# Sustainability Report 2010





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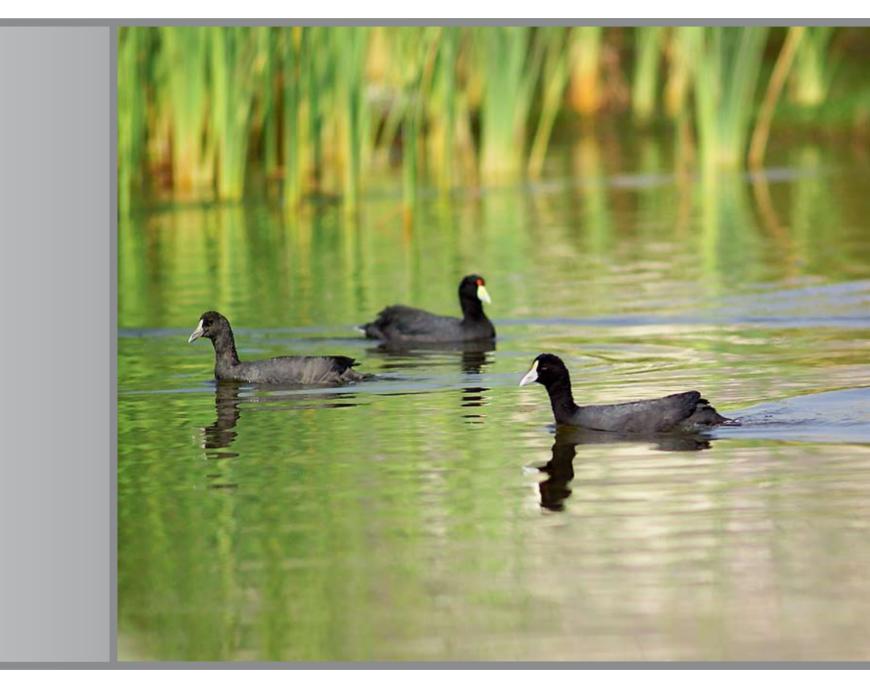
# COMMITMENT AND



# RESPONSIBILITY

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"Choca – Fulica ardesiaca" duck. Las Hienas concession protected area.



# Message from the management of Cementos Lima S.A.

When social responsibility and environmental responsibility are joined with economic performance, business sustainability and sustainable development of companies make their maximum contribution to their different stakeholders.

At Cementos Lima S.A., sustainable development became part of our essence from the moment we went beyond economic and financial measurements to evaluate our performance and report to our stakeholders on our vision of sustainable development.

Thus, this Sustainability Report is our seventh annual report and the fourth one produced using the guidelines of the Global Reporting Initiative (www.globalreporting.org), an international standard for transparency and reporting of strategies.

The number of companies interested in linking their economic and financial performance with social and environmental responsibility is increasing in an ever more competitive world, with better informed consumers who base their purchasing decisions on factors and elements other than the quality and price of goods or services.

Today, importance is given not only to the product's impact on the environment, but also to the production process and the company's treatment of its collaborators and the communities adjacent to its operations.

Building a company's image is one of the most important challenges of our times, as it implies that it should be recognized not only for its visibility and efficiency, but also for its positive impacts on society.

Public perception of and confidence in large corporations have been damaged by the financial crisis and environmental disasters. In this scenario, the global financial and investment sectors both pay attention to the behavior of large companies on environmental, social and corporate governance matters as an indicator of their management efficiency.

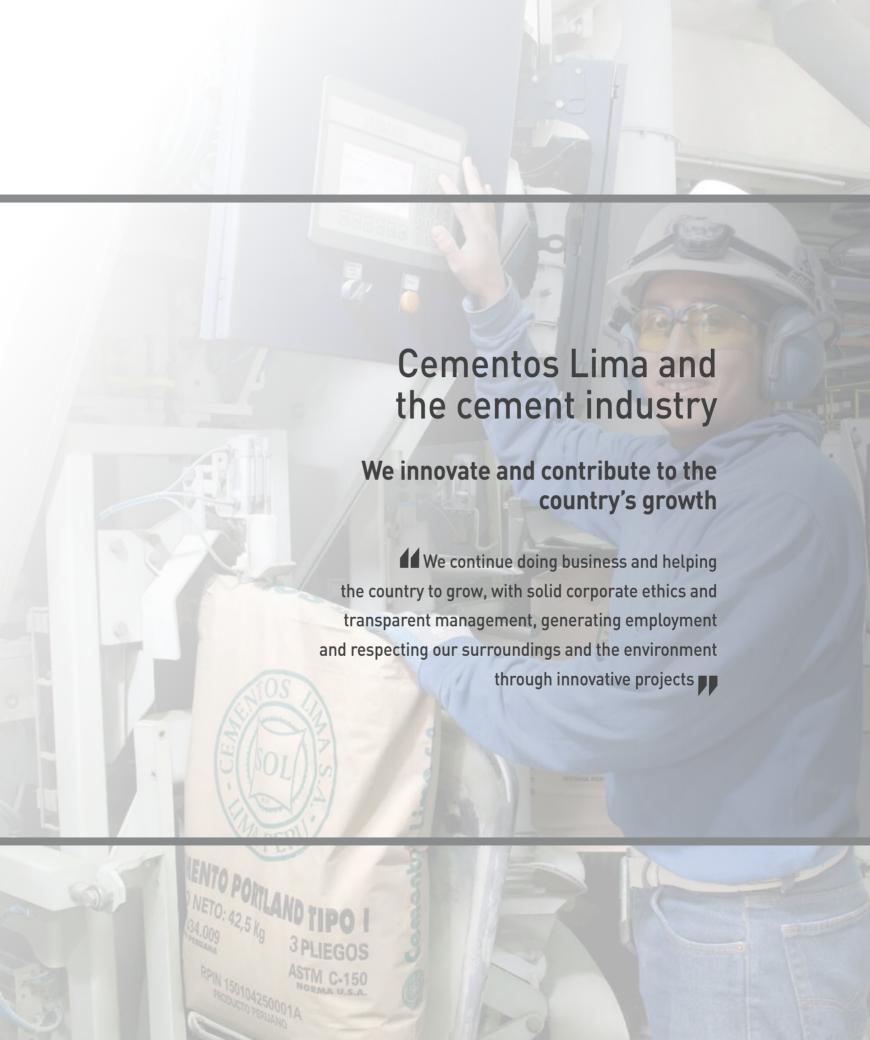
We believe that companies are increasingly accepting this redirection of their strategies for involving sustainability into global and local business.

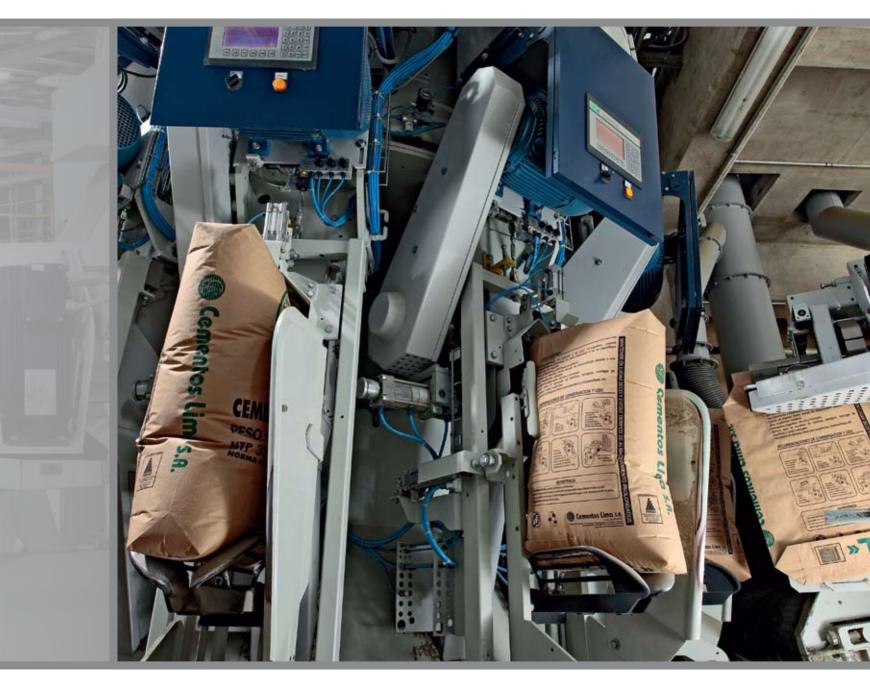
#### Carlos Ugás

Director - General Manager Cementos Lima S.A.

#### Armando Casis

General Manager Asociacion Atocongo





Cement packaging robot.





As an agent of change, Cementos Lima voluntarily and responsibly integrates and aligns its business strategy to the social, environmental and economic concerns of the country and the world by means of a commitment to and interaction with all of its stakeholders

# **Cementos Lima and the cement industry**

Recent years have seen a continuous growth in the cement industry as a result of the country's economic expansion, domestic demand and the purchasing power of the population.

All if this has translated into private investment in construction, from large housing projects to shopping malls and office blocks, among others. Public investment is reflected in improvements in the country's infrastructure, such as roads, mass transport systems and social housing.

In 2010, the construction sector grew by 17.4%, helping to increase the rate of growth of GDP by 1.1%.

Annual demand for cement was 8,498 million tons at the close of the year, an increase of 15.7%.

Cementos Lima S.A., being the largest cement manufacturer in Peru, has contributed to this growth and is planning important investments for the country.

The company has increased its investments up to 2013 to US\$610 million in various projects relating to the production of cement and its subsidiary companies.

We therefore continue doing business to benefit all of our stakeholders with uppermost ethical behavior and transparency. We are improving and innovating our operations, creating jobs, respecting our surroundings and taking care of the environment. For this reason we invest to strengthen the abilities of our collaborators, as well as in the latest technology that will enable us to minimize the impact of our operations in line with international standards.

With our work through Asociacion Atocongo, our corporate social responsibility arm, we observe our management and ensure that our practices are adequate by complying with established processes and empowering others, in order to strengthen our commitment as a socially responsible company.

#### Mission and Vision of Cementos Lima

Our Mission and Vision reflect our shareholders' approach to the development perspectives and management of the company.

#### □ Vision

To be a leading organization in the national market and to achieve a competitive position at a global level.

#### ■ Mission

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

Throughout all of its years of operation and many economic, political and social changes, Cementos Lima has remained a leader in the domestic market. Its proximity to Lima puts it in a privileged position to carry out its activities, given that the capital city is responsible for most of Peru's building activity, which has enabled it to become the country's largest cement company.

At present we have five active subsidiaries:

- □ Depósito Aduanero Conchán S.A. (99.0% ownership)
- ☐ Generación Eléctrica Atocongo S.A. GEA (100% ownership)
- □ Inversiones en Concreto y Afines / Unicón (73.5% ownership)



Monitoring unloading at Conchan bonded warehouse.

- □ Compañía Eléctrica El Platanal S. A. (60.0% ownership)
- □ Skanon Investments Inc. / Drake Cement LLC (78.7% ownership)
- ☐ Prefabricados Andinos PREANSA (50.0% ownership)

We also use an integrated management system (IMS) based on four key aspects for the growth and sustainability of the company: Quality assurance system (ISO: 9001), environmental management system (ISO: 14 001), health and safety at work system (ISO: 18 001) and a control and protection system (BASC). At present we hold ISO: 9001:2008, BASC and ISPS (International Ship and Port Facility Security Code for Conchan pier), and we are engaged in a continual improvement process for all certificates.

Furthermore, we have developed and implemented important projects relating to an increase in our operating capacity, such as the installation of innovative machinery, use of the latest technology to govern fuel use and clean energy generation, in order to supply our products responsibly and efficiently from an environmental point of view.

Today, Cementos Lima employs a solid and innovative sales system, which is a very important tool for efficient competition.



Our products.

Furthermore, our commercial system includes two initiatives that have not only been successful from the commercial point of view, but have also had a considerable impact on sustainable social development: The Progre-Sol network of hardware stores and the microfinance system for self-building, HatunSol.

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

Furthermore, the HatunSol microfinance system has brought many self-builders into the Peruvian financial system; these people are responsible for between 50% and 60% of house building in Peru and usually belong to the poorest socioeconomic levels of the population. HatunSol provides financing not only for construction materials, but also for labour and transport of the materials to the building site; it also provides advice from professional engineers free of charge. We thus seek to mitigate one of the worst aspects of self-building in Peru: informality arising from a lack of professional training.

Thanks to commercial innovation and good performance by the country's economy, cement sales in 2010 amounted to S/. 1,092,370 thousand (S/. 945,156 thousand in 2009).

Better operational and non-operational results gave us a net profit, as of December 2010, of S/. 177,782 thousand nuevos soles, a variation of -6.7% compared to the previous year, which is equivalent to a lower profit per ordinary share of S/.2.08 for fiscal year 2010.

# **Our products**

Cementos Lima produces cement in bags ("Sol" brand, type I Portland cement and "Atlas" brand, type IP Portland cement), which is responsible for 73.0% of sales; and bulk cement (types I, IP, II and V Portland cement) which makes up the remaining 27.0%.

"Sol" brand is Portland Type I cement and is designed for general use in the construction industry, for prefabricated concrete items, cement blocks, water and drain pipes, paving blocks, mortar for brickwork and rendering, tiling and other uses. "Atlas", Portland Type IP cement is used for pouring concrete, foundations of all types in salt-laden surroundings, maritime and hygiene infrastructure and paving flags, masonry (brick and stonework), prefabricated items cured by thermal treatment, mortar for brickwork and rendering, tiling and other uses and for the manufacture of blocks, water and drain pipes, paving blocks, etc.

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

All our products are supported by our brand names, good quality and price. We ensure that the bags are of the correct 42.5 kg and that the product is fresh, which can be seen from the packing date printed on our bags. Indeed, for the end users, most of whom are self-builders, these attributes are valuable as they provide a guarantee and enable them to work with confidence and at a reduced cost.

#### Certification

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

These management tools have been implemented in accordance with the requirements of the standards on which the IMS is based: ISO 9001, ISO 14001, OHSAS 18001, BASC and ISPS, so that the company's processes operate to achieve its objectives, which are established by taking into account the opinions and needs of different interest groups as far as quality, the environment and health and safety at work are concerned.

Our principal management tools are:

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

- Documentation and record keeping
- □ Internal management audit process.
- ☐ Procedure for managing "non conformities".

The last 11 years have seen the gradual implementation of Cementos Lima's integrated management system (IMS), which has improved the alignment and integration of policies, planning and procedures affecting quality, health and safety at work and the environment. In other words, it has established a commitment to continual improvement, effectiveness and performance on the part of the company regarding quality and protection.

All of our international certifications are renewed periodically, as shown below:

- □ ISO 9001: validity: November 2009 to October 2012.
- Business Alliance for Secure Commerce (BASC):
  - **Plant:** validity: May 31, 2010 to May 2011.
  - Port: validity: October 31, 2010 to October 2011.
- ☐ Ship and port facility protection (ISPS): 2009-2014.
- ☐ The following standards should be implemented in 2011: OSHAS 18001 and ISO 14001.

These certifications commit us to maintaining the improvements achieved by the integrated management system and to continue to improve the company's performance.





Our collaborators supervising and advising local people building a retaining wall at Comité 11 Sur of Virgen de Lourdes marginal settlement – Villa Maria del Triunfo.

# A responsible company



We create value through projects to adopt sustainable technologies, minimizing the impact of our activities and enabling us to use clean fuels and generate clean energy in order to supply our products responsibly

# A responsible company

Asociacion Atocongo: Cementos Lima's corporate social responsibility organization

For Cementos Lima S.A., social responsibility means integrating our business strategy with the economic, social and environmental development of a country which still has many failings. For this reason it is important that private companies take on a permanent commitment to all of their interest groups, linking their business strategies to social investment and corporate social responsibility.

Since 2003, Asociacion Atocongo, the organization responsible for implementing the company's corporate social responsibility (CSR) policy with its stakeholders, has been promoting the alignment and integration of this policy with the company's sustainable development.

Cementos Lima has become an agent of change in Peru by creating opportunities and making its social and environmental efforts into one of its pillars.

We maintain a commitment to our surroundings and to our interest groups, forging links, transmitting and strengthening the ethical values that guide our conduct and relationships inside and outside the company.

### Our principal projects

We remain committed to projects that improve our production processes and minimize impacts on the environment. Details of projects undertaken in 2010 are given below:

### Waste water treatment plant

The aim of this project is to improve water management by reusing 18,000 m<sup>3</sup> of treated waste water each month for irrigation of parks and gardens, industrial use and for fire fighting.

The project is still in process. At present the treatment plant supplies treated waste water to Cementos Lima's parks and gardens through tankers, enabling us to optimize resources as the trucks no longer collect water from the Las Palmas area, which is located 5.0 km from the factory. The project has resulted in the following savings:

	Lower energy consumption.
	Shorter irrigation time.
	Reduced atmospheric emissions because of lower vehicle use.
	Reduced risk of road accidents and lower traffic in the area.
	Reduced cost of the service irrigation service.
Th	e project includes:
	Treatment plant.

☐ Access roads to the reservoir.

 $\square$  Reservoir of 1,000 m<sup>3</sup>.

☐ Feed line.

The 1,000m³ reservoir is being built at the highest part of our factory site at Atocongo in order for water to be fed by gravity to the fire fighting system and production process.



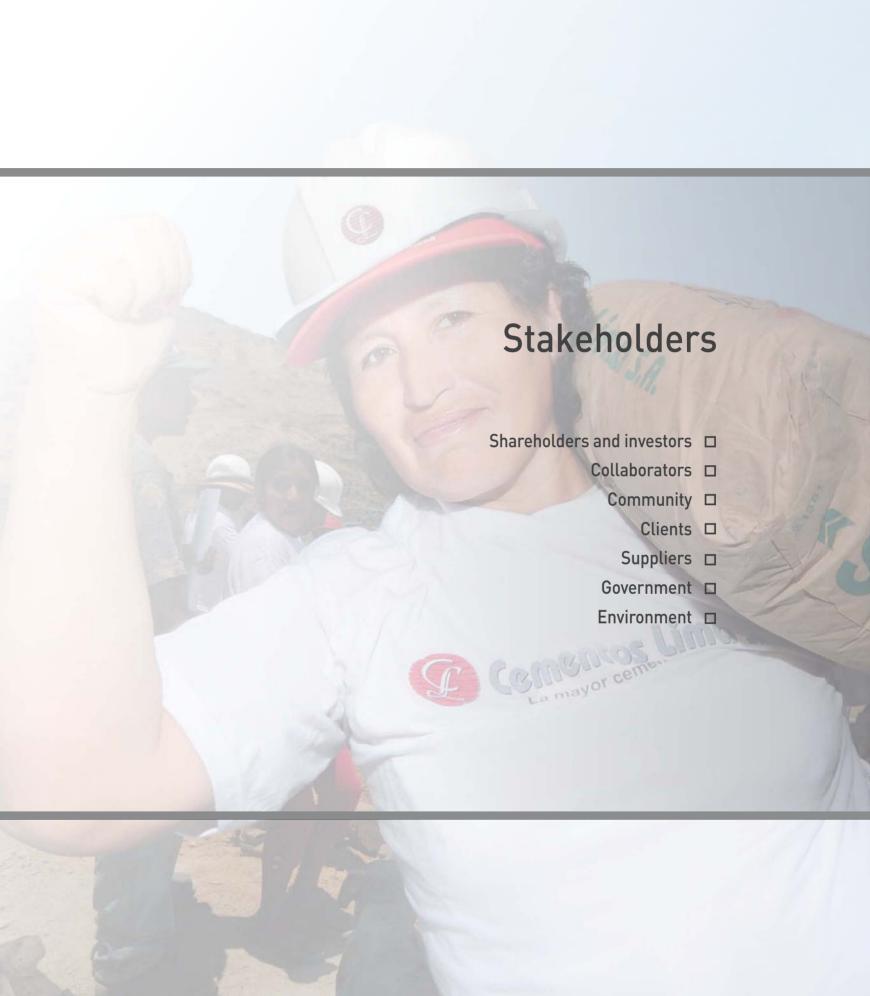
Kiln I pre-heater – extension project.

The implementation of this project will help to reduce consumption of water from our company's own wells, which means that this water can then be distributed to the population of southern Lima, most of whom live in poverty or extreme poverty, thus benefiting around 3,000 people.

# Modernization of the plant

In 2010 we continued with the work of modernizing the company's factory in order to optimize our processes and increase our production capacity. This project will also reduce dust emissions from the clinker manufacturing process by the installation of a modern electro-filter with a 99.9% efficiency.

This modernization will double the production capacity of our line I (from 3,500 tons to 7,500 tons of clinker a day), making a total increase in clinker production of 40% and an increase in cement production of 22%. The project will be completed in August 2012.





Inhabitants of Virgen de Guadalupe de Paraiso marginal settlement - in the José Carlos Mariategui area, Villa Maria del Triunfo - building a retaining wall for potable water and drainage system.





As a responsible company, our ethical conduct strengthens our corporate identity and puts us on the road to sustainable development

#### **Stakeholders**

Our relationship with our stakeholders is paramount for our sustainable development. In this regard it is important to find out their expectations and concerns using the following tools: information required by and provided to our shareholders (business opportunities); client and supplier satisfaction surveys; analysis and verification of our organizational environment; prevention and verification of the environmental impact of our operations; participation in workshops and meetings with grass-roots organizations of our community; and others.

All of this allows us to direct our plans and prioritize others, to reach agreement on important matters and to address the concerns of our stakeholders continually, thus strengthening the value chain inherent in our company's social responsibility.

We continue to strengthen our policy of corporate social responsibility based on sustainable development by complying with the economic aims of the company, addressing the social and environmental concerns of different interest groups, forging links and transmitting the ethical values that guide the conduct of our company.

#### Shareholders and investors

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

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

All of this is supported by our ethical stance, which adheres principally to the guidelines of the Global Compact, compliance with our integrated management system (IMS) and the Global Reporting Initiative (GRI).

Cementos Lima's management is accessible to the public through the Annual Sustainability Report, the Web, the company magazine "En Concreto" and quarterly newsletters, as well as through telephone calls and interviews in the media.

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

#### Our code of conduct

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

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

Thus, through our corporate social responsibility organization Asociacion Atocongo:

- ☐ We encourage dialogue and confidence among our interest groups.
- ☐ We provide a quality service seeking responsible solutions in accordance with the needs of our interest groups.
- ☐ We identify social investment opportunities aimed at producing positive returns for society and reducing poverty and inequality.



Cementos Lima – SEDAPAL standing committee – Construyendo Peru program and leaders of grass-roots organizations of Scheme 308 at José Carlos Mariátegui - Villa María del Triunfo.

- ☐ We identify and contract suppliers of goods, services or products who are aligned with our values and standards of conduct.
- ☐ We support fair competition and facilitate alliances in the search for the sustainable development of Peru. All our partners or allies are treated with the same respect as we would expect to receive.
- ☐ We try to be objective and independent and encourage strict compliance with the law.
- ☐ We encourage transparency in the processes and procedures we apply and we report the results to our interest groups.
- ☐ We manage our private social investment and that of our strategic partners in an ethical, transparent and effective manner, complying in full with the aims and agreed-upon principles, including accountability for processes and results.
- ☐ We find undue payments to be morally repugnant, as are undue gifts, promises or advantages to the authorities, officials or public servants.

### Taking part in the Global Compact initiative

We at Cementos Lima continue with our commitment of adhesion to the Global Compact, contributing as a company to finding solutions to the challenges facing the planet.

Last year we promoted good practices and implemented improvements of competences and our commitment to the 10 principles of the Global Compact, including the one involving corruption, within the framework of its three pillars: human rights, labor and the environment. We have strengthened our value chain by motivating our collaborators and implementing conditions that favor production.

#### **Human rights**

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

### **Labor rights**

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

#### The environment

Principles: 7, 8 and 9: Cementos Lima, being in the extraction industry, is committed to identifying hazards and impacts, whether positive or negative, on the environmental aspects of our operations. Thus, we continually evaluate the probability, frequency and consequences of these impacts through an environmental control and monitoring program (environmental instruments), the control of atmospheric emissions (use of sleeve filters and connectors), energy efficiency (use



Grassroots organization of the Innovative Initiatives for Preserving the Environment Project (UNDP-SGP – AA alliance) with Mr. Armando Casis, General Manager of Asociación Atocongo (AA), Cementos Lima's CSR organization.

of natural gas) and efficient use of water (a renewable resource). All of the above systems are subject to evaluation and continual improvement. Furthermore, every year we promote projects that help to strengthen environmental protection.

### The fight against corruption

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

As a complement to the above, the company possesses ISO 9001, BASC and ISPS certification. We will also shortly obtain ISO 14 001 and OSHAS 18 000.



Representatives of grassroots organizations in the José Carlos Mariátegui area of Villa María del Triunfo and Mr. Armando Casis, General Manager of Asociación Atocongo, at the signing of an agreement for the construction of retaining walls in marginal settlements (Scheme 308), which form part of the Central Government's "Water for All" program.

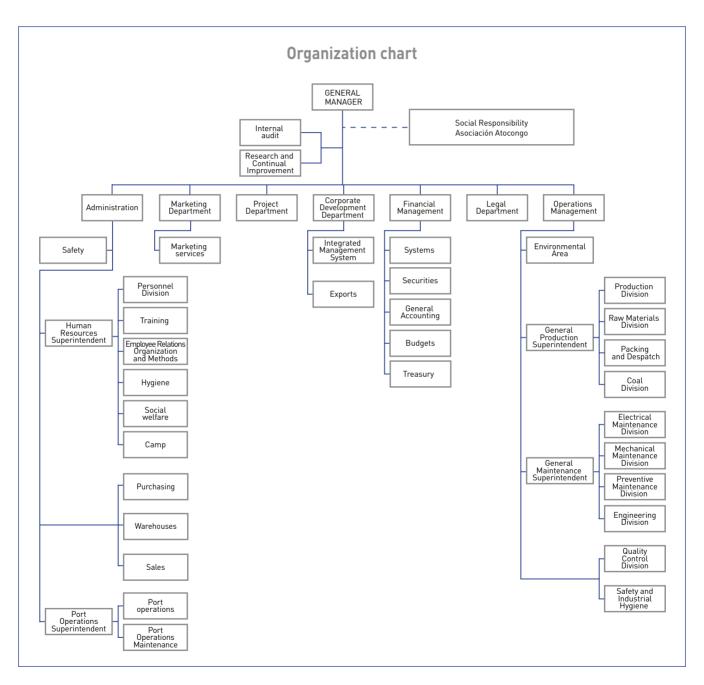
# Information transparency with our shareholders and investors

Cementos Lima maintains a policy of transparency concerning its operations and financial results. As we do every year, this year we engaged an external auditing firm, this time Dongo-Soria Gaveglio & Asociados Sociedad Civil, a member firm of PriceWaterhouseCoopers, to audit our financial information for 2010, among other tasks.

We also have direct channels of communication with our shareholders, including personal responses (face-to-face and by telephone) to various concerns, the company's web page, the Annual Report, the Sustainability Report, the quarterly newsletters and physical correspondence. In 2010 we received around 300 applications for information, all of which were answered in full.

# Internal organization of Cementos Lima

Our management team is made up of professionals of proven ethical commitment, academic formation and wide experience. Cementos Lima has nine management areas including the general management and social responsibility area (Asociacion Atocongo).



We project the company's short, medium and long term aims through our management departments with a view to aligning and integrating with all interest groups and the value chain in order to ensure the sustainable development of their economic, social and environmental aspects.



#### **Collaborators**

One of our principal aims is to offer better working conditions to our collaborators in an environment of mutual respect, professional development and team work.

Human capital is one of the company's principal resources and this is explicit in its quality, health and safety, and environment policy: "Our success is based on the skills and attitude of everyone working here to protect quality, security, costs, harmony and the environment".

Some of the principal commitments to our collaborators are:

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

At present we have 362 collaborators, broken down as shown below:

## Variation in payroll numbers

Classification	2009	2010
Administrative staff	156	158
Employees	101	102
Workmen	105	102
Total	362	362

At Cementos Lima we seek to promote the technical, professional and social development of the neighboring population; in 2010, local collaborators living close to our installations made up 28% of the total workforce.

Percentage of local employees	28 %
Workmen	63
Employees	30
Administrative staff	8
Number of local collaborators (resident in neighboring communities)	101

Cementos Lima has also always counted women among its personnel. During 2010, our team of 60 ladies was part of the company's success.

Number of collaborators broken down by sex	Female 60	Male 302
Administrative staff 38F / 120M	10.50 %	33.15 %
Employees 22F / 80M	6.08 %	22.10 %
Workmen & others OF / 102M	0.00 %	28.18 %

It should be pointed out that our Code of Conduct includes gender equality specifically in paragraph 5.5: "The exercise of constitutional and legal rights; compliance with the constitution and legislation. The company must be active and decided in complying with all applicable laws, rules and regulations. It is understood that such laws rules and regulations are applicable when they have been promulgated in accordance with the constitution and the law. In particular, the company is committed to: (I) Ensuring that its workplaces are free from discrimination or aggression based on race, gender, age, color, religion or any other characteristics different from the interests of the company or protected by law".

#### Mechanisms of communication with collaborators

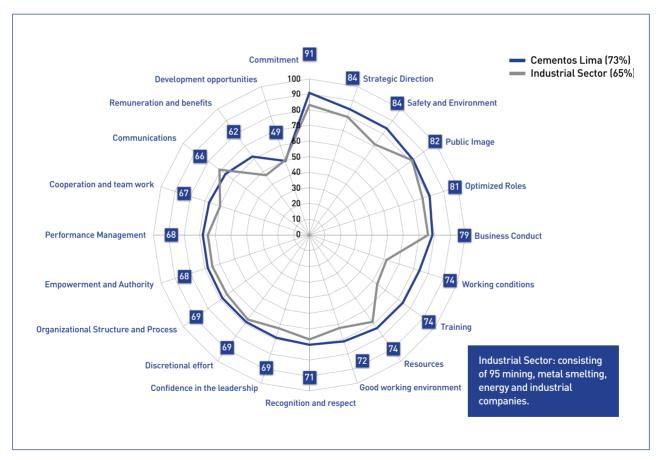
We have a series of internal communication tools such as: intranet, e-mail, notice boards, the "El Concretito" weekly bulletin, the "En Concreto" bi-monthly magazine and other internal documents. Their aim is to offer up to date information on the company, as well as helpful facts and useful information for our collaborators.

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

- El Concretito: a weekly bulletin containing news on the company (innovations, awards, new processes, matters of social responsibility, etc.), its collaborators and current events. It takes two forms: virtual and printed, posted on the company's notice boards.
- □ Intranet: a web page containing the company's code of conduct, indicators, projects, the integrated management system, publications and others.
- ☐ En Concreto: a bi-monthly magazine with articles, interviews, social responsibility activities, notes of interest and others.

## Organizational climate

During 2010, an evaluation was carried out on the organizational climate. It was a long but interesting process as it revealed the actual level of satisfaction and expectations of our collaborators, and also explored important opportunities for the company's goals. The most outstanding results included:



Source: Hay Group

# Training for collaborators

One of the company's principal commitments in its integrated management system (IMS) is to improving the skills of personnel whose work is relevant to the quality of products and services, safety, occupational health or environmental impacts (Chapter 6.2 of the IMS Manual).

In 2010, we offered courses amounting to a total of 14,336 man-hours, equivalent on average to 36.85 hours per employee. See details for 2010 in the attached table:

## **Summary of training programs**

	Number of activities	Number of man-hours (average)	Investment in US\$
Workmen	352	16.52	32,511.32
Employees and technicians	494	42.59	47,887.67
Administrative staff	685	45.24	141,452.08
Totals	1,531	36.85	221,851.07

#### Performance evaluation

Our performance evaluation program enabled us to measure the performance of our collaborators in 2010. This information confirms that everyone is important to the organization; each employee contributes something special involving his talents, qualities, skills and motivation.

The task is to promote awareness in all employees, without exception, of how important they are to the organization and show that we appreciate their performance, suggestions and qualities.

## Safety, health and working conditions for our collaborators

In accordance with our principle of prevention and awareness raising through continual training, in 2010 we once again drew up an Annual Health and Safety at Work Program for all our industrial, port and quarrying activities.

Within the framework of existing legislation, every year Cementos Lima sets up a Central Health and Safety at Work Committee consisting of 12 members; it is a balanced committee, with 6 company representatives and 6 employee representatives, and is chaired by the Operations Manager.

## Incident prevention techniques

Management of health and safety at work is based on prevention, through the following:

- ☐ The establishment of an occupational health and safety policy together with annual aims, objectives and working plan in order to achieve them.
- □ Identification and evaluation of the dangers and risks involved in our different activities and implementation of suitable measures to control them.

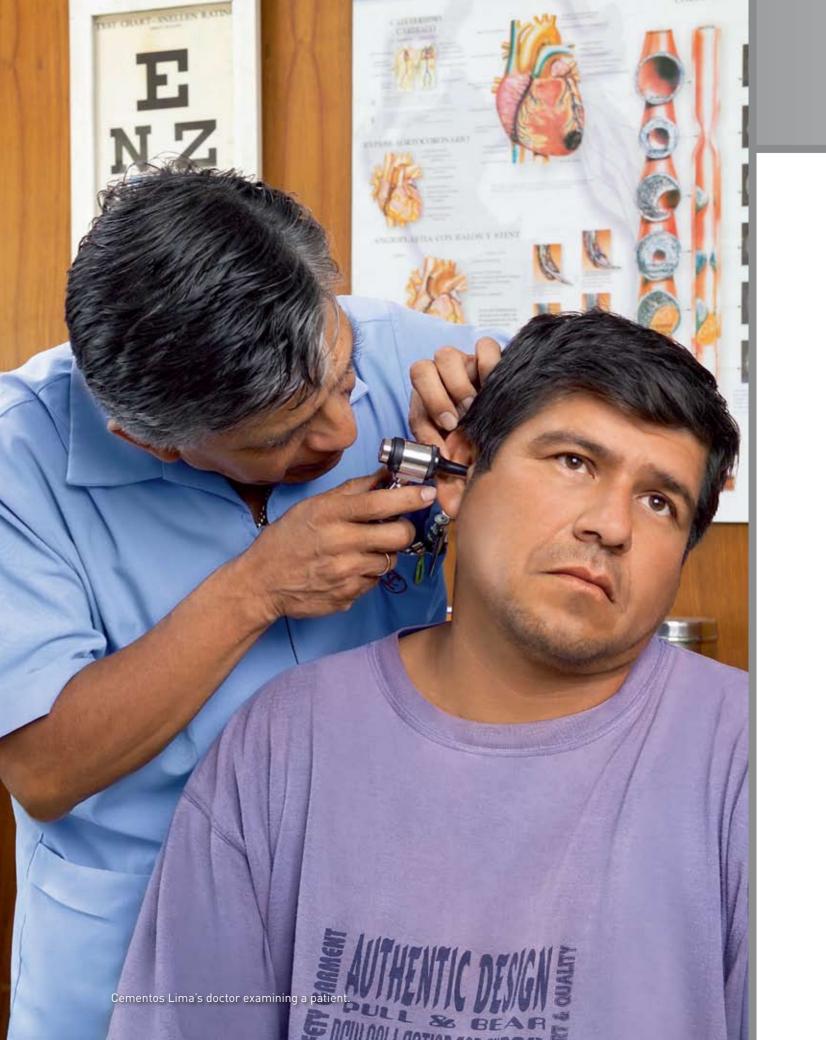


Safety and industrial hygiene workers training in the use of fire extinguishers.

- ☐ Personnel are kept permanently aware through training, induction courses and team work.
- ☐ Periodic inspections of working conditions and performance.
- ☐ Compliance audits.
- □ Implementation of corrective action to prevent the recurrence of accidents through investigation into events that have occurred.
- ☐ Periodic checks of the system.

#### Certification

As far as occupational health and safety are concerned, in 2010 we implemented the OHSAS 18001-2007 health and safety in the workplace management system and we are working towards certification of this system in 2011.



#### Safety in internal and external transport

Specific regulations have been established to cover transport both on and off-site. Furthermore, transport personnel have been trained in defensive driving and raw materials suppliers are subject to controls such as maximum speed limits, maximum cargo capacity, vehicle age, vehicle technical inspections and others.

Some results of the safety regulations applying to internal and external transport:

- □ Fatal accidents 2010: 0
- □ Accidents requiring time off work in 2010: 70
- ☐ Minor accidents in 2010: 49

# Occupational health

As a commitment to the welfare of our collaborators, in 2010 we carried out a number of examinations and tests in the field of occupational health:

#### No of Cases

Occupational medical examination	396
Pre-hiring medical examination	11
Chest X-rays	394
Laboratory analyses	396
Induction training on occupational health and infectious /	
contagious diseases	150
N° of occupational illnesses	0

<sup>\*</sup> No cases of occupational illnesses were found among employees..

## "Construyendo Voluntades" voluntary scheme

Our corporate voluntary work program "Construyendo voluntades" involves a group of volunteers from the company who take part in different activities to benefit the local population. Over the last two years the following campaigns have been carried out:

- ☐ Schools campaign 2009, aimed at collecting 112 smiles; we exceeded this goal by collecting 139 smiles.
- ☐ Christmas campaign 2009, in which we visited nursery schools and gave presents and hampers to each family.
- □ Nutrition campaign 2010, which consisted in implementing supplementary meal plans for families living with tuberculosis in marginal settlement San Gabriel Alto, in the District of Villa María del Triunfo Lima; 47 beneficiary families.

"Construyendo voluntades" encourages union and solidarity among our collaborators and the consolidation of team work.

#### Collaborators and families

Cementos Lima is committed to the families of its employees; proof of this can be seen in the programs and activities in which family members of our workers take part, fostering comradeship and family integration.

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

In 2010 the wives and children of our collaborators took part in our programs entitled "Knowing the factory", the New Year celebrations, children's parties and a company volleyball tournament, as well as school holiday programs and a football school.

## **Community**

We at Cementos Lima are aware of the impact of our operations and, more importantly, of the importance of forging relations with and having a commitment to the local community. For this reason we have a short, medium and long term plan that will enable the company to create confidence in a sustainable manner, thus generating value for everybody involved.

The creation of opportunities through participatory programs and projects is crucial for the development of skills that will empower people in the community, thus leading to selfdevelopment.

Our responsibilities include the prevention and resolution of conflicts with the community and this is a priority to create confidence leading to the social permission that will guarantee the sustainability of our operations in the long term.

We take part in various dialogues, such as the Standing Committee against Poverty in Southern Lima, the Association of Municipalities in Southern Lima, the Villa María del Triunfo Public Safety Committee, the "Productive City" scheme in Villa El Salvador, the Urban Farming Forum in Villa María del Triunfo and the José Gálvez, Nueva Esperanza and Tablada de Lurin Area Environmental Committees in Villa María del Triunfo.

We also meet with community leaders and representatives whenever necessary. These meetings help to foster understanding and, therefore, ethical management on the part of our company.

We work principally with grassroots organizations and do so in a participatory way. This enables us to understand their expectations and to review the scope of initiatives proposed both by them and by the company.

Our intervention takes four forms: education, social infrastructure, local development and community relations.



#### **Education**

The purpose of our work in education is to encourage the development of skills and abilities among pupils in state schools, improve the level of education and contribute to the human, social and cultural development of society by closing the educational gap.

Our programs are implemented through alliances with the public sector, private sector and civil society within the framework of the Education Act and National Education Project 2021.

Our programs are the following:

#### Mathematics for All

This program aims to improve knowledge of mathematics among pupils and to encourage rational thinking and the development of skills based on examples from real life. It provides students and teachers with high quality materials that make new teaching and learning processes possible.

The program is developed in an alliance with Instituto Apoyo, which is in charge of its implementation.

Results of the *Mathematics for All* program:

- ☐ Indicators were established and the performance of teachers and pupils evaluated in the 1st to 6th grade of primary school.
- □ 21 quality circles were created to make the program more efficient.
- □ 508 teachers from 21 primary schools used the MfA program to benefit 17,602 students.

#### **RUM RUM EL EXPLORADOR**

This is an innovative teaching program for children under the age of seven and is based on play and exploration. It stimulates the development of social skills such as creativity, communication, assertiveness and conflict resolution through classroom research projects. The program has been implemented in 10 state schools in the Lima District of Pachacamac and in rural areas.

RUM RUM EL EXPLORADOR works in alliance with Asociación Caritas Graciosas, which is the executive body.

Results of the RUM RUM EL EXPLORADOR program:

- ☐ Three training workshops were held for 19 new teachers.
- □ 100% of students participated in the project activities.
- □ 6 senior teachers strengthened their own knowledge and undertook to replicate the methodology with new teachers.
- A ruling from Local Educational Management Unit 01 (an arm of the Ministry of Education) recognized the classroom research project as an acceptable methodology for initial and primary school pupils.
- ☐ Three committees were set up between educational authorities and the Municipality of Pachacamac.
- □ 25 teachers and 535 students benefited.

#### **Environmental education**

The priority here is to increase knowledge and awareness of the importance of environmental management through activities that encourage environmental education as the axis of the learning process in schools. The teaching tool used is the organic garden.



Student and teacher beneficiaries of the RUM RUM EL EXPLORADOR program exhibit their class work at the 2nd Expoferia - Pachacamac.

The program contains two complementary activities: a visit to the Amancay Sanctuary and the "Amancay Sanctuary" drawing competition.

Results of the *Environmental Education* program:

- □ 162 plots implemented.
- □ 115 teachers involved, 15 state schools and 3,246 student participants.
- □ 585 4th, 5th and 6th grade students visited Amancay Sanctuary and took part in the "5th Amancay Sanctuary Drawing Competition 2010".
- □ 35 teachers received training and planned projects using the organic garden as an axis for the school curriculum.



#### Social skills

We continued to promote the skills necessary to face risky situations and family violence through meetings, talks and training sessions for teachers, parents and students. The program took place in two state schools in a vulnerable area of Virgen de Lourdes in the District of Villa Maria del Triunfo – Lima.

Results of the Social Skills program:

- 28 teachers attended workshops that provided them with the tools to prevent and detect cases of violence.
- □ A baseline was drawn up, which showed that 65% of 4th grade and 55% of 5th grade students displayed a marked degree of anxiety.
- □ 4 workshops were held for 270 students, as well as 5 workshops for 28 teachers and 4 workshops for parents.

## Montessori method - strengthening the capabilities of school teachers

This is a training program for teachers using tools and methodologies that help to achieve a high-quality education for disabled people attending state schools.

The program was developed in an alliance with the European Union and the Association for Educational Research - APIE as the executive entity.

The Montessori method program achieved the following results:

■ 80% of teachers attended the training workshops of the 5 educational modules: practical life, the senses, language, mathematics and culture.

- □ 70% of parents attended the workshops organized.
- 80% of teachers worked jointly with children who have special educational needs and those who do not; they showed respect and tolerance and no signs of discrimination.
- □ 70% of local authorities helped promote activities in favor of children with special educational needs.
- □ 250 teachers and 5000 students from 13 educational institutions in southern Lima and 2 in Cusco benefited from this program.
- □ 2 meetings were held with the authorities of UGEL 01, head teachers and the services and special educational needs support teams.

Furthermore, we implemented two cultural projects:

# Art, Young People and the Children of Pachacamac

For another year and in conjunction with Escuela Declara, we developed attitudes based on education and solidarity with art as a common language. This contributes to the integral development of pupils, who develop skills and imagination on ethical foundations.

- 250 students benefited from drawing, music, painting and sports workshops.
- □ 03 state schools in the District of Pachacamac benefited from the scheme.

## My Theater Workshop

This consists of five theater groups made of pupils from state schools in southern Lima (2 secondary and 2 primary schools).



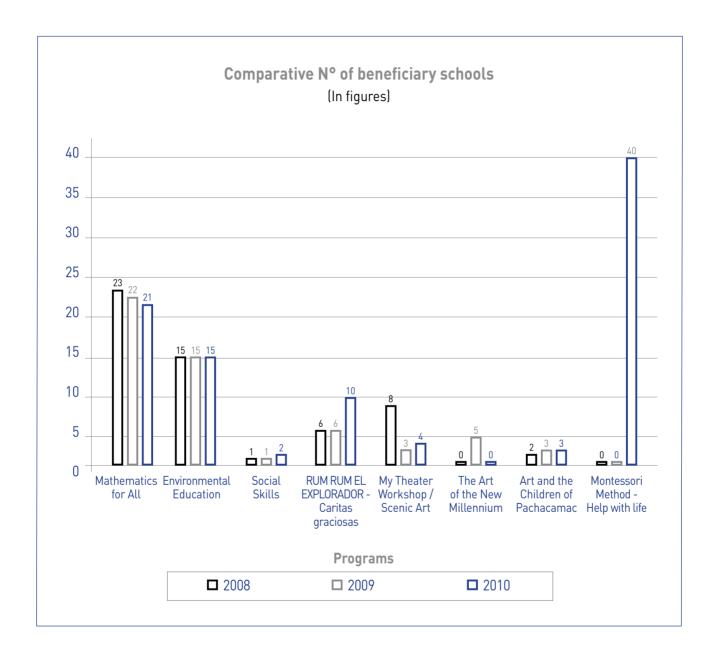
Children from School N° 7502 rehearsing during My Theater Workshop program.

They worked on vocal expression, corporeal expression, reading and acting acting techniques. This preparation enabled them to enter four groups in a competition organized by Lima Museum of Art (MALI) for the third consecutive year.

Results of *My Theater Workshop* program:

- ☐ Good performances by pupils at rehearsals and participation in the MALI competition.
- □ 100% of students from School N° 7502 improved their vocal expression and increased their self-esteem through acting.
- ☐ The Cementos Lima Asociacion Atocongo Training Center provided suitable rehearsal space.





#### Social infrastructure

The infrastructure program aims to encourage development through community grassroots organizations, neighborhood social organizations and state schools. The idea is to disseminate a culture of solidarity that sees local people as in command of their own progress.

During 2010 we continued with social infrastructure development by donating cement and other materials and providing technical support for works that benefit the community.

Community leaders, representatives of educational institutions and members of the public demonstrated their ability to work together by providing labor and other materials, and completed important infrastructure projects, such as the rebuilding of pavements, parks, community buildings and retaining walls - a prerequisite for Lima's Water Service Company to install drinking water and drainage services.

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

#### **Educational infrastructure**

We helped to improve educational infrastructure (classrooms, sports fields, perimeter fences, washrooms and internal and external pathways) in state schools in Lima, so that children could learn in an adequate environment.

Results of the *Educational Infrastructure* program:

- ☐ Active participation by head teachers, teachers and parents.
- ☐ The construction and improvement of school buildings changed pupils' attitudes (recreation and new activities).
- □ 20,582 people benefited.



Construction of classrooms for Manuel Gonzáles Prada School N° 6068 - Villa El Salvador.

# Hygiene program

We contributed to the drafting of projects, site supervision and donations of cement for the construction of retaining walls, inspection pits and domestic connection points for water and drainage in order to improve the quality of life of communities in southern Lima who do not enjoy these basic services.

All of this work was carried out in an alliance with the central government's "Construyendo Peru" program, it was jointly managed by the "Water for all" program and SEDAPAL (Servicio de Agua Potable y Alcantarillado de Lima), Lima's Water Service Company.

# Results of the *hygiene program*:

- □ People took part and were motivated to change their attitude, taking initiatives to improve their personal and home hygiene.
- ☐ The work covered 26 marginal settlements and 10,975 people benefited.



### **Community works program**

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

Results of the Community Works Program:

- Active participation and community support for the work and the construction of adequate premises for the use of the local population.
- ☐ The legal situation of occupied land was regularized.
- □ Procedures were followed to obtain basic services, access to public transport, waste collection and others.
- ☐ Children and young people have better roads (sidewalks, stairs, public transport) on their way to school.
- □ 47,489 beneficiaries.

## Social infrastructure projects with the central government

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

The	results	of this	program	were

- ☐ Training for local inhabitants in building trades.
- ☐ Safety for pedestrians and vehicles in high-risk zones.
- □ 49,359 beneficiaries.

#### Social infrastructure projects with local governments in southern Lima

We have good relations with local governments in our area of influence. We have worked in conjunction with their urban development departments to implement social infrastructure projects, providing technical advice throughout the process. Projects included retaining walls, sidewalks and sports fields.

#### The results were:

- □ 3 projects completed with the support of local governments.
- □ 6,050 beneficiaries.

## Projects in priority zones in southern Lima

The objective of these projects is to improve community infrastructure in marginal settlements and/or neighborhood committees, either through donations of cement and other materials and help with project design (project bank, building work, provision of earth-moving machinery, disposal of rubble, site leveling and technical supervision) for the construction of retaining walls, sidewalks, dry stone walling, "community areas, nursery schools (PRONOEI) and others".



Members of Comité 11 Sur in Virgen de Lourdes marginal settlement - Villa Maria del Triunfo, mixing cement for public hygiene infrastructure.

The results of our projects in priority areas of southern Lima were:

- ☐ Active participation by the local population.
- Local people committed to improving their environment
- ☐ Safety for pedestrians and vehicles in high-risk zones.
- □ 3,790 beneficiaries.

# Community relations

Our commitment is to create opportunities that can be used by the community to strengthen their self-development skills. For this purpose, we have entered into strategic alliances with different actors and are participating in poverty eradication activities oriented to the development of social organizations.



#### Local government competition

As part of our alliances with the local councils of southern Lima (Villa Maria del Triunfo, Villa El Salvador, Pachacamac, Lurin and San Juan de Miraflores), in 2010 we continued offering support and guidance to local governments with their human, economic and environmental development projects, started in 2008 and which are being paid for from a voluntary fund.

Results of local government competition:

- □ 08 projects implemented in 4 districts: Villa Maria del Triunfo, San Juan de Miraflores, Villa El Salvador and Lurin. One project in Pachacamac.
- □ 03 organic smallholding associations (eco-businesses) in San Juan de Miraflores were registered with the public records office as part of formalization proceedings.
- □ Disabled persons in Lurin and two women's associations have entered the labor market as legal persons and are generating their own income.
- ☐ A group of disabled women in Villa Maria del Triunfo have entered the labor market as clothing producers.
- ☐ A management committee institutionalized and strengthened with approval from the local municipality.
- □ 541 beneficiaries.

# Development of a market for the integral management of recyclable solid waste

In 2010 we continued our alliance with IDB, non-profit Ciudad Saludable, PEPSICO and local governments in southern Lima to develop a market for the integral management of recyclable solid waste.

The aim of this program is to improve the quality of the work and working conditions for recyclers and thus improve their earnings.

We have thus strengthened the capabilities of 454 recyclers in southern and central Lima, and have approved 359. In addition, we have worked in conjunction with the "Las Palmeras" association of recyclers in Villa Maria del Triunfo, who collect recyclable materials from Cementos Lima.

The following results were obtained in 2010:

- Awareness raising for 60% of the population of the three districts involved (San Juan de Miraflores, Villa El Salvador and Villa Maria del Triunfo).
- □ 100 individual loans from Caja Nuestra Gente BBVA Banco Continental.
- □ 25% progress with the implementation of by-laws concerning solid waste with four municipalities.
- □ 5 recycling conferences have been held together with two business discussions and 3 business planning workshops, with 25 associations of recyclers.
- □ 24 agreements have been signed with companies that will work with recyclers.
- □ 12 associations of recyclers created and 4 strengthened.

# Technical assistance in strengthening local environmental management of the Municipal Environmental Commissions (MEC)

We have worked to create a permanent and participatory forum for planning and agreements on environmental management in the districts of southern Lima.

It should be mentioned that this initiative has been awarded a local sustainable environmental management certificate (LSEM) for the five municipalities of southern Lima (Villa Maria del Triunfo, Villa El Salvador, San Juan de Miraflores, Lurin and Pachacamac), from the Ministry of the Environment.

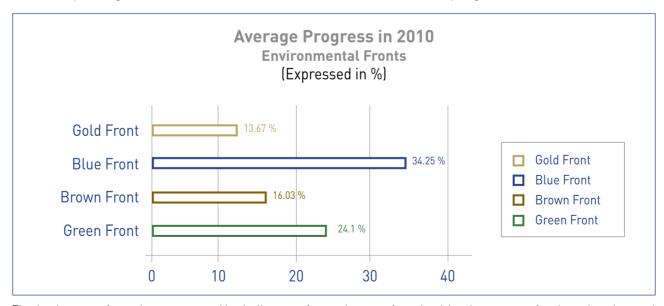
The following results were obtained in 2010:

□ 30% of the programmed development of local environmental agendas was achieved.



Recyclers in the districts of Villa Maria del Triunfo and Villa El Salvador receiving training certificates in "Good recycling Practice and Business Management" from SENATI, in the presence of Mr. Armando Casis, General Manager of Asociación Atocongo.

- ☐ As far as green aspects were concerned (management of parks and gardens) average progress of 24% was made.
- □ On the brown front (solid waste handling) progress was 16%.
- □ On the blue front (environmental education) progress was around 34%.
- ☐ Finally, the golden front (sustainable tourism and trade) saw progress of 14%.



The development of agendas concentrated basically on two fronts: the green front, involving the recovery of parks and gardens and protection of the drinking water supply and the blue front, involving a series of environmental education campaigns.



## Community tree-planting program

In 2010 we continued to pursue our community tree planting program (CTP), which promotes and supports initiatives for creating parks and gardens with the participation of local people from Villa Maria del Triunfo.

#### Results:

- ☐ The program concentrated on José Gálvez, Tablada de Lurín and Virgen de Lourdes.
- □ Verges, parks and central reservations were replanted.
- □ 70% of the parks and gardens created are being protected by the beneficiaries.
- □ 2,471 trees were planted and a total of 22,238 m2 of parks and gardens were restored.
- □ 09 workshops were held for the beneficiaries on the management of parks and gardens (30 participants at each workshop).
- □ 2,500 beneficiaries.

## **Amancay Sanctuary**

We have implemented the Amancay Plan on 70 ha. of the Cristina concession, where we protect and preserve Lima's emblematic flower (the amancay) as well as the flora and fauna of Pachacamac. Since its creation, the Amancay Sanctuary has ensured the survival of 175 species of seasonal flora and fauna.

The following results were obtained:

- ☐ The amancay population has increased by 400%.
- ☐ A monthly average of 4,500 plants native to the seasonal 'lomas' to be used for ecological restoration work.
- Between 2008 and 2010 the Sanctuary received a total of 3,875 visitors committed to the environment (researchers, university students, schoolchildren and teachers, etc.)

"Vive Pachacamac" - skills training and restoration of community resources to encourage rural tourism in the District of Pachacamac

This scheme seeks to improve municipal management and develop tourism routes through rural settlements (CPR) in Pachacamac, as a tool for the economic development of the district.

This initiative has been developed thanks to a strategic alliance with the Italo-Peruvian Fund, the GEA Group and the Municipality of Pachacamac.

The results were:

- □ 03 planning workshops for the economic and tourism development of the district.
- □ 02 coordination meetings with the direct beneficiaries.
- □ 03 CPR (Quebrada Verde, Malpaso, El Cardal).
- □ 500 inhabitants of the CPR and fixed assets.



"Vive Pachacamac" Project – Mr. Armando Casis, General Manager, together with Mercedes Chávez from the Community Relations Department of Asociación Atocongo, observing the interactive model of the Lúcumo ecosystem.

## Innovative initiatives for preserving the environment.

For the sixth consecutive year, together with the United Nations Small Donations Program we have taken part in local communities (in the south, north and east of Lima) with projects to promote the sustainable use of biodiversity, prevent soil loss, progressively eliminate toxic chemicals in agriculture and reduce the negative effects of climate change at an international level.

# The following results were achieved:

- 22% of projects involved in the SGP certification process. The projects share knowledge (planting, harvesting, guinea pig breeding, production of pickles, etc.) with the new grassroots organizations that are implementing them.
- □ 19% of vegetable production is sold, 76% is consumed by the farmers and 5% is used for transformation. The project promotes healthy eating and a balanced diet, thus contributing to better health and a better quality of life.



- 83% of the production of aromatic and medicinal plants is sold locally and to other producers, 15% is consumed by the farmers and 2% is transformed into other products.
- □ 66% of projects in Villa Maria del Triunfo and 80% of projects in Villa El Salvador are concerned with urban agriculture and the local environmental.

#### Community health program

We use this program to help families and communities in the districts of southern Lima to live healthy lives and improve their health. The program includes activities and projects aimed at creating a healthy environment, health promotion and disease prevention, focusing on vulnerable groups (children, pregnant women and the elderly).

#### Results:

- ☐ Four health campaigns carried out in Villa Maria del Triunfo and Pachacamac.
- □ 8,589 treatments in different specialities were provided to 1,914 people.
- □ 283 talks were given on oral health, nutrition, mother and baby health, family planning and family problems, etc.
- ☐ After this experience, in 2011 we will implement a project entitled Improving Our Health in southern Lima, together with USAID.

## Local development

We also promote the economic and social development of our areas of influence through projects that encourage income generation, an entrepreneurial spirit and leadership among the population, particularly among young people and social organizations. The following projects were undertaken in 2010:

## The "SUMA" project

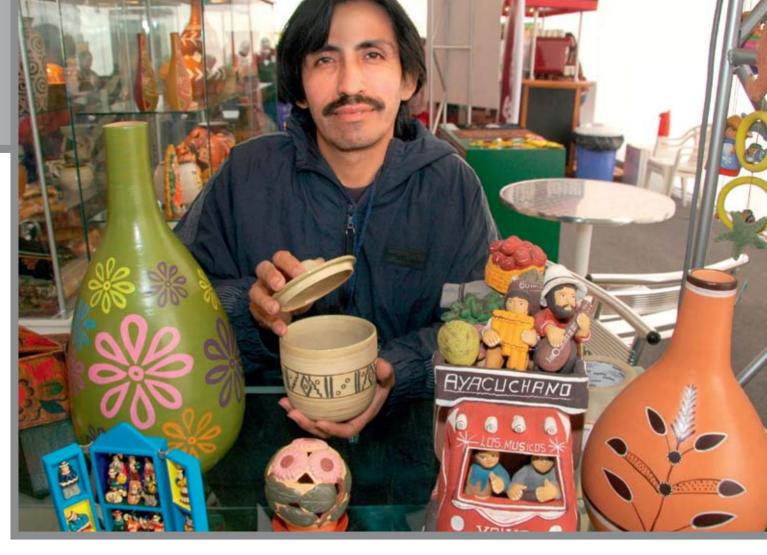
This project is a result of the alliance between Asociacion Atocongo, Asociación Los Andes de Cajamarca, Codespa and the Interamerican Foundation. It is a fund to be used for productive and sustainable projects by community-based organizations (CBOs) that create jobs and income. So far, a first round of six projects is being implemented in Lima and in April 2011 a further six projects will begin, having been chosen in the second round.

The following results were achieved:

- □ 6 CBOs implementing productive projects.
- □ 136 direct beneficiaries from the projects that are under way are improving their skills, while 70% have increased their income. Furthermore, 540 people have benefited indirectly.
- □ 17 additional CBOs (finalists in the second round) have been trained in designing projects using a logical framework approach.
- □ 200 CBOs have been informed of the "SUMA" project.

## "Por America" project

This is the short name of the program entitled "Strengthening Grassroots Organizations to Combat Poverty", which is being promoted and jointly financed by Red Interamericana de Fundaciones y Acciones Empresariales para el Desarrollo de Base – RedEAmérica, in an alliance with the Inter-American Development Bank. This initiative brings together 31 of the associations and private foundations belonging to RedEAmérica in seven Latin American countries, including Asociación Atocongo.



SUMA project - representative of the Tawaq Peru organization in Ate Vitarte, at the "Made in Villa el Salvador" fair.

The program operates as an international fund that chooses the best projects submitted by formal productive GROs and associations and business foundations. During the first call for projects, Asociación Atocongo presented two successful projects in an alliance with two GROs.

#### The results were:

- □ 32 members of CBOs in southern Lima received training in a project design workshop, emphasizing the logical framework approach.
- 7 people from 4 CBOs (Ichimay Wari, Linajes Arte Milenario, AFEDIP and ECOREC) received 12 hours of advice in designing their project.
- The projects approved will be implemented in 2011 and 2012, and will benefit two CBOs and 85 families (60 artisans and 25 urban farmers), who will increase their incomes and strengthen their social capital.



Young people from Xona Urbana Lima Sur at the 2nd Inter-district Youth Encounter - Nov. 2010, held on the premises of the Cementos Lima Employees' Union.

#### Southern Lima Urban Area

Since 2009 we have been implementing the *Southern Lima Urban Area* (XULS), aimed at strengthening youth organizations in southern Lima; it consists basically of three components: the first, strengthening the organizations, is based on development schools which offer a variety of courses (projects, citizenship, leadership, local development); the second component is the management of youth community initiatives and the third is the exchange of proposals and creation of a consensus for local development.

The results of this program in 2010 were:

- □ 73 young people from southern Lima trained in business start-ups (25) and projects, using a logical framework approach (48).
- □ 13 youth organizations make up the Red Xona Urban and more than 400 people from the community benefit from project activities within a framework of neighborhood goals.

- □ 285 people (95% of them young people) took part in the 2nd Inter-district Youth Encounter, where they put forward ideas and proposals to benefit their communities, in five thematic workshops.
- 2 editions of a magazine entitled XULS were published by the young participants themselves and distributed to more than 3,000 readers; the project also has a Facebook page with 427 followers.
- □ 15 volunteer university students committed to the program.

#### Buena Voz

The Buena Voz project takes place in two schools in José Gálvez outside class time, and benefits 45 third to fifth grade pupils at each school. It has two components: one involves strengthening the teaching skills of the staff and the second reinforcing leadership and environmental concerns in young people (students and youth coordinators) so that they can contribute to the constructive transformation of their communities or neighborhoods.

The results of the program in 2010 were:

- □ 74 young people graduated from the Buena Voz program: 38 students from Juan Guerrero Quimper School, 36 from Juan Valer Sandoval School and 10 teachers and 10 young people from the Buena Voz Network.
- □ 10 teachers and 10 youth coordinators reinforced their methodological skills, especially in environmental matters and leadership.

## Socio-economic and labor studies project

This project was started in 2008 in a strategic association with the Socio-economic and Labor Observatory – Southern and Northern Lima, the Ministry of Labor and Sedes Sapientiae University. The purpose of this program is to research socio-and economic labor matters.

The aim is to use the results to draw up proposals for reducing the gap between technical education on offer and the demand for skills (companies) in a scenario of territorial continuity and continual training.

Three studies were completed in 2010:

- ☐ These studies will enable educational institutions in northern Lima (more than 100 institutions and/or technical schools) to improve the courses they offer.
- □ 137 companies were surveyed and 9 local businessmen interviewed.
- 87 educational institutions were surveyed and 5 focus group created.
- ☐ One study has been completed and submitted.

## Labor training

This project seeks to generate educational opportunities for developing technical and productive skills in young people and adults, principally women in marginal communities, in order to increase their self-esteem and enable them to gain employment or to develop new businesses. The project is being carried out in he districts of Villa Maria del Triunfo (Atocongo) and Pachacamac (Guayabo rural settlement). It should be mentioned that it is being implemented as part of an alliance with local technical and productive education centers (CETPROs) and that students will receive an official certificate.

The following results were achieved:

☐ At Villa Maria del Triunfo 209 people benefited and in the rural settlements of Pachacamac there were 40 beneficiaries.

- □ 60 % of those with their own businesses increased their incomes.
- □ Participation in the fourth Eco Gourmet Fair (Pachacamac), obtaining first place in the traditional desserts section with "Dulzura de Guanábana dessert".
- ☐ Attitudes towards responsibility, discipline, study, respect in the home and relationships with other people improved.

#### Scholarships - technical careers

By means of a program of scholarships in technical subjects we seek to provide knowledge, skills and abilities to young people in poor households in fields where there is a demand for labor, so that they can obtain employment or start new businesses.

This program is possible thanks to an alliance between the Villa Regia CETPRO and Asociación Atocongo, which has been in place since 2007.

#### 2010 results:

- □ 100 young people studied at least one modular course in computing, computer assembly, cosmetology, health, electronics and electricity.
- On average, 30% of these young people obtained employment.
- □ 48 % of students have their own businesses, which provide them with income.
- ☐ The young people acquired skills and their behavior improved. They now have a more open and sociable attitude.

## **Training center**

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

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

#### Art and culture

In 2010 we continued with our art and culture program promoting the adequate use of free time, which has made a positive difference to the conduct and values of children, adolescents, adults and senior citizens who take part in artistic and cultural activities. This year the program was implemented in the Virgen de Lourdes marginal settlement and School N° 7502 in Villa Maria del Triunfo.

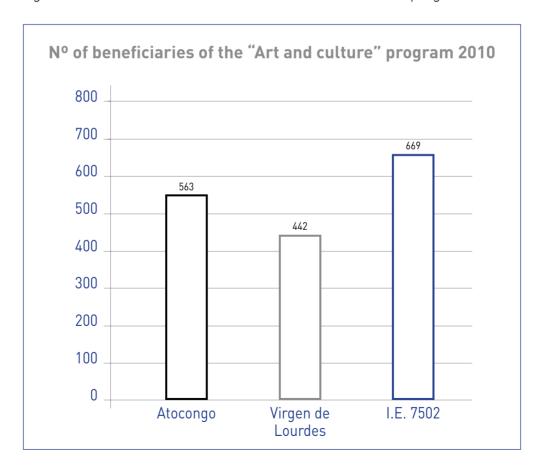
As part of this program, participants were offered a wide range of artistic disciplines such as theater, clowning, oratory, dance (marinera and festejo), music (guitar and flute), circus (juggling, acrobatics and stilt walking) taught in three seasons throughout 2010 (Summer, Autumn-Winter and Spring).

We have seen a positive change in the attitudes and values of the participants, reflected in improved interpersonal relationships, communication and the channeling of their emotions.



Children from the clowning workshop in their final show of the Spring Art and Culture program.

The following illustration shows the number of beneficiaries of this program:



#### Rhythms of Peru

With the objective of raising awareness of the roots of our national identity through cultural elements such as dance, Cementos Lima organized the 8th school dance competition entitled Rhythms of Peru 2010. This program is aimed at 1st, 2nd and 3rd year secondary school pupils in state and private schools in the districts of Villa Maria del Triunfo, Villa El Salvador, San Juan de Miraflores, Lurin and Pachacamac. Around 70 schools took part.

1st, 2nd and 3rd grade secondary pupils of Fe y Alegría School N°17 (Villa El Salvador) Villa El Salvador School N° 6066 (Villa El Salvador) took first and second places respectively in the state schools category with an extraordinary demonstration of talent and dedication, while the private schools category was won by Mariscal Toribio Luzuriaga School in Villa El Salvador, with second place going to Santa Rosita de Quives School in San Juan de Miraflores.

## Participation in development forums

The following were among the forums in which we took part:

#### RedEAmérica

Asociación Atocongo, the corporate social responsibility organization of Cementos Lima, is part of the Red Interamericana de Fundaciones y Acciones Empresariales en América Latina (RedEAmérica) for grassroots development (GRD).

RedEAmerica is a thematic network led by the business sector (more than 60 members in eleven national groups), which has a strategy for making grassroots development the key element in the reduction of poverty, inclusion and the deepening of democracy in the Americas.

Being committed to these goals, in June 2009 Asociación Atocongo assumed the challenge of evaluating the impact of GRD in Peru, which has shown us the levels of development of

grassroots organizations in the following categories: collective skills, social capital and extending democracy. The baseline is intended to raise awareness in community-based organizations of their capacity to sustain their own processes at the different levels of intervention: at the micro level; at the intermediate level and, finally, at the macro level.

#### Results for 2010 include:

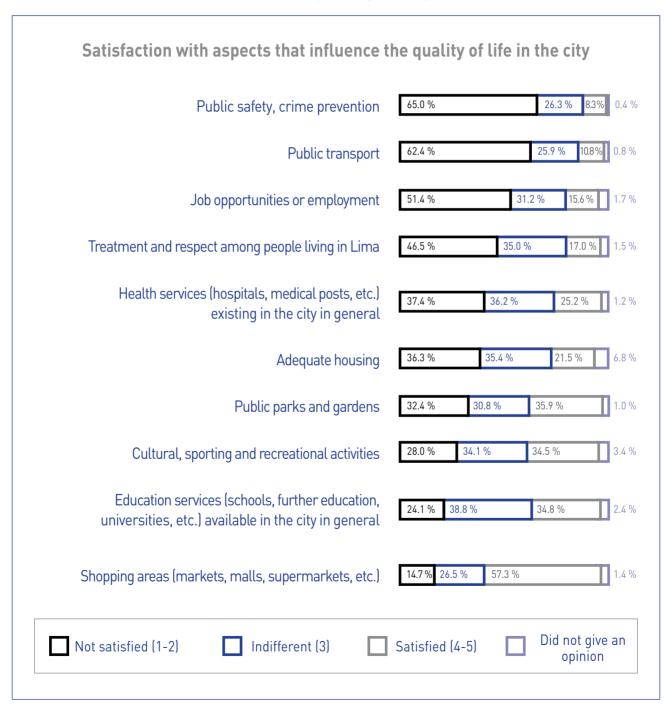
- □ 100% of the chosen CBOs took part in the baseline workshop during 2010.
- □ 97% of CBOs that have a baseline also have an improvement plan.
- □ 78% increase in the number of CBOs using the GRD baseline.
- □ 126% increase in the number of CBOs that have drafted improvement plans.
- □ 117% increase in the number of training courses given to beneficiaries and leaders on GRD and improvement planning.

#### Lima Cómo Vamos

Lima Cómo Vamos is a citizens' observatory which monitors and evaluates changes to the quality of life of the inhabitants of metropolitan Lima. It is an initiative promoted by four strategic partners that are leading institutions in their respective sectors and share a common interest in making Lima a better place for its inhabitants to live in. These partners are: Asociación Atocongo, Asociación Civil Transparencia, Grupo RPP (radio broadcasting) and the Catholic University of Peru.

They envisage *Lima Cómo Vamos* as a tool with which citizens, experts and representatives of social, academic, business and public organizations can monitor the quality of life in the city of Lima.

Let us look at some results of the Life Quality Perception Report 2010:



#### **Clients**

Our clients have always been important throughout our growth as a company. In recent years we have helped them to integrate into our value chain through participation in programs designed and created for them

Our relationships with our clients produced the following results in 2010:

## Progre-Sol network of retail distributors

The inclusion of hardware stores into the company's value chain has stimulated competition in the sector (consisting of more than 220 stores).

Furthermore, it has strengthened the company-client relationship, helped to create a standard business model and an ever-stronger brand image, as well as including hardware stores into the HatunSol project (a financial solution aimed principally at the self-builder, which provides loans in construction materials and labor).

The members of the Progre-Sol network installed HatunSol information and promotion points in their stores and have become exclusive suppliers of the construction materials acquired with loans made by HatunSol.

The greatest achievements of the Progre-Sol network are:

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



Zone	2008	2009	2010
East	228,198	302,056	299,178
Huaraz	67,744	80,398	140,832
North	387,564	542,002	566,896
Near north	85,681	104,037	119,763
Others			40,716
Southern highlands	11,317	16,551	34,026
South	174,079	249,982	329,188
Near south and Ica	115,396	124,999	242,225
General total	1,069,979	1,420,025	1,772,825

Source: SAE Apoyo Consultoría. Overview of the Peruvian Construction Materials and Fittings Market, September 2010.

## Training for builders and self-builders

In accordance with our policy of strengthening relationships with out clients, the Progre-Sol network identified the need for direct training for construction workers, builders and self-builders, who form the base of the pyramid on which the Peruvian economy is built and who are the main motor of the construction industry.

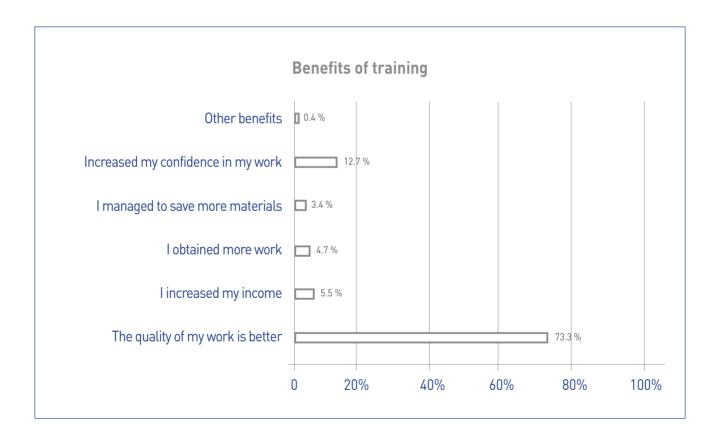
This training consisted of providing participants with technical knowledge of the building industry, leading to a direct improvement in their work (perceived quality).

The principal benefits obtained from this training were: :

- Better quality work.
- ☐ Higher income.

- More building contracts.
- Savings in construction materials.
- ☐ Increased confidence in their work.

To date, five training courses have been held (from the second half of 2008 until December 2010, each lasting three months) and these have had a social impact on more than 23,000 construction workers, builders and self-builders.



Total interviewees: 7,978.

Period: September - December 2010.



Gardens within the Cementos Lima plant.

## **Suppliers**

During 2010, work with our suppliers was once again based on good business practices such as compliance with social and employment law by their collaborators and, of course, by anyone working on our premises.

Cementos Lima has an induction program related to the specific tasks and services provided by each one; that is, civil engineering, mechanical and electrical consulting work and others involving access to our plant. 73 training sessions were provided in 2010.

Induction training focuses on health and safety in the workplace. After induction, participants have to pass an evaluation before they receive their induction card (which is renewed every year after further training and evaluation). Thus we offer the best working conditions and we comply with the National Safety at Work Regulations as well as having our own integrated management system (IMS).

At present, Cementos Lima has 8,500 suppliers in Peru and 1,500 abroad; these include critical suppliers, who provide products that, one way or another, affect the quality of our products or the production process.

#### Government

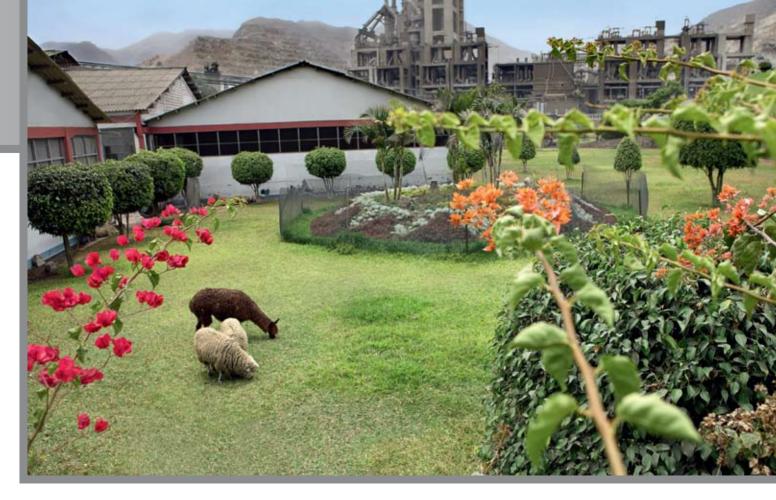
As the largest cement manufacturer in Peru and a socially responsible enterprise, our commitment to the country's development is all the greater. We therefore comply promptly with our obligations to the different departments of government.

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

Furthermore, this year we have worked in coordination with local governments in southern Lima and have made progress with projects to preserve the environment and obtain environmental certifications (see the "Community" section of this report).

#### The environment

Cementos Lima sees its responsibility for the environment as being an essential part of management. For that reason, our company concentrates its efforts on technological improvements and training for its collaborators aimed at mitigating the impact of our operations on the environment.



Animals grazing in Cementos Lima's gardens.

Throughout its production cycle, Cementos Lima has carried out the following:

- ☐ A 30.0% reduction in greenhouse gas emissions (clean fuels natural gas).
- Modernization of the plant: The implementation of new technology on Line 1 involves a new pre-heater, calciner, tertiary duct and other items to make more efficient use of heat from the calcination and cooling processes.

As far as raw materials and waste treatment are concerned, we are working to optimize water consumption through an effluent treatment plant that will enable waste water to be reused to irrigate parks and gardens, in the fire fighting system and in the production process.

Since the environment is a vital part of the management task for Cementos Lima, the following initiatives have been implemented:



- "Your paper doesn't stay here ....recycle it": special bins have been placed at strategic points throughout the company for disused white paper and newsprint, and employees have been taught to REDUCE, REUSE AND RECYCLE paper. This paper is then donated to the "Palmeras de Villa Maria del Triunfo" Association of Recyclers to increase their incomes.
- ☐ Protection of areas of high biodiversity that belong to the company, such as the Amancay Sanctuary.
- ☐ The company carries out biological monitoring on its quarry concessions at Las Dunas, Atocongo, Cristina, Virgen de Fátima and Las Hienas to understand how the wild flora and fauna of the area behave during the dry and wet seasons and to evaluate the possible impact of our activities over time.
- ☐ Environmental education (organic gardens and classes) in state schools within the plant's area of influence and support for the community with tree-planting programs.
- ☐ Support for local management through environmental commissions to achieve GALS certification.
- □ Programs (SGP-GEF) with funds to promote participatory projects that encourage the sustainable use of biodiversity.
- □ Solid waste recycling project in southern Lima.
- □ Support for local management through the Sustainable Environment Commissions in order to obtain GALS certification (Local Sustainable Environmental Management).

As far as the last point is concerned, in May 2009 the Ministry of the Environment recognized Asociacion Atocongo as the only private company that actively supported five municipalities in southern Lima in their acquisition of Local Environmental Management for Sustainable Development (GALS 1) certificates.

In September 2010, thanks to its social responsibility work with the "Southern Lima Municipal Environmental Commissions", Cementos Lima received the "Best Practices in Corporate Social Responsibility" award in the Community Engagement category, granted by Centro Mexicano

para la Filantropía (CEMEFI). Furthermore, in November the company won second place in the MultiStakeholder category of the "7th Peru 2021 Corporate Social Responsibility Awards" with a program entitled "Local, Innovative and Participatory Initiatives for Environmental Conservation".

#### Carbon credits

Since Peru is a developing country, our project is part of the Clean Development Mechanism of the United Nations Framework Convention on Climate Change, which we joined in November 2008. Emissions reductions obtained under this mechanism are known as CER (certified emission reductions) and are equivalent to one ton of  $\mathrm{CO}_2$ . To date a total of 66,207 CERs have been issued and the end of 2010 saw us verifying a new batch of reductions which are expected to be issued in May 2011.

Furthermore, from the start of the project until the date of registration with the United Nations, the emission reductions were verified under the Voluntary Carbon Standard (VCS) and registered with the APX/VCS Registry. The reductions are referred to as VCU (voluntary carbon units) and are also equivalent to one ton of  $CO_2$ . The total number of VCUs issued was 297,485.

As a responsible company that is highly committed to sustainable development and, therefore, to mitigating global climate change, Cementos Lima has developed a project that implies a change in its energy matrix aimed at reducing greenhouse gas emissions.

The change concerns the heat needed for the calcining process and consists of replacing a mix of high-carbon fossil fuels that create considerable  $\mathrm{CO}_2$  emissions (principally coal) with a mix - also of fossil fuels - but which contain less carbon and which generate fewer emissions of  $\mathrm{CO}_2$  (principally natural gas).



Cementos Lima operator reading instruments at the weather station.

This project began in August 2006 and was registered with the Clean Development Mechanism of the United Nations Framework Convention on Climate Change in November 2008. From the start of operations to date,  $CO_2$  equivalent reductions amount to an average of 120,000 tons a year, compared with the baseline.

## Environmental control and monitoring program

## Air Quality

During 2010 we continued to monitor air quality at our production units in accordance with the monitoring program contained in each management plan implemented by Cementos Lima S.A.

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



#### **Emissions into the atmosphere**

The cement manufacturing process includes several systems for reducing particle emissions, such as multi-cyclones, sleeve filters, collectors, mist system dust control, electrostatic precipitators, etc.

As in previous years, in 2010 we monitored gas emissions and carried out isokinetic sampling of particulate materials in the factory chimney in order to ensure the proper, efficient and cleaner production of cement.

The Ministry of Production issued S.D. N. 003-2002-PRODUCE, approving maximum permissible limits (MPL) for particulate emissions from kilns and compliance with this statute is obligatory. Furthermore, a draft MPL regulation for sulfur dioxide has been published and is being used as a reference; we use Venezuelan regulations as a guide for nitrogen oxides emissions from our plant. This is shown in the following table:

## Maximum permissible limits

Parameters	Country	Regulations	Kiln	MPL
Particulate Materials	Peru	SD Nº 003-2002- PRODUCE	In progress New	250 mg/m³ 150 mg/m³
SO <sub>2</sub>	Peru	Draft regulation	In progress New	2000 g/Nm³ 1200 g/Nm³

#### Gas and harmful emissions into the environment

Description	20	109	20	10
	Kiln I	Kiln II	Kiln I	Kiln II
Percentage (%) of cement kilns with a monitoring system for				
the principal contaminants  Specific emissions if particulate materials	100	100	100	100
(mg/cubic meter) Specific NOx emissions	29.6	7.2	6.7	8.6
(mg/cubic meter) Specific S0x emissions	335.3	905.5	856.6	386.7
(mg/cubic meter)	1483.5	2062.8	1825.4	1323.4

<sup>\*</sup> We are evaluating alternatives for reducing  $SO_2$  emissions; these include a reduction in the input of sulfur to the system (fuel and limestone), as well as  $SO_2$  emission reduction technologies.

## **Energy efficiency**

At Cementos Lima we are concerned about reducing internal energy consumption; our use and consumption rates in 2010 were:

Electrical energy source	% energy use	Total energy consumption
CELEPSA (hydroelectric)	95.1 %	308,578,431 kW-h
Generación Eléctrica Atocongo (thermal)	4.9 %	15,924,587 kW-h
Electrical	17.02	324,503,018 kW-h
Thermal	82.98	1,582,485,006 kW-h



### Initiative for reducing energy consumption

We have implemented different initiatives within the company aimed at raising awareness of and encouraging responsibility for the use of energy during working hours. Details are as follows:

☐ "Make a difference" campaign

At Cementos Lima we are aware that the cement industry uses a lot of energy, which is the reason behind the "Make a difference" campaign aimed at optimizing the use of resources such as electricity, fuel, paper and water, among others.

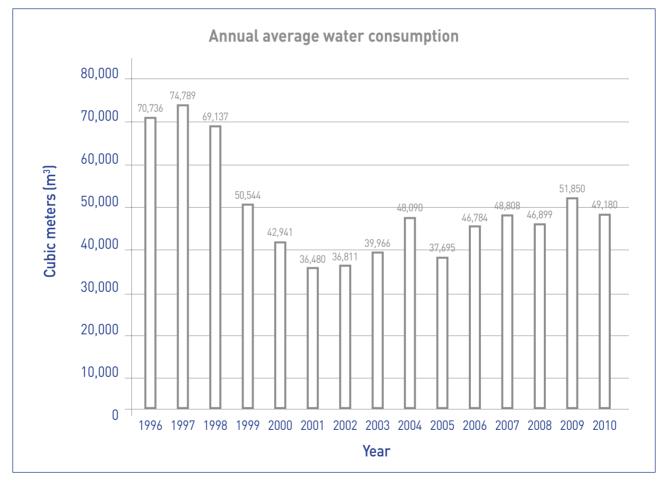
■ Earth hour

Cementos Lima supports the greatest environmental campaign in history, which consists of switching off lights and any electrical equipment that can be done without for one hour to show that each of us can have a positive impact on reducing the world's electricity consumption and on the fight to combat climate change. This continues through the "Make a difference" campaign.

#### Efficient use of water

Water is a renewable resource that Cementos Lima S.A. needs for its production process, irrigation of parks and gardens and its offices and camp. This water comes from an underground source and is extracted from two wells in Las Palmas, in the Lurin Valley, 5 km from the plant; it is pumped to storage tanks on Cerro La Cruz and Tanque Puquio.

This is a very important resource for Cementos Lima, as without it we could not treat flue gas to increase particle capture in the sleeve filters and electro-filters, nor could we operate the closed-circuit cooling system for the factory machinery. Water is also required to maintain more than 30 ha. of parks and gardens, for the fire fighting system, for use in office bathrooms and for those workers who live in the camps.



<sup>\* 26,608</sup> m³ of treated groundwater was used for industrial purposes in 2010.



#### The following initiatives have been taken to reduce fresh water consumption:

- ☐ Implementation of an effluent plant that currently treats 18,000 m³ a month for watering parks and gardens. The final aim of this plant is to treat more than 200,000 m³ a year for reuse in irrigation, fire fighting and production.
- Reduction of more than 15,000 m³ a month through the introduction of a new preheater on Line 1, as part of the plant modernization. This reduction is made possible because it will no longer be necessary to treat flue gases (Lurguie tower) to capture particulate materials in the sleeve filters.
- ☐ The "Make a difference" campaign, whose main objective is to train personnel in the proper use of resources such as water, energy, paper, fuels and others.

## Final destination of water employed in the industrial process

At present, 60% is discharged into the public sewers operated by SEDAPAL, while the remaining 40% is treated by the company's waste water plant for use in irrigating parks and gardens.

# Challenges for 2011



At Cementos Lima we have shown that we have the ability to generate sustainable wealth and long-term value, backed by a commitment to and responsible interaction with all of our interest groups

## Challenges for 2011

Today, economic, social and environmental changes do not occur every 30 years or after a decade. They occur every day.

In this context, as a socially responsible company, managing our tangible and intangible assets with an aim at sustainable development has become the great challenge for future years.

We are therefore committed to continue strengthening institutions and developing research capacities that enable us to generate value for different actors.

Furthermore, we have an opportunity to develop a territorial approach to our interventions, with an emphasis on social and environmental aspects.

Finally, as an agent of change, Cementos Lima is committed to creating awareness of the environmental and social benefits, available to all, of improving the quality of life at a global level and helping business performance all over the planet.





Children of Peruvian-Japanese School N $^{\rm o}$  7213 - Villa El Salvador harvesting produce in their school organic garden – environmental education.

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	its strategy.  1.2 Description of key impacts, risks, and opportunities.		6-7 11-12
	ORGANIZATIONAL PROFILE  2.1 Name of the organization.		Title page
	<ul><li>2.2 Primary brands, products, and/or services.</li><li>2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.</li></ul>		12-15 12-13, 32-33
	2.4 Location of organization's headquarters.		Frontispiece
	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		13
	2.6 Nature of ownership and legal form.		
-	2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		13-15
-	<ul><li>2.8 Scale of the reporting organization.</li><li>2.9 Significant changes during the reporting period regarding size, structure, or ownership.</li></ul>		
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	3.2 Date of most recent previous report (if any).		6-7

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0.5	Report scope and boundary		
3.5 3.6	Process for defining report content.  Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		6-7
3.7	State any specific limitations on the scope or boundary of the report.		6-7
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		N.A.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		N.A.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.		N.A.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		N.A.
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3.12	Table identifying the location of the Standard Disclosures in the report.		104 -116
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4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		N.A.
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.		N.R.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		17
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance.		N.R.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		28-29
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.		28-29
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4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		N.R.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		N.R.
Com	mitments to external initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	7	6-7

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Cementos Lima

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EC3	Coverage of the organization's defined benefit plan	. 10	, ,
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EC4			N.A.
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EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		87-88



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HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights		
screening, and actions taken.  HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to op-	1, 2, 4, 5, 6	N.R.
erations, including the percentage of employees trained.	1, 4, 5	N.R.
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HR4 Total number of incidents of discrimination and corrective actions taken.	1,6	N.A.

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HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	1,5	N.A.
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have been subject to human rights analysis, and measures adopted as a consequence.	1,3	N.R.
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective		
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of diversity.	1,6	36-37

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LA14	Ratio of basic salary and renumeration of women to men by employee category, by significant locations of operation.	1,6	N.R.
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S02	Operations with significant potential or actual negative impacts on local communities.	10	N.A.
S03	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	10	N.A.
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S04	Percentage and total number of business units analyzed for risks related to corruption.	10	13, 16-17
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	c policy		
	Public policy positions and participation in public policy development and lobbying.		N.A.
S08	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		N.A.
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S09	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.		
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PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		N.A.			
Prod	Product and service labeling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	8	15, 66-67			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	8	N.R.			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		66-67			
Mark	ceting communications					
PR6 PR7	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.  Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communi-		N.R.			
	cations, including advertising, promotion, and sponsorship by type of outcomes.		N.R.			
Cust	omer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		N.R.			
Com	pliance					
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		N.A.			

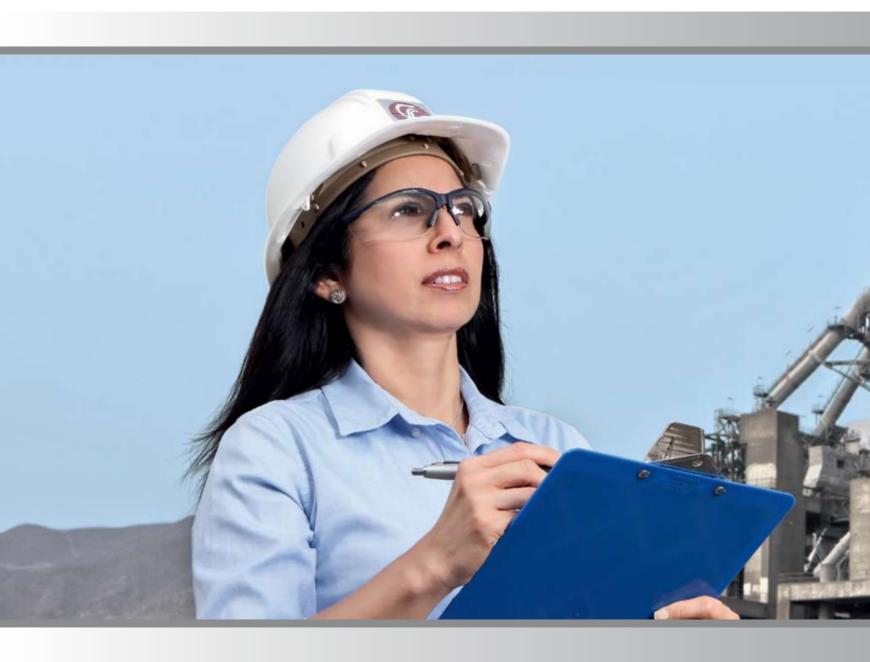
### **OUR PARTNERS**

- Grassroots organizations participating in our programs and projects
- Collaborators of Cementos Lima
- Civil organizations
- UNDP Small Grants Program SGP
- United States Agency for International Development - USAID
- European Union
- Inter-American Development Bank (IDB) Multilateral Investment Fund (FOMIN)
- The Spanish International Aid Agency AECID
- Inter-American Foundation IAF
- Grupo de Emprendedores Ambientales (GEA)
- Instituto Apoyo
- Asociación Promotora de Educación Inicial Caritas Graciosas
- Asociación Escuela Declara
- Fundación Codespa
- Centro de Educación Técnica Productiva "Don Bosco"
- Centro de Educación Técnica Productiva
   "Raúl Porras Barrenechea"
- Centro de Educación Técnica Productiva "Villa Regia"
- Don Bosco dioscesan seminary CPR
   Guayabo Pachacamac
- Construyendo Peru program
- "Pies Descalzos" Cultural Association
- Ministry of Education UGEL N° 1
- Ministry of Labour Socioeconomic Labor Observatory

- Ministry of Health DISA LIMA SOUTH
- Municipality of Lima
- Municipality of Villa Maria del Triunfo
- Municipality of Villa El Salvador
- Municipality of San Juan de Miraflores
- Municipality of Lurin
- Municipality of Pachacamac
- Asociación Deportiva FUTSAL
- Peru 2021
- Red de Responsabilidad Social

### PLATFORM FOR PARTICIPATION

- Asociación Empresarios por la Educación
- Ministry of Education Environmental Network
- Red F América
- Lima Cómo Vamos
- Round table for the fight against poverty -Southern Cone
- Association of Municipalities of Southern Lima
   AMASUR
- Southern Lima Integral Development Plan
- Citizens Safety Committee of Villa Maria del Triunfo
- Round table "Ciudad Productiva"-Villa El Salvador
- Urban Agriculture Forum of Villa Maria del Triunfo
- José Gálvez Area Environment Committee
- Lurin Area Environment Committee
- Nueva Esperanza Area Environment Committee



# COMMITMENT AND



## RESPONSIBILITY

Cementos Lima encourages preservation of the environment, therefore the Annual Report and Sustainability Report 2010 are printed on Cyclus Print Matt paper made from 100% recycled fiber, free from chlorine and optical whiteners, certified by NAPM (National Association of Paper Merchants).

Furthermore, it has been made using bio energy (clean energy) and is certified by Ecoflower and Blue Engel, who identify products made using environmentally appropriate methods, social responsibility and economically viable resources.

This paper is made in Denmark - using the paper manufacturers own natural gas fired power station -by one of the world's best-known contributors to environmental protection; this paper not only uses recycled materials, all waste is also reused: 60% for making more paper, 37% for cement manufacture and the rest for heating and biological mud for fertilizer.

The benefits of using paper made from 100% recycled fiber are reflected in a lower impact on ecosystems, equivalent to:

400 kg of solid waste not generated.

156 kg of greenhouse gases not emitted.

1,114 km of road transport avoided.

12,028 l. of water not consumed.

2,186 kWh of energy not consumed.

650 kg of timber not used.

#### Other certifications:

Licence 544.021 Nordic Swan.

**ISO 9001** Quality management.

EMAS, ISO 1400 EU environmental management/ certification scheme.

**DIN 6738** Archive properties, LDK class  $24-85 \rightarrow 200/g$  years).

**EN 71-3** Safety of toys, migration of certain elements.









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