

**ESG ANNEX
GRUPO UNACEM**

2022





**GRUPO
UNACEM**

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GOVERNANCE

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Independence of the Board of Directors

UNACEM CORP accepts the criteria for qualifying an independent director based on Stock Exchange Regulatory Authority Ruling N° 016-2019-SMV/01 (page 13)) <https://www.smv.gob.pe/sil/RSMV201900026003.pdf>.



THE THREE INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS OF GRUPO UNACEM MEET THE FOLLOWING REQUIREMENTS (OUT OF A TOTAL OF 11) OF THE DOW JONES SUSTAINABILITY INDEX (DJSI) CORPORATE SUSTAINABILITY ASSESSMENT.

The three independent members of the Board of Directors of Grupo UNACEM meet the following requirements (out of a total of 11) of the Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment:

- The director must not have been hired by the company as an executive in the last five years.
- The director must not have been a partner or employee of the company's external auditor during the past year.
- The director must not be a family member of a person who has been employed by the company or by any parent company or subsidiary of the company as an executive officer.
- The director must not be affiliated with a significant customer or supplier of the company.
- The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.
- The director must not have any other conflict of interest as a result of which the board determines that he or she could not be considered independent.
- The director must not have personal service contracts with the company or be a member of the company's senior management.

INDEPENDENT DIRECTOR'S REQUIREMENTS IN THE DOW JONES SUSTAINABILITY INDEX (DJSI) CORPORATE SUSTAINABILITY ASSESSMENT¹:	STOCK EXCHANGE REGULATORY AUTHORITY RULING 016-2019
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Such directors must not have been employed by the company in an executive capacity within the past year.	They must not have been directors, members of senior management or employees of the company, of a company of the same economic group or in any company holding shares in the company equal to or greater than five percent (50%) of its capital stock, unless three (3) years have elapsed since the end of such a relationship. This restriction does not apply in the case of directors who have had independent status in the last three (3) years.
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Such directors must not accept or have a "family member who accepts payments from the company or any parent or subsidiary of the company in excess of US\$ 60,000 during the current fiscal year", other than as permitted by the definitions of SEC rule 4200, including i) payments arising solely from investments in company securities; or ii) payments under non-discretionary charitable matching programs. Payments that do not meet these two criteria are not allowed.

Such directors must not be "family members of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer".

Such directors must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.

Such directors must not be affiliated with a significant customer or supplier of the company.

Such directors must not have personal service contracts with the company or be a member of the company's senior management.

Such directors must not have been partners or employees of the company's external auditor during the last year.

They must not have had a significant business or contractual relationship in the last three (3) years, either directly or indirectly, with the company or any other company in the same group.

They must not have been, during the last three (3) years a partner or employee of an external auditor or auditor of any company in the same group.

1. Independent directors: non-executive directors are those who are independent by meeting at least 4 of the 9 criteria (of which at least 2 of the first 3 criteria) listed below

INDEPENDENT DIRECTOR'S REQUIREMENTS IN THE DOW JONES SUSTAINABILITY INDEX (DJSI) CORPORATE SUSTAINABILITY ASSESSMENT':

STOCK EXCHANGE REGULATORY AUTHORITY RULING 016-2019

Such directors must not be affiliated with any non-profit entity that receives significant contributions from the company.

They must not participate simultaneously as an independent director in more than five (5) companies that have at least one security registered with the RPMV. Exceptionally, an independent director may maintain this condition in more than five (5) companies with securities registered with the RPMV, if they all belong to the same economic group.

Such directors must not have any other conflict of interest that the board may define as meaning that they cannot be considered independent

They must not hold more than one percent (1.0%) of the company's capital stock, must not be able to direct the vote of said percentage or have an agreement(s) that allows them to acquire that percentage of the company's shares.

They must not have more than ten (10) continuous or alternate years during the last fifteen (15) years, as an independent director of the company or of any company in its economic group.

They must not be spouses or be related in the first or second degree of consanguinity with shareholders, directors or the senior management of the company.

They must not be directors or members of the senior management of another company in which any director or member of the senior management of the company forms part of the Board of Directors.

	Ricardo Rizo Patrón De La Piedra	Alfredo Gastañeta Alayza	Marcelo Rizo Patrón De La Piedra	María Elena Rizo Patrón De La Piedra	Carlos Ugás Delgado	Jaime Sotomayor Bernós	Diego De La Piedra Minetti	Martín Ramos Rizo Patrón	Jorge Ramirez Del Villar López De Romaña	José Antonio Payet Puccio	Elmer Cuba Bustinza
Has studied finance, administration, economics or sector-related issues to a high level	✓	✓				✓		✓	✓	✓	✓
Has analytical or managerial skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Has experience in digital systems and cybersecurity						✓	✓	✓	✓		
Has knowledge or experience related to corporate governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Has knowledge of or experience in strategic planning				✓	✓	✓	✓	✓			✓
Has knowledge of or experience in innovation						✓	✓	✓	✓		

3

CEO Compensation - Success Metrics

In 2022, and according to the guidelines for the payment of short-term incentive bonuses in the corporate annual performance bonus policy, the results of the business unit (BU result) represented a significant part of the chief executive officer (CEO) bonus objective.

This BU result, being a corporate role, was based on the performance of the business units and on compliance with four indicators: two financial and two non-financial indicators:

- The financial indicators were aligned to the business strategy: the Group's consolidated EBITDA, having greater relevance within the structure, and the Group's consolidated liquidity ratio.
- The non-financial indicators were: the safety indicator, which was prioritized for relevance to the Group's organizational culture and measured with regard to the Lives First program through visible leadership interactions (IVLs) for which the whole corporate team were responsible. The second indicator was environmental (ESG) using the design of the Group's carbon neutrality plan.



THE FINANCIAL INDICATORS WERE ALIGNED TO THE BUSINESS STRATEGY:

THE GROUP'S CONSOLIDATED EBITDA, HAVING GREATER RELEVANCE WITHIN THE STRUCTURE, AND THE GROUP'S CONSOLIDATED LIQUIDITY RATIO.

4

CEO Compensation - Based on Long-Term Performance

Grupo UNACEM has a long term incentive program that seeks to establish guidelines for the management of the 2021-2023 strategic cycle in accordance with the corporate long-term incentive program as defined by the Corporate VP - Talent and Culture, evaluated and approved by the CEO in coordination with the appointments and compensation committee.

In accordance with the provisions of the corporate long-term incentive program, this benefit is intended to reward the fulfillment of objectives aligned with the strategy of the business units and the corporate strategic plan during each strategic cycle defined for the Grupo UNACEM. The incentive is paid at the end of the company's three-year strategic cycle, the first cycle being 2021 - 2023, to be paid in March 2024 when the results of fiscal year 2023 are known.

The program for the first strategic cycle 2021 - 2023, and according to the corporate policy guidelines, consists of 4 indicators: 2 financial and 2 non-financial. Of the financial indicators, the most relevant is the Group's return on invested capital (ROIC) and the consolidated income of the business units, which measure the performance of the Group. As far as the non-financial indicators are concerned, priority is given to the ESG sustainability approach through measurement of the organizational climate in the business units, and safety, through measurement of international best practices (IBP) using 13 management indicators, carried out by DuPont (DSS) in a context of the culture of leadership and safety that is part of the Lives First corporate program.



GRUPO UNACEM HAS A LONG TERM INCENTIVE PROGRAM

THAT SEEKS TO ESTABLISH GUIDELINES
FOR THE MANAGEMENT OF THE 2021-
2023 STRATEGIC CYCLE.

5

Emerging risks

DESCRIPTION	IMPACT	MITIGATING ACTION
<p>Restrictions on access to capital and financing of business models that produce intensive CO₂ emissions</p>	<p>ESG aspects are gaining mainstream importance and urgency with regard to climate change and environmental concerns are highlighted by, among other things, the danger of “stranded assets” or resources that can no longer be economically produced due to changes in policy or economic viability, for example, those resulting from transition to a low carbon economy. In the case of a low carbon economy, fossil fuel reserves in the inventory of companies producing fossil fuels would be stranded or their market value would decrease, affecting other industries. Furthermore, given the development of long-term financial products with commitments to reduce CO₂ emissions, there may be increases in the cost of debt or difficulties in obtaining credit, in addition to a greater preference among investors for sectors with lower emission levels.</p>	<p>We aspire to achieve carbon neutrality by 2050 by improving energy efficiency, using alternative energy sources, using new and innovative technologies that contribute to the decarbonization of energy generation, and incorporating carbon capture into our operating and service processes. We will seek to achieve the following objectives on the road to this final goal:</p> <ul style="list-style-type: none"> • 100.0% of transport in our operations will be electric and/or hybrid. • At least 20.0% of the fuel used in the production process will come from co-processing of alternative fuels. • 100.0% of the electricity in our operations will be carbon neutral. • Carbon capture and/or compensation with natural assets using technological solutions. • Corporate carbon neutrality certificate for Grupo UNACEM.

6

Materiality assessment process

STAGE ONE:

ANALYSIS AND IDENTIFICATION OF MATERIAL ISSUES FOR THE SECTOR



Review of environmental, social and governance (ESG) prioritized by the DJSI and SASB for the construction materials sector

Analysis of trends among business groups in the sector

SECOND STAGE:

SPACES FOR DIALOGUE AND PRIORITIZATION OF MATERIAL ISSUES



Validation interviews with corporate leaders

Weighting workshops with corporate leaders



Prioritization of material issues and their respective assessment was based on the possibility of each material issue affecting the financial condition, operating performance or risk profile of the companies in the current context. Each aspect was weighted according to a scale from 1 to 5; where the highest rating (5 points) means **very high relevance**, i.e. sustainability disclosure topics *that at this date significantly affect* the Group's financial condition, operating performance or risk profile. The lowest rating (1) means **very low relevance**, that is disclosure topics *that at this date do not affect* the company's financial condition, operating performance or risk profile.



PRIORITIZATION OF MATERIAL ISSUES AND THEIR RESPECTIVE ASSESSMENT WAS BASED ON THE POSSIBILITY OF EACH MATERIAL ISSUE AFFECTING THE FINANCIAL CONDITION, OPERATING PERFORMANCE OR RISK PROFILE OF THE COMPANIES IN THE CURRENT CONTEXT.

Topics prioritized according to the weighting given by carried corporate leaders:

 CLIMATE COMMITMENT	 FINANCIAL MANAGEMENT AND VALUE GENERATION	 ETHICS AND CORPORATE GOVERNANCE
 RISK MANAGEMENT AND COMPLIANCE	 INNOVATION AND DIGITAL TRANSFORMATION	 OPERATING EFFICIENCY
 CULTURAL TRANSFORMATION AND CHANGE MANAGEMENT	 TALENT MANAGEMENT AND DIVERSITY	 INVESTMENT IN THE COMMUNITY

Weighting workshops with corporate leaders

The content axes of each of the topics validated and weighted in the workshops include:

MATERIAL ISSUE	CONTENT AXIS
Cultural transformation and change management	Internalizing the new goals-based organizational culture, aspiration and values of Grupo UNACEM
Talent management and diversity	<ul style="list-style-type: none"> • Development management. • Grupo UNACEM leadership skills model. • UNITED Voices program: Diversity and inclusion plan. • Performance evaluation. • Measurement of working environment and action plans. • Lives First corporate safety program (development of visible leadership as a driver of safety).
Climate commitment	<ul style="list-style-type: none"> • Corporate roadmap to 2030. • Climate strategy of subsidiaries and progress in 2022. • TCFD - progress 2022. • Gap analysis of the organization's readiness to deal with climate risks.
Operating efficiency	<ul style="list-style-type: none"> • Outstanding projects in the efficient management of resources and conservation of biodiversity: UNACEM Peru: Private Conservation Area. UNACEM Ecuador: Use of biomass as fuel. CELEPSA: Cañete Water Reserve and Nor Yauyos Water Reserve.
Innovation and digital transformation	<ul style="list-style-type: none"> • Customer-focused innovation. • Culture of innovation and development of digital skills. • Innovation in production and generation processes. • Solutions for sustainable cities.
Financial management and value generation	<ul style="list-style-type: none"> • Policy definition and standardization. • Asset Management. • Green financing.

MATERIAL ISSUE	CONTENT AXIS
Ethics and corporate governance	<ul style="list-style-type: none"> • Comprehensive review and issue of new internal Regulations for the Board of Directors and Committees of Directors. • Development and deployment of transversal guidelines at corporate governance level. • Comprehensive review and issue of the new Code of Ethics and Conduct (CODEC). • Development and implementation of ethical standards in all business units. • Greater presence of independent directors on business unit boards.
Risk management and compliance	<ul style="list-style-type: none"> • Provision of human resources for the risk and compliance functions at corporate level and business units. • Development and implementation of corporate comprehensive risk management policies. • Development and implementation of the compliance program at corporate level and business units. • Determination of risk appetite. • Beginning of the construction of comprehensive risk management matrices.
Investment in the community	<ul style="list-style-type: none"> • Social infrastructure. • Education, health and the environment. • Socioeconomic development. • Community relations for operational projects and social investment. • Alliances for private social investment with the community and with the public sector.

Fiscal commitment

The fiscal management of Grupo UNACEM is oriented towards compliance with the legislation of the countries in which it operates; it seeks to meet its tax obligations, combat fiscal erosion and the transfer profits arising from avoidance and evasive practices. Thus Grupo UNACEM assumes the following commitments:

- To comply with the letter and spirit of tax legislation in the countries where Grupo UNACEM operates.
- Not to transfer value created to tax havens or countries with low or no taxation, nor to use structures designed to reduce the transparency of its operations, evade or elude the payment of taxes.
- To apply the principle of free competition (arm's length²) in operations between Group subsidiaries and in accordance with transfer pricing regulations in each country in which Grupo UNACEM operates.



THE FISCAL MANAGEMENT OF GRUPO UNACEM

IS ORIENTED TOWARDS COMPLIANCE WITH THE LEGISLATION OF THE COUNTRIES IN WHICH IT OPERATES; IT SEEKS TO MEET ITS TAX OBLIGATIONS, COMBAT FISCAL EROSION AND THE TRANSFER PROFITS ARISING FROM AVOIDANCE AND EVASIVE PRACTICES.

2. Transactions between non-arm's length companies must be carried out as if they were arm's length parties, using market values. OECD, 2006, Annual Report on the OECD Guidelines for Multinational Enterprises: Conducting Business in Weak Governance Zones, OECD, and Paris

Supplier Code of Conduct

Grupo UNACEM aims to develop and maintain a world-class management model, through the specialization and integration of its stakeholders. Thus its aim is to develop an integrated and sustainable supply chain that promotes its business.

Purchasing practices applied to suppliers are continually reviewed to ensure alignment with the Group's code of conduct. Grupo UNACEM has a code of conduct which defines an expectation that suppliers should comply with the laws of each country in which they operate, including respect for the environment, occupational health and safety, anti-corruption, labor, tax and human rights legislation. Furthermore, we encourage the development of socially responsible practices and adherence to the Code of Ethics and Conduct³.

In addition, some of our business units, such as UNACEM Peru, have codes of conduct for suppliers and contractors⁴ and evaluation procedures that seek to avoid possible conflicts with ESG requirements.



GRUPO UNACEM AIMS TO DEVELOP

**AND MAINTAIN A WORLD-CLASS
MANAGEMENT MODEL,** THROUGH THE
SPECIALIZATION AND INTEGRATION
OF ITS STAKEHOLDERS. THUS ITS AIM
IS TO DEVELOP AN INTEGRATED AND
SUSTAINABLE SUPPLY CHAIN THAT
PROMOTES ITS BUSINESS.

3. https://grupounacem.com/wp-content/uploads/2023/07/CODEC-110523-ENG_web.pdf

4. <https://unacem.pe/wp-content/uploads/2023/04/Codigo-de-Conducta-para-Proveedores-y-Contratistas.pdf>

ESG program and supplier evaluation systems

Grupo UNACEM is seeking to establish approval criteria at group level for the environmental, social, compliance and governance evaluation of suppliers in the business units of the various countries in which it operates, focusing efforts during 2023 on the business units in Peru and Ecuador.

It should be noted that the subsidiaries in Ecuador and Peru that have made most progress in environmental, social and governance management of their supply chains, have reached acquisition levels representing 80.0% of Grupo UNACEM's purchases.

UNACEM Perú

UNACEM Peru, classifies its suppliers as critical and non-critical, which go through an approval process, both external and internal. Critical suppliers and those that could have a negative impact on the health and safety of personnel or the environment are obliged to undergo these evaluations⁵.

The actual approval process is broken down according to the supplier's current risk assessment. High-risk suppliers are evaluated on the Dun & Bradstreet CIAL platform and low-risk suppliers internally by UNACEM Peru.

External approval

UNACEM Peru assesses compliance with administrative and labor law requirements, and safety performance through contractor inspections and personnel health records received from contractors. Suppliers are also asked whether they take steps to prevent discrimination or practices that undermine personal dignity and respect for human rights, and to prevent child labor, whether they have a code to prevent forced or compulsory labor in all its forms and to guarantee freedom of association.

With regard to environmental performance, they carry out environmental management inspections of contractors and consult on water footprint and carbon footprint studies and the development and dissemination of environmentally friendly technologies

External evaluations use the of DUN & BRADSTREET INC. CIAL platform considering:

- **Financial approval "Supplier qualified report-SQR"**

This includes an evaluation of financial aspects such as: gross margin, net income growth, net equity growth, operating margin, current liquidity and indebtedness; as well as non-financial aspects such as: payment history and compliance with work/service/product, employees, taxes, claims, ISO certificates or manuals/policies/plans.

5. For further details see page 128 of the UNACEM Peru Integrated Report: <https://unacem.pe/wp-content/uploads/2023/07/Reporte-integrado-2022.pdf>

- **Compliance approval “Compliance finding report-CFR”**

Includes evaluation of operation status, review of sanctions and lists of organizations under observation, a review of adverse news and politically exposed persons.

- **SST approval (only if required)**

The approvals contain general weightings assigned according to the type of company (manufacturer, commercial, services and/or contractor) and the level of criticality of each one, evaluated on the basis of the impact that the service has for UNACEM Peru. Some aspects evaluated with high weighting for suppliers carrying out work within UNACEM Peru facilities are: organization and planning, measurement and monitoring of occupational health and safety, emergency preparedness and audits of the health and safety management system.

- **Transportation approval (only if required)**

These approvals evaluate the transport management system and comprehensive management systems.

Internal approval

UNACEM Peru includes submission of taxpayer ID (RUC) registration, municipal operating license, evaluation of financial risk status, commercial risk status (for domestic suppliers), a low SST approval (only if applicable), subscription of an affidavit relating to: integrated management systems, occupational health and safety systems, the en-

vironment, human rights, responsibility, adhesion to the UNACEM Peru S.A. Code of Ethics and Conduct “CODEC” and terrorism financing and money laundering.

UNACEM Ecuador

In UNACEM Ecuador, the supplier qualification process allows the evaluation of financial, environmental, social, child labor and industrial safety variables; this evaluation is made by an external assessor of suppliers whose annual value exceeds US\$ 15,000 a year.



THE APPROVALS CONTAIN GENERAL WEIGHTINGS ASSIGNED ACCORDING TO THE TYPE OF COMPANY (MANUFACTURER, COMMERCIAL, SERVICES AND/OR CONTRACTOR) AND THE LEVEL OF CRITICALITY OF EACH ONE, EVALUATED ON THE BASIS OF THE IMPACT THAT THE SERVICE HAS FOR UNACEM PERU.

Criteria and weightings are used to evaluate unincorporated suppliers with regard to whether they carry out recycling and waste management, whether they comply with the provisions of the children and adolescents code by not employing those under 15, and whether they take steps to prevent child labor by their suppliers.

Incorporated suppliers, on the other hand, are evaluated and weighted on whether they have recycling and waste management programs, environmental management policies and personnel hiring and induction procedures.

Industrial safety is evaluated and weighted by whether suppliers hold Ministry of Transport certificates of inscription for their health and safety at work committees, perform risk prevention in the workplace evaluations and carry out training.

During 2022, UNACEM Ecuador evaluated 148 suppliers using environmental parameters; 19 were identified as having a potential environmental impact in the event of a spill due to their role as fuel carriers. These providers have policies to cover spillages amounting to USD 400,000, in addition the responsibilities of both parties have been reinforced in their service provision contracts.

Similarly, 172 suppliers were evaluated using social parameters in 2022. None of the suppliers presented a risk of social impact or were terminated for this reason.



172 SUPPLIERS WERE EVALUATED
USING

SOCIAL PARAMETERS

IN 2022. NONE OF THE SUPPLIERS
PRESENTED A RISK OF SOCIAL
IMPACT OR WERE TERMINATED FOR
THIS REASON.

Training for company buyers on their roles in the supplier ESG program

In 2022, UNACEM Peru trained 23 members of its procurement team in sustainable procurement; the purpose of this training was to ensure the recognition of terms, definitions, principles and fundamental matters of sustainable purchasing, as well as interpreting the guidelines of the GTC-ISO 20400 standard for sustainable purchasing management in an organization.

The training course included the following contents:

- Introduction to sustainable purchasing.
- Guidelines of standard GTC-ISO 20400 for managing sustainable purchases.
- Sustainability, policy and purchasing strategy
- The procurement function and integration of sustainability into the purchasing process



**IN 2022,
UNACEM PERU
TRAINED 23
MEMBERS OF ITS
PROCUREMENT
TEAM IN
SUSTAINABLE
PROCUREMENT.**

Supplier evaluation and development

Periodic assessment

At UNACEM Peru, contractors must be evaluated at least every six months by the respective user departments. This assessment covers safety, health and environmental aspects. If the minimum pass mark indicated on the form is not reached, the person responsible for the evaluation will inform the Logistics Department, which will suspend the contractor in the SAP system.

Supplier development

In 2022 UNACEM Peru participated in the Competitive Business program of the Global Reporting Initiative - GRI, getting 29 partners from its value chain to prepare and publish their sustainability report. Furthermore, as a second component this group of companies was called upon to design improvement plans to close ESG gaps, with priority given to: anti-corruption, human rights management, community relations and responsible resource consumption.

Some of the results were:



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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.



BASED ON THEIR PLANS,
143 PROJECTS
AND INITIATIVES WERE GENERATED TO ADDRESS GAPS IN ESG.



73.0%
PROGRESS IN TERMS OF CLOSING GAPS RELATING TO ETHICS, ANTI-CORRUPTION AND HUMAN RIGHTS STATEMENTS AND THE HUMAN RIGHTS RISK MATRIX.

THE ENVIRONMENT

12	Environmental policy and commitments
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15	Internal price of carbon
16	Biodiversity risk assessment
17	Commitment to biodiversity
18	Building material attributes

Environmental policy and commitments

2022 was an important year for the organization because we began a new stage in our corporate life as the Grupo UNACEM. Today, we are a business group with a diversified portfolio of companies in the cement, concrete, electricity and related services businesses, with a presence in 5 countries: Peru, Ecuador, Chile, Colombia and USA. As a result of this new structure, we now have two levels of policies covering the environmental, social and governance aspects of the organization. On the one hand, we have Group policies and commitments that govern the activities of all our subsidiaries in a strategic manner; and on the other we have policies and commitments for each subsidiary that govern the activities of all our subsidiaries in an operational manner according to the special conditions faced by each subsidiary.

As far as environmental matters are concerned, as Grupo UNACEM we have a Sustainability Declaration approved in 2021 by the AGM Meeting that establishes the Group's long-term commitment to provide society with a more sustainable future, with a solid governance system and an environmental approach focused on reducing our carbon footprint and promoting the conservation of biodiversity. With this declaration, the Group establishes the environment and biodiversity as one of the supporting tenets of the company, whose aims address the issues of environmental quality, natural and cultural resources, environmental certifications and capacity building.

With regard to our subsidiaries, each one has been developing their specific environmental management policies and systems at different speeds, in accordance with their own contexts and the Group's objectives. The level of progress in environmental matters is sharply focused on the number and magnitude of activities that could generate impacts



OUR SUSTAINABILITY DECLARATION

SETS OUT THE GROUP'S LONG-TERM COMMITMENT TO PROVIDE THE SOCIETY WITH A MORE SUSTAINABLE FUTURE, WITH A SOUND GOVERNANCE SYSTEM AND AN ENVIRONMENTAL APPROACH FOCUSED ON REDUCING OUR CARBON FOOTPRINT AND PROMOTING THE CONSERVATION OF BIODIVERSITY.

on the environment. In this regard, the cement business is the one that could generate the greatest potential impacts on the environment due to activities that range from the extraction of raw materials to preparation of the final product.

It is important to mention that our main business is cement and it produces the highest revenues and EBITDA of the entire Group. In 2022 our cement business generated 56.0%⁶ of revenue and represented 75.0% of EBITDA for the year. These results were led by UNACEM Peru and UNACEM Ecuador, which together produced 52.0% of revenue and 74.0% of EBITDA.

Taking the above into account, our most important advances in environmental matters have been made by our subsidiaries UNACEM Peru and UNACEM Ecuador; nevertheless, the remaining subsidiaries in the cement and other businesses have also made progress with environmental matters and firmly maintain their commitments to achieve the highest standards and comply with local regulations.

Both subsidiaries have environmental policies^{7,8} that guide their ISO 14001:2015 certified environmental management system. These policies are reviewed by representatives of senior management and are encompass the best practices and environmental regulations of their countries. These policies also include commitments to continuous improvement and establish specific environmental objectives for their operations, ensuring the active participation and training of workers.

Our cement business subsidiaries in the United States and Chile, fully comply with all the environmental regulations of their countries, however they are still working on the design and implementation of their environmental policies, which should be ready by 2023.



IT IS IMPORTANT TO MENTION THAT OUR MAIN BUSINESS IS CEMENT AND IT PRODUCES THE HIGHEST REVENUES AND EBITDA OF THE ENTIRE GROUP. **IN 2022 OUR CEMENT BUSINESS GENERATED**

56.0%

OF REVENUE AND REPRESENTED 75.0% OF EBITDA FOR THE YEAR.

6. Value calculated using information from the 2022 consolidated financial statements: <https://grupounacem.com/inversionistas/wp-content/uploads/2023/06/ENG-EEFF-UCorp-y-Subs-2022.pdf>
 7. IMS Policy UNACEM Peru: https://unacem.pe/wp-content/uploads/2023/03/GG-POL-002_v01_PoliticaSIG.pdf
 8. IMS Policy UNACEM Ecuador: [IMS Integrated Management System | Unacem Ecuador](#)

Water consumption in areas suffering from water stress

As mentioned in the section on environmental policy and commitments, in 2022 we began a new corporate phase as Grupo UNACEM, identifying the greatest potential environmental impacts in the cement business. Our subsidiaries UNACEM Peru and UNACEM Ecuador have made great progress in the management of water quantity and quality and related risks; however, the rest of the subsidiaries of the cement and other businesses have also made progress in this area.

UNACEM Peru has a program to monitor the piezometric head and water quality of its operating units, it also keeps a record of groundwater and surface water consumption. UNACEM Ecuador has internal instructions on the monitoring and control of water quantity and quality for human consumption and industrial use. It also implements a project entitled "Conditioning and Reuse of Process Water", which reduces the amount of fresh used by reusing process water.

Both subsidiaries are up to date with regulatory changes concerning water and price structures. UNACEM Peru uses the GEORGE tool, which allows the company to monitor, identify and verify existing legislation and regulatory changes for compliance with its environmental obligations (including water). This system also sends alerts to the people responsible for each process. It also includes the following procedure: GG-P-004 "Risk and Opportunity Management", through which it determines the risks and opportunities related to significant environmental aspects. UNACEM Ecuador continually

reviews possible regulatory changes applicable to its operations, with external legal advice.

Both the Peruvian and Ecuadorian subsidiaries carry out constant monitoring to guarantee compliance with the legal matrix, based on the IMS Integrated Management System; they also participate in working groups on this issue with key actors from the private sector and the State. It is worth mentioning that none of our subsidiaries was subject to sanctions by any environmental authority for an amount greater than or less than US\$ 10,000 for water issues in 2022 .

Our cement industry subsidiaries in the United States and Chile both comply with applicable domestic legislation. It has also been found that both subsidiaries are located in areas of water stress. Tracking and mapping was carried out with the AQUEDUCT Water Risk Atlas tool, using the coordinates of each subsidiary; the information can be viewed publicly at the following links:

UNACEM Chile subsidiary:
[Aqueduct Water Risk Atlas \(wri.org\)](#)

United States Subsidiary:
[Aqueduct Water Risk Atlas \(wri.org\)](#)

9. During 2022, the only business unit that received a fine was CELEPSA, from the energy sector; however, this fine was imposed for a biodiversity issue by the Environmental Assessment and Enforcement Agency - OEFA- and is subject to a legal challenge, a final verdict has not yet been reached. Page 186. UNACEM_2022_ENGLISH_BAJA_compressed.pdf (grupounacem.com)

Climate risk management

On the subject of climate change, we as Grupo UNACEM have climate change as one of the tenets of our 2021-2050 Sustainability Strategy, which promotes initiatives that help to mitigate and adapt to the effects of this phenomenon. Among the guidelines included in it are: the use of supplementary cementitious materials, alternative clean fuels, energy efficiency, clean energy and carbon capture.

By 2022 great progress had been made related to climate change, among which the following stand out:

- **Reduction in clinker content per ton of cement:** Grupo UNACEM is currently incorporating new materials to replace clinker in cement, such as pozzolan, pulverized limestone, fly ash and slag, among others. This has allowed us to reduce the clinker/cement factor and, consequently, our greenhouse gas emissions. Thus, by the end of 2022 our cement operations registered a clinker/cement ratio of 82.8%, a fall of 1.6% compared to the value obtained in 2022.
- **Reduction in the consumption of coal and/or oil in operations and replacement by CDR and/or biomass:** as a Group we have encouraged the replacement of coal and/or oil by other energy sources.

- **Development of projects to increase energy efficiency in industrial plants:** As a Group we are working on improving technology and modernization of all our production plants. The Atocongo plant is a case in point, as it is now among the top 100% most efficient plants in the world.
- **Intensive use of electricity from renewable energy resources (RE) in plants and offices and in all types of vehicles:** during 2022 Grupo UNACEM used 799,327 MWh of energy from renewable sources in our cement plants. It is worth mentioning that CELEPSA obtained Carbon Neutrality certification from the Spanish Association for Standardization and Certification - AENOR.

By the end of 2022, we had achieved a reduction in emissions of 3.6%, to 612 kg CO₂/t cement, compared with 635 kg CO₂/t cement in 2021. We would note that while the cement industry is responsible for potentially large environmental impacts, our subsidiaries UNACEM Peru and UNACEM Ecuador have made great progress in identifying risks and financial opportunities relating to climate change.

The main climate-change-related opportunities for UNACEM Peru and UNACEM Ecuador are as follows:

- Both subsidiaries made the most significant progress in reducing the use of clinker, with a clinker/cement factor of 85.0% for UNACEM Peru and 70.0% for UNACEM Ecuador.
- In 2022, UNACEM Ecuador managed to replace 11.8% of its fossil fuel use with used oils and 6.16% with biomass. Furthermore, the implementation of a energy efficiency project reduced electricity consumption by 3.14% compared with the 2013 baseline. 93.0% of the energy used by UNACEM Peru came from renewable sources in the form of hydroelectric power plants. This is equivalent to approximately 690,466 MWh of clean energy.

On the other hand the main financial risks for UNACEM Peru arising from climate change are as follows:

- **Estimate of transition risks arising from changes in legislation:** there is a potential risk that the cement sector will be subject to the selective tax on coal consumption (S/. 53 per ton of coal, approximately), which would have an impact on competitiveness and possibly increase the cost of manufacturing cement¹⁰. Quantifying the subsidiary's consumption of anthracite or bituminous coal and the potential increase in the tax rate for coal consumption, the cost of which ranges from 51.72 to 55.19 nuevos soles a ton, gives a maximum potential financial impact of 14,507,001 soles.

- **Estimate of the transition risks deriving from changes in physical climate parameters:**

Grupo UNACEM has not analyzed any scenarios involving physical risks deriving from climate change, however using hydroelectric plants with similar characteristics as a reference. UNACEM Peru used ThinkHazard software (which identifies climate risks by geographical location) to establish the principal risks to its hydroelectric stations in the province of Tarma.

Thus, UNACEM Peru has identified urban flooding as a significant risk because such flooding is expected to occur more than once in the next ten years. We should bear in mind that the towns of Tarma, Huasahuasi and Palca, are located on the river bank upstream of our hydroelectric plants, and in the event of flooding the quantity of detritus and other materials carried by the River Tarma would increase. Therefore, there is a risk of a complete shutdown of the three hydroelectric power plants (Carpapatas I, II and III), which could last approximately two months while the watercourses were cleared.

During the dry season there may be changes in water availability, given that the river is not dammed and that our operation depends on its flow rate. Statistically, efficiency over the last 05 years has been 90.0%, therefore we have also considered this risk in the present analysis.

The total generation capacity of the three hydroelectric power plants (Carpapatas I, II and III) represents 65.0% of the energy used by the Condorcocha plant. A com-

10. A minimum potential risk has been considered, based on the use of a 50.0% coal mix for each type of coal at the Condorcocha Plant, with an approximate consumption of 250,000 tons of coal (anthracite and bituminous). The maximum potential risk assumes that coal consumption by the Atocongo plant amounts to 50% of total fuel, amounting to 30,100 tons of coal mix (50.0%); the cost of coal mix would be S/. 53 (fifty-three soles).

plete closure of the hydroelectric plants for two months as a result of adverse climate events affecting water availability would therefore require that percentage of energy to be purchased to enable the Condorcocha plant to continue operating.

Thus the estimated financial impact of purchasing this energy during a two-month stoppage in times where floods could occur would be approximately US\$ 1,902,000. In the case of water scarcity, an approximate loss of US\$ 950,000 is estimated. The estimate is projected to an approximate horizon of 20 years, however it is considered a latent risk due to the decrease in the amount of water reported in the last two years for the operation of the three hydroelectric plants (Carpapas I, II and III).

It should also be noted that external information on water stress in basins in Peru is monitored by specialized agencies, which make the information available to the public.

INFORMATION ON UNACEM PERU

POTENTIAL RISK IDENTIFIED	COSTS (SOLES)
Risks derived from changes in legislation	14,507,001
Risks derived from changes in physical climate parameters	10,945,976
Total	25,452,977

As far as climate risk management is concerned, our UNACEM Peru subsidiary has strategic processes, flow processes and support processes in place. Each of these processes includes sub-processes that are evaluated in detail in accordance with established risk assessment procedures. Similarly, each process includes a characterization matrix, a risk and impact assessment and an evaluation of risks and opportunities.

In the latter, a quantitative analysis is used to identify and assess the legal, reputational, economic, environmental, contractual and operational impacts, opportunities for improvement and climate risk scenarios, in order to define response strategies. Some aspects of this process are:

- In order to identify, evaluate and respond to risks it is thought important to know the significant environmental aspects, which are determined by the following procedures: "Identification and Evaluation of Environmental Aspects and Impacts" (code DSIGC-P-008) and "Evaluation and Control of Environmental Impacts and Risks" (code DSIGA-P-009).
- Drafting and updating of the risks and opportunities matrices will be undertaken by a team consisting of process heads and/or representatives (supervisors, division/department heads, assistant managers and managers) with the support of the IMS.
- The risks and opportunities matrices will be reviewed and updated at least once a year or whenever any of the following changes takes place: changes in the organization's processes, responsibilities, applicable legislation or other requirements that affect the management system, work methods or behavior patterns, significant environmental aspects of the organization, expansion, contraction, restructuring of the organization, changes in infrastructure, unwanted events where controls are not effective, or changes in working activities.

- The impacts of risks and opportunities on the business, strategy and financial planning are also assessed.

It is worth mentioning that the ThinkHazard tool is also used to establish and evaluate long-term qualitative climate scenarios. The tool indicates the probability that different natural hazards will affect project areas (very low, low, medium and high) and gives guidance on how to reduce the impacts of these hazards. The indicated hazard levels are based on published hazard data provided by a number of private, academic, and public organizations.

With regard to the role of management in the evaluation and control of climate-related risks and opportunities, Grupo UNACEM is committed at the highest level to expand the scope of such climate evaluations in all Group subsidiaries. To illustrate this, in 2022 a climate risk inventory was drawn up and risk modeling carried out at Group level within the framework of the Task Force on Climate Related Financial Disclosure-TCFD methodology¹¹, to be used as the starting point for work on a long-term climate adaptation plan in subsequent years. We thus seek to address the next stage of assessment of climate risk scenarios, visualization of courses of action and definition of the roadmap for the Group and each business unit in 2023.

11. Annual general meeting (page 102): <http://www.unacem.com/ir/wp-content/uploads/2015/02/Presentacion-JOA-2023.pdf>

Internal price of carbon

Grupo UNACEM consists of a diversified portfolio of companies in the cement, concrete, electricity and related services businesses, with a presence in 5 countries: Peru, Ecuador, Chile, Colombia and USA. USA, which handle carbon prices differently depending on their context.

Peru has a social price of carbon, established in a study by the Universidad del Pacífico, which is referential and can be incorporated into economic evaluations, and in the benefits or social costs of reducing or increasing greenhouse gas emissions. The assigned value is US\$ 7.17 per ton of CO₂eq (Base 2016). Thus UNACEM Peru has an internal carbon price that is used as a reference to promote energy efficiency and investments with low carbon emissions.

Chile, on the other hand, has enacted a Framework Law for Climate Change (Law 21455/2022), in which Supreme Decree 63 approves a regulation to establish obligations and procedures to identify affected taxpayers and set up the administrative procedures necessary for levying the tax on emissions into the atmosphere of particulate matter, nitrogen oxides, sulfur dioxide and carbon dioxide, pursuant to article 8 of Law No. 20,780, modified by Law No. 21,210.

This supreme decree established that:

- Taxpayers who generate more than 12,500 tons of CO₂ per year must file a CO₂ emissions declaration.
- Taxpayers who generate more than 25,000 tons of CO₂ per year must pay the CO₂ emissions tax.

The current cost established for a ton of CO₂ is US\$ 5, while in the carbon credits market the price is between US\$ 2 and US\$ 3. Thus UNACEM Chile is currently exempt from paying the CO₂ tax.

In the case of our UNACEM Ecuador subsidiary, the country does not have an official carbon market at present, although a "compensation standard" has been issued aimed at facilitating and encouraging the development of such a market; there is therefore no established price per ton of CO₂. In the United States, legislation means that our subsidiary does not pay a price per ton of CO₂.

Biodiversity risk assessment

In order to identify risk to biodiversity, UNACEM Ecuador¹² uses the IUCN BIRS tool to quantify the condition of habitats (ecosystems) and the biodiversity in them, thus helping to monitor management progress and determine whether the biodiversity goals proposed by the company are achieved.

The methodology is based on 9 steps and results are expressed in the form of a "quarry biodiversity index" on a scale from 1 to 10; it takes into account the extent of each type of habitat found in or around of the quarry being evaluated, the ecological condition of these habitats, including improvements and threats, and the specificity and ecological importance of each habitat with respect to the regional context.

CELEPSA has biological and hydrobiological monitoring programs, according to the environmental commitments of the management instruments used to identify possible risks and impacts on biodiversity, which include: biological monitoring of river shrimp *Cryphiops caementarius* and trout.

In addition, the following monitoring is carried out on a voluntary basis:



SHRIMP RESTOCKING MONITORING



BIOLOGICAL MONITORING OF MINIMUM FLOW IN PAUCARCOCHA



HYDROBIOLOGICAL MONITORING OF THE ECOLOGICAL FLOW IN THE SECTOR.



HYDROBIOLOGICAL MONITORING OF THE NOR YAUYOS COCHAS LANDSCAPE RESERVE

12. UNACEM Ecuador Sustainability Report (p. 62)

Commitment to biodiversity

Grupo UNACEM has issued a sustainability declaration, which explains the environment and biodiversity tenet. This declaration sets out medium and long-term goals for biodiversity management; by the year 2030, 100.0% of the mining units should have a biodiversity monitoring program and conservation plans, while by the year 2050 our subsidiaries should be a benchmark for the private sector in the field of ecosystem conservation.

UNACEM Peru currently has conservation and restoration plans (recovery and replanting) using native hill species for the Atocongo and Cristina mining units, which are located in seasonal ecosystems that are considered fragile. UNACEM Peru also has a ruling from the Ministry of the Environment (MINAM) and a favorable opinion from the Protected Natural Areas Service (SERNANP) recognizing the "Lomas de Quebrada Río Seco" Private Conservation Area (ACP), which covers 781.2 ha.

Great progress has been made in this area in terms of conservation and development, including the 10 years preserving the vegetation of the lomas seasonal ecosystem covering 787.82 ha, 70 ha for the Limited Use Zone (ZUL) and 717.82 ha for a Multiple Use Zone (ZUM), as well as propagation and reproduction of 80.0% of the native flora in a research nursery and the development of sports and tourism with programmed visits to monitor the number of visitors and/or activities so as not to exceed the ability of the area to sustain visitors.

UNACEM Ecuador has carried out environmental impact assessments and drawn up environmental management



OUR SUSTAINABILITY DECLARATION DEVELOPES THAT THE ENVIRONMENT AND BIODIVERSITY ARE FOUNDATIONAL ELEMENTS, AND SETS OUT MEDIUM AND LONG-TERM GOALS FOR BIODIVERSITY MANAGEMENT. BY 2030, 100.0% OF THE MINING UNITS SHOULD HAVE A BIODIVERSITY MONITORING PROGRAM AND CONSERVATION PLANS.

plans approved by the Ecuadorian Environmental Authority (the requirements are reviewed when re-issuing environmental licenses); these are key tools consisting of measures focused on minimizing, restoring and compensating for the environmental impacts generated by each activity.

By virtue of the foregoing, control and monitoring of the environmental performance of each project is maintained through internal and external audits by the National Environmental Authority every 2 years and external certifying authorities; these controls include biotic and environmental monitoring according to a timetable established for the period.

Similarly, UNACEM Ecuador holds an intersection certificate, which is a document issued by the state entity MAATE, certifying that the project does not interfere with any protected area belonging to the National System of Protected Areas (SNAP), Buffer Forests (BP) or State Forest Heritage (PFE).

This certification shows that none of the subsidiary's industrial operations interfere with or are carried out within protected areas or places containing biodiversity of national importance; however UNACEM Ecuador manages areas of biological importance close to its operations in order to safeguard their biological integrity, permanently monitoring communities of mammals, birds, amphibians and reptiles, through a private consulting company.

In addition to this, UNACEM Ecuador ratifies the commitments set forth in its social and environmental responsibility policy concerning non-deforestation, using various strategies, including the implementation and promotion of its own and inter-institutional reforestation campaigns.

UNACEM Ecuador is part of the 'One Million Trees for Ecuador' project and as part of this initiative, in 2022 it organized two reforestation campaigns during which 1,500 trees were planted. It is also important to mention that the company continually and progressively rehabilitates areas where exploitation and/or extraction has ceased, in order that the intervened areas remain in a similar (original) or better condition than are found naturally. The reforestation

programs carried out between 2021 and 2022 managed to plant a total of 1,370 trees, shrubs and fruit trees in areas of the Pastaví, Selva Alegre and Cumbas quarries as part of the rehabilitation program.

It should also be mentioned that UNACEM Ecuador has declared two private protected areas, intended for the conservation of biodiversity, known as "Bosque Cerro Blanco", covering 100 ha and "Bosque Cerro El Quinde", covering 280 ha, in the Province of Imbabura. Both areas have a high flora and fauna diversity value according to the Simpson index.

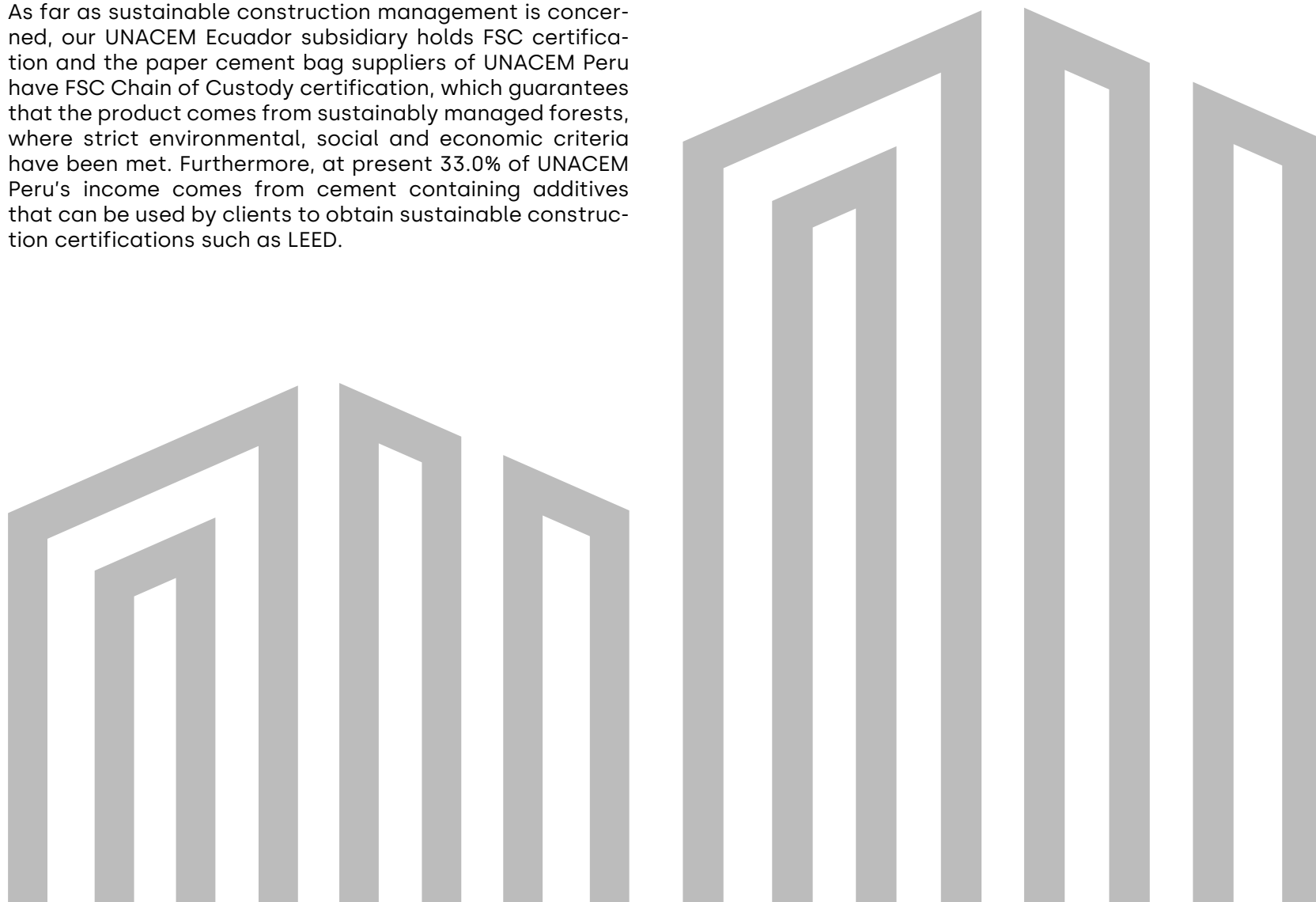
Our cement industry subsidiaries in the United States and Chile both comply with applicable domestic legislation.

Finally, CELEPSA addresses the commitment proposed in its sustainability policy, to promote the conservation of ecosystems through its work to preserve the Nor Yauyos Cochabamba Landscape Reserve, through its participation as a founding partner of the board of trustees.

The company has a conservation and restoration program, which includes four themes: conservation of aquatic species, sensitive species, sediment purging, and follow-up and monitoring of the evaluation of trout in the River Cañete. This program makes it possible to avoid and minimize current impacts identified on biodiversity and to a greater degree on the ecology, ensuring the survival of the existing aquatic biota.

Building material attributes

As far as sustainable construction management is concerned, our UNACEM Ecuador subsidiary holds FSC certification and the paper cement bag suppliers of UNACEM Peru have FSC Chain of Custody certification, which guarantees that the product comes from sustainably managed forests, where strict environmental, social and economic criteria have been met. Furthermore, at present 33.0% of UNACEM Peru's income comes from cement containing additives that can be used by clients to obtain sustainable construction certifications such as LEED.



SOCIAL

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Discrimination and harassment

We now have a corporate diversity and inclusion policy. This document establishes guidelines applicable to all workers of the companies forming part of Grupo UNACEM. This policy also serves as a frame of reference for the specific development of other documents required by Group companies.

Grupo UNACEM also has an ethical complaints line <https://grupounacem.com/linea-etica/> by which any act of discrimination and harassment may be reported, whether occurring within our operations or in relations with stakeholders.

Accordingly, each subsidiary, according to its needs, realities and regulatory framework in the country in which it operates, has policies and procedures that cover discrimination and harassment issues. As our main business is cement, our subsidiaries in Peru, Ecuador and the US have specific public documents related to discrimination and harassment.

Our UNACEM Peru subsidiary has a sexual harassment complaints procedure, which establishes the directives and guidelines necessary to manage complaints of sexual harassment. This document is publicly available at the following link: <https://unacem.pe/wp-content/uploads/2023/03/PROCEDIMIENTO-DENUNCIAS-HOSTIGAMIENTO-SEXUAL.pdf>

UNACEM Ecuador has a Policy for the prevention and eradication of discrimination and workplace harassment, which aims to establish standards and guidelines to minimize the risk of such conduct and all forms of violence against women, as well as establishing a procedure by which members of the workforce can report and sanction unaccepta-



WE NOW HAVE A CORPORATE DIVERSITY AND INCLUSION POLICY.

THIS DOCUMENT ESTABLISHES GUIDELINES APPLICABLE TO ALL WORKERS OF THE COMPANIES FORMING PART OF GRUPO UNACEM. THIS POLICY ALSO SERVES AS A FRAME OF REFERENCE FOR THE SPECIFIC DEVELOPMENT OF OTHER DOCUMENTS REQUIRED BY GROUP COMPANIES.

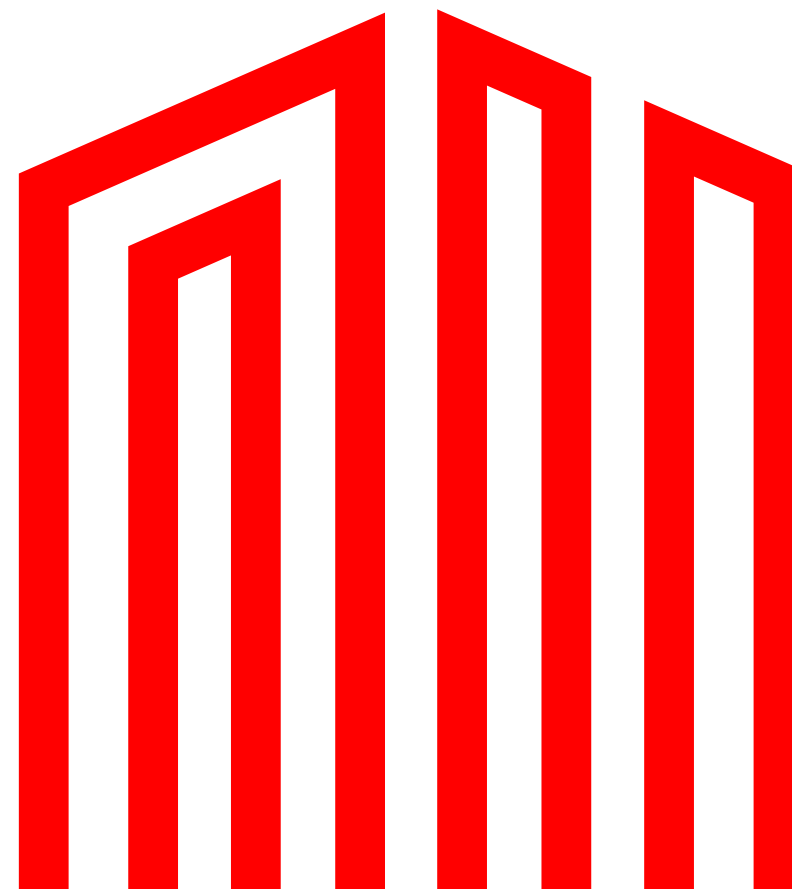
ble conduct, if applicable within the attributes of UNACEM Ecuador. The document is publicly available at the following link: <https://unacem.com.ec/integridad/wp-content/uploads/2022/08/Acoso.pdf>

The Internal Order, Hygiene and Safety Regulations of UNACEM Chile establish guidelines for issues of discrimination, workplace harassment and sexual harassment; as well how such alleged acts should be investigated and punished. This document is publicly available at the following link: <https://unacem.cl/wp-content/uploads/2023/07/RIO-HS-UNACEM-Chile-S.A.pdf>

Drake Cement in the USA has an Anti-Harassment Policy and Procedure, a document whose purpose is to prevent, prohibit and eliminate harassment in the workplace by supervisors, managers, co-workers, contractors, suppliers and any other individuals with whom Drake Cement personnel come into contact during their work, and to take all necessary steps to prevent harm to an employee who is subjected to unwelcome conduct, including sexual harassment. This document is publicly available at the following link: <https://drakeus.com/wp-content/uploads/2023/07/Anti-Harassment-Policy.pdf>

CELEPSA has an Internal Policy and Protocol to Prevent, Address, and Punish Sexual Harassment, a document that specifies the guidelines to prevent and avoid acts of sexual harassment, and if such conduct should occur, it contains guidelines for correct management and punishment. The Company has a Procedure for the Investigation and Punishment of Sexual Harassment, which details the way to report

and deal with such cases. This document is publicly available at the following link: <https://celepsa.com/wp-content/uploads/2023/07/POL-RRH-011-Politica-Interna-y-Protocolo-para-Prevenir-Atender-y-Sancionar-el-Hostigamiento-Sexual8.pdf> The Company also ensures that employees are aware of this information by means of a communication that is available at the following link: <https://celepsa.com/wp-content/uploads/2023/07/Actual-Procedimiento-de-Hostigamiento-Sexual.pdf>



Training:

In accordance with the executive regulations of Law N° 27942, the Prevention and Punishment of Sexual Harassment Act, UNACEM Peru organized a specialized training course on the prevention of sexual harassment. The target audience of the course was:

- Personnel from the Human Resources Department or stand-ins.
- The Sexual Harassment Intervention Committee or its stand-ins.
- Others involved in the investigation and punishment of sexual harassment.

The course was divided into two modules that were focused on publicizing and applying the rules on sexual harassment. To do so, the following themes were covered:

- Correct treatment of victims
- Development of the procedure
- Application of the approaches indicated in the law



CONTENT OF MODULE 1:

WHAT IS SEXUAL HARASSMENT?

- Legal basis / to whom the law applies
- Object of the law
- Definitions. Conduct of a sexual and sexist nature
- Sexual harassment
- Demonstrations
- Complaints channel
- Principles
- Approaches



CONTENT OF MODULE 2:

HOW IS IT IMPLEMENTED OR APPLIED?

- Company responsibilities
- Functions and purpose of the procedure.
- Bodies involved: HR / Intervention Committee-Delegate
- Start of the process.
- Medical and psychological care.
- Whistle-blower rights act.
- Protection measures.
- Information for the Ministry of Labor.
- Investigation stage.
- Committee report.
- Sanction stage.
- Measures to prevent sexual harassment. Evaluation and diagnosis.
- Training.
- Publication of complaints channels.

Worker support programs

In Grupo UNACEM we have been implementing programs and policies aimed at promoting the comprehensive well-being of our workers by initiatives encouraging physical, emotional and life-work balance. As far as work-life balance is concerned, we make flexible working hours available as well as the possibility of working from home or from a location chosen by each employee. Family-related benefits include paid parental leave for the primary caregiver, non-primary caregiver, and paid family or care leave beyond parental leave; as well as benefits for breastfeeding.

The business units in Peru (UNACEM Peru, UNICON Peru and CELEPSA) have programs that include action to safeguard physical and emotional health.

CELEPSA integrated its actions into the "CELEPSA with you" emotional well-being program, which aimed to provide psychological support to workers and their families on issues related to managing emotions. In addition, workshops were offered to bolster the mental health of workers; among the topics addressed were: anxiety management, self-esteem

and personal development, time management, and strengthening of self-care. Similarly, nutritional consultancies and talks were given in 2022 on topics such as: myths and truths about food, essential nutrients in the summer and foods to combat cancer.

UNACEM Peru implemented the "I want to be healthy" Program, which included events such as habit-changing workshops, healthy eating, health goals for the year, emotional intelligence, how to balance work and family, self-care tools, elements to activate your inner potential, respiratory protection. Exercise classes, sports challenges linked to support for solidarity initiatives and integration days with the family, among other events, were proposed to improve physical health.

Similarly, UNICON Peru organized gym sessions at work, advice and talks on nutrition, and sports competitions.

The business units also have agreements providing facilities for teleworking.

Due diligence in human rights

As part of the start of our new corporate transformation and with the aim of building a culture of human rights, diversity and inclusion, in 2022 Grupo UNACEM proposed the co-creation of a Human Rights, Diversity and Inclusion Sustainability Program.

This program drew up, approved and published the respective policies, which form a baseline for the business units making up the group; more specifically a human rights policy that expresses Grupo UNACEM's commitment to due diligence in accordance with the needs, requirements and realities of each business unit, their stakeholders and the identified risks.

Furthermore, as Grupo UNACEM we proposed that between 2023 and 2026 a human rights, diversity and inclusion risks matrix should be drawn up for the Group's entire value chain.

UNACEM Peru

Accordingly, at UNACEM Peru, we made progress in 2022 with identifying human-rights-related risks among our suppliers. We used a consulting company to perform a diagnosis and to draw up risk matrices for human rights, improvement plans and monitoring of each supplier company; this process took into account the stakeholders involved and area/process implicated.

UNACEM Peru carries out due diligence to identify risks in the supply chain (suppliers). To do so we have a procedure that establishes guidelines for the registration and continual evaluation of the suppliers of goods and services. The topics on which they are evaluated are:

- Measures to avoid discriminatory practices
- Measures to eradicate child labor
- Submission of documents (codes, policies or standards) aimed at eliminating forced or compulsory labor in all its forms
- Program or action to reduce the production of waste generated by their activities
- Carbon and water footprint measurements
- Social responsibility programs or actions
- Annual sustainability report

Accordingly, UNACEM Peru made progress in 2022 progress on the identification of human-rights-related risks affecting our suppliers. We used a consulting company to perform a diagnosis and to draw up risk matrices for human rights, improvement plans and monitoring of each supplier company; this process took into account the stakeholders involved and area/process implicated.

Below is a summary matrix with the most relevant human rights issues identified within the supply process:

TABLE 1: SUMMARY MATRIX WITH RELEVANT HUMAN RIGHTS ISSUES FOR THE UNACEM PERU SUPPLY CHAIN:

RELEVANT HUMAN RIGHTS TOPIC	IDENTIFIED HUMAN RIGHTS RISK	AREA / PROCESS INVOLVED	SUPPLY-CHAIN STAKEHOLDERS PRIORITIZED	MITIGATION OR REMEDIAL ACTION
Decent working conditions	Hiring, labor conditions, tasks to be carried out that are not duly explained during the hiring process and that result in harm to the way of life and personal and family development of workers.	Human resources	Employees	Code of conduct Internal regulations Human Rights Policy Employment contract with specifications Remunerations policy
Decent working conditions and discrimination	Not having implemented measures to guarantee a working environment based on respect and non-discrimination, as well as compatibility or reconciliation with personal, family and work life.	Human resources	Workers / Suppliers	Human Rights Policy Diversity and Inclusion Policy Remunerations policy
Ethics and integrity	Failure to comply with the requirements of local and national legislation on bribery, corruption or other unethical business practices.	Supply Chain	Partners / Suppliers / Contractors	Code of conduct Anti-Corruption Policy
Ethics and integrity	Not having a transparent process for confidential reporting and handling of unethical business practices without fear of retaliation against the whistleblower	Supply Chain	Partners / Suppliers / Contractors / Workers	Code of conduct Ethics Anti-Corruption Policy

RELEVANT HUMAN RIGHTS TOPIC	IDENTIFIED HUMAN RIGHTS RISK	AREA / PROCESS INVOLVED	SUPPLY-CHAIN STAKEHOLDERS PRIORITIZED	MITIGATION OR REMEDIAL ACTION
Healthy environment	Impact of the activities on natural resources (soil and land)	Production	Community	Environmental policy Waste segregation procedure
Workplace harassment	Threats of physical abuse, sexual or non-sexual harassment, verbal abuse, or other forms of intimidation.	Legal / HR	Workers / Suppliers	Code of conduct Ethics Training in recognizing sexual harassment at work
Free choice employment	Exposure to forced, compulsory or involuntary labor	Legal / HR	Workers / Suppliers	Code of conduct Internal regulations Human Rights Policy
Right to free association	Restrictions on the right to form or join unions of their own choosing and to bargain collectively	Legal / HR	Employees	Code of conduct Internal regulations Human Rights Policy
Discrimination	Salary differences due to pregnancy, maternity, paternity, lactation, family responsibilities or being a victim of violence	HR	Employees	Human Rights Policy Diversity and Inclusion Policy Remunerations policy
Child labor	Involvement of minors (girls, boys and young people) in work activities	HR	Employees	Human Rights Policy Diversity and Inclusion Policy

Human rights mitigation and remediation

The information obtained in the supply-chain diagnoses was used to identify opportunities for improving human rights issues. In order to reduce the likelihood of potential negative impacts, technical meetings were held on imple-

menting the improvement plans. The main opportunities for improvement and the proposed mitigation actions are given below:



TABLE 2: OPPORTUNITIES FOR IMPROVEMENT AND PROPOSED MITIGATION ACTIONS FOR THE UNACEM PERU SUPPLY CHAIN

COMPONENTS	PRINCIPAL IMPROVEMENT OPPORTUNITIES	IMPLEMENTATION
Human rights	<ul style="list-style-type: none"> Addressing specific issues on free-choice employment, child labor, non-forced labor, decent work, and non-discrimination. Generating evidence of implementation (HE, attendance records, labor contracts, service contracts, hiring and termination procedures). 	<ul style="list-style-type: none"> ✓ Human rights legal matrix (UDHR, Global Compact). ✓ Human Rights Policy ✓ Human Rights Management System Procedure ✓ Labor management policy ✓ Training and dissemination
Ethics and integrity	<ul style="list-style-type: none"> Topic mentioned in the GRI Report but not discussed further in any specific document (code, policy or declaration). Formal appointment of compliance officer. Establishment of a complaints channel (physical or virtual). 	<ul style="list-style-type: none"> ✓ Complaints system ✓ Training and dissemination ✓ Prevention and compliance policy ✓ Compliance program
The fight against corruption	<ul style="list-style-type: none"> Preparing P&P. Establishing GG and compliance officer. Response to complaints channels. Ensuring confidentiality and guaranteeing no retaliation against complainants. 	<ul style="list-style-type: none"> ✓ Anti-corruption, money laundering, terrorist financing and free competition policies ✓ Preparation of records, forms, etc. ✓ Updating and dissemination of procedures ✓ Training and dissemination
Human rights risk matrix	<ul style="list-style-type: none"> Management of legal matrix for compliance and operational control. 	<ul style="list-style-type: none"> ✓ Human rights matrix aligned with the Universal Declaration of Human Rights and the principles of the Global Compact ✓ Training and support

TABLE 3: PROCESSES IMPLEMENTED TO MITIGATE HUMAN RIGHTS RISKS IN THE UNACEM PERU SUPPLY CHAIN

COMPONENTS	PRINCIPAL IMPROVEMENT OPPORTUNITIES
Processes implemented to mitigate human rights risks	<ul style="list-style-type: none"> • Advice and personalized accompaniment for each supplier • Technical assistance for the drafting of documents on ethics and integrity, anti-corruption and human rights • Human rights training • Development of tools to verify and monitor implementation of the plans of action • Drafting of the following documents: <ul style="list-style-type: none"> • Code of Ethics and Conduct • Complaints procedure and channel • Human rights policies and procedures aligned with the UDHR and the principles of the Global Compact • Risk matrices aligned to the Global Compact and ILO conventions; Current labor legislation, best practices and regulatory framework
The number of sites with mitigation plans	29 suppliers of UNACEM Peru

Health and Safety in the Workplace Policy

In Grupo UNACEM we prioritize life over any other aspect of our business activity. We reaffirm our commitment to life and to our "Lives First" safety culture".

With this in mind, in 2021, we announced a process of cultural transformation regarding safety; to do so we employed specialist consultant DDS+ to carry out a diagnosis of our safety culture, specifically in six of the Group's business units (UNACEM Peru, UNICON Peru, UNACEM Ecuador, UNICON Ecuador, UNACEM Chile and CELEPSA - prioritized because they are the most representative companies in terms of number of workers and contractors, which makes their safety management especially relevant for the Group, as they represent the cement, concrete and energy business units).

On completion of this diagnosis of each business unit, in 2022 we were able to define a Corporate Occupational Health and Safety Policy and a Corporate Vision of Safety "with the aim of achieving safety interdependence by 2030 in line with 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".

Furthermore, using the results of the diagnosis and depending on the level of maturity of Group companies, a road-map has been drawn up for the implementation and accompaniment of the transition towards a culture of corporate security in each company.



IN GRUPO UNACEM WE PRIORITIZE LIFE

OVER ANY OTHER ASPECT OF OUR BUSINESS ACTIVITY. WE REAFFIRM OUR COMMITMENT TO LIFE AND TO OUR "LIVES FIRST" SAFETY CULTURE".

Corporate Occupational Health and Safety Policy

The Corporate Occupational Health and Safety Policy expresses Grupo UNACEM's commitment to safe working conditions that protect our workers and contractors. Accordingly, 10 corporate safety guidelines have been established:

1	2	3	4	5
INCIDENTS AND ACCIDENTS	RESPONSIBILITY	TRAINING	EVERYONE	CONTINUAL IMPROVEMENT
6	7	8	9	10
TRANSPARENCY	VERIFICATION	PARTICIPATION	SUPPORT	LIVES FIRST CULTURE

The policy applies to the whole of Grupo UNACEM and all those with links to any of the Group companies who are responsible for complying with the provisions of the policy and standards and procedures for health and safety in the workplace. This is an essential condition for maintaining their contractual relationship.

Each business unit has safety improvement plans, annual objectives and goals, matrices for identifying the main risks within their processes, procedures for hazard and risk assessment, health and safety at work training programs, among other guidelines to enable Group companies to continually improve their performance.

Employee profit sharing

All business units seek to ensure that workers are considered and actively participate in the occupational health and safety management system.

The Occupational Health and Safety Committees (CSST) of each business unit ensure that workers know how to identify hazards, assess risks and establish control measures.

Worker representatives actively investigate accidents and incidents in our operations, prepare documents, and conduct inspections and audits. They channel requests by workers.

(See UNACEM Peru Integrated Report, page 120): <https://unacem.pe/wp-content/uploads/2023/07/Reporte-integrado-2022.pdf>



ALL BUSINESS UNITS SEEK TO
**ENSURE THAT
WORKERS ARE
CONSIDERED
AND ACTIVELY
PARTICIPATE**
IN THE OCCUPATIONAL HEALTH AND
SAFETY MANAGEMENT SYSTEM.

Quantitative targets

The Lives First program sets quantitative targets to improve OHS performance metrics:

ESG GOAL 2026:	To become the regional benchmark for the manufacturing sector in ESG practices.
SECURITY GOAL 2026:	All companies should be on course to reach security interdependence maturity by 2026.
GOAL FOR 2023:	<p>To reach the level of maturity for the 13 elements of security management (according to DSS+) of the 2,79 distributed as follows: UNACEM Ecuador - cement: 3,6; UNICON Peru: 2,85; UNACEM Ecuador - concrete: 1,9; UNACEM Peru: 2,85; CELEPSA: 2,7; UNACEM Chile: 1,9</p> <ul style="list-style-type: none"> • Key Result 1: IVLs implemented in all units (100.0% of stages in the guide) • Key Result 2: Contractor Security Management Standard (50.0% of the guide's stages) implemented in all business units. • Key Result 3: All units reach 100.0% compliance with the actions contained in the programs of the 4 subcommittees followed by DSS+ (DO, V&GR, M&C, OI) within the stated period and the level of maturity required for the 13 safety management elements. • Key Result 4: All units have an updated procedure and implementation or improvement plan for the energy isolation standard, having met 100.0% of the actions required within the stated period (T4 cross audits).

(See presentation by the AGM, page 91 <https://grupounacem.com/inversionistas/wp-content/uploads/2023/06/Presentacion-JOA-2023.pdf>).

Occupational health and safety programs

In accordance with its Corporate Vision of Safety, Grupo UNACEM created the Lives First program structured around two main tenets: leadership and management elements.

Lives First has made it possible to plan 10 corporate safety guidelines, 3 specific guides (visible leadership interaction, safety management for contractors and energy independence), a corporate template for sharing lessons from serious events and a corporate template for sharing best practices.

The Lives First program is the reference framework that will help to achieve the Corporate Vision of Safety and on which all the Group's operations are based. As part of this program, in 2022 we in Grupo UNACEM set ourselves 4 objectives and key results, on which we will be working from 2023 to 2026.

Lives First also provides tools for the systematic identification, evaluation and management of risks to each business unit.

The cement, concrete and energy manufacturing units have an emergency response plan. They also have current procedures for: hazard identification and risk assessment, and incident reporting and analysis. An annual safety program, with objectives, goals and detailed plans of action.

It should be noted that both UNACEM Peru and UNICON Peru maintain ISO 45001:2018 certification.



THE LIVES FIRST PROGRAM

IS THE REFERENCE FRAMEWORK THAT WILL HELP TO ACHIEVE THE CORPORATE VISION OF SAFETY AND ON WHICH ALL THE GROUP'S OPERATIONS ARE BASED. AS PART OF THIS PROGRAM, IN 2022 WE IN GRUPO UNACEM SET OURSELVES 4 OBJECTIVES AND KEY RESULTS, ON WHICH WE WILL BE WORKING FROM 2023 TO 2026.

Governance of stakeholder engagement

In 2022 Grupo UNACEM confirmed its commitment to creating long-term value with together with its different stakeholders, in its Sustainability Declaration. The Sustainability Declaration and Corporate Diversity and Inclusion Policy approved at the end of 2022, laid the foundations for each business unit to add, improve and implement procedures and tools according to their needs, the reality in which they operate, the regulatory framework and identified socio-environmental risks. There is therefore an organizational structure responsible for social management and community relations in each country in which we operate.

Among the specific guidelines used in some of the business units, in UNACEM Peru the sustainability policy expresses the company's commitment and forms a framework for social management. <https://unacem.pe/wp-content/uploads/2023/03/Politica-de-Sostenibilidad-UNACEM.pdf>.

UNACEM Peru has a stakeholder communications, consultation and personnel participation procedure, which establishes guidelines and action when receiving, recording and analyzing claims, complaints and queries in general.

In UNACEM Ecuador, the guidelines for relations with stakeholders are based on the company's social responsibility and environmental policy, which determines the general principles of social and environmental management aimed at generating value for both stakeholders and shareholders. Furthermore, the community relations plan guides the company's work to strengthen its relations with stakeholders using communication mechanisms and strategies that support local development. There is also a community risk management system that enables monitoring of the social climate and identifies opportunities for improvements in the company's relationship with its social environment.

CELEPSA has a complaints and claims procedure that enables communications received by interested parties to be classified and addressed within established deadlines.

In addition, since 2022 Grupo UNACEM has had an Ethics Hot-line which is being progressively extended to all interested parties in each business unit.

Workplace Climate Survey

The year 2022 marked the inception of our employee satisfaction measurement initiative. For such purpose, at the Group level, we conducted an Organizational Climate Study using the Great Place to Work® (GPTW) methodology framework across all business units, achieving 82.0% of employees participation rate in the survey completion by our employees.

In this initial measurement, we achieved a favorable result of 86.0% on the "Gestalt" indicator, reflecting the overall employees satisfaction of our employees according to GPTW model.

It is important to note that this model evaluates different aspects of employees satisfaction related to the organizational environment and culture encompassing both their areas as well as the organizational dimensions. Among the evaluated aspects, outstanding results include effective leadership, innovation and values. These aspects are probed by a series of targeted inquires designated to obtain results that show the general acceptance percentage and trust in the leadership. Additionally, we attained a 77.0% overall acceptance rate and 75.0% of confidence in leadership.



**WE ACHIEVED A FAVORABLE
RESULT OF**

86.0%

ON THE "GESTALT" INDICATOR,
REFLECTING THE OVERALL
EMPLOYEES SATISFACTION OF
OUR EMPLOYEES ACCORDING
TO GPTW MODEL.

Employee Development Programs

Leadership program in 4 Execution Disciplines, managing effective feedback and empathic listening

This 4 disciplines are:

1	2	3	4
<p>DISCIPLINE 1:</p> <p>Prioritizing the crucially important</p>	<p>DISCIPLINE 2:</p> <p>Taking action on predictive metrics</p>	<p>DISCIPLINE 3:</p> <p>Maintaining a compelling dashboard of results</p>	<p>DISCIPLINE 4:</p> <p>Sustaining a cadence of accountability</p>

In order to aligned these principles, the workshops comprising this program are aimed to achieve the following objectives

- Closing gaps between planning and execution results
- Establishing performance standards and fostering accountability
- Identifying top priorities and focus on them
- Empowering leaders to become knowledge transmitters to their teams
- Developing an organizational culture that serves as a competitive advantage

Additionally the program includes feedback workshops performance, consisting in three stages:

- **Stage 1:** Understanding leadership competences
- **Stage 2:** Feedback and leadership
- **Stage 3:** Development plans aligned to feedback

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INDICATORS

TABLE 4: CO-PROCESSING FEE

TOTAL ALTERNATIVE FUEL	ALTERNATIVE FUEL USED TO REPLACE FOSSIL FUEL (AS % OF TOTAL HEAT CONSUMPTION)
UNACEM Ecuador	25.0%
Grupo UNACEM (Weighted)	15.0% (*)
TOTAL ALTERNATIVE RAW MATERIALS	ALTERNATIVE RAW MATERIALS CONTAINED IN CEMENT (EXCLUDING CONVENTIONAL RAW MATERIALS, FOR EXAMPLE, GYPSUM, POZZOLAN, ETC.)
UNACEM Ecuador	0.37%
UNACEM Peru	11.0%
Grupo UNACEM (Weighted)	8.0% (*)

(*) The calculation of the weighted data for Grupo UNACEM was based on total cement production.

TABLE 5: WATER CONSUMPTION IN AREAS OF WATER STRESS

	WATER CONSUMPTION IN AREAS WITH WATER STRESS (FOR EXAMPLE, <math><1700\text{ m}^3</math> / (PERSON/YEAR))	UNITS	FY 2019	FY 2020	FY 2021	FY 2022
UNACEM Chile	Total net consumption of fresh water in areas with water stress (Total water withdrawals – Total water discharges)	Million cubic meters	NA	NA	NA	NA
Drake Cement	Total net consumption of fresh water in areas with water stress (total water extraction – total water discharges)	Million cubic meters	0.054	0.072	0.063	0.065

TABLE 6: CLIMATE-RELATED MANAGEMENT INCENTIVES

MANUAL EMPLOYEES	INCENTIVE TYPE	KPI ASSOCIATED WITH THE INCENTIVE
Chief Executive Officer (CEO)	Monetary	Emissions reduction: Environmental indicator (ESG).
Other executives	Monetary	Emissions reduction: Environmental indicator (ESG).
Business unit managers	Monetary	Reduction in energy consumption: Percentage use of alternative fuels, by heat energy from alternative non-conventional sources.
Business unit managers	Monetary	Others: ESG indicators, such as the EHS Audit Action Plan (Environmental Health and Safety).

TABLE 7: DISCRIMINATION AND HARASSMENT INDICATORS 2022 - DJSI PUBLIC INDICATORS BY GROUP

GROUP BUSINESS SEGMENT	NUMBER OF DISCRIMINATION AND HARASSMENT INCIDENTS REVIEWED IN THE LAST FISCAL YEAR
Grupo UNACEM	8

TABLE 8: TRAINING AND DEVELOPMENT INDICATORS 2022 - DJSI EVIDENCE BY GROUP: BREAKDOWN BY SEX, AGE AND NATIONALITY

GROUP BUSINESS SEGMENT	AVERAGE HOURS PER FTE OF TRAINING AND DEVELOPMENT BY GENDER		AVERAGE HOURS PER FTE OF TRAINING AND DEVELOPMENT BY AGE				AVERAGE HOURS PER FTE OF TRAINING AND DEVELOPMENT BY MANAGEMENT LEVEL		
	WOMEN	MEN	18 - 30 YEARS	31 - 45 YEARS	46 - 60 YEARS	60 TO 60+	TOP MANAGEMENT	MIDDLE MANAGEMENT	JUNIOR MANAGEMENT
Grupo UNACEM	300	1,284	257	855	477	44	56	119	242

GROUP BUSINESS SEGMENT	AVERAGE AMOUNT SPENT BY FTE ON TRAINING AND DEVELOPMENT BY GENDER		AVERAGE AMOUNT SPENT BY FTE ON TRAINING AND DEVELOPMENT BY AGE				AVERAGE AMOUNT SPENT BY FTE ON TRAINING AND DEVELOPMENT BY MANAGEMENT LEVEL		
	WOMEN	MEN	18 - 30 YEARS	31 - 45 YEARS	46 - 60 YEARS	60 TO 60+	TOP MANAGEMENT	MIDDLE MANAGEMENT	JUNIOR MANAGEMENT
Grupo UNACEM	12,881	55,467	11,302	36,497	21,237	2,369	10,678	9,538	12,548

TABLE 9: RETURN ON HUMAN CAPITAL INVESTMENT - DJSI EVIDENCE BY SEGMENT

GROUP BUSINESS SEGMENT	YEAR	TOTAL INCOME	TOTAL OPERATING EXPENSES	TOTAL EMPLOYEE-RELATED EXPENSES (SALARIES + BENEFITS)	HC ROI
Grupo UNACEM	2019	S/ 4'099'983'000	S/ 376'974'000	S/ 741'021'000	6.02416
	2020	S/ 3'575'309'000	S/ 398'274'000	S/ 643'924'000	5.9401
	2021	S/ 5'066'169'000	S/ 436'616'000	S/ 814'235'000	6.68577
	2022	S/ 5'978'843'000	S/ 543'215'000	S/ 966'276'000	6.62534

TABLE 10: HIRING OF WORKERS - DJSI EVIDENCE BY GROUP: BREAKDOWN BY SEX, AGE AND NATIONALITY

GROUP BUSINESS SEGMENT	YEAR	AVERAGE COST PER NEW HIRE	NEW VACANCIES BY GENDER		NEW VACANCIES BY AGE			NEW VACANCIES BY NATIONALITY						
			NEW VACANCIES FILLED BY WOMEN	NEW VACANCIES FILLED BY MEN	NEW HIRES OF EMPLOYEES UNDER 30 YEARS OF AGE	NEW HIRES OF EMPLOYEES BETWEEN 30 AND 50 YEARS OLD	NEW HIRES OF EMPLOYEES OVER 50 YEARS OF AGE	NEW VACANCIES FILLED BY PERUVIANS	NEW VACANCIES FILLED BY ECUADORIANS	NEW VACANCIES FILLED BY CHILEANS	NEW VACANCIES FILLED BY US CITIZENS	NEW VACANCIES FILLED BY VENEZUELANOS	NEW VACANCIES FILLED BY COLOMBIANS	NEW VACANCIES COVERED BY OTHER NATIONALITIES
Grupo UNACEM	2019	S/ 3,747.50	87	1,301	352	928	108	1,073	47	139	0	6	62	5
	2020	S/ 6,634.72	65	988	242	726	83	842	5	18	0	10	69	0
	2021	S/ 4,741.32	80	1,227	353	895	100	1,029	11	149	0	18	115	0
	2022	S/ 4,698.88	157	1,594	454	1,112	133	1,414	32	176	0	16	81	9

Note: Skanon Investments Inc. is not included in the historical "average cost per new hire" calculation 2019-2021 as they do not have the information available, so Skanon Investments Inc. is included only in the 2022 calculation. Similarly, the calculations for 2019 to 2020 do not include the following business units: INMA and DIGICEM are company names with an active payroll since 2022, and UNACEM Corp. has been active as a company since 2022, after the simple reorganization where the cement business was separated from the rest of the businesses under the name UNACEM Peru S.A. Chile or UNICON Chile, since they were not part of the Group.

TABLE 11: WORKER TURNOVER RATE - DJSI EVIDENCE BY GROUP: BREAKDOWN BY GENDER, NATIONALITY AND MANAGEMENT LEVEL

GROUP BUSINESS SEGMENT	YEAR	TURNOVER RATE BY GENDER		NUMBER OF LEAVERS BY NATIONALITY							MANAGEMENT LEVEL		
		TURNOVER OF WOMEN	TURNOVER OF MEN	PERUVIANS	ECUADORIANS	CHILEANS	US CITIZENS	VENEZUELANOS	COLOMBIANS	OTHER NATIONALITIES	JUNIOR	MIDDLE MANAGEMENT	TOP MANAGEMENT
Grupo UNACEM	2019	17.68%	22.25%	772	49	178	0	4	121	6	219	5	33
	2020	11.98%	14.95%	434	42	178	0	1	50	8	216	6	11
	2021	13.20%	16.56%	538	23	173	0	4	125	2	152	14	23
	2022	16.42%	19.20%	816	15	142	0	9	141	9	135	13	14

Note: The following business units were not included in the calculations for 2019 to 2021: INMA and DIGICEM are company names with an active payroll since 2022, and UNACEM Corp. has been active as a company since 2022, after the simple reorganization where the cement business was separated from the rest of the businesses under the name UNACEM Peru S.A. For the 2019 to 2020 calculations neither UNACEM Chile nor UNICON Chile were considered as they were not part of the Group. Skanor Investments Inc. is not considered in the breakdown since it does not have the information.

TABLE 12: HUMAN RIGHTS ASSESSMENT - TIER 1 CONTRACTORS AND SUPPLIERS - UNACEM PERU

	% OF THE TOTAL EVALUATED IN THE LAST THREE YEARS
Tier I contractors and suppliers (as % of Tier I contractors or suppliers)	14.0

TABLE 13: TYPE OF PHILANTHROPIC ACTIVITIES 2022 - DJSI INDICATORS BY SEGMENT

GROUP BUSINESS SEGMENT	INVESTMENT IN CHARITABLE ACTIVITIES	COMMUNITY INVESTMENTS	COMMERCIAL INITIATIVES	TOTAL
Cement and concrete	S/ 1,975,604.38	S/ 13,421,480.15	S/ 1,354,404.30	S/ 16,751,488.83
Energy	S/ 437,416.86	S/ 42,459.79	S/ 229,059.52	S/ 708,936.17
Services	S/ 0.00	S/ 0.00	S/ 0.00	S/ 0.00
Grupo UNACEM	S/ 2,413,021.24	S/ 13,463,939.94	S/ 1,583,463.82	S/ 17,460,425.00

Sustainable taxonomies

The Green Taxonomy of Colombia is a classification system for economic activities and assets with substantial contributions to the achievement of environmental objectives, which respond to the commitments, strategies and policies outlined by Colombia in environmental matters.

The Taxonomy incorporates a set of definitions aimed at supporting different actors in the public and private sectors, such as bond issuers, investors, financial institutions, public entities, among others, in the identification and evaluation of investments that can contribute to compliance with environmental objectives and that can be considered as green or environmentally sustainable in Colombia.

The following steps were taken in studying and analyzing the degree of eligibility of Grupo UNACEM's sustainable activities for the Green Taxonomy of Colombia:

- Classification of economic activities.
- Eligibility analysis of the activities identified according to the *M2* technical criteria. *Components for the manufacture of cement*¹³, established for their contribution to the environmental aims of climate change mitigation.

13. Green taxonomy of Colombia. M2. COMPONENTS IN THE MANUFACTURE OF CEMENT. Page 112

TABLE 14: ELIGIBLE GRUPO UNACEM ACTIVITIES - COLOMBIAN TAXONOMY

BUSINESS UNITS	CEMENT AND/OR CLINKER PRODUCTION PLANTS	INCOME S/	CAPITAL EXPENDITURE S/	OPERATING EXPENSES S/	CLINKER PRODUCTION 2022	CEMENT PRODUCTION 2022	TOTAL SCOPE 1 AND 2 EMISSIONS (2022)	PRODUCTION/CO ₂ RATIO
UNACEM Ecuador	Cement: specific emissions associated with clinker production (or alternative binder) and cement are less than 0.6 tCO ₂ e/t of cement.	655,744,000.00	35,657,000.00	556,579,000.00	874,356.00	1,318,513.26	862,017	0.393100042
UNACEM Perú	Cement: specific emissions associated with clinker production (or alternative binder) and cement are less than 0.6 tCO ₂ e/t of cement.	2,834,826,000.00	216,725,000.00	2,043,482,000.00	6,274,831.00	6,680,824.00	4,601,917	0.355205275
UNACEM Chile	Cement: specific emissions associated with the production process for (or alternative binder) cement are less than 0.6 tCO ₂ e/t	164,330,000.00	1,338,000.00	173,021,000.00	-----	429,714.46	-----	0
Drake Cement	Cement: specific emissions associated with clinker production (or alternative binder) and cement are less than 0.6 tCO ₂ e/t of cement.	340,085,000.00	94,487,000.00	396,530,000.00	600,000.00	664,412.10	512,074	0.404989797

TABLE 15: AVERAGE BOARD OF DIRECTORS TENURE

AVERAGE TENURE	AVERAGE YEARS
Grupo UNACEM (weighted)	17.9

TABLE 16: CASES OF CORRUPTION AND BRIBERY 2022 - DJSI PUBLIC INDICATORS BY GROUP

GROUP BUSINESS SEGMENT	YEAR	NUMBER OF CORRUPTION AND BRIBERY CASES	NUMBER OF ONGOING EXTERNAL OR INTERNAL INVESTIGATIONS
	2019	0	0
Grupo UNACEM	2020	2	1
	2021	0	0
	2022	2	0

TABLE 17: CASES OF VIOLATIONS OF THE CODE OF ETHICS 2022 - DJSI PUBLIC INDICATORS BY GROUP

REPORTING AREAS	NUMBER OF INFRINGEMENTS IN FISCAL YEAR 2022
Corruption or bribery	1(*)
Discrimination or harassment	0
Customer privacy data	0
Conflicts of interest	0
Money laundering or use of privileged information	0

(*) The difference compared with the breaches of the code of ethics reported to the Stock Exchange Regulatory Authority lies in the fact that not all the complaints fall into the categories given in the table.

TABLE 18: CONTRIBUTIONS AND OTHER DISBURSEMENTS - DJSI PUBLIC INDICATORS BY GROUP

GROUP BUSINESS SEGMENT	YEAR	LOBBYING, REPRESENTATION OF INTERESTS OR SIMILAR	LOCAL, REGIONAL OR NATIONAL POLITICAL CAMPAIGNS / ORGANIZATIONS / CANDIDATES.	TRADE ASSOCIATIONS OR TAX-EXEMPT GROUPS (FOR EXAMPLE, THINK TANKS)	OTHER (FOR EXAMPLE EXPENSES RELATED TO BALLOT MEASURES OR REFERENDUMS)	TOTAL CONTRIBUTIONS AND OTHER EXPENSES
Grupo UNACEM	2019	S/ 0	S/ 0	S/ 2,916,141	S/ 0	S/ 2,916,141
	2020	S/ 0	S/ 0	S/ 634,594	S/ 0	S/ 634,594
	2021	S/ 0	S/ 0	S/ 2,824,904	S/ 0	S/ 2,824,904
	2022	S/ 0	S/ 0	S/ 2,377,044	S/ 0	S/ 2,377,044 (*)

(*) First year including UNACEM Corp contributions

TABLE 19: COVERAGE AND PROGRESS OF THE SUPPLIER SELECTION PROGRAM OF UNACEM PERU

SELECTING SUPPLIERS	FY 2022
Total number of Tier 1 providers	1,239
Total number of major suppliers in Tier 1	298
% of total spend on major suppliers in Tier1	87.0
Total number of major Non-tier 1 suppliers	0
Total number of major suppliers (Tier 1 and Non-tier 1)	298

TABLE 20: COVERAGE AND PROGRESS OF THE SUPPLIER EVALUATION PROGRAM - UNACEM PERU

EVALUATION	FY 2022	TARGET 2022
Total number of suppliers assessed through desk assessments / on-site assessments	179	298
% of significant suppliers evaluated	60.0	
Number of suppliers assessed with actual/potential substantial negative impacts	54	
% of suppliers with actual/potential substantial negative impacts with agreed corrective action/improvement plan	100.0	
Number of suppliers with actual/potential substantial negative impacts terminated	0	

**ESG ANNEX
GRUPO UNACEM**

2022

UNACEM Corp S.A.A.
Av. Carlos Villarán 508, La Victoria
Lima – Perú

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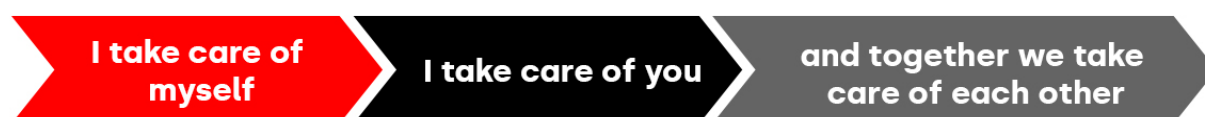
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Corporate Policy on Occupational Safety and Health

UNACEM Group is an industrial conglomerate with a diversified portfolio in the concrete, cement, energy, and related services businesses. Our core activities encompass the manufacturing and commercialization of clinker, cement, concrete, prefabricated materials, as well as power generation.

At UNACEM Group, we prioritize life above all other aspects of our business activities. As such, it is imperative for our leaders to promote, by setting an example, the conscious practice of safe competencies and behaviors, thereby fostering a culture of interdependence in Safety. This is accomplished through visible leadership, commitment, and zero tolerance for non-compliance with standards, based on the principle of:



We manage occupational safety and health risks to protect our employees and contractors. The Senior Management and the entire supervisory chain are responsible for promoting a safe and healthy environment, providing training for the development of safe work, complying with applicable legal requirements, continuously improving the occupational safety and health system, and providing the necessary resources for the implementation and compliance with this Policy.



Everyone in the UNACEM Group is an agent of promotion and dissemination of this Policy, and of the safety guidelines, procedures, best practices, lessons learned, and anything else that enables us to achieve our corporate safety vision.

All individuals associated with any of the companies in the UNACEM Group are responsible for complying with the provisions of this policy, and with the occupational safety and health regulations, standards, and procedures. This is a prerequisite for maintaining their contractual relationship.



Pedro Lerner

General Corporate Manager

V1: 30 /10/2022

Corporate Safety Vision 2030

Achieve together Safety Interdependence by 2030, living our "Life First" culture, where I take care of myself and of others, through visible leadership, commitment and zero tolerance for non-compliance with standards.

» What does interdependence mean?

It means achieving a team behavior where mutual protection and collective responsibilities are paramount. It means evolving from compliance with standards to a genuine commitment to safeguarding one's own integrity and that of others.

» What is Visible Leadership?

We can all be leaders in Safety and create positive impacts at work and in our homes. Exercising a visible leadership means driving change by example, being aware of the impact of our words and actions.

Safety leaders know how to correct with a sense of urgency and support their teams in managing the day-to-day tasks, promoting **innovation** and **continuous improvement**.

» What is zero tolerance for non-compliance with standards?

Having zero tolerance for unsafe actions or conditions, and promoting and **observing our 10 Safety** guidelines, rules and protocols.

It means internalizing the degree of responsibility that all UNACEM Group's workers have, making compliance with the safety standards a part of our day-to-day work.

10

Corporate Safety Guidelines



1

Incidents and Accidents

All Safety and Health-related injuries, diseases and incidents may be prevented. They must be reported and investigated.



2

Responsibility

The hierarchical line is responsible for implementing, communicating and complying with everything related to Safety and Health.



3

Training

Contractor personnel and employees must be trained in performing work safely and in managing safety and health in their areas.



4

Everybody

All personnel working for UNACEM Group and its subsidiaries, including contractors, must respect the safety and health rules.



5

Continuous Improvement

The company must have in place a safety and health improvement plan and must give priority to controlling risks in the highest levels of the control hierarchy.



6

Transparency

Safety performance results must be clear and communicated to everybody.



7

Verification

Compliance with the safety and health rules must be regularly verified. Deficiencies must be corrected.



8

Participation

The personnel are the most important component of the Safety and Health program. The company must foster the participation of employees in safety and health management.



9

Support

The company must be staffed with safety and health professionals to give advice to the hierarchical line and implement actions for an appropriate management of safety and health.



10

"Life First" Culture

The company must seek, through the leadership and empowerment of its personnel, an interdependent culture and promote safety inside and outside the workplace.