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INTEGRATED  
**REPORT**  
2023

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LETTER FROM THE  
**GENERAL MANAGER**



# LETTER FROM THE GENERAL MANAGER

**To all our stakeholders,**

We reaffirm our purpose "***Growing together to build a sustainable world***" and our goal of creating long-term value for all our stakeholders.

## **2023 WAS A YEAR OF GREAT CHALLENGES.**

We continue to face a difficult international context, influenced by the war between Russia and Ukraine, which triggered the rising cost of raw materials and fuel prices. On the other

hand, trade and geopolitical tensions between major economic powers such as the United States and China had an impact on investor confidence.

This prompted the International Monetary Fund to issue a moderate growth forecast for the world economy of 3.0% in 2023, lower than the historical average of 3.8% over the last 20 years. The IMF also forecast that advanced economies could fall 1.5% in 2023. As far as inflation is concerned, this international organization estimated that it will fall from 8.7% in 2022 to 6.9% in 2023.

## ➔ LETTER FROM THE GENERAL MANAGER

Latin America also showed moderate growth. According to the Economic Commission for Latin America and the Caribbean (ECLAC), the region's Gross Domestic Product (GDP) increased 2.1% by the end of the year; **however it was lower than in 2022**. The countries that experienced the highest growth were Panama (6.1%), Costa Rica (4.9%), Paraguay (4.5%), Mexico (3.6%) and Guatemala (3.4%), while those with the lowest performance were Argentina, which contracted by 2.5%, Haiti, by 1.8%, Colombia by 0.9%, Peru by 0.3% and Chile by 0.1%.

Peru has been facing a state of recession since mid-2023, having experienced two consecutive quarters of negative GDP. **The country recorded a 9% decline in sectors such as manufacturing, construction and agriculture, and wages were unable to adjust to inflation, which contributed to the slowdown.**

This contraction of the Peruvian economy reduced people's opportunities for financial growth, making it essential to reactivate the economy through public and private policies aimed at improving the well-being of the population. **In addition to this situation, our nation faced natural phenomena, political instability and social conflicts exacerbated by the persistent post-pandemic global uncertainty.**



## → LETTER FROM THE GENERAL MANAGER

Within this scenario, **UNACEM has been able to adapt** the changing conditions of the environment, to be effective and to respond with agility to the different situations that have arisen.



In this scenario of multiple challenges, in 2023 we reached **production 5.81 million metric tons** of clinker and **5.85 million metric tons of cement**, down 7.3% and 12.4%, respectively, from the previous year. **Despite experiencing several challenges in 2023, we maintain our leadership in the domestic market.**



Despite the decline in our production as a result of the factors mentioned above, there was growing demand **from the construction sector for sustainable infrastructure, of which we were able to find opportunities through our blended cements, which have a lower clinker content in their manufacture.**

Similarly, **our total sales amounted to S/ 2,743 million during the current period, which represents a decrease of 3.2% compared with 2022.** We achieved an EBITDA of S/ 852 million, reflecting an EBITDA margin of 31.1%. This result is the result of implementing efficiency and cost management strategies.

Net income reached **S/ 388 million, with a net margin of 14.2%**, 0.78% lower than the previous year, explained by the 23.8% increase in our financial expenses, which amounted to S/ 90.3 million. This increase is mainly due to a higher debt burden and a variation in exchange rate difference, which fell from S/ 33.5 million in 2022 to S/ 11.4 million in 2023.



**In 2023 a milestone that define our commitment is the implementation of the Route of the cement of UNACEM Group.**



At UNACEM, we believe that **cement is an essential element for the well-being of society and plays a fundamental role in countries'** development, as it is used in the construction of infrastructure, housing, health and education centers, etc., in which **Peru and Latin America in general still have important gaps to close.**

Likewise, at UNACEM we are aware that sustainability is becoming increasingly important for clients, investors and society in general, for this reason, we are intensifying our efforts at creating an increasingly sustainable operation. One of our commitments is action against climate change, which is reflected in the goal we have set to be Carbon Neutral by 2050, with a commitment to reduce CO<sub>2</sub> emissions by 19% by 2030, using 2022 as the reference year, implementing initiatives aligned with the guidelines of the Global Cement and Concrete Association (GCCA) and the Inter-American Cement Federation (FICEM).

In this regard, the implementation of the UNACEM group's Cement Roadmap in 2023 was a milestone in our ongoing commitment. **The Roadmap and our business strategy mean that we are making solid progress**, including the promotion and sale of our Andino Ultra, Andino Forte and Apu cements, which have a lower clinker content, **thus reducing our carbon footprint.**



## ➔ LETTER FROM THE GENERAL MANAGER

We know that the cement industry faces major challenges on its path to corporate sustainability, and in this regard, **reducing our carbon footprint, responsibly managing natural resources, and minimizing waste are essential to mitigating our environmental impact.**



“

**At the same time, the growing demand for sustainable building solutions offers the sector the opportunity to drive innovation with the incorporation of **eco-friendly materials and energy-efficient practices.****

”

Other of our ambitious commitment within the sustainability framework, is our **organizational evolution through our *Cultura UNA***, based on the values of Union, Business and Action, in which teamwork and collaboration are key elements. The progress we have made is testimony to the synergy between our various teams and the commitment with which **we are creating an inclusive work environment**, where we value each contribution, trust, listen, respect and encourage human development, with integrity first and foremost. **This environment drives innovation and keeps us adaptable and resilient in the face of continual changes in the industry and environment.**

Within this framework, our corporate program, ***Vida Primero***, directed at the safety and health of our workers, aims to implement a culture of care in all those who work at UNACEM, by reinforcing industrial safety and stimulating conduct of mutual protection. In 2023, these efforts allowed us to significantly reduce the frequency rate of workers in our company and contractor companies to 2.87, a figure 49% lower than that recorded in 2022, **thus achieving our goal of creating a safe and healthy work environment.**

## → LETTER FROM THE GENERAL MANAGER

Looking ahead, we see a future full of opportunities and growth for which we are focused, agile and ready to face future trials with the determination we have shown in the past.

I would like to **thank our customers for their trust;** they are the motivation behind our relentless pursuit of excellence, **as well as the deep commitment of our employees and the strategic management of our leadership team,** whose dedication and efforts have made us a **leader in the cement and construction industry.**

With profound thanks, I leave you with our Integrated Report for 2023.

I hope you find it satisfactory.

(GRI 2-22)

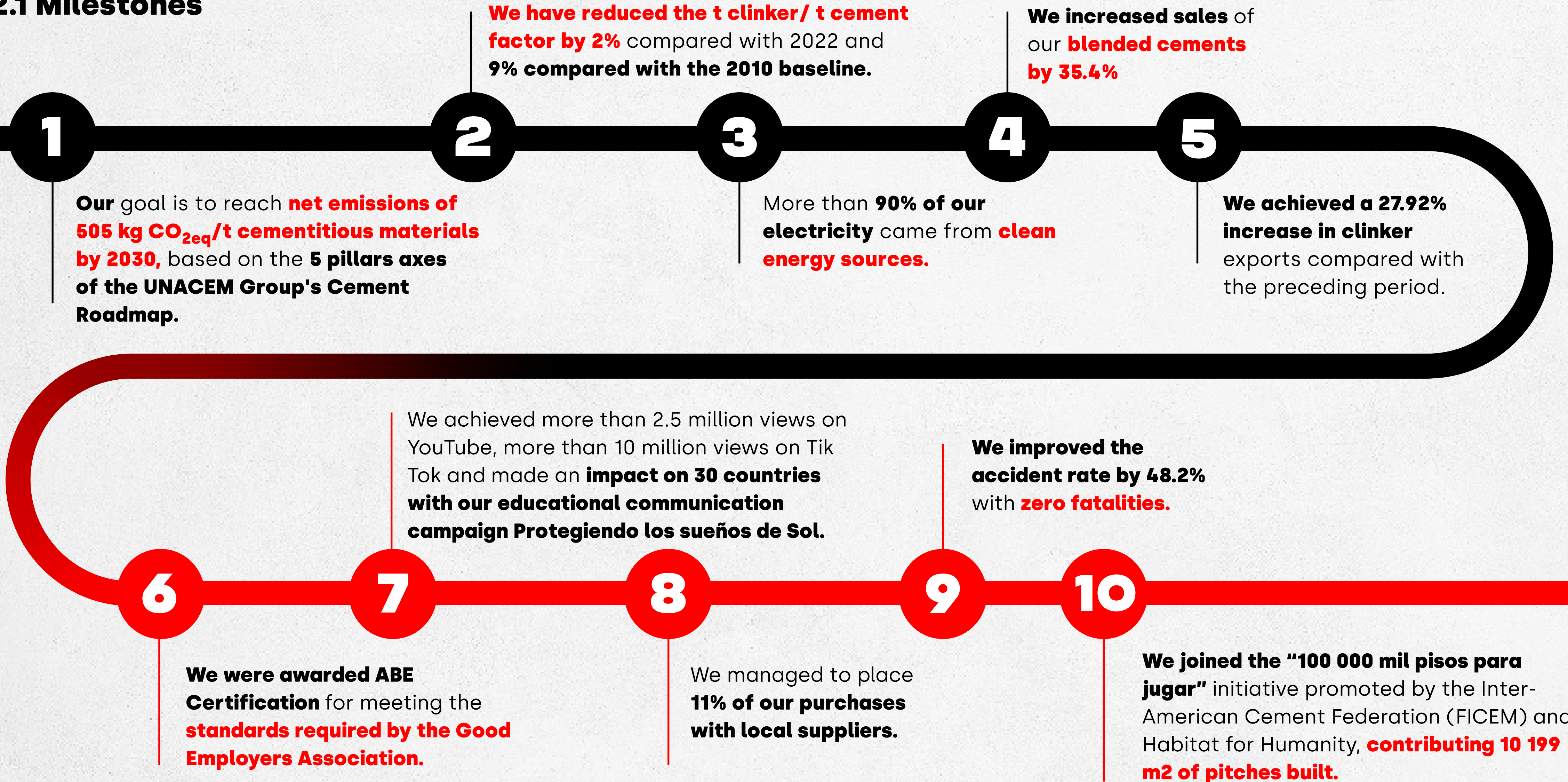
**EDUARDO  
SÁNCHEZ  
VERDEJO**

CEO,  
UNACEM



OUR  
**BUSINESS**

## 2.1 Milestones



## 2.2

### Who we are

GRI 2-1, GRI 2-6

We are UNACEM, a company with **a legacy of more than one hundred years** of specialization in the production of cement and clinker in the industrial sector. (GRI 2-6).

We make every effort to promote an industry with an integral approach: commercially sound, efficient and rigorous in material quality and aware of the impacts generated by the operation, so we employ sustainable practices to minimize them and benefit our stakeholders.

The goal that guides and inspires all our actions is "Growing together to Build a sustainable world" (GRI 2-1). **This is what compels us to be leaders**, not only in terms of production and quality but also in social and environmental responsibility, and to make a positive difference to the industry and society.

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





We operate on two sites - each with specific capabilities and strategic locations - and on additional facilities that complement and reinforce them. (GRI 2-1)

#### **Atocongo Plant**

- **Location:** District of Villa María del Triunfo, Lima.
- **Annual production capacity:** 5.5 million tons of cement and 4.8 million tons of clinker.

#### **Condorcocha plant**

- **Location:** District of La Unión - Leticia, Tarma, Junín.
- **Annual production capacity:** 2.8 million tons of cement and 1.9 million tons of clinker.

#### **Additional facilities:**

- **Carpapata I, II and III hydroelectric power stations:** Located in the district of Palca in Tarma, Junín—. These plants generate electricity mainly for self-consumption at the Condorcocha plant..
- **Atocongo Thermoelectric Power Plant:** located at Villa Maria del Triunfo – Lima.
- **UNACEM port facility:** located at Conchan in the district of Lurín, Lima. This terminal is for the product exports and imports of inputs and other materials.
- **Non-Metallic Mining Operation:** Includes raw material quarries. (GRI 2-6)

The strength and complementary nature of our facilities have contributed to our continued leadership of the cement industry.

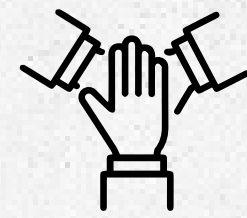
## 2.2.1 Our corporate values

GRI 2-23, 2-24

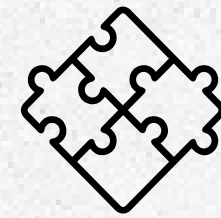
In the UNACEM Group we have embraced the **UNA corporate culture**, which is the Spanish acronym for our values: Union, Business and Action. Our UNA culture provides a common framework and **tools** for each company to **manage its own cultural and business challenges** (GRI 2-23).

### Our UNA Culture

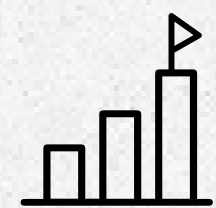
**U**  
**UNION**



**Colaboration**

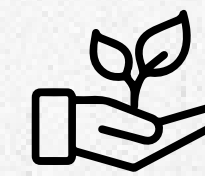


**Commitment**



**Human development**

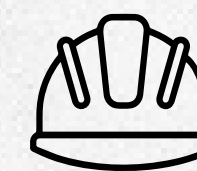
**N**  
**BUSINESS**



**Sustainability**

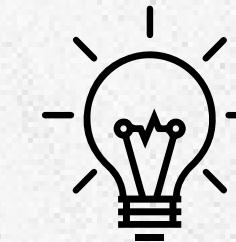


**Integrity**

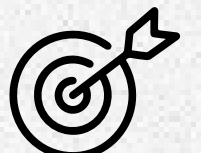


**Health and security**

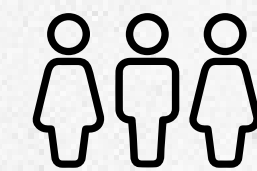
**A**  
**ACTION**



**Innovation**



**Excellence**



**Customer orientation**

(GRI 2-24)

## 2.3 The production process

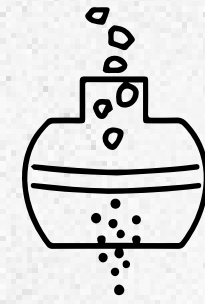
GRI 2-6

This covers the **key stages**. Each one has a strong focus on **efficiency, sustainability and respect for the environment**, which are fundamental aspects for UNACEM.



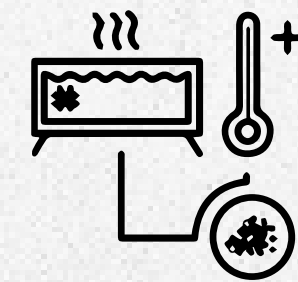
### Extraction

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



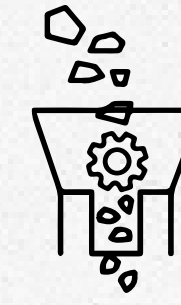
### Secondary crusher

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



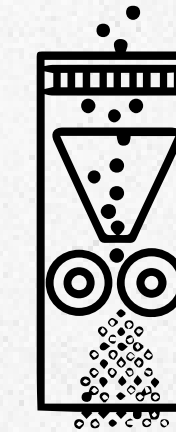
### Clinker production

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



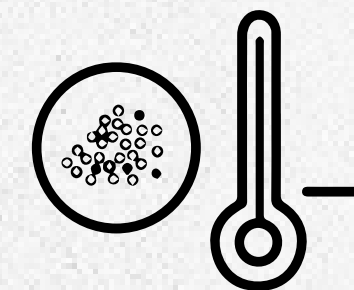
### Primary crusher

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



### Milling and homogenization

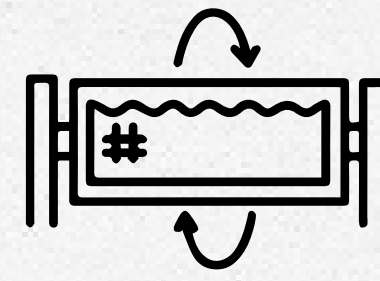
The limestone is taken to the mill for final reduction and adjustment of its chemical composition.



### Cooling clinker

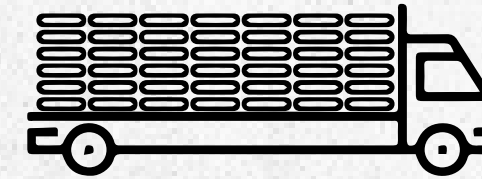
The clinker is taken to the coolers, where it cools from an average of 1200 °C to 100 °C. This process improves its chemical stability.





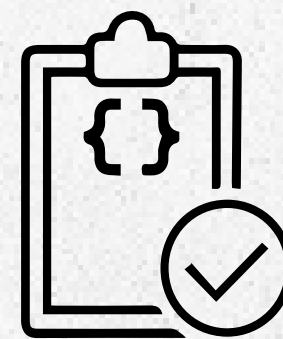
### Cement mill

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



### Sales

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



### Quality control

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

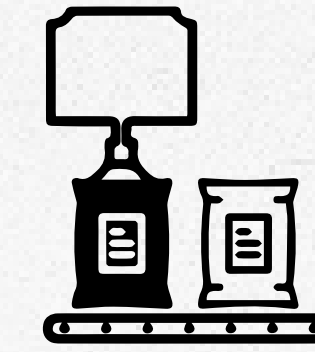
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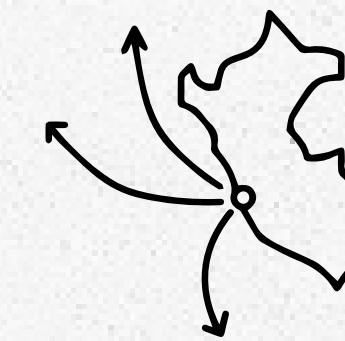
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### Packing and dispatch

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



### Export

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

## 2.4 Our products

### GRI 2-6

We market **seven types of high-quality** cement that meet Peruvian Technical Standard (NTP) specifications and those of the American Society for Testing and Materials (ASTM). They also have a higher strength than that established in the technical standards described above. **Furthermore, the characteristics of our bags safeguards the integrity of our cement during storage and transport, and maintains its properties** from production to final use. (GRI 2-6)

Our varied portfolio of products is intended to meet **the diverse needs** of our customers and is **adaptable to different construction projects and applications**. Each type of cement has unique properties designed for different functions and to meet different technical requirements.

We also export clinker, which has a Material Safety Data Sheet (MSDS) showing its composition, safety data and product handling recommendations.





**ANDINO  
TYPE V**

High-sulfate-resistant Portland cement

**ANDINO  
TYPE I**

Portland cement for general use

**ANDINO  
TYPE HS (MH)(R)**

Hydraulic cement with high sulfate resistance and moderate heat of hydration

**ANDINO  
TYPE HS-MH (R)**

Hydraulic cement with high sulfate resistance and moderate heat of hydration

**SOL  
TYPE I**

Portland cement for general use

**APU  
TYPE GU**

General purpose hydraulic cement

**APU  
TYPE ICO**

Composite Portland cement



**TRADITIONAL I AND V:**

→ HIGHER percentage (%) of clinker (95%)



**APU WITH ADDITIVES, ANDINO ULTRA AND FORTE:**

→ LOWER percentage (%) of clinker

## 2.5

### Production, dispatch and sales

GRI 3-3 Sustainable construction, GRI 2-6, GRI 201-1

#### Plant operating performance

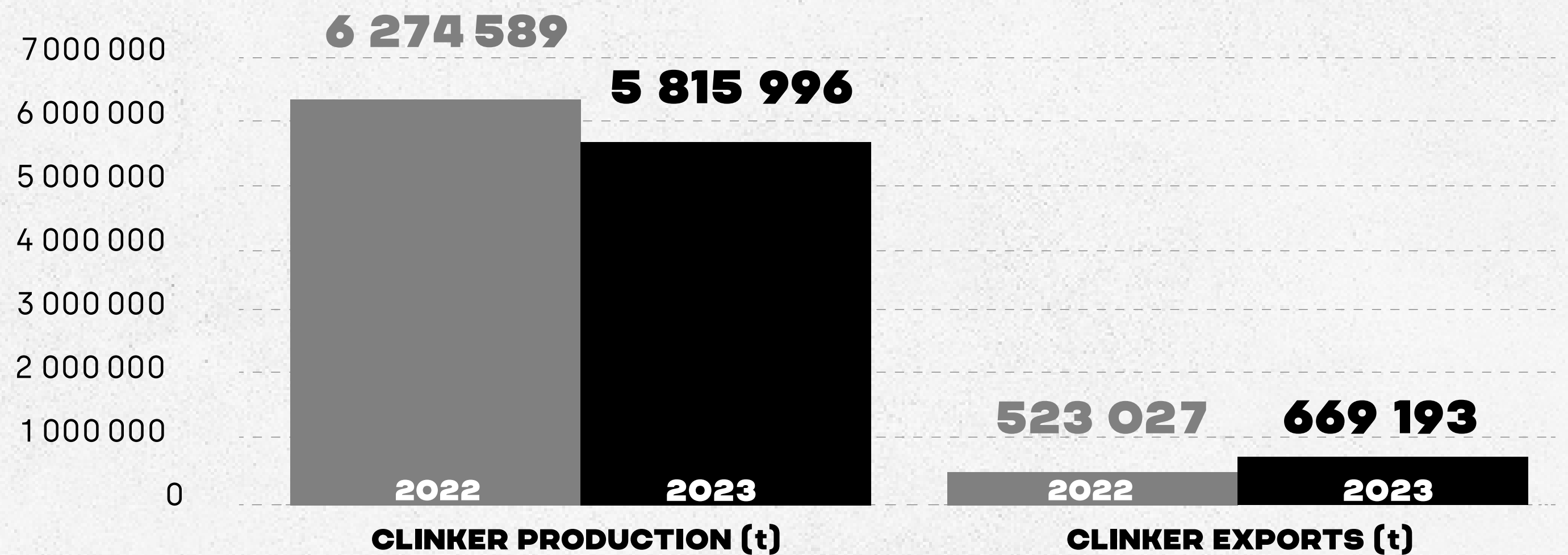
In 2023, we achieved a combined plant utilization ratio of **87% for clinker production** and of **71% for cement production**.

### Clinker production and exports

Clinker production at the Atocongo plant was 4,286,892 tons and 1,529,104 tons at Condorcocha, resulting in a total clinker production of 5,815,996 tons by UNACEM, 7.3% less than in 2022. (GRI 2-6) (GRI 201-1) (GCCA 1)

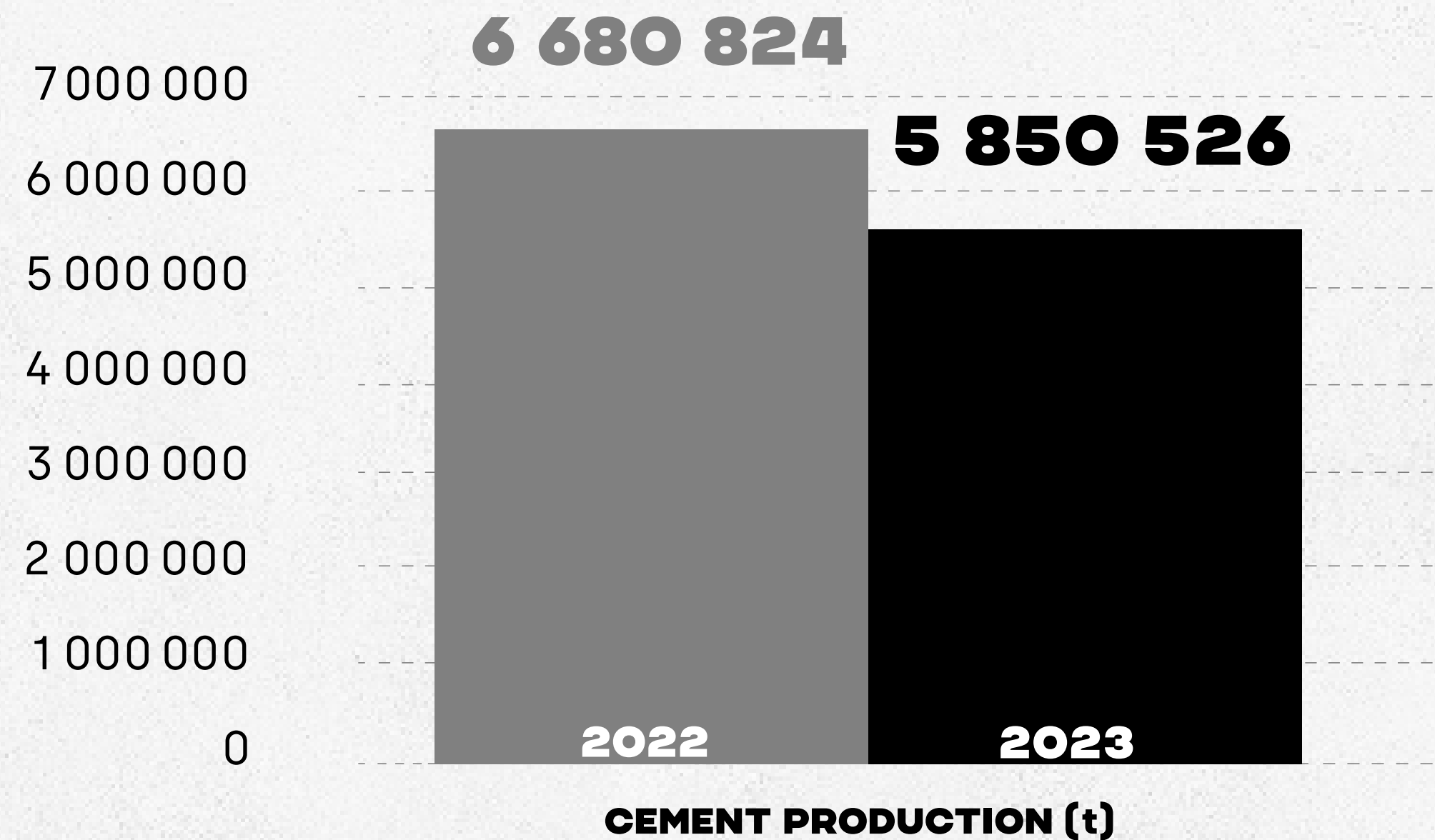
Exports of clinker amounted to 669,193 t, 27.92% more than in the previous year. (GRI 2-6)

Our balanced and flexible strategy throughout the year enabled us to **adapt to market needs**, primarily satisfying domestic demand while maintaining a significant presence in export markets.



## Cement production and dispatches

Cement production at the Atocongo plant was 4,018,300 tons, with 1,832,226 t produced at Condorcocha, making a total of 5,850,526 t in 2023, a 12.43% fall compared to 2022, **resulting from the economic situation in the Peruvian market (GRI 2-6)**. We did not export cement this year. **(GRI 2-6) (GCCA 2)**  
The total volume of cement dispatched was 5,834,600 t, 12.5% lower than the previous year. **(GRI 2-6)**



## Sales

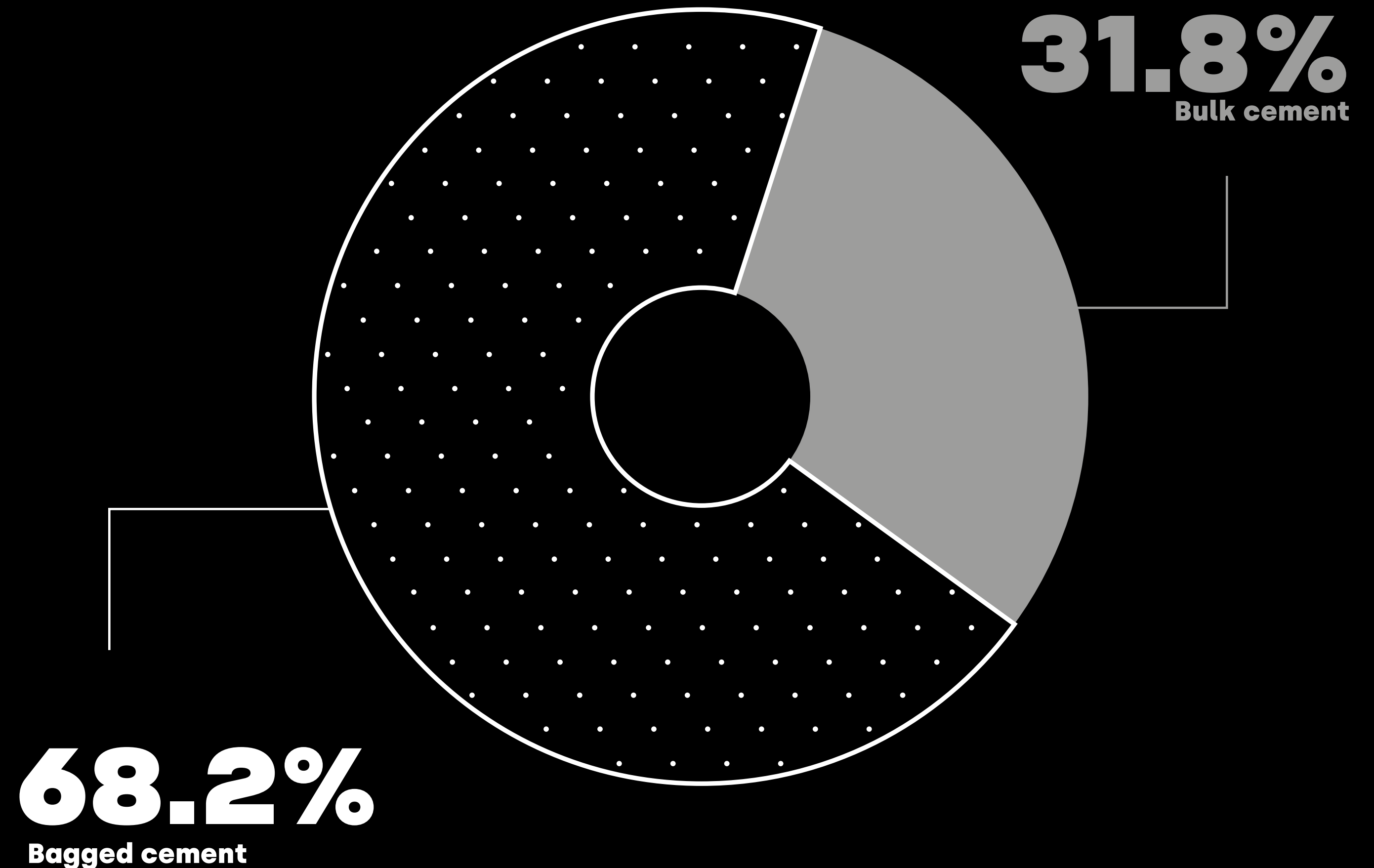
Our sales strategy continues to be based on **product innovation, services and business models** that will enable us to continue strengthening a sustainable commercial relationship with the whole of the value chain from plant to hardware store. For this reason, we are working to strengthen ties with the latter through careful business management and greater coverage by the Progresol hardware store network, which is divided into wholesalers (1.0) and retailers (2.0)  
(GRI 3-3 Sustainable construction)

As in previous years, we were able to maintain our leadership in the domestic market.

The business units through which we market our products are bagged cement and bulk cement.

**In the domestic market and clinker for the international market.** (GRI 2-6)

In **2023**, the distribution of sales between these two units was:





## Bulk cement

We supply customers directly (mainly ready-mix concrete makers, mining companies, construction companies and cement product manufacturers) using big bags (1.5 metric ton sacks or large bags) or by means of tanker trucks<sup>2</sup>.

In 2023 the main purchasers were concrete, mining and manufacturing companies. (GRI 2-6)

<sup>2</sup> Semi-trailers used to distribute materials.

## Bagged cement

The seven types of cement in our portfolio are sold in 42.5 kg bags through two channels: traditional and modern. Our ability to satisfy both channels is the result of our strategy to adapt to different business models, trends, and market demands, thanks to which we have confirmed our leadership and solid presence in different segments of the cement industry. The following sales channels are used for our bagged cements:

### Traditional channel:

Made up of the Progresol hardware store network, which grew 3% compared to 2022, and independent hardware stores<sup>1</sup>. In 2023, we increased the market share of this channel by 0.6% compared with the figure for 2022, as a result of customers preferring our brands. This represents our highest historical level of participation in this channel. (GRI 201-1)

<sup>1</sup> Enterprising hardware entrepreneurs who, due to their outstanding performance in distribution and coverage, have been part of the Progresol network since 2008, with the aim of promoting a sustainable commercial relationship throughout the value chain, from factory to point of sale.

Demand from the traditional channel is high, driven mainly by the self-build segment, which is very important to the cement market. Bagged cement is distributed primarily through this channel. This market preference ratifies the magnitude of UNACEM Peru's operation in the supply of materials for small and medium-sized construction projects, as well as for individual consumers.

We use alliances to further fortify the Progresol network by creating a varied portfolio of additional and complementary products to cement. This directly benefits the establishment, by diversifying the supply and companies that market their products through the network. (GRI 2-6)

### Modern hardware stores:

Consists of large self-service hardware stores. This channel mainly supplies construction companies. (GRI 2-6)



## Additive-based cements

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

(GRI 3-3 Sustainable construction)

**In 2023, we implemented a strategy focused on the promotion and sale of additive-based cements.** Efforts and achievements in this area included:

### Promotion of additive-based cements:

we concentrated on sales of Andino Ultra, Andino Forte and Apu, low-carbon products that accounted for 35.4% of our sales, a figure 1.4% higher than in 2022. (GRI 2-6)

### Reduction in CO<sub>2</sub> emissions and energy consumption:

The production process for cements of this type generates less CO<sub>2</sub>. This initiative is part of our action to mitigate climate change and reduce our carbon footprint.

### Measuring environmental impact:

In line with our goal of carbon neutrality, we are reducing the proportion of clinker per ton of cement produced. To quantify the environmental impact we use the clinker factor (t clinker/t cement). The 2023 result was 0.835, a reduction of 1.5% compared with the 0.851 obtained in 2022 and a reduction of 8.6% compared to the figure of 0.901 recorded in 2010.



## Sustainable construction

We have reaffirmed our commitment to being a **business that promotes sustainable construction** through the following initiatives:

- We launched the educational communication campaign **Protegiendo los Sueños de Sol on safe construction**, with a short animated film. **The film has been viewed in more than 30 countries, it has also garnered more than 2.5 million views on YouTube and more than 10 million views on TikTok.**



V E R D A S  
Q U E G U Í A N

- In conjunction with the Municipality of Miraflores, **we inaugurated the inclusive project Veredas que Guían**, aimed at providing greater autonomy and independence to visually impaired people, who can **walk on public roads with the help of a cane and textured tactile paving tiles that allow lines and dots in relief** to be counted to identify pharmacies, banks, health centers, hotels, stores, bus stops, malls, supermarkets and restaurants on high-traffic roads in the district of Miraflores. **(GRI 3-3 Sustainable construction)**

## 2.6 Certifications and memberships

The certifications and endorsements we obtained and/or renewed in 2023 are a testament to our management and best practices in key areas such as quality management, environmental management, occupational health and safety, anti-bribery management, safety and sustainability.

**In 2023, we implemented the unified 3-standard internal audit process (ISO 9001, ISO 14001 and ISO 45001);** this means a unified cross audit, with participation by internal auditors at the Atocongo and Condorcocha plants, and Conchan Port Facility.

Standard	Scope
<p><b>Quality</b></p> <p>ISO 9001:2015 Quality Management Systems.</p>	<p>Manufacture and marketing of clinker and cement at Atocongo plant. Loading and unloading of vessels at UNACEM Peru's Conchan port facility (Lima).</p>
<p><b>The environment</b></p> <p>ISO 14001:2015 Environmental Management Systems.</p>	
<p><b>Health and Safety at Work</b></p> <p>ISO 45001:2018 Occupational Health and Safety Management Systems.</p>	<p>Cement manufacturing and marketing at Condorcocha plant. Production of electricity at Carpapata I, Carpapata II and Carpapata III hydroelectric power plants for use in the cement production processes in the Condorcocha plant (Junín).</p>
<p><b>Environmental footprints</b></p> <p>ISO 14064:2018 Carbon Footprint: Management system for calculating greenhouse gas (GHG) production by organizations.</p> <p>ISO 14046:2014 Water Footprint: responsible water use management system.</p>	
<p><b>Anti-bribery</b></p> <p>ISO 37001:2016 Anti-bribery Management Systems.</p>	<p><b>Carbon footprint:</b> Based on ISO 14064-1:2018 and GHG Protocol guidelines: The GHG Protocol Corporate Accounting and Reporting Standard.</p> <p><b>Water Footprint:</b> Based on ISO 14046:2014 life cycle analysis methodology.</p> <p>Cement manufacture, clinker sales, mining and energy generation <b>Venues:</b> Atocongo and Condorcocha plants and related activities.</p>
<p><b>Protection</b></p> <p>Standard V05-2017 BASC Standard 5.0.1 Control and Security Management System.</p>	<p>Manufacture and marketing of cement and clinker. Loading and unloading of vessels. <b>Locations:</b> Atocongo Plant, Condorcocha Plant, UNACEM Peru port facility (Conchan) and offices in La Victoria.</p>
<p><b>Protection</b></p> <p>Port Facility Statement of Compliance (SOC)– ISPS CODE.</p>	
<p><b>Protection</b></p> <p>Port Facility Security Certificate (PFSC).</p>	<p>Clinker and cement marketing. Loading and unloading of vessels at UNACEM Peru's port facility in Conchan.</p>
<p><b>Others</b></p> <p>Blue Certificate.</p>	<p>UNACEM Peru's port facility located in Conchan</p> <p>Recognition as a company responsible for water use to the National Water Authority (ANA).</p>

## 2.7 Membership of organizations and associations

(GRI 2-28)

We belong to a number of organizations that **promote good commercial**, innovation and sustainability practices. These memberships allow us to stay abreast of the **latest trends**, share knowledge and adopt best practices in several key business areas.

Institution	Type
<b>Asociación de Exportadores (ADEX)</b>	Annual membership
<b>Alianza para Obras por Impuestos (ALOXI)</b>	Annual membership
<b>Asociación Nacional de Anunciantes (ANDA)</b>	Annual membership
<b>Asociación Peruana de Recursos Humanos (APERHU)</b>	Annual membership
<b>Alianza Peruana de Fundaciones y Asociaciones (APFA)</b>	Alliance with Members of Managing Council
<b>Asociación Peruana de Profesionales en Logística (APPROLOG)</b>	Annual membership
<b>Asociación de Asistentes Sociales en Empresas (ASEM)</b>	Annual membership
<b>Asociación de Productores de Cemento (ASOCEM)</b>	Membership / Founder
<b>Asociación Peruana de Operadores Portuarios (ASPPOR)</b>	Annual membership
<b>Business Alliance for Secure Commerce (BASC) - Asociación Civil Basc Perú</b>	Member
<b>Cámara Peruana de la Construcción (CAPECO)</b>	Annual membership
<b>Cámara de Comercio de Lima (CCL)</b>	Annual membership
<b>Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP)</b>	Annual membership

Institution	Type
<b>Federación Interamericana de Cemento (FICEM)</b>	Annual membership
<b>Federación Iberoamericana de Hormigón Premezclado (FIHP)</b>	Annual membership
<b>Global Cement and Concrete Association (GCCA)</b>	Annual membership
<b>Global Reporting Initiative (GRI)</b>	Implementing Partner of the Competitive Business Program
<b>Global System, Global Standard y Global Solution-1 (GS1)</b>	Annual membership
<b>Instituto de Auditores Internos del Perú (IAI PERÚ)</b>	Annual membership
<b>Instituto de Ingenieros de Minas del Perú (IIMP)</b>	Annual membership
<b>Instituto de Seguridad Minera (ISEM)</b>	Annual membership
<b>Perú Sostenible</b>	Annual membership
<b>RedEAmérica</b>	Annual membership
<b>Sociedad Nacional de Industrias (SNI)</b>	Annual membership
<b>Sociedad Nacional de Minería Petróleo y Energía (SNMPE)</b>	Membership, print magazine, reports and virtual reports.

(GRI 2-28)



# CORPORATE GOVERNANCE

## → CORPORATE GOVERNANCE

We manage the company within the framework of our own corporate principles and policies, which guarantee integrity, ethics and efficiency. **Our highest governance body is the Board of Directors, which is supported by the Management Committee (CODIR).** (GRI 2-9)

At UNACEM Peru, we manage our operational activities in accordance with the law, the principles of the Global Compact and the **Sustainable Development Goals (SDGs)**. Our Integrated Management System promotes a policy of quality, environmental care, safety and occupational health.

We believe in the principles of free markets, regulatory harmonization, respect for competition rules and the practice of fair competition.

(GRI 3-3 Corporate Governance)



### 3.1 Shareholders

(GRI 2-9)

Our current corporate governance structure is detailed below:

Shareholders	Shares	Percentage
UNACEM Corp S.A.A.	2 156 485 444	99.99%
DIGICEM S.A.	1	0.001%

(GRI 2-9)



## 3.2

### Board of directors

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18, 205-2, 3-3 Corporate governance

The Board of Directors is the highest administrative body of UNACEM Peru. As the highest governance body, its structure and responsibilities reveal its orientation towards **comprehensive management and corporate sustainability**

#### **Composition and election of the Board of Directors:**

the board has eleven members. They have different specialties and skills, prestige, ethical probity, financial independence, sufficient availability and other relevant personal and professional qualities. Members are elected by the AGM for a two-year term subject to Peru's Companies Act. (GRI 2-10) (GRI 2-12) (GRI 3-3 Corporate Governance)

#### **Compliance with local legislation:**

The board of directors operates in accordance with Peru's Companies Act, which means that all its activities obey local regulations and meet the highest standards of corporate governance.

The structure and functioning of our board of directors are fundamental to the **effective oversight of the company**. They ensure that opportunities and risks are properly managed and that a corporate culture based on **responsibility, sustainability and compliance is fostered**.

It should be noted that the chairman of our board of directors is not a senior executive of the organization. (GRI 2-11)

#### **Comprehensive risk management culture:**

The board of directors proactively identifies, evaluates and addresses potential risks to ensure long-term business continuity and success. It is also responsible for reviewing and approving the risk management strategy, which ensures that it is aligned with the company's general goals and strategies, and its effectiveness in mitigating potential risks.

#### **Review and approval of the Integrated Report:**

In the first quarter of every year, the board of directors reviews and approves the information to be included in the Integrated Report, the materiality of which has previously been validated by the Management Committee and then approved by the AGM. (GRI 2-14)



**UNACEM**'s board of directors is composed of qualified individuals whose diverse skills and experience bring significant value to governance and strategic direction. In addition, the directors possess personal and professional qualities that are relevant and valuable, such as leadership, analytical skills, strategic vision and communication skills, among others. The primary characteristics of board members are:

**Diversity of specialties and skills:**

Directors come from different fields and possess a variety of skills, ensuring a multidisciplinary approach to decision making. This variety **enriches discussions and contributes to a broader and more balanced perspective in institutional management.**

**Prestige and professional ethics:**

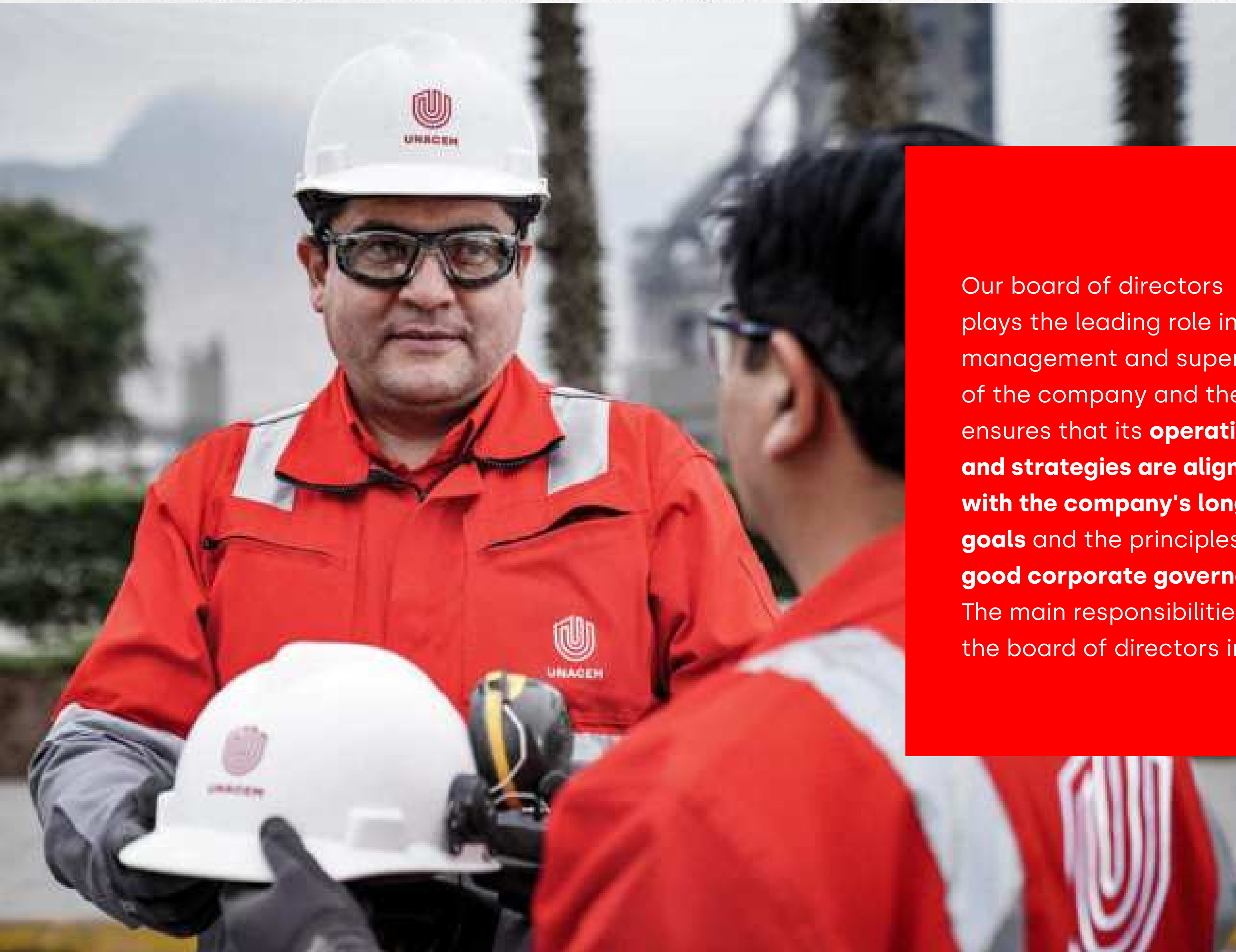
The members of the board are recognized for their prestige and ethical probity in their respective areas of expertise. This not only reinforces UNACEM's reputation, but also ensures a **high standard of integrity and accountability in the company's practices.**

**Financial independence:**

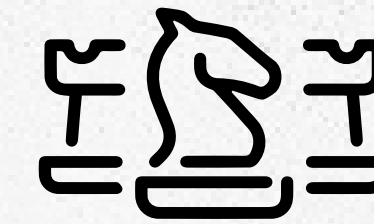
This condition of our board members is crucial to **avoiding conflicts of interest** and ensuring that decisions are made in the best interests of the company and its stakeholders.

**Availability:**

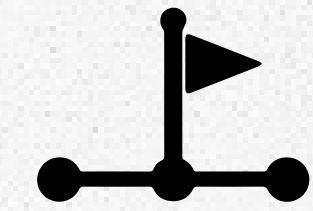
Board members have the necessary time and disposition to **dedicate effectively to their roles so that they can contribute and be fully committed to their responsibilities as directors.**



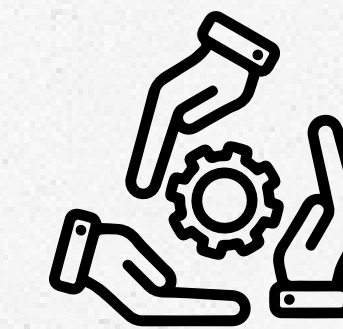
Our board of directors plays the leading role in the management and supervision of the company and therefore ensures that its **operations and strategies are aligned with the company's long-term goals** and the principles of **good corporate governance**. The main responsibilities of the board of directors include:



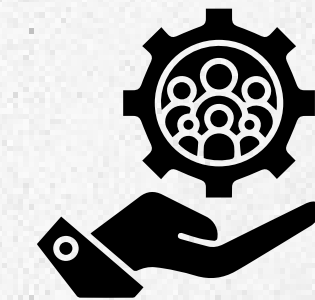
Approval and direction of the company's strategy



Establishment of goals, objectives and action plans



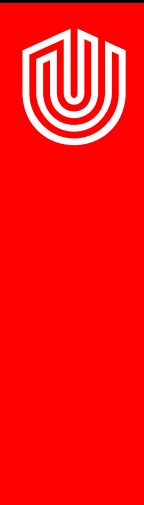
Management control and supervision



Oversight of good corporate governance

(GRI 2-12) (GRI 2-13) (GRI 2-14)

In addition to the board of directors, we also have a **Management Committee (CODIR)**, which consists of the company's managers. (GRI 2-14).



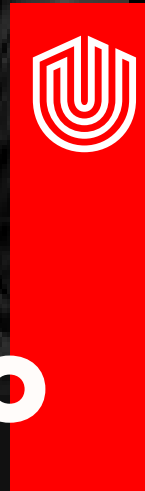
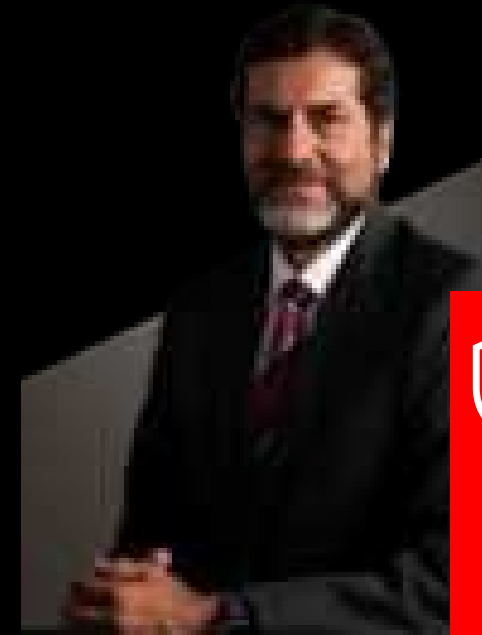
**RICARDO**  
RIZO PATRÓN  
DE LA PIEDRA

.....  
PRESIDENT



**ALFREDO**  
GASTAÑETA  
ALAYZA

.....  
VICE PRESIDENT



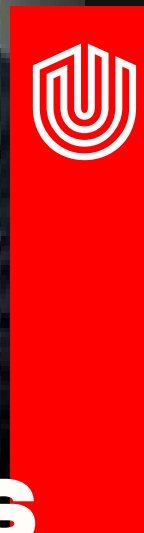
**MARCELO**  
RIZO PATRÓN  
DE LA PIEDRA

.....  
DIRECTOR



**MARÍA  
ELENA**  
RIZO PATRÓN  
DE LA PIEDRA

.....  
DIRECTOR



**CARLOS**  
UGÁS  
DELGADO

.....  
DIRECTOR



**JAIME**  
SOTOMAYOR  
BERNÓS

.....  
DIRECTOR



**DIEGO  
DE LA PIEDRA  
MINETTI**

.....  
DIRECTOR



**MARTÍN  
RAMOS RIZO  
PATRÓN**

.....  
DIRECTOR



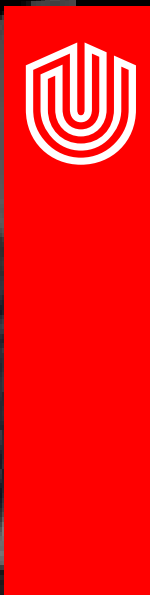
**JORGE  
RAMÍREZ DEL  
VILLAR LÓPEZ  
DE ROMAÑA**

.....  
INDEPENDENT  
DIRECTOR



**JOSÉ  
ANTONIO  
PAYET  
PUCCIO**

.....  
INDEPENDENT  
DIRECTOR



**ELMER  
CUBA  
BUSTINZA**

.....  
INDEPENDENT  
DIRECTOR

To read the full bio, scan the QR code or click [here](#).



## Evaluating the performance of the board of directors

An annual board performance **evaluation is carried out as** part of sound and effective best practice in corporate governance. This process helps ensure that the board maintains a **high level of competence and effectiveness in its oversight and strategic direction role** through an external adviser, and offers several benefits:

- **Objectivity and professionalism**
- **Comprehensive evaluation**
- **Review and continuous improvement**
- **Transparency and accountability**
- **Alignment with corporate objectives**

GRI (2-18)

## Training for board members

We have a proactive approach to this matter, which is a fundamental element in maintaining integrity, transparency and accountability in all operations, **thus ensuring leadership and sustainability.** (GRI 2-17)

The main aspects of our continuous training strategy are:

- **Training in critical issues**
- **Alignment with environmental and societal challenges**
- **Stakeholder value creation**
- **Commitment to continuous improvement**
- **Strengthening corporate governance**
- **Anti-corruption policies and procedures** (GRI 205-2)

The directors participated in 7 training sessions for the board on **(i) cybersecurity;; (ii) risks to free competition; (iii) corruption risks; (iv) risks in transactions with related parties.**

These training sessions are crucial not only for regulatory compliance, but also to ensure that our directors can make informed and responsible decisions aligned with the challenges and expectations of society, as well as with the strategic goals of UNACEM. (GRI 2-9) (GRI 2-17) (GRI 3-3 Corporate Governance)

### 3.3 Management Committee (CODIR)

GRI 2-9, 2-12, 2-17, 3-3 Corporate  
governance

The Management Committee  
(CODIR) of UNACEM Peru is  
**composed of the functional  
line** managers and is led by the  
General Manager.

It meets periodically to review  
the company's management.

(GRI 2-12)



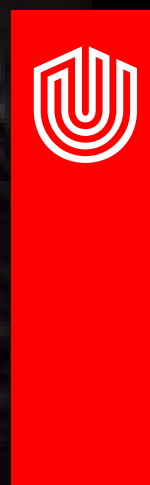
**EDUARDO  
SÁNCHEZ  
VERDEJO**

.....  
GENERAL  
MANAGER



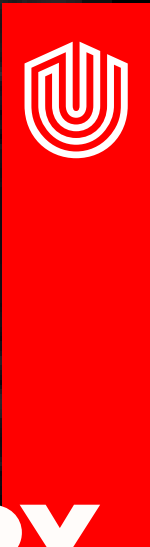
**FRANCISCO  
BARÚA  
COSTA**

.....  
CENTRAL  
ADMINISTRATION  
AND FINANCE  
MANAGER



**GABRIEL  
BARRIO  
REÁTEGUI**

.....  
COMMERCIAL  
MANAGER



**JEFFERY  
LEWIS  
ARRIARÁN**

.....  
PROJECT  
MANAGER



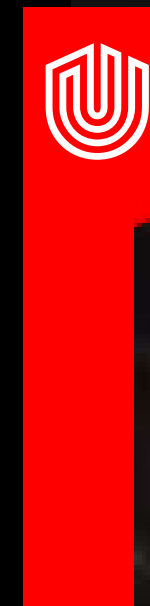
**PABLO  
KOHATSU  
CHOY**

.....  
HUMAN  
RESOURCES  
MANAGER



**JUAN  
ASMAT  
SIQUEIRO**

.....  
ATOCONGO  
OPERATIONS  
MANAGER



**HÉCTOR  
LEYVA  
CRUZ**

.....  
CONDORCOCHA  
OPERATIONS  
MANAGER



**CARLOS  
MIGUEL**

**DELGADO  
RAFFO**

.....  
SUPPLY CHAIN  
MANAGER



**JOSÉ  
LUIS**

**PERRY  
GAVIÑO**

.....  
GENERAL  
COUNSEL



**CARLOS  
ADRIANZÉN  
PANDURO**

.....  
SAFETY,  
ENVIRONMENT  
AND  
SUSTAINABILITY  
MANAGER



**RAFAEL  
DE LAS CASAS  
BAMONDE**

.....  
INTERNAL  
AUDITOR



**ELEONORA  
LEÓN Y LEÓN  
CASTAÑEDA**

.....  
EXECUTIVE  
DIRECTOR OF  
ASOCIACIÓN  
UNACEM



**FRANCISCO  
BARRERA  
ARIAS**

.....  
INDUSTRIAL  
ECOLOGY  
MANAGER

To read the full bio, scan the QR code or click [here](#).





CODIR's strategic approach to the management of environmental, social and governance (ESG) aspects is a clear indication of its commitment to sustainability, which is why it holds two types of meetings:

**General CODIR:**

A meeting held twice a month to review the industrial, commercial and financial progress of the company in order to analyze, discuss and draw conclusions on the results, prior to a presentation to the board of directors. (GRI 2-12)

**Sustainability CODIR:**

Meets once a month, led by the safety, environment and sustainability department. CODIR analyzes, discusses and decides upon occupational health and safety, sustainability, environmental management and integrated management system issues.

The incorporation of these sessions into CODIR's regular agenda integrates sustainability at all management levels as well as into institutional strategy, which prepares us to face challenges and take advantage of opportunities in the changing business environment of the 21st century.

(GRI 3-3 Corporate Governance)

Furthermore, these sessions enable the different departments to report their own concerns about each process, resolve them together take decisions approved by the general management. In 2023 each department included one point as part of the agenda, totaling at least 10 subjects each month.



## CODIR project leadership and training

During 2023 CODIR members participated in the following projects aimed at raising awareness and reinforcing sustainable development issues:

### Cultural Transformation Project Tinku<sup>3</sup>:

With the aim of making UNACEM Peru a sustainable company over time, we started this project in August 2022 in which CODIR validated the purpose of the UNACEM Group as:

***Growing together to build a sustainable world.***

In 2023 we also defined our aspiration for 2030:

**TO BE THE LEADING COMPANY IN THE CONSTRUCTION MATERIALS INDUSTRY IN PERU AND A BENCHMARK FOR SUSTAINABILITY IN LATIN AMERICA, DISTINGUISHED BY ITS PEOPLE-AND-CUSTOMER-CENTRIC CULTURE AND INNOVATIVE APPROACH THAT CREATES SHARED VALUE FOR SOCIETY**

CODIR has been a significant actor in the Tinku project, which has been integrated into the Qallariy Strategic Plan<sup>4</sup> (also initiated in 2022) and into the strategic tenets of the UNACEM Group through the application of **Objective and Key Results – OKR** that mesh with our defined purpose and aspiration.

(GRI 2-12)

<sup>3</sup> A Quechua word meaning **encounter**.

<sup>4</sup> Quechua word meaning **beginning**.

## Corporate occupational health and safety program *Vida Primero*:

*Vida Primero* is a corporate occupational health and safety program, in which CODIR members participate as sponsors of the different committees on management and technical standards:

### Integrated organization VIDA PRIMERO

#### Management standards

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- Visible leadership
- Vision and results management
- Procedures and performance standards
- Training and development
- Integrated organization
- Responsibility, roles and resources
- Talent management
- Motivation and awareness
- Effective communication
- Audits and observations
- Incident investigation
- Contractor security management

GRI 2-17

#### Technical standards

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- Work at height
- Energy isolation
- Cargo lifting
- Hot work
- Confined spaces
- Emergency response
- Mobile equipment
- Personal protective equipment



We have made progress with the safety maturity indicator according to the Dupont model. **In 2023, the security culture maturity index was 3.17, 39% higher than the 2.27 achieved in 2021.**



## Development of the ESG strategic tenet:

Some CODIR members participated in the development of the UNACEM Group's ESG strategic tenet, applying the methodology of defining clearer and more measurable *OKR* (objectives and key results)

Furthermore, senior management took part in the 2023 performance management process. This involved the definition and measurement of two types of objectives:

### Business unit targets:

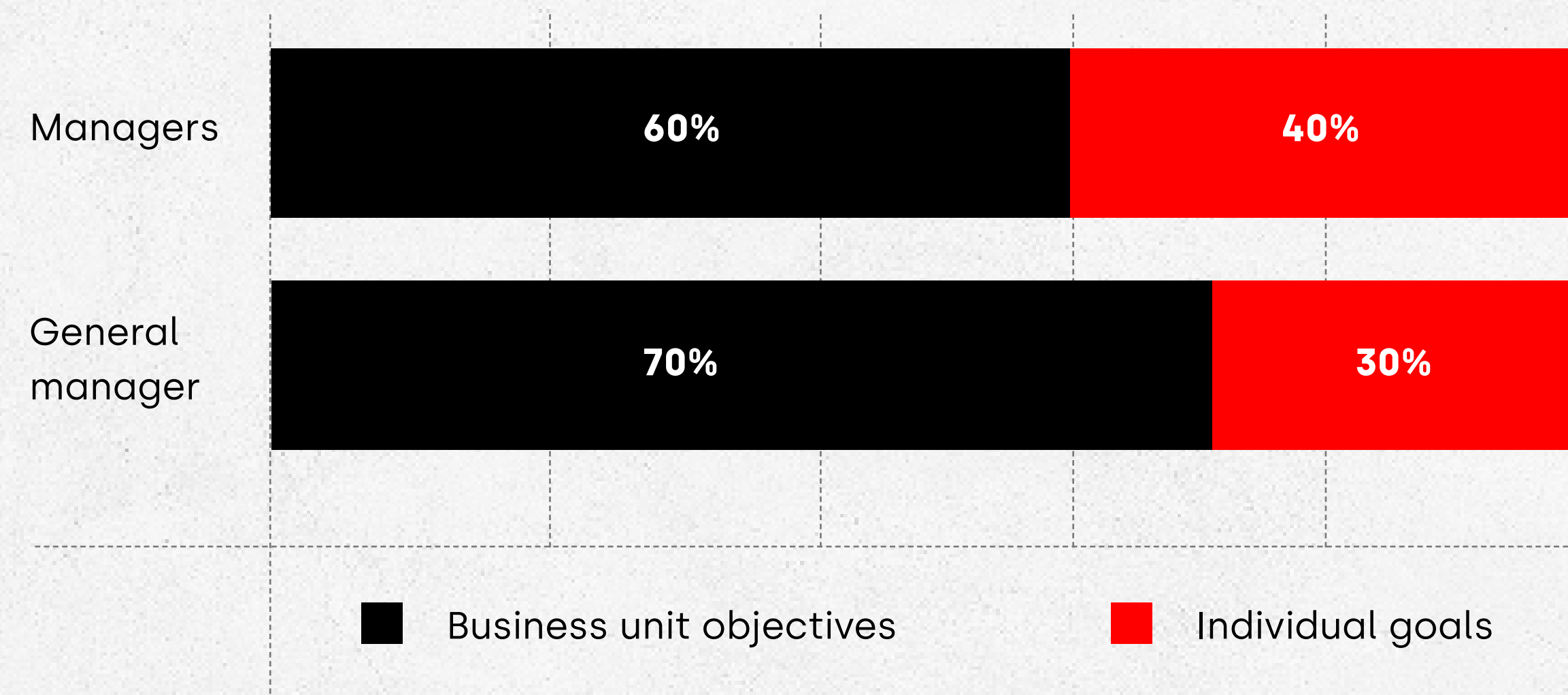
Applies to all members of the CODIR.

### Individual targets:

Specific to the management goals for which they are responsible.

The weighting given to the two types of target in the evaluations are as follows:

### Weights for the final evaluation



GRI (2-18)

### 3.4

## Ethics and compliance

GRI 3-3, Ethics and compliance, 2-12, 2-23, 2-24, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 415-1

A fundamental part of corporate strategy is the implementation of practices to promote ethical and transparent behavior:

#### Fraud and corruption prevention:

We have zero tolerance for bribery or any act of corruption, whether by public or private officials. We have therefore established clear policies, give continuous training to our workers and implement control systems and audits to detect and prevent irregular practices.

#### Preventing money laundering:

We have implemented measures to prevent money laundering, which involve monitoring and managing financial transactions to ensure that all operations are carried out in a legal and transparent manner.

#### Compliance with competition rules:

At UNACEM Peru we adhere strictly to laws and regulations governing competition. In 2023 there were no cases of failure to comply with legislation and regulations. We have not recorded any cases that have resulted in fines and/or monetary sanctions.

#### Stakeholder relations:

We maintain open and transparent communication with our stakeholders: employees, customers, suppliers, shareholders and the community. This helps build trust and fosters sustainable relationships based on mutual respect and integrity.

#### Reporting systems and whistleblowing:

We have systems in place that allow both employees and third parties to safely and confidentially report any suspicious or unethical activity.

By focusing on these areas, we not only comply with legal regulations and expectations, **but also demonstrate our commitment to business ethics.**

These practices are essential for ensuring our long-term sustainability, maintaining the reputation we have built and strengthening our market position. This effort is based on ISO standard 37001:2016 - Anti-Bribery Management Systems.

The implementation and adoption of the Integrated Compliance System by UNACEM Group and its subsidiaries, including UNACEM Peru, is a significant step that **further strengthens our approach to ethics, integrity and legal compliance.**



**This approach contains several fundamental aspects:**



**Code of Ethics and Conduct (CODEC):**

Is at the core of our Integrated Compliance System. It describes the mandatory minimum standards of behavior and sets out the basic principles that guide performance of responsibilities. It addresses issues such as due diligence, preventing corruption and respect for human rights, among others, for managers, employees and, in certain cases, third parties interacting with the company. (GRI 2-23) (GRI 2-24)

**Basic principles and behavioral guidelines:**

The CODEC provides clear guidelines on how to proceed in the professional context, in terms of preventing conflicts of interest, transparency in operations, prohibiting corrupt practices and respecting laws and regulations.

**Applicability and scope:**

the Integral Compliance System and CODEC are applicable to the UNACEM Group, including UNACEM Peru. This ensures consistency and unification of ethical and legal practices throughout the company structure.

**Training and awareness-raising:**

To ensure the effectiveness of the CODEC, we conduct training and communication activities for employees and managers to widen their understanding of how to apply established principles and standards on a day-to-day basis.

We seek to communicate the organization's anti-corruption policies and procedures to all employees and managers. 100% of managers and 97% of the workforce (788 workers out of 809) were given training about anti-corruption policies and procedures through Workplace<sup>5</sup>. (GRI 205-2)

<sup>5</sup> Workplace is an online business communication tool available throughout UNACEM Peru.



**Having an Integrated Compliance System marks the path to success because:**

- It strengthens trust between us and our stakeholders: shareholders, employees, customers, communities and suppliers.
- It protects the integrity on which our business is built.
- It prevents damage to the company's reputation and financial losses.
- It warns workers of the civil and criminal liability that may arise from situations of apparent non-compliance. (GRI 3-3 Ethics and compliance)

The function of the Integral Compliance System and CODEC is regulatory compliance, while they also strengthen our culture. By placing these principles at the core of our operation, we have positioned ourselves as a reliable and respectable company in the marketplace. (GRI 3-3 Ethics and compliance) (GRI 2-12) (GRI 2-23)



**In accordance with our CODEC, we have responsibilities to employees, shareholders, customers, suppliers, society, the environment, and also to human rights.**

**The communication and training strategy we employed for the last CODEC update included several actions:**

**1**

**Effective communication:**

Directed at employees, suppliers and business partners through emails, websites, corporate social networks and the WhatsApp group **+Unidos**. Furthermore, we spread the work about the importance of the CODEC to our main customers at our sales convention. (GRI 2-24)

**2**

**Virtual training for employees:**

We launched a mandatory virtual course on the CODEC, anti-corruption policy and procedures on the corporate learning platform **Rankmi**. 63% of our employees received training. (GRI 205-2)

**3**

**Future training plans:**

By 2024, we plan to introduce our CODEC to our distributors and major customers. This initiative will extend its scope to the entire value chain and will promote ethical and responsible practices.

**These actions are evidence of our determination to integrate CODEC principles into all aspects of the company.**

We are aware that we strengthen our culture of integrity and responsibility when our stakeholders are well informed and trained in ethical expectations and standards of conduct. This strategy helps us to improve the level of awareness of CODEC, reduce risks, strengthen trust and our institutional reputation among employees, business partners, customers and the community. (GRI 2-23)(GRI 2-24)

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

## The fight against corruption

### Zero tolerance of bribery and corruption:

Our commitment to society is to conduct our operations in accordance with values and respect for the law. We have a Corporate Anti-Corruption Policy, aligned with the CODEC and with the anti-corruption laws in force in our country. (GRI 2-23) (GRI 415-1)

### Transparent operations and respect for the law:

At UNACEM we strive to conduct our operations in a transparent manner, in accordance with corporate values and in strict compliance with applicable laws.

### Prohibition of contributions to political parties or persons related to them:

Our corporate donations policy states that donations to political parties or candidates, as well as personally to public officials or employees, are prohibited.

(GRI 415-1).

### Corruption risk assessment:

We have assessed the risks of corruption in 100% of our operations: clinker and cement manufacturing and marketing processes, loading and unloading at Atocongo and Condorcocha plants, the Conchan port facility, and our administrative offices.

Significant corruption-related risks identified in the risk assessment relate to bribes offered between private parties (contractors, suppliers, clients) and with public officials. (GRI 205-1)

Implementation of these anti-corruption policies and practices reflects a proactive approach to ensure ethical and responsible management. By maintaining these high standards, the company not only complies with regulations, but also promotes a culture based on integrity and trust, which are critical elements for long-term success and sustainability..

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

Our practice of free competition and compliance with related regulations **have earned us a reputation for integrity in the marketplace.**

### **Free competition**

We promote fair and ethical business practices in the marketplace. The most relevant considerations that we put into practice are:

#### **Defense of free competition:**

A competitive market fosters efficiencies that benefit all participants, including competitors, suppliers, customers and the State.

#### **Compliance with competition regulations:**

We comply with all applicable laws and regulations as a duty and right of special importance, which ensures the proper performance of our operations.

#### **Focus on quality and value to gain customer preference:**

We strive to gain customer approval through the quality and value of our products and services. We reject all types of unfair or anti-competitive practice.

#### **Zero processes related to unfair competition:**

In 2023 no proceedings were brought against UNACEM for non-compliance with unfair competition or antitrust regulations. This is evidence of our success in maintaining legally compliant and ethically responsible business practices. (GRI 206-1)

## **Mechanisms for seeking advice and raising concerns**

Our focus on ethics and compliance is comprehensive and robust. We have established several mechanisms to ensure adherence to these principles:

**Integral Complaints System:** The UNACEM Group has an official means of lodging complaints managed by an external provider, which ensures that they are handled in an impartial and confidential manner. This system is supervised by the Ethics and Corporate Governance Committee.

### **Variety of channels for complaints and queries:**

Employees, suppliers, stakeholders and the general public can report non-compliance with the CODEC or raise queries related to ethical conflicts through various channels, including a dedicated website, email and a toll-free hotline in Peru.

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

### **Investigation procedures:**

All complaints and inquiries received are investigated and analyzed following an internal procedure. This process ensures that all cases are handled fairly and thoroughly.

### **Protection against retaliation:**

At UNACEM Peru, we guarantee that retaliation or threats against any employee who reports possible violations of the CODEC in good faith, or who cooperates in an investigation, will not be tolerated. (GRI 2-26)

To deal with external complaints and claims (civil society and communities), UNACEM applies the procedure Communication, Participation and Consultation with Stakeholders, which is part of the Integrated Management System.

At UNACEM we respond as soon as possible to the claims we receive. For communications regarding complaints and grievances from external stakeholders, the service manager documents them on a form known as the Register of External Complaints and Grievances. Once concluded, he reports to the department involved -depending on the type of complaint- so that a field visit can be made to analyze the case with more data. After this, the department involved issues a report on whether the complaint is admitted or not, which is given personally to the complainant, after which a memorandum of attention and conformity is issued and signed.

The following complaints and claims have been received over the last three years: In 2021 and 2022, respectively, there were four environmental complaints that were speedily addressed and resolved. In 2023, 19 environmental complaints were filed; of these, four were resolved to and 15 are being evaluated. (GRI 2-26)

## Bribery Cases in 2023

We recorded 13 alleged cases of private corruption involving third parties (security personnel and carriers). We took action against the offenders in all these cases. Neither have there been any court cases relating to corruption lodged by the company or its employees. (GRI 205-3)

The establishment of these reporting mechanisms and the way in which we have handled allegations of misconduct **reveal the degree to which our commitment to ethics, transparency and compliance with laws** has been instrumental in maintaining trust and integrity in all our operations and business relationships.



### 3.5 Corporate Human Rights Policy

GRI 3-3, Human Rights

**We know that responsible and sustainable business is based on respect for and promotion of these fundamental rights.**

This position contributes to sustainable development and building a fairer and more equitable society.

Our human rights policy commitments focus on:



Adherence to the UNACEM Group's Human Rights Policy, **respect for and promotion of human rights is an important aspect of our responsibility**, strategy and business ethics..  
(GRI 3-3 Human rights)

**Respect for Human Rights:**

We are committed to respecting human rights in all our operations and business relationships.

**Promoting human rights in the value chain:**

This involves working with suppliers and partners who also respect and promote human rights.

**Senior management commitment:**

Our senior management shows an active commitment to human rights, which is essential to fostering a culture based on respect and dignity.

**Stakeholder impact:**

Recognizing that human rights are fundamental to our stakeholders, we ensure that our actions and operations have a positive impact on workers, customers, communities and other related groups.

Learn more about our corporate human rights policy [here](#).

### 3.6 Corporate diversity and inclusion policy

The UNACEM Group has a corporate diversity and inclusion policy. **This policy is a significant step towards the consolidation of a more inclusive and diverse culture.**

It is aligned with the first corporate diversity and inclusion program "**Voces Unidas**", aimed at building an equitable, diverse and inclusive environment that promotes respect for differences and the inclusion of minorities. Key aspects of this initiative include:

#### **Formation of a multidisciplinary working group:**

In order to ensure a collaborative and holistic approach, composed of different perspectives and areas of expertise, this working group was formed to address diversity and inclusion.

#### **Application for each business unit of UNACEM Group:**

This ensures both a uniform and consistent approach throughout the organization and the integration of diversity and inclusion in all areas.

#### **Promoting an equitable, diverse and inclusive environment:**

The policy seeks to strengthen a working environment in which equity, diversity and inclusion are fundamental tenets. It focuses on developing actions that promote respect for differences and the inclusion of minorities.

#### **Maximizing talent and generating value:**

Recognizing that diversity and inclusion are sources of enrichment and innovation, the policy aims to maximize the talent of all employees. This helps to generate value for both the company and its **stakeholders**.



Get more information on our Corporate Diversity and Inclusion Policy [here](#).



## 3.7 Integrated Management System

GRI 2-27, GRI 2-24

The implementation of the Integrated Management System Policy in UNACEM contemplates several aspects that are vital for the effective and sustainable management of the company:

### **Comprehensive Integrated Management System coverage:**

Addresses critical areas such as quality, occupational health and safety, the environment, anti-bribery and protection against illegal activities in the supply chain. Our consideration of all these aspects pursues holistic and coherent management that aligns our operations with the highest ethical standards and principles.

### **Management and coordination of activities:**

This system allows the effective management and coordination of UNACEM's activities in the above-mentioned areas, so that all operations and decisions are directed towards the company's strategic objectives.

### **Focus on continuous improvement and risk management:**

The objectives and goals established under this policy are aimed at promoting continuous improvement and effective risk management. This implies a constant process of evaluation, learning and adaptation to improve operations and institutional practices.

### **Compliance with the Integrated Management Policy:**

This encompasses not only legal compliance, but also UNACEM's internal standards (relevant regulations and the company's commitments in key areas).

### **Responsibility and sustainability:**

By integrating these different aspects into a unified management system, UNACEM demonstrates its determination to run a responsible and sustainable operation, as well as the importance it attaches to efficiency and productivity, and to social, environmental and ethical responsibility. (GRI 2-24)

The Integrated Management System is fundamental to ensuring that the company continues to operate in an efficient, safe and responsible manner, maintaining its commitment to quality, safety, environmental protection and business ethics.

See more information about our Integrated Management System [here](#).



### Internal audits

Implementation and continuous improvement of the IMS at Atocongo and Condorcocha plants embody our **systematic and rigorous approach to quality, operational efficiency and sustainability.**

Key activities in this process include:

- **Scheduled internal audits**
- **Monitoring and measurement mechanisms**
- **Dealing with non-conformities and periodic reviews**
- **Compliance with ISO and Business Alliance for Secure Commerce (BASC) standards**
- **Penalty system for contractors**
- **Unification of processes between plants**

UNACEM Peru's objectives in the areas of quality, the environment, occupational health and safety, and regulatory compliance **reflect a comprehensive and committed approach to operational excellence**, sustainability, and the well-being of its workers. These objectives are essential to the long-term success of the company and are detailed below:

## Environmental goals

The main environmental objective is to reduce relative emissions of the greenhouse gas CO<sub>2</sub> by the cement manufacturing process, and is aligned with the cement industry's regional and global commitments.

Other important environmental objectives are the optimization of waste management, recycling, reduction of groundwater consumption and the reduction of specific fuel consumption, as well as electricity consumption.

## Quality goals

These include customer satisfaction, market share, the presence of our products at points of sale, service times, loading and unloading rates, product quality and variability, quality control performance, maintenance and logistics.

## Occupational health and safety goals

We prioritize the implementation of the energy isolation (LOTO) standard in maintenance activities and other work on machinery and equipment..

We also focus attention on improving noise management and, through the program Vida Primero, we seek to reduce the accident rate and care for the occupational health of our workers.



## Compliance with laws and regulations

The legal department plays a leading role in achieving this goal. Their proactive and effective management is critical to maintaining the company's integrity and corporate responsibility. The key functions of this effort include: ensuring protection of rights and interests by operating within the legal and ethical framework, supervising compliance with safety, environmental and mining obligations to avoid infringements, and carrying out preventive work to minimize legal risks. In addition, it uses GEORGE software to monitor legal obligations, assign responsibilities, send alerts on compliance and accompany annual audits to verify compliance with legal and regulatory obligations, thus maintaining high standards.

UNACEM recorded no instances of non-compliance that would have resulted in significant fines in 2023, a demonstration of the effectiveness of its compliance strategies. (GRI 2-27)

## **3.8**

### **Risk and crisis management**

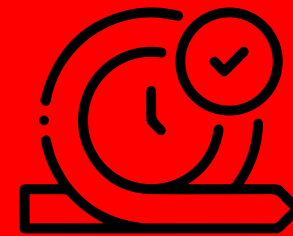
GRI 3-3 Risk and crisis management, 2-15

Risk management is part of our comprehensive and proactive approach to the long-term sustainability and success of the company. The key strategies we apply in this field are:



#### **Strategic and operational risk management:**

We focus on identifying and managing risks at both strategic and operational levels. This involves assessing and addressing those that could impact our long-term objectives as well as day-to-day operations.



#### **Best practices and agile standards:**

We seek to implement flexible and efficient risk management processes that are capable of adapting to changes in the business environment and emerging risks.



#### **Employee training and empowerment:**

We help our leaders to better understand and manage risks in their respective areas. We thus contribute to the development of an organizational culture conscious of and prepared to face them.



#### **Development of a risk management culture:**

We foster a mindset in which risk identification and mitigation are considered an integral part of all activities and decisions.

Our risk management strategy demonstrates our focus on resilience and sustainability. Having a risk identification, assessment and management system in place, and empowering employees to actively contribute to this system, prepares us to meet current and future challenges, while protecting our operations, staff and *stakeholders*.

More information on our Corporate Integrated Risk Management Policy can be found [here](#).

It is also worth mentioning that the following risk management initiatives have been implemented according to our **Corporate Integrated Risk Management Model** and **Corporate Risk Management Policy**:

- We have continued to deploy our **Free Competition Compliance program**, with which we are able to train sensitive staff (commercial, human resources) and implement more than 70% of the controls.
- We continued with the **Anti-Corruption Compliance** program until we were re-certified to ISO Anti-bribery 37001 standard and provided training for sensitive staff.
- We organized a **Compliance Week**, in which we raised awareness of workers to the importance of the CODEC and related policies.
- We conducted the first virtual course on the CODEC on the **Rankmi** platform. More than 95% of workers in the target audience received training
- We launched the first **Conflict of Interest Declaration on the Rankmi platform**. 100% of the target audience completed the declaration and reported potential conflict of interest situations.
- We installed the UNACEM Risk Committee, made up of members of CODIR, who meet periodically.  
(GRI 3-3 Risk and crisis management)

Our risk and internal control office seeks to guarantee safe operations in accordance with policies and regulations, through the implementation of an integrated risk management model and policy. (GRI 3-3 risk and crisis management)

A risk management system protects operations and assets, while ensuring the long-term sustainability and success of the company.

## INTEGRATED RISK MANAGEMENT POLICY

The comprehensive risk management process consists on seven stages

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

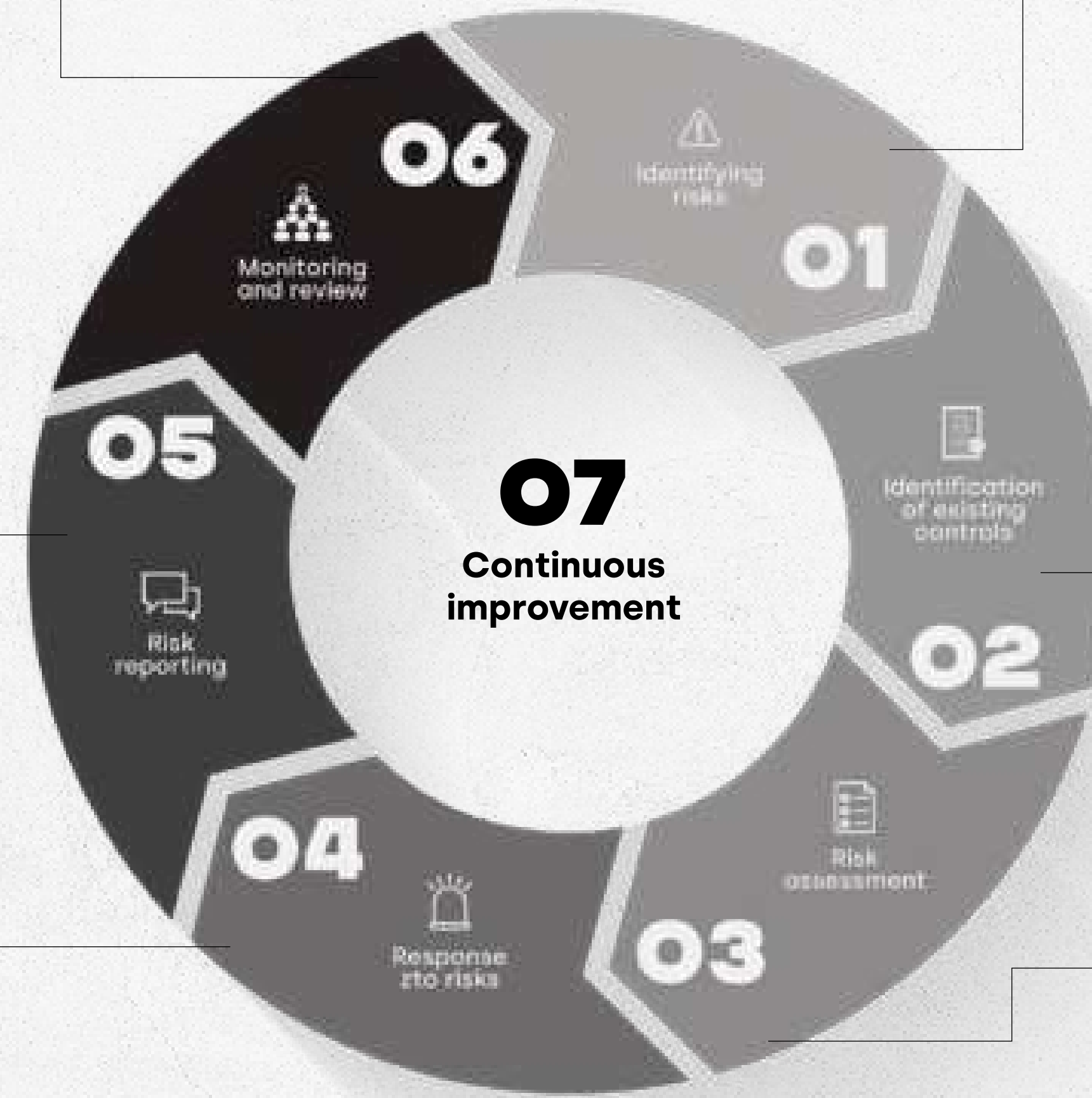
Obtaining a complete understanding of the risks that the Group faces that could prevent, accelerate or delay th achievement of our goals.

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

Determining whether existing controls adequately mitigate the risks.

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

Classifying risks in order of their potential impact and probability of inherent and residual occurrence if applicable.





## **Managing conflicts of interest**

The UNACEM Group has a corporate conflict of interest management policy, which is a vital tool for maintaining integrity in all our operations.

This policy ensures that the decisions and actions of our employees are aligned with the best interests of the company and reinforce its impeccable reputation for ethical and responsible conduct.



**The Corporate Conflict of Interest Management Policy seeks to guide employees and managers on how to identify and manage conflict situations, including the need to prevent personal interests from affecting their corporate responsibilities.**

Every year staff employees up to manager level must submit a sworn statement detailing these conflicts, following a process starting from drafting to defining corrective action. In addition, specific procedures are established for reporting and resolving conflicts, encouraging communication with supervisors or management for the proper evaluation and resolution of such conflicts. Emphasis is placed on training and awareness of this policy to ensure its correct application and to foster a commitment to business ethics and transparency, strengthening trust internally and with external stakeholders.

Conflicts of interest may be disclosed to the stakeholders affected as part of the mitigation action, to be defined on a case-by-case basis. (GRI 2-15)

There were no conflict of interest reports in 2023. (GRI 2-15)

More information on our Conflict of Interest Management Policy can be found [here](#).





OUR FINANCIAL AND  
**ECONOMIC PERFORMANCE**

## 4.1 Economic environment

In the international arena, the conflict between Russia and Ukraine influenced increased interest rates, energy prices and inflation worldwide, negatively affecting investor confidence. Furthermore, major economies, such as the United States and China, experienced a slowdown in growth compared with the previous year. The Asian giant also had to face considerable impacts on its economic recovery caused by prolonged restrictive policies arising from the pandemic.

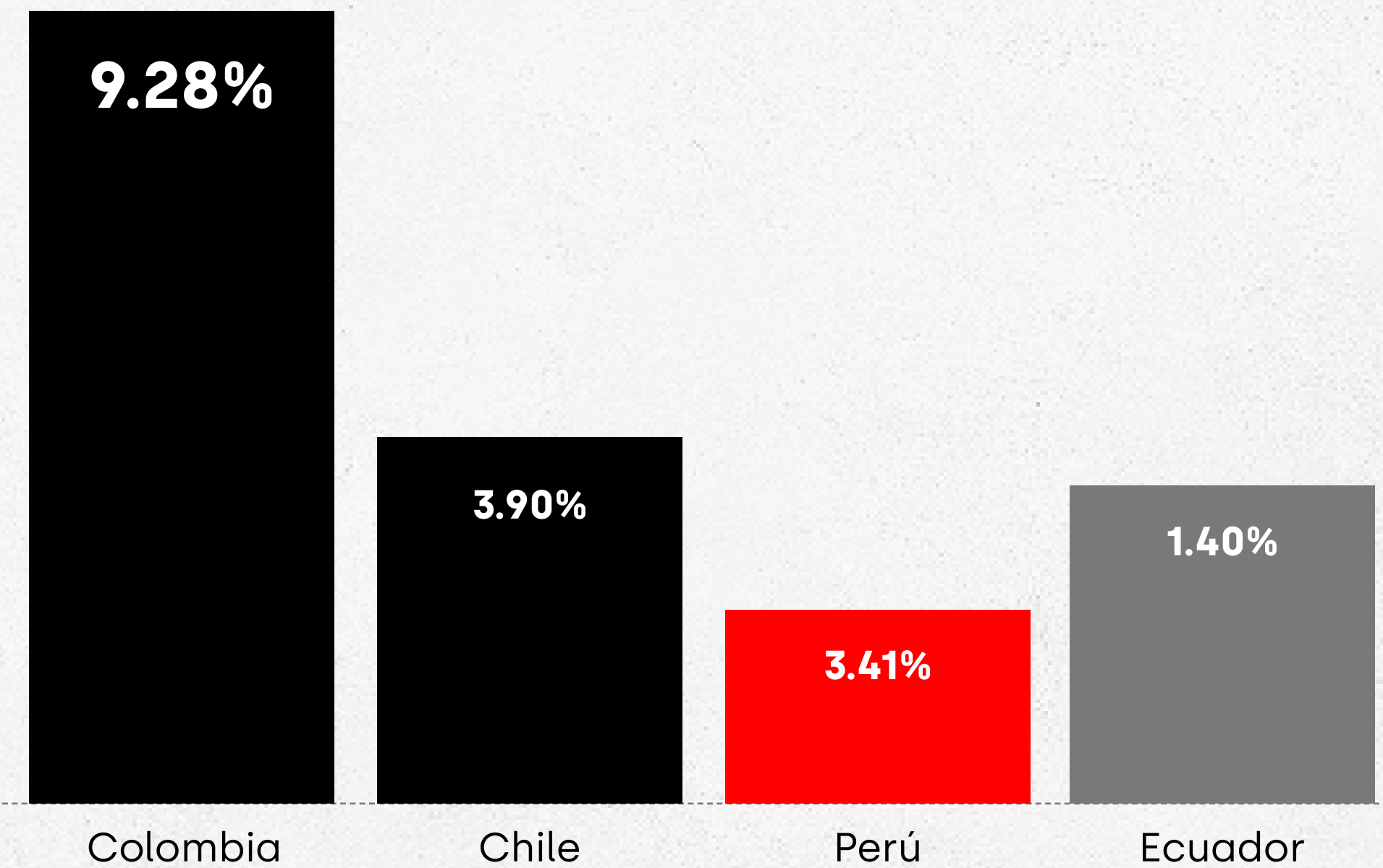


Latin America was not immune to the effects of this global context. After a vigorous post-pandemic recovery and resilience in early 2023, the International Monetary Fund estimated economic growth in Latin America and the Caribbean to have moderated to 2.3%, down from 4.1% in 2022. Country performances varied according to the specific circumstances of each economy.

The devaluation of local currencies in the region, together with increases in raw material and freight prices, created a more challenging economic environment for companies operating in these markets.

Furthermore, in those Latin American countries in which the UNACEM Group operates (Chile, Colombia, Peru and Ecuador), the phenomenon of inflation, despite being lower than in 2022, directly affected the purchasing power of consumers and had implications for the companies' operating costs.

**Inflation of selected countries in 2023**



Source: Peru's National Statistics Institute (Instituto Nacional de Estadística).

In Peru's case, the international situation was compounded by natural phenomena, political instability and local social upheaval, creating an inflationary environment and discouraging private investment. As reported by the National Institute of Statistics and Informatics (INEI), the Peruvian economy suffered an accumulated fall of 0.57% in the period December 2022 - November 2023. In 2023, the last time the Gross Domestic Product (GDP) increased was in April; after that, domestic production data was negative through to October.

Within this context, we have adapted tactics to market conditions in order to meet these challenges. We are aware these scenarios also contain emerging opportunities that we must consider and take advantage of; that discernment and understanding of macroeconomic factors are essential for strategic planning and decision making, and that we must have the ability to adapt to circumstances that may arise, as well as to manage risks effectively



## 4.2 Creation and distribution of economic value

GRI 3-3 Creation of sustainable economic value, GRI 201-1

At UNACEM we recognize the importance of a balanced business strategy that integrates economic growth with social and environmental responsibility. This conviction and way of proceeding have positioned us as leaders in the construction and materials sector. 2023 was a period of adjustment and strengthening in which we maintained the strength and sustainability of our operation, despite geopolitical and economic circumstances.

### Our tenets for growth and value creation

#### Efficient asset management

We optimize the use of resources and invest in technology and practices that improve operating efficiency, to ensure the sustainability of our operations.

#### Disciplined management of liabilities

We manage debt prudently, and we rigorously control costs and strategic investment to maintain a healthy balance sheet.

#### Healthy business profitability

We continuously encourage a search for efficiencies and for measures to control costs and expenses in our operations.

#### Generating value for all stakeholders

We apply responsible and sustainable business practices for our stakeholders and develop products and services that contribute positively to society and the environment.

#### Commitment to sustainability

We promote a fair and safe working environment, contribute to the economic development of the communities in which we operate, and choose measures that reduce our environmental impact.

(GRI 3-3 Creation of sustainable economic value)

## Financial results 2023

	Year 2023 (thousands of soles)
Sales	2 743 791
Gross profit	936 171
Operating profit	628 795
EBITDA (earnings before interest, taxes, depreciation and amortization)	852 144
Profit before taxation	560 805
Net profit	388 482

(GRI 201-1)



Distribution of our economic value in 2023

**Economic value distributed and retained**

**Year 2023 (thousands of soles)**

<b>Economic value created (EVA)</b>	<b>2 787 840</b>
a. Turnover	2 743 791
b. Other income	44 049
<b>Economic value distributed (EVD)</b>	<b>2 399 358</b>
c. Remuneration and other social benefits for employees	300 468
d. Suppliers of goods and services	1 496 980
e. Financial costs (interest)	90 250
f. Taxes and payments to governments	483 183
g. Social responsibility and private social investment	28 477
<b>Economic value retained (EVR)</b>	<b>388 482</b>
Shareholder dividends	271 054

(GRI 201-1)

## Relevant performance figures for 2023

### Dispatches

Cement dispatches in 2023 fell by 12.5% compared with 2022. This decrease was mainly due to the fact that 2022 saw a historic record for dispatches due to the rebound effect post-pandemic.

### Income

Revenues from cement sales totaled S/ 2,522 million, a decrease of 5.0% compared with 2022. This result was mainly due to the lower volume shipped and was partially offset by a higher average price.

Export revenues increased by 60.7% compared with 2022, reaching a total of S/. 161 million.

Revenues from the sale of blocks and paving fell by 23.2% compared with the previous year, to S/. 61 million.

**Total revenues amounted to S/. 2,744 million, representing a 3.2% fall compared with 2022.**





## Costs and expenditure

The cost of cement sales amounted to S/ 1,598 million, a decrease of 3.9% compared with 2022.

The cost of sales associated with clinker exports increased by 122.7% compared with the previous year.

The cost associated with the sale of blocks and paving slabs fell by 20.2% compared with the previous year.

Total costs amounted to S/ 1,808 million, representing an increase of 0.2% compared with 2022. The variation was mainly due to increases in the cost of fuel, energy, raw materials and maintenance.

Administration and sales expenses rose to S/ 207 million, 13.4% lower than in 2022.

Other net operating expenses fell by 30.2% compared with the previous year. The total reached S/ 100 million, consisting mainly of royalties granted to UNACEM Corp.

Net financial expenses amounted to S/ 79 million, 33.3% higher than in the previous year. This increase was mainly due to the higher level of debt at the end of the period and an increase in interest rates.

## EBITDA margin and net profit

The **EBITDA margin remained stable at 31.1%**, resulting from proper implementation of efficiency and expense control measures during a year of lower gross margins and reduced sales volumes.

**Net income in 2023 amounted to S/ 388.5 million, 7.8%** lower than last year's net income, with a net margin for 2023 of 14.2%, 0.7% lower than the net margin for 2022. This decrease was mainly due to the increase in financial expenses and lower exchange rate gain, which decreased from S/34 million in 2022 to S/ 11 million in 2023.

## Financial debt

Financial obligations increased from

**S/ 1 384M** in 2022 to **S/ 1 574M** in 2023

In 2023, financial obligations were reprofiled to obtain more favorable rates and longer terms. We have been able to meet our debt service obligations in a disciplined manner.

## Capital and dividends

Declared dividends amounted to

**S/ 271.1M**

The company's subscribed and paid-up capital stock was

**S/ 2 156 485 445,**

represented by the same number of common shares having a par value of **S/ 1.00 each.**

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**UNACEM Corp is the main shareholder, with**

**2 156 485 444**

**of these shares.**



### External audit

External auditing during 2023 was performed by **Emmerich, Córdova y Asociados Sociedad Civil de R.L. (a member firm of KPMG International Limited)**.

The opinion on the statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows as at 31 December 2023 and 2022, as well as the respective notes forming part of this Integrated Report, have been issued without comment.



OUR COMMITMENT  
**TO SUSTAINABILITY**

## 5.1 Sustainability declaration

GRI 2-22, GRI 2-23

All our actions are based on the UNACEM Group's Sustainability Statement, which is aligned with the United Nations' Sustainable Development Goals (SDGs) and with our own business goal: ***"Growing together to build a sustainable world"***.

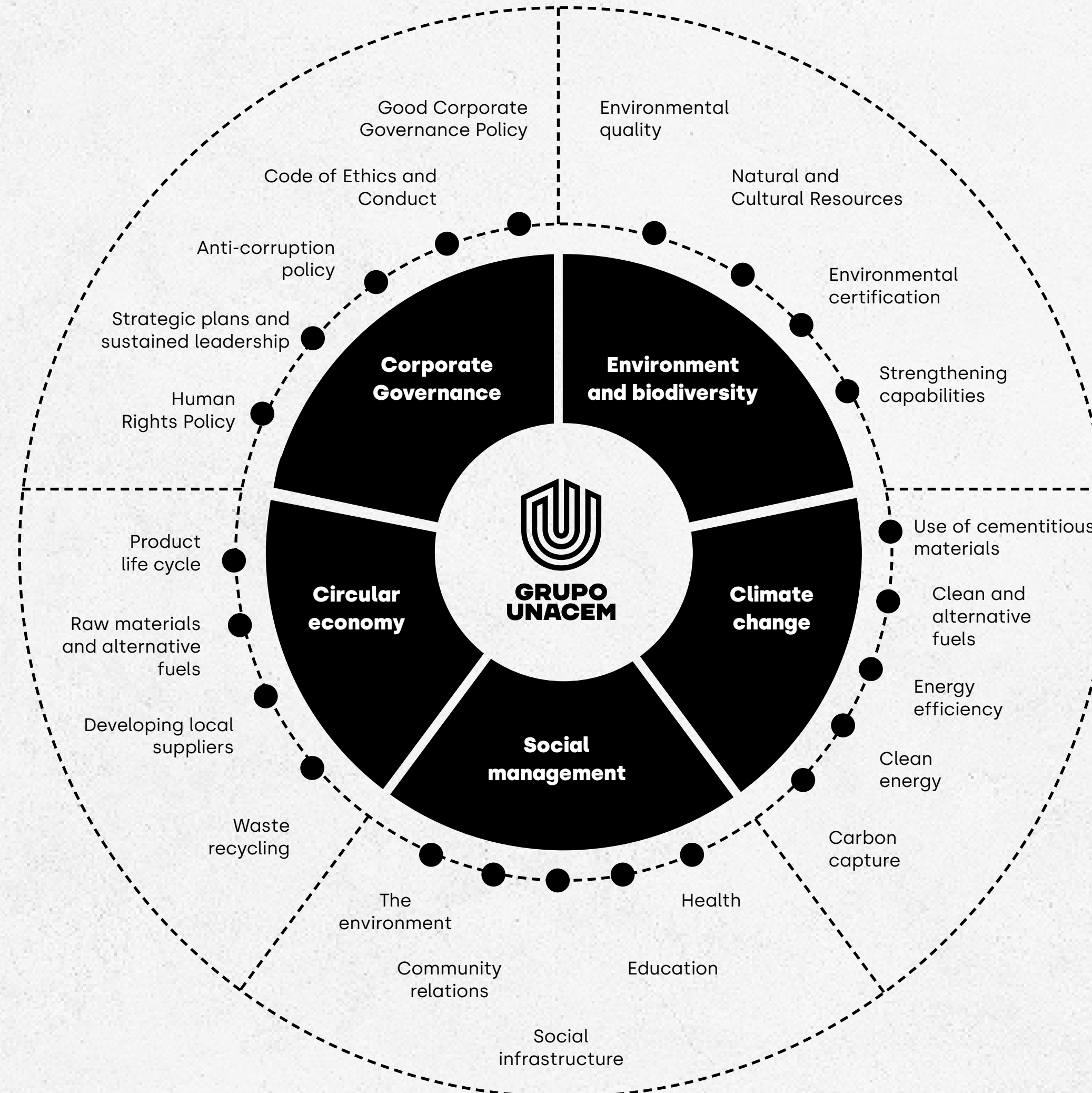
Our management is based on five tenets: **corporate governance, environment and biodiversity, climate change, circular economy and social management.**

(GRI 2-23)





## DECLARATION OF SUSTAINABILITY 2021-2050<sup>6</sup>



(GRI 2-22)

<sup>6</sup> Being verified by PwC

## 5.2 Contribution to the SDGs

At UNACEM we aspire to achieve carbon neutrality by the year 2050. Based on the 'roadmap' of the Peruvian cement industry, we have established relevant goals for the business and our stakeholders. We seek to reduce greenhouse gas (GHG) emissions through programs and projects focused on eco-efficiency in the use of resources; the circular economy; development of new products, and innovation in our production processes.

In accordance with best practice on the contribution of companies to the SDGs, we take the Global Compact recommendation as a reference and use the tool **SDG Compass**, through which we analyze each link in our value chain —raw materials, logistics, suppliers, operations, distribution, product use, end-of-life of the product and business environment— to identify the most relevant impacts, and then link them to the specific targets of the related SDGs.



**This exercise enabled us to define the five strategic SDGs applicable to our operation:**

(GRI 2-22)

## SDG



**SDG 8:**  
Decent work and economic growth



**SDG 9:**  
Industry, innovation and infrastructure



**SDG 11:**  
Sustainable cities and communities



**SDG 12:**  
Responsible production and consumption



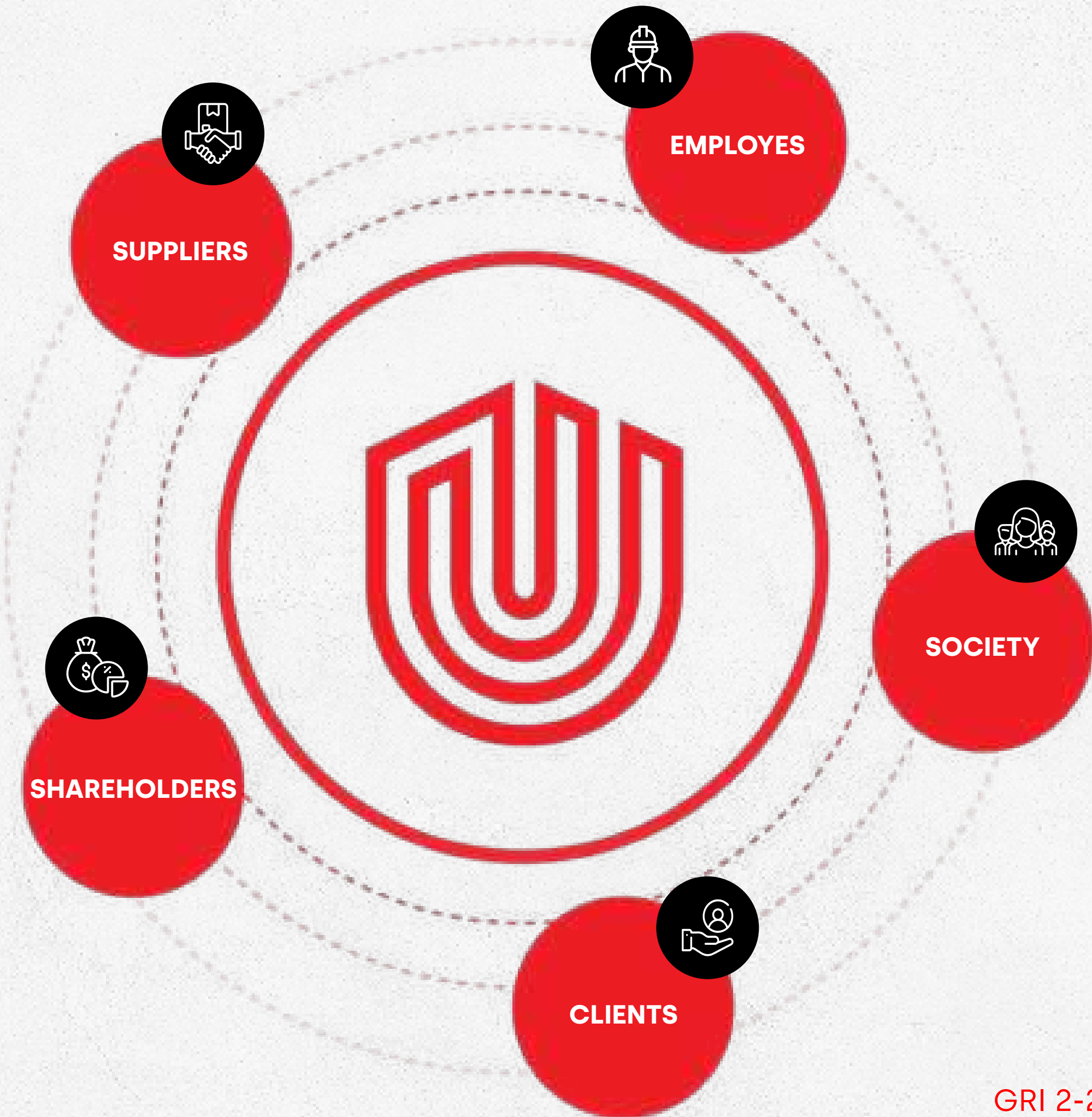
**SDG 13:**  
Climate action

## 5.3 Our stakeholders and how we relate to them

GRI 2-29, GRI 2-16

At UNACEM we identify our stakeholders through an analysis of the value chain, their proximity to our operation centers and the impacts —positive or negative, direct and indirect— that our activity has on them.


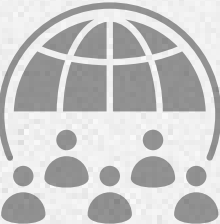
### UNACEM'S STAKEHOLDERS


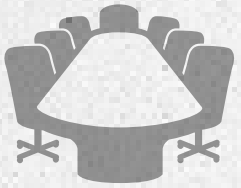



GRI 2-29

**Dialog and communication mechanisms with our stakeholders**

We are convinced of the relevance of maintaining transparent communication with all stakeholders through appropriate channels (relationship mechanisms) to promote dialogue; to publicize the results of our work; to understand their expectations, concerns and needs in order to consider them in our management decisions and to receive any concerns, observations or complaints in order to give them due attention and solutions. **GRI 2-16**

Stakeholders	Department	Our commitment	Relationship mechanisms	Frequency	Subjects of interest
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Human Resources Department.</li> </ul>	<ul style="list-style-type: none"> <li>Guaranteeing a safe and healthy working environment.</li> <li>Promoting a culture of recognition.</li> <li>Facilitating inspiring and challenging leadership.</li> </ul>	<ul style="list-style-type: none"> <li>Managing performance.</li> <li>Face-to-face communications, notices, intranet and virtual media.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent.</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety at work.</li> <li>Ethics and compliance.</li> <li>Talent management.</li> <li>Efficiency and productivity.</li> <li>News of interest.</li> <li>Internal activities, events and programs.</li> </ul>
<b>Society</b> 	<ul style="list-style-type: none"> <li>Commercial Department.</li> <li>Safety, Environment and Sustainability Department.</li> <li>Asociación UNACEM.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce, control and mitigate our environmental impacts (by measuring carbon footprint, water footprint, fugitive emissions and biodiversity).</li> <li>To be a good corporate citizen.</li> <li>To be a key player recognized as an "ally for development" as an organization that creates alliances to build shared value and seeks to achieve positive changes in the community.</li> </ul>	<ul style="list-style-type: none"> <li>Website, social networks, e-mail.</li> <li>Technical reports.</li> <li>Workshops, meetings, face-to-face and virtual communications.</li> <li>Treatment of complaints and queries (GIS).</li> <li>Sustainability Report.</li> <li>Participation in forums, workshops and inter-institutional meetings, both face-to-face and virtual.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impacts of the operations on adjacent communities and ecosystems.</li> <li>Human rights.</li> <li>Climate change.</li> <li>Efficiency and productivity.</li> <li>Ethics and compliance.</li> <li>Project financing.</li> <li>Commercial brand information.</li> <li>Information on safe construction.</li> <li>Institutional information.</li> </ul>

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

## 5.4 Guidelines for managing and remedying impacts

GRI 2-25

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

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

The different departments in contact with stakeholders receive these communications, which are then handled by the corresponding area. Communications related to bribery are also received through the Ethics Hotline. As far as complaints are concerned, they are entered into our Integral Complaints System for attention. (GRI 2-25)



## 5.5 Digital transformation

At UNACEM we are aware that the use of technology allows us to optimize the processes; we have therefore incorporated digital technologies in different processes of our operation.

This has enabled us to simplify procedures, create competitive advantages and generate quality data for decision making. In 2023 we implemented the following solutions:

**Predictive analytical models of operational efficiency**

**Payment automation**

**IBP SAP for integrated demand planning**

**Process automation**

**Electronic referral guide for multiple business units**

**Digital treasury platform**

**Implementation of digital *dashboards* to monitor strategy, risks, budget and cash balances, among others.**



## 5.6 Optimization and efficiency projects

GRI 203-1, NO GRI – New optimization,  
efficiency and ESG impact projects

In 2023, we continued implementation of the industrial infrastructure projects initiated during the previous year. In addition, we continue to evaluate new projects that are in line with our strategic, efficiency and sustainability goals, and to conduct the corresponding pre-feasibility and feasibility studies.

(NO GRI - New optimization, efficiency and ESG impact projects)



## Condorcocha plant highlights

- **Clinker stockyard roofing:** Encapsulation of our plant's clinker stockyard, eliminating the possibility of fugitive emissions of particulate matter from that area. The yard will have a storage capacity of approximately 125 000 tons.

- **Progress:** We continued to build the tunnels and reinforced concrete walls and then installed the metallic roofing.

- **Forecast:** We plan to complete the final enclosure by mid-2025.

- **New cooler and sleeve filters for kiln 3:** Installation of a new clinker cooler and particulate materials control system, which will use sleeve filters. This will allow us to improve our capabilities and efficiency in this area, in terms of both production and energy reduction, as well as care for the environment.

- **Progress:** We have continued with civil engineering works, as well as light engineering and mechanical and electrical work.

- **Forecast:** The project is due to be completed in the second half of 2024.

- **New N°6 bagging machine and palletizers:**

Installation of a new cement bagging system and automatic palletizers with bagging and palletizing capacity of 4,500 x 42.5 kg bags per hour and 5,400 x 25 kg bags per hour. This allows us to expand our capacity and speed of service to our customers.

- **Progress:** We have completed the first stage of the project, which includes a bagging machine and palletizer

- **Forecast:** Completion of the second stage is programmed for the first half of 2024, which to include a new palletizing machine and warehouse.

• **Works-for-taxes mechanism (public infrastructure)**

Construction of the project entitled **Improvement and Expansion of the Potable Water and Sanitation Service in Condorcocha Village, District of La Unión, Province of Tarma - Department of Junín**, benefiting approximately 1,200 inhabitants.

- **Progress:** We completed the construction work, including a new 50 m<sup>3</sup> reservoir, water piping and sewers.

- **Forecast:** The waste water treatment plant was completed and entered service in February 2024.



## Outstanding projects in the Atocongo Plant

- **Covering the clinker stockyard**

Covering the clinker storage yard, divided into three independent yards with a total storage capacity of approximately 350,000 tons. This project will make the clinker storage and recovery system more efficient, with full control of particulate material inside the covered yards, thus helping to protect the environment.

- **Progress:** We started construction of the first yard, which consists of a reinforced concrete dome having a storage capacity of 115 000 t.

- **Forecast:** Complete the first yard in the first half of 2024, continue with the second yard, with construction of the final one completed in the first quarter of 2026.



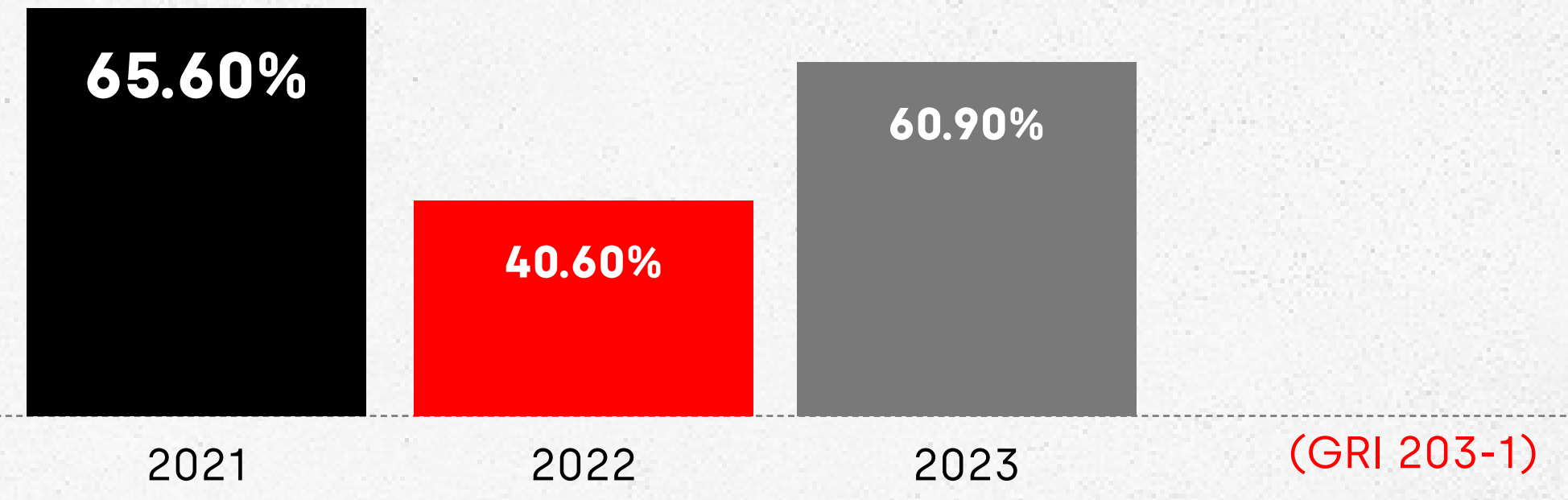
- **New N° 8 bagging machine and palletizers**

Installation of a new cement bagging system and automatic palletizers capable of bagging and palletizing 4,500 x 42.5 kg bags per hour and 5,400 x 25 kg bags per hour. This allows us to expand our capacity and speed of service to our customers.

- **Progress:** We have completed the first stage of the project, which includes a bagging machine and palletizer.

- **Forecast:** Complete the second stage in the first half of 2024, which includes two new palletizing machines and storage hangar

It should be noted that in recent years, the following percentages of total investments have been invested in sustainable industrial infrastructure projects:





**SOCIAL  
MANAGEMENT**

## 6.1 Workforce management

### 6.1.1 Attracting and retaining talent

GRI 3-3: Attracting and retaining talent, 2-7, 2-8, 2-19, 2-20, 2-22, 2-30, 401-1, 404-1, 404-2, 405-1, 406-1, 407-1, 408-1, 409-1, 410-1

In 2023 we were awarded ABE Certification for meeting the standards required by the Good Employers Association. The criteria evaluated were:

- **Prompt payment of salaries, benefits and insurance**
- **Staff performance evaluation**
- **Rewards according to evaluation**
- **Training and coaching**
- **Recognition and dissemination program**

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

**Demographics of our staff<sup>7</sup>**

We had a total of 809 employees in 2023. (GRI 2-7) We had a personnel turnover rate of 1.94% and an entry rate for new personnel of 16%. (GRI 401-1)

In addition, we registered a total of 2,475 contractors in Lima and Junín, a reduction of 11% compared with 2022 due to efficiencies achieved with our personnel. (GRI 2-8)

**Distribution of employees by gender (GRI 2-7)**

Classification	Women		Men		Total
	Lima	Junín	Lima	Junín	
Senior staff	6	0	24	4	34
Administrative staff	84	9	169	88	350
Employees	9	0	92	27	128
Laborers	0	0	124	173	297
<b>Total</b>	<b>99</b>	<b>9</b>	<b>409</b>	<b>292</b>	<b>809</b>

<sup>7</sup> For more information on personnel distribution, please refer to the respective indicator in the Annexes.

(GRI 405-1)



**Distribution of workers by age group**

Functional Group	Under 30		30 - 50		Over 50		Total	
	Number	%	Number	%	Number	%	Number	%
Senior staff	0	0 %	15	2 %	19	2 %	34	4 %
Administrative staff	22	3 %	233	29 %	95	12 %	350	43 %
Employees	4	0 %	57	7 %	67	8 %	128	16 %
Laborers	15	2 %	212	26 %	70	9 %	297	37 %
<b>TOTAL</b>	<b>41</b>	<b>5 %</b>	<b>517</b>	<b>64 %</b>	<b>251</b>	<b>31 %</b>	<b>809</b>	<b>100 %</b>

(GRI 405-1)

**Distribution of permanent and temporary workers**

Functional Group	Permanent		Temporary		Total
	Women	Men	Women	Men	
Senior staff	6	28	0	0	34
Administrative staff	91	250	2	7	350
Employees	8	113	1	6	128
<b>Laborers</b>	<b>0</b>	<b>274</b>	<b>0</b>	<b>23</b>	<b>297</b>
<b>Total</b>	<b>105</b>	<b>665</b>	<b>3</b>	<b>36</b>	<b>809</b>

(GRI 405-1)



## Labor training

We promote young talent (students or recent graduates), giving us a "pool" for future hiring and thus responding to new market demands.

We contribute to the training of our selected trainees, who are our potential future workers. We use two means to meet this goal: Pre-graduation internships (for students in the eighth cycle of studies) and professional internships (recent graduates).

During 2023, 69 trainees took part in the program: **29 women and 40 men.**

**Distribution by type of internship**

Site	Pre-graduation interns	Professional interns
Atocongo Plant	16	39
Condorcocha Plant	1	13

At our Atocongo Plant, we try to ensure that trainees come from the communities in our areas of influence, while at the Condorcocha Plant they must reside in nearby communities or in Tarma, since trainees cannot live on-site.



## Training and education

We have a training plan aligned with the needs of the business. Personnel receive training on topics such as legal compliance, regulations and updating of knowledge and skills. We use several teaching methods, including training in Peru or abroad.

Our employees attend congresses or business events such as FICEM or CEMNET courses<sup>8</sup> to extend their knowledge, and also participate as exhibitors. Trips are also made to the other companies of the UNACEM Group to exchange knowledge and in order to strengthen regional cooperation.

(GRI 3-3: Attracting and retaining talent)

<sup>8</sup> International Cement Review



In 2023 we concentrated on the following topics:

Category	Number of courses given
Anti-bribery	2
Soft skills management / leadership	2
Sexual harassment	1
Regulations	6
Safety	48
External training	24
Telework	2
Technicians	11

We provided a total of 24,117 hours of training to our employees in 2023. This amounts to an average of 29.96 hours per person.<sup>9</sup> (GRI 404-1)

In addition, outplacement programs are provided to employees who leave the company and accompaniment is provided as part of employee transition on retirement. (GRI 404-2)

<sup>9</sup> For more information on employee training figures, please refer to the respective indicator in the Annexes.

## Compensation policy

We have a corporate compensation policy that establishes guidelines for defining compensation using internal equity and external competitiveness as the criteria.

(GRI 2-19)(GRI 2-20)

Directors' remuneration consists of a fixed fee for each board meeting and a variable component of 1% of profit before tax and profit sharing. The AGM may complement the director's earnings with a share of the company's profits that, added to the fee for board meetings may not exceed 1% of annual profits before employee profit sharing and income tax for the board as a whole. This information is included in our audited financial statements, for more information go [here](#).

As far as compensation is concerned, we evaluate and encourage consistency between internal equity and external competitiveness. (GRI 2-22)

- **Internal equity:**

The notion that workers will be paid according to the "value" that the company attaches to their position.

- **The job evaluation process measures:**

Functions, responsibilities and requirements.

## Compensation metrics

The ratio of the highest paid person's total annual compensation to the median total annual compensation of all workers (excluding the highest paid person) is 12.8.

The ratio between the percentage increase in total annual compensation of the highest paid person and the median percentage increase in the total annual compensation of all workers (excluding the highest paid person) is 0.2.



## Freedom of association and collective bargaining

We respect the right to free association and collective bargaining. Two collective bargaining agreements were signed in 2023; the first, for a three-year period, with the Unión de Trabajadores de Unión Andina de Cementos Perú S.A. Canteras de Atocongo (Unión Andina de Cementos Perú S.A., Atocongo Quarries, Employees' Union) , and another for a one-year period with the Sindicato Único de Trabajadores de Unión Andina de Cementos Perú S.A. (Unión Andina de Cementos Perú S.A. Employees' Union).

- **Atocongo Site:**

Of a total of 228 employees, 207 (91%) belong to the Unión Andina de Cementos Perú S.A., Atocongo Quarries, Employees' Union. Of these, 45 joined in 2023.

- **Condorcocha Site:**

of a total of 202 employees, 164 (81%) are members of the Unión Andina de Cementos Perú S.A. Employees' Union. Of these, 11 joined in 2023.

We follow the legal guidelines provided to us by the Government. According to legislation, prior to the amendment to article 28 of the executive regulations to the Collective Bargaining Act (supreme decree N° 011-92-TR), workers not affiliated to collective bargaining agreements received benefits similar to those obtained by those who were so affiliated..

This changed with the promulgation of supreme decree N° 014-2022-TR on July 24, 2022, which incorporated the following text: «**Employers may not unilaterally extend collective bargaining agreements to workers not covered by them**».

(GRI 2-30) (GRI 407-1)

## Alignment with Global Compact

Our human rights policy and entire human resources management **is aligned with the principles of the Global Compact:**

### Principles of the Global Compact

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

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

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

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

### Human Rights Policy

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

**Forced labor:** We do not allow involuntary labor. We do not approve of exploitation, abuse or physical punishment. We require our business partners and/or allies not to carry out these practices. (GRI 409-1)

**Child labor:** Child labor is not acceptable. All personnel hired are over 18 years of age. (GRI 408-1)

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



It should be emphasized that the company providing security services at our facilities has received formal training in specific human rights policies or procedures and their application to security. (GRI 410-1)

To ensure our commitment, we have the following effectiveness measures in place:

- Report on all training received by personnel, from the company providing the service.
- All security personnel complied with the requirement to take the human rights courses proposed by the Security Services, Weapons, Ammunition and Explosives for Civilian Use Regulatory Authority (SUCAMEC) and were licensed accordingly.
- There were no problems or complaints of mistreatment by clients, external suppliers or the company's own personnel.



## Diversity and equal opportunities

We encourage local hiring, with respect above all for the principles of fairness and opportunity.<sup>10</sup> (GRI 405-1)

As far as discrimination and corrective action are concerned, we are proud to say that no cases were reported. (GRI 406-1)

In addition, the Diversity and Inclusion Committee was implemented in 2023. The first meeting took place at our Condorcocha facility on March 8, which was the first time an inaugural committee meeting had been held at this location.

<sup>10</sup> For more information on staff diversity, please refer to the respective indicator in the annexes.





## Volunteer Program

In 2023 we formed a working committee with the main aim of designing and planning the UNACEM Volunteering program for employees. To this end, we interviewed our leaders, conducted focus groups and virtual surveys of employees to understand their interests and motivation regarding volunteering.

This information was used to determine the value proposition strategies for the company, employees and the community, which were used as an input for the joint creation stage of the initiative. Finally, we built up a portfolio of priority projects to be implemented in the coming years.

## 6.1.2 Health and safety of our employees

GRI 3-3: Occupational health and safety,  
403-1, 403-2, 403-3, 403-4, 403-5, 403-6,  
403-7, 403-8, 403-9, 403-10

We aspire to be an international benchmark in occupational health and safety, promoting a culture of safety interdependence, in which employees look after themselves and others. This is based on our corporate occupational health and safety policy in which we prioritize lives over any other aspect of our business activity. More information on our policy review can be found [here](#).

At UNACEM we are proud of the transformation process we are leading, in which the program Vida Primero (**Lives First**) has become enmeshed into our organizational culture. **We have implemented the Safety Leader and Visible Leadership Interactions (IVL)** project, which has produced a 48.2% improvement in our Frequency Index compared with 2022. (GRI 3-3: Occupational health and safety)



**Lives First is the first Grupo UNACEM corporate program aimed at developing and transforming our safety culture**, with the aim of achieving zero accidents in a sustainable manner. It enjoys the commitment of leaders and all employees, which has resulted management improvements for safeguarding the lives and well-being of everyone in our operations. The program consists of five stages:

- 01 Evaluating the current status of safety management.**
- 02 Visualizing the desired safety management scenario.**
- 03 Planning action for transition.**
- 04 Implementing changes and evaluating progress.**
- 05 Sustaining improvements.**

Additionally, in order to manage occupational health and safety we have an integrated management system (IMS) policy<sup>11</sup> that establishes the commitments assumed by each member of the company.

<sup>11</sup> To learn more, visit the following link: [Políticas UNACEM | UNACEM](#).

## Health and safety at work management system

Our occupational health and safety management system arises from the organization's Integrated Management System and is backed by ISO 45001 certification. This covers 100% of our workers and contractors, pursuant to law 29783 (the Health and Safety at Work Act) and its regulations and other mining, electricity, civil construction, port and hydrocarbon sector regulations.

(GRI 403-1) (GRI 403-8)

We have a clear and precise methodology to identify hazards, evaluate risks and establish control measures, **established in the Hazard Identification, Risk Assessment and Controls Procedure (HIRA)**, which provides guidelines for preventing injuries and health problems, as well as for optimizing the performance of the occupational health and safety management system. As part of the continual improvement process, the procedure establishes those cases in which the procedure itself should be evaluated (for example, in the event of changes in activities, job positions, accidents or incidents, incident reports, inspections, audits or other circumstances where a review is merited). (GRI 403-2)





## Employee participation, queries and communications on health and safety at work

At UNACEM Peru we have an Occupational Health and Safety Committee (CSST) which actively participates in the process of implementing improvements, reviewing standards, analyzing accidents, inspections and other activities. The CSST is composed - on a parity basis - of 12 members in total, six representatives of the company and six of the employees. The latter are elected for two years by direct vote of their colleagues in elections held by the union.

The main functions of our CSST are in accordance with those contemplated in the Health and Safety at Work Act, law N° 29783 and its executive regulation contained in supreme decree N° 005-2012-MTPE promulgated by the Ministry of Employment and Job Creation.

In addition to the CSST, there are other tools for worker participation, such as preparation and review of the Hazard Identification and Risk Assessment Procedure (HIRA), in which a group of employees from each department take part annually. Furthermore, all employees workers can report safety observations through a digital platform called **IsoTools**, in which the observation is described and a responsible person is assigned to the follow up and implement action plans. (GRI 403-4) (GRI 403-2B)

## Safeguarding employees' health

At UNACEM Peru we have a sick-bay at each of our two locations (Atocongo and Condorcocha). It is open 24 hours a day, seven days a week and serves not only employees but also their families. Ambulances are available for the evacuation of sick, injured or convalescent workers requiring care in clinics or other medical facilities (GRI 403-6)

As part of our work to maintain the health of our employees and their families, we have launched vaccination campaigns at both sites, thereby reducing the burden of vaccine-preventable diseases. For this purpose we work jointly with the Central Immunization Office of the Peruvian Ministry of Health (MINSA), through its networks and micro-networks, which are the health facilities in the area where our facilities are located.

In addition, we have an Annual Occupational Health Plan that covers all activities in accordance with current legislation regarding safety, occupational health and medical vigilance for all employees, and provide training, lectures and induction courses for educational and preventive purposes, on the risks involved in their work, as well as protection and prevention measures applicable in each case, in order to avoid occupational diseases, incidents and accidents at work. (GRI 403-3)

The annual plan includes programs and sub-programs aimed at safeguarding employees' health, such as the Healthy Lives Program, hearing protection and preservation, ergonomics, mental health, oral health and others. During the year we carried out 3 vaccination campaigns for employees, families and contractors. (GRI 403-6)

In the case of contractors, we hold regular meetings with their site managers - called Contractor Safety Leaders - in which we report on progress with the programs and the steps taken to align with the **Vida Primero** culture (GRI 403-7)

## Health and safety training

This training is free of charge for employees and is given during working hours, as specified by law. Health and safety training is coordinated within the **Vida Primero** program and via the Training and Development Committee, starting with the choice of supplier, preparation of the schedule and monitoring of compliance with it.

The basic topics addressed were:

- **Training in mental health for workers and third parties, covering depression, anxiety and burnout syndrome**
- **Balanced diet and healthy lifestyles**
- **Control of hazards and exposure to occupational agents**
- **Proper use of personal protective equipment (PPE) and its implication on health**
- **Prevention of fatigue and work stress (psychosocial risks)**
- **Ergonomics**
- **Repetitive motion disorders**
- **Respiratory protection**
- **First aid and basic cardiopulmonary resuscitation (CPR)**
- **Manual load handling**
- **Accident and incident reports**
- **Cardiovascular risk prevention**
- **The COVID 19 pandemic and its impact on physical and mental health (GRI 403-5)**

According to our latest Safety Culture assessment conducted by **Dupont Sustainable Solutions**, the actions implemented in the last year resulted in a score of 3.17, higher than the 2.27 obtained in 2021. **Our goal is to reach a score of 4 by 2027.**

In addition, at the beginning of 2024, we inaugurated an interactive safety classroom at the Atocongo Plant. This initiative seeks to train and raise the awareness of our employees and those of contractor companies, through simulated situations using didactic tools to address conditions and risks similar to those found in industrial plants, with the aim of achieving sustained interdependence in safety. It should be noted that we already have a similar interactive classroom at our Condorcocha facility.

## Occupational Health and Safety Indicators

This year we set out to reduce the lost time injury (LTI) frequency rate in UNACEM to 4.6, which meant a reduction of 18% compared with the figure for 2022. Thanks to the preventive and reactive activities of our IMS, in 2023 we achieved an LTI of 2.87, 38% lower than forecast. Furthermore, by the end of the year there had been 29 accidents, 48.2% fewer than in 2022. Details for each site are shown below:

UNACEM's own Occupational Health and Safety Indicators						
Reactive indicators	Atocongo		Condorcocha		UNACEM	
	2022	2023	2022	2023	2022	2023
<b>Frequency index<sup>12</sup></b>	5.0	2.35	6.9	3.8	5.6	2.87
<b>Severity index<sup>13</sup></b>	75.5	32.4	100.3	109	84.9	60.59
<b>Accident rate</b>	0.4	0.08	0.7	0.41	0.5	0.17
<b>Fatalities</b>	0	0	0	0	0	0

<sup>12</sup> Frequency index: This index represents the number of accidents occurring during a given period of time multiplied by a certain factor (calculation factor: 1 000 000).

<sup>13</sup> Severity index: This represents the number of days lost in a given period multiplied by a certain factor (calculation factor 1 000 000)..



**Industrial injuries**  
(GRI 403-9)

The hazards inherent in each job are determined in accordance with document **DSHIU-P-013 Hazard Identification**, which guides risk assessment and determination of controls. This is complemented by the results of occupational hygiene monitoring and occupational medical evaluations.

	Condorcocha		Atocongo	
	Number of recordable accidents at work	LTI Frequency Index	Number of recordable accidents at work	LTI Frequency Index
<b>Own employees</b>	10	15.57	5	4.76
<b>Contractors' and subcontractors' employees</b>	4	1.30	10	1.87

(GCCA 21) (GCCA 22) (GCCA 29) (GCCA 30)

**Fatalities of direct employees, contractors / subcontractors and third parties** (GCCA 18) (GCCA 19) (GCCA 20) (GCCA 28)

	Fatality rate (deaths)	
Type	Atocongo	Condorcocha
<b>Direct employees</b>	0	0
<b>Contractors' employees</b>	0	0
<b>Third parties</b>	0	0

No occupational illnesses were reported in 2023. As far as other illnesses and health problems were concerned, we found endocrinal, nutritional and metabolic problems, eye troubles and related problems; we develop health programs in accordance with the epidemiological indicators each year and carry out occupational health activities within the framework of the Annual Occupational Health Plan. It should be noted that we had no fatalities as a result of injuries at work during 2023. (GRI 403-9) (GRI 403-10) (GCCA 18) (GCCA 19)

# OUR HEALTH & SAFETY T WORK MANAGEMENT

## HEALTH AND SAFETY AT WORK ACT LAW 29783 AND AMENDMENTS

GRI 403-1

Executive regulations to the Health and Safety at Work Act, S.D. 005-2012-TR and modifications thereto.	Forms for reference that include the minimum information to be entered into the mandatory registers of the health and safety at work management system R.M. 050-2013-TR.	
Industrial Safety Regulations, D.S. N° 42F.	Executive Regulations to the Mining Industry Health and Safety at Work Act, S.D. 024-2016 and modifications thereto.	
Law N° 27943; the National Port System Act and its Executive Regulations D.S. 003-2004-MTC.	National Standard for Occupational Health and Safety in Ports and Guidelines for Obtaining a Port Facility Security Certificate, RAD 010-2007-APN/DIR.	
Hydrocarbons Industry Safety Regulations D.S. 043-2007-EM.	Occupational Health Manual R.M. 510-2005/MINSA.	Executive Regulations to the Construction Industry Health and Safety at Work Act, S.D. 001-2019-TR.
Health and Safety Regulations for Working with Electricity, RM 111-2013-MEM/DM.	Standard G.050 Construction Safety, approved by S.D. 010-2009-VIVIENDA, modifies the National Building Code.	
Radiological Health and Safety Regulations D.S. 009-97-EM.	Occupational Medical Examinations Protocol and Diagnostic Guidelines for Obligatory Medical Examinations R.M. 312-2011-MINSA.	
Complementary Technical Safety Standards for High-Risk Work (SCTR) D.S. 003-98-SA.	Basic Ergonomics and Dysergonomic Risk Evaluation Procedure, R.M. 375-2008-TR.	

## GRI 403-4

The following platforms are used to disseminate **relevant facts in matters of OHS**:

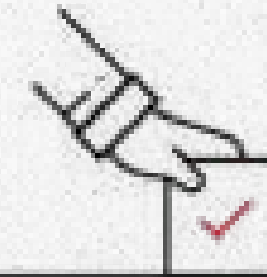
- e-mail
- workplace
- whatsapp ("unidos" group)
- screens showing videos, monthly safety newsletters with lessons learned from accidents.

## GRI 403-4 B

The CSST is made up equally of:

- 6** WORKERS' REPRESENTATIVES
  - 6** COMPANY REPRESENTATIVES
- meets MONTHLY.

The position of president of the CSST is held by a workers' representative **elected by the members.**



**Contractors' Safety Committees meet monthly**, in which all the companies contractors participate to discuss topics related to:

- Analysis of accidents at work.
- Changes in standards / procedures / instructions.
- OHS objectives of the organization.
- OHS campaigns, etc.

Everything is channeled through the **contractors**, and aligned to the requirements of **UNACEM Peru S.A.**

## → OUR IPERC

GRI 403-2 A

Hazard identification and risk assessment is carried out by focusing on the tasks performed in each position, within of the processes included in the Integrated Management System.

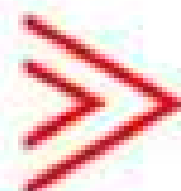
We have a **BASELINE HIRA,**



A matrix is drawn up for each position, which is updated once a year for changes in the processes, equipment, materials, inputs, tools and the working environment that may affect the occupational health and safety of the workers.

The **CONTINUOUS IPERC** is another tool

performed by operations staff daily, prior to starting work.



Both the Baseline HIRA and continuous HIRA are performed by our own personnel and the contractor using the same methodology and forms.



All the workers have received virtual and face-to-face training on the methodology used for the Baseline and continuous HIRA.

## → HAZARD IDENTIFICATION, RISK EVALUATION AND INCIDENT INVESTIGATION.

(GRI 403-2 B Y C)

In our **Code of Ethics and Conduct (CODEC)**, the chapter on "Our Responsibilities To our Employees", item b "Health and Safety at Work" reads as follows:

-  We seek to **zero injuries and occupational illnesses.**
-  We consider health and safety to be a priority and for that reason we **operate in a safe and healthy manner** to guarantee the welfare of our employees.
-  We provide **safe and healthy working conditions** for all our employees.

**Compliance with our occupational health and safety policy is obligatory**

We should all carry out our work in accordance with applicable health and safety regulations and take part in our training, awareness raising and promotion programs

Thus, our **Internal OHS Regulations**, states: leave the workplace when there is an imminent and serious risk to your safety or health and report this situation immediately to your superiors.

Instructions for our supervisors state:

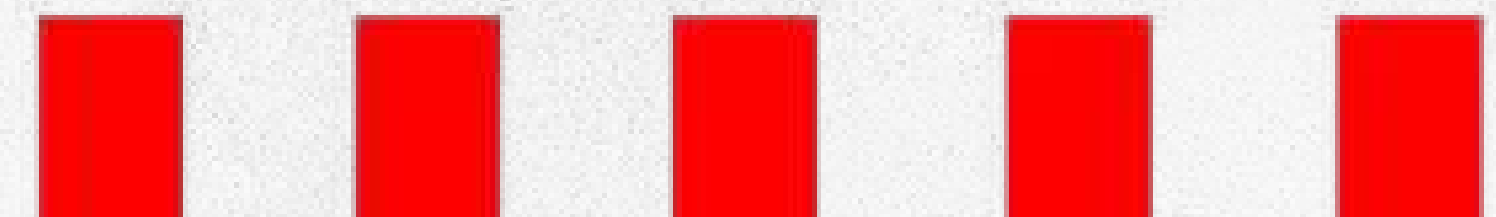
Work is stopped when there is a potentially high risk to health and safety, or the personnel lack the appropriate personal protection equipment (PPE), and they report this immediately to their superiors.

We are responsible for our own safety and that of our employees and act immediately when informed of any risk.

**UNACEM thus guarantees the right to say NO to unsafe working, protecting its workers from possible reprisals.**

Our procedure for **investigating and analyzing incidents and accidents** sets out activities and responsibilities using a practical and organized approach aimed at **determining and eliminating their immediate causes**, basic causes and/or organization factors in the Management System in order to prevent recurrence and consequent losses.

(GRI 403-2 D)



## 6.2 Managing contractors and suppliers

GRI 3-3: Contractor and supplier  
management, 204-1, 308-1, 414-1,  
No GRI: ESG risks in the supply chain

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

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



## Selection and evaluation of suppliers

Throughout the year we increased the percentage of suppliers evaluated. From 7% in 2022 to 10% in 2023. In environmental matters, we are developing evaluation and selection filters in accordance with our management guideline criteria. (GRI 308-1) On the social side, with advice from consultants Impacto Positivo, we are designing a sustainable purchasing system within which social criteria will be used to identify suppliers. (GRI 414-1)

Those suppliers that show any indication of risk in the evaluation will be subject to analysis by the legal, administration and finance departments to determine whether the risks of a commercial relationship can be accepted.



**Approved suppliers categorized as critical will be evaluated for us on an annual basis by a third party.** (GRI 3-3: Managing contractors and suppliers)

### Supplier classification

We have three types of suppliers: local, national and foreign. The first are whose registered offices are within our area of influence.

#### ATOCONGO PLANT:

Lurín, Pachacámac, San Juan de Miraflores, Villa el Salvador and Villa María del Triunfo.

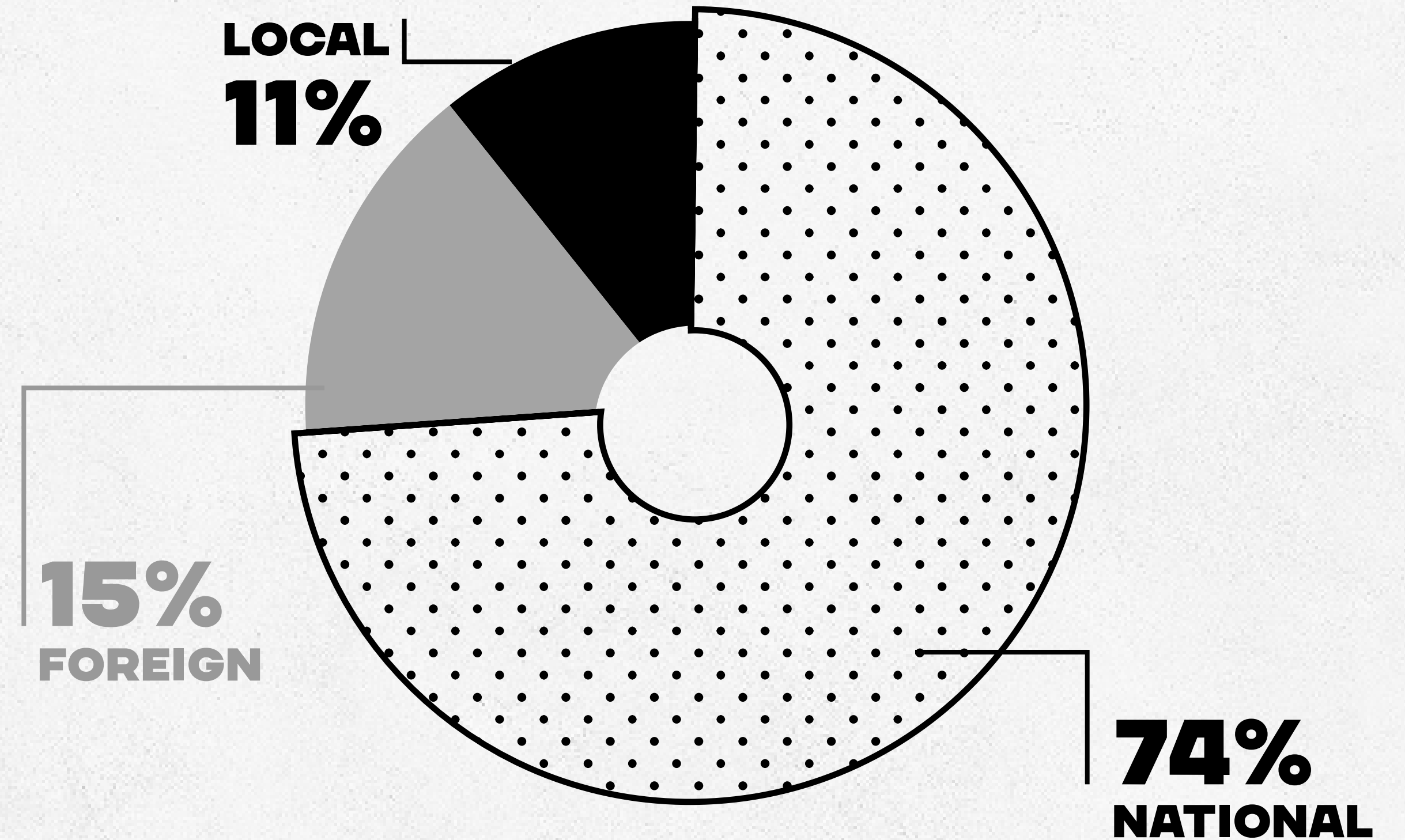
#### CONDORCOCHA PLANT:

Tarma, La Unión Leticia, Palca.

Our suppliers received purchase orders valued at more than S/ 2 billion. Local suppliers accounted for 11%.

(GRI 204-1)

Proportion of spending on suppliers



**In 2023, we took an active part in the GRI's Competitive Business program and had 28 of our value chain partners prepare and publish their sustainability reports.**

We also succeeded in strengthening our value chain through the **PYMES Climate Hub** international initiative. This virtual platform provides essential information, training and resources for companies to understand, measure, reduce and report their greenhouse gas (GHG) emissions). As a result of this collaboration, we convinced 26 partner companies to commit to implementing initiatives aimed at reducing their carbon footprint. This process involved exhaustive planning, detailing specific goals and indicators for their respective initiatives. As UNACEM, we are committed to providing continuous follow-up and support to ensure that these initiatives are implemented in the planned time periods.



Likewise, in collaboration with consultants Climetría, we encouraged participation by two partner companies in the **Pasantías Colaborativas** program, in which two young professionals with scholarships from UNACEM, were trained in the methodology for calculating carbon footprint. They subsequently completed a virtual internship in which they applied their knowledge to support our partner companies in calculating their carbon footprints and facilitating awareness-raising workshops on climate change. This initiative took place as a pilot project and we plan to expand its scope in our value chain by 2024. (No GRI: ESG risk in the supply chain)

## 6.3 Client management

GRI 3-3: Customer relationship management and product quality, 2-6, 416-1, 417-1, No GRI Customer satisfaction

Our commitment to our customers is to provide them with the best quality products; To this end we constantly innovate our production processes and product portfolio, adopt high standards and continuously listen to their requirements and needs.

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

Our bagged cement marketing strategy is focused on innovating products, services, and business models in order to strengthen sustainable commercial relationships throughout the value chain, from plant to point of sale, including the Progresol hardware store network, which is the largest in Peru and this year achieved 1,130 points of sale, of which 385 are wholesalers and 745 are retailers.

**We maintain commercial relationships with the sponsors of our Progresol retail hardware store network, through which we strengthen the network using a diverse portfolio of additional and complementary products to our cements. The sponsors are part of the Club Ferretero and Club del Maestro programs, which allow hardware dealers and master builders to earn points for their purchases, to be redeemed for prizes. In addition, we have alliances with different entities that enable us to offer other benefits to our customers.**

As a result of the close ties we maintain with our hardware dealers and sponsors, this year we maintained a 47% participation at the national level. (GRI 2-6) In addition, thanks to the preference for our brands, we increased our market share of the traditional channel by 0.6% versus 2022.



In 2023 we also continued our digitization program for the benefit of our customers. We developed two important initiatives:

- **Progre website (new features):** The Progre+ website allows Progresol clients to interconnect with UNACEM's main distributors. We intend to digitize the entire procurement process to increase customer loyalty by encouraging full use of this channel. At year-end, 97% of sales orders were placed through Progre+, two percentage points higher than in 2022. Of total orders in 2023, 43% were paid for through the platform, 40% more than in the previous year.
- **UNACEM Carriers Application:** We have launched a new application to improve carriers' planning of product collections. We also include real-time notifications to help improve communication with Progresol customers, carriers and major plants. We had more than 1,200 downloads and a total of 864 carriers using the *app*.





## Communications with our clients

We have strengthened our digital platforms to bring us closer to our clients and make the purchase process easier. Our communications strategy is focused on publicizing and reinforcing the positioning of our entire portfolio.

Our marketing management is based on four strategic tenets:

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

To ensure that any complaints and claims that may arise are dealt with properly, we have a register and procedure described in the IMS, with established response deadlines. This year we received a complaint about lumps in cement. After investigation, we found that the cement had been incorrectly stored; however, the complaint was addressed and resolved in a timely manner.. (GRI 3-3 Customer relationship management and product quality)

## Management of the impact of our products and sales on health and safety

Our bags or packages contain the legal information required by the Technical Regulation on Hydraulic Cement, which is used in buildings and construction in general. 100% of our products meet this requirement and the bags also include recommendations for use, application, storage and safety. Another additional element is a code printed on them that enables cement entering the market to be traced, with information about the silo and packer, in order to respond quickly to our customers in case of complaints. The same applies to clinker, which is our export product. (GRI 417-1)

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

**Material safety data sheets** for each product are available to the public on our website. These give instructions that should be followed when selling and handling cement and clinker. In addition, in order to safeguard our customers, social network communications about our brands discuss correct use, both of our products and of personal protective equipment (PPE) on construction sites. (GRI 416-1)



**Client satisfaction**

Every year we measure client satisfaction by surveys of purchasers and users of our services. Surveys give us suggestions, recognition and information that we then analyze and incorporate to optimize processes. Our aim is to build solid relations that have a positive impact on key business indicators.

We conduct satisfaction surveys of our customers. In 2023 we increased the level of satisfaction among the Progresol hardware store network by 13% compared with 2022, while for independent hardware stores satisfaction also increased by 9%.

Client satisfaction levels			
Client type	2021	2022	2023
Progresol hardware store network	90%	83%	96%
Independent hardware stores	82%	82%	91%

(NO GRI Client satisfaction)

## 6.4 Community relations

GRI 3-3 Local communities, 413-1

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

	Atocongo Plant	Condorcocha Plant
City	Lima	Tarma
Districts	Villa María del Triunfo Pachacamac Villa el Salvador Lurín San Juan de Miraflores	La Unión Leticia: Village of Condorcocha and the rural communities of Chancha and Huancoy Sacsamarca  Palca  Acobamba



## Community relations

We carried out evaluations to define the social impact in our areas of influence. This has been reflected in community development through social investment programs. Furthermore, we have permanently-open channels for dialog, both face-to-face and virtual, with neighboring communities. This use virtual mechanisms such aso:

- Corporate email exclusively for documents and responding to queries by individuals and companies.
- Social media for contact with the public and resolving queries. We are in contact permanently with community leaders and organizations.



### **Social investment programs**

For 20 years we have been working hand in hand with Asociación UNACEM (AU), which designs programs and projects to improve the quality of life through skill creation, to encourage autonomy among the populations in our areas of influence, generate shared value and contribute to the Sustainable Development Goals.

We seek to connect the needs of the community with the abilities of other sustainable development stakeholders to innovate and achieve results of greater impact, with joint interventions to generate value in the communities surrounding our operations using the territorial development approach in alliance with different sectors (public, private, civil society, multilateral, etc.) and society's stakeholders.



## During 2023, we started social investment projects according to three types of intervention

### Conservation research

We have developed initiatives and promoted research to increase knowledge and conservation of our country's seasonal ecosystems and cultural heritage, raising the awareness of 1850 students and 90 teachers, with 1368 hikers entering the Private Conservation Area, and 2 477 athletes and 3 820 attendees at sporting events.

### Welfare:

We develop interventions aimed at improving the living conditions of people in vulnerable situations. With this aim in mind we have strengthened the ability of various stakeholders to increase access to quality education, health services, income generation and decent living conditions. Thus, 34 981 people benefited from projects to strengthen teaching, art and sports and entrepreneurial and/or organizational management skills, while 1 607 people received 75 203 preventive medical treatments during 48 campaigns, fairs and health workshops.

### Sustainable urban / rural planning:

Together with local governments, the organized community and public and private institutions, we contributed to reducing the infrastructure gap, with emphasis on projects to promote recreation and integration, improve the quality of life of neighbors and contribute to the orderly growth of populations. 85 800 people have benefited from 152 projects.

(GRI 3-3: Local communities) (GRI 413-1)



# Programs and Projects 2023



# 1.

## Interventions: Conservation research

### Program or project

#### Conservation research program

#### Conservation education project

### Aim

- To promote scientific research within a framework of agreements with universities and accredited institutions.

- To improve student and community learning about the importance of the lomas ecosystem and cultural heritage.

### Achievements

- Research on *Ismene amancaes* leading to the production of a propagation manual.
- Research into the development of a model for seasonal hillside ecosystem restoration.
- Biological monitoring of invertebrates, reptiles, birds, mammals, and flora.
- Research into lichen.
- 1 368 permits for sustainable hiking were issued.

- Development and transfer of methodologies to eight associations of lomas and cultural promoters, together with *kits* for replication.
- Awareness raising and education carried out using our methodology through experiential workshops and visits to the Amancay Sanctuary and Pueblo Viejo archaeological site. 1 850 students from 23 schools benefited.
- A competition for initiatives that enabled 10 educational institutions (IIEE) to develop their own environmental and cultural heritage projects.

Program or project	Aim	Achievements
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**Conservation wellness project**

- To promote sports and culture as integration tools for the wellbeing of people in the lomas of the Amancay Sanctuary.

- Professional photography training for lomas seasonal ecosystem protectors. The **Amancay, un Tesoro Escondido** exhibition was inaugurated at the Pancho Fierro gallery in the Museo de los Héroes de San Juan de Miraflores, raising awareness among more than 11 000 visitors.
- Skill creation for entrepreneurs to boost the local economy, through a competition for artisans and training and education for 21 local promoters and counselors. We were able to get 12 master builders to develop and market their abilities.

- Participation by 6 local and city-wide sports organizations.
- Hiring of 25 local people as local labor in sports activities.
- Exhibition of products from 12 local artisans.
- Hiring of 6 local tour guides.
- 9 120 enter Amancay Sanctuary for sports activities.

**Summary of beneficiaries per project**

**PRIVATE CONSERVATION AREA -  
ACP ATOCONGO PLANT**

**TOTAL  
Beneficiaries**

Conservation research project

1 368

Conservation wellness Project

9 437

Conservation education project

14 263

**Total**

**25 068**



# 2.

## Interventions: Welfare

### Program or project

**Improving  
the quality of  
education**

### Aim

The project contains five interventions: **impacting lives, environmental education, road safety education, values education and arts education**; which have been developed in alliance with different NGOs (Visión Solidaria, Fundación Mónica Liyau, Escuela Declara) and DIRIS Lima Sur, and was mainly aimed at developing citizenship and socio-emotional skills in children and adolescents, as well as the development of artistic skills and sports disciplines like table tennis, as part of the integral development of students, thus contributing to the physical, cognitive, socio-emotional and nutritional development of children and adolescents in regular basic education.

### Achievements

- Development of table tennis technical skills and training in psychology and nutrition workshops for 1 197 students aged 7 to 11 (elementary school) and 12 to 14 (high school).
- Training of 46 parents and teachers (45%) from the IEE in three areas of Villa María del Triunfo.
- Benefiting 86 teachers from 4 educational institutions in Manchay, 2 482 students and 589 parents with the project Viva Valores.
- Benefiting 3 educational institutions in La Unión Leticia - Tarma, 339 students and 136 parents with the project Viva Valores.
- 30% of teachers are familiar with the components of the Citizenship Education project. The components they are most familiar with are empathy (41.84%) and integrity (35.71%).
- Application of teaching methods by teachers, who use pedagogical tools to promote dialogue and peaceful coexistence in the classroom 70% of the Viva Valores project.
- Participation by 467 students from 3 educational institutions in vulnerable areas of Pachacámac in art, music, games and gross motor skills workshops.

Program or project	Aim	Achievements
<p><b>Healthy Communities</b></p>	<p>The project contains three types of intervention: family health campaigns, health fairs and health workshops, within the framework of an inter-institutional agreement with the Directorate of Integrated Health Networks Lima (DIRIS) Lima South. This program is responsible for joint action to promote health and prevent diseases in vulnerable groups and populations at the individual, family and community levels</p>	<p><b>At the general level, the following results were obtained in the districts of Villa María del Triunfo, Villa El Salvador, Pachacámac, Lurín and La Unión Leticia in Tarma:</b></p> <ul style="list-style-type: none"> <li>• 75 203 preventive-promotional health services provided.</li> <li>• 15 607 people benefited from family health campaigns and fairs.</li> <li>• 94% of the beneficiaries were satisfied with the health campaign.</li> <li>• 71% of beneficiaries were willing to recommend that their neighbors participate in the health campaign.</li> <li>• 77% of the beneficiaries consider that the care received in the health campaigns is better than where they regularly receive care.</li> <li>• Approach to health services with the participation of 64 partners involved in the territory (19 from the health sector, 13 from the education sector, 24 social organizations, 4 police stations, 8 public institutions and the municipalities of the districts mentioned).</li> </ul>

Program or project	Aim	Achievements
<p><b>Healthy Communities</b></p>		<ul style="list-style-type: none"> <li>• People's access to the laboratory service is valued, as it enables them to undergo a package of analyses as part of their annual checkup and have the results the same day.</li> <li>• People have access to specialized pediatrics, dermatology, nutrition and optometry services, which are not available in all health facilities and are therefore highly appreciated by the community.</li> </ul>
<p><b>Community diners Manka Kusi (diners for development)</b></p>	<p>A project arising from an inter-institutional agreement between Messrs. Alicorp, the Municipality of Pachacámac and ADRA Peru (NGO), in which workshops are given to strengthen organization, management and entrepreneurship skills, as well as donations of food and infrastructure improvements in the community diners. The main goal is to improve the organizational and management capabilities of the community diners. Three evaluations were conducted as part of this project: a baseline, mid-term and final assessment.</p>	<ul style="list-style-type: none"> <li>• 57 community diners improved the following aspects of their organizational and management capabilities: <ul style="list-style-type: none"> <li>• 49% of community diners incorporate healthy practices, financial management and essential sanitary conditions, as well as starting at least one new enterprise.</li> <li>• 78.9% of the community diners comply with the basic sanitary conditions established by MINSA.</li> <li>• 57.14% of the community diners improved their technical and productive capacities.</li> <li>• 95.9% of members of the community diners remember two or more healthy practices.</li> </ul> </li> <li>• 84 community diners and 7 223 people benefited from good practices acquired by the women who manage them.</li> </ul>

Program or project	Aim	Achievements
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**Improving the community environment**

This project seeks to encourage improvements to community environments through environmental education, recovery of green areas and segregation of solid waste in Villa Maria del Triunfo and Villa El Salvador, as well as in Condorcocha La Union Leticia - Tarma.

- More than 1 800 trees planted in different initiatives seeking to restore green spaces, irrigated and maintained in the main avenues of the districts.
- 7 000 people benefited from irrigation and maintenance in the districts' main avenues.
- 3 447 people benefited from tree planting in the green crusade.
- 900 trees planted in green crusade campaigns promoted by the Ministry of the Environment (MINAM).
- 3 000 people benefited from the elimination of solid waste.
- 220 families and 880 people from the Condorcocha community benefited from solid waste collection.
- 316 people informed about the importance of caring for and preserving coastal hill ecosystems (students and teachers of 6 IIEE, community health agents and health personnel).



Program or project	Aim	Achievements
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**Art, Culture and Sports program**

This program seeks to strengthen and develop new artistic, sports and social skills in children, adolescents and adults. Performing arts workshops (public speaking, modern dance, among others) and sports workshops (indoor football, volleyball and taichi) were held).

- 1 903 people benefited from art, culture and sports workshops.
- Children, adolescents, young people, adults and senior citizens from priority areas practiced sports, developed their skills and engaged in physical activity in designated areas.
- 87% of participants were satisfied with the workshops, the contents taught by the teachers and the project in general.
- 53% of participants would recommend these workshops to family and friends.
- 54% of the beneficiaries know the UA.
- 71% trust in UA.

**Program or project**

**Sports school**

**Aim**

The Junior Soccer School is a training strategy for children and adolescents that seeks to: spread the playing of soccer to ensure continuous and systematic learning; instill values through sports (discipline, punctuality, respect, commitment); establish behavioral parameters to be applied in different social environments (at home, school and in the neighborhood), and promote social skills through soccer (teamwork, leadership, communication, decision making). The project contains two interventions: Junior Soccer School (boys) and Junior Soccer School (girls).

**Achievements**

- 94% of students developed the values of punctuality and responsibility.
- 1 287 people benefited from the sports school workshops.

**Program or project**

**Entrepreneurship**

**Aim**

Interventions aimed at different audiences. Thanks to an alliance with two private universities (ESAN and UTEC), a company (Industria San Miguel) and an NGO (CARE), a first course was given to two types of entrepreneurs: on the one hand, those who need to improve the management of their business in order to increase their sales and income, and on the other, those with business initiatives who need training support to empower themselves and position their initiatives successfully over time.

Likewise, in La Unión Leticia, work continued with the credit and savings unions (UNICA). These are financial intermediary ventures managed and funded by their members, who select each other based on affinity, trust and honesty. Similarly, in La Unión Leticia we have been contributing to the strengthening of productive enterprises run by women.

**Achievements**

- 527 entrepreneurs acquired skills to expand their market and improve their sales.
- 342 entrepreneurs acquired the skills needed to get their initiatives off the ground.
- 4 UNICA formed: one in the town of Condorcocha, one in La Unión Leticia and two in Tarma.
- 42 partners developed and strengthened their organizational, administrative and financial capacities.
- 86 women entrepreneurs who successfully completed the training and counseling sessions acquired technical and productive skills to develop new products.
- Participants in the intervention reported having achieved improvements in their businesses that translated into higher income.
- UNICA members perceive that they have strengthened their skills at bookkeeping and use of their money.
- During this year we helped to strengthen the skills of 339 social organizations and to develop the leadership and community management skills of 1 147 leaders. Emphasis was placed on identifying action required to reduce gaps in their work plans.

(GRI 3-3 Local communities)

### Summary of beneficiaries per project

ATOCONGO PLANT	TOTAL BENEFICIARIES	CONDORCOCHA PLANT	TOTAL BENEFICIARIES
Improving the quality of education	6 206	Improving the quality of education	1 648
Healthy Communities	13 049	Healthy communities	433
Manka Kusi community diners	7 223	Improving the community environment	880
Improving the community environment	14 547	Strengthening social organizations and institutions	760
Arts and Culture Program	1 903	Entrepreneurship	223
Sports School	1 287	<b>Total</b>	<b>3 944</b>
Entrepreneurship	304		
<b>Total</b>	<b>44 519</b>		

# 3.

## Interventions: Sustainable urban/rural planning

In alliance with local governments and social organizations, we take part mainly in the maintenance of roads and recreational areas such as sports fields. As a result of this joint work, housing in the area increased in value and the well-being of the population increased in terms of ease of movement and recreational spaces. This encouraged sports among children, adolescents and young people by the organization of sports competitions, among others. We also continue to collaborate with community and educational infrastructure projects. (GRI 413-1)

We contribute to the improvement of the urban environment and the basic living conditions of the community, specifically in:

**improvement of recreational, sports and cultural spaces in the community;**

**improvement of communal spaces;**

**improvements to teaching conditions in schools;**

**improvement of agricultural activities and water availability in rural areas; and**

**improvements to road and pedestrian accessibility.**

It should be noted that in 2023 we will join the initiative entitled **100,000 playing fields** promoted by the Inter-American Cement Federation (FICEM) and Habitat for Humanity. This initiative seeks to replace dirt surfaces with concrete in vulnerable housing and community spaces throughout Latin America and the Caribbean by 2028. Thus, with the prioritization of recreational works (parks, sports facilities in communities and schools) and an improvement of community health conditions (kitchen modules for community diners), we provided 10 199 m2 of new floors. This work for the common good had a positive impact on people's perception of wellbeing, prevented illnesses, improved quality of life and contributed to reducing poverty.

In 2023, we reached a total of 146 works distributed among the following projects:

**PROJECT FOR SUSTAINABLE RURAL AND URBAN PLANNING IN THE AREA OF INFLUENCE**

<b>ATACONGO PLANT</b>	<b>N° of works</b>	<b>TOTAL BENEFICIARIES</b>	<b>CONDORCOCHA PLANT</b>	<b>N° of works</b>	<b>TOTAL BENEFICIARIES</b>
Community infrastructure	71	22 608	Community infrastructure	9	1 125
Educational infrastructure	27	5 047	Educational infrastructure	5	568
Roads / pedestrian infrastructure	10	18 191	Water / agricultural infrastructure	2	120
Water infrastructure / agriculture and livestock	2	164	Others	1	250
Recreational infrastructure	18	37 605	<b>Total</b>	<b>17</b>	<b>2 063</b>
Others	1	160			
<b>Total</b>	<b>129</b>	<b>83 775</b>			

(GRI 3-3 Local communities)



OUR ENVIRONMENTAL  
**MANAGEMENT**



## **7.1 Climate action**

GRI 3-3 Climate strategy, 302-1, 302-3,  
305-1, 305-2, 305-3, 305-4, 305-5

At UNACEM Peru we are convinced that we must lead efforts to address the effects of climate change. We have joined the initiatives of various global and local cement organizations to help implement sustainability criteria in our sector. In addition, we have imposed goals and rigorous schemes for responsible waste management on our operation, as well as specific action to reduce our impacts.

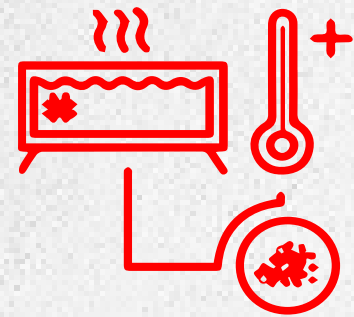




For this reason, we rely on the **Cement Peru Roadmap** towards a low carbon economy, prepared by the Inter-American Cement Federation (FICEM) in conjunction with the Association of Cement Producers (ASOCEM) of Peru. This document aims to achieve the carbon neutrality by 2050. (GRI 3-3 Climate strategy)

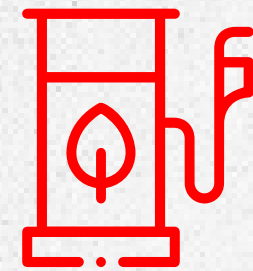
The UNACEM Group has set a target of achieving net emissions of 500 kg CO<sub>2-eq</sub>/t cementicio al 2030. cement by 2030 as part of its goal of achieving carbon neutrality. For this purpose, the following CO<sub>2</sub> reduction schemes for cement manufacture are available:

**Axes of the reduction of CO<sub>2</sub> emissions in cement operations**



**Clinker factor reduction**

Decrease the clinker content per ton of cement, including additions of other cementitious materials.



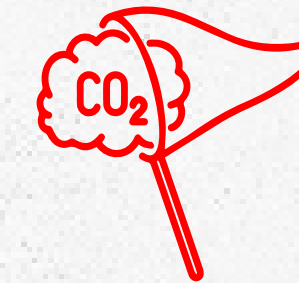
**Use of alternative fuels**

Reduction of fossil fuel by substitution with biomass, fuel made from waste or another with a lower emission factor.



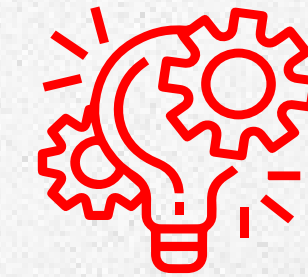
**Electrical and thermal efficiency**

Increase of thermal efficiency in the production process and increase of clean electrical energy sources.



**Carbon capture and offset**

Capture of CO<sub>2-eq</sub> using technology and/or through natural assets.

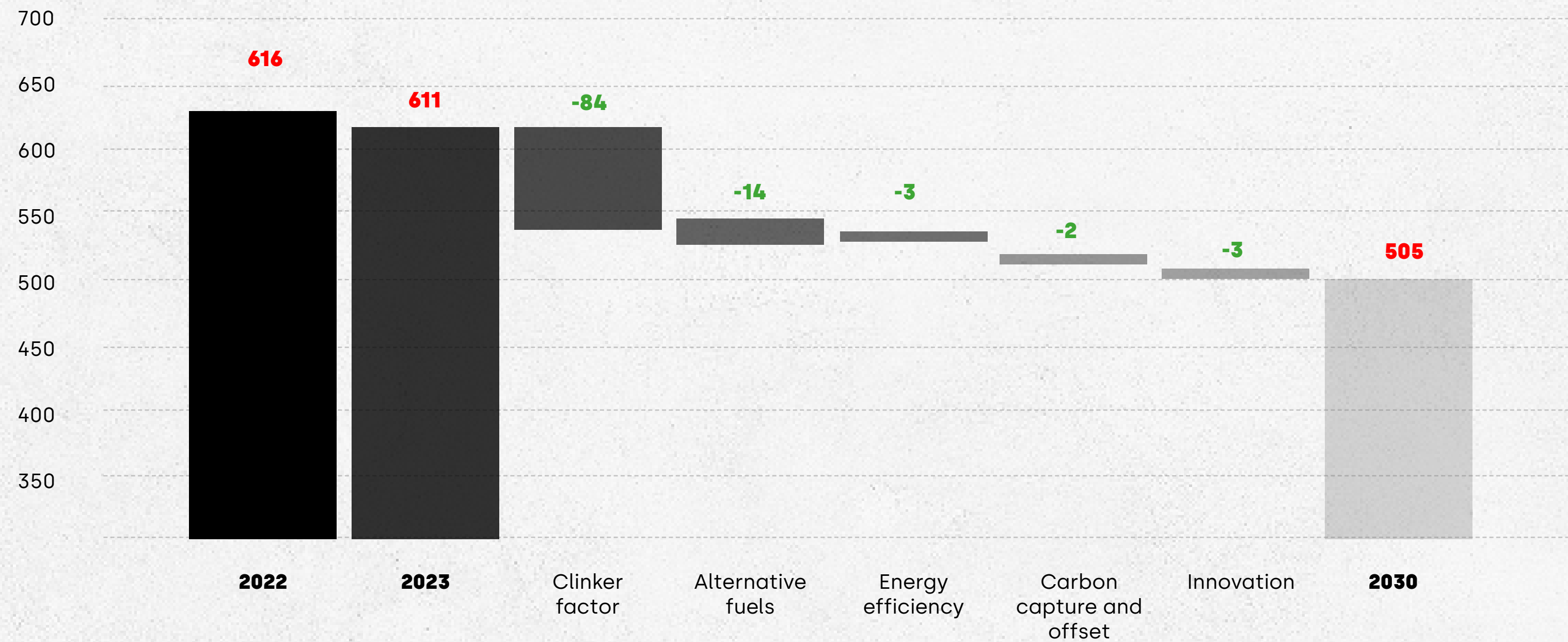


**Innovation and development**

Research and development of new technologies, actions or processes that lead to reducing CO<sub>2-eq</sub> emissions in cement manufacturing.

Our plan to meet the 2030 target is as follows:

**Peru roadmap** (cement)  
kg CO<sub>2</sub>/t cementicios



## 2023 RESULTS OF THE CLIMATE ACTION INITIATIVES

ACTION	Sale of cements with additives	Reduction in the clinker factor	Increase in consumption of clean fuels in clinker manufacture	Energy efficiency	Use of clean energy	GHG emissions intensity	GHG emissions reduction
2023 RESULTS	<p>35.4% of cement sales are of blended cements, which contain a lower proportion of clinker.</p>	<p>The 0.917 clinker factor recorded in 2010 has been reduced to 0.835 in 2023, representing a 9% reduction and with respect to 2022 (0.851) a reduction of 2%.</p>	<p>As far as our thermal energy consumption is concerned, in 2023 natural gas accounted for 65% of total energy consumption in clinker manufacturing, amounting to a total of 3 523 581.6 MWh<sup>14</sup>. This means a reduction of approximately 300 thousand tons of CO<sub>2</sub> compared with 2010. (GRI 302-1)</p>	<p>Thermal efficiency in clinker production has been optimized by 0.4% and electrical energy consumption per ton of cement by 1.4%, both with respect to 2022 (GRI 302-3)</p>	<p>We achieved our goal of getting 90% of the electricity used in cement production from renewable sources, thanks to the contributions by Carpapata I, II, III and El Platanal hydroelectric power plants. (GRI 302-1)</p>	<p>UNACEM has been measuring its carbon footprint since 2013. In 2023 we made the relevant calculations for 2022 and 2020 in order to include mitigation alternatives and thus contribute to the reduction in GHG emissions.</p> <p>Emissions intensity was 614 kg CO<sub>2</sub>/t cementitious<sup>15</sup>, down 12% compared to 2010 and 0.32% compared to 2022. (GRI 302-3)</p>	<p>2023 saw a 12.6% reduction in GHG emissions compared with the 2010 baseline, equivalent to 507 046 t of CO<sub>2</sub>. Compared with 2022 the figure was 0.85%, or a reduction of 30 415 t of CO<sub>2</sub>. (GRI 305-5)</p>

<sup>14</sup> MWh, megawatt hour

<sup>15</sup> According to GCCA, Cement CO<sub>2</sub> and Energy Protocol, version 3.1, CO<sub>2</sub> Emissions and Energy Inventory.

We monitor heat and electricity consumption per ton of clinker and cement produced by our plants. We complement this action with the use of the **Getting the Numbers Right (GNR)** reporting standard, which provides a homogenized methodology for the cement industry on the estimation of CO<sub>2</sub> emissions and energy consumption. Its use improves the quality of our impact monitoring, giving us accurate and reliable information with which we can implement initiatives to reduce GHG emissions. We have reported information to the GNR global platform from 2016 onwards.

We have new, modern bagging lines in operation at our two locations. This will lead to a reduction in electricity consumption and an increase in the production capacity of blended cement, which will cover current and future market demand.

All of the above actions are aimed at controlling and mitigating the potential impacts of the cement production process (intensive fuel and energy consumption), especially during the clinkerization stage. (GRI 3-3 Climate strategy)

## Determination and verification of our carbon footprint

The strategy we apply to achieve our sustainability and GHG emissions reduction goals focuses on effective carbon footprint measurement and management. Key elements of this strategy include:

### Use of the *Getting the Numbers Right* methodology (GNR):

We use this to measure our CO<sub>2</sub>eq emissions and energy consumption performance. GNR is a recognized platform that measures the environmental performance of the global cement industry.

The GHG calculation includes the following gases: CO<sub>2</sub>, N<sub>2</sub>O<sub>3</sub> and CH<sub>4</sub>. The baseline year is 2010, when we obtained an independent assessment of CO<sub>2</sub> emissions and energy consumption<sup>16</sup>. Our approach to emissions is operational control of the Atocongo and Condorcocha plants. (GRI 305-1) (GRI 305-2)

### Third-party verification:

Third-party verification of these measurements ensures the credibility and accuracy of the data, which is essential for effective environmental management and communication with **stakeholders**.

### Determination of CO<sub>2</sub>-eq emissions per ton of cement:

We focus on reducing CO<sub>2</sub>-eq emissions per ton of cement produced. This metric is crucial for evaluating and improving the environmental efficiency of our production processes.

### Identification of critical points and opportunities for improvement:

Carbon footprint measurement helps to identify the processes that generate the most CO<sub>2</sub> emissions. These critical points become opportunities for improvement, which lead us to implement specific actions to reduce our environmental impact.

<sup>16</sup> The emission factor was taken from IPCC 2006 document: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, prepared by the National Greenhouse Gas Inventories Programme. Published: IGES, Japan <http://www.ipcc-nggip.iges.or.jp> Vol. II, Section 1.4.2.1, Table 1.4, Section 2.3.2.1., Table 2.3.

<b>GHG Emissions</b>				
<b>GHG emissions (tCO<sub>2eq</sub>)<sup>17</sup></b>				
<b>GHG emissions</b>	<b>Baseline 2010</b>	<b>2022<sup>18</sup></b>	<b>2023</b>	<b>Var % (2022 Y 2023)</b>
Direct GHJG emissions (scope 1)	3 309 504	4 511 660	4 173 555	7 %
Indirect GHG emissions from energy generation (scope 2)	110 834	108 234	96 753	11 %
Biogenic emissions	ND	ND	88	-
(GRI 305-1) (GRI 305-2) (GRI 305-3) (GRI 305-5)				

**The adoption of these practices demonstrates our proactive and responsible approach to reducing GHG emissions,** and our alignment with global sustainability and climate change objectives. By focusing on measurement and continuous improvement, the company not only meets its environmental commitments, but also sets an example to the industry on how businesses can contribute positively to the environment. (GRI 3-3 Climate strategy)

<sup>17</sup> tCO<sub>2eq</sub>, tons of carbon dioxide equivalent

<sup>18</sup> Data verified by PwC with respect to the 2022 Integrated Report

<b>Organizational Carbon Footprint 2023</b>			
<b>Scope</b>	<b>Unit</b>	<b>Based on location</b>	<b>Based on market</b>
Total indirect GHG emissions (Scope 1)	tCO <sub>2eq</sub>	4 197 478.95	4 197 478.95
Total indirect GHG emissions (Scope 2)	tCO <sub>2eq</sub>	108 234	116.40
Total indirect GHG Emissions (Scope 3)	tCO <sub>2eq</sub>	104 259.02	104 259.02

We also measure our organizational carbon footprint according to ISO 14064, using the following methodology:

- **ISO 14064-1:2018:** General guidelines.
- **GHG Protocol:** Carbon footprint limits and emission sources.
- **IPCC<sup>19</sup> 2006:** Calculation formulae and emission factors.
- **GHG emissions for clinkerization process and kiln fuels estimated using the tool: GCCA, Cement CO<sub>2</sub> and Energy Protocol, versión 3.1, CO<sub>2</sub> Emissions and Energy Inventory. (GRI 305-1) (GRI 305-2) (GRI 305-3)**
- **Global warming potential:** Fifth evaluation report AR5 – IPCC.
- **Emissions consolidation approach:** Operations control.
- **Baseline:** 2021. (GRI 305-1) (GRI 305-2) (GRI 305-3)

<sup>19</sup> Intergovernmental Panel on Climate Change

## Relevant action in 2023

We obtained an independent limited assurance report on CO<sub>2</sub> and energy consumption estimates for the years 2018 and 2022. This report was prepared by PwC and complies with the protocol established by the GCCA at **Cement CO<sub>2</sub> and Energy Protocol** using the **Getting the Numbers Right** (GNR) methodology.

We obtained two-star recognition from MINAM's **Huella de Carbono Peru** (Carbon Footprint Peru) program. The first, for calculating our carbon footprint from 2018 to 2022 and the second, for verifying the 2021 and 2022 calculations using an entity accredited in NTP ISO 14064 (SGS del Peru S.A.). At this time, we are in the process of managing the third star, for reducing greenhouse gas emissions for 2022 compared with 2021.

We are part of the MINAM **Gran Cruzada Verde Empresarial** (Great Green Business Crusade), and collaborated in the planting of trees near our Atocongo and Condorcocha facilities. This activity was carried out with the voluntary participation of our employees. Our contribution was part of the challenge to plant 200 000 trees in various regions of the country.



## 7.2 Emissions and air quality management

GRI 3-3 Air Quality, 305-7

Emissions and air quality are important environmental aspects of our production processes. We have therefore adopted measures to prevent, reduce and mitigate the generation of particulate matter by our activities, such as dust collection systems, irrigation, enclosure and fog systems, among others. We also have environmental monitoring programs to measure air quality in our areas of influence.

All of our industrial, mining, port and energy operations are environmentally certified. The certification describes related environmental aspects and impacts, as well as the measures taken to reduce them. For that purpose we implement prevention, reduction and minimization programs, environmental monitoring, contingency and closure plans, among others, that enable us to control our activities at all stages of the process. (GRI 3-3 Air Quality)



## Our performance in 2023

Emissions management and air quality are critical components of our sustainability strategy. Our comprehensive approach to minimizing environmental impact includes several key practices:

—  
**20** PFCs, perfluorocarbons  
**21** SF<sub>6</sub>, Sulfur hexafluoride  
**22** NF<sub>3</sub>, nitrogen trifluoride

### Air pollutant emissions management

We actively manage emissions of nitrogen oxides (NO<sub>x</sub>), sulfur dioxides (SO<sub>2</sub>) and particulate matter. These environmental parameters are included by the Ministry of the Environment in Supreme Decree N° 001-2023-MINAM which establishes the maximum permissible limits for atmospheric emissions from industrial cement and/or lime manufacturing plants. The following gases are included in the GHG calculation: CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, No PFC<sup>20</sup>, SF<sub>6</sub><sup>21</sup> or NF<sub>3</sub><sup>22</sup>. (GRI 305-1)

### Prevention of significant impacts on air quality

We have installed modern particulate matter emission control systems using bag filters and electrostatic precipitators so that our operations do not generate significant impacts on air quality. This involves adopting technologies and operating practices that reduce the emission of pollutants.

### Compliance with environmental obligations and commitments

We identify, evaluate, monitor and comply with environmental obligations and commitments related to air quality. This includes adhering to national regulations and approved environmental management instruments.

### National regulations and environmental management

We meet current national legislation requirements and use environmental management instruments to ensure compliance with environmental standards. Thus demonstrating our commitment to responsible operation and respect for environmental regulations.

### Monitoring and continuous improvement

Our strategy includes constant monitoring of emissions and the implementation of continuous improvements to reduce environmental impacts. Our surveillance programs use air quality monitoring. These programs monitor the environmental parameters of particulate matter (PM10 and PM2.5), and the reports and results are sent to Peru's environmental monitoring entity Organismo de Evaluación y Fiscalización Ambiental (OEFA), who supervise us, corroborate the results (occasionally using their own environmental control equipment), and compare them with the Environmental Quality Standards (ECA) established by MINAM.

This proactive approach to air quality management not only helps us to minimize our environmental impact, but also strengthens us as a responsible and sustainable company.

We have an air quality and emissions monitoring program that is applied in all of UNACEM Peru's production facilities, together with a system that controls and monitors compliance with environmental responsibilities.

(GRI 3-3 Air Quality)

Our air quality indicators are:

Indicators	Unit	2022	2023
NOx emissions	Tons	9 278	8 401
NOx Cover (% of production)	Percentage	100	100
SO <sub>2</sub> emissions	Tons	10 677	10 584
SOx Cover (% of production)	Percentage	100	100
Hg Emissions (Mercury)	Tons	0.02577	0.00118
Hg Cover (% of production)	Percentage	100	100
Particulate material emissions	Tons	530	367.20
PM emissions cover (% of production)	Percentage	100	100

(GRI 305-7)





We seek to reduce emissions of particulate matter and sulfur dioxide in industrial processes, and to this end, we carry out the following actions:

- We have submitted to the Ministry of Production (ITS) a project to cover the clinker storage areas at Condorcocha and Atocongo plants, in order to reduce diffuse particulate emissions.
- We have introduced a balloon system to mitigate the release of particulate matter during ship loading operations at our port facility.
- We are continuing with tests on the incorporation of hydrated lime to reduce sulfur dioxide emissions from the kilns.
- We have informed the Ministry of Production that we are not required to adjust the activities of our production units to the maximum permissible limits of mercury and nitrogen oxides established for atmospheric emissions from industrial cement and lime plants, as stipulated in Supreme Decree No. 001-2020-MINAM.

In addition, we have increased our focus on air quality through the following measures to prevent, manage and mitigate actual and potential negative impacts:

**Prevention, Management and Mitigation Measures for Actual and Potential Negative Impacts on Air Quality**

**Preventing or mitigating potential negative impacts**

- We use modern particulate collection systems, such as electrostatic precipitators and sleeve filters, which are 99.9% efficient in our kiln, cooling and milling processes."
- We have installed a sleeve filter dust collection system in the clinker cooling section of kiln 2 at Condorcocha plant.
- We have enclosed storage areas for export clinker and grain at Conchan Port Facility, as well as in Atocongo at the reception area for materials coming from the port.
- We have windbreaks around certain industrial activities (primary crushing, coal stockyard) and port activities (material stockyards in general).
- The storage area for clinker from Condorcocha plant's kilns 3 and 4 is enclosed.
- We irrigate the internal roadways in our quarries and the access roads to the stockyards.
- More than 800 dust collectors have been fitted in the plants and port facility.
- Water sprinkling systems are installed in the crushing and/or milling areas.
- We have a dust containment system for loading exports at Conchan port facility.

**Addressing, facilitating or collaborating in remediation**

- Start of a program to replace multi-cyclone separators with sleeve filters in kiln 3 cooler in the Condorcocha plant.
- Start of work to enclose clinker stockyards at Atocongo and Condorcocha.
- Efficient material transportation system project using an underground conveyor that will link Atocongo plant with Silencio 8 quarry.
- More than 18 ha<sup>22</sup> of green areas have been created in Atocongo, 21 ha in Condorcocha and 22 ha in the Conchan port facility.

**Managing actual and potential negative impacts**

- Participatory air quality monitoring, in which local representatives receive training and are shown the results.
- Irrigation programs on external roads.
- Social responsibility programs through Asociacion UNACEM, including tree maintenance, new roads, garden remodeling and other activities.
- An 8.2 km conveyor connects Conchan port facility to Atocongo plant and is used to carry imported and exported materials.
- Road building in neighboring communities, on Av. Lima and Av. María Reiche, and support work on Av. 26 de noviembre, at Atocongo.

(GRI 3-3 Air Quality)

— 22 ha, hectare

## 7.3 Energy consumption management

GRI 3-3 Climate strategy, 302-1, 302-4

Our approach to sustainability in 2023, especially in terms of energy use in our operations, underscores our commitment to environmentally responsible practices. Key points of this approach include:

**Use of cleaner fuels:** we ensure that 65% of the kilns' heat energy requirement comes from cleaner sources. The predominant use of natural gas, compared to more polluting fuels, significantly reduces greenhouse gas emissions and other atmospheric pollutants.

**Electricity from renewable sources:** now, more than 90% of our electricity comes from renewable sources. This is a significant contribution to reducing the carbon footprint of our operation.

—  
23 MJ/t ck (megajoules per ton of clinker produced)

24 Megajoules per ton of cement produced.



### Energy consumption reduction results 2023

- The reduction in heat energy consumption by the organization was 7.8%. Our consumption fell from 3 564 MJ/tck<sup>22</sup> in 2010 to 3 285 MJ/tck in 2023.
- The reduction in electricity consumption is 12.1% compared with 2010, from 427427 MJ/t cem<sup>24</sup> a 376 MJ/t cem. These calculations were carried out using the protocol established by the Global Cement and Concrete Association Cement CO<sub>2</sub> and Energy Protocol using the Getting the Numbers Right (GNR) methodology. (GRI 302-4)

Among the actions to adapt to climate change and reduce GHG emissions from the cement industry in Peru is the Improving **energy efficiency in cement production processes to reduce electricity consumption initiative**, which is in line with Nationally Determined Contributions (NDCs)<sup>24</sup>. The following are the most important energy management measures we have implemented at our Atocongo and Condorcocha plants:

- Raising awareness of the efficient use of electrical energy to promote rational energy consumption in our camps and facilities, via campaigns aimed at our employees.
- We are progressively modernizing our production lines, installing new and more energy efficient machinery.
- Optimization of energy resource management at our hydroelectric power plants.
- Optimization of coal consumption through appropriate blends used in the process.
- Maintaining and increasing the consumption of clean fuel (natural gas) in the kilns at Atocongo.  
(GRI 3-3 Climate strategy)

In 2023 our main fuel consumption results were as follows:

Energy consumption	2022	2023
Total fuel consumption (GJ)	20 699 338	19 121 318
Total electrical energy consumption (GJ)	2 703 947	2 433 131
<b>Total energy consumption (GJ)</b>	<b>23 403 285</b>	<b>21 554 449</b>

(GRI 302-1)

<sup>24</sup> Nationally Determined Contributions, NDC: These are the climate change adaptation and mitigation goals formulated by Peru. <https://www.minam.gob.pe/cambioclimatico/ndc/>

## 7.4 Water, effluent and water risks management

GRI 3-3: Water, effluent and water risk  
management, 303-1, 303-2, 303-3, 303-4, 303-5

Although direct consumption accounts for less than 3% of our water footprint, we recognize that water is a scarce resource. We therefore manage water responsibly at our industrial, mining, port and energy facilities. These are located in two zones: one of arid climate, mainly in the district of Villa María del Triunfo - Lima, and another of temperate climate with dry winters, in the district of La Unión Leticia -Tarma. Financially speaking, we are responsible for water use rights and payments for water consumption, through receipts from Lima Water and Drainage Service (SEDAPAL) at Atocongo and Tarma Local Water Administration (ALA) at Condorcocha. (GRI 303-1)

The Ministry of Agriculture has published supreme decree N° 018-2022-MIDAGRI which approves payments for the use of surface and groundwater, and for treated waste water applicable in 2023. Under this standard, the watersheds we use at each plant are declared safe in terms of water availability.

As part of our commitment to this resource we have introduced a responsible management program. We seek efficiency in our processes to improve environmental performance in our production units, which consists of understanding our water use and developing measures for the reduction and more efficient use of water. (GRI 3-3: Water, effluent and water risks management)



**In 2023, we will continue with the following activities for the reduction, reuse and efficient use of water:**

- Recirculation of 100% of industrial water through the cooling system of both industrial plants.
- Operation of two waste water treatment plants (WWTP) using lagooning, biotechnology and disinfection, with 100% of treated effluent used for irrigation of green areas and in firefighting systems. More than 200 thousand m<sup>3</sup> of effluents were reused.
- Technified irrigation of 50 hectares of green areas and more than 30 hectaress with treated waste water.
- Use of efficient water control systems in the bathrooms of our offices and locker rooms.
- Training workers in the efficient use of resources.
- Measurement and reduction of our water footprint and implementation of projects that share value with our communities. In recognition of our efforts our Blue Certificate for Atocongo and Condorcocha plants has been renewed.
- The company has 6 sites with access to water (GCCA 16), of which 4 have water recycling facilities (GCCA 17).

We also ensure the quality of surface water, groundwater and effluents from our different processes by carrying out constant monitoring with the support of a consulting firm accredited by the National Quality Institute (INACAL).

**Interaction with water (GRI 303-5)**

The objective of our management effort is to reduce source water consumption through the following guidelines:

- **Studies and projects**
- **Process optimization**
- **River basin conservation**
- **Strengthening capabilities**

It is important to emphasize that there are no water discharges from our operations (GRI 303-2) (GRI 303-4) and that the plants are not located in water-stressed zones.

**Water consumption and management (m<sup>3</sup>)**

<b>Total water withdrawal</b>	<b>Condorcocha</b>	<b>Atocongo</b>	<b>UNACEM Perú</b>	<b>Units</b>
2022	313,255.86	519,086.21	<b>832,342.07</b>	m <sup>3</sup> /year
2023	295,297.67	499,898.93	<b>795,196.60</b>	m <sup>3</sup> /year
Variation	-0.06	-0.04	-0.04	

(GCCA 14)(GRI 303-3)

## 7.5

### Waste management and circular economy

GRI 3-3: Waste and hazardous materials management, 306-1, 306-2, 306-3, 306-4, 306-5

At UNACEM Peru we are aware that the proper treatment of solid waste allows us to optimize resources that are favorable for the environment, society and the local economy. For this reason, we have an integrated waste management system that maximizes recovery and reuse. We have also carried out a risk and control assessment using the procedure for identifying environmental aspects for the entire life cycle of our processes that generate solid waste, establishing controls for the potential impacts created. The most notable impact is the minimization of natural resources, minimized disposal of waste in landfills and secure landfills and reduction in GHG emissions from treatment of organic waste. This favors a circular economy for our activities by minimizing the amount of non-value-added waste deposited in landfills and secure landfills. (GRI 306-1)

Taking into account our goal of 100% recycled waste by 2050, we propose to implement a program entitled Integrated Waste Management at all the company's production units. This prioritizes the reuse of materials before they are considered waste and specifies the final disposal of those that cannot be used. Thus we have ensured that more than 59% of the waste generated at both sites is reused, recycled or donated, and that more than 97% of organic waste generated is used to produce compost for fertilizing our green areas. (GRI 3-3: Waste and hazardous materials management)

Furthermore, we have a manual for monthly compilation and control of data concerning hazardous and non-hazardous solid waste sold, treated, donated, reprocessed and disposed of. With regard to the waste generated by our export and import of materials and clinker and cement sales, these include circular measures to prevent the creation of waste at our port facility contained in our Mixed Oil Waste Plan. (GRI 306-2)

## Hazardous waste

**The waste generated in our plants is classified as follows:**

(GRI 306-2)

- Oils, fats, grease, fuels and solvents
- Fluorescent lamps and bulbs
- Radioactive waste
- Flat batteries
- Dirty rags
- Used small batteries
- Empty paint cans
- Organic mud
- Electrodes
- Glass wool
- Soil/sand contaminated with hydrocarbons
- Toners from printers
- Packaging of hazardous products
- Biocontaminated waste
- Waste from chemical and monitored inputs (IQBF)
- Others impregnated with hazardous substances
- Packaging and containers for boosters (accelerants) and detonators
- Emulsion sludge
- Waste electrical and electronic equipment (WEEE)

## Non-hazardous waste

- Building waste
- Scrap metal
- Wood
- Used drums
- Canvas sleeves
- Disused conveyor belting
- Rubble and used refractory bricks
- Torn paper bags
- Glass, plastics
- Cardboard
- Bag packaging & materials – various
- Used tires
- Construction and concrete wastes - quality control test pieces
- Material collected by sweeper
- Limestone containing metals separated by the metal detectors
- Waste electrical and electronic equipment (WEEE)

## By 2023 we had achieved:

- utilization of 58% of total waste generated, both hazardous and non-hazardous. This reflects our continuous effort to minimize our environmental impact and maximize the value of resources.
- Donation of 175.86 tons of recyclable waste to the Asociación de Ayuda al Niño Quemado (ANIQUEM)<sup>25</sup> as part of our inter-institutional agreement Reciclar para Ayudar (Helping by Recycling). This quantity gained us the YANAPAY 2023 and ANIQUEM awards in the **“Transforming Lives”** category.
- 102,556 t of slag residue and 8,381 t of ash residue imported as raw material for the manufacture of blended cements.

Waste generated (t)				
Composition	Waste diverted from disposal	Waste directed to disposal	Total waste generated	%
Non-hazardous	7 072	4 965	12 037	98
Hazardous	67	197	264	2
<b>Total waste</b>	<b>7 139</b>	<b>5 162</b>	<b>12 301</b>	<b>100</b>

<sup>25</sup> ANIQUEM is an organization dedicated to the integral rehabilitation of children with burns in Peru, as well as the prevention of accidents causing burns.

Waste generated (t)					
	2020	2021	2022	2023	%
Total waste recycled/reused	2 253	3 502	5 065	7 139	58 <sup>26</sup>
<b>Waste on own premises (Condorcocha)<sup>27</sup></b>	234	386.75	444.48	475.7	42
Waste disposed of at EO-RS	<b>642.4</b>	<b>1 939.25</b>	<b>822.52</b>	<b>4 686.3</b>	

Waste diverted from disposal (t)		
Non-hazardous waste	Waste generated	%
Reuse	3 448	29
Recycling	3 445	29
Composting	179	1
Non-hazardous waste	Waste generated	%
Recycling	67	25

Waste directed to disposal (t)		
Hazardous waste	Waste generated	%
Landfill	4 965	41
Hazardous waste	Waste generated (t)	%
Stabilization	0	0
Encapsulation	0	0
Secure landfill	197	75

(GRI 306-3) (GRI 306-4) (GRI 306-5)

<sup>26</sup> The total percentage of recyclable waste is 59% due to the disposal of refractory bricks from general maintenance of the production lines (kilns). In 2023, more than 110 thousand t of ash and slag waste from the cement manufacturing process were valorized.  
<sup>27</sup> Waste deposited in landfills.

## 7.6 Managing biodiversity

GRI 3-3: Biodiversity, 304-1, 304-2, 304-3

Biodiversity plays a key role in ecosystem function. As an industry, we are committed to protecting biodiversity, which is one of the tenets of the UNACEM Group's 2021-2050 Sustainability Statement. We work with strategic allies to conserve and protect the flora and fauna of ecosystems, measure our impacts and report on them.

Our Lomas Conservation Plan establishes environmental activities that must be carried out during both quarrying operations -rescue and relocation of plant species- and the closure stage -restoration of former industrial sites (quarries and waste dumps), including the reprofiling and physical stabilization of the land—. This ensures that the surface of former industrial areas is returned to its initial condition. (GRI 304-2)





We monitor the biodiversity of each operating unit every six months. The data allow us to detect possible fluctuations or variations in parameters such as abundance and richness of communities of flora and fauna. 67% of our quarries have biodiversity monitoring programs or conservation and restoration plans.

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

**Our operations are adjacent to protected areas or areas of biodiversity value, among which are:**

Área	Geographical location of the zones	Position with respect to the area	Size of the operations (km <sup>2</sup> )	Biodiversity value	Appearance on protection lists
Atocongo Economic Administrative Unit	Located between the districts of Villa María del Triunfo and Pachacámac, province and department of Lima, at an altitude varying between 200 and 630 m.a.s.l. <sup>28</sup> approximately 8 km northeast of the Peruvian south Pacific coast	Adjacent to the fragile Lomas de Lúcumo ecosystem	19 244 km <sup>2</sup>	<p><b>Flora:</b> 26 species distributed in 11 orders and 17 botanical families</p> <p><b>Birds:</b> 12 species distributed among 9 families and 6 orders</p> <p><b>Small and large mammals:</b> 1 species of the family Canidae, order <b>Carnivora</b> by indirect recording (feces)</p> <p><b>Reptiles and amphibians:</b> 1 species belonging to the family <b>Tropiduridae</b>, order <b>Squamata</b></p>	<p><b>Flora:</b> DS-N°-043-2006-AG<sup>29</sup> 4 species of <b>Caesalpinea spinosa</b> categorized as Vulnerable (VU)</p> <p><b>Vasconcellea candicans</b> categorized as Critically Endangered (CR)</p> <p><b>Vachellia macracantha</b> categorized as <b>Near Threatened</b> (NT)</p> <p>CITES<sup>30</sup>- Appendix II <b>Haageocereus acranthus</b> Endangered (EN)</p> <p>IUCN<sup>31</sup> (2022-2) Species: <b>Vachellia macracantha</b> and <b>Haageocereus acranthus</b> category of least concern (LC)</p> <p><b>Avifauna:</b> CITES (jun. 2023) - Appendix II Families: <b>Accipitriformes (Geranoaetus polyosoma and Geranoaetus melanoleucus) and Falconiformes (Falco sparverius)</b> recorded in the field</p>

<sup>28</sup> m.a.s.l. Meters above sea level

<sup>29</sup> DS-N°-043-2006-AG: Supreme decree N° 043-2006-AG - Approval of the Categorization of Threatened Species of Wild Flora and Fauna

<sup>30</sup> CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. This is an international agreement aimed at ensuring that international trade in specimens of wild animals and plants does not constitute a threat to the survival of the species. Appendices I, II and III of the Convention contain lists of species with different levels and types of protection from over-exploitation.

<sup>31</sup> IUCN: International Union for Conservation of Nature, an international organization dedicated to the conservation of natural resources.



Área	Geographical location of the zones	Position with respect to the area	Size of the operations (km <sup>2</sup> )	Biodiversity value	Appearance on protection lists
Cristina concession	Located in the district of Pachacámac, approximately 11 km from the south Pacific coast of Peru	Adjacent to the fragile Lomas de Lúcumo ecosystem	8.6 244 km <sup>2</sup>	<p><b>Flora:</b> 10 species, distributed among 9 botanical families</p> <p><b>Birds:</b> 10 species distributed among 9 families and 6 orders</p> <p>The most representative order was <b>Passeriformes</b> with 4 species, while the most common family was <b>Columbidae</b> with 2 species.</p> <p><b>Small and large mammals:</b> <b>Lagidium viscacia</b> (viscacha) recorded sightings</p> <p><b>Lycalopex griseus</b> (gray fox) through indirect evidence</p> <p><b>Reptiles and amphibians:</b> <b>Microlophus peruvianus</b> (Peruvian lizard)</p>	<p><b>Flora:</b> DS-N°-043-2006-AG 2 species: <b>Haageocereus limensis</b> categorized in <b>Critically Endangered</b> (CR) <b>Vachellia macracantha</b> Near threatened (NT) Likewise, both species are classified as of Least Concern</p> <p>IUCN 202-1 and CITES (2023) – Appendix II <b>catacea Haageocereus limensis,</b></p> <p><b>Birds:</b> CITES - Apéndice II 2 species Families <b>Accipitriformes (Geranoaetus melanoleucus)</b> y <b>Falconiformes (Falco sparverius)</b></p>

Área	Geographical location of the zones	Position with respect to the area	Size of the operations (km <sup>2</sup> )	Biodiversity value	Appearance on protection lists
Silencio 8 concession	Located in Manchay, the concession covers part of the districts of Pachacámac and Cieneguilla, province and department of Lima, at an altitude between 400 and 940 m.a.s.l. inside the Rincón de los Muertos valley.	It is located within a fragile ecosystem	4 244 km <sup>2</sup>	<p><b>Birds:</b> The most abundant species was <b>Coragyps atratus</b> Coragyps atratus (black-headed grouse) with 3 individuals, followed by <b>Athene cunicularia</b> (ground owl) with 2 individuals.</p> <p><b>Small and large mammals:</b> 1 species of the family <b>Canidae (Lycalopex griseus)</b>, order Carnivora.</p>	<p><b>Flora:</b> DS-N°-043-2006-AG Species <b>Haageocereus limensis</b> categorized as Critically Endangered (CR)</p> <p>IUCN Species <b>Haageocereus limensis</b> categorized as Least Concern (LC)</p> <p>CITES <b>Haageocereus limensis</b> species of cactus.</p> <p><b>Major mammals:</b></p> <p>CITES - Appendix II Species <b>Lycalopex griseus</b></p>

Área	Geographical location of the zones	Position with respect to the area	Size of the operations (km <sup>2</sup> )	Biodiversity value	Appearance on protection lists
Las Dunas Economic Administrative Unit	Located in the district of San Clemente, at km 223 on the old Pan-American Highway South, province of Pisco, department of Ica Pachacámac, approximately 5 km northeast of the Peruvian south Pacific coast.	Located within a wetlands ecosystem	10.2 km <sup>2</sup>	<p><b>Flora:</b> 23 species grouped in 22 genera and 14 families.</p> <p>The predominant cover species is <b><i>Distichlis spicata</i></b> (salt grass).</p> <p><b>Birds:</b> 34 species belonging to 22 families and 12 orders.</p> <p>A total of 206 individuals were recorded. The families with the most recordings were <b><i>Columbidae</i> and <i>Accipitridae</i></b>.</p> <p><b>Small and large mammals:</b> One species of rodent of the family <b><i>Muridae</i></b>, order <b><i>Rodentia</i></b>.</p> <p>As for larger mammals, one rodent species was recorded from the family <b><i>Caviidae</i></b>, order <b><i>Rodentia</i></b>.</p> <p><b>Herpetofauna:</b> one species, belonging to the family <b><i>Tropiduridae</i></b> and to the order <b><i>Squamata</i></b>.</p>	<p><b>Flora:</b> DS-N°-043-2006-AG 1 species categorized <b><i>Vachellia macracantha</i></b></p> <p>IUCN Seven species categorized as Concern Least Concern (LC) were recorded). <b>2 <i>Heliotropium curassavicum</i>, <i>Eleocharis geniculata</i>, <i>Schoenoplectus americanus</i>, <i>Vachellia macracantha</i>, <i>Bacopa monnieri</i>, <i>Distichlis spicata</i>, <i>Typha angustifolia</i></b></p> <p><b>Birds:</b> IUCN Species <b><i>Phoenicopterus chilensis</i></b> (Chilean flamingo) and <b><i>Calidris pusilla</i></b> (semipalmated sandpiper) categorized Near threatened (NT).</p> <p>CITES – Appendix II <b><i>Accipitriformes (Parabuteo unicinctus)</i> and <i>Falconiformes (Falco sparverius)</i></b> families recorded in the field</p> <p><b><i>Phoenicopterus chilensis</i></b> (Chilean flamingo)</p>

Área	Geographical location of the zones	Position with respect to the area	Size of the operations (km <sup>2</sup> )	Biodiversity value	Appearance on protection lists
				<p>Twenty-one individuals of <i>Microlophus peruvianus</i> were recorded.</p> <p><b>Hydrobiology:</b> Total wealth of phytoplankton was represented by 12 species belonging to 11 families, 11 orders, 5 classes and 4 phyla.</p> <p>As far as zooplankton were concerned, total wealth was represented by 15 species belonging to 14 families, 12 orders, 11 classes and 5 phyla.</p> <p>The benthos component was represented by 10 species belonging to 7 families, 6 orders, 4 classes and 2 phyla.</p> <p>The periphyton community was represented by 13 species belonging to 11 families, 8 orders, 2 classes and 3 phyla.</p>	<p><b>Small and large mammals:</b></p> <p>S.D. N° 004-2014-MINAGRI<sup>32</sup> <i>Lycalopex griseus</i> Categorized as DD (insufficient data to determine status).</p>

(GRI 304-1)

<sup>32</sup> Supreme Decree N° 004-2014-MINAGRI which approves the updated classification and categorization of legally protected endangered wildlife species.

The main impacts affecting these areas are disturbance, soil loss and loss of vegetation cover, generating the displacement of certain species of fauna. It should be noted that no changes or contaminants were found in the soil, nor changes in the salinity of the groundwater.

The Atocongo Economic Administrative Unit (UEA) has four invasive species: *Caesalpinia espinosa*, a tree introduced for cultivation in the area. The Cristina concession experiences a reduction in the number of species in the dry season (October to May), these being seasonal species they germinate and grow during the wet season and then disappear.



Some of the species affected in these areas are:

Plants	
Family	Species
Solanaceae	<i>Acnistus arborescens</i> <i>Lycopersicon peruvianum</i> <i>Nolana humifusa</i>
Asteraceae	<i>Trixis cacalioides</i>
Boraginaceae	<i>Tournefortia microcalyx</i>
Euphorbiaceae	<i>Croton alnifolius</i>
Malvaceae	<i>Waltheria ovata</i>
Amaranthaceae	<i>Chenopodium petiolare</i>
Amaryllidaceae	<i>Stenomesson coccineum</i>

Significant impacts of activities, products, and services on biodiversity

Department	Extent of impacted areas (km <sup>2</sup> )	Duration of impacts	Impact reversibility or irreversibility
UEA Atocongo	378 ha	30 years	Medium reversible with potential for ecological restoration
Cristina concession	350 ha	10 years	
UEA Las Dunas	180 ha	10 years	

(GRI 304-2)

Our operations include stages in which we condition, move, level and clear land and soil. At the end of our operations, we compensate for this by applying the respective mine closure plans approved by the Ministry of Production.

Protected or restored habitats

Protected or restored areas	Size and location	Person Responsible
<b>Atocongo UEA (lomas ecosystem)</b>	2.5 ha under restoration in Guayabo	Carried out by professionals in this type of activity.
<b>Las Dunas UEA (Andean wetland ecosystem)</b>	75 ha being restored naturally.	Carried out by progressive closure activities set forth in the environmental management instrument (mine closure plan).
<b>Cristina Concession (Lomas Ecosystem)</b>	798.6 ha under restoration in Spoil tip 500 and the ACP protected area.	Carried out by independent professionals.

(GRI 304-3)

## **7.7 Materials management**

GRI 301 -1

The following table summarizes the materials we use for the production and packaging of our main products and for the provision of our most important services.



Materiales	Unidad	2022	2023
Milling additives	kg	2 599 090	2 215 161
Clay	t	93 493	78 786
Bauxite	t	2 680	0
Limestone	t	9 328 951	9 203 604
Imported coal	t	129 770	101 574
Peruvian coal	t	115 019	166 355
Fly ash	t	12 414	16 762
Carbon dioxide	t	39	31
Mill scale	t	96 702	113 732
Natural gas	sm <sup>3</sup>	374 363 864	348 243 653
Iron oxide	t	84 640	92 249
Diesel oil B5 S-50	gal	16 974	12 587
Industrial oil No. 6	t	3 426	2 278
Pozzolan	t	83 990	81 178
Silica	t	98 893	96 799
Gypsum	t	308 874	257 269
Hydrated lime	t	4 508	6 151
Bags (42.50 kg cement)	bol	68 046 407	94 498 424
Bags (25.0 kg cement)	bol	44 190	0
Big bags (1.5 t)	bol	231 228	279 199
Total cement dispatches	t	6 666 263	5 834 389

(GRI 301-1)





# THIS **INTEGRATED REPORT**

GRI 2-2, 2-3, 2-4, 2-5

## → THIS INTEGRATED REPORT

This is our annual Integrated Report for the period from January 1 to December 31, 2023. (GRI 2-3)

This report covers the material issues concerning our entire operation (GRI 2-2) at our Atocongo plant in Lima and our Condorcocha plant in Junín; Carpapata I, II and III hydroelectric power plants; the port facility at Conchan (Lima), and the non-metallic quarrying operation for raw materials. (GRI 403-1)

This document is part of a strategic review of our impacts and dialogue with our stakeholders. It has been produced in accordance with the standards of Global Reporting Initiative and its eight reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability).

This report has been verified by a third party. (GRI 2-5) **This edition includes restatements of indicator GRI 305-1 and GRI 305-2 in accordance with the verification carried out by PWC.** (GRI 2-4)

For further information or comments on this issue, please contact us at the following e-mail address:  
**contacto@unacem.pe** (GRI 2-3)

## **8.1 Dual materiality process**

GRI 3-1, 3-2

We use a dual materiality approach, which refers to the combination of impact materiality (on society and the environment) and financial materiality.

This process is valid for a period of 2 years. For this 2023 report we used the materiality figures from 2022.






The process consists of the following stages:

# 01

## Understanding the organization's context

To understand the sustainability environment, the economic, environmental, human rights and other challenges associated with the construction sector were identified at the local, regional and global levels.



### This analysis is based on three elements:

-  The construction materials supplement of the Sustainability Accounting Standards Board (SASB) and the highest-scoring criteria for the construction industry in the Dow Jones Sustainability Index (DJSI).
-  Benchmarking of leading companies in sustainability in the sector.
-  Materiality of the UNACEM Group's 2021 Integrated Report.

# 03

## Evaluation of current and potential impacts



We have established the significance of sustainability impacts as follows:

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

# 02

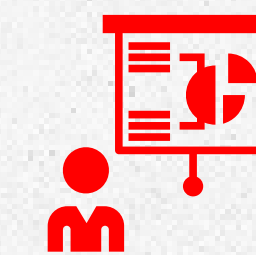
## Identification of current and potential impacts

We determine our impacts on the economy, the environment and people (including human rights and financial impact issues). For this purpose, we carry out:

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

# 04

## Materiality Matrix

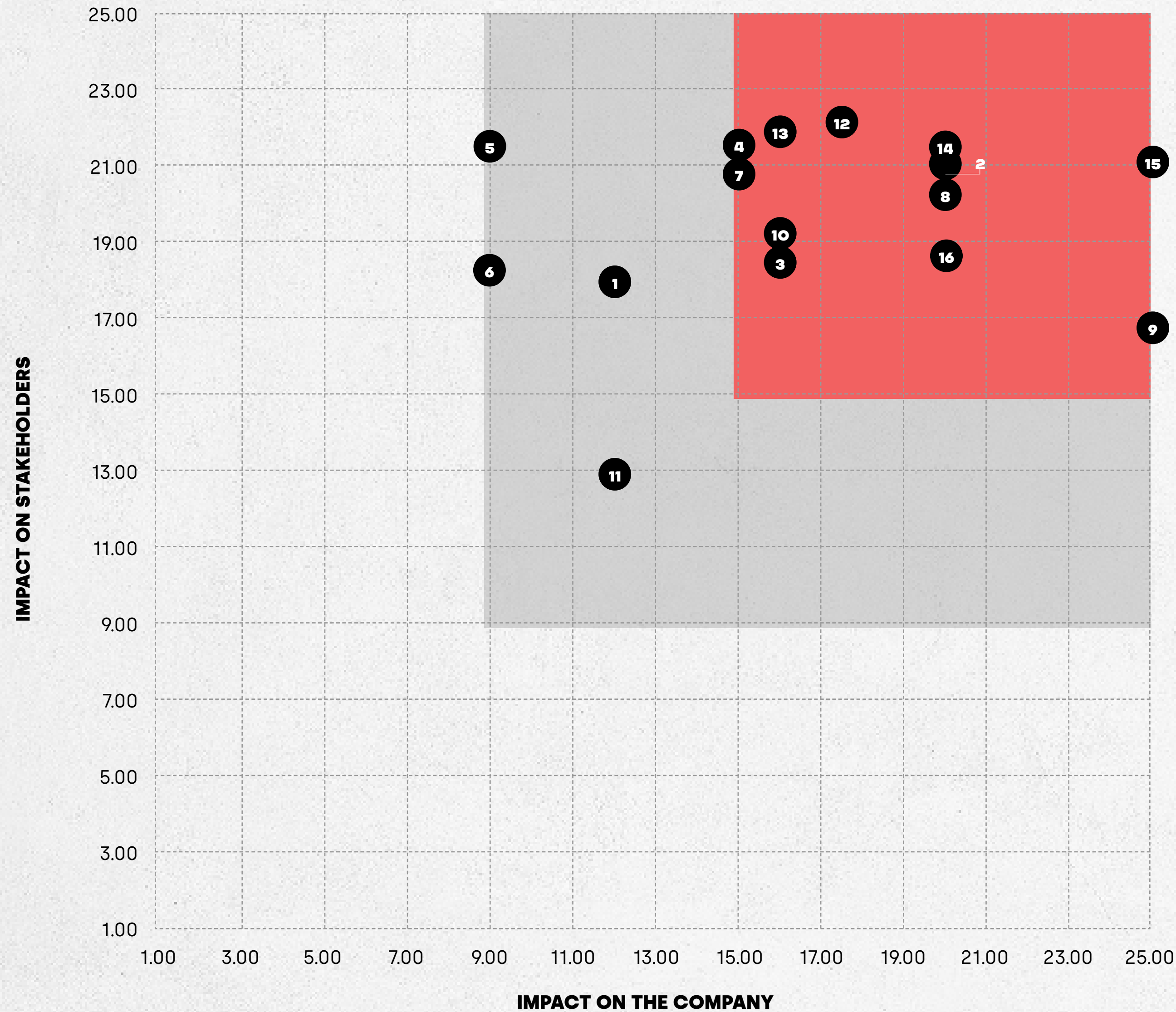


After evaluating the impacts, we prepare a materiality matrix and validate material topics in a workshop with the company's leaders.

# MATERIALITY MATRIX

IMPORTANT MATTERS

MATERIAL ISSUES



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

**2. Employee health and safety.**

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

**4. Air quality.**

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

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

**7. Environmental impacts – biodiversity.**

**8. Ethics and compliance.**

**9. Risk and crisis management.**

**10. Human rights.**

**11. Attracting and retaining talent.**

**12. Corporate governance.**

**13. Community relations.**

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

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

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

(GRI 3-1) (GRI 3-2)



**ANNEXES**

## 9.1 Environmental, social and governance metrics

### Governance metrics

Number and percentage of members of the board and CODIR by gender (GRI 405-1)			
	Women	Men	Total
Directors	1	10	11
CODIR	1	12	13

Members Of the board and CODIR by age group (GRI 405-1)		
Age group	Directors	CODIR
Under 30	0	0
Between 30 and 50	1	6
Over 50	10	7
TOTAL	11	13

### Financial implications and other risks and opportunities arising from climate change (GRI 201-2)

In 2023, Grupo UNACEM carried out an analysis and determination of environmental, social and governance (ESG) risks, as well as an inventory of climate risks, following the methodology of the Task Force on Climate-Related Financial Disclosures (TCFD). This analysis showed that Grupo UNACEM is highly resilient to the chosen physical risks: floods fire, drought, the cost of water and hydroelectric generation, and that the strategy should prioritize transition risks, such as coal, the price of fuels and electricity and carbon emissions, as well as continue to work together with industry associations in the formulation of climate regulations. This applies to all business units, including UNACEM.

## Social metrics

Total and type of work carried out by outsourcing (GRI 2-8)	
Type of work	Total
Technical services / engineering / various	1 895
Services various, Port Facility	237
Maintenance & cleaning services	135
Security	124
Security & sustainability	32
Medical service	20
Systems (IT)	23
Supply	9
<b>Total</b>	<b>2 475</b>

New hiring and employee turnover (GRI 401-1)		
Contracting	Unit	2023
Total number of new worker hires	Number	40
Covered personal rate (own staff)	Percentage	16.66%
Total number of new vacancies filled by women	Number	12
Total number of new vacancies filled by men	Number	28
Total number of new vacancies filled by workers under 30 years of age	Number	12
Total number of new vacancies filled by workers between 30 and 50 years old	Number	25
Total number of new vacancies filled by workers over 50 years of age	Number	3
Percentage of staff	Unit	2023
Total number of workers	Number	809
Total number of retirements	Number	16
Number of voluntary retirements	Number	10
Staff turnover rate	Percentage	1.22%
Total number of women turnover	Number	1
Total number of men turnover	Number	15
Total number of worker turnover under 30 years of age	Number	1
Total number of worker turnover between 30 and 50 years old	Number	3
Total number of workers turnover over 50 years of age	Number	12



**Social  
metrics**

Average hours of training by gender (GRI 404-1)			
Functional Group	Total hours	Total number of participants	Average hours
Women	2 140.5	108	19.82
Men	21 976.5	697	31.53
<b>General total</b>	<b>24 117</b>	<b>805<sup>34</sup></b>	<b>29.96</b>

Average hours of training by employment category (GRI 404-1)					
Functional Group	Officer	Administrative employees	Employees	Laborers	Total
Employees	861	13 323.5	3 027	6 905.5	<b>24 117</b>
Number of persons	34	346	128	297	<b>805</b>
Average hours	25.32	38.51	23.65	23.25	<b>29.96</b>

Average FTE hours for training and development			
	Total Hours	Total Worker	Average
<b>General total</b>	24 117	805	29.96

<sup>33</sup> It is worth mentioning that during the year , four people were on medical leave, which prevented them from taking courses.

Occupational Health & Safety Indicators (403-9)			
Indicators (based on 200000 MH)	Atocongo	Condorcocha	UNACEM
Frequency index	0.88	1.93	1.27
Severity index	6.48	21.71	12.10
Accident rate	0.01	0.04	0.02
Fatal accidents	0	0	0

Occupational health & safety indicators (403-9)			
Indicators (base don 1000000 MH)	Atocongo	Condorcocha	UNACEM
Frequency index	4.4	9.65	6.35
Severity index	32.4	109	60.49
Accident rate	0.14	1.05	0.38
Fatal accidents	0	0	0

**GCCA Guide: GCCA Sustainability Guidelines for monitoring & presentation of safety reports in cement manufacture**

Fatality rate for direct workers				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0	0	0	Number
2023	0	0	0	Number

(GCCA 27)

LTI severity index, direct employees				
Year	Condorcocha	Atocongo	UNACEM	Unidades
2022	202.24	151.74	171.54	Número
2023	479.58	69.43	224.96	Número

(GCCA 31)

**Environmental metrics**

**GCCA Guide: GCCA Sustainability Guidelines**

Cementitious production				
Cementitious Production	Condorcocha	Atocongo	UNACEM	Units
2022	1 920 623.00	5 349 049.00	7 269 672.00	t/year
2023	1 798 799.00	4 969 915.39	6 768 714.39	t/year
Variation	-0.06	-0.07	-0.07	

(GCCA 3)

Total fuel consumption in kilns for the production of clinker (metric tons/year)				
Coal consumption t/year	Condorcocha	Atocongo	UNACEM	
2022	245 604.00	35 339.70	280 943.70	
2023	238 488.00	30 258.50	268 746.50	
Variation	-0.03	-0.14	-0.04	

(GCCA 4)

Residual 6 oil consumption (used only in the kilns) t/year	Condorcocha	Atocongo	UNACEM	
2022	2,665.00	761.04	3 426.04	
2023	1 575.00	702.71	2,277.71	
Variation	-0.41	-0.08	-0.34	

(GCCA 4)

## Environmental metrics

Diesel B5 S-50 oil consumption (used only in kilns) t/year	Condorcocha	Atocongo	UNACEM
2022	29.47	26.43	55.90
2023	17.18	22.20	39.38
Variation	-0.42	-0.16	-0.30

(GCCA 4)

### Natural gas consumption

Year	UNACEM Atocongo Plant	Units
2022	294 850.86	t/year
2023	274 276.16	t/year

(GCCA 4)

Total energy of fuels used for clinker produced				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	6 094	14 597	20 691	TJ /year
2023	5 549	13 558	19 107	TJ /year
Variation	-0.09	-0.07	-0.08	

(GCCA 5)

Alternative fuel rate				
Year	Condorcocha	Atocongo	UNACEM	Unidades
2022	0.00	0.00	0.00	t /year
2023	0.00	0.00	0.00	t /year
Variation	0.00	0.00	0.00	

(GCCA 6)

Energy from alternative fuels				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00	0.00	0.00	TJ /year
2023	0.00	0.00	0.00	TJ /Year
Variation	0.00	0.00	0.00	

(GCCA 7)

Biomass fuel rate				
Year	Condorcocha	Atocongo	UNACEM	Units
2023	0.90	1.17	2.07	t/year

(GCCA 8)

Energy from biomass fuels				
Year	Condorcocha	Atocongo	UNACEM	Units
2023	0.01	0.02	0.03	TJ/year

(GCCA 9)

Total raw material (dry basis) for clinker produced				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	2 472 476.00	7 192 055.00	9 664 531.00	t /year
2023	2 278 356.00	6 690 452.13	8 968 808.13	t /year
Variation	-0.08	-0.07	-0.07	

(GCCA 10)

Total alternative raw materials for clinker produced				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00	0.00	0.00	t/year
2023	0.00	0.00	0.00	t/year

N.B. We do not use alternatives (GCCA 11)

Total raw materials for cement production				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	258 239.00	736 602.00	994 841.00	t /year
2023	269 695.00	683 023.39	952 718.39	t /year
Variation	0.04	-0.07	-0.04	

(GCCA 12)

Total alternative raw materials for cement production				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00	102 910.21	102 910.21	t /year
2023	182.00	121 931.00	122 113.00	t /year
Variation	-	0.18	0.19	

(GCCA 13)



Total water discharged in m <sup>3</sup> /year				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00	0.00	<b>0.00</b>	m <sup>3</sup> /year
2023	0.00	0.00	<b>0.00</b>	m <sup>3</sup> /year
Variation	0.00	0.00	<b>0.00</b>	

(GCCA 15)

**GCCA Guide: GCCA Sustainability Guidelines for monitoring & reporting CO<sub>2</sub> emissions from cement manufacture**

Direct CO emissions <sub>2</sub> gross emissions				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	1 346 402.83	3 132 728.43	4 479 131.27	t CO <sub>2</sub> /year
2023	1 247 040.25	2 887 811.09	4 134 848.25	t CO <sub>2</sub> /Year
Variation	-0.07	-0.08	-0.08	

(GCCA 23)

Direct CO <sub>2</sub> emissions, net				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	1 346 402.83	3 132 728.43	4 479 131.27	t CO <sub>2</sub> /year
2023	1 247 040.25	2 887 811.09	4 134 848.25	t CO <sub>2</sub> /year
Variation	-0.07	-0.08	-0.08	

(GCCA 24)

Specific emissions from CO <sub>2</sub> gross				
Year	Condorcocha	Atocongo	UNACEM	Unidades
2022	701.02	585.66	616.14	Kg / t cementitious material
2023	693.26	581.06	610.88	Kg / t cementitious material
Variation	-0.01	-0.01	-0.01	

(GCCA 25)

Specific emissions from CO <sub>2</sub> net				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	701.02	585.66	616.14	Kg / t cementitious material
2023	693.26	581.06	610.88	Kg / t cementitious material
Variation	-0.01	-0.01	-0.01	

(GCCA 26)

**GCCA Guide: GCCA Sustainability Guidelines for co-processing alternative fuels and raw materials in cement manufacture**

Water consumed				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	313 255.86	519 086.21	832 342.07	m <sup>3</sup> /year
2023	295 297.67	499 898.93	795 196.60	m <sup>3</sup> /year
Variation	-0.06	-0.04	-0.04	

(GCCA 32)

Amount of water consumed per unit of product				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	163.10	97.04	260.14	liters/ton cementitious material
2023	164.16	100.58	264.75	liters/ton cementitious material
Variation	0.01	0.04	0.02	

(GCCA 33)

**GCCA Guide: GCCA Sustainability Guidelines for co-processing alternative fuels and raw materials in cement manufacture**

Alternative fuel rate (furnace fuels)				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00	0.00	0.00	t/year
2023	0.00	0.00	0.00	t/year

N.B. We do not use alternatives (GCCA 34)

Biomass fuel rate (furnace fuels)				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.0%	0.0%	0.0%	%
2023	0.0002%	0.0001%	0.0001%	%

(GCCA 35)

Specific heat consumption for the production of clinker (fuels kilns)				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	3 666	3 165	3 298	MJ / t clin
2023	3 629	3 163	3 285	MJ / t clin
Variation	-0.01	0.00	0.00	

(GCCA 36)

Alternative raw material rate (%ARM)				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	0.00%	2.23%	2.08%	%
2023	0.01%	3.09%	2.95%	%
Variation	0	0.39	0.42	

(GCCA 37)

Clinker Factor / Cement (equivalent)				
Year	Condorcocha	Atocongo	UNACEM	Units
2022	87.5%	84.0%	85.1%	%
2023	85.3%	82.7%	83.5%	%
Variation	-0.02	-0.02	-0.02	

(GCCA 38)

**GCCA Guide: GCCA Sustainability Guidelines for quarry rehabilitation and biodiversity management in cement manufacture**

Percentage of quarries with high biodiversity value in which a biodiversity management plan has been implemented		
Year	UNACEM	Units
2023	67%	%

(GCCA 39)

Percentage of quarries where a rehabilitation plan is in place		
Year	UNACEM	Units
2023	67%	%

(GCCA 39)

Contents index GCCA				
Code	Content	Detailed Indicato	Units	Page
<b>GCCA Sustainability Framework</b>				
GCCA 1	Clinker production	Clinker production	t/year	20
GCCA 2	Cement production	Cement production	t/year	21
GCCA 3	Cementitious Production	Cementitious Production	t/year	189
GCCA 4	Report the mass of all kiln fuels used in the manufacture of the clinker produced, i.e., total kiln fuel production.	Coal consumption N°6 fuel oil consumption B5-S50 diesel consumption Natural gas consumption	t/year t/year t/year t/year	189 - 190
GCCA 5	Total energy of all kiln fuels used in the manufacture of clinker (MJ/year)	Energy total of fuels used for clinker production	TJ/year	191
GCCA 6	Alternative fuel (furnace fuels) percentage (%)	Alternative fuel rate	t/year	191
GCCA 7	Total energy of all alternative fuels used in the manufacture of clinker	Energy from alternative fuels	TJ/year	191
GCCA 8	Biomass fuel rate (kiln fuels) in percent (%) (metric tons/year)	Biomass fuels	t/year	192
GCCA 9	Total energy of all biomass fuels and biomass as a fraction of mixed fossil and biomass fuels used in the manufacture of clinker (MJ/year)	Energy from biomass fuels	TJ/year	192
GCCA 10	Total raw material for clinker production - report raw material rate (%ARM) in percent (%).	Total raw materials for clinker produced	t/year	192
GCCA 11	Total alternative raw materials for clinker production - report alternative raw material rate (%ARM) in percent (%)	Total alternative raw materials for clinker produced	t/year	192

Code	Content	Detailed Indicato	Units	Page
<b>GCCA Sustainability Framework</b>				
GCCA 12	Total raw materials for cement production - reported raw material rate (%ARM) in percent (%)	Total alternative raw materials for cement production	t/year 1	192
GCCA 13	Total alternative raw materials for cement production - alternative raw material rate (%ARM) in percent (%)	Total alternative raw materials for cement production	t/year	192
GCCA 14	Total water extraction by source (m3/year)	Total water extraction	m <sup>3</sup> /year	161
GCCA 15	Total water discharged m3/year	Total water discharged	m <sup>3</sup> /year	193
GCCA 16	Total number of sites	Number of sites	Number	161
GCCA 17	Total number of sites with a water recycling facility	Number of sites with a water recycling system.	Number	161
GCCA 18	Fatality rate - directly employed	Number of fatalities - direct employees	Number	113
GCCA 19	Number of fatalities - contractors, subcontractors	Number of fatalities - contractors and subcontractors	Number	113
GCCA 20	Number of fatalities - third parties	Number of fatalities - third parties	Number	113
GCCA 21	Number of injuries - directly employed	Number of lost time injuries (LTI), directly employed.	Number	113
GCCA 22	Number of injuries - contractors, subcontractors	Number of lost time injuries (LTI), contractors and subcontractors	Number	113

Code	Content	Detailed Indicato	Units	Page
<b>GCCA Sustainability Guidelines for Monitoring and Reporting CO2 Emissions from Cement Manufacturing</b>				
GCCA 23	Total CO2 emissions - gross (t CO2/year)	Total direct CO <sub>2</sub> emissions - gross	t CO <sub>2</sub> / year	193
GCCA 24	Total CO2 emissions - net (t CO2/year)	Total direct CO <sub>2</sub> emissions - net	t CO <sub>2</sub> / year	194
GCCA 25	Total specific CO2 emissions - gross (kg CO2/t cementitious material)	Specific CO <sub>2</sub> emissions - gross	Kg / tonne cementitious material	194
GCCA 26	Total net specific CO2 emissions (kg/t cementitious material)	Specific CO <sub>2</sub> emissions - net	Kg / tonne cementitious material	194
<b>GCCA Sustainability Guidelines for Monitoring and Reporting on Safety in Cement Manufacturing</b>				
GCCA 27	Detail the fatality rate per 1,000 direct employees	Fatality rate, directly employed	Number	187
GCCA 24	Number of fatalities of direct employees, contractors/subcontractors and third parties as a result of work-related incidents in a year, DEGS (X-73) for the last 3 years	Number of fatalities - direct employees, contractors, subcontractors and third parties	Number	194
GCCA 29	Lost time incident (LTI) frequency rate, direct employees: number of lost time injuries per 100,000,000 (1 million) hours worked	LTI frequency index, direct employees	Number	113
GCCA 30	Lost time incident (LTI) frequency rate, contractors and subcontractors (on-site): number of lost time injuries per 100,000,000 (1 million) hours worked	LTI frequency rate, contractors and subcontractors	Number	113
GCCA 31	Lost time incident severity index (LTI), direct employees: number of days lost due to a lost time incident (LTI) per 1,000,000 (1 million) hours worked	LTI severity index, direct employees	Number	187



Code	Content	Detailed Indicato	Units	Page
<b>GCCA Sustainability Guidelines for Monitoring and Reporting on Water in Cement Manufacturing</b>				
GCCA 32	Total water consumed (m3/year)	Water consumed	m3/year	195
GCCA 33	Amount of water consumed per unit of product	Amount of water consumed per unit of product	litres/tonne cementitious material	195
<b>GCCA Sustainability Guidelines for the Co-Processing of Fuels and Raw Materials in Cement Manufacture</b>				
GCCA 34	Alternative fuel (furnace fuels) percentage (%)	Alternative fuel rate (furnace fuels)	%	195
GCCA 35	Biomass fuel rate (kiln fuels) in percent (%) (metric tons/year)	Biomass fuel rate (furnace fuels)	%	196
GCCA 36	Total energy of all fuels used in the manufacture of clinker	Specific heat consumption for clinker production (kiln fuels)	MJ / t clin	196
GCCA 37	Consumption of alternative raw materials in clinker and cement as a percentage of total raw material used in clinker production	Alternative raw material rate (%ARM)	%	196
GCCA 38	The clinker/cement factor (equivalent) calculated on the basis of the total clinker and cement consumption produced	Clinker / cement factor (equivalent)	%	197
<b>GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management</b>				
GCCA 39	Report the percentage (%) of quarries with high biodiversity value in which a biodiversity management plan has been implemented.	Percentage of quarries with high biodiversity value	%	197
GCCA 40	Report the percentage (%) of quarries in which a rehabilitation plan is implemented.	Percentage of quarries with rehabilitation plans	%	197



GRI  
**CONTENTS**  
**INDEX** (GRI 1-1)

UNACEM Peru has prepared this Integrated Report in accordance with GRI Standards for the period from January 1 to December 31, 2023.



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

Declaration of use	UNACEM Peru has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Fundamentos 2021.
Applicable GRI sector standards	Not applicable.

GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation

General contents								
<b>GRI 2-6: General Disclosures 2021</b>	2-1 Organization details	14, 13			-			
	2-2 Entities included in the organization's reports	177, 178			-			
	2-3 reporting period, frequency, contact	177, 178			-			

GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>General contents</b>								
	2-4 Restatement of information	177, 178						
	2-5 External assurance	177, 178						
	2-6 Activities, value chain and other business relationships	13, 14, 16, 18, 20, 21, 22, 23, 120						
	2-7 Employees	95, 96, 97	8	8.5	3			
	2-8 Non-employee workers	95, 96, 184						
	2-9 Structure and composition of government	30, 31, 32, 37, 38	5, 16	5.5, 16.7				
	2-10 Appointment and selection of the highest governance body	32	5, 16	5.5, 16.7				
	2-11 Chairman of the highest governance body	32, 36	16	16.6				

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>General contents</b>								
	2-12 Role of the highest governance body in overseeing the management of impacts	32, 34,38, 41,42, 45, 48	16	16.7	-			
	2-13 Delegation of responsibility for managing impacts	32, 34			-			
	2-14 Role of the highest governance body in sustainability reporting	32, 34			-			
	2-15 Conflicts of interest	61,65	16	16.6	10			
	2-16 Critical Concerns communication				-			
	2-17 Collective knowledge of the highest governance body	32, 37, 38, 43			4.6			
	2-18 Evaluation of the performance of the highest governance body	32, 37, 44			4.6			
	2-19 Compensation policies	95, 101			4.6			
	2-20 Process for determining compensation	95, 101			4.6			

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>General contents</b>								
	2-21 Total annual compensation ratio	N/A	16	16.7	4.6	x	Confidentiality restrictions	Information on the total annual remuneration is considered confidential because it contains information on the income of the CEO of UNACEM Peru.
	2-22 Statement on sustainable development strategy	10, 80, 82, 83, 95, 101						
	2-23 Policy commitments	15, 45, 47, 48, 49, 50, 80	16	16.3	10			
	2-24 Incorporation of commitments and policies	15, 45, 47, 49, 57						
	2-25 Processes for remedying negative impacts	87						
	2-26 Mechanisms for seeking advice and raising concerns	45, 52	16	16.3	2, 10			
	2-27 Compliance with laws and regulations	45, 57, 60						

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>General contents</b>								
	2-28 Partnerships	27, 28						
	2-29 Approach to stakeholder engagement	84			3, 4			
	2-30 Collective bargaining agreements	95, 102						
<b>Material issues</b>								
<b>GRI 3: Disclosures on material topics 2021</b>	3-1 Process for determining material issues	179, 180, 181						
	3-2 List of material items	179, 180, 181						
<b>Corporate Governance</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	30, 32, 37, 38, 41						
<b>Sustainable construction</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	20, 22, 24, 25						

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Ethics and compliance</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	45, 48						
<b>GRI 205-1: Operaciones evaluadas en función de los riesgos relacionados con la corrupción</b>		45, 5	16	16.5	10			
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training in anti-corruption policies and procedures	32, 37, 45, 47, 49	16	16.5	10			
	205-3 Confirmed incidents of corruption and action taken	45, 53	16	16.5	10			
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, antitrust and monopoly practices	45, 51	16	16.3	10			
<b>GRI 415: Public policy</b>	415-1 Contribution to parties and/or political representatives	45, 5	16	16.5				



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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Human rights</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	54, 55						
<b>Risk and crisis management</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	61, 62, 63						
<b>Creation of sustainable economic value</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	71						
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	20, 23, 71,72,73	8, 9	8.1, 8.2, 9.1, 9.4, 9.5	6			
	201-2 Financial and other implications risks and opportunities arising from climate change	183	13	13.1				
<b>GRI 203: Indirect economic impacts</b>	203-1 Infrastructure investments and services supported	89, 93	5, 9, 11	5.4, 9.1, 9.4, 11.2	6			

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Managing contractors and suppliers</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	116, 117						
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on local suppliers	116, 118	8	8.3				
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that have passed evaluation and selection filters in accordance with environmental criteria	116, 117						
<b>GRI 407: Freedom of association and collective bargaining</b>	407-1 Operations and suppliers in which freedom of association and collective bargaining may be at risk	95, 102	8	8.1				
<b>GRI 408: Child labor</b>	408-1 Transactions and suppliers with significant risk of child labor cases	95, 103	5, 8, 16	5.1, 8.7, 16.2				
<b>GRI 409-6: Forced labor</b>	409-1 Operations and suppliers with whom there is a significant risk of forced or obligatory labor	95, 103	5, 7	5.1, 8.7				
<b>GRI 414-6: Social evaluation of suppliers 2016</b>	414-1 Negative social impacts on supply chain and actions taken	116, 117	5, 8, 16	5.2, 8.8, 16.1	2, 4, 5, 6			

GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Water, effluent and water risks management</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	160						
<b>GRI 303: Water and effluents 2018</b>	303-1 Interaction with water as a shared resource	160	6, 12	6.3, 6.4, 6.a, 6.b, 12.4	6.3, 6.4, 6.a, 6.b, 12.4			
	303-2 Management of impacts related to water discharges	160, 161	6	6.3	7, 8, 9			
	303-3 Water extraction	160, 161	6	6.4	7, 8, 9			
	303-4 Water discharges	160, 161	6	6.4	7, 8, 9			
	303-5 Water consumption	160, 161	6	6.4	7, 8, 9			
<b>Biodiversity</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	166, 167						
<b>GRI 304: Biodiversity 2016</b>	GRI 304-1 Operational sites owned, leased or managed, in or adjacent to protected areas and areas of high biodiversity outside protected areas	166, 172	13, 14, 15	13.1, 14.1, 14.2, 15.2, 15.4, 15.5, 15.a	7, 8, 9			

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Biodiversity</b>								
<b>GRI 304: Biodiversity 2016</b>	GRI 304-2 Significant impacts of activities, products, and services on biodiversity	166, 174	13, 14, 15	13.1, 14.1, 14.2, 15.2, 15.4, 15.5, 15.a	7, 8, 9			
	GRI 304-3 Protected or restored habitats	166, 174	13, 14, 15	3.1, 14.1, 14.2, 15.2, 15.4, 15.5, 15.a	7, 8, 9			
<b>Air quality</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	153, 155, 157						
<b>GRI 305: Emissions 2016</b>	305-1 Direct GHG emissions (Scope 1)	144, 149	3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2	7, 8, 9			
	305-7 Oxides of nitrogen (NOx), oxides of sulfur (SOx) and other significant emissions into the air	153, 155	3, 12, 14, 15	3.9, 12.4, 14.3, 15.2	7, 8, 9			
<b>Climate strategy</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	144, 145, 148, 151, 158, 159						

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Climate strategy</b>								
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	144, 147, 158, 159	7, 8, 12, 13	7.2, 7.3, 8.4, 12.2, 13.1	7, 8, 9			
	302-3 Energy intensity	144, 147	7, 8, 12, 13	7.3, 8.4, 12.12, 13.1	7, 8, 9			
	302-4 Reduction of energy consumption	158	7, 8, 12, 13	7.3, 8.4, 12.2, 13.1	7, 8, 9			
	<b>GRI 305: Emissions 2016</b>	305-1 Direct GHG emissions (Scope 1)	144, 150, 153, 154	3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2	7, 8, 9		
	305-2 Indirect GHG emissions from energy (Scope 2)	144, 149, 150	3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2	7, 8, 9			
	305-3 Other indirect GHG emissions (Scope 3)	144, 150	3, 12, 13, 14, 15	3.9, 12.4, 13.1, 14.3, 15.2	7, 8, 9			
	305-5 Reduction of GHG emissions	144, 147, 150	13, 14, 15	13.1, 14.3, 15.2	7, 8, 9			
<b>Waste and hazardous materials management</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	175, 176						

GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Waste and hazardous materials management</b>								
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	175, 176	8, 12	8.4, 12.2				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	162	3, 6, 11, 12	3.9, 6.3, 11.6, 12.4, 12.5	7, 8, 9			
	306-2 Management of significant waste-related impacts	162,163	3, 6, 8, 11, 12	3.9, 6.3, 8.4, 11.6, 12.4, 12.5	7, 8, 9			
	Waste generated	162, 165	3, 11, 12	3.9, 11.6, 12.4, 12.5	7, 8, 9			
	306-4 Waste diverted from disposal	162, 165	3, 12	3.9, 11.6, 12.4, 12.5	7, 8, 9			
	306-5 Waste for disposal	162, 165	6, 14, 15	3.9, 11.6, 12.4, 12.5	7, 8, 9			
<b>Attracting and retaining talent</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	95, 99						
<b>GRI 401-6: Employment 2016</b>	401-1 New hires and employee turnover	95, 96, 184	5, 8, 10	5.1, 8.5, 8.6, 10.3	4, 5, 6			

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Attracting and retaining talent</b>								
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	95, 100, 185	4, 5, 8, 10	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3				
	404-2 Programs for improving employee skills	95, 100	8	8.2, 8.5				
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1 Diversity of governance bodies and employees	95, 96, 97, 105, 183	5, 8	5.1, 5.5, 8.5				
<b>GRI 406: Non-discrimination 2016</b>	406-1: Incidents of discrimination and corrective actions taken	105	5,8	5.1, 8.8				
<b>GRI 410-6: Safety practices 2016</b>	410-1 Security personal trained in human rights policies or procedures	95, 104	16	16.1				
<b>Employee health and safety</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	107						

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Employee health and safety</b>								
<b>GRI 403-6: Occupational health and safety 2018</b>	403-1 Health and safety at work management system	107, 108, 114	8	8.8				
	403-2 Identifying hazards, risk evaluation and incident investigation	107, 108, 109, 115	8	8.8				
	403-3 Occupational health service	107, 110	8	8.8				
	403-4 Employee participation, queries and communications on health and safety at work	107, 109, 114	8, 16	8.8, 16.7				
	403-5 Occupational health and safety training	107, 111	8	8.8				
	403-6 Safeguarding employees' health	107, 110	3	3.3, 3.5, 3.7, 3.8				
	403-7 Prevention and mitigation of impacts on health and safety of employees directly linked through commercial relationships	107, 110	8	8.8				



Estándar GRI	Contenido	Ubicación	ODS	Meta ODS	Principios de Pacto Global	Omisión		
						Requerimiento omitido	Motivo	Explicación
<b>Employee health and safety</b>								
<b>GRI 403-6: Occupational health and safety 2018</b>	403-8 Employees covered by an occupational health and safety management system	107, 108	8	8.8				
	403-9 Work-related injuries	107, 113, 186	3, 8, 16	3.6, 3.9, 8.8, 16.1				
	403-10 Occupational diseases and illnesses	107, 113	3, 8, 16	3.4, 3.9, 8.8, 16.1				
<b>Managing client relations and product quality</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	120, 122						
<b>GRI 416: Client health and safety 2016</b>	416-1 Evaluation of impacts on health and safety of products or services	120, 123						
<b>GRI 417: Marketing and labeling 2016</b>	Information and labeling requirements for products and services	120, 123	12	12.8				
<b>Own content</b>	Client satisfaction							

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GRI Standard/ Other source	Contents	Location	ODS	SDG Target	Global Compact Principles	Omission		
						Requirements	Motive	Explanation
<b>Local communities</b>								
<b>GRI 3: Material Disclosures 2021</b>	3-3 Management of material issues	12, 128, 139, 142						
<b>GRI 413: Local communities 2016</b>	413-1 Operations in which the local population participate, impact assessments and development programs	125, 128, 141						
<b>NO GRI Customer satisfaction</b>		120, 124						
<b>NO GRI New projects of optimization, efficiency and ESG impact</b>		89						
<b>NO GRI ESG risks on the suppliers chain</b>		116, 119						



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**INTEGRATED**  
**REPORT 2023**

