

SUSTAINABILITY REPORT



2013



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GRAMOS Y MEDIO NETOS 425

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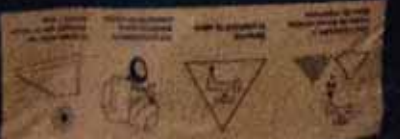
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AN AVERAGE DAY AT UNACEM, ATOCONGO PLANT, LIMA 05:45 H





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LETTER FROM THE MANA

DEAR FRIENDS:

It is with great enthusiasm that we present to you our Tenth Sustainability Report, corresponding to fiscal year 2013. Over the last ten years, following a transparency policy aligned with the Global Reporting Initiative (GRI), we have shared with our stakeholders information related to the economic, social, and environmental performance of the Company, as well as our achievements and challenges in sustainability management.

At UNACEM we are committed to doing business in a responsible way with respect for our surroundings, and creating value for all of our stakeholders. With that purpose in mind, we created a sustainability strategy that is based on our staff members, as ambassadors of responsible behavior. This strategy is also aligned with our corporate values, which are the backbone of the Company's organizational culture. We thus create development opportunities for our community, for our suppliers, and for our home improvement customers, while also minimizing our environmental impacts.

Thus sustainable business model in turn enables us to be more competitive in the market and increase our brand value. It gives us the opportunity to grow as an organization and contribute to sustainable development.

With regard to our economic results, it should be noted that we achieved a cement dispatch of 5.6 million tons, 5.6% higher than in 2012. Thus, our total revenues came to S/. 1.785 million, 3.4% above the previous year. This was due to an increased production capacity as a result of the operation of a new kiln in the Atocongo Plant, which made it possible to cover growing internal demand, accompanying the development of the country and the expansion of the construction sector, which grew by 8.6% in 2013, at an even faster pace than Peru's GDP.

With these economic results, we maintained our position as leaders in the cement sector, a responsibility which we assumed with great optimism and a proactive attitude, seeking to create positive change in our surroundings. For this reason, we invested 20% more in 2013 than in 2012 in social projects aimed at building capacities among residents of the communities of Southern Lima and Tarma, so that they may become development leaders in their areas.

We also continue to assume our environmental commitment, with the reduction of greenhouse gases in our production process, for which purpose we applied good practices such as the upgrading of our industrial plant;

AGEMENT

an increased use of natural gas; the generation of our own clean energy; and the development of alternative cements that are more environmentally friendly. We are aware of the fact that this is our main impact as an organization, for which reason we continue to spearhead the promotion of an environmentally friendly culture among our staff members and communities.

This responsible behavior earned us several different awards in 2013, such as the “Entrepreneurial Eco-Efficiency Award” given out by the Ministry of the Environment; a “Socially Responsible Company (SRC)” qualification from Perú 2021 and the Mexican Center for Philanthropy (CEMEFI); as well as being recognized for the fifth straight year as an Exemplary Company for Latin America by the CEMEFI.

These achievements were reached thanks to the commitment, hard work, and motivation of over 650 staff members, whose day-to-day labors made it possible for us to perform at a high level of quality, through safe and reliable operations.

For this reason, we reaffirm our commitment to faithfully complying with the Principles of the United Nations Global Compact, to which we have adhered since 2004, as well as the transparency indicators of the Global Reporting Initiative (GRI), which are the basis for the development of our entire sustainability strategy.

A stylized, handwritten signature in white ink, featuring a large, sweeping 'U' and 'G'.

Mr. Carlos Ugás
General Manager UNACEM

A stylized, handwritten signature in white ink, featuring a large, sweeping 'A' and 'C'.

Mr. Armando Casis
General Manager Asociación UNACEM

1

OUR
ORGANIZ



ATION

AT UNACEM, WE MAKE USE OF INTERNAL SYNERGIES TO REINFORCE OUR COMMITMENT TO PROMOTING A SOLID AND SUSTAINABLE CONSTRUCTION INDUSTRY, RESPECTING THE ENVIRONMENT AND THUS CONTRIBUTING TO THE DEVELOPMENT OF THE COUNTRY.

With nearly 60 years of experience in the cement sector, we have become market leaders, with a share in excess of 50% nationwide. This enables us to aid in the country's development, primarily through the construction of new infrastructures for public use that help improve the quality of life of the country's citizens.

To take on the new challenges of the market and integrally supply the construction center, UNACEM has diversified our businesses, enabling us to create internal synergies that build our response capacity and improve our competitiveness.

As part of these efforts, seventeen years ago we created the company Unión de Concreteras S.A. (UNICON), an expert in the production of premixed cement. In 2007, we incorporated PREANSA, specialized in the construction and erection of industrialized concrete structures; and in 2010, we created Compañía Eléctrica El Platanal (CELEPSA), which operates the hydropower plant and supplies UNACEM and the national market with clean energy.

On the other hand, as part of our internationalization process, in 2011 we inaugurated the Drake Cement plant in the state of Arizona, in the United States; and in 2012, we merged the companies Cementos Lima and Cemento Andino to create Unión Andina de Cementos (UNACEM), making use of the strengths and positioning of both companies to successfully accompany the country's growth.

With the formation of UNACEM, we reaffirmed our commitment to the development of the country and consolidated ourselves as the primary ally of the State and the construction sector.

TABLE N.º 1	
OUR CEMENT PLANTS	
ATOCONGO PLANT (PROVINCE OF LIMA)	CONDOROCOCHA PLANT (PROVINCE OF TARMA)
Constructed in 1970, it is the largest and most modern plant in Peru	Constructed in 1956, it is the highest cement plant in the world
Production capacity: 4.5 million tons of cement milling 3.6 million tons of clinker	Production capacity: 2.1 million tons of cement milling 1.9 million tons of clinker

* The expansion of the Atocongo Plant was finished in December 2013, closing the year with a production of 5.6 million tons of milled cement and 4.8 million tons of clinker.

VISION

TO ALWAYS BE A LEADING ORGANIZATION IN THE DOMESTIC MARKET AND REACH A COMPETITIVE POSITION WORLDWIDE.

MISSION

TO SATISFY OUR CUSTOMERS, SUPPLYING HIGH-QUALITY GOODS AND SERVICES AT COMPETITIVE PRICES, PROTECTING THEIR ENTREPRENEURIAL RIGHTS WITHIN THE LEGAL FRAMEWORK IN FORCE AND CREATING VALUE FOR OUR SHAREHOLDERS, WORKERS, AND SOCIETY IN GENERAL.

VALUES

**EXCELLENCE
RESPONSIBILITY
ETHICS AS A STANDARD OF CONDUCT
COMMITMENT
INNOVATION
OBEYING THE LAW**

THE BUSINESS

The construction sector is one of the great engines of economic growth and social development in the country, thanks to a situation of major opportunities and growing investment in private and public infrastructure. In this scenario, UNACEM has become a key actor in the sector's value chain, being the leading company in the production and sale of cement and related products, which are necessary for the performance of construction activities.

PRODUCTS

BAGGED CEMENT

We offer six types of high-quality bagged cement in packaging that guarantees the conservation of its properties. In 2013, we launched a new environmentally friendly cement under the brand name Apu.

BULK CEMENT

For projects with a higher demand for cement, we offer bulk cement, which is dispatched in big bags or on vehicles to the client.

SERVICES

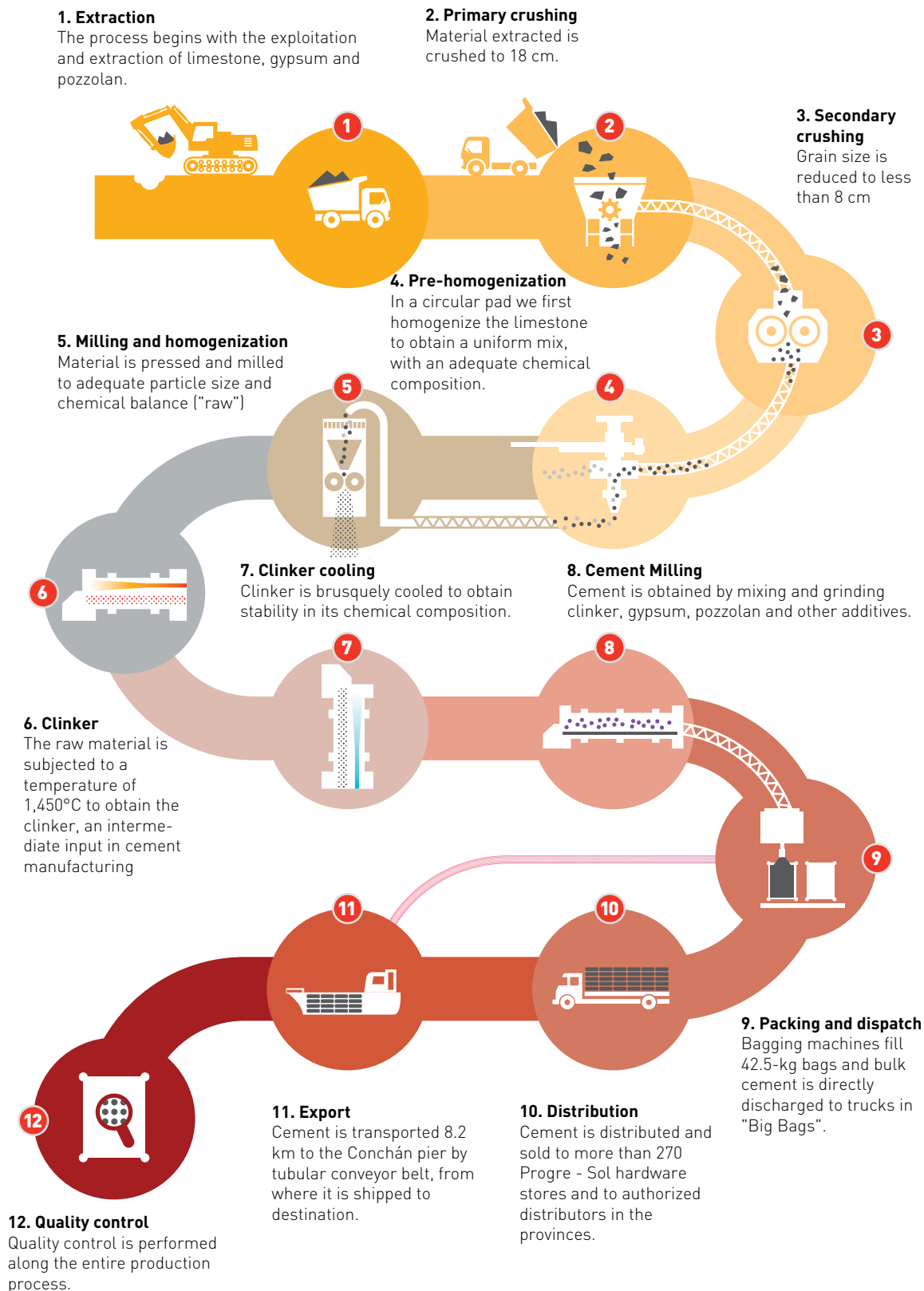
PROGRE-SOL

The largest home improvement store network in Peru, made up of over 270 points of sale. We help build the capacities of home improvement business owners and make sure our products are available across the country.

HATUNSOL

Micro-financial system that helps do-it-yourself builders gain access to construction materials and labor advisory.

CEMENT PRODUCTION PROCESS



 **WE ARE
COMMITTED TO
PERU'S
DEVELOPMENT.
WE ARE
RESPONSIBLE
FOR SERVING
INCREASINGLY
DEMANDING
MARKETS, OFFERING
A VARIETY OF
PRODUCTS
THAT MEET OUR
COUNTRY'S
CONSTRUCTION AND
GROWTH NEEDS."**

**VÍCTOR CISNEROS MORI
CENTRAL MANAGER
UNACEM**







AN AVERAGE DAY AT UNACEM, 06:32 H



2

SUSTAIN
MAN

An aerial photograph of a dry, cracked landscape. The ground is a light brown, sandy color. A network of dark, irregular cracks is visible, forming a grid-like pattern that suggests a dried-out body of water or a parched field. The cracks are most prominent in the lower-left quadrant of the image.

**ABLE
AGEMENT**

WE CARRY OUT OUR BUSINESS ACTIVITIES WITH A FOCUS ON SUSTAINABLE DEVELOPMENT, PROMOTING THE CREATION OF VALUE IN ALL OUR STAKEHOLDERS.

At UNACEM, we carry out our business with a focus on sustainability, respecting the environment and creating value in our stakeholders, in keeping with our Corporate Responsibility Policy. For this reason, we created the Asociación UNACEM (previously the Asociación Atocongo), which is responsible for strengthening the organization’s sustainable vision and implementing the social responsibility strategy of the UNACEM Group, aligned with our business objectives.

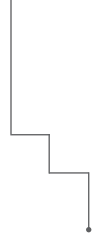
Our sustainability model includes the development of economic, social, and environmental aspects, prioritizing the management of the industry’s main challenges within each one of these areas. This model is based on the commitment of our staff members, who align their behavior with our corporate values, acting as responsible management ambassadors within the Company and its surroundings.

On the one hand, with regard to the economic aspect, we focus on ethically managing our business, as well as ensuring transparency and inspiring market and investor confidence.

In social terms, on the other hand, we share the results of our responsible behavior with suppliers, contractors, and clients by transmitting our good practices and management standards. We also have a special commitment to our local communities, whom we support through capacity building and institutional strengthening for their self-sustainability.

Lastly, with regard to the environmental aspect, we are committed to mitigating the effects of climate change and promoting environmental care.

SUSTAINABILITY MODEL



ECONOMIC

- Ethical Management
- Transparency and market confidence

SOCIAL

- Transmission of good practices to suppliers, contractors, clients
- Capacity building and institutional strengthening in the community

ENVIRONMENTAL

- Reduction of climate change impacts
- Environmental citizenship

Each one of the Group's companies manages its own sustainability model. Thus, for example, UNICON focuses on the responsible use of natural resources such as water, through the development of green concrete projects and the fostering of new initiatives involving a reduction in the use of energy and other materials for its production processes.

On the other hand, CELEPSA, as a hydropower generator, supplies the market with clean energy. As such, its strategy is focused on the promotion of the appropriate use of water in its surroundings and the social development of the community.

This business vision has enabled us to consolidate our leadership in the sector and build trust among our stakeholders, emphasizing a sustainable, ethical, and responsible management.

INTERNATIONALLY CERTIFIED SUSTAINABLE MANAGEMENT

QUALITY **ISO 9001**
CONDORCOCHA AND ATOCONGO PLANTS, CONCHÁN PIER

ENVIRONMENT **ISO 14001**
CONDORCOCHA AND ATOCONGO PLANTS

**OCCUPATIONAL
HEALTH AND
SAFETY** **OHSAS 18001**
CONDORCOCHA AND ATOCONGO PLANTS

SECURE COMMERCE **BASC**
ATOCONGO PLANT AND CONCHÁN PIER

PORT PROTECTION **PBIP**
CONCHÁN PIER

OUR STAKEHOLDERS

UNACEM has eight stakeholders, with whom we seek to establish close, trust-based relationships that enable us to grow together in the performance of our activities.

GRAPHIC N.º 1
STAKEHOLDERS



For such purpose, we have implemented dialogue spaces to learn about the expectations, concerns, and needs of our stakeholders, so that we may prioritize them and incorporate them into our management. We have also developed tools that enable us to maintain direct and transparent communication with our stakeholders, providing them with information on the Company's performance. One of these is the Sustainability Report, a document that we have been publishing on an annual basis for the last ten years, and which acts as a source of information on our economic, social, and environmental management. In 2012, UNICON and CELEPSA also adopted this good practice.

COMMUNICATION CHANNELS WITH STAKEHOLDERS

1

STAFF

- Open-door policy
- Periodic meetings
- Virtual media: intranet, email
- Written media: *El Concretito* bulletin, bulletin board

2

SHAREHOLDERS

- Periodic meetings
- Shareholder services office
- Website: sections for shareholders

3

COMMUNITY

- Community relations leaders
- Meetings with leaders
- Community workshops
- Social diagnostics

4

CUSTOMERS

- Website
- Progre-Sol meetings
- Satisfaction surveys

5

SUPPLIERS

- Permanent direct rapport

DIALOGUE PANEL

In 2013, as part of the preparation of the Sustainability Report, we held a dialogue panel that brought together different stakeholders so they could share their opinions and expectations regarding our sustainability management. This allowed for an enriching debate on the strengths and opportunities for improvement for the work being done by UNACEM, as well as the strengthening of relations with each one of the stakeholders. On this occasion, representatives of our staff, the community, future generations, environmental committees, and suppliers took part.

The stakeholders valorized the work we have been performing in:

- The neighboring communities and our contribution to their development.
- The transmission of good practices to the value chain in matters of the environment and safety.

The following opportunities for improvement were identified:

- Better communication with the different actors in the community.
- Better dissemination of the actions being carried out in environmental matters.
- Improved supplier management.

These issues will be incorporated into and improved in our processes.

CORE ISSUES ANALYSIS

In 2013, we conducted an analysis of our sustainability managed aimed at identifying the issues relevant to the Company, based on the impacts of our activities, the risks of the country, sector, and Company, as well as our stakeholders' expectations.

For such purpose, we held workshops with all of the Company's areas, which succeeded in identifying the impacts and risks in stage of our value chain. We also organized a dialogue panel that brought together our main stakeholders so that they could tell us about their expectations and opinions regarding our performance.

This analysis makes it possible for us to pay special attention to the main issues and establish strategies that adequately meet our stakeholders' expectations. The main issues identified will be addresses throughout this Sustainability Report.

TABLE N.º 2

RELEVANT ISSUES FOR UNACEM

	TEMAS	GRUPOS DE INTERÉS
ECONOMIC	Boosting of the local and national economy	Community, suppliers, government
	Contribution to the formalization of the chain in the construction sector (home improvement stores, transporters, Progre-Sol)	Community, suppliers, customers
SOCIAL	Development of communities in areas of influence	Community, future generations, government
	Personal and professional development of workers	Staff
	Occupational health and safety management	Staff
	Supplier and contractor management	Suppliers, contractors
	Training in DIY home improvement for clients	Customers
ENVIRONMENTAL	Mitigation of environmental impacts	Environment
	Water consumption	Environment, community, government
	Reduction of greenhouse gas emissions in the production process	Environment, government, future generations


MANAGEMENT AWARDS

IN 2013, OUR SUSTAINABLE MANAGEMENT RECEIVED THE FOLLOWING AWARDS

- EXEMPLARY COMPANY FOR LATIN AMERICA, GIVEN OUT BY THE MEXICAN CENTER FOR PHILANTHROPY (CEMEFI).
- RECOGNITION AS A 2013 SOCIALLY RESPONSIBLE COMPANY, GIVEN OUT BY THE MEXICAN CENTER FOR PHILANTHROPY (CEMEFI) AND PERÚ 2021.
- 2013 ENTREPRENEURIAL ECO-EFFICIENCY AWARD, GIVEN OUT BY THE MINISTRY OF THE ENVIRONMENT FOR THE “INTEGRAL ENERGY EFFICIENCY MANAGEMENT” PROJECT.



CONDORCOCHA PLANT, TARMA

A person wearing a blue and white striped shirt is seen from the back, looking out over a landscape. In the background, a bridge with yellow railings spans a body of water. The sky is overcast. The left side of the image is covered by a dark red overlay containing white text.

**MY WORK AT
ASOCIACIÓN UNACEM
IS ENRICHING...
TRANSFORMING THE
LIVES OF INDIVIDUALS
AND FAMILIES IS TRULY
SATISFYING.
WE HELP RESIDENTS
THINK ABOUT THEIR
OWN NEEDS, THEIR
EXPECTATIONS; WE HELP
THEM ORGANIZE AND
RESPECT THEMSELVES,
AND BASICALLY GIVE
THEM MANAGEMENT
TOOLS FOR THEIR OWN
COMMUNITIES."**

**ARMANDO CASIS ZARZAR
GENERAL MANAGER
ASOCIACIÓN UNACEM**

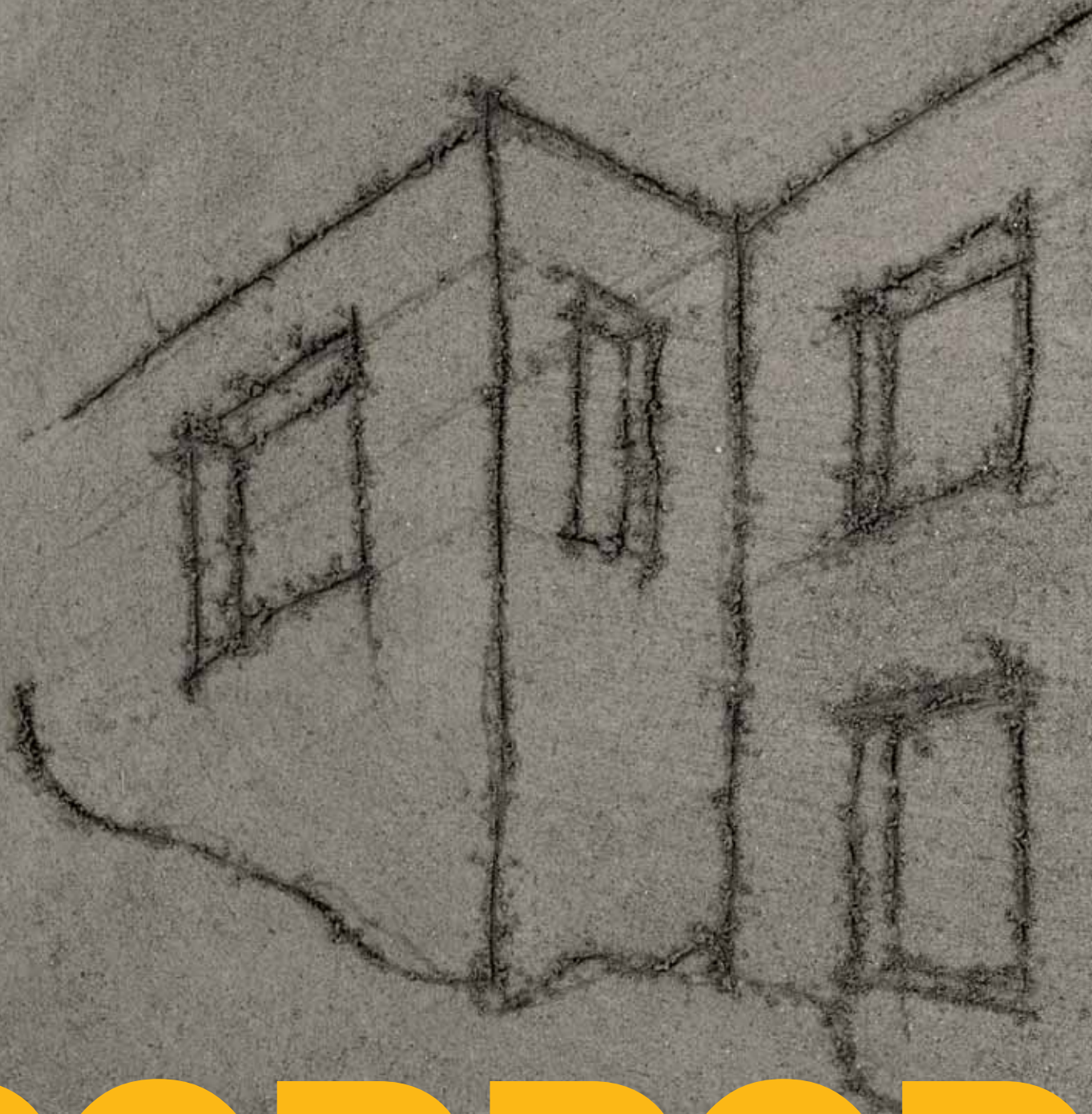




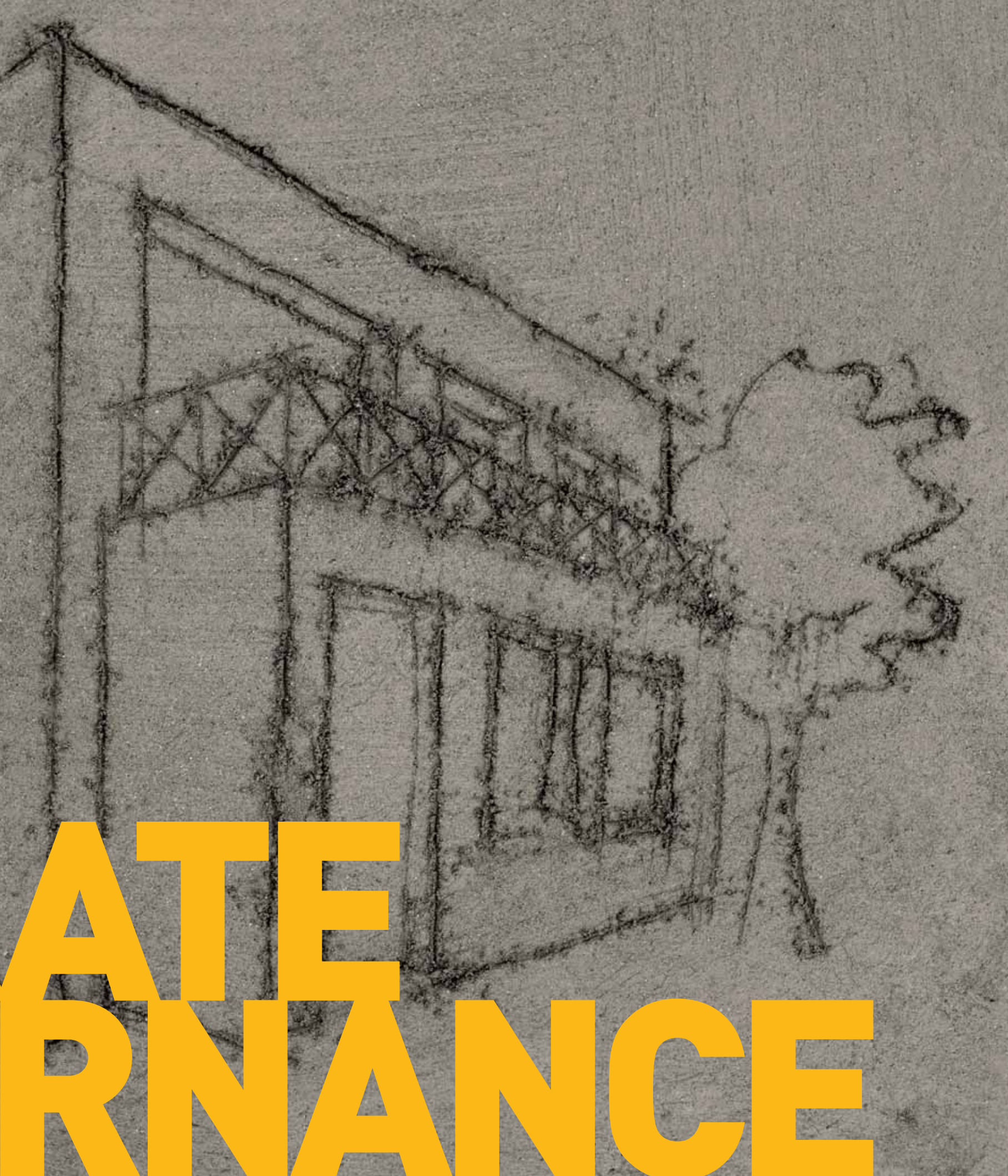
AN AVERAGE DAY UNACEM, 07:30 H



3



**CORPOR
GOVE**



**ATE
RNANCE**

WE HAVE DEMONSTRATED OUR GOOD CORPORATE GOVERNANCE, BASED ON POLICIES AND PRACTICES THAT MAINTAIN AND PROMOTE COMPLIANCE WITH THE PRINCIPLES OF ETHICS AND TRANSPARENCY WITHIN THE ORGANIZATION.

Our corporate governance promotes good business practices within the organization that allow us to ensure trust, transparency, and security to our investors and the market. This ethical line of action is based on our policies and our Code of Conduct, which are aligned with our corporate values.

UNACEM is listed on the Lima Stock Exchange (BVL), and we are governed under the Principles of Good Corporate Governance, ensuring the market that we implement the responsible management of our activities. We also work to safeguard the rights of our shareholders and the transparency of the decisions made inside the organization. As such, we hold Shareholders' Meetings that are responsible for overseeing our decisions; and a Shareholder Service Office, to ensure that our majority and minority shareholders have access to all the necessary information.

Our Board of Directors consists of thirteen directors, of whom three are independent. With their prestige and broad professional experience, these directors provide independent judgment to this governing organ and keep conflicts of interest from affecting the decision-making process.

BOARD OF DIRECTORS COMMITTEES

AUDITING COMMITTEE

Responsible for ensuring that the organization respects the accounting policies and processes, as well as implementing the internal control system for the financial reports. Also verifies the strict compliance with legal standards and regulations. Made up of three directors, two of whom are independent.

UNACEM COMMITTEES

MANAGEMENT COMMITTEE

Made up of the management team. Its purpose is to carry out the institutional plans for sustainability and the development of projects.

INTEGRATED MANAGEMENT SYSTEM COMMITTEE

Monitors, evaluates, and follows up on the actions and strategies established with regard to quality, safety, and the environment.

OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

A joint worker/management committee presided over by the Operations Manager, responsible for gathering staff opinions on occupational health and safety, as well as setting forth continuous improvement strategies in the matter.

STEERING COMMITTEE

Made up of staff members, in order to evaluate UNACEM's sustainability practices.



AN AVERAGE DAY AT UNACEM, 10:16 H



4

VALUE
CR



EATION

WE CONTRIBUTE TO THE COUNTRY’S ECONOMIC GROWTH, PROVIDING MORE PEOPLE WITH INFRASTRUCTURE DEVELOPMENT OPPORTUNITIES TO IMPROVE THEIR QUALITY OF LIFE AND CREATE VALUE IN SOCIETY.

In 2013, the construction sector was one of the most dynamic in the country, with a growth of 8.6% (higher than that of the GDP, which was around 5%), thanks to higher investment in the construction of shopping and business centers, housing, industrial and mining plants, and other buildings. This increased public and private construction activity drove the growth of the cement dispatch volume in Peru, which rose by 9.1%, according to recent estimates.

In keeping with this growth, in 2013 we increased our cement production and dispatch capacity. In July, we started the trial period for Kiln I at the Atocongo Plant, enabling us to fully meet growing internal demand and position ourselves as the main cement producer in Peru. As such, cement dispatches rose by 5.6% during 2013, totaling 5.6 million tons. Thanks to this increase in sales, our market share remained above 50% in an environment marked by new competitors, mainly in the Company’s area of influence.

With this sales level, our organization’s total revenues for fiscal year 2013 surpassed those of the previous year by 3%, totaling S/. 1.7852 billion. Nevertheless, net profit fell by 43% (from S/. 358.3 million in 2012 to S/. 204.7 million) due to factors such as the lower average price for the mix of products, the 31.2% increase in financial expenses, and significant losses due to the foreign exchange difference resulting from liabilities held in foreign currency.

KEY FIGURES

S/. 1,785.2
BILLION IN SALES

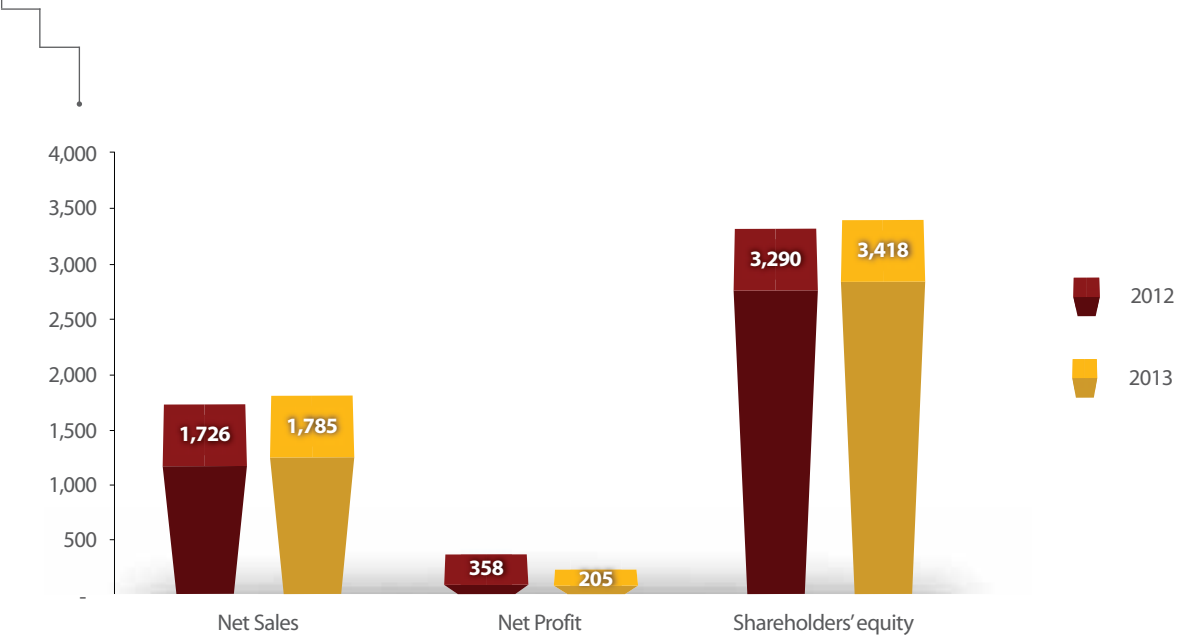
5.6 MILLION
TONS OF CEMENT
DISPATCH

5.6%
HIGHER THAN IN 2012

GRAPHIC N.º 2

UNACEM’S FINANCIAL STATEMENTS

(in millions of Nuevos Soles)




The financial results also had a positive impact on our main shareholders, since we shared the value created by making purchases for over S/. 882 million from our national and local suppliers; provided jobs to our local staff members; and developed programs and made donations for neighboring communities, investing approximately S/. 9.7 million. These figures demonstrate that UNACEM is an engine and important ally in the country's economic development.

TABLE N.º 3
2013 DISTRIBUTION OF REVENUES
(in millions of Nuevos Soles)

TOTAL REVENUES	1,798,895
Total Operating Cost	988,604
Gross Staff Salaries	140,914
Cost of Financing/Dividends	171,980
Taxes (VAT + Income)	151,344
Donations	462
Social Investment	9,686
Purchases from Local and National Suppliers	882, 812





**ONE OF UNACEM'S
MAIN CONTRIBUTIONS
TO OUR COMMUNITY HAS
BEEN THE PAVING OF
LIMA AVE., WHICH HAS
HELPED MAKE FOR A
MORE ORDERLY TRAFFIC
FLOW AND INCREASED
THE BUSINESS AND
VALUE OF THE STORES
THERE. THE NEIGHBORS
HAVE BENEFITTED, TOO.
THERE ARE NO MORE
ACCIDENTS ON THE
AVENUE”.**

TERESA TÉVES LEÓN
CENTRAL BOARD OF DIRECTORS, WATER AND
SEWAGE COMMISSION, ESQUEMA 315
JOSÉ GÁLVEZ
VILLA MARÍA DEL TRIUNFO



AN AVERAGE DAY AT UNACEM, 11:25 H



5



COMMITM
TO YOU



ENT
RSTAFF

THE COMMITMENT, CAPACITY, AND EFFORT OF OUR STAFF MEMBERS ALLOW US TO ACHIEVE THE ORGANIZATION'S OBJECTIVES AND MAINTAIN OUR POSITION OF LEADERSHIP IN THE MARKET.

We have a highly-skilled and motivated team of staff members that allows us to successfully take on new challenges offered by the market. For this reason, we seek to provide them with a workplace that permits them to grow as people and as professionals, in a safe and healthy environment. This growth is based on our corporate culture, currently being consolidated due to the merger carried out in 2012, and rooted in our values of excellence, responsibility, ethics, commitment, and innovation.

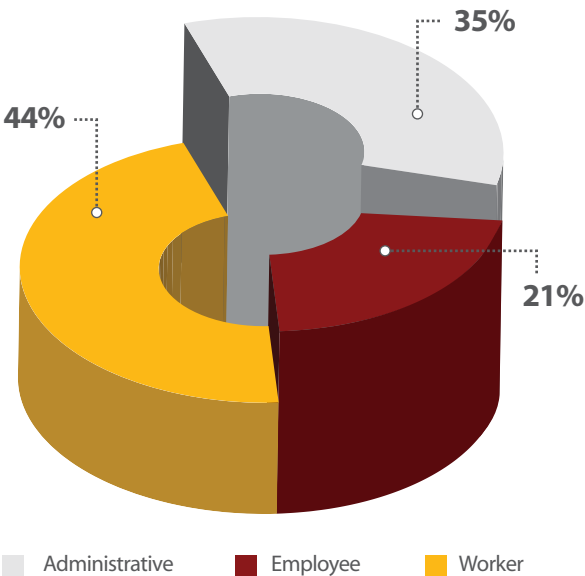
As such, our strategy promotes the development of our human resources through training programs that provide the necessary skills required by a sector as specialized as ours. On the other hand, in order to provide them with a safe, accident-free workplace, we implemented a prevention-free strategy that will enable us to diminish risks of exposure and thus preserve the health and safety of our staff members.

OUR TEAM

UNACEM is made up of 654 staff members, 26% more than in 2012. This is due mainly to the growth of our organization, which has allowed us to create new job positions and boost the country's economy.

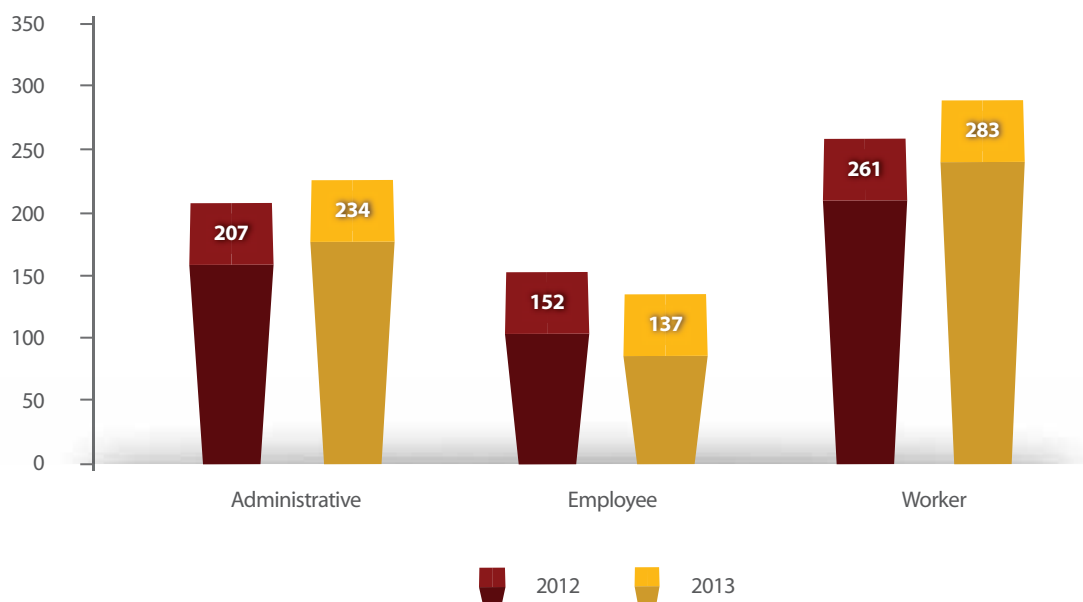
In 2013, we employed 283 workers, 8% more than in 2012, who currently account for 44% of our team. It is these staff members, together with our professionals, who guarantee the operation of our plants and drive the organization's growth.

GRAPHIC N.º 3
OUR TEAM



GRAPHIC N.º 4

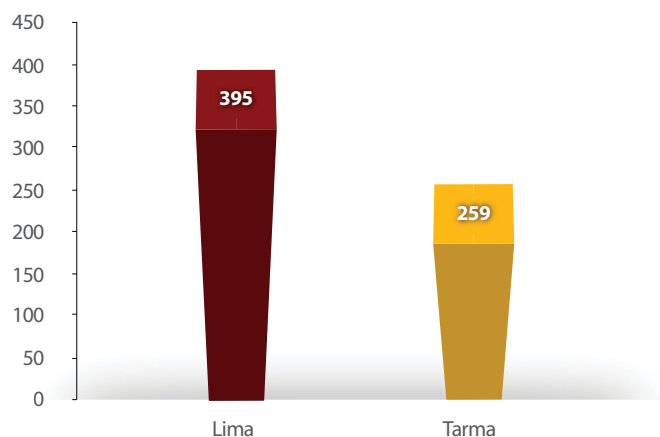
STAFF MEMBERS BY CATEGORY



At UNACEM, 60% of our staff members are based in Lima, and 40% in Tarma. Due to the high demand for labor, we prioritize the contracting of staff from the area of influence of our plants for the category of employees and workers. As such, 62% of all staff members are from the direct area of influence of our Atocongo and Condorcocha Plants. In Condorcocha, 90% of all staff members are locals.

GRAPHIC N.º 5

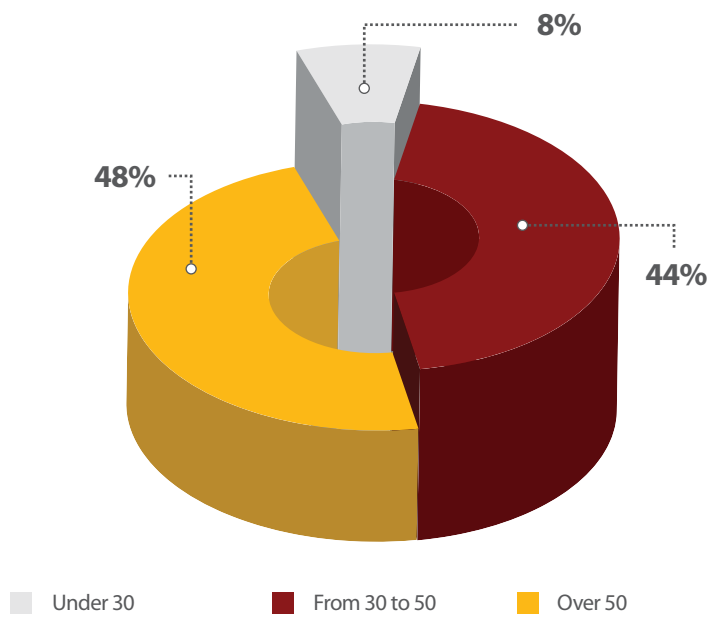
STAFF MEMBERS BY LOCATION



Of all our staff members, 48% are over the age of 50. These team members bring their experience and broad knowledge of the sector, and are responsible for passing on their specialized knowledge to the next generation of staff members who enter the organization.

GRAPHIC N.º 6

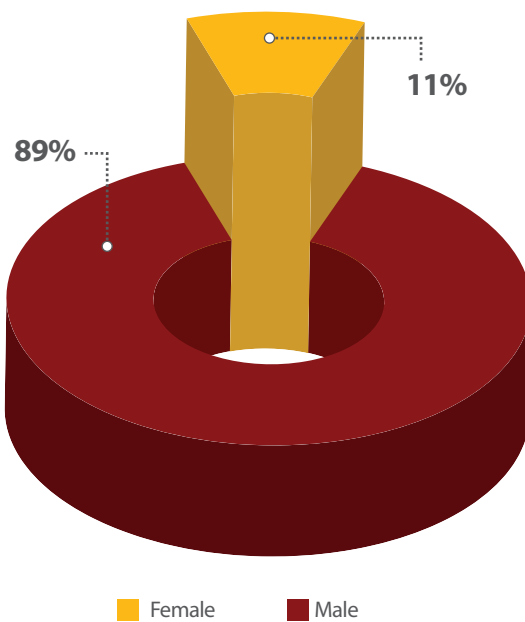
STAFF MEMBERS BY AGE



We are active in a sector traditionally characterized for its hiring of male labor in its operations. At UNACEM, 11% of all workers are female, reflecting the work we have been doing to incorporate women into this sector.

GRAPHIC N.º 7

STAFF MEMBERS BY GENDER



SKILL DEVELOPMENT

Our knowledge management is aimed at providing our staff members with personal and professional training aligned with industry needs.

With this in mind, we have an Education and Training Plan (PACE) for the development of skills in leadership, teamwork, Integrated Management System, BASC, the environment, and occupational health. The training sessions that form part of this plan are prepared based on the results of performance evaluations, where the gap between each staff member's knowledge and abilities is identified, and actions are designed to allow them to achieve the skills required by the organization.

KEY FIGURES

IN 2013

A PERFORMANCE EVALUATION WAS CONDUCTED FOR

97% OF ALL STAFF MEMBERS AT ATOCONGO



MAIN TRAINING SESSIONS OF 2013

ORGANIZATIONAL TRAINING

- Corporate induction of 100% of our staff members.
- Cultural fusion course, addressing the importance, advantages, and challenges involved in the fusion of two cultures in one company, in order to promote a positive attitude within the organization with regard to the cultural fusion process currently underway.

SPECIFIC TRAINING

ATOCONGO PLANT

- Training in the SAP System implemented in the Company in 2013. All staff members were instructed in the use of this program.
- Training on the operation, commissioning, and maintenance of Line 1 for operating and production staff.
- Course on the environmental auditing process of the Environmental Evaluation and Auditing Board (OEFA), so that our staff members are informed of the aspects inspected and the procedure followed, enabling them to respond appropriately to the demands of the evaluation. This training session included the participation of 35 staff members from the areas most involved in the process.

CONDORCOCHA PLANT

- Courses on management, equipment maintenance, legal statutes, and technical aspects, in order to update the team's knowledge regarding their job positions. Based on the effectiveness evaluation performed, improvements have been reported in the processes addressed in the courses, as well as the behavior of staff members.

SKILL DEVELOPMENT TRAINING

ATOCONGO PLANT

- Personal motivation and coaching to provide leadership tools that motivate our staff members to obtain better results. This course was given to all staff members, including operators.

CONDORCOCHA PLANT

- Leadership courses for the entire team.
- Strategic planning course, aimed at strengthening our staff members' vision and strategic thinking.
- Contingency care program, promoting a preventive, proactive attitude during emergencies.

DUAL LEARNING PROGRAM

PROVIDES STUDENTS FROM SENATI WITH THE OPPORTUNITY TO INTERN WITH OUR COMPANY. THIS ENABLES THEM TO LEARN FROM OUR EXPERIENCE IN THE INDUSTRY, WHILE GIVING US THE OPPORTUNITY TO TRANSFER THE KNOWLEDGE GAINED TO ENSURE THE BEST POSSIBLE EDUCATION OF OUR COUNTRY'S FUTURE SPECIALISTS.

IN 2013, SEVEN STUDENTS WORKED AT UNACEM.



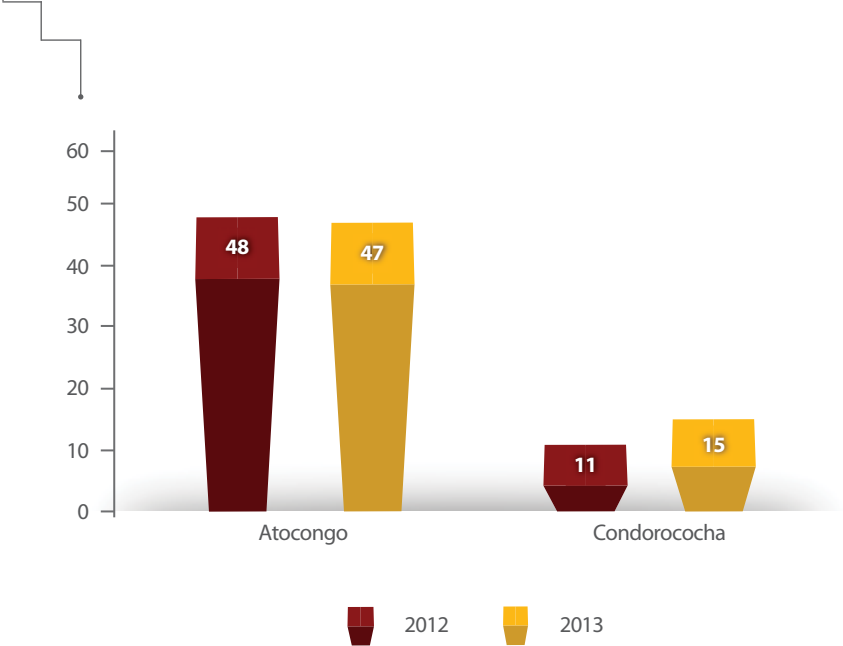
FELLOWS FROM THE DUAL LEARNING PROGRAM DEVELOPED WITH THE NATIONAL SERVICE TRAINING IN INDUSTRIAL WORK (SENATI), ATOCONGO, LIMA

TRAINING HOURS

In 2013, we imparted a total of 23,637 training hours to all our staff members in Lima and Tarma. In Condorcocha, the training hours per staff member rose by 36% over 2012.

GRAPHIC N.º 8

TRAINING HOURS PER STAFF MEMBER



GOOD WORK ENVIRONMENT

We promote a harmonious work environment among our staff members, as well as their commitment to the organization. For such purpose, we provide social benefits above and beyond those required by the law for our staff members of all categories, promoting activities for integration and camaraderie.

COMMUNICATION

- Periodic meetings between staff members and managers to inform them on the Company's progress, creating a space where the team can contribute suggestions and raise doubts in order to achieve the objectives set forth.
- Virtual Means: Intranet and email informing on the Company's progress and highlighting the achievements of our staff members.
- "El Concretito" Weekly Bulletin: Information on the company and issues of interest to the staff members.

WE ARE

PARTNERS AND FOUNDERS OF THE
PERUVIAN
**ASSOCIATION OF GOOD
EMPLOYERS**

WELLBEING

- We provide our entire team with benefits above and beyond those required by law.
- In 2013, we invested S/. 5.4 million in social benefits.
- We provide flexible schedules to Condorcocha staff members so they can spend more time with their families.
- We promote family unity by inviting employees' family members in Condorcocha to the Company's facilities during holidays such as Christmas.
- We grant scholarships for university and higher studies to the direct family of our Condorcocha staff members.

UNION RELATIONS

- We have two unions: one in Atocongo, consisting of 142 members; and one in Condorcocha, made up of 144 members.
- In 2013, we held weekly meetings with union members to address topics of interest.
- During the year under report, we closed the collective bargaining with the Condorcocha union for the next three years. The agreement with the Atocongo union is still in force.

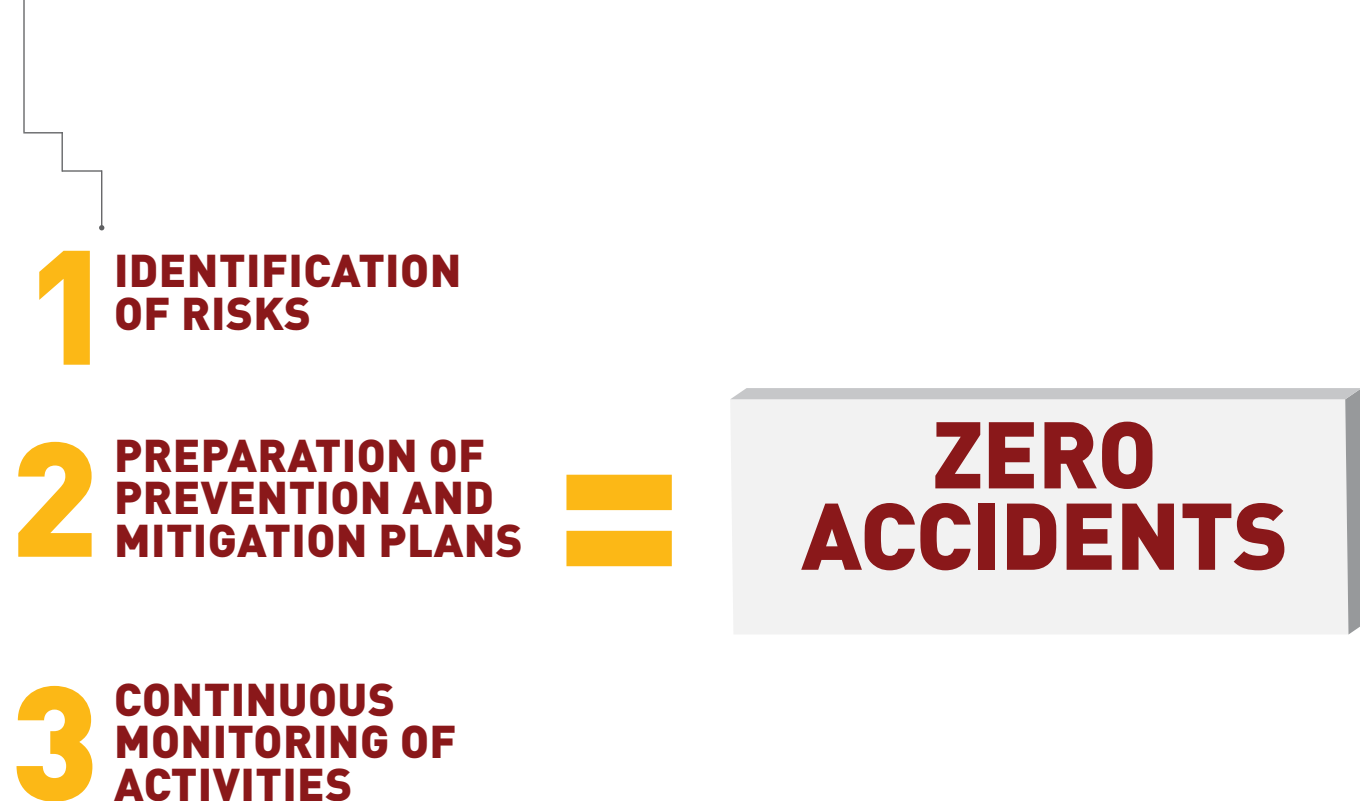
This positive management with regard to the work environment enabled us, in 2013, to achieve a turnover rate of 5.19%, lower than the average for industrial companies. According to a study conducted by Pricewaterhouse Coopers, nationwide, the best turnover rates in industrial companies were around 5.7%.

OCCUPATIONAL HEALTH AND SAFETY

We have an occupational health and safety management system that enables to identify the primary risks and incidents in each area, and manage them in a timely manner in order to prevent and reduce them. We also coordinate and supervise compliance with our work standards by our contractors via evaluations.

The basis of this system is our culture of prevention. We thus involve staff members in the management process, making them promoters and guardians of safe practices during operations.

PREVENTION CULTURE FOR HEALTH AND SAFETY





AN AVERAGE DAY AT UNACEM, 12:07 H

MAIN HEALTH AND SAFETY INITIATIVES OF 2013

To reduce or eliminate the main risks in our operations, we have awareness-raising programs that promote a preventive attitude among our staff members.

OCCUPATIONAL SAFETY

ATOCONGO PLANT

- Drill program: Staff members were trained to respond to possible emergencies. A total of 32 drills were carried out, with the participation of 1,500 staff members.
- Emergency brigade training program: Training for staff members on the main safety risks, such as hot work and work at height, as well as safety talks. 74% of staff members participated.
- Preparation and implementation of instructions: "Safety in Loading and Unloading Vessels"; "Emergency Response in Confined Spaces"; "Work at Height"; among other documents.
- "Order and Cleanliness" campaign, aimed at reducing risks of falls in the offices.

CONDORCOCHA PLANT

- Behavior-based safety workshops: The objective of these workshops was to raise awareness of behaviors that tend to cause occupational accidents and promote their elimination. All staff from the Condorcocha Plant participated.
- Safety week: Technical knowledge was imparted on health and safety, and awareness was raised among the staff regarding the importance of safe practices in their personal lives. The talks were given by independent speakers, with the participation of 150 people, including Condorcocha staff and contractors.

CORPORATE

- Annual Risk Prevention Plan: Induction workshops were offered on health and safety, first aid, firefighting, and caring for the environment. In 2013, inductions were provided to 1,300 staff members and 1,408 contractors.

OCCUPATIONAL HEALTH

ATOCONGO PLANT

- Occupational health program: Talks were given on physicochemical risk factors, focusing on noise, dust, and ergonomics in the workplace, in order to raise awareness among employees regarding major occupational health risks.
- Periodic medical checkups due to noise-related risks. Based on the results, the use of hearing protection will be reevaluated.

CONDORCOCHA PLANT

- Program to identify possible contaminant agents, both physical and chemical, in order to take precautions to reduce risks: noise, dust, light intensity.
- Corresponding medical checkups, in the form of annual health exams (performed during the last quarter of the year), as well as pre-occupational checkups.
- Ergonomic studies of job positions involving repetitive movements and poor posture.
- Training for the promotion of health among our workers.

CORPORATE

- Medical checkups before, during, and after entering the company, for the timely identification of diseases. These checkups are annual, and include an oncological evaluation.
- Uninterrupted medical attention, given that the work in our operations is performed by shifts 24 hours a day. This enables us to respond in a timely manner to any incident.



ATOCONGO PLANT, LIMA



ATOCONGO PLANT, LIMA

RESULTS OF OUR MANAGEMENT

Thanks to our strong performance, we obtained very positive results in 2013 in our health and safety indicators. The accident rate, for example, dropped by an average of 90.0% at Atocongo and Condorcocha. Likewise, the rate of days lost fell by 52.8% at the Condorcocha Plant.

TABLE N.º 4

OCCUPATIONAL HEALTH AND SAFETY INITIATIVES

	ATOCONGO		CONDORCOCHA	
	2012	2013	2012	2013
Absentee Rate	5.85	6.65	4.98	2.35
Accidente Rate	19.00	1.80	19.05	2.14
N.º of Fatal Victims	1*	0	1	0
Severity Index	925.30	115.10	2,206.30	203.35

* In 2012 we had one fatality in the Atocongo plant which is still under investigation by the Ministry of Labor.

CHALLENGES FOR 2014


CONSOLIDATE

OUR ORGANIZATIONAL CULTURE AS UNACEM, CURRENTLY UNDERWAY FOLLOWING THE MERGER.

IMPROVE

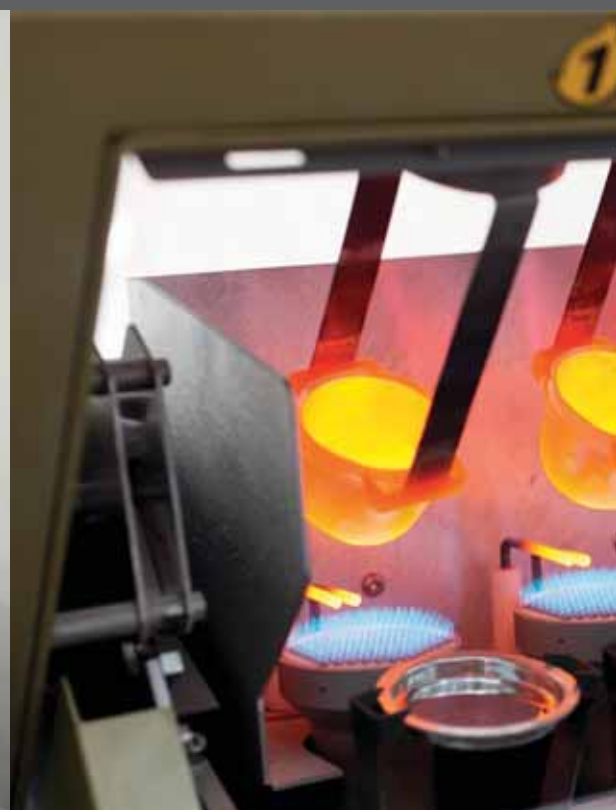
INTERNAL COMMUNICATION BETWEEN AREAS AND PLANTS, ALIGNING THEM WITH OBJECTIVES AND PROMOTING A BETTER WORK ENVIRONMENT.





**I STILL GET
EXCITED WHEN I
SEE THE TRUCKS
OUTSIDE READY TO
BE LOADED AND
THE GREAT AMOUNT
OF ACCUMULATED
CLINKER. THIS MEANS
THAT THE COMPANY IS
STILL GROWING AND
THAT WE ARE GOING
TO BE FINE.”**

**VÍCTOR MANUEL MENDIZÁBAL
RODRÍGUEZ**
CLINKER, RAW AND COAL DIVISION
CONDORCOCHA



AN AVERAGE DAY AT UNACEM, 12:45 H



6

DEVELOP
COMM



**ING OUR
UNITIES**

WE SHARE OUR KNOWLEDGE AND DEVELOP SKILLS AMONG OUR NEIGHBORING COMMUNITIES, IN ORDER TO BOOST THEIR GROWTH AND HELP THEM BECOME MANAGERS OF THEIR OWN DEVELOPMENT.

We use a grassroots development methodology, which promotes a proactive attitude among actors with regard to their own development, through their positive actions in the social fabric. For such purpose, we build capacities among community members that will help them to engage with the different social actors in their surroundings, both public and private.

Our community strategies are based on three areas of action: Social Infrastructure, Community Relations, and Human and Social Development. As a cross-cutting effort, we form strategic alliances with different local actors in order to promote group initiatives, cooperating with the actors to foster development in our area of influence.

We also develop different spaces for dialogue with the community members in our area of influence, with whom we have established continuous and transparent communication, enabling us to forge lasting relationships based on trust. We have thus consolidated ourselves as a key actor in the promotion of the economic, social, and cultural development of our surroundings.

KEY
FIGURES

148
THOUSAND
BENEFICIARIES

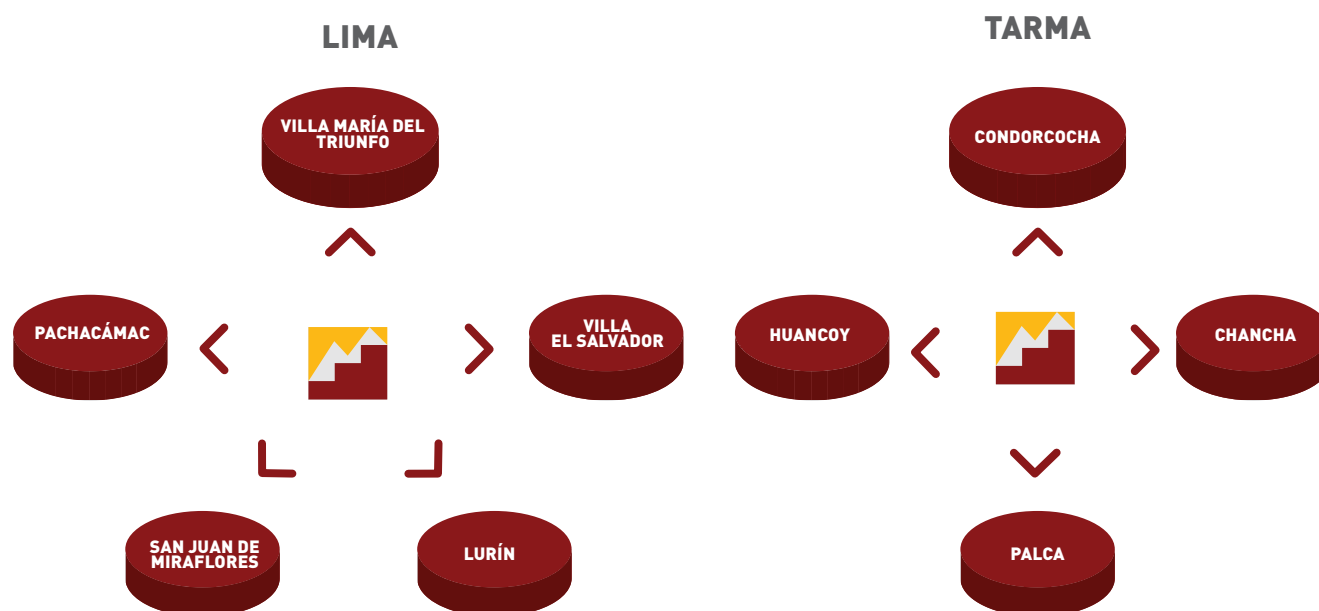
OVER S/.9.7
MILLON INVESTED IN
SOCIAL PROJECTS

TABLE N.º 5
COMMUNITY STRATEGY

SOCIAL INFRASTRUCTURE	COMMUNITY RELATIONS	HUMAN AND SOCIAL DEVELOPMENT
Contribution of cement and other construction materials	Strengthening of company - community relations	Production, social, and entrepreneurial development projects
Technical advisory	Promotion of dialogue spaces	
	Environmental projects	
	Health promotion and prevention projects	

UNACEM'S AREAS OF DIRECT INFLUENCE

Our areas of direct influence include five districts in Lima and four in Tarma, where we carry out our principal social development activities.



In 2013, we made a total investment in development programs of S/. 9,686,055, 20% more than in 2012. We thus benefited approximately 148,000 community members.

SOCIAL INFRASTRUCTURE

We worked on social infrastructure projects aimed at fostering development in grassroots community organizations, territorial social organizations, and educational institutions, supporting them with the donation of bags of cement and other materials (concrete, concrete cobblestones), as well as the preparation of files and technical advisory.

In 2013, note may be given to the joint work with the community. With our support in the form of the payment of 50% of the value of the technical file and the donation of the cement necessary to previously build the containment wall, the community members were benefited by the federal Techo Propio Program, which gives out Family Housing Bonds (BFHs) for the construction of a housing module. Recipients included families from 27 areas such as Nueva Esperanza, José Gálvez, Tablada de Lurín, Cercado, and José Carlos Mariátegui in the district of Villa María del Triunfo, whose lots are located in high-risk areas. For 2014, an average of 226 families are expected to receive benefits. As of this date, 9,542 bags of cement have been given out. In this way, AU supports families so they may fulfill their dream of having their own home.

2013 RESULTS

CONSTRUCTION AND
REMODELING OF **14**
INFRASTRUCTURE
WORKS IN LIMA AND TARMA

OVER 51,300 BAGS
OF CEMENT DONATED,
BENEFITTING 118 WORKS

OVER S/. 1.4 MILLION IN
INVESTMENT

AN AVERAGE OF
226 LOTS BENEFITED BY THE
TECHO PROPIO PROGRAM

COMMUNITY RELATIONS

We promote a continuous dialogue with local actors, citizen participation, and organizational strengthening, in order to build a trust-based relationship between the Company and the community.

ORGANIZATIONAL STRENGTHENING

We contribute to organizational strengthening and leadership in social organizations located in our prioritized zones, promoting capacity building for management, institutional strength, and coordination with other local actors. With these actors, we worked on development plans, environmental agendas, and other issues.

ENVIRONMENT

We promote and support initiatives for environmental improvement, coordinating with local governments and environmental committees that create an adequate environmental quality in Southern Lima in a concerted, planned, and participative manner.

HEALTH

In coordination with the health sector, local actors and the organized community promote actions such as health campaigns and fairs, educational activities, hand-washing practice, training sessions, education of health promoters, etc., with a focus on promotion and prevention. The training of these promoters ensures the presence of volunteer agents of change who promote healthy practices and lifestyles, to the benefit of their communities. Our joint priority is to contribute to the reduction of malnutrition in vulnerable groups, aligned with current sector policies.

2013 RESULTS



HUMAN AND SOCIAL DEVELOPMENT

We create comprehensive development opportunities in the community via the transfer of technical and business knowhow, artistic and social skills that help local residents to improve their quality of life and competitiveness in the market. This line of action includes employability and entrepreneurship programs for youths, job training, educational, arte, culture, and sports projects.

THE PROMOTING SUCCESSFUL YOUTHS PROGRAM (PEJ)

Is carried out in alliance with the World University Service of Canada (WUS Canada) NGO, with additional support from the Department of Foreign Affairs, Trade, and Development of Canada. Its purpose is to improve the economic levels and quality of life of youths in Southern Lima by developing their technical capacities and promoting entrepreneurship.

THIS PROGRAM HAS TWO SCOPES OF ACTION

a) Access to high-quality technical training opportunities, in order to promote insertion in the job market. Study scholarships are given out, tutors mentor students and strengthen personal abilities. Participants then receive advice on their insertion into the job market.

b) Consolidation of entrepreneurial capacity and promotion of businesses started by youths, orienting young people who want to start their own business. Training and advisory are provided for the drafting of a business plan, and contests are held for seed capital, along with providing business advice.

2013 RESULTS

554 YOUTHS HAVE RECEIVED STUDY SCHOLARSHIPS

OF ALL GRADUATES, **66%** ARE CURRENTLY EMPLOYED

A TOTAL OF **62** START-UPS HAVE RECEIVED SEED CAPITAL, OF WHICH **65%** ARE WOMEN

THE PROJECT FOR THE PROMOTION OF WOMEN IN CIVIL CONSTRUCTION

Promotes the involvement of women in the construction sector. We provide support in the training of local women at the National Training Service Center for the Construction Industry (SENCICO). This way, they may become specialized and consequently be more competitive in the sector, further promoting their insertion into our contractor companies. This project was part of the "Program for America," implemented jointly with the Inter-American Development Bank (IDB) and RedEAmerica.



ANTENOR RIZO PATRÓN LEQUERICA PUBLIC SCHOOL, COMMUNITY OF CONDORCOCHA, LA UNIÓN LETICIA, TARMA

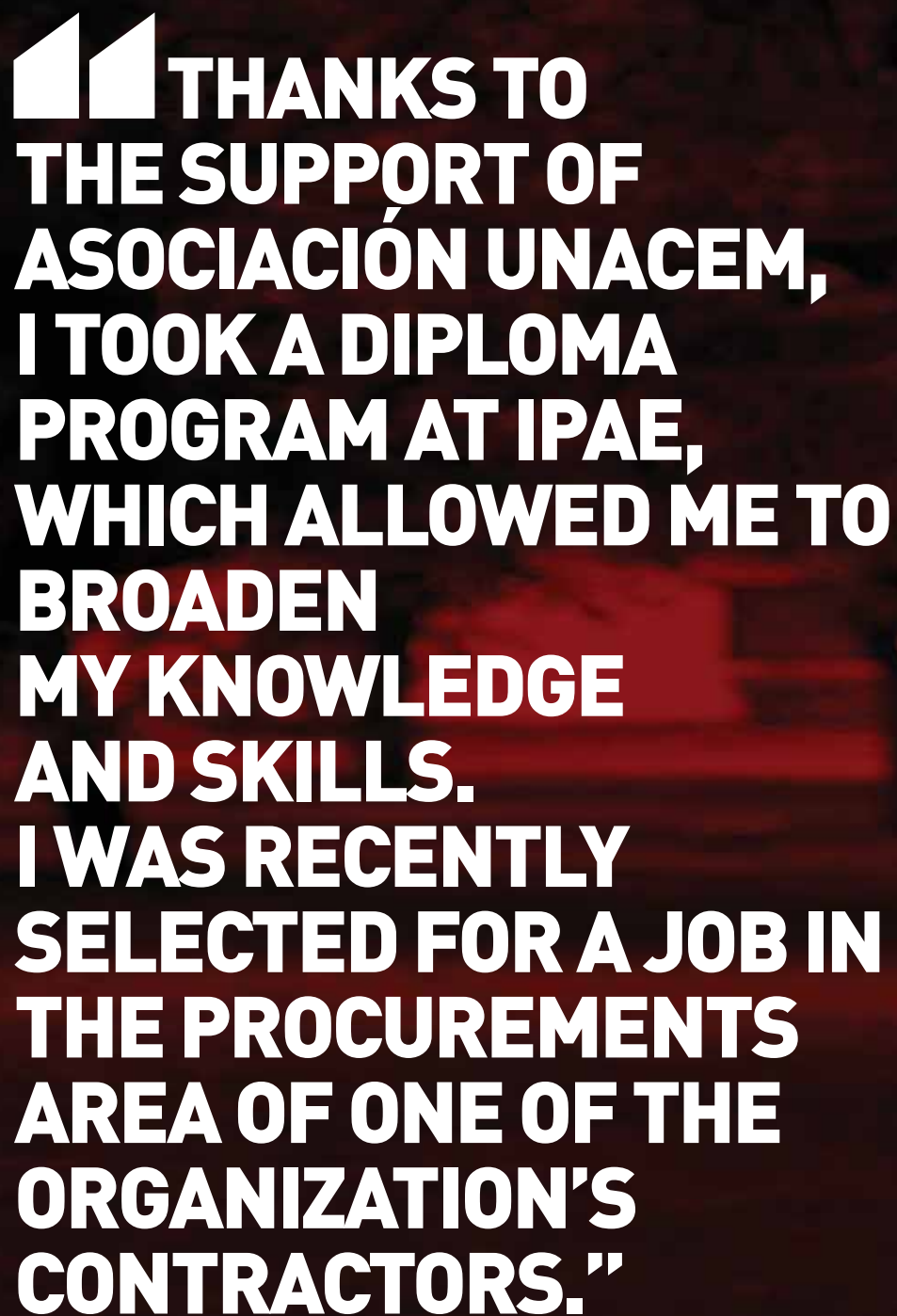
CHALLENGES FOR 2014

ADOPT

A GRASSROOTS DEVELOPMENT APPROACH IN COMMUNITY RELATIONS FOR THE CONDORCOCHA PLANT, AS WELL AS THE COMPANIES UNICON AND CELEPSA.

WORK

WITH RURAL COMMUNITIES, WITH THE ENTRY OF THE ASOCIACIÓN UNACEM IN TARMA.



**THANKS TO
THE SUPPORT OF
ASOCIACIÓN UNACEM,
I TOOK A DIPLOMA
PROGRAM AT IPAE,
WHICH ALLOWED ME TO
BROADEN
MY KNOWLEDGE
AND SKILLS.
I WAS RECENTLY
SELECTED FOR A JOB IN
THE PROCUREMENTS
AREA OF ONE OF THE
ORGANIZATION'S
CONTRACTORS."**

NOEMÍ RIVERA CUEVA
SCHOLARSHIP RECIPIENT OF THE
"PROMOTING SUCCESSFUL YOUTHS" PROGRAM
VILLA MARÍA DEL TRIUNFO







AN AVERAGE DAY AT UNACEM, 13:15 H



7

COMMITM
THE ENV



**ENT TO
RONMENT**

WE CARRY OUT OUR ACTIVITIES WHILE MINIMIZING THE ENVIRONMENTAL IMPACTS OF ALL OUR BUSINESS PROCESSES.

At UNACEM, we have an Environmental Management System aimed at promptly identifying the impacts caused by our operations, as well as establishing prevention and mitigation plans for these impacts. This system has four pillars of action, corresponding to the impacts identified: environmental quality; natural and cultural resources management; capacity building; and environmental certifications.

We are conscious that one of the primary impacts of companies in the cement sector is the greenhouse gases emissions (GHG). For this reason, our management is focused on reducing GHG emissions in the production process, through the implementation of more efficient and cleaner technologies. In this way, we contribute to the mitigation of the consequences of climate change.

TABLE N.º 6
ENVIRONMENTAL MANAGEMENT PILLARS



ENVIRONMENTAL QUALITY

ENERGY, EMISSIONS, AND CLIMATE CHANGE

Conscious of the impact that our industry causes on the environment, we have implemented technological changes and initiatives in our production processes that enable us to reduce GHG and particulate matter emissions.

EMISSIONS AND CLIMATE CHANGE MANAGEMENT PROGRAM

As part of this pillar of action, we have implemented technological changes and initiatives in our production processes, which enable us to reduce greenhouse gas (GHG) and particulate matter emissions. We also have an Emissions and Climate Change Management Program, with five pillars of action:

KEY FIGURES

137,754
CERTIFIED EMISSION
REDUCTIONS (CERS)

1 FUEL CONSUMPTION

Fuel consumption is the main source of emissions in the industry. To mitigate these emissions, we taken the following actions:

- A changeover from the carbon energy matrix to one based on natural gas, reducing emissions by 100,000 tons of CO₂ annually in the manufacture of clinker and cement.
- As a goal for 2015, we seek to use alternative fuels such as the co-incineration of waste.
- With our fuel changeover project, we issued 137,754 Certified Emission Reductions (CERs) and sold 134,998 CERs to a company. As part of our commitment, we monitor the reduction of emissions generated by our project.

2 ELECTRICAL ENERGY CONSUMPTION

Electrical energy consumption is high in the cement industry, for which reason we use clean energy for the generation of the electricity for cement manufacture. We own the following energy generation plants:

- “Generación Eléctrica de Atocongo” (GEA) thermal power plant: Production of 41.75 MW of energy, with seven generators that use 94% natural gas and 6% de diesel.
- “El Platanal,” “Central Hidroeléctrica Carpapata I,” and “Central Hidroeléctrica Carpapata II” hydroelectric plants.
- In 2014, the Carpapata III project will be initiated, enabling us to achieve a total capacity of 24 MW of clean energy.

3 THE IMPROVEMENT OF INDUSTRIAL PROCESSES

The improvement of industrial processes involves the upgrading of the industrial plant and the manufacture of blended cement. This line of action has included the following activities:

- Upgrading of Production Line I in Atocongo: Increase in kiln production from 7,500 to 15,000 t/day, in addition to a reduction in the consumption of electrical energy by 17% and thermal energy by 10% for each ton of cement produced.
- Manufacture and sale of blended cements, which require less clinker in their composition, thus decreasing the quantity of fuel used for their manufacture.
- For 2014, our goal is to measure UNACEM's carbon footprint.
- Another goal is the roofing project for the clinker yard at Condorcocha, which will decrease fugitive emissions produced during transport.

4 TRANSPORT OF MATERIALS

With regard to the transport of materials, we have implemented initiatives that enable us to entirely mitigate safety and environmental risks. These projects include:

- The Atocongo-Conchán ecological conveyor belt, an underground transport system measuring approximately 8 km long that reduces the emission of particulate matter.
- Watering of internal roadways in raw materials storage areas, roads, and quarries with treated water.

5 RAISING AWARENESS AMONG STAFF

With regard to raising awareness among staff, our internal priority is our human resources. For this reason, we keep our staff members updated and informed through training sessions and inductions that contribute to their professional formation and increase their environmental awareness.

- Environment Week, including seven talks, with the participation of 252 staff members.
- Environmental inductions for all contractors entering our facilities. In 2013, we trained 2,605 contractors over the course of 78 class hours.

TABLE N.º 7

ENERGY CONSUMPTION RESULTS

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TABLE N.º 8

2013 EMISSIONS RESULTS

	ATOCONGO	CONDORCOCHA
Direct CO ₂	0.74 t CO ₂ /t Clk 0.682 t CO ₂ / t Cement	0.87 t CO ₂ /t Clk 0.80 t CO ₂ / t Cement
NO	1,276.8 mg/m ³ Kiln I 303.4 mg/m ³ Kiln II	564.70 mg/m ³ Kiln I 545.63 mg/m ³ Kiln II 536.66 mg/m ³ Kiln III 543.64 mg/m ³ Kiln IV
SO	1,708 mg/m ³ Kiln I 885 mg/m ³ Kiln II	<3.4 mg/m ³ Kiln I <3.4 mg/m ³ Kiln II <3.4 mg/m ³ Kiln III <3.4 mg/m ³ Kiln IV

SOCIAL MONITORING PROGRAM FOR BLASTING

AS PART OF OUR RAW MATERIAL EXTRACTION PROCESS, WE PERFORM BLASTING ON A WEEKLY BASIS IN OUR QUARRIES LOCATED NEAR URBAN AND RURAL POPULATIONS. THIS BLASTING MAINLY GENERATES VIBRATION IMPACTS, WHICH WE MANAGE THROUGH TECHNOLOGY THAT ENABLES US TO MITIGATE THEM.

DUE TO THE FACT THAT OUR QUARRIES ARE LOCATED NEAR POPULATED AREAS, IN 2013 WE CONDUCTED A MONITORING STUDY AT THE ATOCONGO PLANT ON THE VIBRATIONS PERCEIVED BY THE COMMUNITY DUE TO BLASTING. WE RANDOMLY SURVEYED PEOPLE LIVING NEAR THE PLANT IN ORDER TO IDENTIFY THEIR PERCEPTION OF BLASTING DAYS AND DAYS WHEN BLASTING WAS NOT PERFORMED. IN 2013, WE SURVEYED MORE THAN 800 PEOPLE FROM THE FOUR AREAS OF INFLUENCE.

IN 2014, WE WILL COMPLETE THE MONITORING INTERVIEWS AND ANALYZE THE OPINION RESULTS AND TECHNICAL RESULTS IN THE ENVIRONMENTAL AREA, AS WELL AS ESTABLISHING A STRATEGY THAT WILL PERMIT US TO IMPROVE OUR RELATIONS WITH THE COMMUNITY.



ATOCONGO PLANT, LIMA

RESPONSIBLE WATER MANAGEMENT

Cement manufacturing is a dry process, for which reason it does not require significant volumes of water compared to other industries. However, at UNACEM we are concerned about implementing an integral environmental management, involving the optimization of this resource. As such, our management includes the implementation of new technologies that allow for reuse and a reduction in the production processes, as well as raising awareness among our staff members.

Some of our projects:

WASTEWATER TREATMENT PLANTS (PTAR)

Allows us to treat 100% of the Company's water. In the case of Condorcocha, in 2013 a new biocleaner technology was implemented, where microbes take care of cleaning the water. This ecological process requires less space and maintenance, and lower operating costs.

The treated water from both plants is reused to water green areas, roads, supply the firefighting system and industrial processes. At Atocongo, this system has permitted a reduction in groundwater consumption of over 10,000 m³, with savings in spring water use at Condorcocha of over 9,849.6 m³ monthly, or 35% of all water used.

“MAKE THE DIFFERENCE” PROGRAM

This program seeks to create an environmentally responsible culture among staff members and contractors. For this reason, campaigns are carried out for the optimum use of water at the Company's facilities.

Additionally, as part of this program, a water-saving device was installed in all restrooms, resulting in reduced consumption in offices and plants.

WATER FOOTPRINT

In 2013, we measured our water footprint at the Atocongo Plant in order to establish a baseline for our consumption based on a lifecycle analysis. This made us one of the first five companies in Peru to conduct this study, positioning us as a leader in the promotion of large-scale initiatives in the country. The work was done together with Swiss Agency for Development and Cooperation (COSUDE), which provided the technical support for the study through the NGO Agualimpia. The Project is known as Suizagua, and will continue through 2014 and 2015.

The study results will come back this year, and based on that, we will draft an optimization and awareness-raising plan for this resource, involving our staff members, the production chain, and the community, with whom we have already worked on several water-related projects through Asociación UNACEM.

TABLE N.º 9

WATER CONSUMPTION

Of the total water consumed at Atocongo, 27.9% was reused, compared to 64% at Condorcocha 64%, which signified a reduction in the consumption of this important resource.

	WATER SOURCE	VOLUME (M ³)
Atocongo	Groundwater	382,481
	Tank	116,000
Condorcocha	Spring and creek	192,553



WASTEWATER TREATMENT PLANT (PTAR), ATOCONGO, LIMA

WASTE MANAGEMENT

Our waste management is focused on the separation, collection, storage, transport, and final disposal of resources. For the disposal, we have hired specialized solid waste management companies (EPS-RS), sales companies, and a recyclers' association from Villa María del Triunfo, where we donate non-hazardous waste.

KEY FIGURES

IN 2013, WE INCREASED
OUR WASTE RECYCLING
BY **94%**

We also seek to reduce the production of waste, optimizing our processes in order to decrease the consumption of certain materials and raise awareness among our staff members with regard to the proper use of resources and their separation.

EXAMPLES OF OUR MANAGEMENT

ATOCONGO PLANT

- Started the implementation of the composting plant to treat weed and mud waste from the wastewater treatment plant, destined for use as fertilizer in the maintenance of green areas.
- Donation of recyclable waste to the Asociación Las Palmeras de Villa, 94% more than in 2012.
- Training of 20 UNACEM supervisors and 112 contractors in appropriate waste management.

CONDORCOCHA PLANT

- Recycling program aimed at staff members and communities: Talks, workshops, and contests were organized regarding the reuse of products, recycling, and composting practices.
- Environment Week: A handicrafts contest was held using recycled materials so that staff members could create added value for daily waste.
- Compost plant for the processing of organic waste: We have 14 compost heaps that receive 520 kg per day. The plant has a 30% efficiency, i.e. for every 10 tons of waste, it produces 3 tons of compost for use in improving soils and green areas.

CORPORATE

- As part of the cement manufacturing process, we generate industrial waste such as Recovered Raw Meal (RRM). At UNACEM, we reused 100% of this, recycling it in the process, as well as using it as a concrete byproduct.
- Reuse of glass, clinker, contaminated soil, and construction waste, later processing them and using them in production processes.

TABLE N.º 10

2013 WASTE GENERATION

	ATOCONGO (t)	CONDORCOCHA (t)
Hazardous waste	103.9	77.6
Non - hazardous waste	2,546.6	673.9
Total	2,650.5	751.5

TABLE N.º 11

MATERIALS USED IN THE PRODUCTION PROCESS

In 2013, we increased our consumption of materials substituting clinker. This was due to the launch of a new product with a lower percentage of said material.

	MATERIALS	QUANTITY (mT)
Raw materials	Lime	6,862,036
	Pozzolan	188,488
	Plaster	242,927
	Clay	66,819
	Iron oxide	173,661
	Silica	128,333
Semi - finished products	Clinker	4,383,862
	Raw meal	2,609,282
Packaging	Paper bags (unit)	96,445,901
	Big bag (unit)	22,013

NATURAL AND CULTURAL RESOURCES MANAGEMENT

Extraction activities in the quarries create impacts on the soil, as well as the flora and fauna. For this reason, we have species research and recovery projects that allow us to mitigate these impacts. Additionally, all of our quarries have a Mine Closure Plan, wherein we commit to remediate the affected areas.

MAIN INITIATIVES OF 2013

FLORA AND FAUNA

- Biological monitoring during the dry and rainy seasons in the mining concessions: Aimed at determining the seasonal behavior of the species during mining development.
- Flora and fauna research to learn about the plant life in the Lomas Quarry and how to conserve it. With the results, we are establishing a plan to reintroduce wild species after the closure of the quarry.
- At Atocongo, we have a zoo that is home to 24 species.
- The Las Dunas 3 mining unit is located in the buffer zone of the Paracas National Reserve. At this quarry, impact mitigation and species recovery procedures are applied. It should be noted that this activity fosters the formation of lake surfaces that attract new birds from the zone.

CULTURE

- We perform archaeological studies before the start of operations at each quarry.
- We have the Tablada de Lurín site museum in Villa María del Triunfo, as well as an Archaeological Center in Pueblo Viejo, Pachacamac, under an agreement with the Pontifical Catholic University of Peru.

CAPACITY BUILDING

We hold workshops and training sessions for our staff members on environmental issues, aimed at raising their awareness and promoting a culture of respect for the environment, both on and off the job.

MAIN INITIATIVES OF 2013

- Fifteenth Annual Environment Week: 234 staff members participated.
- Second Operating Eco-Efficiency Course, which raised awareness among staff members regarding the efficient use of water and energy. A total of 32 staff members participated.
- Environmental inductions for all of our contractors entering our facilities for the first time.
- 108 training hours on environmental matters for over 3,000 staff members.

ENVIRONMENTAL CERTIFICATION

In 2013, the environmental management system at our Atocongo Plant obtained ISO 14001 certification, while the Condorcocha Plant was recertified in the same standard. This reaffirms our commitment to preservation and the adoption of the highest environmental standards in our operations.

CHALLENGES FOR 2014


MEASUREMENT

OF UNACEM'S CARBON FOOTPRINT TO ESTABLISH STRATEGIES WHICH HELP US TO BETTER MITIGATE EMISSIONS

PROMOTE

GREATER INVOLVEMENT OF STAFF MEMBERS IN THE IMPORTANCE OF GOOD ENVIRONMENTAL MANAGEMENT





**THANKS TO
THE SUPPORT
AND ADVICE OF
UNACEM, WE
ACHIEVED “GALS”
QUALIFICATION.
OUT OF 54
DISTRICTS
NATIONWIDE,
PACHACAMAC WAS
RANKED THIRD
OVERALL... THIS
IS A TRUE SOURCE
OF PRIDE FOR OUR
COMMUNITY.”**

**CARLOS ALBERTO
PARRAVECINO JARA
ENVIRONMENTAL SUPERVISOR
ZONAL ENVIRONMENTAL COMMITTEE
PACHACÁMAC**



AN AVERAGE DAY AT UNACEM, 13:34 H



8

GR
WITH
CUS



**OWING
OUR
TOMERS**

WE ARE COMMITTED TO THE DEVELOPMENT OF THE CONSTRUCTION SECTOR. FOR THIS PURPOSE, WE SHARE SPECIALIZED KNOWLEDGE WITH OUR PRINCIPAL CLIENTS, SUCH AS HOME IMPROVEMENT STORES, FOREMEN, PROFESSIONAL AND DIY CONSTRUCTION WORKERS, HELPING THEM TO FORMALIZE THEIR CONSTRUCTION PRACTICES.

At UNACEM, we have consolidated ourselves as strategic partners of our clients, providing them with high-quality products that meet their construction needs.

Our business strategy is focused on the development of hardware stores, which are the main channel for purchases by builders in the country. As such, they are an important part of our value chain, having become our main client and accounting for over 70% of our sales.

We seek provide them with a different supply in the market. For this reason, we established the Progre-Sol network of hardware stores in 2008, bringing together different hardware stores with outstanding performance throughout the country and providing them with the tools to develop and make their business grow, becoming more competitive in the market. In turn, this Network serves more than 6,500 independent hardware stores, foremen, construction workers, and DIY builders.

Progre-Sol has allowed us to promote development from the bottom of the pyramid, where small hardware stores become UNACEM's main sub-distributors. This helps us form a sustainable business relationship throughout the value chain, from the plant to the final user.

KEY FIGURES

MORE THAN
4,000
HARDWARE
STORES, FOREMEN,
PROFESSIONAL AND
DIY CONSTRUCTION
WORKERS TRAINED
IN 2013

81%
SATISFACTION
AMONG
PROGRE-SOL
HARDWARE STORE
NETWORK

88%
AMONG
INDEPENDENT
HARDWARE
WORKERS

PROGRE-SOL HARDWARE STORE NETWORK

We work with the largest hardware store network in Peru, which brings together over 270 hardware stores in our area of influence, in the north up to Huaraz, Casma, and Huarmey, and to the south up to Nazca. We also serve over 40 points of sale, whether distributors or directly to hardware stores, in key regions such as Junín, Huánuco, Pasco, Ayacucho, Apurímac, Huancavelica, Ucayali, and Loreto. We thus manage to successfully supply the national market.

Through the Network, we trained over 4,000 hardware store owners, foremen, construction workers, and DIY builders in 2013. High-level comprehensive courses taught by practicing civil engineers helped professionalize the sector's construction practices. We also use virtual communication channels such as our web page and our YouTube channel, enabling us to share this knowledge with society as a whole.

These activities help build customer loyalty, since they grow us a company, and we grow as an organization.

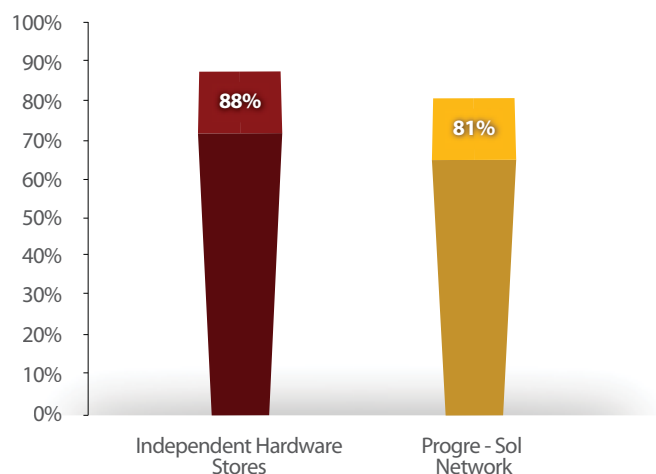
CUSTOMER SATISFACTION

Each year, we measure our customers' satisfaction: owners of both independent hardware stores and members of the Progre-Sol Network. To improve our satisfaction rating, in 2013 we implemented a dispatch system for big bags, which will allow us to dispatch 1,500 tons of cement more per day in 2014 using this method, thus better meeting demand.

In 2013, the general satisfaction of our customers from the Progre-Sol Network of hardware stores was 81%, while for independent hardware stores it was 88%, using the Top Three Box indicator (Satisfied, Completely Satisfied, and Very Satisfied) developed by Ipsos Perú.

GRAPHIC N.º 10

2013 SATISFACTION SURVEY



Source: Loyalty Optimizer Study conducted by Ipsos Perú in July 2013.

CHALLENGES FOR 2014


BUILD

LOYALTY AND STRENGTHEN BUSINESS WITH TRADITIONAL HARDWARE STORES BY REDESIGNING ATTENTION AND INNOVATING IN OUR BUSINESS MODEL

DOUBLE

THE NUMBER OF PROFESSIONAL TRAINING HOURS FOR FOREMEN, CONSTRUCTION WORKERS, AND DIY BUILDERS





**WITH THE
MERGER, EVERYTHING
HAS IMPROVED...
THE PRESENCE OF
THE PRODUCTS IN THE
MARKET, COVERAGE,
ADVERTISING, AND
SPECIAL OFFERS.
ALL OF THIS HAS
AN IMPACT ON THE
ORDERS WE RECEIVE,
AND THAT IS THE
SOURCE OF OUR
GROWTH.”**

JUAN ORELLANA TOVAR
PAKASSA S.R.L. HARDWARE STORE
CUSTOMER OF PROGRE-SOL NETWORK
LIMA



AN AVERAGE DAY AT UNACEM, 15:49 H



9

MANAG
THE SUPP



**ING
LYCHAIN**

WE SHARE OUR HIGH STANDARDS OF BEHAVIOR WITH OUR SUPPLIERS, FOSTERING RESPONSIBLE ACTIONS THROUGHOUT THE SUPPLY CHAIN.

We promote the development of better standards of quality and safety in our suppliers by placing requirements on them that help raise their standards of behavior. In this way, we help increase their competitiveness and responsible performance.

We use the Strategic Supply methodology, which enables us to analyze the Company’s internal demand compared to supply. Thus we identify strategic and critical suppliers for the organization based on their degree of importance in the production process. They undergo a validation process to identify, evaluate, and select the suppliers, thus aligning their performance with our policies and values.

In 2013, as part of the merger, we standardized the supplier management procedures throughout the Company. This helped improve efficiency and provide our suppliers with a more orderly system.

SUPPLIER VALIDATION

At UNACEM, we have a supplier validation system that enables us to evaluate their performance with regard to quality, safety, health, and the environment. We evaluate the suppliers who account for 80% of the volume of annual purchases, and those related to the Integral Management System. Contractors of critical services and those that may have a negative impact on the safety of the staff or the environment are evaluated at least once every six months.

**KEY
FIGURES**

1,069
SUPPLIERS
NATIONWIDE

OVER
S/. 52
MILLION IN LOCAL
PURCHASES

SUPPLIERS EVALUATION PROCESS



1 SUPPLIER IDENTIFICATION

2 EVALUATION: FILL OUT VALIDATION FORM

3 INFORMATION VERIFICATION: SURPRISE VISITS

4 GRADING OF SUPPLIER AS A VALIDATED GOOD SUPPLIER

5 SUPPLIER IS STANDARDIZED AND ENTERED IN UNACEM'S DATABASE

In this way, we work with the most qualified suppliers in the market in order to meet our customers' demands and provide them with goods that meet international quality standards, on a timely basis.

MAIN INITIATIVES OF 2013

- Training sessions on safety for transport staff and review of vehicular maintenance. This initiative seeks to reduce the risk of accidents, fostering a culture of road safety among our suppliers. In 2014, we will evaluate the possibility of including transporters in our audits.
- In 2013, three audits were performed on all our contractors with regard to matters of compliance with policies, training, safety committees, accident investigation, critical work procedures, waste management, and environmental aspects. When nonconformities are detected, UNACEM advises the contractor on how to investigate the case and determine the plan of action.

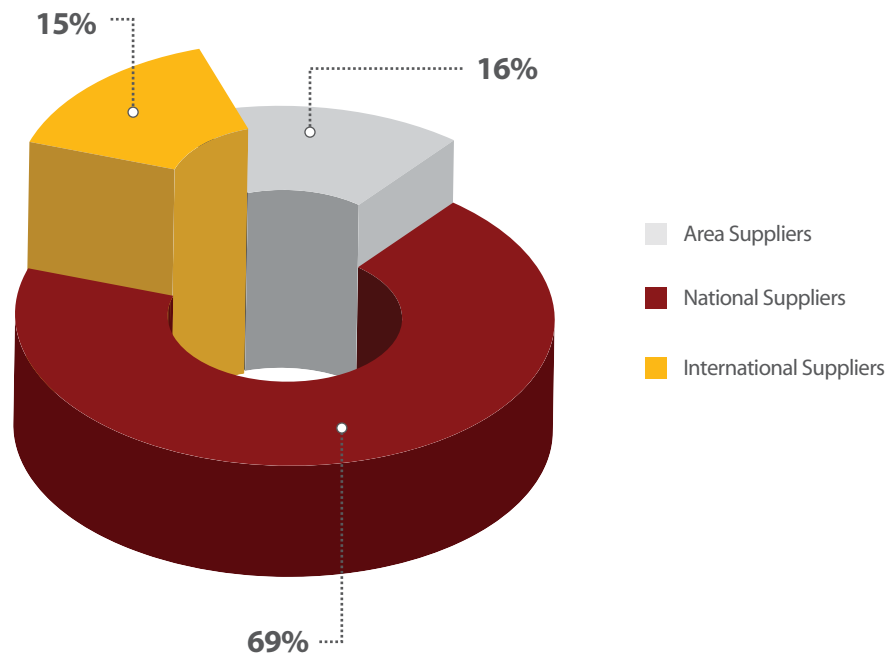
PURCHASES FROM SUPPLIERS

In 2013, the amount of purchases in goods and services totaled more than S/. 1 billion. National purchases came to S/.694.9 million (53% of the total), while purchases made in the area totaled S/.243.8 million (18% of the total). We thus contributed to the economy by creating new job positions and increasing the competitiveness of area suppliers. ¹

GRAPHIC N.º 11

DISTRIBUTION OF SUPPLIERS

(Total: 1,420 suppliers)



CHALLENGES FOR 2014

IMPROVE

INTEGRAL MANAGEMENT OF SUPPLIERS THROUGH EVALUATIONS THAT ALLOW THEM TO BE ASSESSED BASED ON OUR CODE OF CONDUCT, THUS RAISING THEIR STANDARDS

ESTABLISH

DEVELOPMENT STRATEGIES FOR NATIONAL AND LOCAL STRATEGIES IN ORDER TO INCREASE THEIR COMPETITIVENESS, ENABLING THEM TO WORK WITH UNACEM

¹ For UNACEM, a local supplier is one who is located in the area of influence of the plants.



ATOCONGO PLANT, LIMA





**WORKING WITH
UNACEM HAS ENABLED
US TO IMPROVE OUR
STANDARDS, JOINTLY
OBTAINING QUALITY,
ENVIRONMENTAL,
AND OCCUPATIONAL
SAFETY CERTIFICATION.
THESE INTERNATIONAL
REQUIREMENTS
HAVE HELPED US
GROW TOGETHER,
PROGRESSING TOWARD
THE SAME GOAL.”**

CARLOS ALBERTO TARRILLO DÍAZ
MINE HEAD
SAN MARTIN CONTRATISTAS GENERALES S.A.
ATOCONGO



AN AVERAGE DAY AT UNACEM, 16:22 H



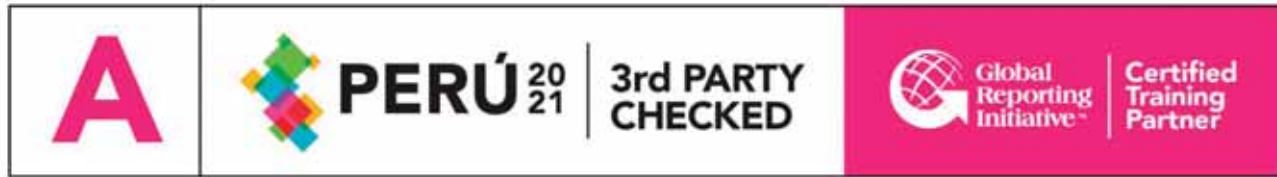
10

GRI CONT
INDEX



ENT

THIRD PARTY CHECKED



Lima, March 20, 2014

Messrs.
UNACEM
Lima, Peru

Dear Sirs,

For the purposes of the **Third Party Checked** 2013 **UNACEM** Sustainability Report corresponding to **Level A** required by the Global Reporting Initiative (GRI), we proceeded as follows:

- An in-depth reading and analysis of the version of the 2013 Sustainability Report was performed, based on the G3.1 Sustainability Reporting Guidelines of the GRI.
- It was reviewed and comments and objections were prepared for the rectification thereof.
- A second review and analysis of the final version of the 2013 Sustainability Report were performed.

The aspects included in the analysis were as follows:

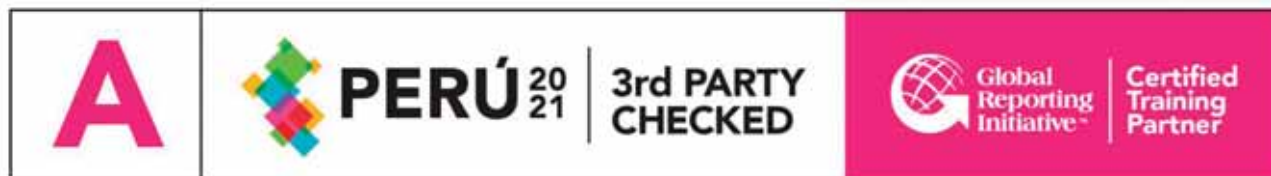
1. The application of the **GRI principles for defining the content** of the Sustainability Report.
2. The application of the **GRI principles for defining the quality** of the Sustainability Report.
3. Compliance with the **minimum aspects and indicators** to be reported to achieve **GRI Level A**.
4. **Recommendations** for future sustainability reports.

Below is a brief description of the aspects included in the analysis:

1. Principles for Defining Report Content

With regard to the application of the principles for defining content, this Sustainability Report was prepared taking into account the principles of materiality, stakeholder inclusiveness, sustainability content, and completeness:

- **Materiality:** In general, the Report has proven to be material, since the document does cover the company's relevant matters. However, its materiality should not only be taken into account when tracking and reporting relevant matters, but also when presenting it.
- **Stakeholder Inclusiveness:** The Report emphasizes the inclusion of its stakeholders in its materiality analysis, using different tools such as periodic meetings, workshops with the community, direct rapport, virtual means, written means such as "El Concretito," and social diagnostics, among others.



- **Sustainability Context:** The Report talks about the company's Social Responsibility Policy, the implementation of its sustainability model aligned with its business objectives, as well as adherence to the Global Compact, evidencing its commitment to sustainable development.
- **Completeness:** The Report presents the economic, social, and environmental performance of the company. Additionally, it reports on the practices at its two plants, Atocongo and Condorcocha. Depending on the degree of progress of each of them, details are given on their practices and performance indicators.

2. Reporting Principles for Defining Quality

The **UNACEM** Sustainability Report meets the six quality principles: balance, comparability, accuracy, timelines, clarity, and reliability. The Report presents comparable data with the results of its performance for 2012 and 2013. The presentation is clear and easy to understand for stakeholders. The Report clearly establishes its publication timeline as annual. The information contained therein is reliable and may be subjected to examination without problems.

3. Report Indicators

The Report provides 75 performance indicators. The principal and additional indicators are distributed as follows: 7 economic performance indicators; 23 environmental indicators; 13 social/occupational practices performance/work ethics indicators; 8 social/human rights indicators; 8 social/performance of society indicators; 5 product responsibility indicators; 19 unavailable indicators; and 11 indicators from the mining and metals supplement.

4. Recommendations

Perú 2021 believes that all sustainability reports can and should show improvements, period after period. For such purpose, in order to contribute to greater transparency and better reporting of **UNACEM's** Social Responsibility performance, we recommend the following:

- Present material information in the Report, giving it the space and detail necessary within the content thereof. It should not be forgotten that the Report seeks to clearly inform and communicate to stakeholders the social, economic, and environmental performance of the company.
- Prioritize the commitments and challenges established in this Report, as well as partial indicators and those reported as unavailable for the preparation of future editions.
- Make use of tables and graphs that illustrate the commitments assumed with stakeholders, in order to understand and evidence the compliance of the company's Social Responsibility strategy.
- Expand good transparency practices via the preparation of the Sustainability Report to all of the company's units.

A



PERÚ 20
21

3rd PARTY
CHECKED



Global
Reporting
Initiative

Certified
Training
Partner

- Prepare a comprehensive analysis on the financial consequences and other risks to the organization's activities that may occur, focusing on climate change, one of the most relevant environmental problems worldwide.
- The company's human rights performance is highly relevant to its management. We recommend prioritizing the development of this aspect in the company's value chain (suppliers).

Perú 2021 is a leading organization in the promotion of social responsibility in Peru, and has not participated in the preparation of the Sustainability Report under analysis. After performing the respective analysis, we can confirm that the 2013 **UNACEM** Sustainability Report meets the requirements necessary to be rated:

A: Third Party Checked

Sincerely,

Henri Le Bienvenu Mercado
General Manager
Perú 2021

STATEMENT GRI APPLICATION LEVEL CHECK



Statement GRI Application Level Check

GRI hereby states that **Unión Andina de Cementos S.A.A** has presented its report "UNACEM Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 20 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



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

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

OUR 2013 SUSTAINABILITY REPORT IS BASED ON THE APPLICATION LEVEL A INDICATORS, AS PER THE REQUIREMENTS OF THE GLOBAL REPORTING INITIATIVE (GRI) G3.1 SUSTAINABILITY REPORTING GUIDELINES.

The following table indicates where to find the relevant information on the 2013 Sustainability Report Indicators.

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevant of sustainability to the organization and its strategy.	Page 12	Statement of Adherence	Clause 6.2
	1.2	Description of key impacts, risks, and opportunities.		
ORGANIZATIONAL PROFILE				
2.1	Name of the organization.	Unión Andina de Cementos S.A.A.		
2.2	Primary brands, products, and/or services.	Page 18		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	UNACEM's structure is organized into the following areas: administrative, marketing, project execution, corporate development, financial, legal, and operations management. Asociación UNACEM is a non-profit organization that works in a cross-cutting manner with all the managements.		Clause 6.2
2.4	Location of organization's headquarters.	UNACEM headquarters are located at Av. Carlos Villarán 514, Santa Catalina, La Victoria, Lima.		

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
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.	Page 16		
	Nature of ownership and legal form.	UNACEM is a publicly-traded corporation that is listed on the Lima Stock Exchange and is regulated by the Securities Market Superintendency (SMV).		
	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	At UNACEM, we supply cement to the domestic market, primarily from the southern coast to the northern coast, the central jungle, the southern highlands, and the jungle of Peru.		
	Scale of the reporting organization.	Scale of the organization: S/. 1.7852 billion in sales. 5.6 million tons in cement dispatch. Over 148,000 beneficiaries. 654 staff members. 1,069 suppliers nationwide.		
	Significant changes during the reporting period regarding size, structure, or ownership of the organization.	There were no significant changes in the organization in 2013.		
	Awards received in the reporting period.	Page 32		

REPORT PARAMETERS

3.1	Reporting period for information provided (e.g., fiscal year, calendar year, etc.)	January to December 2013		
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GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
3.2	Date of most recent previous report (if any)	Fiscal Year 2012		
	Reporting cycle (annual, biennial, etc.)	Annual		
	Contact point for questions regarding the report or its contents.	ASOCIACIÓN UNACEM Social Responsibility and Communications. comunicaciones@asociacionunacem.org		

REPORT SCOPE AND BOUNDARY				
3.5	Process for defining report content.	Page 29		
	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	This Sustainability Report covers the performance of the Atocongo and Condorcocha Plants of UNACEM. While the Company owns other units, they are not included in this Report.		
	State any specific limitations on the scope or boundary of the report.	This document provides information on the economic, social, and environmental performance of the company UNACEM. Depending on the degree of progress in the Atocongo and Condorcocha Plants, performance practices and indicators are provided.		
	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.	No changes in 2013.		

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the complication of the Indicators and other information in the report.	All calculations used for this report are based on internal methodologies and correspond to indicators that form part of the Securities Market Superintendency (SMV).		
	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	The definition of the indicators corresponds to those reported in the previous report.		
	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	No changes in 2013.		

GRI CONTENT INDEX

3.12	Table identifying the location of the Standard Disclosures in the report.	Page 126		
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Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report.	This Sustainability Report has been submitted for a third-party evaluation and the assurance of the Global Reporting Initiative (GRI), based on the guidelines established by the G3.1 GRI Guide.		Clause 7.5.3
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GRI INDICATORS	RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
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GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

Governance

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Page 40		Clause 6.2
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	The Chairman of the Board holds no administrative position.		Clause 6.2
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.	Page 40		Clause 6.2
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Page 29		Clause 6.2
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	The members of the Board of Directors of UNACEM receive a defined set compensation, and the management staff receives profits, in addition to their salaries, for meeting annual sales goals.		Clause 6.2

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Page 40 The UNACEM Code of Conduct is also applicable to the members of the Board. Through these standards, we ensure that all conflicts of interest are avoided inside the Company.		Clause 6.2
	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.	UNACEM has a procedure for the determination of training and experience required of members of the Board of Directors, in order to set the organization's strategy in social, economic, and environmental aspects.		Clause 6.2
	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Page 17		Clause 6.2
	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.	The Board of Directors supervises the Company's sustainable management through the Integrated Management System, in compliance with the guidelines of the Social Responsibility Policy and the Code of Conduct.		Clause 6.2

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The guidelines of the Code of Conduct and the Social Responsibility Policy apply to the Company's Board of Directors. As such, we use these directives to evaluate the performance of the Board of Directors.		Clause 6.2
Commitments to External Initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Page 40, 54, 61		Clause 6.2
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Page 74		Clause 6.2
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations which the Company supports.	Page 156		Clause 6.2
Stakeholder Engagement				
4.14	List of stakeholder groups engaged by the organization.	Page 29		Clause 6.2
4.15	Basis for identification and selection of stakeholders with whom to engage.	Page 28		Clause 6.2
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Page 29		Clause 6.2

GRI INDICATORS		RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Page 30		Clause 6.2

ECONOMIC PERFORMANCE

Core		Management Approach.	Page 46	Principles 1,4,6,7	Clause 6.2, 6.8
	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Page 47		Clause 6.8, 6.8.3, 6.8.7, 6.8.9
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partial answer: At this time, we do not have a comprehensive analysis of the financial implications and other risks and opportunities for the organization's activities due to climate change. Because this is a topic that has taken on increasing relevance, we undertake to do so and report on it in future periods.	Principle 7	Clause 6.5.5
	EC3	Coverage of the organization's defined benefit plan obligations.	In 2013, UNACEM paid out social benefits for S/. 5,402,240 to all its staff members, employees, and workers. These benefits included family healthcare, supplementary worker's compensation insurance, and optional life insurance.		
	EC4	Significant financial assistance received from government.	We did not receive financial assistance from the government.		

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Unavailable	Principle 1	Clauses 6.3.7, 6.4.4, 6.8
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Page 112		Clauses 6.6.6, 6.8, 6.8.5, 6.8.7
Core	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Page 55 At UNACEM, we do not have a Local Hiring Policy, but in our operating plants we give priority to hiring staff members from our areas of influence. In the case of our senior managers, none is from the areas of influence.	Principle 6	Clauses 6.8, 6.8.5, 6.8.7
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Page 76		Clauses 6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9
Additional	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Unavailable		Clauses 6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9

LABOR PRACTICES

		Management Approach.	Page 54	Principles 1,3,6	Clauses 6.2, 6.4, 6.3.10
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GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Page 55 At UNACEM, 654 have an indefinite contract and 128 have a fixed-term contract. Our demographic register of staff members is based on those with indefinite contracts.		Clauses 6.4, 6.4.3
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Page 54 Partial answer: Number of new hires: Total UNACEM: 76 Women: 2 Men: 74 Turnover rate: Total UNACEM: 5.48% At this time, we do not have contract recording by age and region. We also do not have an average turnover rate broken down by age, gender, and region. This breakdown will be included in future reports.	Principle 6	Clauses 6.4, 6.4.3
Additional	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Page 60 At UNACEM, we provide our staff members with benefits such as the private Family Healthcare Program, optional life insurance, an annual oncology program, bonuses for school-age children, 24-hour medical emergency services, and recreational spaces.		Clauses 6.4, 6.4.3, 6.4.4
	LA4	Percentage of employees covered by collective bargaining agreements.	Page 61 All staff members at the Atocongo and Condorcocha Plants are covered by the collective bargaining agreement.	Principles 1,3	Clauses 6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	The collective agreements do not specify minimum notice periods regarding operational changes, but as a general practice, we inform the union of the changes in advance, depending on how significant the change is.	Principle 3	Clauses 6.4, 6.4.3, 6.4.4, 6.4.5
	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	All of our staff members are represented on the Health and Safety Committee.	Principle 1	Clauses 6.4, 6.4.6
Core	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Page 67	Principle 1	Clauses 6.4, 6.4.6
Core	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Page 64	Principle 1	Clauses 6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8
Additional	LA9	Health and safety topics covered in formal agreements with trade unions.	Unavailable	Principle 1	Clauses 6.4, 6.4.6

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	LA10	Average hours of training per year per employee by gender, and by employee category.	<p>Page 60</p> <p>In 2013, we imparted the following hours of training, on average:</p> <p>Atocongo Plant:</p> <p>By category: administrative (61.51); employee (29.42); worker (2.68).</p> <p>By gender: women (35.6); men (42.1).</p> <p>Condorcocha Plant:</p> <p>By category: administrative (31); employee (29.42); worker (11).</p> <p>By gender: women (16); men (15).</p>		Clauses 6.4, 6.4.7
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Page 58		Clauses 6.4, 6.4.7, 6.8.5
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Page 57		Clauses 6.4, 6.4.7
	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	<p>Page 54</p> <p>Our Board of Directors is made up of 13 members. All of them are men over the age of 50. At this time, none of our staff members or members of the Board of Directors belongs to a minority group.</p>	Principles 1,6	Clauses 6.3.7, 6.3.10, 6.4, 6.4.3
Core	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	There is no different in the ratio of basic salaries between men and women in our administrative, employee, or worker categories.	Principles 1,6	Clauses 6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	LA15	Return to work and retention rates after parental leave, by gender.	In 2013, a total of 27 people took maternity or paternity leaves. Of these, 24 were men and 3 were women. All of them returned to work after the allocated period.		Clauses 6.4, 6.4.4

HUMAN RIGHTS

Core		Management Approach.	Page 12	Principles 1,2,3,4,5,6	Clauses 6.2, 6.3, 6.3.3, 6.3.4, 6.3.6, 6.6.6.6
	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Partial answer: At this time, we do not have significant investment agreements that incorporate human rights clauses. However, we have clauses in accordance with Peruvian standards.	Principles 1,2,3,4,5,6	Clauses 6.3, 6.3.3, 6.3.5, 6.6.6
	HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	Page 113	Principles 1,2,3,4,5,6	Clauses 6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6
Additional	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Unavailable	Principles 1,2,3,4,5,6	Clauses 6.3, 6.3.5

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	HR4	Total number of incidents of discrimination and corrective actions taken.	During the report period, there were no incidents of discrimination in any of our operations.	Principles 1,2,6	Clauses 6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	At UNACEM, it is our policy to respect the right to association in all operations and the right to collective bargaining agreed to with the company. Thus, we have two unions, one in Atocongo and the other in Condorcocha. For the full exercise of union rights, in addition to having a union locale and a space to forward concerns through the Human Resources Management, dialogue panels are held with the unions and socialization spaces.	Principles 1,2,3	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5
	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.	At UNACEM, we do not have operations with the potential risk of incidents of child labor, since one of the requirements in order to work for us is to be of legal age. It is our goal to develop performance plans for our most significant suppliers, which shall be implemented in future periods.	Principles 1,2,5	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	At UNACEM, we do not have operations with the potential risk of incidents of forced or compulsory labor, since one of the requirements in order to work for us is to be of legal age. It is our goal to develop performance plans for our most significant suppliers, which shall be implemented in future periods.	Principles 1,2,4	Clauses 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Unavailable	Principles 1,2	Clauses 6.3, 6.3.5, 6.4.3, 6.6.6
	HR9	Total number of incidents of violations involving the rights of indigenous peoples and actions taken.	Unavailable	Principles 1,2	Clauses 6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7
Core	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Partial answer: We do not have operations that have been subject to human rights reviews, but we are committed to respecting and valuing the culture of the community.	Principles 1,2	Clauses 6.3,6.3.3, 6.3.4, 6.3.5
Core	HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	During the report period, no grievances were received regarding human rights.	Principles 1,2	Clauses 6.3,6.3.6

SOCIETY

Core		Management Approach.	Page 74	Principle10	Clauses 6.2, 6.6,6.8
	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Page 74		Clauses 6.3.9, 6.8, 6.8.3, 6.8.9

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	S02	Percentage and total number of business units analyzed for risks related to corruption	Partial response: At this time, we do not perform analyses with regard to risks related to corruption. As part of our continuous improvement, we will seek to initiate this process in future periods.	Principle 10	Clauses 6.6, 6.6.3
	S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Partial response: UNACEM has a Code of Conduct that is shared through internal means. At this time, we do not have a training system on the Code of Conduct, but the implementation thereof will be evaluated.	Principle 10	Clauses 6.6, 6.6.3
Core	S04	Actions taken in response to incidents of corruption	In 2013, no incidents of corruption were reported.	Principle 10	Clauses 6.6, 6.6.3
Core	S05	Public policy positions and participation in public policy development and lobbying	UNACEM does not participate in lobbying activities. We support bills through our participation in professional associations such as the National Association of Industries (SNI).	Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Clauses 6.6, 6.6.4, 6.8.3
Additional	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Unavailable	Principle 10	Clauses 6.6, 6.6.4, 6.8.3
Additional	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Unavailable		Clauses 6.6, 6.6.5, 6.6.7

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	In 2013, we reported no significant sanctions for non-compliance with laws or regulations.		Clauses 6.6, 6.6.3, 6.6.7, 6.8.7 (*)
	S09	Operations with significant potential or actual negative impacts on local communities.	The principal impacts observed in the neighboring community are: Emission of dust, causing a decrease in the productivity of the land Greenhouse gas emissions Vibration of earth due to exploitation in quarry Perception of water contamination in the canal used to irrigate lands.		Clauses 6.3.9, 6.5.3, 6.5.6, 6.8
	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Page 88, 89, 90		Clauses 6.3.9, 6.5.3, 6.5.6, 6.8

PRODUCT RESPONSIBILITY

Core		Management Approach	Page 104	Principles 1, 8	Clauses 6.2, 6.6, 6.7
	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	UNACEM is OHSAS 18001 certified, assuring quality and safety during all stages of the product's life cycle. Cement as a final product does not generate negative impacts on our clients' health and safety. However, on the bags of cement we provide our customers with information on handling precautions to be taken.	Principle 1	Clauses 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	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.	Unavailable	Principle 1	Clauses 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5
	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requests.	At UNACEM, we comply with all legal requirements and national standards on product labeling: <ul style="list-style-type: none"> • Law 28405—Labeling Act • OS 020-2005 PRODUCE Regulations on the Labeling Act. 	Principle 8	Clauses 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9
Additional	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Unavailable	Principle 8	Clauses 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9
Additional	PR5	Practices related to customer satisfaction including results of surveys measuring customer satisfaction.	Page 105		Clauses 6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9
Core	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	UNACEM is a member of the National Advertisers' Association (ANDA Perú), which is responsible, among other things, for the self-regulation of advertising and consumer protection, based on respect for the principles of legality, decency, truthfulness, and fair competition in the advertising industry.		Clauses 6.7, 6.7.3, 6.7.6, 6.7.9

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Unavailable		Clauses 6.7, 6.7.3, 6.7.6, 6.7.9
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Unavailable	Principle 1	Clauses 6.7, 6.7.7
Core	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	We did not report any significant fines with regard to the supply and use of products.		Clauses 6.7, 6.7.6

ENVIRONMENT					
Core		Management Approach.	Page 86	Principles 7,8,9	Clauses 6.2, 6.5
	EN1	Materials used by weight or volume.	Page 95	Principle 8	Clauses 6.5, 6.5.4
Core	EN2	Percentage of materials used that are recycled input materials.	In 2013, no recycled input materials were identified in UNACEM's production process.	Principles 8,9	Clauses 6.5, 6.5.4
Core	EN3	Direct energy consumption by primary energy source.	Page 89	Principle 8	Clauses 6.5, 6.5.4
Core	EN4	Indirect energy consumption by primary source.	Page 89	Principle 8	Clauses 6.5, 6.5.4

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	EN5	Energy saved due to conservation and efficiency improvements.	Page 87, 88	Principles 8,9	Clauses 6.5, 6.5.4
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Page 87	Principles 8,9	Clauses 6.5, 6.5.4
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Unavailable	Principles 8,9	Clauses 6.5,6.5.4
Core	EN8	Total water withdrawal by source.	Page 93	Principle 8	Clauses 6.5,6.5.4
Additional	EN9	Water sources significantly affected by withdrawal of water.	Unavailable	Principle 8	Clauses 6.5,6.5.4
Additional	EN10	Percentage and total volume of water recycled and reused.	Page 92, 93	Principles 8,9	Clauses 6.5,6.5.4
Core	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Página 96 None of our operations is located in a protected area or area of high biodiversity. The Las Dunas unit is made up of the Las Dunas (374.97 ha), Las Dunas 2 (540 ha), and Las Dunas 3 (300 ha) concessions, which are located within 20km from the Paracas National Reserve, in the buffer zone, where a variety of species are protected.	Principle 8	Clauses 6.5,6.5.6

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Page 95	Principle 8	Clauses 6.5,6.5.6
	EN13	Habitats protected or restored.	Unavailable	Principle 8	Clauses 6.5,6.5.6
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Page 96	Principle 8	Clauses 6.5,6.5.6, 6.8.3
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Unavailable	Principle 8	Clauses 6.5,6.5.6
	EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 89	Principle 8	Clauses 6.5,6.5.5
	EN17	Other relevant indirect greenhouse gas emissions by weight.	Partial response: To date, we have not performed a measurement of indirect greenhouse gas emissions, but we have set a goal of integrally determining our carbon footprint, and thus further attenuating climate change.	Principle 8	Clauses 6.5,6.5.5

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Page 87	Principles 7,8,9	Clauses 6.5,6.5.5
	EN19	Emissions of ozone-depleting substances by weight.	At this time, we do not use any substances that deplete the ozone layer, such as CFCs. In our processes, we avoid the use of aerosols when painting surfaces, and coolant gases used in air conditioning receive constant maintenance.	Principle 8	Clauses 6.5, 6.5.3
	EN20	NO, SO, and other significant air emissions by type and weight.	Page 89	Principle 8	Clauses 6.5, 6.5.3
	EN21	Total water discharge by quality and destination.	UNACEM has a Wastewater Treatment Plant that enables us to treat 100% of our domestic and industrial effluents. Thanks to this process, we have no discharges into the public sewerage system.	Principle 8	Clauses 6.5, 6.5.3
	EN22	Total weight of waste by type and disposal method.	Page 95	Principle 8	Clauses 6.5, 6.5.3
	EN23	Total number and volume of significant spills.	In 2013, we registered no accidental spills in our plants.	Principle 8	Clauses 6.5, 6.5.3
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Unavailable	Principle 8	Clauses 6.5, 6.5.3

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Unavailable	Principle 8	Clauses 6.5, 6.5.3, 6.5.4, 6.5.6
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Página 87 Cement, as a material in and of itself, is not a pollutant. For this reason, our environmental management is focused on the production process.	Principles 7,8,9	Clauses 6.5, 6.5.4, 6..6.6, 6.7.5
Core	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partial response: At UNACEM, our product is distributed to clients packaged in cement bags. We do not currently have a system that allows us to recover the bags at the end of the product's useful life. However, we are currently evaluating the incorporation of this practice into our management.	Principles 8,9	Clauses 6.5, 6.5.3, 6.5.4, 6.7.5
Core	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	In 2013, no significant monetary fines or sanctions were registered for non-compliance with environmental regulations.	Principle 8	Clause 6.5

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Additional	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	The main impacts of our transportation are the possible spillage of fuel, emission of dust, etc. For this reason, our commitment to the environment also involves the monitoring of our fleet of transportation for the performance of our activities. As such, we periodically perform maintenance and preventive inspections on all of the Company's vehicles. This procedure includes our contractors, who sign contracts that include a clause on vehicle maintenance.	Principle 8	Clauses 6.5, 6.5.4, 6.6.6
	EN30	Total environmental protection expenditures and investments by type.	Unavailable	Principles 7,9	Clause 6.5

MINING SUPPLEMENT

Core	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Partial response: At this time, we do not have records on this information, but it will be reported for future periods.	Principle 8	
	MM2	Number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	At Atocongo, we have 5 mining units in operation, all of which have an environmental management plan for biodiversity.	Principle 8	

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	In 2013, we registered a total of 3,704,204 tons of overburden at the Atocongo Plant, with a total of 2,635,771 tons at Pucará. In terms of our materials, we had an overburden of 38,476.33 tons of pozzolan and 357,332 tons of rock and quaternary.		
	MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	In 2013, there were no strikes reported.	Principle 4	
	MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities.	UNACEM holds no operations near or adjacent to indigenous communities.		
	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples.	In 2013, we registered no incidents relating to land use.	Principle 1	

GRI INDICATORS			RESPONSE / PAGE	GLOBAL COMPACT	ISO 26000
Core	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes.	UNACEM has grievance and complaint procedures that allow us to resolve disputes relating to land use and customary rights, among other issues relating to local communities.	Principle 1	
	MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	UNACEM's operations are not located near artisanal mining areas.		
	MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	No households were resettled in 2013.	Principle 1	
	MM10	Number and percentage of operations with closure plans.	Our 5 units at the Atocongo Plant (100% of the total) have a closure plan. There are 2 closure plans at the Condorcocha Plant.		
	MM11	Programs and progress relating to materials stewardship.	Page 95		



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ALLIANCES AND MEMBERSHIPS

UNACEM is a member of different professional and governmental associations, through which we contribute to the development of knowledge in the cement sector.

Membership Platform:

- Entrepreneurs for Education Association
- Environmental Network of the Ministry of the Environment
- RedEAmérica
- Coordination Committee for the Fight against Poverty – South Cone
- Association of Municipalities of South Lima (AMASUR)
- Comprehensive Development Plan for South Lima
- Villa María del Triunfo Citizen Security Committee
- José Gálvez Zonal Environmental Committee
- Tablada de Lurín Zonal Environmental Committee
- Nueva Esperanza Zonal Environmental Committee
- Nuevo Milenio Zonal Environmental Committee
- Inca Pachacutec Zonal Environmental Committee
- CAES Network
- “Caritas Gracianas” Kindergarten Education Promoters’ Association
- Escuela Declara Association
- Codespa Foundation
- “Villa Jardín” Technical/Vocational Education Center
- “Raúl Porras Barrenechea” Technical/Vocational Education Center
- Metropolitan Lima Regional Directorate of Education (DRELM)
- San José Diocesan Seminary – CPR Guayabo – Pachacámac
- “Virgen del Rosario” Technical/Vocational Education Center
- “Danker” Technical/Vocational Education Center
- Ministry of Women’s Affairs and Vulnerable Populations – Women’s Emergency Center
- Ministry of Education – School District (UGEL) 1
- Ministry of Health – South Lima Health Directorate (DISA)
- Metropolitan Municipality of Lima
- Municipality of Villa María del Triunfo
- Municipality of Villa El Salvador
- Municipality of San Juan de Miraflores
- Municipality of Lurín
- Municipality of Pachacámac
- Municipality of Tarma
- Inter-American Foundation
- Asociación Los Andes de Cajamarca
- Spanish International Cooperation Agency for Development (AECID)
- World University Service of Canada (WUSC)
- Canadian International Development Association (CIDA)
- Elea Foundation / Swisscontact
- Fondo Italo Peruano

- USAID
- IDB/FOMIN –
- GIZ – German Cooperation for Development
- Tarma Sporting Association
- PRISMA
- Bishopric of Lurín
- Ciudad Saludable
- Uniterra
- ESAN
- Women's Emergency Center (CEM)
- Colgate Palmolive
- Yaqua
- World Vision
- Nueva Acropolis
- AmCham
- Peruvian-British Chamber of Commerce
- National Mining and Oil Association
- National Association of Industries
- Perú 2021
- Lima Cómo Vamos
- Entrepreneurs for Education
- Peru Green Building Council
- Obra Juventud

YOUR OPINION

IS **IMPORTANT** BECAUSE YOU DETERMINE OUR ACHIEVEMENTS. IF YOU HAVE
 QUESTIONS ABOUT THIS **REPORT** PLEASE WRITE US AT:
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AN AVERAGE DAY AT UNACEM, CONDORCOCHA PLANT, TARMA 19:21 H



2013 SUSTAINABILITY REPORT

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