | <ul style="list-style-type: none"> <li>Continued promotion of digitization to provide solutions for our customers.</li> <li>Achieve 90% of payments generated by the Progre+ platform. We will achieve this by adding new functions such as cash sales, expanding the number of receiving banks and training our clients in the provinces, who face more difficulties in this regard.</li> </ul> |



## Our performance in 2022

Our sales strategy for bagged cement continues to be based on **innovation in products, services and business models** aimed at strengthening a sustainable commercial relationship with the whole of the value chain from plant to hardware store. To do so we are continuing to build loyalty and strengthen links with hardware stores through careful management and **wider coverage, thanks to the Progresol network**, which at the close of 2022 consisted of 1 095 points of sale. (GRI 2-6)

Our bulk cement sales are to premixed concrete makers or construction companies building hydroelectric power stations, mining and construction companies and makers of cement derivatives. (GRI 2-6)

We ensure the quality of our products through our **Integrated Management System certified to ISO 9001 Standard**. We also safeguard transport of our products and compliance with safety and labeling guidelines when marketing cement and clinker.

### By the end of 2022 we had achieved the following milestones:

- We had 1,095 customers in the Progresol network, 4% more than in 2021.
- We increased our market share among traditional customers by 2.9% compared with 2021, thanks to our brands' good reputation. (GRI 201-1c)

It is important to highlight that UNACEM Peru maintains commercial relations with: (GRI 2-6c)

### Sponsors

We saw an opportunity **to strengthen the Progresol 2.0 network with a varied portfolio of additional and complementary products to our cement brands that bring a direct benefit by diversifying our supply**. Companies that market their products through Progresol 2.0 will also benefit as sponsors. **Sponsors belong to the Club del Maestro and Club Ferretero programs**. They earn points by buying their products at these outlets and can then redeem them for prizes. In 2022 Siderperú and Saint Gobain, with their brands Norton and Tekbond, became part of the program.

### Interbank

We are allied with Interbank to develop **Progresol Business Kits**, a program of benefits by which users can obtain **bank loans at preferential rates, as well as personalized advice**. On obtaining a loan, they also have access to benefits such as educational courses, health insurance, discounts on control systems, online reports, among others. (GRI 2-6)



In 2022 we also continued our digitization program for the benefit of our customers. We developed 3 important initiatives with the SCRUM team:<sup>13</sup>

- **Progre website (new features):** the Progre+ website allows Progresol clients to interconnect with UNACEM's main distributors. Our aim is to digitize the entire purchasing process.
- **UNACEM hauliers' application:** we have launched a new application to improve planning by hauliers when collecting our products

- **Commissions and bonuses report: A detailed report for our clients on commissions and monthly bonuses, sent directly from our ERP SAP. (GRI 3-3 Customer relationship and product quality management)**



<sup>13</sup> SCRUM is a process involving the regular application of a set of good practices for teamwork and obtaining the best possible result from a project.





### **Communications with our clients**

We seek to strengthen communication channels with our customers to build their loyalty and provide them with innovative solutions and tools that improve pre-sale and after-sales service. We are **strengthening our digital platforms** in order to become ever closer to them and make the purchase process easier. Our **communications strategy is focused on publicizing and reinforcing the positioning of our entire portfolio.**

Our marketing management is based on four strategic pillars: **(GRI 3-3 Customer relationship and product quality management)**

- 1.** Ensuring that end-users continue to prefer our products.
- 2.** Generating value with a sound and optimized portfolio of products.
- 3.** Strengthening the loyalty and business of the traditional hardware store sector.
- 4.** Developing communication channels for construction companies and the manufacturing sector.

We also have a record of **complaints and claims with a procedure for addressing them in the IMS, which has objective response times.** This 2022 we received two claims that were promptly addressed and resolved. **(GRI 3-3 Customer relationship and product quality management)**



### Management product sales and their impact on health and safety

Our packaging contains the legal information required by the **Technical Standards for Hydraulic Cement** used in buildings and construction in general. All of our products meet this requirement. (GRI 417-1)

In addition to this regulation, we **include recommendations for use, applications, storage and safety on our cement packaging**. A code makes it possible to track cement entering the market, with information on the silo and bagging line, so that we can respond quickly to our customers in case of complaints. (GRI 417-1)

Carriers who transport cement in bulk receive an instruction booklet with recommendations that they must follow in the event of any incident.

We make safety data sheets publicly available on our website (*Material Safety Data Sheet*). These give instructions that should be followed when selling and handling cement and clinker. In addition, all of our brands' digital platforms emphasize the correct use of PPE on site, to ensure the safety of our customers. (GRI 416-1)





### Client satisfaction

Every year **we measure client satisfaction by surveys of those responsible for purchasing our products and the users of our services.** Surveys give us suggestions, recognition and information that we then analyze and incorporate to improve our processes. Our aim is to build solid relations that have a positive impact on the key indicators of our business. **(Non GRI Client satisfaction)**

At present we carry out satisfaction surveys of our traditional customers: wholesalers, retailers and independent hardware stores, who are responsible for 63% of our sales.

During 2022 our satisfaction rates fell by 7% among the Progresol hardware store network and 3% among independent hardware stores. In both cases the levels were the same as in 2020.

| Client satisfaction level        |      |      |      |      |
|----------------------------------|------|------|------|------|
| Client type                      | 2019 | 2020 | 2021 | 2022 |
| Progresol hardware store network | 79%  | 84%  | 90%  | 83%  |
| Independent hardware stores      | 78%  | 82%  | 82%  | 82%  |

Satisfaction has dropped, mainly due to the attributes of product packaging. **(Non GRI Client satisfaction)**



### Client development

We want to continue helping to professionalize and formalize the construction sector and improve the safety of those employed in it. For this reason we have renewed our **training program 'Construyendo Maestros' and launched our UNACEM CANTERA program.** This free-to-access virtual learning platform will allow thousands of builders and masons to receive professional training leading to access better job opportunities.

UNACEM CANTERA has allowed us to reach more users because they can train in their free time. Thus, more than 2,800 builders have completed training and 1,319 of them have downloaded their certificates after completing all the courses.

### The courses cover:

- Basic concepts for drawing up construction budgets.
- Safety during construction work.
- How to improve productivity in construction.
- Introduction to beam and slab construction.
- Introduction to the construction of columns.
- The importance of a good concrete mix.
- Introduction to the construction of brick walls.
- Reading and interpreting plans.
- Introduction to the construction of foundations.

In addition to the free access courses, UNACEM CANTERA offers a professional training program that consists of a digital curriculum with face-to-face sessions developed in partnership with Capeco and Construya. The program lasts 100 hours and is divided into 6 modules. Upon successful completion, users obtain a certificate that is valued highly by master builders. The program started in 2020 and to date we have awarded more than 1,000 scholarships.

All of our programs are **aimed at construction foremen**, who are an important sector of our traditional customers, which accounts for 69% of UNACEM Peru's sales. These customers have the highest rate of informality and, therefore, their workers are at greater risk. For this reason, our training program seeks to have an economic and social impact on foremen by providing them with knowledge to improve their work and help them to earn more. (Non GRI Client satisfaction)



## 6.4 Community relations

We at UNACEM Peru are committed to sustainability. Our policies govern our relationship with and intervention in neighboring communities, with whom we have managed to consolidate positive ties based on dialogue, transparency, collaborative work and trust. All this in strict compliance with human rights and promotes skill development and self-management by organizations and community leaders. (GRI 3-3 Local communities)

| Alignment          | Risks and opportunities  | Prospects for 2023  |
|--------------------|--|---|
| <p><b>ODS:</b></p> | <p>Promoting strategies and direct communications with local communities is key to strengthening bonds of trust.</p> <p>It is therefore of great importance to <b>develop programs that strengthen the capacity of less favored communities to create sustainable development and build a better society.</b> Otherwise, we would be putting the company itself and our entire environment at risk, as we would be eliminating opportunities and widening the inequality and poverty gaps.</p> | <ul style="list-style-type: none"> <li>• We will implement <b>our community diner project supporting 56</b> of these institutions in southern Lima.</li> <li>• We will also implement a <b>pilot version of the Asociacion UNACEM virtual campus</b> aimed at community leaders.</li> <li>• A pilot project to <b>improve the financial education of small shopkeepers and other businesses in southern Lima is also planned.</b></li> <li>• We will tell the <b>Amancay sol de corazón</b> about the Quebrada Río Seco private conservation area.</li> <li>• We will continue with <b>construction works</b>, with the participation of the association of mayors of southern Lima.</li> </ul> |

**Pillar of our Sustainability Declaration:**





## Our performance in 2022

Our areas of influence cover 5 districts in Lima and 3 in Tarma:

|           | Atocongo Plant          | Condorcocha Plant   |
|-----------|-------------------------|---|
| Province  | Metropolitan Lima       | Tarma   |
| Districts | Villa Maria del Triunfo | La Union – Leticia Village of Condorcocha and the rural communities of Chancha and Huancoy Sacsamarca |
|           | Pachacamac              |   |
|           | Villa el Salvador       | Palca   |
|           | Lurin                   | Acobamba  |
|           | San Juan de Miraflores  |   |



Our community relations are subject to our human rights policy, anti-corruption policy, code of ethics and conduct and stakeholder communication procedure. **(GRI 3-3 Local communities)**

We develop initiatives that comply with the **socio-environmental commitments of our environmental and social management instruments**, and of our **social investment programs**, which in turn are mainly directed at the areas of influence of our operations and quarries.



## **Local community participation in environmental assessments**

At UNACEM Peru we are committed to protecting the environment and minimizing the environmental impacts of our operations on the sites and communities where we operate. For this reason we use **our Environmental Management System to seek the continual improvement of our operations.**

All our **production operations are covered by environmental management instruments** (EIA, DIA, PAMA, ITS) approved by the Peruvian government. The results of environmental impact assessments are publicly accessible and available from the Ministry of Production. During the public participation process in the environmental management instruments, we make available executive summaries for stakeholders, which include local authorities. Additionally, we organize workshops, hearings and/or informative meetings in which we publish the results of our environmental assessment.

## **The results of monitoring our environmental commitments are published through the Agency for Environmental Assessment and Enforcement (OEFA).**

We collect this information during the construction and operation stages of the production unit, in accordance with our Environmental Management plan. This plan includes activities for preventing, minimizing and reducing environmental impacts, environmental surveillance, contingencies, closure, and social management.

The social management plan involves our community relations plan, which includes communication programs, participatory environmental management, hiring local labor and support for local development. We make these programs public on our social networks and we also communicate them to neighbors, social organizations and local authorities during the meetings and activities we organize. (GRI 413-1)



# Community relations

Our community relations work resulted in the following achievements during 2022:

## Atocongo plant

- **32 spaces for district-wide dialogue and agreement, in person**, among social organizations, networks, municipalities and district organizations. We have thus achieved rapprochement and coordination with 540 leaders.
- **We have strengthened leadership and community management skills in face-to-face events** for 32 social organizations, benefiting 244 leaders.
- We provided technical assistance to formalize three **social organizations in Villa María del Triunfo**.
- **We dealt with complaints and claims from local communities** through the Communication, Participation and Consultation with Interested Parties Procedure, which is part of the IMS. We registered four complaints, which were promptly addressed and resolved.







### Condorcocha Plant

- We continued complying with our **integral convention with Huancayo Rural Community**:
  - We encourage **the hiring of local labor**. We created jobs in our contractor companies that were filled by community members from Huancayo.
  - Higher **education scholarships for 25 children from Huancayo community**.
  - We supply **electricity** to benefits the Huancayo Rural Community.
- We have strengthened the leadership and community management skills of 30 social organizations, benefiting 95 leaders.
- We are continuing with **participatory environmental monitoring together with local organizations**. We organized 4 monitoring sessions for water, air and effluent quality with 12 leaders and local authorities. We also held a participatory workshop to publish the results of environmental monitoring efforts in 2021 and the first half of 2022, in which 13 local leaders and authorities took part.
- We organized the **participatory workshop prior to preparing a semi-detailed environmental impact assessment (EIAs) for limestone extraction from Caripa quarry**. We covered issues such as the scope of the project, the terms of reference of the EIAs and the environmental regulatory framework, and we introduced our environmental consultant.



### **Social investment programs**

During 2022, and after two years of spending a large part of our time working remotely, **we resumed 100% face-to-face work with social organizations at our two plants.** We achieved broad community participation; this gave us a greater presence and allowed a resumption of face-to-face contact with the communities. (GRI 413-1)

As we know, the pandemic affected us all, in UNACEM Peru we decided to find out first-hand how the **population and its social leaders had faced the pandemic and confinement**, what they learned and what were the new challenges that this implied, so that we could prioritize our interventions in line with community needs.





Thus, together with Asociacion UNACEM, we implemented **social investment projects with four aims in line with the Sustainable Development Goals (SDGs)**, primarily aimed at communities adjacent to our operations. Contributions to the SDGs are shown in the following table:

| Integral welfare | Conservation | Assistance with sustainable urban/rural planning | Social assistance |
|------------------|--------------|--|-------------------|
|------------------|--------------|--|-------------------|

We promote **self-care, disease prevention, and healthy lifestyles through community art, sports, and recreational activities** in communal spaces.

We help to improve the **quality of education through support for teachers and better educational infrastructure**, in order to optimize productive and entrepreneurial skills and increase community incomes.



We develop initiatives and spaces for **real-time field research**.



**Assistance with sustainable urban/rural planning**

We promote community development and the **improvement of urban infrastructure with a social focus**, through donations of cement, paving stones and concrete.



**Social assistance**

We provide **social assistance through donations of goods or services to less favored groups**, contributing to their development and well-being.





Actions during 2022 in these **4 contributions**:

### **Contribution 1: Integral welfare**

Our virtual and face-to-face activities have encouraged:

- **Health campaigns** aimed at the general population, to complement local healthcare establishments.
- **Healthy habits**, especially those that help improve nutrition through educational workshops that empower families.
- **Dance workshops and activities for older adults.**
- **Beautification of community spaces** via a tree planting program.







## RESULTS:

### Atocongo Plant

- 12,093 people benefited from action to promote health care (health campaigns, training workshops, and the Healthy Families program).
- 225 community health agents increased their knowledge and skills in support of local healthcare establishments.
- 355 people benefited from Tai Chi and modern dance workshops, which served as an excellent alternative physical activity.
- 3,150 people benefited from tree planting improving their environment.

### Condorcocha Plant

- 510 people benefited from healthcare promotions (campaigns and fairs, training workshops and the Healthy Families program).



- **Capacity building:** we help to develop entrepreneurship, leadership and management skills among community managers and municipal officials. We also create community market gardens. 1 638 people have benefited.
- **Educational quality:** We promote the strengthening of soft skills in schoolchildren, in line with skills development promoted by the Ministry of Education. 4 501 people have benefited.

## RESULTS:

### Atocongo Plant

- 167 people have bolstered their entrepreneurial skills and abilities through training and consulting in the Sembrando Empresas program, the alliance with ESAN's Social Responsibility Program, pastry/cooking workshops, and the Marketing for Business course.
- 4,263 students from different educational institutions have improved their socio-emotional skills and practical values for citizenship, through our Impactando Vidas, Escuela Declara and Viva Valores methodology programs.
- 171 leaders of social organizations and 60 municipal officials have developed leadership and management skills.
- 343 beneficiaries of the community diner program have acquired skills at creating and producing from community market gardens.
- 388 people have increased their knowledge of solid waste management.

### Condorcocha Plant

- 146 beneficiaries have strengthened their entrepreneurial and financial skills through training and advice from the ÚNICAS program and our weaving workshops.
- 236 students from different educational institutions have improved their socio-emotional skills and the practice of values for citizenship using the Viva Valores methodology.
- 304 farmers have boosted their agricultural production thanks to our improvements in irrigation systems and agricultural production infrastructure, as well as implementation of the EMPRO project, which offers training, technical assistance, internships and demonstration plots.





**Lourdes Ladera**

President of Los Ficus Housing  
Association of Pachacamac  
(Manchay)

“

*I feel very grateful to God for the support of **UNACEM in building** the two sports pitches in my community. They've had a great positive impact on young people, encouraging healthy activities such as volleyball and 5-a-side football, **as well as helping us to improve our health promotion campaigns and they have even been used for marriages, baptisms and other important community events.***

*The **cooking and baking workshops**, our communal diner and the creation of a market garden have improved our lives and helped us all to save money. UNACEM has a very humane, patient, understanding and caring staff; always available to share their knowledge.*

***It has been a great honor to work with UNACEM and to get to know them. ”***



## Contribution 2: Conservation

In 2022 we have continued with our commitment to **manage and conserve biodiversity in the Lomas de Quebrada Río Seco Private Conservation Area (ACP)**, which encourages conservation and preservation of biological diversity in the lomas ecosystem and advances scientific research. We have achieved the following in the ACP:

- 100% of the Limited Use Zone is now a living laboratory; a space for field research in real time (still in the initial stage).
- We have signed four agreements with universities for further investigation into *Ismene amancaes* (UNALM), evaluation of the viability of seeds (Universidad Científica del Sur), organization of field visits and meetings with specialists (Universidad San Ignacio de Loyola).





### Contribution 3: Assistance with sustainable urban/rural planning

During 2021 we continued to **support communities** within our areas of influence through donations of cement and other construction materials, and construction work.

It is important to note that the works for which we donated cement benefited from **community contributions and participation**. This collaboration not only generated value and trust, but also promoted a sense of shared responsibility and unity among all those involved. (GRI 203-1)

## RESULTS:

### Atocongo Plant

- We donated 7,877 bags of cement to community organizations to build 24 community projects that benefited 21,424 people.
- 2,999 bags of cement to educational institutions to build 14 items of infrastructure to benefit 7,204 students.
- We donated 1,015 bags of cement to public institutions, destined for the construction of 4 buildings to benefit a total of 7,715 people.
- We contributed 1,258 m<sup>3</sup> of concrete to the municipality of Villa el Salvador for the improvement of the urban environment, paving of internal roads, the expansion of Av. Max Uhle and for a school. We also provided 1,762 m<sup>2</sup> of concrete paving blocks to two educational institutions in the Inca Pachacútec area of Villa María del Triunfo.
- We supported the construction of 11 community infrastructure works (reinforced concrete milestones, concrete pavements, park improvements, sports pitches and retaining walls) benefiting 26,650 people in Tablada de Lurín, José Gálvez and Virgen de Lourdes, in Villa María del Triunfo, Huertos de Manchay and CPR Santa Anita in Pachacamac.

### Condorcocha Plant

- We donated 3,683 bags of cement and 605 m<sup>2</sup> of concrete paving blocks for the construction of 27 works benefiting 7,195 people, and 330 bags of cement to 2 educational institutions, benefiting 88 students.
- We also donated 1 966 bags of cement to the local council for the construction of 8 community projects benefiting 6 356 people.
- We helped with the construction of 2 community infrastructure works (perimeter fence and loan of machinery) in La Union Leticia and Palca, benefiting 280 people.



### **Contribution 4: Social assistance**

Our donations are aimed at supporting community development initiatives in our towns and public institutions, fulfilling commitments and strengthening collaborative relationships with our neighbors and benefiting 49,744 people (17,844 in Atocongo and 31,900 in La Union – Leticia). (GRI 203-1)

### **Formal complaints from local communities**

Our Communication, Participation and Consultation with Interested Parties Procedure establishes a protocol for analyzing and responding to complaints, queries, reports and claims from civil society and communities. Firstly, all oral communications must be put in writing. The process of receiving and registering these communications is set in motion provided that all data allowing us to identify the issuer is entered. Thereafter, we respond as soon as possible.

During 2022 we registered four environmental complaints that we addressed and resolved. (GRI 413-1)





OUR ENVIRONMENTAL  
**MANAGEMENT**



## 7.1 Climate action

We have set ourselves the goal of being a **carbon neutral company by 2050** with the aim of offering society a more sustainable future, following the guidelines of the climate ambition of the Global Cement and Concrete Association (GCCA). The aim of this commitment, assumed together with another 40 leading companies in the sector, **is to reduce CO<sub>2</sub>eq emissions from our operations and products**. At the same time, we took part with the Inter-American Cement Federation (FICEM) and ASOCEM in the preparation of the "Peru Cement Roadmap" towards a low-carbon economy. For UNACEM Peru, the goal by 2030 will imply reducing emissions by 20%. (GRI 3-3 Climate strategy)





RELEVANT ACTION TO BE TAKEN BY 2030

01

Reducing the **clinker content** of every ton of cement we produce.

02

Reducing the **consumption of fossil fuels** in our operations and replacing them with fuels derived from residues (CDR) and/or biomass.

03

Developing **projects that increase energy efficiency** in our plants.

04

Participating, as a member of business associations, in the promotion of public policies to develop a regulatory framework to encourage the **co-processing of CDR and biomass in cement kilns**.

05

Intensive use of electricity from **renewable energy resources** (RER) in plants, offices and vehicles of all types.

06

Raising market awareness of the intensive **use of low-carbon cements**, as well as a State that promotes these cements in its public works.

07

Developing and maintaining a cement sector **monitoring, reporting and verification system and database using the GCCA Getting Numbers Right**.

08

Participating through business associations in the promotion of public policies to **determine an economic carbon mechanism that does not reduce the industry's competitiveness**.



At UNACEM Peru, we are working on the following climate action initiatives:

**Reducing the clinker factor**

- **2014:** APU cement with a lower clinker factor.
- **2019:** Andino Forte cement with a lower clinker factor.
- **2022:** Research into products that reduce the percentage of clinker.

**Alternative fuels**

- **2006:** Use of natural gas.

**Energy efficiency**

- **2012:** New kiln 4 commissioned at Condorcocha plant.
- **2013:** Upgrade of kiln 1 at Atocongo (new pre-heater and calcinator).

**Sources of clean energy**

- **2021:** + 92% of electricity consumption from renewable sources (hydro).
- **2021:** Natural gas accounts for + 94% of fuel consumption at Atocongo.

**Carbon capture/compensation**

- **2021:** Conformation of Lomas Quebrada Río Seco Private Conservation Area (ACP).

**Projects and innovation**

- **2022:** Analysis of alternative fuels.
- **2023:** Sustainable raw materials transport system using conveyor belts from Silencio 8 quarry to Atocongo plant.
- **2024:** Research into the use of calcined clays at Condorcocha plant.

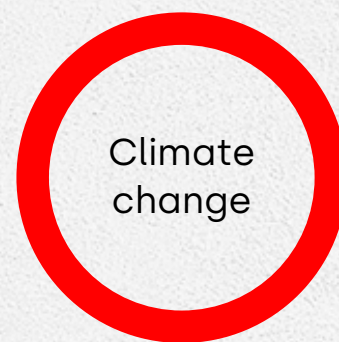


| Alignment | Risks and opportunities | Prospects for 2023 |
|-----------|-------------------------|--------------------|
|-----------|-------------------------|--------------------|

**ODS:**



**Pillar of our Sustainability Declaration:**



**Risks and opportunities**

The cement industry is also classified as a **potential emitter of greenhouse gases (GHG)**, which accelerate the process of climate change.

At UNACEM Peru we are aware of this problem and have set ourselves the goal of becoming a **carbon-neutral company by 2050**, following the climate goal guidelines of the Global Cement and Concrete Association (GCCA), the Inter-American Cement Federation (FICEM) and the Association of Cement Producers of Peru (ASOCEM).

**Prospects for 2023**

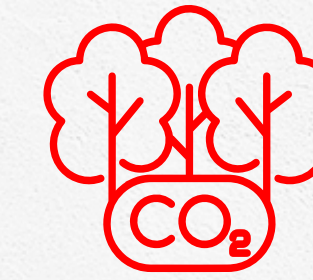
- Obtaining a second and third star via the Peru Carbon Footprint tool of the Ministry of the Environment (MINAM).
- Continuing with the project for using calcined clays to produce additive-based cements.
- Starting construction of the sustainable conveyor belt raw materials transport system from Silencio 8 quarry to Atocongo plant. **(Non GRI Emissions reduction plans)**



## Our performance in 2022

### Mitigation and adapting to climate change

Our approach to mitigation and adapting to climate change is governed by the following guidelines: (GRI 305-5) (GRI 3-3 Climate Strategy)



Carbon capture

1



Clean energies

2



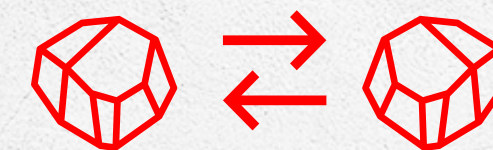
Energy efficiency

3



Alternative and clean fuels

4



Use of supplementary cementitious materials

5



We obtained the following results in 2022: (GRI 3-3 Climate strategy)

| Action   | Results 2022  |
|--|---|
| <b>Increasing sales of additive-based cements</b>                      | <ul style="list-style-type: none"> <li>• Our sales of additive-based cements amounted to 34% of the total volume. Additive-based cements reduce clinker consumption in cement production; this prevented the emission of 325,547 tons of CO<sub>2</sub>eq compared with the 2010 baseline.</li> </ul>   |
| <b>Reduction in the clinker factor</b>                                 | <ul style="list-style-type: none"> <li>• We reduced the mt clinker/mt cement factor by 1.39% compared with 2021, thanks to the production of additive-based cements. We reduced the clinker factor from 0.863 in 2021 to 0.851 in 2022.</li> </ul>  |
| <b>Increase in consumption of clean fuels in clinker manufacturing</b> | <ul style="list-style-type: none"> <li>• Our natural gas consumption was 387,978,549 m<sup>3</sup>; this represents 69.58% of the total energy consumption of our operations.</li> <li>• We have improved our specific CO<sub>2</sub>eq indicators per ton of cement. Our weighted average was 616 kilos of CO<sub>2</sub>eq per ton of cement produced in 2022, a reduction of 2.7% compared with 2021.</li> </ul> |
| <b>Energy efficiency</b>   | <ul style="list-style-type: none"> <li>• We reduced electricity consumption by 3.4%: from 112.8 kWh/t of cement in 2021 to 108.9 kWh/t of cement in 2022. (GRI 302-1)</li> <li>• We have installed new and modern bagging lines that consume less electrical energy.</li> </ul>   |
| <b>Use of clean energy</b>   | <ul style="list-style-type: none"> <li>• We met the goal of taking 90% of our electrical energy from renewable sources, thanks to the Carpapata I, II, III and El Platanal hydroelectric plants.</li> <li>• Our Atocongo plant's technology puts it in the top 10% most efficient plants in the world.</li> </ul>   |



## Determination and verification of our carbon footprint

A fundamental part of this commitment is to monitor and take action to reduce our greenhouse gas emissions for each ton of cement we produce. **We have been measuring our Carbon Footprint since 2013 in accordance with the Getting the Numbers Right (GNR) methodology**, a platform that measures the CO<sub>2</sub>eq emissions performance and energy consumption of the global cement industry and which is also certified by a third party.

This measurement is relevant to identify those critical points of our processes where more CO<sub>2</sub> is emitted and to convert them into opportunities for improvement. (GRI 3-3 Climate strategy) (GRI 305-1) (GRI 305-2) (GRI 305-3)






| GHG emissions (tCO <sub>2</sub> eq)               |           |           |
|---|-----------|-----------|
| GHG emissions                                     | 2021      | 2022      |
| Direct GHG emissions (Scope 1)                    | 4 454 458 | 4 508 063 |
| Indirect energy emissions (scope 2) <sup>14</sup> | 80 494    | 93 854    |

We have registered our GHG emissions on the Peru Carbon Footprint platform, an official tool of the Ministry of the Environment. We are the first Peruvian cement producer to obtain level one recognition by the platform and to undertake to achieve zero emissions by 2050.

<sup>14</sup> The GNR methodology does not include scope 3 calculations.



## 7.2 Air quality

| Alignment  | Risks and opportunities   | Prospects for 2023   |
|--|---|--|
| <p><b>ODS:</b></p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="width: 45%; text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="width: 45%; text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div style="width: 45%; text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="width: 45%; text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div> <hr style="border-top: 1px dashed #ccc;"/> <p><b>Pillar of our Sustainability Declaration:</b></p> <div style="text-align: center;">  <p>Environment and Biodiversity</p> </div> | <p>A relevant environmental aspect of the industry is the generation of particulate matter in quarries, from the transport of materials on unpaved roads and from kiln chimneys.</p> <p>It is essential to develop more responsible and efficient production processes, seeking to exceed legislative requirements and boosting operational efficiency.</p> | <ul style="list-style-type: none"> <li>• Reducing emissions of particulate matter in clinker storage areas.</li> <li>• Improving the coverage system for the clinker storage area at Condorcocha.</li> <li>• Starting construction of the coverage system for the clinker storage area at Atocongo.</li> </ul> |



## Our performance in 2022

We manage the emissions of nitrogen oxides, sulfur dioxides and particulate matter so as not to generate significant impacts on air quality. We identify, evaluate, monitor, and comply with environmental obligations and commitments regarding air quality, which in turn are regulated by Peruvian legislation and by approved environmental management instruments.

**We have an Air Quality and Emissions Monitoring Program that governs all production units of UNACEM Peru, as well as a control and monitoring system for environmental obligations. (GRI 3-3 Air Quality)**

Our air quality indicators are: (GRI 305-7)

| Air quality (mt)                  |        |        |  |
|-----------------------------------|--------|--------|--|
| Significant atmospheric emissions | 2021   | 2022   | Type of source or activity generating the emission |
| NOx                               | 7 852  | 9 278  | Chimney  |
| SO2                               | 13 502 | 10 677 | Chimney  |
| Particulates (PM)                 | 510    | 530    | Chimney  |

**Our goal is to reduce particulate matter and SO2 emissions from our industrial processes,** and to do this we have carried out the following activities: (Non GRI Initiatives to reduce NOx, SOx and other emissions)

- **Condorcocha plant:** We have submitted to the Ministry of Production a technical report justifying the enclosure of the clinker storage areas at the Atocongo plant, which will reduce diffuse emissions of particulate matter.
- **Port operations:** We have implemented a balloon system to mitigate particulate matter during ship loading operations.
- **Atocongo Plant:** We continue with tests on the addition of hydrated lime to reduce sulfur dioxide emissions from the kilns.
- We have informed the Ministry of Production that we do not need to bring our production units into line with the maximum permissible limits for atmospheric mercury and nitrogen oxide emissions from cement and/or lime plants, approved by DS 001-2020-MINAM.



## 7.3 Energy consumption

**70% of the fuel used in our kilns in 2022 was clean**, in other words natural gas, and more than **90% of the electricity used came from renewable sources**, thanks to contributions by Carpapata I, II and III hydroelectric power stations and energy purchases from Celepsa.

In 2022 our main fuel consumption results were as follows:

| Energy consumption                       | 2021              | 2022              |
|--|-------------------|-------------------|
| Total fuel consumption (GJ)              | 20 298 202        | 20 699 338        |
| Total electrical energy consumption (GJ) | 2 642 343         | 2 703 947         |
| <b>Total energy consumption (GJ)</b>     | <b>22 940 546</b> | <b>23 403 285</b> |

In addition, we have an initiative called Improving Energy Efficiency in Cement Production Processes to Reduce Electricity Consumption.

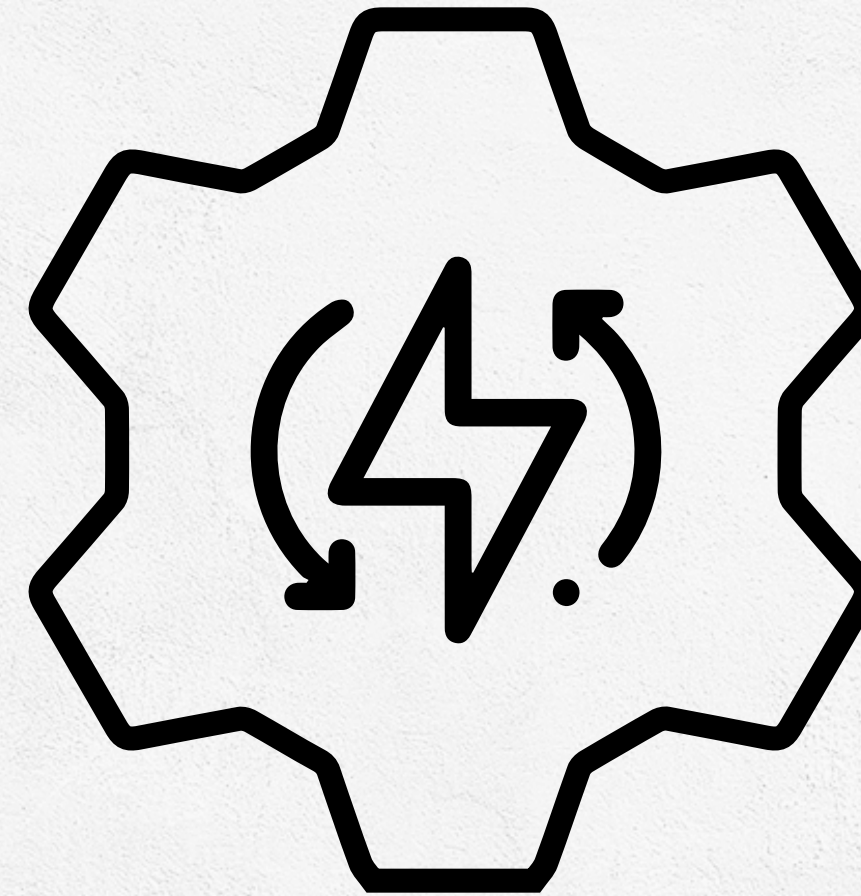




**Our most outstanding energy management actions are:**  
(Non GRI Emissions reduction plans)

## Maintain

and increase the consumption of clean fuel (natural gas) in the kilns at Atocongo.



## Awareness

concerning the efficient use of electrical energy to promote rational energy consumption in our camps and facilities, via campaigns aimed at our employees.

## Optimization

of coal consumption through the use of adequate mixtures in the process.

## Optimization

of the energy management in our hydroelectric power stations.







## Change

progressive replacement of old production lines with new and more energy-efficient equipment.



## 7.4 Water, effluent and water risks management

We acknowledge that water is an essential and scarce resource and are therefore committed to adequate and responsible water management by our operations.

| Alignment  | Risks and opportunities   | Prospects for 2023  |
|--|---|---|
| <p><b>ODS:</b></p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center;">  <p>6 CLEAN WATER AND SANITATION</p> </div> <div style="width: 50%; text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="width: 50%; text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div style="width: 50%; text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="width: 100%; text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div> | <p>According to the United Nations Organization, by <b>2030 the global demand for water will have increased by 50%</b>. This will generate a 40% deficit in available freshwater resources.</p> <p>For this reason, at UNACEM Peru, we consider it highly relevant to evaluate the risks and opportunities related to water in our direct operations and in our value chains.</p> <p>We seek to generate value in the management of water resources that is shared with adjacent communities. <b>Our goal is not to affect the availability of the resource, promoting greater efficiency in our water consumption</b> and strengthening our reputation in society.</p> | <ul style="list-style-type: none"> <li>• Complying with the programs and goals to which we are committed in order to achieve efficient use of water.</li> <li>• Implementing the plan to reduce our Water Footprint so that our Blue Certificate for both plants is renewed.</li> </ul> |
| <p><b>Pillar of our Sustainability Declaration:</b></p> <div style="text-align: center;">  <p>Environment and Biodiversity</p> </div>   |   |   |





## Our performance in 2022

We draw water from underground wells and surface sources under **licenses issued by the National Water Authority (ANA)**. Our wells are monitored by the Potable Water and Sewerage Service (SEDAPAL) and by local water authorities. The Atocongo plant is fed from an underground source while Condorcocha uses surface water; The plants are in the basins of the rivers Lurin and Perené respectively.

We consume domestic water in our offices, canteens, and camps, and industrial water in equipment cooling systems and for road irrigation and dust suppression. **We measure this direct consumption on a monthly basis and evaluate it within our Water Footprint annually. (GRI 303-1)**

Our strategy is to work in coordination with the State and with the populations surrounding our facilities to reduce our Water Footprint. This means organizing activities that share value with local communities. We also carry out internal audits on the use of water using the IMS and we encourage our suppliers to prepare their own sustainability reports. **(GRI 303-1)**

A Responsible Water Management program has been implemented in two areas of our plants, quarries, port and energy facilities: an area with an arid climate, mainly in the district of Villa María del Triunfo, in Lima; and another with a temperate climate and dry winter, in the district of La Union-Leticia, in Tarma. **(GRI 3-3-Water management)**



Our efforts to reduce, reuse and make efficient use of water is based on the following: (GRI 303-1)

- Respect for the Water Footprint Reduction plan at the Atocongo and Condorcocha plants.
- Updated sanitary facilities.
- Encouraging good water use practices.
- Recirculating water from the plant cooling system and reusing treated water to irrigate green areas and in fire fighting systems.
- Implementing technical irrigation systems for our green areas.
- Implementing efficient water consumption control systems in our industrial and domestic activities.
- Measuring our Water Footprint and maintaining our plants' ANA Blue Certificate.
- Implementing projects that share value with our communities.
- Auditing our IMS in matters relating to water use.

**The delay in the onset of the rainy season has increased our water consumption by 2.8%** compared with 2021. As a result, **we use more water for environmental controls such as dust suppression on roads and for green areas.**

At both UNACEM Peru plants, we treat and monitor our waste water to guarantee the required quality and generate a positive impact. We do not discharge waste into water courses. (GRI 303-2)

**WATER CONSUMPTION AND MANAGEMENT IN 2022**





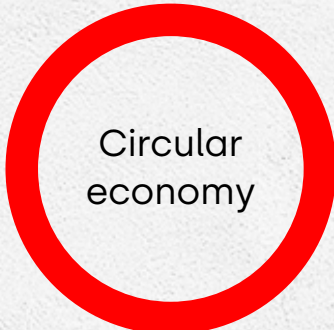
|   | <b>Atocongo (m³)</b> | <b>Condorcocha (m³)</b> | <b>Total (m³)</b> |
|---|----------------------|-------------------------|-------------------|
| <b>Total water consumption</b>                      | <b>519 086.21</b>    | <b>313 255.86</b>       | <b>832 342.07</b> |
| Total consumption of water from aquifers            | 519 086.21           | 0.00                    | 519 086.21        |
| Total consumption of water from springs and streams | 0.00                 | 313 255.86              | 313 255.86        |
| Water consumption for domestic use                  | 280 584.60           | 92 551.17               | 373 135.77        |
| Water consumption by plants and quarries            | 238 501.61           | 220 704.69              | 459 206.30        |
| <b>Volume of water reused</b>                       | <b>110 817.00</b>    | <b>85 275.70</b>        | <b>196 092.70</b> |
| Percentage water reused                             | 21%                  | 27%                     | 24%               |

For more details of our water and effluent management see the annexes.



## 7.5 Waste management and circular economy

We promote the **reduction, reuse, recycling and recovery of solid waste from our production process and support areas**. Our aim is to achieve an efficient use of resources, so our management using the circular economy approach. **(GRI 3-3 Waste)**

| Alignment   | Risks and opportunities   | Prospects for 2023   |
|---|---|--|
| <p><b>ODS:</b></p> <div style="display: grid; grid-template-columns: 1fr 1fr; gap: 10px;"> <div data-bbox="1242 577 1459 795"> <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div> <div data-bbox="1482 577 1699 795"> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div data-bbox="1242 819 1459 1037"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="1482 819 1699 1037"> <p><b>13</b> CLIMATE ACTION</p>  </div> </div> | <p>An inadequate waste management strategy puts society and the environment at risk.</p> <p>Developing a circular economy model is essential for proper management throughout the entire life cycle of waste from our productive activity. This also helps to generate fewer emissions, caring for and preserving the environment, and adding value to waste.</p> | <ul style="list-style-type: none"> <li>• Repeat the experience of working with formal recyclers at other operating units.</li> <li>• Recover 50% of the waste generated by families living at the Atocongo plant camp. <b>(GRI 3-3 Waste)</b></li> </ul> |
| <hr style="border-top: 1px dashed #ccc;"/>  |   |  |
| <p><b>Pillar of our Sustainability Declaration:</b></p> <div style="text-align: center;">  <p>Circular economy</p> </div>  |   |  |



## Our performance in 2022

Characteristics of our comprehensive solid waste management: (GRI 306-1) (GRI 306-2)

- We have an **Integral Waste Management Program** for all production units of the company.
- We use solid waste operating **companies (EO-RS) duly** registered and authorized by the Ministry of the Environment.
- We send **organic waste** to UNACEM Peru **composting plants to make compost.**
- We promote **formal recycling work** through agreements with local recycling associations.

During 2022, we continue to prioritizing the correct segregation of waste at source and minimizing its generation. (GRI 306-1) (GRI 306-2)





**WASTE GENERATED (GRI 306-3) (GRI 306-4) (GRI 306-5)**

| <b>Waste by type in metric tons (mt) in 2022</b> |                            |  |  |
|--|----------------------------|--|--|
| <b>Composition of the waste</b>                  | <b>Waste generated (t)</b> | <b>Waste not destined for disposal (t)</b> | <b>Waste destined for disposal (t)</b> |
| Hazardous waste                                  | 301                        | 78   | 223                                    |
| Non-hazardous waste                              | 6 031                      | 4 987                                      | 1 044                                  |
| Category 3                                       | 0                          | 0  | 0                                      |
| Total waste                                      | 6 332                      | 5 065                                      | 1 267                                  |



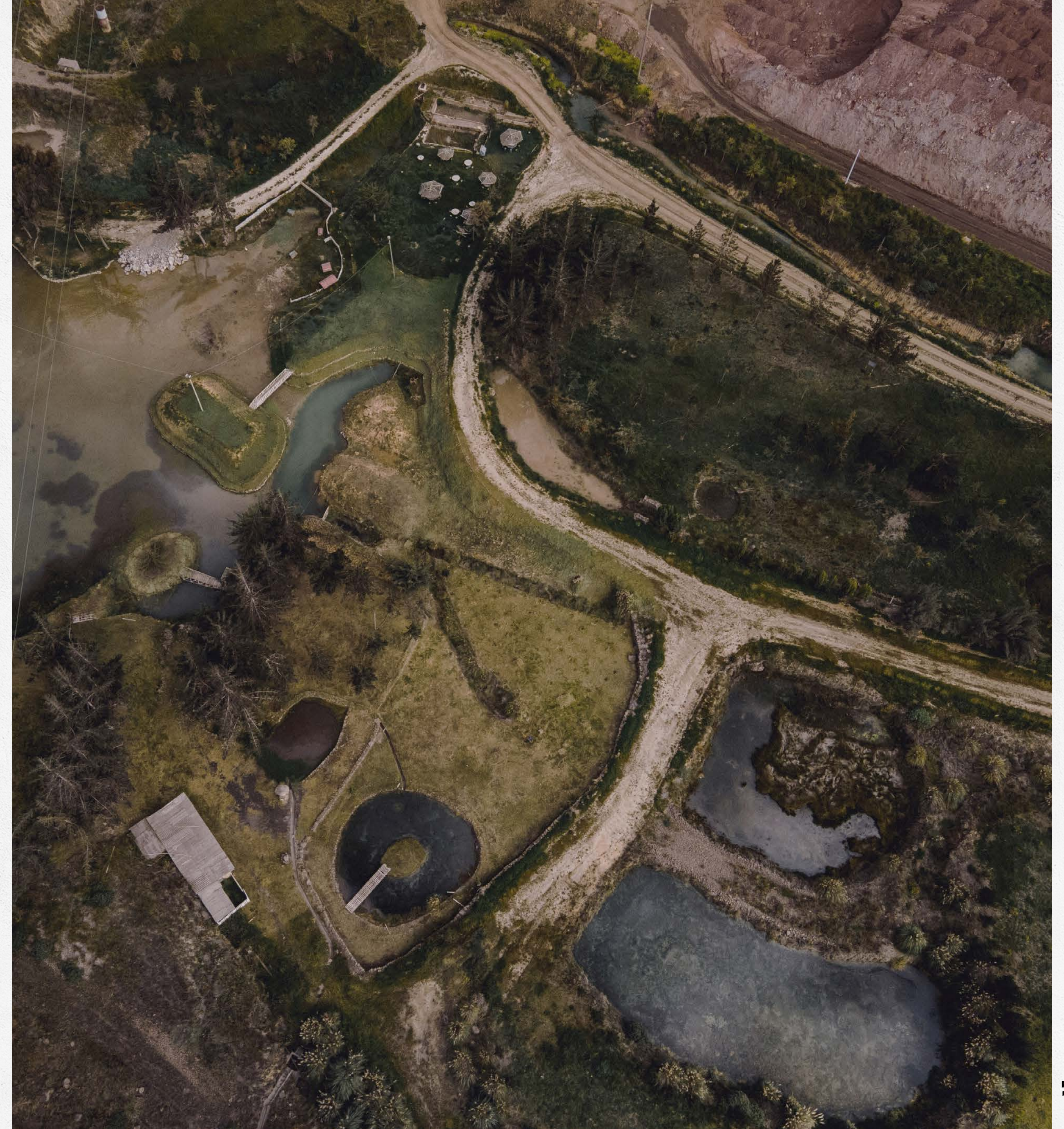
## Circular economy

**We reuse the waste generated in our processes.** This helps extend the life of materials and reduces the impact of natural resource use. The circular economy pillar of our Sustainability Declaration is pivotal. (GRI 3-3 Waste)

During 2022, we increased efficiency with less environmental impact in activities such as **raw material extraction, clinker and cement manufacturing, and marketing of our products.**

### Our principal results were:

We reuse garden waste, sludge from the waste water treatment plants (PTAR) and organic waste from our canteens. In total, **we reuse more than 80% of the solid waste generated at both locations and more than 98.5% of organic waste.** We make compost with organic waste, which we then use as fertilizer for our green areas. (GRI 3-3 Climate strategy)







- **We reuse 83% of non-hazardous solid waste and 26% of hazardous solid waste at our two sites.**
- We have an agreement with the Las Palmeras Association of Recyclers for the collection of waste generated at the Atocongo plant and another with the Inca Pachacútec Association of Recyclers, to support the Ecocamp project, for the use of inorganic and organic waste from our camp. **In 2022 we collected 10.72 mt of recyclable inorganic waste and 12.68 mt of compostable organic waste.**
- In Tablada de Lurin, as part of our support for the community and the environment, **we conducted campaigns to clean up urban waste and rubble dumped around our production units.** Waste is collected, transported and disposed of at authorized disposal facilities; this ensures proper management of its life cycle.
- As part of our support for the community and the environment, and through the UNACEM Association, **we manage solid waste from Condorcocha village:** 220 families benefited from the collection of their solid waste. (GRI 3-3 Waste)
- We have an agreement with the **Asociacion de Ayuda al Niño Quemado to help with the management of electrical and electronic equipment waste.** We have also donated more than 33 tons of paper and cardboard waste, which translates into 568 trees saved from felling and 234,150 gallons of water saved. (GRI 3-3 Climate strategy)

For more details of our water and effluent management see the annexes.



## 7.6 Managing biodiversity

Our operations and projects take into account the sustainable use of natural resources and management of archaeological sites. We focus on development and using the land responsibly. (GRI 3-3 Biodiversity)

| Alignment   | Risks and opportunities   | Prospects for 2023   |
|---|---|--|
| <p><b>ODS:</b></p>  <p><b>Pillar of the Sustainability Statement:</b></p>  | <p>Biodiversity plays a key role in the functioning of ecosystems and as part of the cement industry we can affect it, mainly during the quarrying process.</p> <p>We are fully committed to protecting biodiversity and this is one of the pillars of our 2021-2050 Sustainability Declaration. We work with strategic allies to conserve and protect the flora and fauna of ecosystems, measure our impacts and report on them.</p> | <ul style="list-style-type: none"><li>• We continue with the work of managing/conserving fragile ecosystems and recovering the ecosystem of Lomas de Lima.</li></ul> |



## Our performance in 2022

**We manage natural resources sustainably by identifying and adequately managing risks and significant impacts on the ecosystems in which our operations are located.** Some of the impacts we generate are loss of vegetation, alterations to flora and disturbance of the fauna. (GRI 304-2b) Therefore, our management method applies before, during and after our operations to minimize these impacts. We thus contribute to the care and conservation of biodiversity, we ensure that species complete their breeding cycles and guarantee their permanence in the environment, for the benefit of both the company and society. (GRI 304-1) (GRI 304-2)

During the preparation and operating stages we move, level and clear land, and this is offset during closure, as we have quarry closure plans approved by the Ministry of Production. These specify the measures that will be taken in order to restore or recover the area in question.

**Our Lomas Conservation Plan defines the environmental activities that will be carried out during quarrying,** such as rescuing and restoring flora and, during the closure stage, restoration of the areas in question (quarries and spoil heaps); which include the restoration and physical stabilization of the land. This guarantees occupied areas are returned to their initial condition. (GRI 304-2)

**We monitor the biodiversity of each operating unit every six months.** The data allow us to detect possible fluctuations or variations in parameters such as abundance and richness of communities of flora and fauna. All of our quarries have biodiversity monitoring programs and conservation and restoration plans. (GRI 304-1) (GRI 304-2)



| Operating sites   | Atocongo quarry                                   | Atocongo Plant                             | Cristina quarry                      | Silencio 8                    | UEA Dunas                                  | Condorcocha plant                                       |
|-------------------|---|--|--------------------------------------|-------------------------------|--|---|
| Location          | Lomas: District of Villa Maria del Triunfo - Lima | District of Villa Maria del Triunfo - Lima | Lomas: District of Pachacamac - Lima | District of Pachacamac - Lima | Wetlands: District of San Clemente - Pisco | District of La Union-Leticia, province of Tarama, Junín |
| Type of operation | Extraction  | Offices and manufacturing                  | Extraction                           | Extraction                    | Extraction                                 | Offices and manufacturing                               |
| Concession        | 1 924.4 ha  |  | 860 ha                               | 400 ha                        | 1 068.5 ha                                 | 150 ha  |
| Holding           | 14 126 ha   | 240 ha                                     | 860 ha                               | 49.5 ha                       | 25.02 ha                                   | 150 ha  |
| Position          | Adjacent to and equivalent to a high-value area   | Adjacent to a high-value area              | In a high-value area                 | In a high-value area          | In a high-value area                       | Adjacent to a high-value area                           |

**"Quebrada Río Seco" Private Conservation Area - ACP**

The Quebrada Río Seco ACP<sup>15</sup> in the district of Pachacamac was **recognized by a ruling issued by the Ministry of the Environment and the National Parks Service (SERNANP) in July 2021.**

The ACP is located in the Cristina mining concession, owned by UNACEM Peru. It covers 787.82 hectares (70 hectares for the limited use area and 717.82 hectares for the multiple use area), intended to conserve the vegetation of the lomas ecosystem and the diversity of flora and fauna for 10 years. In addition to complying with our conservation obligations and commitments for 5 years, we must submit an annual progress report to SERNANP. (GRI 304-3)

**By the end of 2022, we had reproduced 80% of the native flora in the ACP research nursery and organized visits for tourism and sports.** (GRI 304-2)

<sup>15</sup> Supreme Decree 038-2001-AG establishes that Private Conservation Areas (ACP) are those privately owned properties that, due to their environmental, biological, landscape or other similar characteristics, complement the coverage of the National System of Protected Natural Areas.



## Restoration

Our efforts are also directed at restoring areas where we no longer operate. In 2022 we began the process of closing Atocongo, including **gradual restoration actions and recovery of the ecosystem. We have recovered 2.5 hectares. (304-3c)**

At the **Cristina quarry we continue with restoration work on Dump 500 and with monitoring of restored areas and reference zones.** Furthermore, in 2022 we cultivated shrubs to be planted in the Guayabo and 500 Dumps, in order to speed up the recovery process.

At **our Las Dunas administrative unit in Pisco, we organized the SERFOR Wetlands Conservation information workshop for local area leaders,** in coordination with the Local Water Authority. We also installed posters with awareness and prohibition messages to protect the wildlife of the coastal wetlands in the Agua Santa wetland area in Pisco.



The continuous conservation and restoration work at our Atocongo and Cristina quarries, which are located in lomas ecosystems, make us **the only organization that has a plan to recover and restore the lomas ecosystem. (GRI 304-2)**





THIS INTEGRATED  
**REPORT**





This report has been prepared in accordance with the **GRI Sustainability Reporting Standards** and details the material issues for our company, as part of a process of strategic review of our impacts and dialogue with our stakeholders. It covers the operations of the **Atocongo plant in Lima** and **Condorcocha plant in Junín**, the port facility at **Conchán-Lima**, **Carpapata I, II and III hydroelectric power plants**, the thermal power plant at **Atocongo** and our quarrying operations. (GRI 2-2)





## 8.1 Dual materiality process

With a view to defining the content of our **2022 integrated report**, we adopted a **dual materiality** approach, referring to the union of impact materiality (on society and the environment) and financial materiality.





This process consisted of the following stages: (GRI 3-1) (GRI 3-2)




# 01

## CONTEXT

### Understanding the organization's environment

In order to understand the context of sustainability, we identified the economic, environmental and human rights challenges, among others, associated with the construction industry locally, regionally and worldwide.

#### We did this by analyzing three elements:



-  **international sustainability standards:** the construction materials supplement of the Sustainability Accounting Standards Board (SASB) and the highest-scoring criteria for the construction industry in the Dow Jones Sustainability Index (DJSI).
-  Benchmarking of leading companies in sustainability in the sector.
-  Materiality of the UNACEM S.A.A. Integrated Report 2021.

# 03

## IMPACT ASSESSMENT

### Current and potential impacts

We evaluate the importance of impacts on sustainability in the following manner:

-  For value creation by our company, based on the variable level of financial impact and level of risk or opportunity.
-  For stakeholders, based on the level of importance and severity or benefit variables.



# 02

## IDENTIFICATION OF IMPACTS

### Both current and potential

We identify our impacts on the economy, the environment and people, including impacts on human rights and those that have a financial impact.

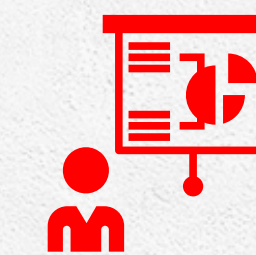
#### To do so we develop:

-  dialogue with our stakeholders.
-  12 interviews with our managers.

# 04

## MATERIALITY MATRIX

### Prioritizing significant impacts



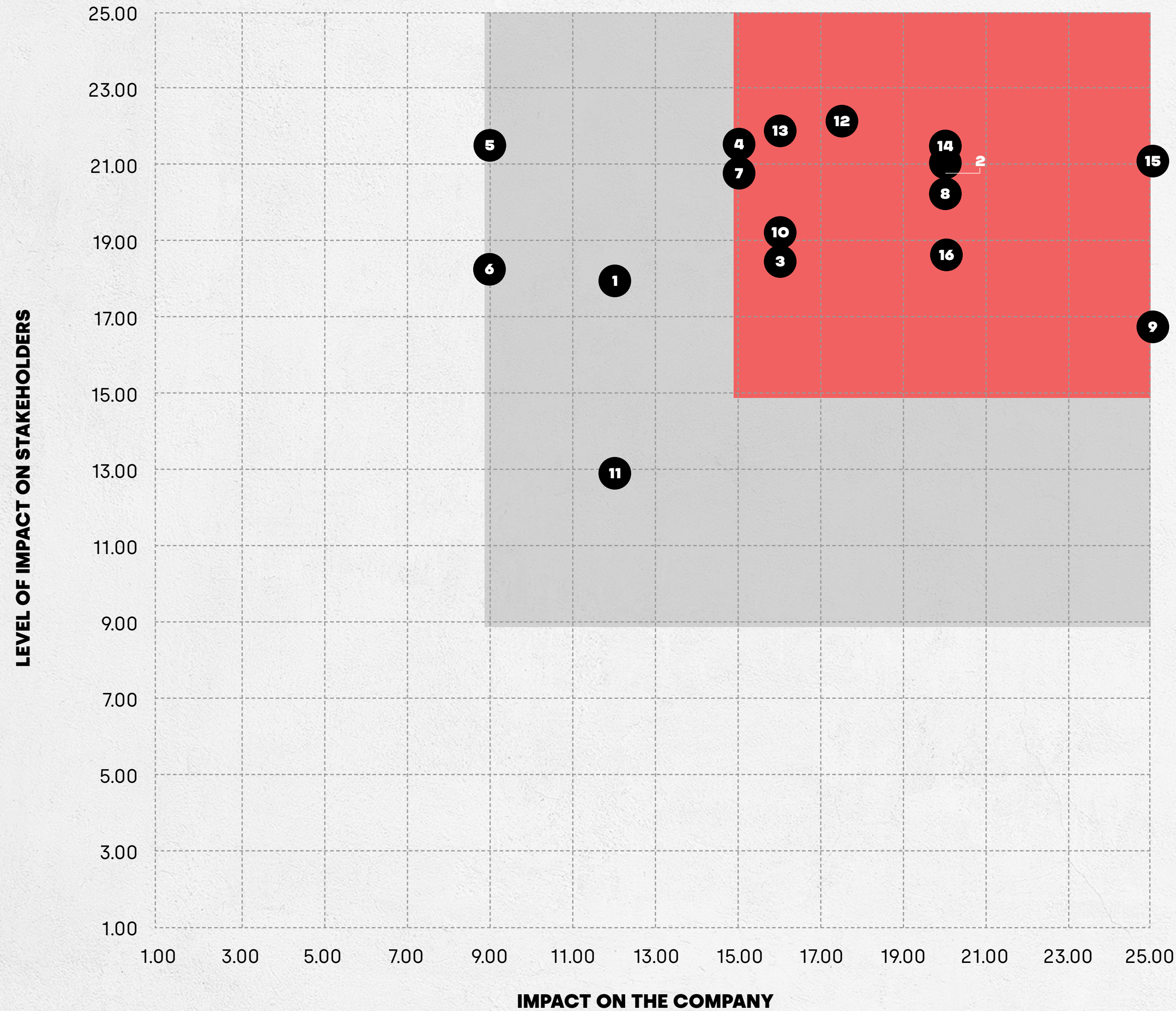
After evaluating the impacts, we prepare a materiality matrix and validate material topics in a workshop with the company's leaders.



## MATERIALITY MATRIX

IMPORTANT MATTERS

MATERIAL ISSUES



**1. Product design and life cycle management (sustainable construction).**

**2. Employee health and safety.**

**3. Climate strategy (management of energy and GHG emissions).**

**4. Air quality.**

**5. Water, effluent and water risks management.**

**6. Waste and hazardous materials management.**

**7. Environmental impacts – Biodiversity.**

**8. Ethics and compliance.**

**9. Risk and crisis management.**

**10. Human rights.**

**11. Attracting and retaining talent.**

**12. Corporate governance.**

**13. Community relations.**

**14. Creation of sustainable economic value.**

**15. Managing client relations and product quality.**

**16. Managing suppliers (including human rights).**



**Our material issues**

Ethics and compliance

Risk and crisis management

Corporate governance

Managing client relations and product quality

Creation of sustainable economic value

Managing suppliers (including human rights)

Employee health and safety

Community relations

Human rights

Climate strategy (management of energy and GHG emissions)

Air quality

Ecological impacts – Biodiversity

**Our important issues**

Product design and life cycle management (Sustainable Construction)

Waste management and hazardous materials

Water management, effluents and water risks

Talent attraction and retention





**ANNEXES**



## 9.1 Environmental, social and governance metrics

### Governance metrics

**Table 1:** Letter from the chairman of the board (GRI 2-11)

#### Functions of the chairman of the board of directors UNACEM Peru

- To represent the company.
- To oversee implementation of the board of directors' decisions.
- To call meetings of the board of directors and set the agenda.
- To guarantee timely provision of information required by the board of directors for a board meeting.
- To exercise specific functions conferred by the board of directors.
- To promote corporate governance practices within the company.
- To promote effective and transparent communication with the shareholders.

**Table 2:** Information on conflicts of interest between the board of directors and stakeholders (GRI 2-15)

| Are conflicts of interest involving the board of directors reported to the stakeholders? |     |    | Explanation (if the answer is NO)   |
|--|-----|----|---|
| Type of conflict   | Yes | No |   |
| Membership of different boards of directors (cross membership)                           | -   | -  | Not applicable. We currently do not have information on conflicts of interest concerning membership of other boards (cross-membership) that should be reported to stakeholders. |
| Shareholdings in suppliers and other stakeholders  | x   |    | The affected interest groups have been informed.  |
| Existence of controlling shareholders  | x   |    | The affected interest groups have been informed.  |
| Related parties, their relationships, transactions and outstanding balances              | x   |    | The affected interest groups have been informed.  |



**Table 3:** Financial implications and other risks and opportunities arising from climate change. (GRI 201-2)

Our senior management executes the main strategic investment and divestment decisions, methods of indebtedness, climate strategy and socio-environmental management. The roles performed by our senior management in risk management and opportunities arising from climate change are described below:

| Position  | Role  |
|---|---|
| <b>Chief Executive Officer (CEO)</b>                  | The corporate CEO is in charge of the manufacturing, quarrying, port and power generation business units; He also directs the UNACEM group and reports to the chairman of the board on the progress of its strategy and sustainability plan.<br>He must provide the economic, financial and planning facilities required to implement initiatives relating to our climate strategy.<br>He represents Grupo UNACEM to the Inter-American Cement Federation (FICEM), which promotes sustainable development of the region's cement industry and addresses the management of climate change by the cement industry in Latin America. |
| <b>Corporate Vice President - Manufacturing</b>       | Responsible for the administration of all the manufacturing units of Grupo UNACEM and its related activities; he also takes part in the drafting of the Grupo UNACEM Sustainability Commitment, from which our climate strategy initiatives are derived.  |
| <b>Administration and Finance Manager</b>             | Responsible for monitoring the progress of the UNACEM Peru strategic plan. In this plan we identify initiatives related to the climate strategy, such as new product development, increasing use of additives and emissions reductions.   |
| <b>Atocongo and Condorcocha Operations Manager</b>    | The Atocongo and Condorcocha Operations Manager is responsible for implementing climate change initiatives.   |
| <b>Commercial Manager</b>                             | The Commercial Manager takes part as the executive instance for the promotion of cements with improved environmental performance, he is also responsible for improving supply of existing and new products to customers. His department implements initiatives for the development of new cement types and increasing the use of additives included in the strategic plan.  |
| <b>General Manager UNACEM Peru</b>                    | The General Manager is in charge of the production of cement, construction materials, port operations in Lima and electricity generation to supply the company. In addition, he leads the sustainability strategy and management of the company's financial and economic resources. This includes the approval and development of the company's Climate Action Plan (UNACEM Peru Roadmap), aimed at achieving carbon neutrality by 2050.  |
| <b>Safety, Environment and Sustainability Manager</b> | Coordinates and facilitates the design of the sustainability strategy and its implementation in all departments of the company. Reports to the general management and the Vice President - Manufacturing, on progress with implementing UNACEM Peru Roadmap. Also acts as sponsor of the climate action initiatives developed by the company and leads management of the company's environmental aspects, in accordance with current environmental management instruments (EMI).  |



**Table 4:** Training for employees in anti-corruption policies and procedures. (GRI 205-2)

| Training in anti-corruption policies and procedures |                 |  |  |
|---|-----------------|--|--|
| Regions in which UNACEM operates                    | Employees       | Number of workers who have received anti-corruption training | Percentage of workers who have received anti-corruption training |
| <b>Lima</b>   | Officers        | 7  | 23.33%   |
|   | Administrative  | 13   | 5.86%  |
|   | Employees       | 1  | 0.87%  |
|   | Plant employees | 0  | 0.00%  |
| <b>Lima total</b>                                   |                 | <b>21</b>  | <b>4.26%</b>   |
| <b>Junín</b>  | Officers        | 2  | 66.67%   |
|   | Administrative  | 2  | 2.63%  |
|   | Employees       | 0  | 0.00%  |
|   | Plant employees | 0  | 0.00%  |
| <b>JUNÍN TOTAL</b>                                  |                 | <b>4</b>   | <b>1.32%</b>   |
| <b>TOTAL EMPLOYEES</b>                              |                 | <b>25</b>  | <b>3.13%</b>   |



**Table 5:** Total number and percentage of suppliers and contractors that have received anti-corruption training. (GRI 205-2)

| Suppliers and contractors                                 | Region        | Total business partners | Business partners informed | Percentage |
|---|---------------|-------------------------|----------------------------|------------|
| <b>Raw materials</b>                                      | Domestic      | 22                      | 3                          | 14%        |
|   | International | 1                       | 0                          | 0%         |
| <b>Packing</b>  | Domestic      | 2                       | 2                          | 100%       |
|   | International | 8                       | 0                          | 0%         |
| <b>Refractories</b>                                       | Domestic      | 2                       | 2                          | 100%       |
|   | International | 5                       | 0                          | 0%         |
| <b>MRO (CAPEX, electrical, electronic and mechanical)</b> | Domestic      | 124                     | 111                        | 90%        |
|   | International | 74                      | 0                          | 0%         |
| <b>Administrative, commercial and IT services</b>         | Domestic      | 406                     | 190                        | 47%        |
|   | International | 9                       | 0                          | 0%         |
| <b>Consumables</b>  | Domestic      | 129                     | 69                         | 53%        |
|   | International | 19                      | 0                          | 0%         |
| <b>Indirect goods</b>                                     | Domestic      | 115                     | 44                         | 38%        |
|   | International | 10                      | 0                          | 0%         |
| <b>Energy</b>   | Domestic      | 25                      | 14                         | 56%        |
|   | International | 3                       | 0                          | 0%         |
| <b>Industrial services</b>                                | Domestic      | 132                     | 92                         | 70%        |
|   | International | 7                       | 0                          | 0%         |
| <b>Logistics</b>  | Domestic      | 93                      | 18                         | 19%        |
|   | International | 35                      | 0                          | 0%         |
| <b>TOTAL</b>  |               | <b>1221</b>             | <b>545</b>                 | <b>45%</b> |

- Taken from the list of suppliers in the purchase ledger for 2022.
- Informed suppliers had orders pending as at the 20th December 2022.
- We anticipate a new mass mailing in mid-January 2023.



**Table 6:** Total number and percentage of clients that have received anti-corruption training. (GRI 205-2)

| Clients             | Region        | Total business partners | Business partners informed | Percentage |
|---------------------|---------------|-------------------------|----------------------------|------------|
| <b>Progresol</b>    | Domestic      | 295                     | 295                        | 100%       |
|                     | International | 0                       | 0                          | 0%         |
| <b>Retail</b>       | Domestic      | 730                     | 730                        | 100%       |
|                     | International | 0                       | 0                          | 0%         |
| <b>Distributors</b> | Domestic      | 43                      | 43                         | 100%       |
|                     | International | 0                       | 0                          | 0%         |



**Social metrics**

**Table 7:** Workers covered by an occupational health and safety management system. (GRI 403-8a)

**Occupational health and safety system coverage - Atocongo Plant**

| Type of employee  | Total | Employees covered by the OHS system | Percentage of employees covered by the OHS system | Workers covered by OSH system that has been subject to internal auditing | Percentage of workers covered by OSH system that has been subject to internal auditing | Workers covered by OSH system that has been audited or certified by an external party | Percentage of workers covered by OSH system that has been audited or certified by an external party |
|---|-------|-------------------------------------|---|--|--|---|---|
| Own employees   | 476   | 476                                 | 100%  | 476  | 100%   | 476   | 100%  |
| Workers not employed by the company (employees of contractors and suppliers), whose work and/or workplace is controlled by the organization | 2499  | 2499                                | 100%  | 2499   | 100%   | 2499  | 100%  |



**Occupational health and safety system coverage - Condorcocha Plant**

| Type of employee  | Total | Employees covered by the OHS system | Percentage of employees covered by the OHS system | Workers covered by OSH system that has been subject to internal auditing | Percentage of workers covered by OSH system that has been subject to internal auditing | Workers covered by OSH system that has been audited or certified by an external party | Percentage of workers covered by OSH system that has been audited or certified by an external party |
|---|-------|-------------------------------------|---|--|--|---|---|
| Own employees   | 299   | 299                                 | 100%  | 299  | 100%   | 299   | 100%  |
| Workers not employed by the company (employees of contractors and suppliers), whose work and/or workplace is controlled by the organization | 1091  | 1091                                | 100%  | 1091   | 100%   | 1091  | 100%  |



**Table 8:** Work-related injury rate. (GRI 403-9)

|                                       | Rate of injuries due to work accidents recordable in 2022 | Number of hours worked in 2022 |
|---------------------------------------|---|--------------------------------|
| <b>Atocongo</b>                       |   |                                |
| Employees of UNACEM Peru              | 8.09  | 988 563                        |
| Employees of contractors or suppliers | 4.39  | 5 463 204                      |
| <b>Condorcocha</b>                    |   |                                |
| Employees of UNACEM Peru              | 10.97   | 637 851                        |
| Employees of contractors or suppliers | 6.00  | 2 832 619                      |
| <b>UNACEM Perú</b>                    |   |                                |
| Employees of UNACEM Peru              | 9.15  | 1 638 872                      |
| Employees of contractors or suppliers | 4.94  | 8 295 823                      |



**Table 9:** Classification of workers who are not employees . (GRI 2-8)

| Plant                                   | Type of work carried out   | Workers who are not employees, whose work is controlled by UNACEM Peru |
|---|--|--|
| <b>Atocongo</b>                         | Repair of electrical equipment, installation of machinery and industrial equipment.  | 65   |
|   | Other activities: complete building construction, architecture and engineering.  | 54   |
|   | Others activities: cleaning of buildings and industrial installations.   | 181  |
|   | Others activities: provision of human resources.   |  |
|   | Repair of electrical equipment, architecture and engineering activities, and related technical consulting.                     | 66   |
|   | Other personnel services.  |  |
|   | Restaurants, bars and cafes.   | 10   |
|   | Manufacture of tanks, cisterns and metal containers.   | 47   |
|   | Architecture and engineering, sale of parts, components and accessories for motor vehicles, consultants and computer supplies. | 13   |
|   | Structural steelwork fabrication, repairs to machinery and metal products.   | 220  |
|   | Structural steelwork fabrication.  | 93   |
|   | Structural steelwork fabrication, installation of industrial machinery and equipment.  | 287  |
|   | Installation of industrial machinery and equipment, management consulting activities.  | 10   |
| Architecture and engineering.           | 4  |  |
| Preparation of land for road transport. | 286  |  |



| Plant  | Type of work carried out   | Workers who are not employees, whose work is controlled by UNACEM Peru |
|--|--|--|
| <b>Atocongo</b>  | Others cleaning activities in buildings and industrial installations, other human resources services and other personnel services. | 55   |
|  | Communications and safety systems.   | 19   |
|  | Private security and other personnel services.   | 216  |
| <b>Condorcocha</b>   | Electrical and electronic maintenance.   | 95   |
|  | Personnel transport services.  | 11   |
|  | Industrial cleansing and integral solid waste management.  | 79   |
|  | Mechanical maintenance.  | 460  |
|  | Meals service.   | 11   |
|  | Occupational health.   | 6  |
|  | Handling, sampling and transport of minerals and heavy machinery leasing.  | 156  |
|  | Air conditioning equipment maintenance.  | 3  |
|  | Drilling, blasting, loading and hauling of material.   | 101  |
|  | Maintenance of parks and gardens.  | 7  |
|  | Civil engineering work.  | 167  |
| Security guards.   | 54   |  |
| <b>Total operations at Atocongo and Condorcocha plants</b> |  | <b>2776</b>  |



**Table 10:** New hiring and employee turnover. (GRI 401-1)

| New employees by gender, age and region of origin in 2022 |                   |                   |                   |                   |                   |                   |       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------|
| Sex   | Lima              |                   |                   | Junín             |                   |                   | Total |
|   | New entrants      |                   |                   | New entrants      |                   |                   |       |
|   | Between 20 and 29 | Between 30 and 39 | Between 40 and 59 | Between 20 and 29 | Between 30 and 39 | Between 40 and 59 |       |
| Male  | 10                | 20                | 7                 | 4                 | 9                 | 6                 | 56    |
| Female  | 7                 | 13                | 6                 | 2                 | 2                 | 0                 | 30    |
| <b>Total</b>  | 17                | 33                | 13                | 6                 | 11                | 6                 | 86    |

| Workers leaving the company by gender, age and region of origin in 2022 |                   |                   |                   |                   |                   |                   |       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------|
| Gender  | Lima              |                   |                   | Junín             |                   |                   | Total |
|   | Leaving           |                   |                   | Leaving           |                   |                   |       |
|   | Between 20 and 29 | Between 30 and 39 | Between 40 and 59 | Between 20 and 29 | Between 30 and 39 | Between 40 and 59 |       |
| Male  | 1                 | 5                 | 4                 | 0                 | 1                 | 0                 | 11    |
| Female  | 0                 | 2                 | 1                 | 0                 | 0                 | 0                 | 3     |
| <b>Total</b>  | 1                 | 7                 | 5                 | 0                 | 1                 | 0                 | 14    |



**Table 11:** Average hours of training. (GRI 404-1)

| Average hours of training per year per worker in 2022 |              |                |               |
|---|--------------|----------------|---------------|
| Job classification                                    | Gender       | Hours          | Average hours |
| Administrative  | Female       | 1 056.5        | 14.28         |
|   | Male         | 5 434.5        | 20.35         |
|   | <b>Total</b> | <b>6 491</b>   | <b>19.04</b>  |
| Employees   | Female       | 196            | 9.8           |
|   | Male         | 2 042.5        | 16.61         |
|   | <b>Total</b> | <b>2 238.5</b> | <b>15.65</b>  |
| Operators   | Female       |                |               |
|   | Male         | 5 083.5        | 15.79         |
|   | <b>Total</b> | <b>5 083.5</b> | <b>15.79</b>  |
| <b>TOTAL</b>  |              | <b>13 813</b>  |               |



**Tabla 12:** Diversity of government bodies. (405-1)

| Board of directors | Under 30 | Between 30 and 50 | Older than 50 | Total |
|--------------------|----------|-------------------|---------------|-------|
| Men                | 0        | 1                 | 9             | 10    |
| Women              | 0        | 0                 | 1             | 1     |
| Total              | 0        | 1                 | 10            | 11    |

**Tabla 13:** Workers who are not employees. (GRI 2-8)

During 2022 there were 2,776 workers<sup>16</sup> on our premises who were not employed by UNACEM Peru.

| Workers not employed by UNACEM |                |                   |
|--------------------------------|----------------|-------------------|
|                                | Atocongo Plant | Condorcocha Plant |
| Total 2021                     | 1 868          | 1 032             |
| Total 2022                     | 1 626          | 1 150             |

<sup>16</sup> Suppliers' and contractors' employees.



**Tabla 14:** Annual compensation ratio. (GRI 2-21)

|   |  |
|---|--|
| <p>The ratio of the highest paid person's annual total compensation to the median annual total compensation of all workers (excluding the highest paid person).</p> | <p>The ratio of the percentage increase in the total annual compensation of the highest paid person to the median percentage increase in the total annual compensation of all workers (excluding the highest paid person).</p> |
| <p><b>10.64</b></p>   | <p><b>0.86</b></p>   |

- We compiled the basic salaries of workers in December (from laborers to staff).
- We compiled the percentage increase for workers as at December (from laborers to staff). (GRI 2-21)



**Métricas ambientales**

**Tabla 15:** Kiln and other fuel consumption. (GRI 302-1)

| <b>Consumption of non-renewable fuels in kilns and other (vehicles)</b> |   |                                |                         |                            |                             |   |                                |                         |                            |                             |
|---|---|--------------------------------|-------------------------|----------------------------|-----------------------------|---|--------------------------------|-------------------------|----------------------------|-----------------------------|
|   | <b>2021</b>                                       |                                |                         |                            |                             | <b>2022</b>                                       |                                |                         |                            |                             |
|   | <b>Coal (tm)</b>                                  | <b>Residual petroleum (mt)</b> | <b>Natural gas (m3)</b> | <b>Diesel (in gallons)</b> | <b>Gasohol (in gallons)</b> | <b>Coal (mt)</b>                                  | <b>Residual petroleum (mt)</b> | <b>Natural gas (m3)</b> | <b>Diesel (in gallons)</b> | <b>Gasohol (in gallons)</b> |
| <b>UNACEM Peru</b>  | 249 732   | 3 622                          | 383 731 406             | 46 062                     | 5 159                       | 280 944   | 3 426                          | 374 368 830             | 47 940                     | 8 292                       |
| <b>Conversion factor to GJ<sup>17</sup></b>                             | 24.72   | 41.13                          | 0.04                    | 0.14                       | 0.12                        | 24.64   | 41.57                          | 0.04                    | 0.14                       | 0.12                        |
| <b>UNACEM Peru (GJ)</b>   | 6 174 324   | 148 973                        | 13 967 823              | 6 447                      | 635                         | 6 922 172   | 142 410                        | 13 627 025              | 6 710                      | 1 021                       |
| <b>Percentage (%)</b>   | 30%   | 1%                             | 69%                     | 0%                         | 0%                          | 33%   | 1%                             | 66%                     | 0%                         | 0%                          |
|   | <b>Goal: Energy from clean fuel (NG) &gt; 60%</b> |                                |                         |                            |                             | <b>Goal: Energy from clean fuel (NG) &gt; 60%</b> |                                |                         |                            |                             |

<sup>17</sup> Indicate GJ conversion source.



**Tabla 16:** Electrical energy consumption. (GRI 302-1)

|                                 | Electricity consumption (GJ)                       |             |  |   |             |  |
|---------------------------------|--|-------------|--|---|-------------|--|
|                                 | 2021   |             |  | 2022  |             |  |
|                                 | Atocongo thermal power station                     | El Platanal | Carpapata I, II III hydroelectric power stations | Atocongo thermal power station                                | El Platanal | Carpapata I, II III hydroelectric power stations |
| <b>Total</b>                    | 191 280  | 1 982 865   | 468 198  | 208 433   | 1 936 817   | 558 697  |
| <b>As a percentage (%)</b>      | 7.24%  | 75%         | 17.72%   | 7.74%   | 71.57%      | 20.69%   |
| <b>Renewable energy (%)</b>     | 92.76%   |             | 92.29%   |   |             |  |
| <b>Non-renewable energy (%)</b> | 7.24%  |             | 7.71%  |   |             |  |
|                                 | <b>Goal: &gt; 90% renewable energy consumption</b> |             |  | <b>Goal: &gt; 90% renewable electrical energy consumption</b> |             |  |



**Tabla 17:** Total energy consumption in 2022. (GRI 302-1)

| Energy consumption                              | 2021              | 2022              |
|---|-------------------|-------------------|
| <b>Total fuel consumption (GJ)</b>              | 20 298 202        | 20 699 338        |
| <b>Total electrical energy consumption (GJ)</b> | 2 642 343         | 2 703 947         |
| <b>Total energy consumption (GJ)</b>            | <b>22 940 546</b> | <b>23 403 285</b> |



**Tabla 18:** Reduction in GHG emissions. (GRI 305-5) (GRI 305-4)

| Reduction initiative          | Reduction in GHG emissions in tons as a direct consequence of reduction initiatives | Base year or baseline, including justification for selection        | The scopes in which the emission reductions were produced |   |   |
|-------------------------------|---|---|---|---|---|
|                               |   |   | Direct emissions (scope 1)                                | Indirect emissions associated with energy (scope 2) | Other indirect emissions (scope 3)                        |
| Use of additive-based cements | 605 705   | 2010, as it was examined and verified by PwC using GNR methodology. | 605 705   | No aplica   | Not calculated. GNR methodology does not include scope 3. |
| Use of clean fuels            | 348 692   | 2010, as it was examined and verified by PwC using GNR methodology. | 348 692   | No aplica   | Not calculated. GNR methodology does not include scope 3. |
| Use of renewable energy       | 73 575  | 2010, as it was examined and verified by PwC using GNR methodology. | No aplica   | 73 575  | Not calculated. GNR methodology does not include scope 3. |
| <b>Total</b>                  | <b>1 027 972</b>  |   | <b>954 397</b>  | <b>73 575</b>                                       |   |



**Tabla 19:** Consumption of materials by weight and volume. (GRI 301-1)

| Materials used, by weight or volume |             |                |
|-------------------------------------|-------------|----------------|
| Materials                           | 2022        |                |
|                                     | Quantity    | Unit           |
| Milling additives                   | 2 600 270   | Kg             |
| Clay                                | 100 549     | mt             |
| Bauxite                             | 2 680       | mt             |
| Limestone                           | 9 821 716   | mt             |
| Imported coal                       | 129 770     | mt             |
| Peruvian coal                       | 115 019     | mt             |
| Fly ash                             | 12 414      | mt             |
| Carbon dioxide                      | 39          | mt             |
| Mill scale                          | 96 702      | mt             |
| Gas                                 | 374 363 864 | m <sup>3</sup> |
| Iron oxide                          | 153 045     | mt             |
| Diesel oil B5 S-50                  | 16 974      | Gal            |
| Industrial fuel oil 6               | 3 426       | mt             |
| Pozzolan                            | 134 055     | mt             |
| Silica                              | 98 893      | mt             |
| Gypsum                              | 308 874     | mt             |
| Hydrated lime                       | 4 508       | mt             |
| Bags (42.50 kg cement)              | 108 415 852 | Bag            |
| Bags (25.0 kg cement)               | 44 190      | Bag            |
| Big bags (1.5 t)                    | 301 022     | bags           |
| Total cement dispatches             | 6 666 263   | mt             |



**Tabla 20:** Withdrawal, discharge and consumption.<sup>18</sup> (GRI 303-3) (GRI 303-4) (GRI 303-5)

| Water consumption (in m3)         | Sources   | 2012 <sup>19</sup> | Water stress zone in 2022      |
|-----------------------------------|---|--------------------|--------------------------------|
| <b>Water withdrawal by source</b> | <b>Total surface water</b>                            | <b>313 255.86</b>  | <b>High water availability</b> |
|                                   | Fresh water (total dissolved solids ≤1000mg/l)        |                    |                                |
|                                   | Other water grades (total dissolved solids >1000mg/l) |                    |                                |
|                                   | <b>Total water from aquifers</b>                      | <b>519 089.21</b>  | <b>In balance</b>              |
|                                   | Fresh water (total dissolved solids ≤1000mg/l)        | NA                 |                                |
|                                   | Other water grades (total dissolved solids >1000mg/l) | NA                 |                                |
|                                   | <b>Total water produced</b>                           | <b>0</b>           | <b>0</b>                       |
|                                   | Fresh water (total dissolved solids ≤1000mg/l)        | NA                 |                                |
|                                   | Other water grades (total dissolved solids >1000mg/l) | NA                 |                                |
|                                   | <b>Total water supplied by third parties</b>          | <b>0</b>           | <b>0</b>                       |
|                                   | Fresh water (total dissolved solids ≤1000mg/l)        | NA                 |                                |
|                                   | Other water grades (total dissolved solids >1000mg/l) | NA                 |                                |
|                                   | <b>Other sources of water</b>                         | <b>0</b>           | <b>0</b>                       |
|                                   | Fresh water (total dissolved solids ≤1000mg/l)        | NA                 |                                |
|                                   | Other water grades (total dissolved solids >1000mg/l) | NA                 |                                |

<sup>18</sup> This indicator is new, it cannot be compared with previous years.  
<sup>19</sup> In 2021, only GRI 303-3 was reported.



| Water consumption (in m3)   | Sources  | 2012              | Water stress zone in 2022 |
|---|--|-------------------|---------------------------|
| <b>Total water extraction (total surface water + total groundwater + total water produced + total water from third parties)</b> |  | <b>832 342.07</b> | <b>0</b>                  |
| <b>Water discharges by destination</b>  | Surface water  | NA                |                           |
|   | Water from aquifers  | NA                |                           |
|   | Water destined for third parties   | NA                |                           |
|   | If applicable, indicate the volume of water destined for third parties that is intended for use by other organizations | 0                 |                           |
| <b>Total water discharged (surface water + water from aquifers + water from third parties)</b>                                  |  | <b>0</b>          | <b>0</b>                  |
| <b>Discharges of fresh water or other water grades</b>  | Fresh water (total dissolved solids ≤1000mg/l)   | NA                |                           |
|   | Other water grades (total dissolved solids >1000mg/l)  | NA                |                           |
| <b>Water discharges by treatment level</b>  | Untreated  | NA                |                           |
|   | Physical and chemical treatment  | NA                |                           |
|   | Treatment 2 (physical, chemical and biological - subsurface wetlands)  | 110 817.00        |                           |
|   | Treatment 3 (physical, chemical and biological - lagoons)  | 85 275.70         |                           |
| <b>Total water consumption (total water extraction - total water discharges)</b>  |  | <b>832 342.07</b> | <b>0</b>                  |



**Tabla 21:** Waste diverted from disposal. (GRI 306-3)

|                            | Waste diverted from disposal for recovery<br>in metric tons (mt) in 2022 |                           |       |
|----------------------------|--|---------------------------|-------|
|                            | In our installations   | Outside our installations | Total |
| <b>Hazardous waste</b>     |  |                           |       |
| Preparation for reuse      | 0  | 0                         | 0     |
| Recycled                   | 0  | 78                        | 78    |
| Other recovery operations  | 0  | 0                         | 0     |
| <b>Total</b>               | 0  | 78                        | 78    |
| <b>Non-hazardous waste</b> |  |                           |       |
| Preparation for reuse      | 0  | 2746                      | 2746  |
| Recycled                   | 0  | 2079                      | 2079  |
| Other recovery operations  | 0  | 162                       | 162   |
| <b>Total</b>               | 0  | 4987                      | 4987  |



**Tabla 22:** Waste diverted from disposal. (GRI 306-3)

|  | Waste directed to disposal<br>in metric tons (mt) in 2022 |                           |              |
|--|---|---------------------------|--------------|
|  | In our installations                                      | Outside our installations | Total        |
| <b>Hazardous waste</b>                 |   |                           |              |
| Incineration (with energy recovery)    | 0   | 0                         | 0            |
| Incineration (without energy recovery) | 0   | 0                         | 0            |
| Taken to landfill                      | 0   | 223                       | 223          |
| Others methods of elimination          | 0   | 0                         | 0            |
| <b>Total</b>                           |   |                           | <b>223</b>   |
| <b>Non-hazardous waste</b>             |   |                           |              |
| Incineration (with energy recovery)    | 0   | 0                         | 0            |
| Incineration (without energy recovery) | 0   | 0                         | 0            |
| Taken to landfill                      | 0   | 1 044                     | 1 044        |
| Others methods of elimination          | 0   | 0                         | 0            |
| <b>Total</b>                           |   |                           | <b>1 044</b> |



**Tabla 23:** Value of protected species . (GRI 304-1)

| Biodiversity | Domestic legislation   | IUCN Red List <sup>20</sup>                                       | Endemic species   | CITES annex <sup>21</sup>  | CMS annex <sup>22</sup>                    |
|--------------|--|---|---|--|--|
| Flora        | <p><b>Critically endangered (CR):</b><br/><i>Carica candicans.</i></p> <p><b>Vulnerable (VU)::</b><br/><i>Ismene amancaes</i> y<br/><i>Caesalpinia spinosa.</i></p> <p><b>Near threatened (NT):</b><br/><i>Vachellia macracantha.</i>(1)</p> | <p><b>Least concern (LC):</b><br/><i>Molle, Schinus molle</i></p> | Seven species are included in the <i>Libro Rojo de las plantas endémicas del Perú</i> (León et., 2006). | Annex II: <i>Haageocereus multangularis.</i>   |  |
| Birds        | <p><b>Near Threatened (NT):</b><br/>Peregrine falcon, <i>Falco peregrinus.</i> (2)</p>   | <p><b>Least concern (LC):</b><br/>29 species</p>                  |   | Annex I: Peregrine falcon, <i>Falco peregrinus</i> and 8 species included in CITES annex II. | Peregrine falcon, <i>Falco peregrinus.</i> |
| Mammals      |  | <p><b>Least Concern (LC):</b><br/>10 species</p>                  | Friendly Leaf-eared Mouse, <i>Phyllotis amicus peruano.</i>   | Annex II: Andean fox, <i>Lycalopex culpaeus.</i>   |  |
| Others       | <p><b>Near Threatened (NT):</b><br/>Tiger Pacific iguana<br/>,<i>Microlophus tigris.</i> (2)</p>   |   | Tiger Pacific iguana ,<br><i>Microlophus tigris.</i> This species is endemic to the coastal desert.     |  |  |

1. Endangered species according to Supreme Decree 043-2006-AG.  
2. Endangered species according to Supreme Decree 004-2014-MINAGRI.

—  
<sup>20</sup> International Union for Conservation of Nature.  
<sup>21</sup> Convention on International Trade in Endangered Species of Wild Fauna and Flora.  
<sup>22</sup> Convention on Migratory Species .





GRI  
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|                    |   |
|--------------------|---|
| Declaration of use | UNACEM Peru S.A. has prepared the report in accordance with GRI Standards for the period from January 1, 2022 to December 31, 2022. |
| GRI 1 used         | GRI 1: Foundation 2021  |



**CONTENT INDEX ESSENTIALS SERVICE**

**2023**

**GRI Service Statement**  
 For the "Content Index - Essentials Service", GRI Services reviewed that the GRI content index is presented clearly, consistent with the Standards, and that the references for contents 2-1 to 2-5, 3-1 and 3 -2 are aligned with the corresponding sections in the body of the report.

| GRI standard                              | Contents   | Page                               | ODS | Omission            |        |             |
|---|--|------------------------------------|-----|---------------------|--------|-------------|
|   |  |                                    |     | Requirement omitted | Reason | Explanation |
| <b>General contents</b>                   |  |                                    |     |                     |        |             |
| <b>GRI 2-27: General disclosures 2021</b> | 2-1: Organizational details.   |                                    | -   |                     |        |             |
|   | 2-2: Entities included in the organization's sustainability reports. | All operations of UNACEM Peru S.A. | -   |                     |        |             |
|   | 2-3: Notification period, frequency and point of contact.            | Annually.                          | -   |                     |        |             |



| GRI standard            | Contents   | Page   | ODS | Omission            |        |             |
|-------------------------|--|--|-----|---------------------|--------|-------------|
|                         |  |  |     | Requirement omitted | Reason | Explanation |
| <b>General contents</b> |  |  |     |                     |        |             |
|                         | 2-4: Restatements of information.                              | First report as UNACEM Peru. Existing information is not comparable with previous years. | -   |                     |        |             |
|                         | 2-5: External assurance.                                       | This report has not been externally verified.  | -   |                     |        |             |
|                         | 2-6: Activities, value chain and other business relationships. | 15-16, 20-21, 23, 134  | -   |                     |        |             |
|                         | 2-7: Employees.  | 101-102  | -   |                     |        |             |
|                         | 2-8: Workers who are not employees.                            | 193-197  | -   |                     |        |             |
|                         | 2-9: Governance structure and composition.                     | 29-30, 44  | -   |                     |        |             |
|                         | 2-10: Nomination and selection of the highest governance body. | 30   | -   |                     |        |             |
|                         | 2-11: Chair of the highest governance body.                    | 185  | -   |                     |        |             |



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| GRI standard            | Contents   | Page      | ODS | Omission            |              |   |
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| <b>General contents</b> |  |           |     |                     |              |   |
|                         | 2-12: Role of the highest governance body in overseeing the management of impacts. | 30-31, 56 | -   |                     |              |   |
|                         | 2-13: Delegation of responsibility for managing impacts.                           | 31        | -   |                     |              |   |
|                         | 2-14: Role of the highest governance body in sustainability reporting.             | 31        | -   |                     |              |   |
|                         | 2-15: Conflicts of interest.   | 69, 185   | -   |                     |              |   |
|                         | 2-16: Communication of critical concerns.  | 88        | -   | 2.16b               | Confidential | The board of directors has decided to keep this information confidential. |
|                         | 2-17: Collective knowledge of the highest governance body.                         | 43-44, 53 | -   |                     |              |   |
|                         | 2-18: Evaluation of the performance of the highest governance body.                | 43        | -   |                     |              |   |
|                         | 2-19: Remuneration policies.   | 105       | -   |                     |              |   |
|                         | 2-20: Process to determine remuneration.   | 105       | -   |                     |              |   |



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| <b>General contents</b> |   |           |     |                     |        |  |
|                         | 2-21: Annual total compensation ratio.                    | 198       | -   |                     |        | Annual total compensation ratio information is considered confidential as it contains information on the earnings of the General Manager of UNACEM Peru. |
|                         | 2-22: Statement on sustainable development strategy.      | 10, 85-86 | -   |                     |        |  |
|                         | 2-23: Policy commitments.                                 | 56-57, 82 | -   |                     |        |  |
|                         | 2-24: Embedding policy commitments.                       | 57, 62    | -   |                     |        |  |
|                         | 2-25: Processes to remedy negative impacts.               | 90        | -   |                     |        |  |
|                         | 2-26: Mechanisms for seeking advice and raising concerns. | 59        | -   |                     |        |  |
|                         | 2-27: Compliance with laws and regulations.               | 65        | -   |                     |        |  |



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| GRI standard                                  | Contents  | Page            | ODS | Omission            |        |             |
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|   | 2-29: Approach to stakeholder engagement.               | 87              | -   |                     |        |             |
|   | 2-30: Collective bargaining agreements.                 | 106             | -   |                     |        |             |
| <b>Material issues</b>                        |   |                 |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>            | 3-1: Process to determine material topics.              | 181             | -   |                     |        |             |
|   | 3-2: List of material topics.                           | 181             | -   |                     |        |             |
| <b>Corporate Governance</b>                   |   |                 |     |                     |        |             |
| <b>GRI 3: Material Issues 2021</b>            | 3-3: Material issues managment.                         | 30, 44, 53      | -   |                     |        |             |
| <b>Creation of sustainable economic value</b> |   |                 |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>            | 3-3: Management of material topics.                     | 73              | -   |                     |        |             |
| <b>GRI 201: Economic performance 2016</b>     | 201-1: Direct economic value generated and distributed. | 20, 23, 73, 134 | 8,9 |                     |        |             |



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| <b>Risk and crisis management</b>  |  |       |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>   | 3-3: Management of material topics.  | 66-68 | -   |                     |        |             |
| <b>Own content</b>   | GRI N° Risk and crisis management.   | 66-68 | 16  |                     |        |             |
| <b>Product design and life cycle management (Sustainable Construction)</b> |  |       |     |                     |        |             |
| <b>GRI 3: Material aspects 2021</b>  | 3-3: Management of material topics.  | 24    | -   |                     |        |             |
| <b>Own content</b>   | GRI N° Sustainable construction initiatives.   | 24    | 9   |                     |        |             |
| <b>Human rights</b>  |  |       |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>   | 3-3: Management of material topics.  | 60    | -   |                     |        |             |
| <b>GRI 406: Non-discrimination 2016</b>                                    | 406-1: Incidents of discrimination and corrective actions taken.   | 108   |     | 5, 8 and 16         |        |             |
| <b>GRI 407: Freedom of association and collective bargaining 2016</b>      | 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. | 108   |     | 5, 8 and 16         |        |             |
| <b>GRI 408: Child labor 2016</b>   | 408-1: Operations and suppliers in which significant risks of child labor exist.                                       | 108   |     | 5, 8 and 16         |        |             |



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| <b>Human rights</b>                                    |  |               |             |                     |        |             |
| <b>GRI 409: Forced labor 2016</b>                      | 409-1: Operations and suppliers where there is a significant risk of forced or obligatory labor. | 108           | 5, 8 and 16 |                     |        |             |
| <b>GRI 410: Safety Practices 2016</b>                  | 410-1: Security personnel trained in human rights policies or procedures.                        | 109           | 5, 8 and 16 |                     |        |             |
| <b>Supplier and contractor management</b>              |  |               |             |                     |        |             |
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| <b>GRI 308: Supplier environmental assessment 2016</b> | 308-1: New suppliers were evaluated using environmental criteria.                                | 128           | 5, 8 and 16 |                     |        |             |
| <b>GRI 414: Social assessment of suppliers 2016</b>    | 414-1: New suppliers were chosen using social criteria.  | 125-128       | 5, 8 and 16 |                     |        |             |
| <b>Own content</b>                                     | GRI N° ESG risks in supply chain.  | 126           | 5, 8 and 16 |                     |        |             |
| <b>Own content</b>                                     | NO GRI Supplier development.   | 129           | 5, 8 and 16 |                     |        |             |



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| <b>Ethics and compliance</b>                      |   |             |                     |                     |        |             |
| <b>GRI 3: Material aspects 2021</b>               | 3-3: Management of material issues.   | 56          | -                   |                     |        |             |
| <b>GRI 205: Anti-corruption 2016</b>              | 205-1: Operations assessed for risks related to corruption.                             | 58          | 16                  |                     |        |             |
|   | 205-2: Communication and training about anti-corruption policies and procedures.        | 43, 187-189 | 16                  |                     |        |             |
|   | 205-3: Confirmed incidents of corruption and actions taken.                             | 59          | 16                  |                     |        |             |
| <b>GRI 206: Unfair competition 2016</b>           | 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices. | 58          | 16                  |                     |        |             |
| <b>GRI 415: Public Policy 2016</b>                | 415-1: Political contributions.   | 58          | 16                  |                     |        |             |
| <b>Water, effluent and water risks management</b> |   |             |                     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>                | 3-3: Management of material topics.   | 167         | -                   |                     |        |             |
| <b>GRI 303: Water and effluents 2018</b>          | 303-1: Interactions with water as a shared resource.                                    | 167-168     | 6, 9, 11, 12 and 13 |                     |        |             |



| GRI standard                                      | Contents   | Page     | ODS | Omission            |        |             |
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| <b>Water, effluent and water risks management</b> |  |          |     |                     |        |             |
| <b>GRI 303: Water and effluents 2018</b>          | 303-2: Management of water discharge-related impacts.  | 168      |     | 6, 9, 11, 12 and 13 |        |             |
|   | 303-3: Water withdrawal.   | 204      |     | 6, 9, 11, 12 and 13 |        |             |
|   | 303-4: Water discharge.  | 204      |     | 6, 9, 11, 12 and 13 |        |             |
|   | 303-5: Water consumption.  | 204      |     | 6, 9, 11, 12 and 13 |        |             |
| <b>Ecological impacts – Biodiversity</b>          |  |          |     |                     |        |             |
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| <b>Air quality</b>                        |   |              |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>        | 3-3: Management of material topics.   | 163          | -   |                     |        |             |
| <b>GRI 305: Emissions 2016</b>            | 305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.         | 163          |     | 9, 11, 12 and 13    |        |             |
| <b>Own content</b>                        | Initiatives to reduce NOx, SOx and other significant air emissions.                             | 163          | -   |                     |        |             |
| <b>Climate strategy</b>                   |   |              |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>        | 3-3: Management of material topics.   | 159-160, 173 |     |                     |        |             |
| <b>GRI 201: Economic performance 2016</b> | 201-2: Financial implications and other risks and opportunities due to climate change.          | 186          |     | 9, 11, 12 and 13    |        |             |
| <b>GRI 301: Materials 2016</b>            | 301-1: Materials used by weight or volume to produce and package primary products and services. | 203          |     | 9, 11, 12 and 13    |        |             |
| <b>GRI 302: Energy 2016</b>               | 302-1: Energy consumption within the organization.  | 160, 199-201 |     | 9, 11, 12 and 13    |        |             |



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| <b>Climate strategy</b>                         |  |              |                  |                     |        |             |
| <b>GRI 305: Emissions 2016</b>                  | 305-1: Direct GHG emissions.                                   | 161          | 9, 11, 12 and 13 |                     |        |             |
|   | 305-2: Indirect GHG emissions.                                 | 161          | 9, 11, 12 and 13 |                     |        |             |
|   | 305-3: Other GHG emissions.                                    | 161          | 9, 11, 12 and 13 |                     |        |             |
|   | 305-4: GHG emissions intensity.                                | 202          | 9, 11, 12 and 13 |                     |        |             |
|   | 305-5: Reduction of GHG emissions.                             | 159, 202     | 9, 11, 12 and 13 |                     |        |             |
| <b>Own content</b>                              | Emissions reduction plans.                                     | 158, 165     | -                |                     |        |             |
| <b>Waste management and hazardous materials</b> |  |              |                  |                     |        |             |
| <b>GRI 3: Material topics 2021</b>              | 3-3: Management of material topics.                            | 169, 172-173 | -                |                     |        |             |
| <b>GRI 306: Waste 2020</b>                      | 306-1: Waste generation and significant waste-related impacts. | 170          | 9, 11, 12 and 13 |                     |        |             |
|   | 306-2: Management of significant waste-related impacts.        | 170          | 9, 11, 12 and 13 |                     |        |             |



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| <b>Waste management and hazardous materials</b>        |   |                |                  |                     |        |             |
| <b>GRI 306: Waste 2020</b>                             | 306-3: Waste generated.                                 | 171, 206-207   | 9, 11, 12 and 13 |                     |        |             |
|  | 306-4: Waste diverted from disposal.                    | 171            | 9, 11, 12 and 13 |                     |        |             |
|  | 306-5: Waste directed to disposal.                      | 171            | 9, 11, 12 and 13 |                     |        |             |
| <b>Attracting and retaining talent</b>                 |   |                |                  |                     |        |             |
| <b>GRI 3: Material topics 2021</b>                     | 3-3: Management of material topics.                     | 98-99, 103-104 | -                |                     |        |             |
| <b>GRI 401: Employment 2016</b>                        | 401-1: New employee hires and employee turnover.        | 195            | 1 and 8          |                     |        |             |
| <b>GRI 404: Training and education 2016</b>            | 404-1: Average hours of training per year per employee. | 196            | 1 and 8          |                     |        |             |
| <b>GRI 405: Diversity and equal opportunities 2016</b> | 405-1: Diversity of governance bodies and employees.    | 101, 107, 197  | 1 and 8          |                     |        |             |



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| <b>Employee health and safety</b>              |   |                        |     |                     |        |             |
| <b>GRI 3: Material topics 2021</b>             | 3-3: Management of material topics.   | 110, 112-113, 117, 122 | -   |                     |        |             |
| <b>GRI 403: Safety and Health at work 2018</b> | 403-1: Occupational health and safety management system.  | 116                    | 8   |                     |        |             |
|  | 403-2: Hazard identification, risk assessment, and incident investigation.                      | 111, 114               | 8   |                     |        |             |
|  | 403-3: Occupational health services.  | 123                    | 8   |                     |        |             |
|  | 403-4: Worker participation, consultation, and communication on occupational health and safety. | 120                    | 8   |                     |        |             |
|  | 403-5: Worker training on occupational health and safety.                                       | 119                    | 8   |                     |        |             |
|  | 403-6: Promotion of worker health.  | 123-124                | 8   |                     |        |             |



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| <b>Employee health and safety</b>              |   |               |  |                     |        |             |
| <b>GRI 403: Safety and Health at work 2018</b> | 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships. | 116, 122      | 8  |                     |        |             |
|  | 403-8: Workers covered by an occupational health and safety management system.  | 122, 190      | 8  |                     |        |             |
|  | 403-9: Work-related injuries.   | 111-114, 192  | 8  |                     |        |             |
| <b>Community relations</b>                     |   |               |  |                     |        |             |
| <b>GRI 3: Material topics 2021</b>             | 3-3: Management of material topics.   | 140-141       | -  |                     |        |             |
| <b>GRI 203: Indirect economic impacts 2016</b> | 203-1: Infrastructure investments and services supported.   | 152-153       | 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 15, 17 |                     |        |             |
| <b>GRI 413: Local communities 2016</b>         | 413-1: Operations with local community engagement, impact assessments, and development programs.                      | 142, 145, 153 | 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 15, 17 |                     |        |             |



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| <b>GRI 3: Material topics 2021</b>                   | 3-3: Management of material topics.   | 135-136 | -         |                     |        |             |
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| <b>GRI 417: Marketing and labeling 2016</b>          | 417-1: Requirements for product and service information and labeling.                 | 137     | 12 and 16 |                     |        |             |
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