



2021

**INTEGRATED
REPORT**



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**Letter from
the Chairman
of the Board**



**Ricardo Rizo Patrón
de la Piedra**

Chairman of the Board

To the stakeholders of UNACEM

[GRI 102-14]

The business environment in 2021 remained extremely complex. The COVID-19 pandemic and its worldwide impacts continued to command our attention. After adapting our protocols and methods to this new reality and in spite of significant advances in vaccination in Peru and the rest of the world, towards the end of the year we had to face a new wave of infections by the Omicron variant. The pandemic has taught us some important lessons: the importance of strengthening our proactive role in society as front-line actors and of continuing to work for the sustainable development of the countries in which we operate: as a driver of growth and jobs, encouraging efficiency and the acquisition of knowledge to create long-term value.

The world economy began to recover after the drastic contraction of 2020, growing by 5.5% despite supply chain problems and increased fuel prices that have made energy more expensive and generated inflation. Latin America showed one of the strongest levels of growth (6.8%), though performance differed from country to country and there was an increase in gender inequality at work, which will pose a major challenge to society in the coming years. Peru had the highest growth in the region (13.3%), followed by Chile (11.8%) and Ecuador, whose economy will continue to expand (3.9%).

Even though Peru's economic growth exceeded 2020 expectations, the political crisis continued throughout the year. The current government of President Castillo – whose poor ministerial appointments have produced four cabinets in its first seven months, plus continual confrontations between the Executive and Congress - has created uncertainty, loss of confidence, capital flight and investment paralysis, with a consequent devaluation of Peru's currency and increased prices. This has also generated social unrest and violence that

has only increased dissatisfaction among the population and reduced the country's growth potential. Given the situation, and as a company that generates value for society, our position is clear: we need a guarantee of the rule of law and respect for authority, only this can ensure the sustainability of the country and of future generations.

The principal explanation for this is an increase in domestic cement consumption by a vigorous self-build sector, as people change their consumption habits to devote a higher proportion of their incomes to home building and improvements, and a construction sector that grew 35.5% compared to 2020 and 15.3% compared to pre-pandemic 2019.

NOTWITHSTANDING THE CHALLENGES WE HAVE FACED DURING THE YEAR, THE OPERATING AND FINANCIAL RESULTS OF OUR CEMENT MANUFACTURING OPERATIONS IN PERU REACHED HISTORIC LEVELS.

We ended 2021 with a combined plant utilization in Peru of 92.3% for clinker production and 75.2% for cement, having dispatched 6.2 million tons; generating turnover equivalent to 2,429 million soles, an EBITDA of 896 million soles - not including the dividends declared by our subsidiaries - and a net profit of 396 million soles. As far as our debt levels are concerned, in January we re-profiled 1,168 million soles of debt, which enabled us to improve our repayment scheme for subsequent years at a lower financial cost.

IN THE SECOND HALF OF THE YEAR THE COMPANY ALSO CONSIDERABLY REDUCED ITS LEVERAGE,

making pre-payments that resulted in net debt repayments equivalent to 507 million soles to give a Debt/EBITDA ratio of 2.7, thus restoring our target levels of leverage.

Encouraged by these results, the Board of Directors took some important decisions in 2021, among them the payment of four dividends during the year and a proposal to the general meeting of shareholders in December that an additional dividend be paid in January 2022. All of this has only reinforced our permanent commitment to maximize value for shareholders. The Board also approved a program to repurchase up to 36 million soles in shares, meaning that UNACEM had 7.2 million treasury shares at the close of 2021.

All of our subsidiaries produced better results this year than in 2019. UNICON and Concremax saw a significant 46% recovery in ready mixed concrete volumes; client recovery was gradual and as the market leader we continued to supply concrete to large infrastructure projects and the mining industry. At a consolidated level, CELEPSA generated earnings 11% higher than in 2020 and also took part with other sector members in eliminating the principal distortion that had been affecting the determination of spot prices for energy in Peru. During a year of political transition, UNACEM Ecuador took advantage of an increase in demand and ended the year with turnover 34% higher, a clear focus on its clients and the digital transformation of its market. Skanon's performance remained stable, with a 4.6% increase in income even though cement sales volumes were 12.7% lower, principally because of the weather, though this was offset by a 6.8% average increase in prices. PREANSA's operations in Chile and Peru produced acceptable results, though still not up to 2019 levels of profitability; Colombia on the other hand saw an improvement in its earnings levels.

In 2021 we also strengthened our presence in Chile, integrating the operations of Unicon Chile and Cementos La Unión to form UNACEM Chile, an acquisition that has added cement milling, plant and mixer truck capacity. December saw the addition of another milling plant, as well as quarrying concessions and exploitation rights to a pozzolan deposit, which will improve our presence and ability to supply this market.

However the year's good results would not be complete if we failed to develop and care for our society. With the pandemic still affecting us all, 3 oxygen plants were donated by UNACEM, UNICON and Celepsa. We also continued to add value for our stakeholders and improve our contribution to the Sustainable Development Goals (SDG).

This is certainly an ambitious and a long-term challenge for our industry, on which we have been working for several years and we will increase our efforts to reach this goal based on our 5 axes of climate action. Our commitment to caring for the environment and biodiversity based on promoting preservation of the seasonal ecosystems known as 'lomas', was recognized by the Ministry of the Environment, which has

AS FAR AS CLIMATE CHANGE IS CONCERNED, WE UPHOLD THE GOAL OF THE GLOBAL CEMENT AND CONCRETE ASSOCIATION OF ACHIEVING CARBON NEUTRALITY IN 2050.

declared "Lomas de Quebrada Río Seco" to be a private conservation area (ACP in Spanish), the first in Metropolitan Lima, thus protecting a space for research into the lomas ecosystem and for physical activity, and encouraging community participation through local initiatives and visits by schools, universities and the general public.

Talent management is without doubt a fundamental asset of Grupo UNACEM on its path to becoming a world-class company. This year we launched our corporate safety program "Lives First", to reinforce safety as a transversal strategic value. The program focuses on a cultural transformation regarding personal safety and will be implemented in 5 phases, the first two to be completed in the short term. Another of our priorities during the year was to lay the foundations for creating and strengthening our collaborators' skills through talent management and development, thus providing us with the talent necessary to grow and build a sustainable world.

Our good financial results and clear focus on environmental, social and governance issues have placed us among the top 15 sustainable companies according to a new S&P/BVL Peru General ESG index, and have kept us in the Dow Jones Sustainability MILA Index (DJSI) 2021 for the third consecutive year.

I would also like to share our enthusiasm at reaching an important milestone in our history in 2021.

After the Independent Directors Committee and then the full Board approved a project for a simple reorganization of the company, on the 14th of last December a General Shareholders Meeting approved the project by a majority with no votes against, therefore on the 1st of January 2022

UNACEM TRANSFERRED THREE CORPORATE EQUITY BLOCKS TO SUBSIDIARIES IN PERU: UNACEM PERU, ADELAIDA AND INMA,

thus relinquishing its operational role to become a holding company with investments in cement, concrete, energy and services; the change has been formalized with a new trading name: UNACEM Corp.

UNACEM Peru is the company specializing in the production and sale of cement and clinker in the domestic market and abroad, having received not only the assets and liabilities but also the commercial goodwill and employees of this business. Both Adelaida and INMA have taken over quarrying concessions and real estate unconnected with the cement business. The aim of this simple reorganization, involving the transfer of assets built up by UNACEM over many years, is the specialization of our businesses.

This has been the first step towards the strategic consolidation of UNACEM Corp. as a corporation that seeks to maximize the profitability of our investment portfolio. We are thus creating a common vision based on clear processes, with a structure that will support the change we will have to implement throughout the group's operations in order to become the world-class company to which we aspire, focusing on sustainability and value creation, with the clear aim of growing together to build a more sustainable world. Our thanks are due to our shareholders for their support at the beginning of this transformation of Grupo UNACEM; to our clients for their confidence in our products and for working with us to overcome the difficulties we have faced; to all of our directors for their dedication and support and -especially- to the independent directors for their hard work in making possible such an important milestone in the history of Grupo UNACEM; not to mention each and every one of our collaborators for their permanent commitment to achieving excellent results and to addressing this new stage in the company's fortunes that we face together.

I invite you all to read on about the most relevant events in the life of UNACEM in 2021.



Ricardo Rizo Patrón de la Piedra



CAP. 1



**Sustainable
business**

**1.1**

Company profile

Our purpose and commitment to stakeholders

UNACEM is a company whose cement products have been familiar to Peruvians for more than 100 years.

Our aim “United to build a sustainable world” and our Manifesto, align with **ESG criteria** (environment, social and governance aspects) and with our **commitments to our stakeholders**. [GRI 102-42]

OUR MANIFESTO

Caring for the environment is not just a phrase for us, it is a commitment that we seek to fulfill in every act, by concentrating on continually improving our processes and becoming more efficient and sustainable day by day.

Everything we do is intended to improve people's lives and we use talent and knowledge to do so.

We believe that everyone deserves a dignified, safe and happy life and we know that united, we can create better conditions to that end.

How we create value

In our Sustainability Plan 2030, we have linked the business' strategic priorities with our value-creation proposal for each stakeholder group.

Our strategic priorities	Our interest groups	How we create value
Corporate governance	shareholders	<ul style="list-style-type: none"> - By ensuring good corporate governance. - Managing the continuity of the business and its sustainability over time. - We focus on returns to shareholders.
	Collaborators	<ul style="list-style-type: none"> - Guaranteeing a safe and healthy working environment. - Promoting a culture of recognition. - Facilitating inspiring and challenging leadership.
	Suppliers	<ul style="list-style-type: none"> - We promote the development and certification of suppliers. - Establishing clear rules for suppliers and contractors.
	Clients	<ul style="list-style-type: none"> - Maintaining transparent and trust-based relationships with our distributors. - Promoting respect for free competition. - Providing training for our clients.
Environment and biodiversity	The environment	<ul style="list-style-type: none"> - Reducing our environmental impacts (carbon footprint, water footprint, fugitive emissions).
Climate change	The environment	<ul style="list-style-type: none"> - Promoting initiatives that help mitigation and adapting to the effects of climate change.
A circular economy	The environment	<ul style="list-style-type: none"> - Promoting the efficient use of resources, reusing the waste generated in our processes and helping to extend the useful life of materials.
Social management	Society	<ul style="list-style-type: none"> - We are drivers of local development through our strategy of private social investment.

**1.2**

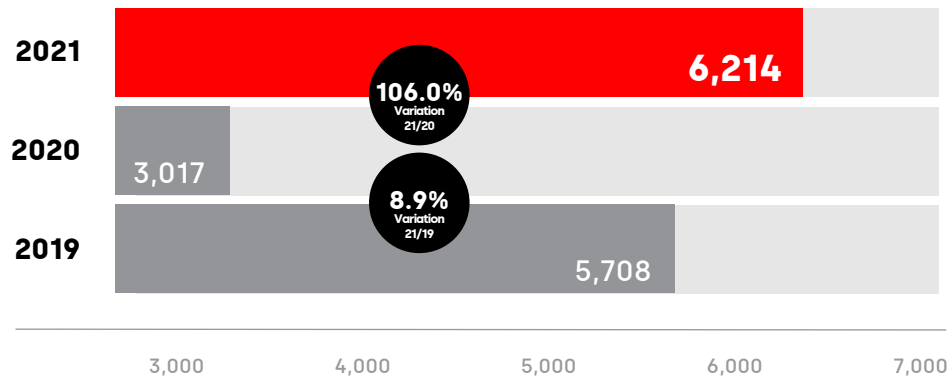
Milestones of 2021

1. In 2021 we declared our aim of becoming carbon neutral by 2050, as part of our Sustainability Strategy - 2050 and in line with the climate goal of the Global Cement and Concrete Association (GCCA).
2. Our general meeting of shareholders on the 14th December 2021 approved a simple reorganization that transformed UNACEM S.A.A. into a holding company separate from the Peruvian cement manufacturing and sales business, which was transferred to a new subsidiary UNACEM Peru S.A. on the 1st of January 2022.
3. Our production and dispatches reached record levels during the year, with more than 6.2 million tons delivered to the domestic market, 40% more than the figure for 2020.
4. The operation generated a greater cash flow, which enabled us to reduce our debt by S/ 507 million and achieve a debt/EBITDA ratio of 2.7 by the end of the year.
5. We received the Peru Sostenible 'Socially Responsible Peruvian Company' award for the tenth year running.

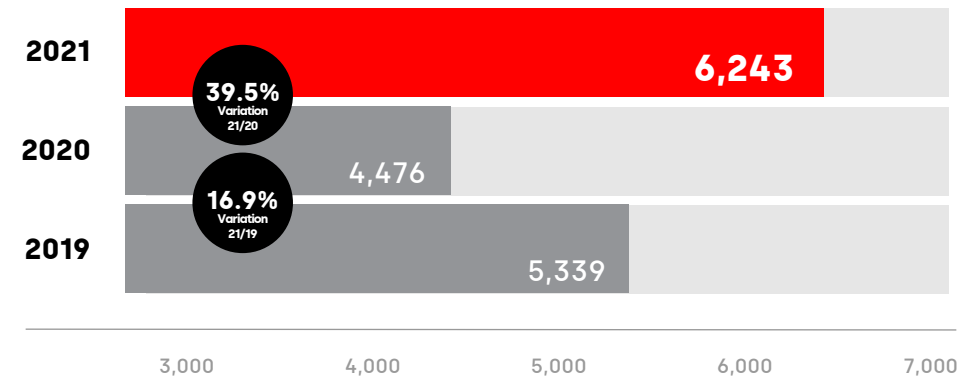
6. Construction of the Pumasauli dam was completed and we donated 16,482.58 m³ of concrete to 6 community construction projects, which benefit more than 43,000 people in Villa María del Triunfo.
7. We handed over a medicinal oxygen plant to Jose Galvez Maternity and Childcare Center in Villa Maria del Triunfo.
8. We maintained our position in the world's most important sustainability index: the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI MILA) for the third consecutive year. We are also included among the top 15 of the new S&P/BVL Peru General ESG index.
9. The Ministry of the Environment granted official recognition to the first Private Conservation Area in Metropolitan Lima, located in the districts of Pachacamac and Lurin, thus confirming our commitment to the sustainable development of Peru.

Operating results (in thousands of t)

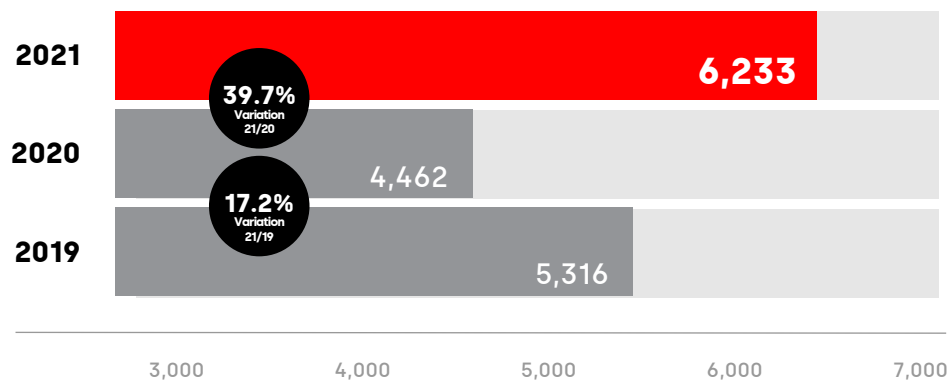
Clinker production



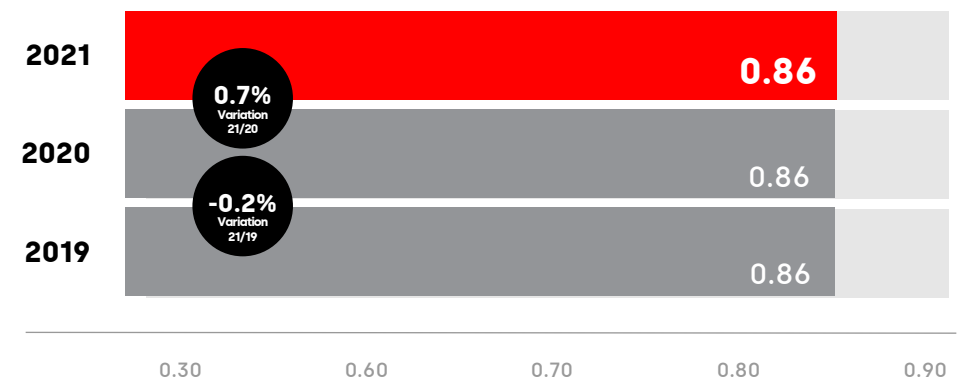
Cement production



Cement dispatches

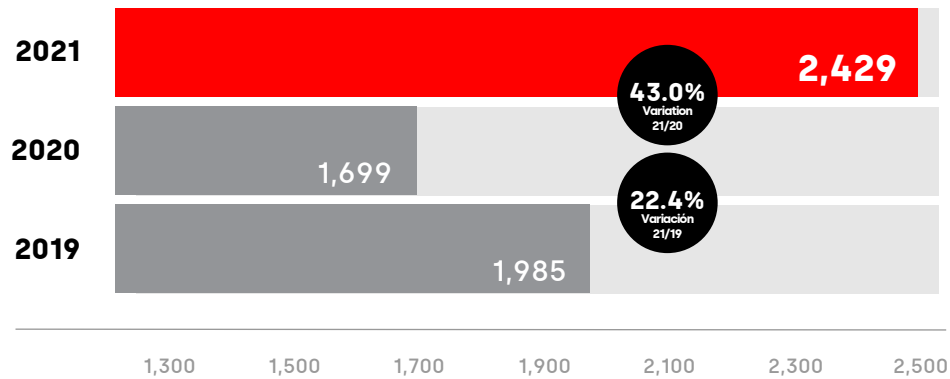


Clinker - cement ratio

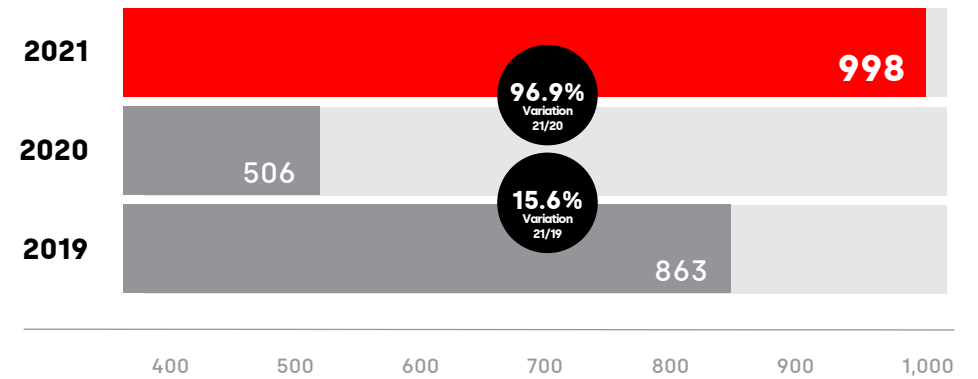


Financial results (millions of S/)

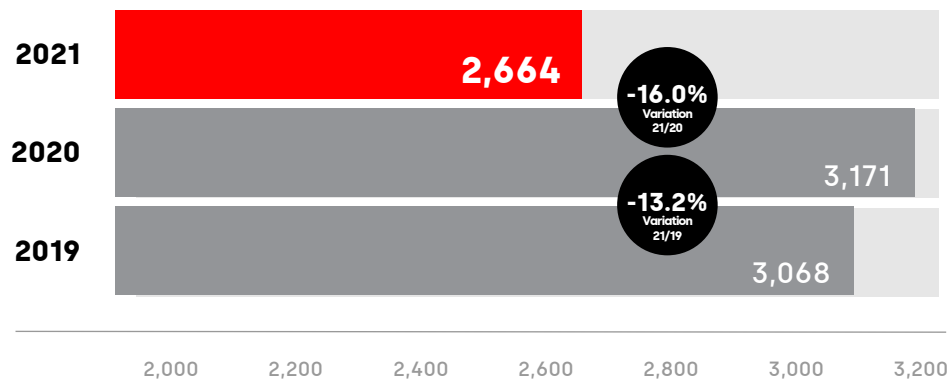
Net sales



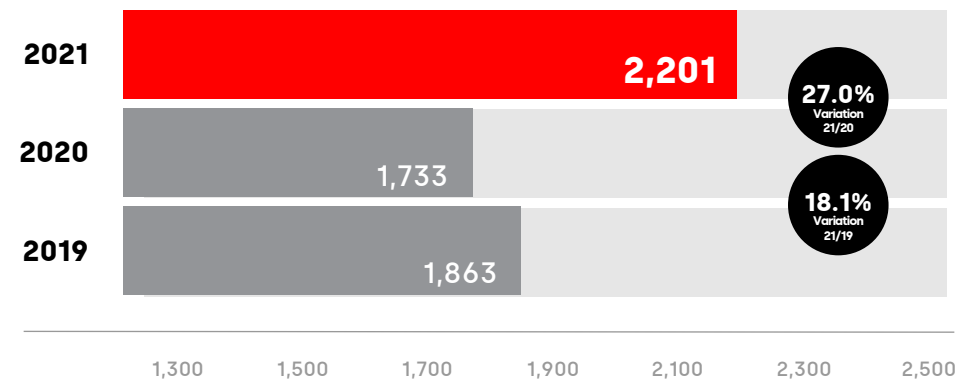
EBITDA



DEBT

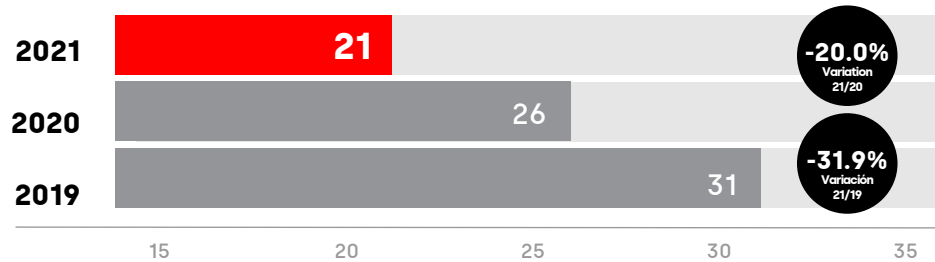


Distributed economic value

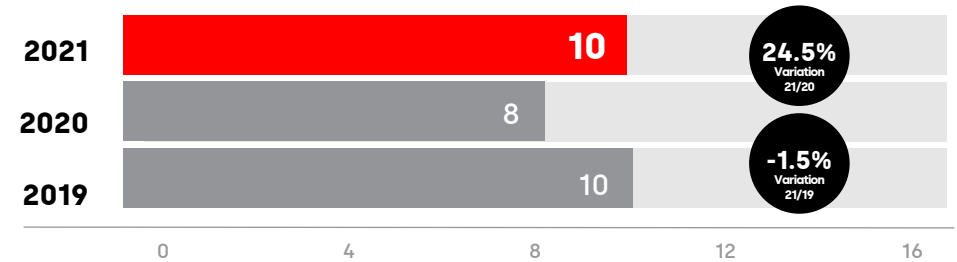


Environmental results

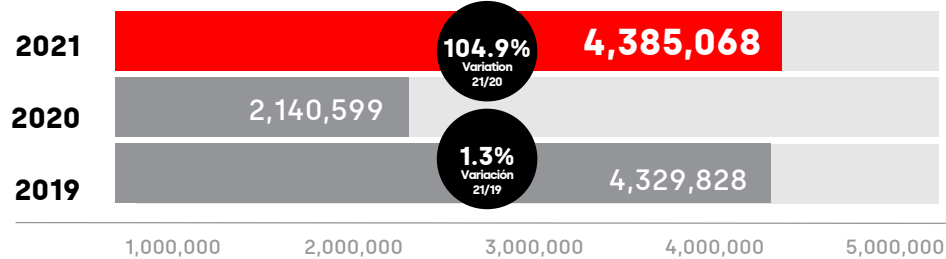
Environmental investments (millions of S/)



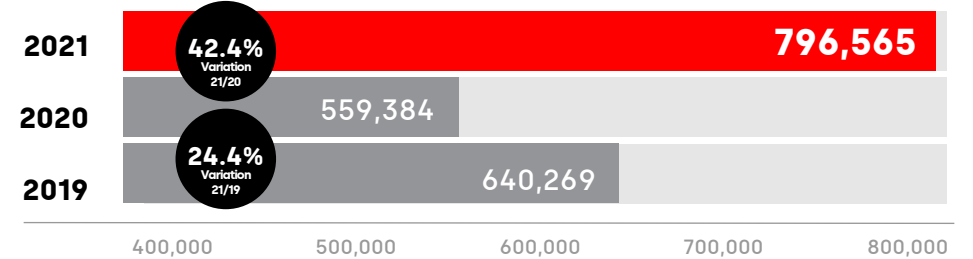
Environmental costs (millions of S/)



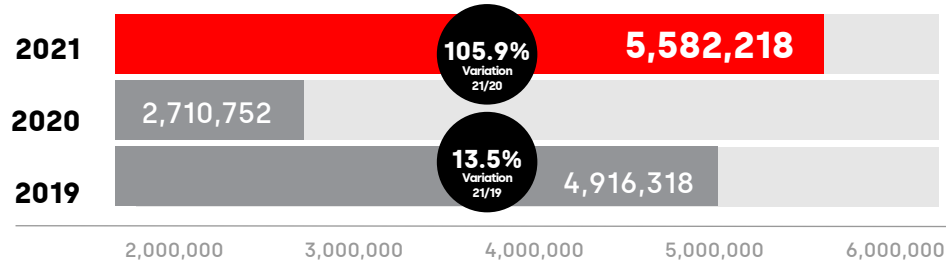
Scope 1 Greenhouse Gas Emissions (in tCO₂ Eq)



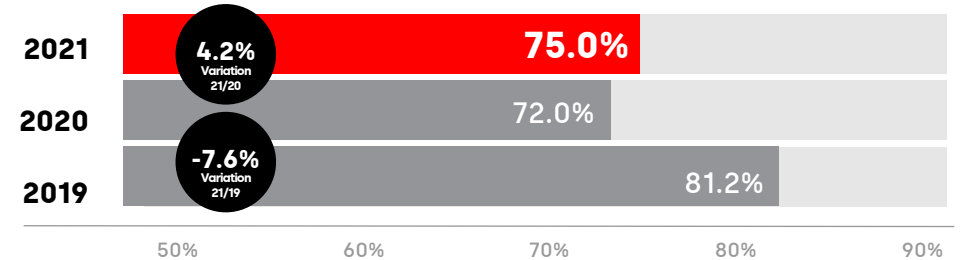
Total water consumption (in m³)



Total non-renewable energy consumption (in MWh)

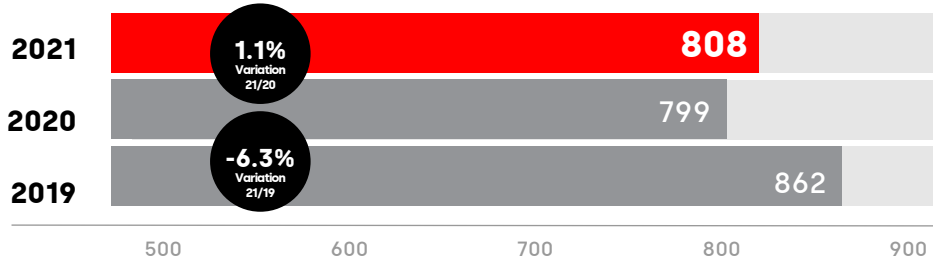


Percentage waste re-used (hazardous and non-hazardous)

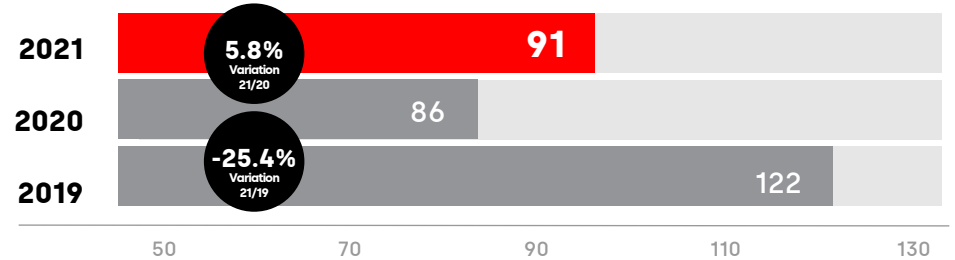


Social results

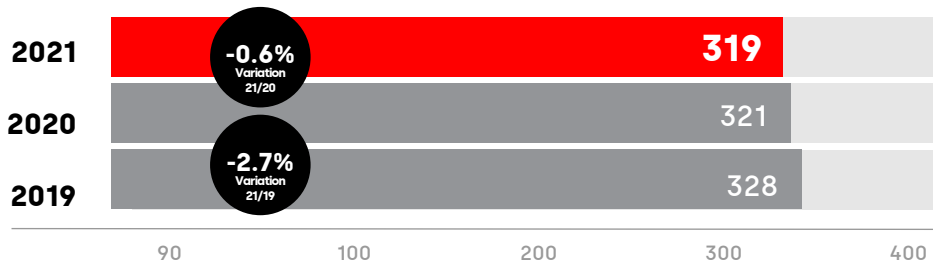
N° of collaborators



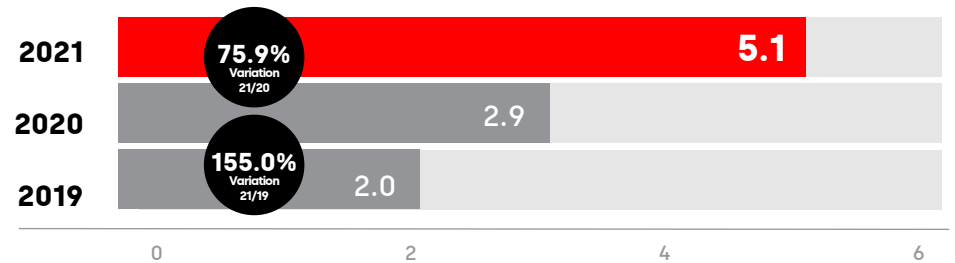
N° of female collaborators



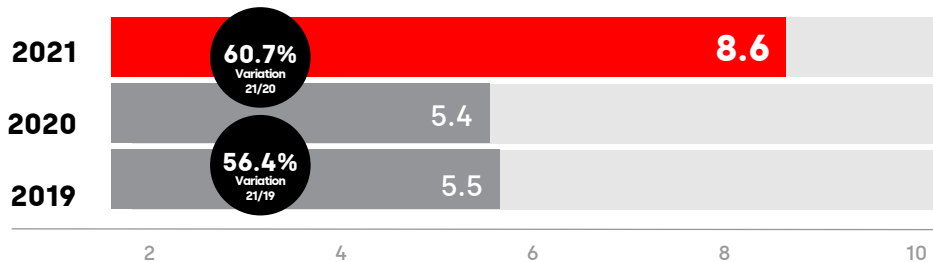
N° of unionized collaborators



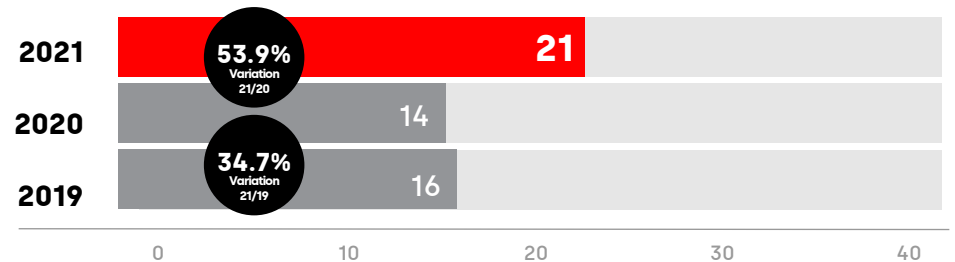
Accident frequency index (Collaborators + contractors)



Lost time injuries frequency (LTIFR) - Collaborators



Social responsibility & private social investment (millions of S/)







1.3

Who we are

Corporatization of the Group [GRI 102-10]

A general meeting of shareholders held on the 14th December 2021, approved a simple reorganization project, that took effect on the 1st January 2022. This project had been previously approved by the committee of independent directors and by the full Board of Directors.

The simple reorganization project implied the transfer of 100% of 3 corporate equity blocks from UNACEM to 3 subsidiaries: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A. (INMA).

The UNACEM Peru S.A. business unit will be a new company specializing in the production and sale of clinker and cement to the domestic and export markets, under the command of its CEO Eduardo Sánchez, the Grupo UNACEM Corporate Vice President for Industrial Operations.

All assets and liabilities of the cement business, such as the production plant, port facility, quarrying operation, hydroelectric and thermal power stations and the employment contracts have been transferred to UNACEM Peru S.A., existing employment rights are guaranteed unreservedly, with remuneration and benefits acquired by the employees being maintained.

The reorganization did not change either the capital or shareholdings in UNACEM S.A.A., which will now be called UNACEM CORP. S.A.A. The creation of this holding company will enable Grupo UNACEM to consolidate under the leadership of Pedro Lerner Rizo Patrón as Corporate CEO.

UNACEM CORP. S.A.A. will develop strategic guidelines for long-term wealth generation for shareholders and will facilitate the alignment of its business units to focus on developing talent, sustainable operations and finance and the process of transforming the group by capitalizing on the knowledge gathered over more than 100 years as the leading company in the Peruvian cement market.

UNACEM GROUP today

1 Peru

- UNACEM
 - UNICON
 - CONCREMAX
 - PREANSA
- CELEPSA
 - CELEPSA Renovables
- APRL
 - Vigiandina
 - Asociación UNACEM

8.3 M mt Cement	3.4 M m³ Concrete	6.5 M m³ Aggregates	271 MW Renewable energy	42 MW Thermal energy
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2 Ecuador

- UNACEM
- UNICON

1.7 M mt Cement	0.2 M m³ Concrete	24 MW Energía térmica
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3 EE.UU.

- SKANON Investments Inc.
 - Drake Cement
 - Drake Materials
 - Desert Ready Mix
 - Staten Island

0.7 M mt Cement	0.8 M m³ Concrete	3.2 M m³ Aggregates
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4 Chile

- UNACEM
- UNICON
- PREANSA

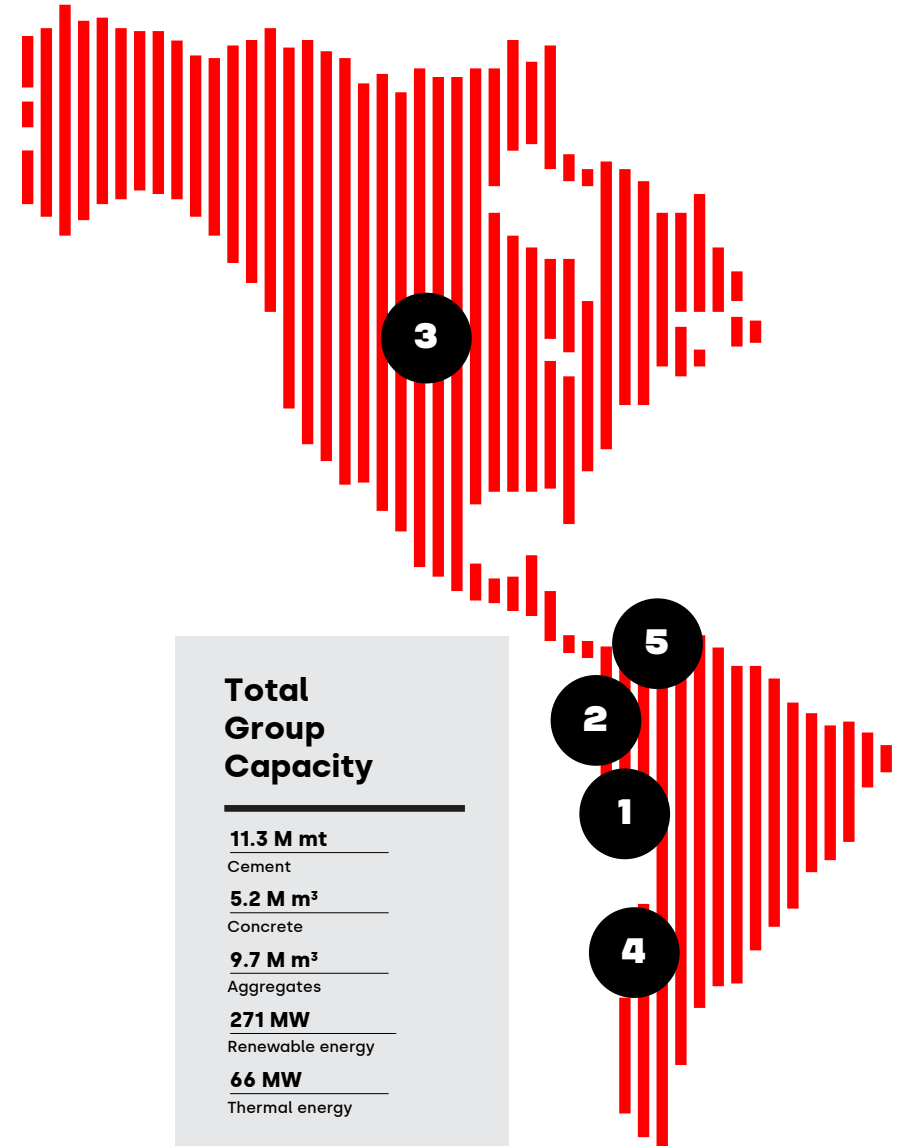
0.6 M mt Cement	0.9 M m³ Concrete
---------------------------	--

5 Colombia

- PREANSA

Total Group Capacity

11.3 M mt Cement
5.2 M m³ Concrete
9.7 M m³ Aggregates
271 MW Renewable energy
66 MW Thermal energy



UNACEM HAS MORE THAN 100 YEARS OF HISTORY.

UNACEM S.A.A. [GRI 102-7] [GRI 102-12] [SMV 7100 General details]

UNACEM is the specialist cement and clinker manufacturing company of Grupo UNACEM and has more than 100 years of history characterized by technological innovation, business growth, talent and knowledge. Its purpose growing together to build a sustainable world and it is committed to promoting a thriving and sustainable construction industry that respects the environment and the living standards of peruvians. It is the leading company in the sector and has a wide range of products that reinforce its commitment to the construction industry and the country: Cemento Andino, Cemento Sol and Cemento Apu. [GRI 102-1] [GRI 102-45]

**1.4**

Growing together to build a sustainable world

**1.4.1**

Sustainability declaration

We undertake to offer society a more sustainable future by reducing the CO₂eq⁽¹⁾ footprint generated by the operations and products of the cement and concrete industry, aiming to be carbon neutral by 2050. For that reason, in 2021 we adhere the Global Cement and Concrete Association (GCCA) Climate Ambition for 2050.

WE ARE PART OF THE GCCA CLIMATE ROADMAP

[GRI 102-12]

We have been members of the Global Cement and Concrete Association (GCCA) since 2019 and in 2021 we became committed to the Climate Ambition and, together with 40 leading companies in the sector, undertake to the CO₂eq footprint of our operations and products as we aspire to provide society with carbon-neutral concrete by 2050.

Find out more about the GCCA Climate Ambition: [Read more.](#)

For 20 years we have been promoting and encouraging a number of initiatives focused on reducing greenhouse gas emissions (GHGs), in line with Peru's commitment to reduce such emissions by 30% (Paris Agreement, COP 21).

- At the same time we are producing, jointly with the Inter-American Cement Federation (FICEM) and the Association of Cement Producers of Peru (ASOCEM), a Peruvian Cement Route Map leading to a low carbon economy.

- We have recorded our GHG emissions on the "Huella de Carbono Peru" (Peru Carbon Footprint) website, an official platform of the Ministry of the Environment (MINAM) for public and private organizations to manage their GHG emissions. We are the first Peruvian cement producer to obtain level one recognition by the platform and to undertake to achieve zero emissions by 2050.

The strategic management of our organization is sustainability-orientated and our approach is based on five pillars:

**CORPORATE GOVERNANCE,
ENVIRONMENT AND BIODIVERSITY,
CLIMATE CHANGE, CIRCULAR ECONOMY
AND SOCIAL MANAGEMENT,**

helping to achieve the United Nations Sustainable Development Goals.

Declaration of Sustainability 2021-2050

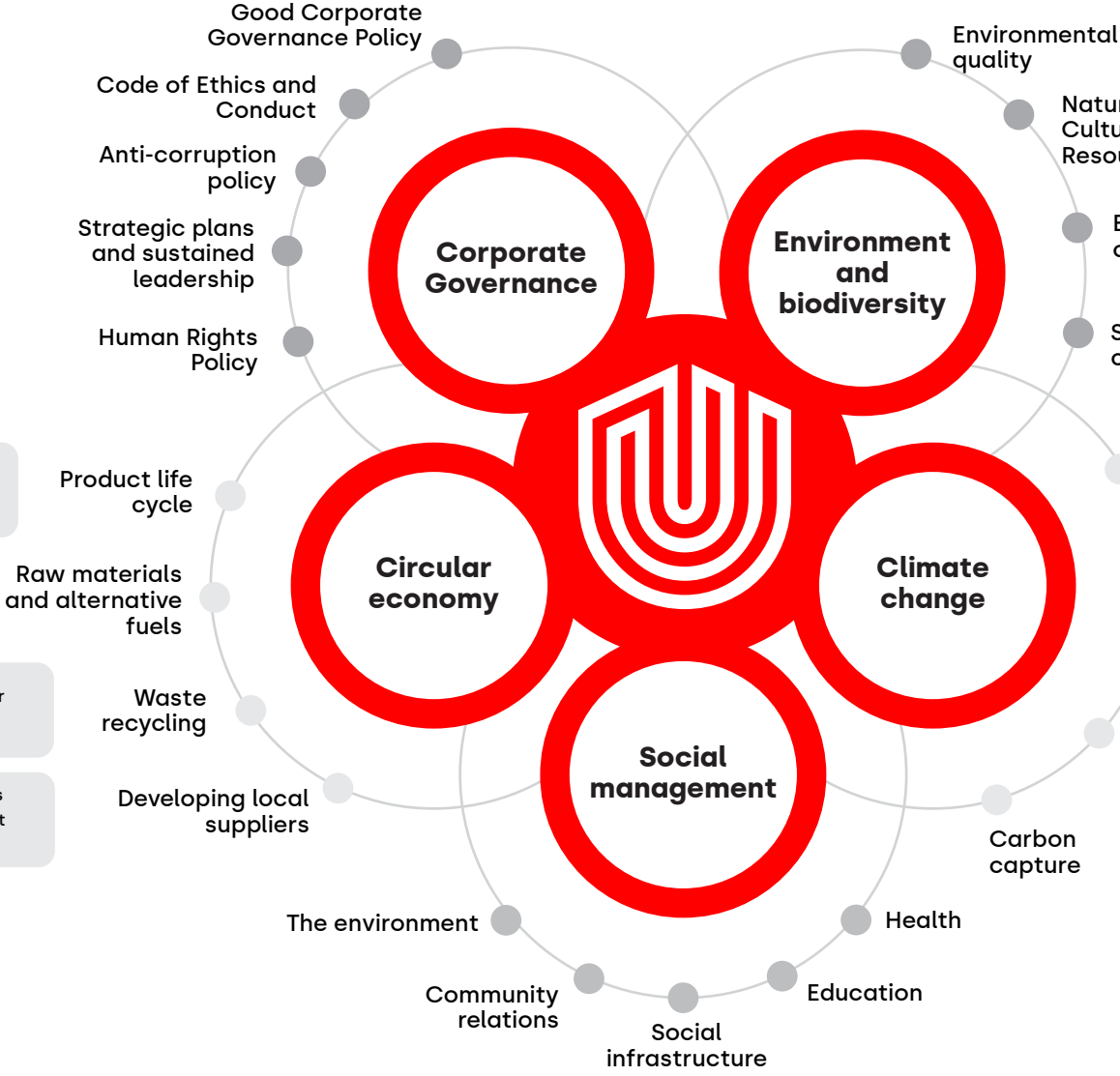
Entry in the Sustainability Yearbook in the construction materials category in 2025.

Use of construction waste as aggregates and packaging management (bags)

100% of waste re-used

Alternative fuels account for 10% of consumption

We prioritize local suppliers and help them to implement ISO 14001



100% of effluent treated
100% of waste recycled

100% of quarry units have biodiversity monitoring programs and conservation plans

100% of operations certified in accordance with the Integrated Management System (IMS)

Diffusion of 100% of stakeholder-relevant activities

10% reduction in the clinker factor.

Alternative fuels account for 10% of consumption

15% reduction in thermal demand and 10% reduction in electrical energy consumption

100% of our plants will consume clean energy.

Use of the best available technologies (BAT) for CO2 capture and offsetting.

More than 60% of participants in the social programs have made their projects self-sustaining.



E

Eduardo Sánchez

Corporate Vice President Industrial Operations

Sustainability strategy 2050 declaration: becoming carbon neutral by 2050.

The new corporate structure of UNACEM includes a sustainability department to oversee safety, sustainability and environmental control. In addition we have begun designing a strategic plan to include sustainability as a critical part of the company's core management in the medium and long term.

The principal subjects to be addressed include carbon neutrality and climate change in line with the Paris Agreement and other international accords.

At UNACEM we agree with those regional and international platforms that have developed road maps with which to draw up a sustainability plan. In Peru we work with ASOCEM; regionally, with the Inter-American Federation (FICEM); and internationally with the Global Cement and Concrete Association (GCCA).

It should be noted that we have been providing measurements through FICEM for a number of years. Furthermore, our performance is validated by an external certifying body.

1.4.2

Materiality

Prioritization of material aspects. [GRI 102-46]

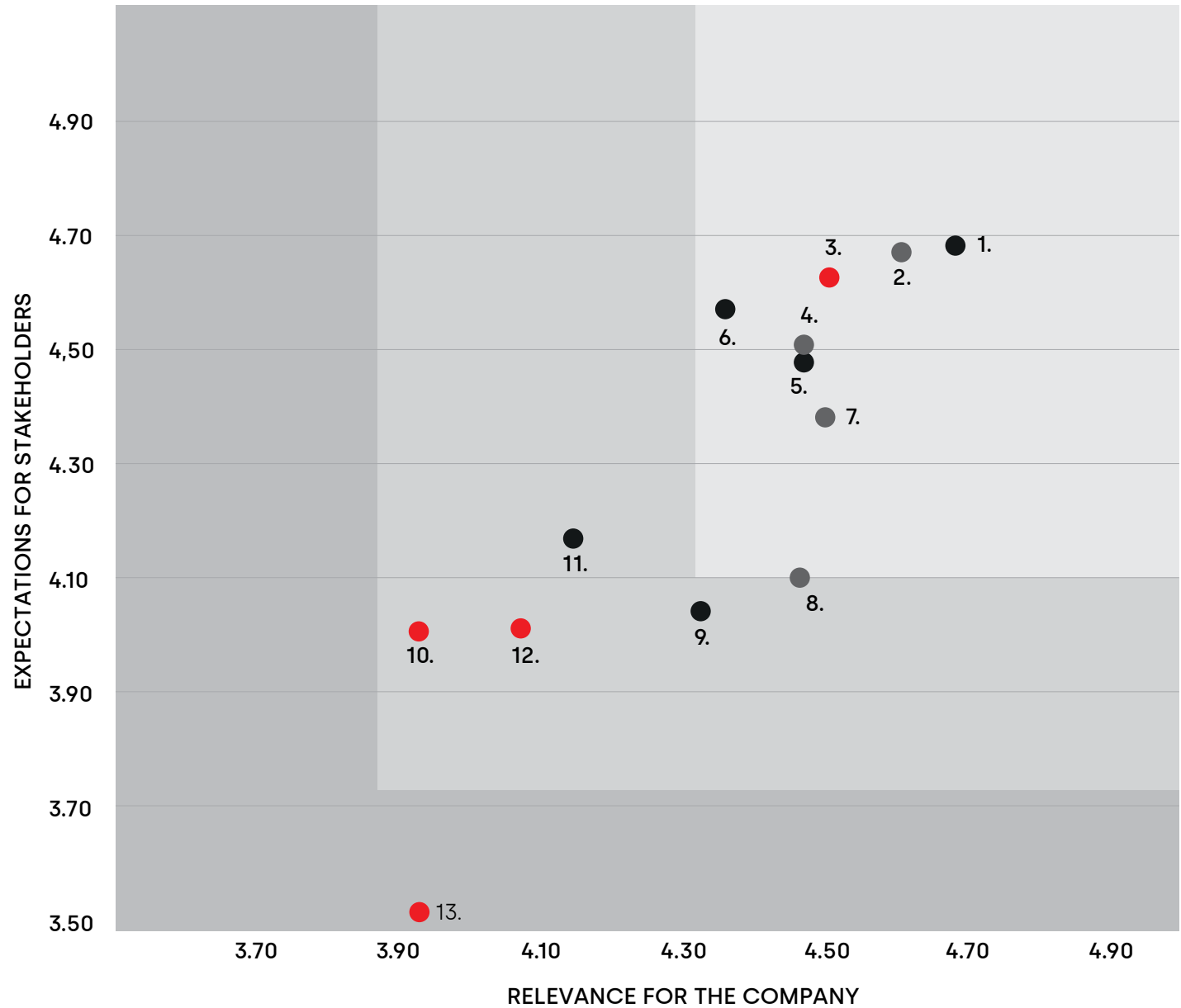
Taking into account guidelines issued by the International Integrated Report Council (IIRC) and the parameters of the Dow Jones Sustainability Index (DJSI), of which we have been part since 2019, we have strengthened our understanding of the materiality of the business. As a result of a process of dialogue that takes place every 2 years, most recently in 2020, we have prioritized 13 relevant aspects, which are shown in the following illustration.



Materiality Matrix

- ECONOMIC DIMENSION AND GOVERNANCE
- SOCIAL DIMENSION
- ENVIRONMENTAL DIMENSION
- VERY HIGH RELEVANCE
- HIGH RELEVANCE
- MEDIUM RELEVANCE

1. Corporate ethics
2. Safe and healthy working environment
3. Energy and emissions
4. Communities and social investment
5. Product quality
6. Compliance
7. Human rights
8. Talent management and diversity
9. Economic performance
10. Operational ecological efficiency
11. Supply chain management
12. Biodiversity
13. Sustainable construction





1.4.3

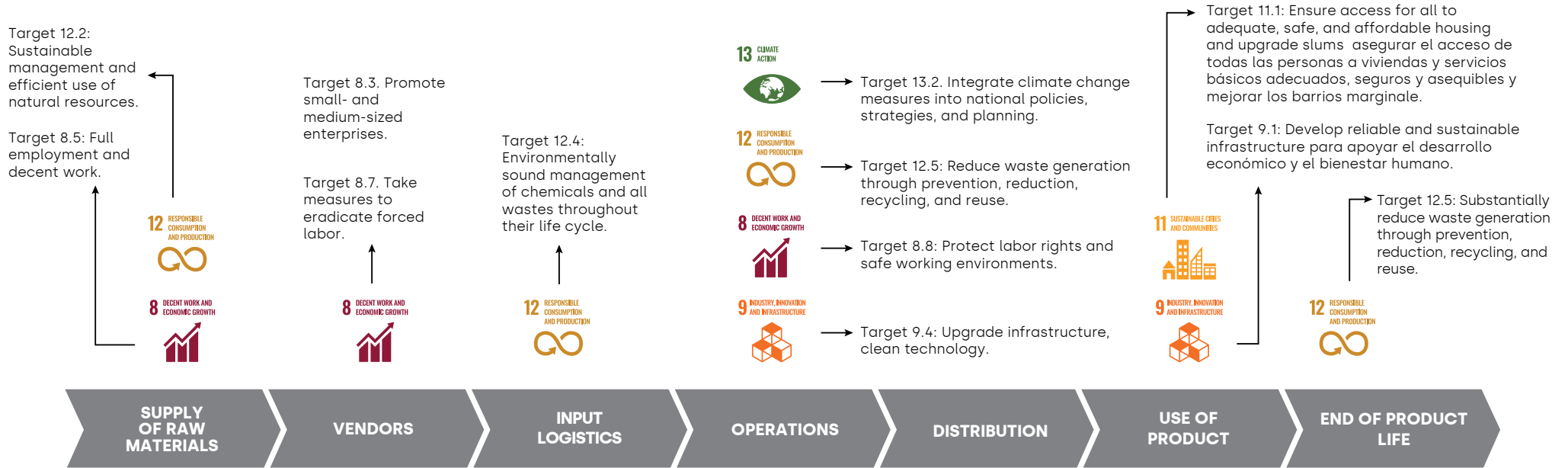
UNACEM contribution to the Sustainable Development Goals

In 2020 we identified strategic sustainable development goals (SDG) throughout our business' value chain, using the methodology included in the SDG impact identification tool: SDG Compass (developed by Global Compact, the Global Reporting Initiative – GRI and the World Business Council for Sustainable Development – WBCSD).

The result of this first measurement was identification of the business' key SDGs as a function of the most relevant impacts throughout the value chain:

Identification of strategic SDGs as a function of impacts on the UNACEM value chain.

The strategic SDGs identified in our value chain as a function of the relationship between the impacts identified and the respective targets for each SDG, are given below.



In 2021 we aligned the strategic SDGs prioritized by SDG Compass with the pillars of our sustainability strategy for 2021-2050 (taking into account the UNACEM Sustainability Declaration 2021-2050):

Relationship between the 2021-2050 Sustainability Strategy and SDG prioritised by SDG Compass

Axes of the SUST statement to 2050

SDG Compass

- Principles of Good Corporate Governance
- Code of Ethics and Conduct
- Anti-Corruption Policy
- Strategic plans.
- Human rights policy

Axis 1: Corporate Governance

- Use of cementitious materials.
- Clean and alternative fuels.
- Energy efficiency
- Clean energy.
- Carbon capture

Axis 2: Climate change

- Product life cycle
- Raw materials and alternative fuels.
- Waste recycling
- Developing local suppliers.

Axis 3: Circular economy

- Environmental quality.
- Natural and Cultural Resources.
- Environmental certification.
- Strengthening capabilities

Axis 4: Environment and Diversity

- Social infrastructure.
- Education
- Health.
- The environment.
- Community relations

Axis 5: Social management

Transverse



Strategic



Private Social Investment



- **Axis 1: Corporate governance:** the principles of good corporate governance, code of ethics and conduct, anti-corruption policy, human rights policy, among others, contribute to SDG 8 (decent work and economic growth) insofar as they stimulate economic productivity (8.2); SDG 16 (peace and justice) as they seek to build institutions that are ethical (16.5), transparent (16.6) and inclusive (16.7); and 17 (partnerships) because they promote respect for the country's policy space (17.15) and macroeconomic stability (17.13). Furthermore, genuine respect for human rights will enable us to legitimize the universal principle of Agenda 2030: "Leave No One Behind"; in other words validating the human rights approach throughout the whole of our value chain.
- **Axis 2: climate change:** cements with additives, clean fuels, energy efficiency and clean energy all contribute to SDG 9 (industry, innovation and infrastructure) because they imply the development of sustainable infrastructure (9.1); the use of a mix (coal + natural gas) and the fact that 94% of our electricity comes from renewable sources such as El Platanal (CELEPSA) and Carpapata hydroelectric stations, help with the development of clean industrial processes (9.4); and to 13, in that they seek to incorporate measures relative to climate change into our strategy, such as carbon emissions neutrality and the cement route map (13.2).
- **Axis 3: circular economy:** makes a significant contribution to SDG 12 by reducing waste generation through the purchase of purer raw materials, which is an efficient use of resources (12.2); recycling of 80% of our non-hazardous waste, as well as the reinsertion of unsold stock cement and recycling of cement bags, which contribute to prevention, reduction, recycling and reuse (12.5). Thus life cycle assessments (LCA) of the product, the use of alternative raw materials and fuels and waste recycling, will enable us to generate operational efficiencies through sector innovation and add value to our core business.

- **Axis 4: environment and diversity:** we aspire to become a national benchmark for ecosystem conservation. Thus, environmental quality programs, conservation of natural resources, recognition of the Rio Seco Private Conservation Area (ACP) in 2021 and our environmental certification, among others, are evidence of our environment-centered management, which has a positive impact on SDG 12 (responsible production) because it implies ecological management of resources and a reduction in our environmental footprint (12.4).
- **Axis 5: social management:** health, education, environmental education, community relations and social infrastructure projects increase access to adequate, safe and affordable housing (cement donations) among others, which has a positive impact on SDG 11 (sustainable cities and communities) given that they enable families adjacent to us to have access to housing and basic services that are adequate, safe and affordable (11.1); this also benefits SDG 3 (health and welfare), 4 (quality education), 6 (water and drainage), 12 (responsible production and consumption) and 16 (peace, justice and strong institutions).

These are medium and long term aspects affecting all of our value chain, and are also applicable to our daily business and operations.

1.4.4

Capital management

Type of capital	What is it?	To what strategic goals is it linked?	Linked material aspects	Income	Outgoings
1. Financial capital	Economic resources owned by the company or obtained from the capital markets, used for the production of goods and services.	Corporate Governance - Improving our corporate governance indexes and achieving recognition by the main national and international assessors of sustainability.	Economic performance Corporate ethics and compliance	S/ 5,011,007,734 of equity.	S/ 2,429.2 million in net sales S/ 997,506 million EBITDA
2. Manufactured / industrial capital	Tangible assets or goods used by the company to provide its services.	Circular economy - 100% of our plants use clean energy. - 10% reduction in the clinker factor. - Employ at least one environmentally/ecologically certified product Circular economy - Project development: management of empty cement bags.	Sustainable construction Product quality	UNACEM has two manufacturing plants: Atocongo, with an annual production capacity of 4.8 million metric tons of clinker and 5.5 million metric tons of cement each year. In addition, the Condorcocha Plant can produce 2.1 million tons of clinker and 2.8 million tons of cement each year.	6,243,018 t of cement manufactured 6,214,479 t of clinker manufactured 6,233,325 t of cement dispatched



Type of capital	What is it?	To what strategic goals is it linked?	Linked material aspects	Income	Outgoings
3. Intellectual capital	Intangible assets based on knowledge.			No investment.	Ruray Program 13 initiatives under way and efficiencies amounting to S/ 18.4 millions more than planned
4. Human capital	The knowledge, skills, experience and motivation of our collaborators.	<p>Talent and remuneration</p> <ul style="list-style-type: none"> - Providing the group with the strategic skills and talent necessary to guarantee the sustainability of the business based on a high-performance culture. <p>Cultural transformation and change management</p> <ul style="list-style-type: none"> - Contributing to the creation of a new identity and cultural model for the group as the foundations for transformation. <p>Operational excellence</p> <ul style="list-style-type: none"> - Providing the organization with the tools and efficient basic processes that support the business. 	<p>Jobs, talent management and diversity</p> <p>Health and safety at work</p>	<p>S/256.9 million paid in remuneration and other social benefits to collaborators.</p> <p>15,667 hours of training for collaborators: an average of 19.06 hours annually per collaborator.</p>	59% are satisfied with the talks on psychological aspects and emotional support that have been given



Type of capital	What is it?	To what strategic goals is it linked?	Linked material aspects	Income	Outgoings
5. Natural capital	Natural resources potentially affected by the company's activities.	<p>Climate change</p> <ul style="list-style-type: none"> - A 15% reduction in thermal energy consumption and a 10% reduction in electricity use compared with 2010. - Use of the best available technologies (BAT) for CO₂eq capture and offsetting. - Alternative fuels account for 10% of consumption. <p>Environment and Biodiversity</p> <p><u>Environmental quality</u></p> <ul style="list-style-type: none"> - 100% of effluent treated. - 100% of waste recycled. - 100% of fixed sources measured on-line. <p><u>Natural and Cultural Resources</u></p> <ul style="list-style-type: none"> - 100% of quarrying units have biodiversity monitoring programs. - 100% of quarrying units have conservation plans. - 100% of environmental management tools (EMT) updated and integrated. - All operations use a certified environmental management system. 	<p>Energy and emissions</p> <p>Biodiversity</p> <p>Operational ecological efficiency</p>	<p>S/21 million in environmental investment.</p> <p>S/10 million of environmental expenditure.</p>	<p>75.0% of waste re-used</p> <p>77% of non-hazardous and 43% of hazardous solid waste</p> <p>100% of waste water treated and re-used, none discharged into water courses</p> <p>The SNMPE recognized our work on biodiversity conservation in the Quebrada Rio Seco Private Conservation Area.</p>



Type of capital	What is it?	To what strategic goals is it linked?	Linked material aspects	Income	Outgoings
6. Social and relational capital	The ability to share, relate and collaborate with other stakeholders in favor of community development and welfare.	<p>Social management</p> <p>a) Enhancing and channeling strategic private social investment to generate value in the communities adjacent to our operations, using the territorial development approach and allied with interest groups.</p> <p>Circular economy</p> <p>b) We prioritize local suppliers and help them to implement ISO14001.</p>	<p>Corporate ethics and compliance</p> <p>Supply chain management</p> <p>Communities and social investment</p> <p>Human rights</p>	<p>S/ 21.6 million spent on social responsibility and private social investment.</p> <p>S/ 2,201 million of distributed economic value.</p>	<p>90% of satisfaction index among the Progresol hardware store network and 82% among independent hardware stores.</p>



CAP. 2

**Corporate
governance**

[GRI 102-18]

Our corporate governance guidelines are regulated by the following company documents:

- The by-laws.
- Code of Good Corporate Governance.
- General meetings regulations.
- Dividend policy: approved by a general meeting of shareholders held on the 31st March 2015 and replaced by a policy approved by the general meeting held on the 14th December 2021.
- Regulations applicable to the Board of directors, modifications to which were approved by the Board on the 24th February 2021.
- Code of Ethics and Conduct.
- Regulations governing directors' committees.

Learn more about our company documents: [Corporate governance](#).

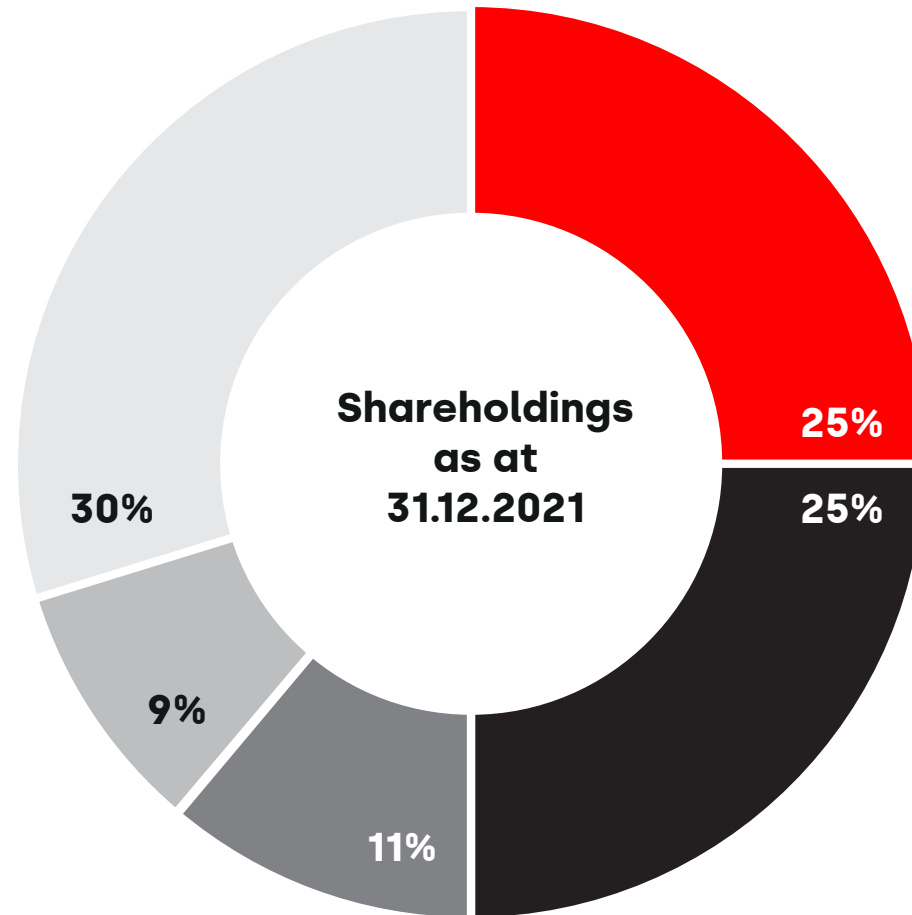
The current government structure of UNACEM is as follows:

 2.1

Shareholdings

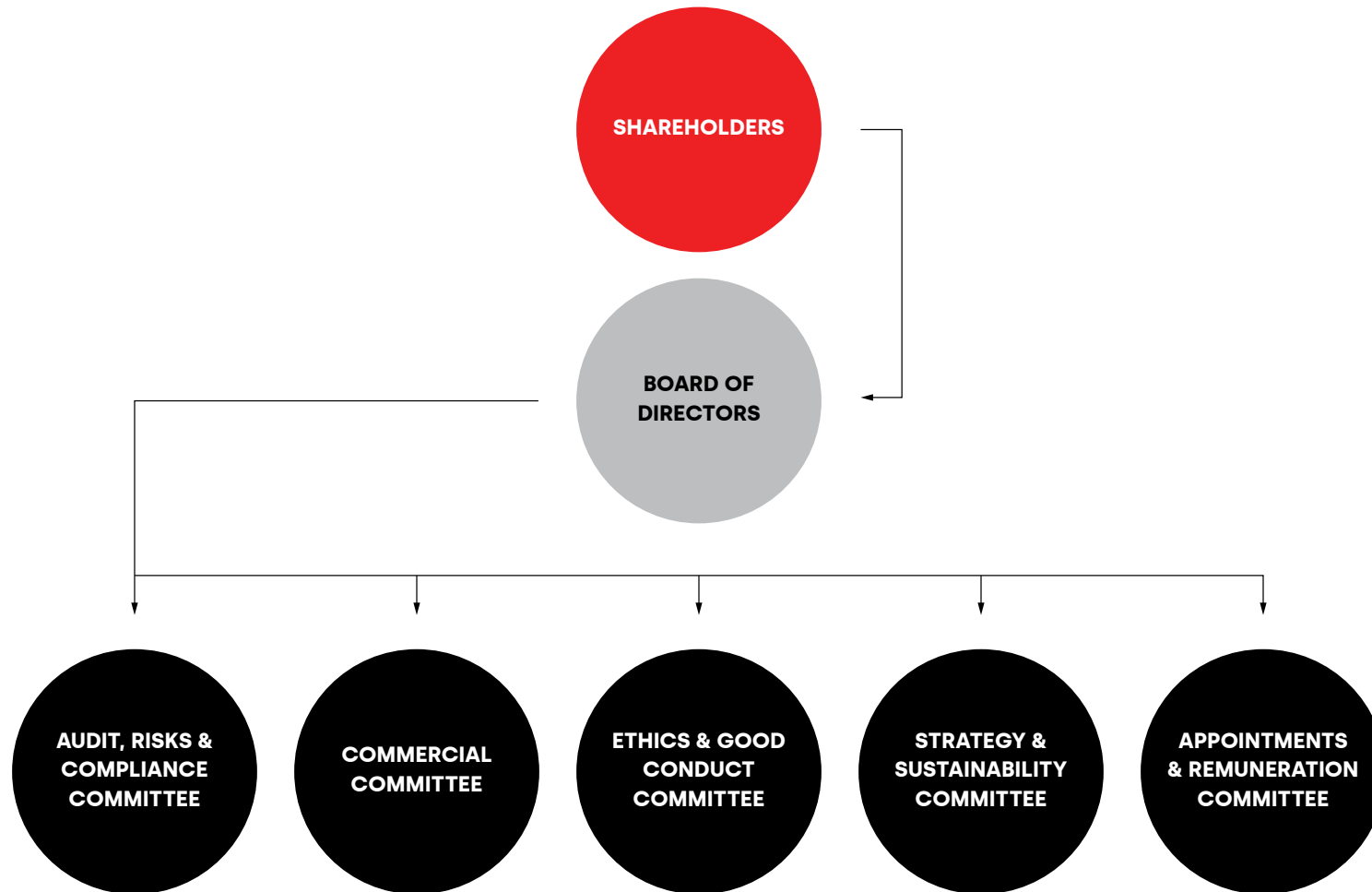
[GRI 102-7]

As at the 31st December 2020, our subscribed and paid up capital is represented by 1,818,127,611 ordinary shares having a nominal value of S/ 1 per share, fully issued and paid up. Each ordinary share carries the right to vote.



■ Inversiones JRPR S.A. ■ Nuevas Inversiones S.A. ■ Integra AFP ■ Profuturo AFP ■ Other shareholders

Our government structure is as follows:



On the 20th August 2021, our directors approved a share buyback program using up to S/ 36.4 million from the company's freely available reserves and without exceeding 2% of the shares issued, to start on Monday the 23rd August 2021 until the 30th June 2022. As at the 31st December 2021 and 28th February 2022, UNACEM had 7,292,892 ordinary shares in circulation.

The following dividend payments to our shareholders were approved in 2021:

Approved by	Dividend per share (S/)	Date agreed	Date paid	Total declared (S/)
Board of Directors	0.013	24/02/2021	30/03/2021	23,635,658.94
Board of Directors	0.013	23/04/2021	26/05/2021	23,635,658.94
Board of Directors	0.020	21/06/2021	23/07/2021	36,362,552.22
Board of Directors	0.020	27/10/2021	30/11/2021	36,362,554.16
General meeting of shareholders	0.040	14/12/2021	18/01/2022	72,447,882.84
TOTAL				192,444,307.10

2.2

General meeting of shareholders

There were three general meetings of shareholders in 2021, at which the following agreements were adopted: [GRI 102-10]

Date of meeting	Quorum	Shares represented	Approvals
16th March 2021	76.85%	1,397,195,177	<ul style="list-style-type: none">- Integrated report and audited financial statements as at the 31st December 2020.- Modification of by laws: articles one, two, three, five, seven, eight, nine, ten, fourteen, fifteen, seventeen, eighteen, nineteen, twenty, twenty two, twenty three, twenty seven, twenty eight, twenty nine, thirty, thirty one, thirty two, thirty four, thirty five and thirty six.



Date of meeting	Quorum	Shares represented	Approvals
			<ul style="list-style-type: none"> - Modification of the regulations governing general meetings: introduction and numerals 1.1, 1.3, 1.4, 1.6, 1.7 of point I; numerals 2.1, 2.2 and 2.3 of point II; numerals 4.1, 4.2 and 4.3 of point IV; introduction and numerals 5.4 and 5.6 of point V; and point VI. - Approval of the Sustainability Strategy 2021-2050. - Delegation of the appointment of external auditors to the BBoard of Directors.
Date of meeting	Quorum	Shares represented	Approvals
28 de junio de 2021	80.11%	1,456,542,783	<ul style="list-style-type: none"> - Structuring of the third debt instruments program: issues of securities through a structured third program of Union Andina de Cementos S.A.A. debt instruments program up to a maximum value in circulation of S/ 1,200,000,000.00 or the equivalent in United States dollars. - Powers of attorney to establish all the terms, conditions and general characteristics of the program, including all special terms, conditions and characteristics of each from the program issue or series offered and placed.
Date of meeting	Quorum	Shares represented	Approvals
14 de diciembre de 2021	82.39%	1,492,240,726	<p>Simple reorganization project</p> <ul style="list-style-type: none"> - A simple reorganization project involving the separation of three equity blocks, 100% of which are to be transferred to 3 subsidiaries, with no changes in the capital or control unit.



Date of meeting	Quorum	Shares represented	Approvals
			<p>- Partial modification of by laws: articles 1 (trading name), 2 (purpose) and 12 paragraph (g) (powers of the general meeting of shareholders).</p> <p>Article one: name: UNACEM CORP Sociedad Anónima Abierta.</p> <p>Article Two: purpose: the purpose of the company is (i) to invest in other companies engaged in the manufacture, marketing and sale of clinker, cement and other construction materials in Peru and abroad; as well as (ii) to develop all types of intellectual property and technologies related to the above activities and manage natural resources and processes, such as a circular economy, during exploitation or assignment in use by third parties; (iii) to carry out all activities, businesses and operations required to control and/or manage its subsidiaries and administer its investments, including the administration of shared services and asset transfers, the provisions of services and financing, whether directly or indirectly, of its subsidiaries and associates. Furthermore, the company may invest in other companies incorporated in Peru and abroad that are engaged in similar activities and/or those that contribute to, develop or complement its investments in the above-mentioned activities; as well as (ii) real estate investments and the generation, transmission and/or distribution of electrical energy.</p> <p>Article twelve: general meetings of shareholders: g. Approve the disposal, leasing and encumbrance by any means, of the company's moveable property and real estate, or enter into any contract that implies the removal or loss of the right to use fixed assets or property that is essential for the company's production and operation, provided that the book value of such assets exceeds fifty percent of the company's capital; and, in the case of the company's investments in other companies whether or not they are subsidiaries, when the book value of the investments subject to the actions mentioned above, exceeds 50 percent of the company's capital.</p> <p>- Granting of powers of attorney to the Board of Directors and general manager regarding points 1 and 2 of the agenda.</p>



Date of meeting	Quorum	Shares represented	Approvals
			<p>- Dividends paid out of accumulated results: payment of a dividend in Peruvian currency amounting to a total of S/ 72,447,882.84 from the accumulated results as at the 31st December 2013 and against the accumulated results as at the 31st December 2014, to a total of 1,811,197,071 shares (excluding the 6,930,540 treasury shares) representing the company's capital (nominal Value: S/ 1.00 each). Dividend per ordinary share: S/ 0.04.</p> <p>- Changes to dividend policy: the dividend policy approved by the annual general meeting held on the 31st March 2015 is to be replaced by a new dividend policy consisting, from the date of this agreement, of quarterly cash dividends in Peruvian currency or United States dollars within a range of US\$ 0.005 to US\$ 0.010 per share issued by the company, charged to accumulated profits, commencing with the oldest and ending with the most recent.</p>

THE SIMPLE REORGANIZATION TOOK EFFECT ON THE 1ST JANUARY 2022.

This milestone marked the start of a consolidation of Grupo UNACEM and strengthening of each of our business units through the implementation of strategic guidelines enabling value generation over the long term.





2.3

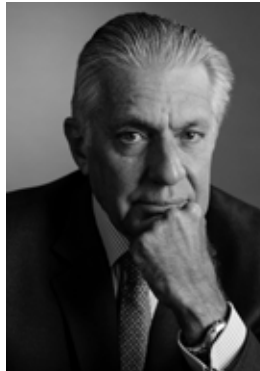
Board of Directors

The Board of Directors is the senior administrative entity of the company and is elected by the general meeting of shareholders. The Board is responsible for the management and representation of the company, it must carry out its duties and responsibilities within the provisions of the Act, the by-laws and agreements adopted by general meetings of shareholders.

Composition of the Board of Directors

Our Board of Directors for the period 2020-2022 has 11 members, including one female director and three independent directors. All of our directors have had outstanding careers in the industry and possess exceptional personal qualities.

D





Ricardo Rizo Patrón de la Piedra

Chairman of the Board of Directors

Appointment: 03/1985

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Strategy and Sustainability Committee

EXPERIENCE:

Mr. Rizo Patrón has been the chairman of the Board since 2012 and a director since 1985. He has been chairman of the Board of CELEPSA, Sindicato de Inversiones y Administración S.A. (SIA), Inversiones Andino S.A. (IASA) and Vigilancia Andina S.A. (VASA) since 2014, where he was also formerly vice-chairman. He has also been vice chairman of Nuevas Inversiones S.A. (NISA) since 1984. He was a manager of ARPL Tecnología Industrial S.A. (ARPL) from 1979 and member of the Board of Directors of El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A. in 2003.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Investments JRPR S.A., Nuevas Inversiones S.A., CELEPSA, UNACEM Ecuador S.A., ARPL Tecnología Industrial S.A., Drake Cement LLC, Skanon Investments Inc., INVECO S.A.



Alfredo Gastañeta Alayza

Vice Chairman of the Board of Directors

Appointment: 03/1981

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Audit, Risks and Compliance Committee
- Appointments and Remunerations Committee

EXPERIENCE:

Mr. Gastañeta has been vice chairman of our Board since 2012 and a director since 1981. He has been chairman of the Board of NISA since 1992 and a director of that company since 1977. He was also a director of Banco Internacional del Peru – Interbank from 2004 to 2015. He has been a member of the Board of Inversiones en Concreto y Afines S.A. (INVECO) since 1996, of UNICON since 1996 and of CELEPSA since 2005. He is also in a law firm García Sayán Abogados and has more than 40 years of experience in corporate and tax law.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Nuevas Inversiones S.A. CELEPSA, UNICON, Drake Cement LLC, UNACEM Ecuador S.A.



Marcelo Rizo Patrón de la Piedra

Director

Appointment: 03/1994

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Commercial Committee
- Strategy and Sustainability Committee

EXPERIENCE:

Mr. Rizo Patrón has been one of our directors since 1994. He has also been chairman of the Board of Directors of UNICON since 1996, of PREANSA Peru since 2007 and of BASF Constructions Chemicals Peru S.A., or Master Builders Solutions Perú S.A., since 2000. He has been manager and director of ARPL since 2001. He has also been a director of CELEPSA since 2005, of Entrepisos Lima S.A.C. since 2010, of PREANSA Chile since 2014 and of PREANSA Colombia since 2013.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Investments JRPR S.A., UNICON, PREANSA, ARPL Tecnología Industrial S.A., CELEPSA, Drake Cement LLC, Master Builders Solutions S.A.



**María Elena Rizo
Patrón de la Piedra**

Director

Appointment: 03/2020

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Commercial Committee
- Appointments and Remunerations Committee

EXPERIENCE:

Mrs. Rizo Patrón has been a member of the senior management of ARPL since 1995 and a director since 2007. She is also director and CEO of Inversiones JRPR S.A., member of the Board of Directors of UNICON S.A., Inversiones Nacionales y Multinacionales Andinas S.A. and of Inmobiliaria Santa Cruz S.A. She is also currently a member of the managing Board of Asociación Unacem. She has also been a director of UNICON since 2010 and of UNACEM since 2020.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Inversiones JRPR S.A., INVECO S.A., Skanon Investments, UNACEM Ecuador S.A., UNICON, VIGIANDINA S.A., ARPL Tecnología Industrial S.A.



Carlos Ugás Delgado

Director

Appointment: 03/1996

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Appointments and Remunerations Committee

EXPERIENCE:

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

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

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

UNICON, CELEPSA, VIGIANDINA S.A., Drake Cement LLC, INVECO S.A., SIN, CONFIEP, FICEM.



**Jaime Sotomayor
Bernós**

Director

Appointment: 03/1994

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Ethics and Good Conduct Committee

EXPERIENCE:

Mr. Sotomayor has been a member of our Board of Directors since 1994. He has been a director of NISA since 1989 and of CELEPSA since 2005. He has been technical manager of ARPL since 1992 and general manager since 2019. At present he is the Latin America and Caribbean Regional Head of ASME (The American Society of Mechanical Engineering).

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Nuevas Inversiones S.A., ARPL Tecnología Industrial S.A., CELEPSA.



**Diego de la Piedra
Minetti**

Director

Appointment: 03/2012

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Commercial Committee
- Strategy and Sustainability Committee

EXPERIENCE:

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

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

La Viga S.A., Nuevas Inversiones S.A., Drake Cement, PSW S.A.



Martín Ramos Rizo Patrón

Director

Appointment: 03/2018
Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Commercial Committee
- Strategy and Sustainability Committee

EXPERIENCE:

Mr. Ramos has been a director of UNACEM since 2018. He has worked as an investment professional with The Rohatyn Group (TRG) since 2012, managing the LAPEF private capital fund and involved in the strategic management of the companies in his investment portfolio. Before that he was part of the Latin America investment banking and corporate finance team of Morgan Stanley Investment Bank, New York. Previously he was a member of the investment banking and corporate finance team, concentrating on the technology sector of the American market. He has been an independent director of Pesquera Exalmar S.A.A. since 2016 and was formerly a director of Sindicato de Inversiones y Administración S.A. (2012-2015).

QUALIFICATIONS:

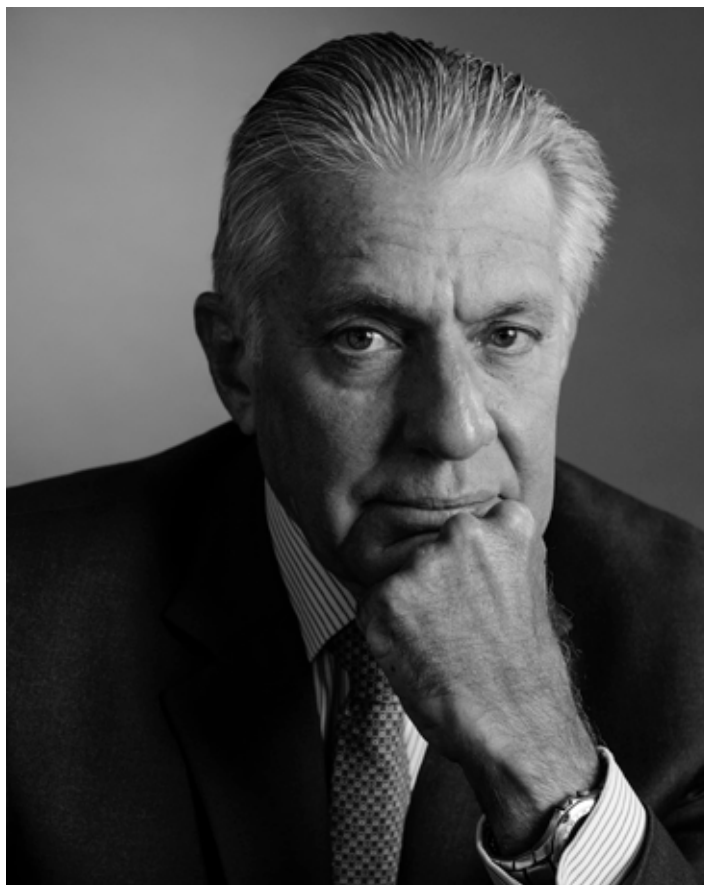
Mr. Ramos obtained a degree in sciences and electrical engineering and a licentiate in administrative sciences, majoring in finance from Massachusetts Institute of Technology (MIT) and also holds a master's degree in electrical engineering and information technology from MIT.

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Pesquera Exalmar S.A.A., ARPL.



Jorge Ramírez del Villar López de Romaña

Independent director

Appointment: 03/2018

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Commercial Committee
- Audit, Risks and Compliance Committee
- Appointments and Remunerations Committee

EXPERIENCE:

Mr. Ramírez del Villar is currently a director of UNACEM, director of Drake Cement, director of Banco Pichincha Peru, director of Mercania - Mercados Integrados 2.0 and a member of the MBA consultative committee of the Universidad de Lima. He has been a director of Mibanco, Inversiones 2020, Solución – Empresa Administradora Hipotecaria, and the chair of VISTAGE. He was central operations manager, systems and administration, finance division manager and corporate finance manager of BCP. Prior to that he was investment banking manager of Financiera de Credito, general manager of Prodebolsa (now Credicorp Capital), advisor to the senior management of Inversiones Centenario, a financial analyst at Occidental Petroleum Company and business consultant at Booz Allen Hamilton.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Drake Cement LLC.



José Antonio Payet Puccio

Independent director

Appointment: 03/2018

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Audit, Risks and Compliance Committee
- Ethics and Good Conduct Committee

EXPERIENCE:

Mr. Payet has been an independent director of UNACEM since 2018. He is a founding partner of law firm Payet, Rey, Cauvi, Pérez Abogados, which was created in 1996 and specializes in general commercial law, mergers and acquisitions and financial transactions. He began his professional career in CONFIEP (1990), was an adviser to the Minister of Industry, Tourism, Integration and International Trade (1992-1993), General Counsel of AFP Integra (1993-1996) and a member of the Board and of the Fair Competition Tribunal of INDECOPI. He is a member of the Board of Directors in the Lima Stock Exchange (Bolsa de Valores de Lima S.A.A.), Inversiones Brade S.A., IncaRail S.A., Pesquera Diamante S.A. and UNACEM S.A.A. He is a member of the arbitration council of Lima Chamber of Commerce's Arbitration Center. He has also been a tutor in his own specialty at the Pontificia Universidad Católica Faculty of Law.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

Bolsa de Valores de Lima S.A.A., Inversiones Brade S.A., IncaRail S.A., Pesquera Diamante S.A.



Elmer Cuba Bustinza

Independent director

Appointment: 07/2020

Nationality: Peruvian

DIRECTORS' COMMITTEE MEMBER:

- Strategy and Sustainability Committee
- Ethics and Good Conduct Committee

EXPERIENCE:

Mr. Cuba has been a member of the Board of Directors of UNACEM since 2020. He is a partner-director of Macroconsult S.A. and was formerly a director of Peru's central bank. In the public sector he has also been vice president of OSINERG and a member of its managing council; director of COFIDE and a member of its risks and audit committee; vice president and member of the fair competition commission of INDECOPI and member of the consultative council to the president of the Peruvian Judiciary. In the private sector he has been an independent director of Compañía Minera Milpo and RELAPASA. He has also been a consultant to the BID, World Bank, OIT, CEPAL, USAID, CAF, CAN, CIES, Fondoempleo, PCM, MEF and SUNAT; and macroeconomic consultant to major Peruvian and international companies operating in Peru.

QUALIFICATIONS:

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

ATTENDANCE AT BOARD MEETINGS:

100%

OTHER DIRECTORSHIPS:

—

Attendance at Board meetings

The Board of Directors met 17 times in 2021, attended by 100% of its members. A further 2 meetings were attended only by the independent directors.

Directors' emoluments [GRI 102-35]

Pursuant to article twenty three of the company's by-laws, the position of director is salaried. The directors' emoluments in 2021 amounted to S/ 5,979,868, or 0.25% of the total earnings of UNACEM.

External evaluation process

In the last quarter of the year we carried out a performance evaluation of the Board of Directors, assisted by a company that specializes in business and competitiveness.

The evaluation was performed on the Board as a collegiate body as well as on each of its members. The results of the evaluation were reviewed in December, points for improvement were identified and a plan of action drawn up.

If you would like to know more about our corporate governance guidelines go to: [Read more.](#)

Directors' committees

Audit, Risks and Compliance Committee

The purpose of this committee is to assist the Board in submitting financial information and reports, risk management and internal controls in accordance with the organization's strategy, as well as compliance with internal regulations and the legal requirements that apply to the company and its subsidiaries. The committee met 11 times in 2021.

MEMBERS	DIRECTOR	ROLE	ATTENDANCE
Jorge Ramírez del Villar	Independent director	President	100%
José Antonio Payet	Independent director	Member	100%
Alfredo Gastañeta	Director	Member	100%

Commercial Committee

The commercial committee assists the directors with commercial matters and evaluates major commercial decisions in terms of product approval and ratification, commercial strategies and target markets. It submits key decisions to the Board for approval. The committee met 8 times in 2021.

MEMBERS	DIRECTOR	ROLE	ATTENDANCE
Marcelo Rizo Patrón	Director	President	100%
Jorge Ramírez del Villar	Independent director	Member	88%
Martín Ramos	Director	Member	100%

Ethics and Good Conduct Committee

Aims: to ensure compliance with the guidelines contained in our Code of Ethics and Conduct; receive reports passed through the reporting channel and any queries that may be made; to assign investigations to the competent bodies depending on the subject matter reported; to receive the results of these investigations; and to report to the Board of Directors on the status of complaints and remedial work required. In 2021 the committee met once.

MEMBERS	DIRECTOR	ROLE	ATTENDANCE
José Antonio Payet	Independent director	President	100%
Jorge Ramírez del Villar	Independent director	Member	100%
Jaime Sotomayor	Director	Member	100%

The committee receives a list of complaints made through the Integrated Complaints System operated by PricewaterhouseCoopers, directly. During the year 6 complaints / ethical dilemmas were received through this channel, all of which were resolved.

Strategy and Sustainability Committee

The committee's mission is to evaluate and follow up the strategic plan and annual budget, as well as the main strategic investment and divestment decisions, methods of indebtedness and socio-environmental management in order to guarantee the company's growth, strength and maximum efficiency in the use of resources. It is also responsible for evaluating and supervising the main initiatives for innovation. The committee met 10 times in 2021.

MEMBERS	DIRECTOR	ROLE	ATTENDANCE
Ricardo Rizo Patrón	Director	President	100%
Marcelo Rizo Patrón	Director	Member	88%
Elmer Cuba	Independent director	Member	100%
Diego de la Piedra	Director	Member	100%
Martín Ramos	Director	Member	88%

Appointments and Remuneration Committee

The purpose of this committee is to assist the Board with new directorships, the appointment and ratification of managers, managers' remuneration and the evaluation of directors and managers. In 2021 the committee met 6 times, at which all members attended.

MEMBERS	DIRECTOR	ROLE	ATTENDANCE
Jorge Ramírez del Villar	Independent director	President	100%
María Elena Rizo Patrón	Director	Member	100%
Carlos Ugás	Director	Member	100%
Alfredo Gastañeta	Director	Member	100%

If you would like to know more about our corporate governance guidelines go to: [Read more.](#)





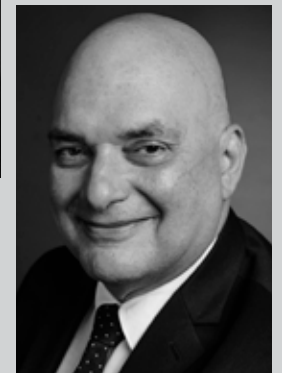
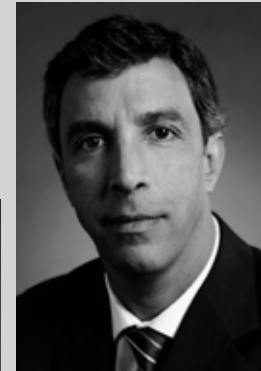
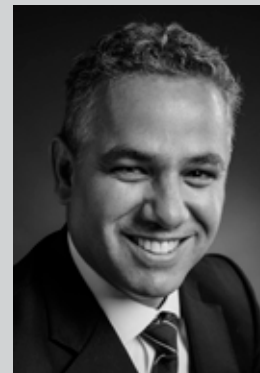
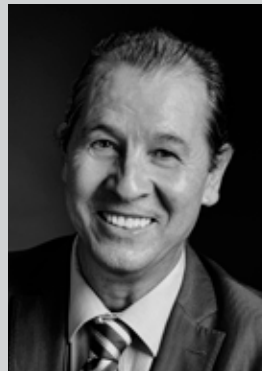
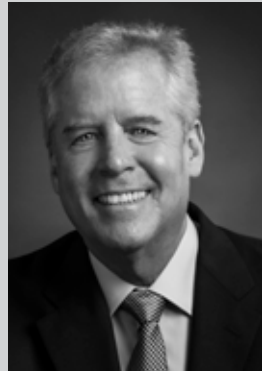
2.4

Executive team

Nuestro equipo ejecutivo está integrado por el gerente general corporativo, los vicepresidentes y gerentes de las diferentes áreas, quienes supervisan la implementación de nuestra estrategia de negocio y la operación cotidiana de la compañía.

Sus funciones son liderar la implementación de la estrategia, gestionar y validar los lineamientos de la compañía con relación a los aspectos ASG. Además, retroalimentar y orientar a los colaboradores para la toma de decisiones en toda la organización.

G





Pedro Lerner Rizo Patrón

Chief Executive Officer

Mr. Lerner has been our Chief Executive Officer since the 1st July 2020. Before that he was CEO of CELEPSA (Compañía Eléctrica El Platanal S.A.) since 2006. He holds a BSc in mechanical engineering from the Pontificia Universidad Católica del Perú. He completed two master's degrees, in technology and strategy and in electrical engineering and computer sciences at Massachusetts Institute of Technology – MIT (1997).

He is currently also chairman of the managing council of Peru2021 (www.peru2021.org, Global Network Partner of the World Business Council for Sustainable Development – WBCSD) and was a member of the managing council of the National Mining, Petroleum and Energy Society (SNMPE) from 2009 to 2016 and again from 2019 to 2020.



Álvaro Morales Puppo

Corporate Chief Financial Officer
(from 1.2.2021)

Financial and Corporate Development Manager
(until 31.1.2021)

Mr. Morales has been our Corporate Vice Chairman - Finance since the 1st February 2021. Mr. Morales was Corporate Finance and Development Manager from 2012 until January 2021 and was our financial manager from 1992. He has been a director of UNICON since 1996, BASF since 2002, CELEPSA since 2005, PREANSA Peru since 2007 and of Entrepisos since 2010.

He has a degree in business administration from Universidad del Pacifico, a specialist qualification in finance from ESAN and has completed the Universidad de Piura executive development program.



Marlene Negreiros Bardales

Corporate Vice President - Talent and
Corporate Culture

Mrs. Negreiros has been our Vice President -Talent and Corporate Culture since the 15th February 2021. She was the Corporate Human Resources Manager of AENZA (Graña y Montero) from February 2019 onwards. Before that she was the Corporate Human Resources Manager of the Grupo Gloria and earlier still the Global Human Resources Director of Grupo Aje.

She holds a degree in business administration from the Universidad Peruana de Ciencias Aplicadas and is a certified professional in human resources for business by the HR Certification Institute (HRCI); she also holds a postgraduate qualification in HR from INCAE Executive Education and the University of Georgetown's McDonough School of Business.



Eduardo Sánchez Verdejo

Corporate Vice President Industrial Operations

Mr. Sánchez has been our Vice President - Manufacturing since the 1st February 2021. He has been the plant manager of UNACEM Ecuador S.A. since January 2010. Special representative of UNACEM Ecuador, chairman of Canteras y Voladuras Ecuador, CEO of HIDROINTAG (Empresa de Proyectos Eléctricos Ecuador). He has acquired a deep knowledge of the cement industry since 1995. He graduated as a chemical engineer from the University of Salamanca, Spain.



José Luis Perry Gaviño

General Counsel

Mr. Perry has been our general counsel since December 2019. Previously he was the assistant legal manager since 2012 and before that legal adviser and attorney-in-fact of Cementos Lima from 2004 to 2012.

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



Francisco Barúa Costa

Investment Manager

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



Jeffery Lewis Arriarán

Project Implementation Manager

Mr. Lewis has been our Project Implementation Manager since 2009. Before that he was our Civil Engineering Supervisor between 1996 and 2009. He holds a degree in civil engineering from Universidad Ricardo Palma and an MBA from Universidad del Pacífico.



Kurt Uzátegui Dellepiane

Commercial Manager

Mr. Uzátegui has been our Commercial Manager since 2012. Previously he was our Marketing Manager from 2008 to 2012. Before that he was Senior Product Manager for Peru and Venezuela, and Trade Marketing Manager - Analgesics at Pfizer. Between 2007 and 2008 he was the National Trade Marketing Manager of Johnson & Johnson in Peru. He holds a degree in business administration from Universidad del Pacífico and a dual MBA from INCAE in Costa Rica and Universidad Adolfo Ibañez in Chile.



Juan Asmat Siqueiro

Atocongo Operations Manager

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



Héctor Leyva Cruz

Condorcocha Operations Manager

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



Pablo Kohatsu

Human Resources Manager

Mr. Kohatsu is a systems engineer, he graduated from the National Engineering University and holds a master's degree in finance from the Universidad del Pacífico. He has more than 20 years of experience in personnel management and organizational development, having worked in well-known Peruvian and multinational companies in the mining and of communications industries.



Armando Casis

General Manager of Asociación UNACEM

Mr. Casis has been the General Manager of Asociación Unacem since 2012. Before that he was General Manager of Asociación Atocongo between 2003 and 2012, and of Lar Carbon from 1990 to 2003. He has been and remains a director of different organizations. He graduated in industrial engineering from the National Engineering University, holds a master's degree in social management (PUCP), an MBA (Université du Québec) and a master's degree in administration (ESAN). He also holds the following diplomas: Social Impact Strategy (UPenn), Independent Directors Certificate (Centrum Católica), Peruvian Investment Development Environment – Universidad de Piura Management School (PAD), Diploma in Corporate Social Responsibility from Tecnológico de Monterrey (TEC) and the World Bank Institute (WBI), the Harvard Kennedy School Leadership Series and Corporate Citizenship Management from Boston College Center for Corporate Citizenship (BCCCC).

2.4.1

Risk supervision and opportunities relating to climate change

In UNACEM, major decisions on strategic investment and divestment, means of indebtedness and socio-environmental management are implemented by the senior management, which supervises and executes action related to climate change. The roles performed by our senior management in risk management and opportunities arising from climate change are described below:

Position	Role
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> - The Chief Executive Officer is responsible for the manufacturing, quarrying, maritime and electricity generating business units, heads Grupo UNACEM and reports to the chairman of the Board of Directors on progress with the company's Strategic and Sustainability Plan. - He must provide the economic, financial and planning facilities required to implement initiatives relating to our climate strategy. - He represents Grupo UNACEM to the Inter-American Cement Federation (FICEM), in which he promotes sustainable development of the region's cement industry and addresses the management of climate change by the cement industry in Latin America.
Corporate Vice President - Manufacturing	<ul style="list-style-type: none"> - Responsible for the administration of all UNACEM's manufacturing units and related activities, and helps to draft the Sustainability Commitment of Unión Andina de Cementos S.A.A. (UNACEM), which includes climate change initiatives.
Project Manager	<ul style="list-style-type: none"> - Responsible for monitoring progress with the UNACEM Strategic Plan, which identifies climate strategy initiatives such as the development of new products, increased use of additives and emissions reduction.
Operations Manager of Atocongo and Condorcocha	<ul style="list-style-type: none"> - The Operations Managers of Atocongo and Condorcocha are the executive instances for climate strategy initiatives.
General Counsel	<ul style="list-style-type: none"> - The General Counsel is also responsible for the environmental management of the organization, in which he participates as sponsor of initiatives relating to climate strategy.
Commercial Manager	<ul style="list-style-type: none"> - The Commercial Manager takes part as the executive instance for the promotion of cements with improved environmental performance, as well as improving the supply of products and new products to clients. - His is the executive responsibility for the "Development of new cements" and "Increased use of Additives" initiatives contained in the Strategic Plan.

2.4.2**Investors relations**

Our governance practices are founded on transparency towards our stakeholders. We periodically publish the following performance data on our website and that of the Stock Exchange Regulatory Authority (SMV):

- Annual reports and integrated reports.
- Interim quarterly financial statements.
- Quarterly newsletters.
- Information relative to general meetings of shareholders.
- Significant events.


In addition, we maintain a direct link to all of our investors through our investor relations team. Our main efforts to relate to this stakeholder group in 2021 included:

- 4 quarterly conferences with the management after publication of the financial results.
- 7 conferences for investors.
- "One on one" meetings with investors and analysts.

**2.5**

Ethics and compliance

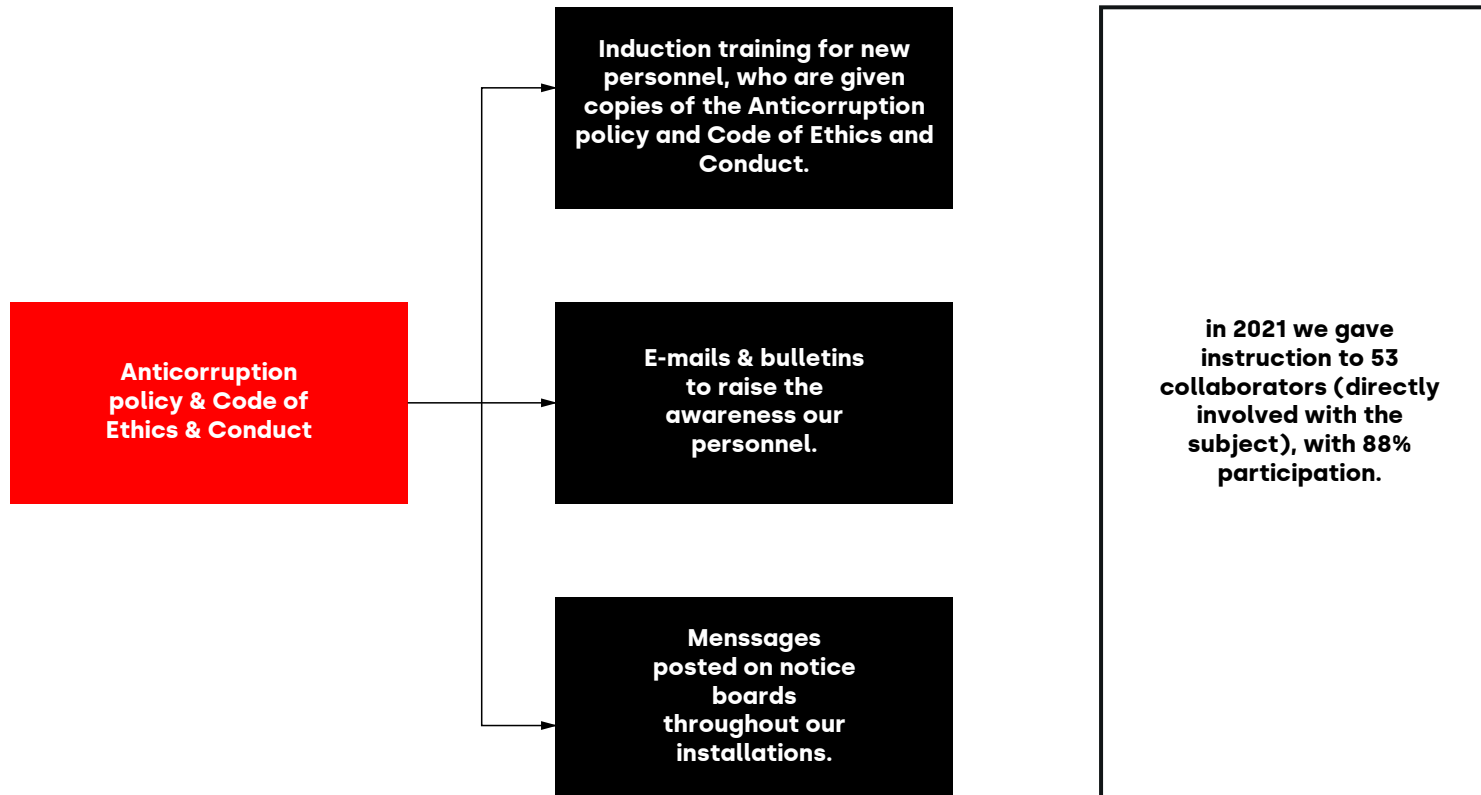
[GRI 102-16] [GRI 205-2]

**2.5.1**

Anti-corruption policy

Our company, led by its Board of Directors, has taken a firm stance in the fight against corruption. An important milestone was the approval and publication in 2019 of our anti-corruption policy, which is available to all our stakeholders on our website and to our collaborators on the Intranet.

In 2021 we further disseminated the anti-corruption policy and code of ethics and conduct, and provided training in their contents:



**“OUR AIM IS TO PERMANENT
STRENGTHEN THE CRITERIA THAT
ENCOURAGE OUR PERSONNEL TO TAKE
ETHICAL DECISIONS”.**

2.5.2**Compliance** [GRI 419-1]

Our legal department is responsible for safeguarding the rights and interests of the company, for ensuring compliance with our legal obligations and minimizing contingencies through preventive action.

We use GEORGE software to supervise, identify and verify legal obligations (safety, the environment, mining and electricity) and contractual obligations; we assign a responsible person to ensure compliance and issue early warnings.

The legal department also carries out six-monthly audits to guarantee compliance with these obligations.

We also carry out random supervision of our activities, which are also supervised continually by the Environmental Evaluation and Monitoring Organization (OEFA) to guarantee compliance with our legal obligations.



CAP. 3

**Economic
management**



3.1

Macroeconomic environment

In 2021 the world economy, still affected by measures to combat COVID-19, experienced a larger than expected recovery, though not all parts were affected equally. The world's gross domestic product grew by 5.5% compared with 2020. The year brought great challenges, not only the new Omicron variant of the COVID-19 virus and restrictions introduced to combat it, but also supply chain problems and increased fuel prices, which made energy more expensive and led to inflation, particularly in Latin America.

As far as the pandemic is concerned, efforts were concentrated on vaccination, with more than 53% of the world's population now vaccinated. The appearance of the Omicron variant in the final quarter of the year provoked a new wave of infections, leading to restrictions on movement and slowing the economic recovery once again. Fortunately, a high percentage of the population had been vaccinated and the authorities had gained 2 years of experience of pandemic management, so fewer patients were admitted to intensive care and there were fewer deaths compared to the second wave.

The developed economies continued to recover at the start of the year with domestic demand making an important contribution; their recovery was moderated by the removal of fiscal stimulus in the second half of 2021, resulting in economic growth of 5.0% compared with a contraction of 4.5% in the previous year. The United States (5.6%) recorded higher than expected levels of inflation resulting from international supply chain problems and the impact of the Omicron strain on the country's labor force. Economic growth in the euro zone was also significant (5.2%) despite restrictions on movement caused by the pandemic, but energy prices and inflation rose. The countries with the highest growth during the year were France (6.7%), Italy (6.2%) and Spain (4.9%).

Overall growth in the emerging economies was 6.5%, compared with a contraction of 2.0% in 2020. India (9.0%) and China (8.1%) without doubt experienced the best performance, in the former's case credit-driven, resulting in more consumption and investment. The Chinese economy began to decelerate in the second half of the year, principally because of interruptions in industrial production caused by power outages, a collapse in real estate investment and an unexpected freeze in public spending after restrictions were introduced to control the risks associated with highly-leveraged real estate companies. This deceleration could have a significant affect on world growth over the next few years.

After the severe contraction of 2020, Latin American countries recovered to the levels seen prior to the health crisis and recorded growth of 6.8%, thanks to greater mobility and favorable prices for raw materials, of which many countries are major exporters. Nevertheless, employment in 30% of these countries did not recover in 2021 and they saw an increase in inequality between men and women. Activity in Latin America was uneven, as is normal in our region, and each country took its own measures to cope with the collateral effects of the pandemic. Growth during the year was: Peru (13.3%), Chile (11.8%), Argentina (10.0%), Colombia (9.9), Mexico (5.7%), Brazil (4.9%) and Ecuador (3.9%).

Peru had not only to cope with the social and economic effects of the pandemic, but also with political uncertainty and a lack of confidence. A general election was held in April and this determined

the composition of Congress but led to a second round election for president, after which Pedro Castillo was proclaimed President of Peru in an exceptionally close vote. President Castillo's cabinet appointments generated controversy from the very start of his government, resulting in a reduction in private investment, weakening of the country's currency and an erosion in confidence among the general public. In addition we have seen growing social discontent deriving from the electorate's unsatisfied expectations, complacency on the part of the Executive in the face of increasing violence and social conflicts and lackluster performance by Congress.

However, Peru's economy has shown itself to be resilient in this challenging environment and expanded by 13.3% compared with a contraction of 11.1% in 2020. Performance by the most important sectors was as follows: mining and hydrocarbons, 7.4%; fishing, 2.8%; agriculture & livestock, 3.8% and in the non-primary sector, manufacturing grew by 17.7%; trade, 18.0%; construction, 35.5% and services, 7.8%.

The construction sector performed notably during the year, recording a recovery of 34.8% to exceed levels prior to the pandemic. This was the result of internal consumption for self-building and a recovery by mining and infrastructure construction during the year, as well as the execution of delayed projects by small and medium sized companies, acting as an important driver of Peru's economic activity.

The main economic indicators during 2020 were:

- Net international reserves of US\$ 78,495 million, representing an increase of 5.07% compared with international reserves for the previous year (US\$ 74,707 million).
- Inflation of 5.6% (2.0% in 2020), above the target range preferred by the Banco Central de Reserva del Peru (BCRP), as a result of global supply shocks and problems as well as a recovery in economic activity.
- A trade surplus of US\$ 14,656 million, with exports at US\$ 61,899 million at the close of 2021 (US\$ 42,029 million in 2020). It should be noted that this increase was caused by high terms of trade,

principally the prices of mining products for export. It also helped to increase exports of non-traditional products such as farm produce, textiles and chemicals.

- By the close of the year accumulated depreciation of the Peruvian sol was 18.1%, ending this period at S/ 3.998 to the United States dollar (S/ 3.362 at the close of 2020). The sol was at its most volatile in the months following the confirmation of Pedro Castillo as the new President, when the exchange rate exceeded S/ 4.10 to the dollar. Peru's central bank continued to intervene by selling millions of dollars, thus preserving the stability of the Peruvian financial system.





3.2

Our operations

- **Atocongo Plant**

Atocongo Plant is located in Villa Maria del Triunfo, in the city of Lima. It is the largest plant in Peru. It has a production capacity of 5.5 million tons of cement and 4.8 million tons of clinker.

[GRI 102-4] [GRI 102-7]

- **Condorcocha plant**

The Condorcocha Plant is in La Unión Leticia, Tarma, Junín. It is the highest cement plant in America. It has a production capacity of 2.8 million tons of cement and 1.9 million tons of clinker.

[GRI 102-4] [GRI 102-7]

Planta Atocongo



Planta Condorcocha



3.2.1 The production process

1

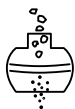
Extraction

In the first stage of manufacture, limestone (raw material) is extracted from the quarries.

2

Primary crushing

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

3

Secondary crushing

The reduced limestone is once again broken up in the secondary crusher to a size of approximately 7.5 cm.

4

Milling and homogenization

The limestone is transported to the milling circuits for its final reduction and the adjustment of its chemical composition. It is then sent to the homogenizing silos to ensure a uniform quality.

5

Clinker production

The limestone is subjected to a calcination process, at an average temperature of 1,450°C, to obtain clinker, an intermediate input for cement.

6

Clinker cooling

The clinker is transported to the coolers, where it drops from an average temperature of 1,200°C to 100°C. This process improves its chemical stability.

7



Cement milling

The clinker is transported to a storage yard, from where it will be fed into the roller presses or ball mills to dose it with gypsum and other additives, depending on the type of cement to be manufactured. Finally, it is transported to the storage silos.

8



Packaging and dispatch

The cement taken from the silos is dispatched in 42.5 kg, big bags, or in bulk.

9



Commercialization

We sell our products through the network of Progresol home improvement stores, independent home improvement stores, and chains of big box home improvement stores. In the provinces, we have authorized distributors. More information in www.unacem.com.pe

10



Export

We export and import materials via the Conchán pier, connected to our Atocongo plant via a tubular belt conveyor that runs 8.2 km long, 95% of which is underground. This helps to ensure the minimal socioenvironmental impact of our operations.

11



Quality control

Our quality process encompasses every step of the way from the selection and correct combination of raw materials to the dispatch and delivery of our cements.

3.2.2

Integrated management systems and certification

[GRI 102-12] [Non GRI, ISO 37001]

How is it managed?

In order to consolidate our commitment to sustainability and the quality of our products and services, we adhere voluntarily to a number of regulations, initiatives and standards, to which we are certified. This means we can take steps to prevent and/or mitigate environmental impacts generated by our activities, minimize risks and create a much healthier and safer working environment for the employees of UNACEM and contractors.

These standards have certain aspects in common (the same structure), which enables us to work seamlessly towards a final objective: to make our organization more effective and efficient.

Our operations in Lima and Junin hold the following certificates:

N.º	Certification	Lima	Junín
1	Standard ISO 9001 v2015: Quality management systems	- Atocongo Plant - Conchán Port Facility	- Condorcocha plant - Carpapata I, II and III hydroelectric power stations
2	Standard ISO 14001 v2015: Environmental management systems	- Atocongo Plant - Conchán Port Facility	- Condorcocha plant - Carpapata I, II and III hydroelectric power stations
3	Standard ISO 37001 v2016: Bribery Prevention Systems	- Atocongo Plant - Condorcocha Plant - Conchán Port Facility - Villarán offices	- Condorcocha Plant



N.º	Certification	Lima	Junín
4	Standard ISO 45001 v2018: Health and Safety at Work Management Systems	- Atocongo Plant - Conchán Port Facility	- Condorcocha plant - Carpapata I, II and III hydroelectric power stations
5	Standards BASC v2017 and BASC 5.0.1: Control and Security Management System	- Conchán Port Facility and exports	
6	Statement of Compliance (SOC) – ISPS CODE	- Conchán Port Facility	
7	Port Facility Security Certificate (PFSC)	- Conchán Port Facility	

In 2021 we obtained BASC v2017 and ISO 9001 v2015 recertification and audits were carried out of our compliance with ISO 14001 v2015 and ISO 45001 v2018.

We were also subject to an ISO 37001 v2016 audit for the Atocongo and Condorcocha plants.

The Condorcocha plant was recertified to ISO 14001 v2015 and a compliance audit of ISO 9001 v2015 and ISO 45001 v2018 was performed.

3.2.3

Our brands and products

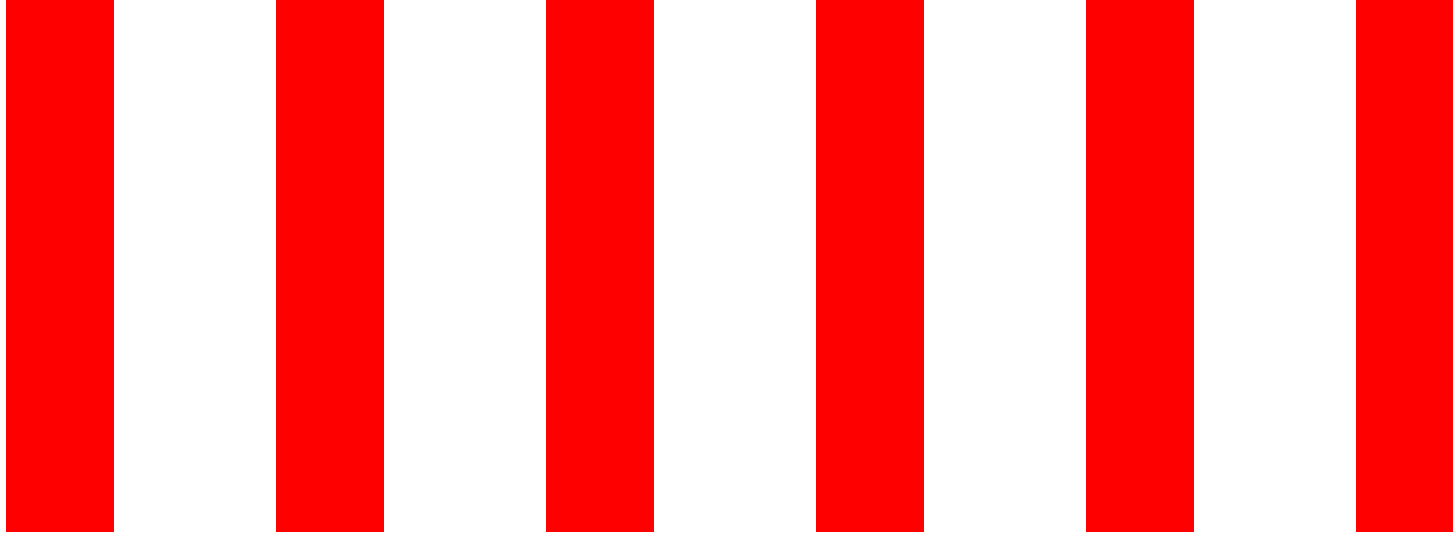
[GRI 102-2] [GRI417-1]

We supply our customers with high-quality cements that are stronger than required by Peruvian Technical Standards (NTP in Spanish) and ASTM (American Society for Testing and Materials).

Cement in bags

In 2021 we manufactured 6 types of high-quality cement, packed so as to preserve their properties:





Additive-based cements [Non GRI Additive-based cements]

In line with our portfolio and new product launch strategy, we are continually evaluating the market to ensure that our products meet our clients' and consumers' requirements and that we can also reduce our impact on the environment. We make the following additive-based cements: Andino Ultra, Andino Forte and Apu, which now make up 32.4% of UNACEM's sales.

Bulk cements

We dispatch cement in Big Bags of 1.5 tons or in bulk cement tankers⁽²⁾, directly to clients.

3.2.4

Production and dispatch in the domestic market

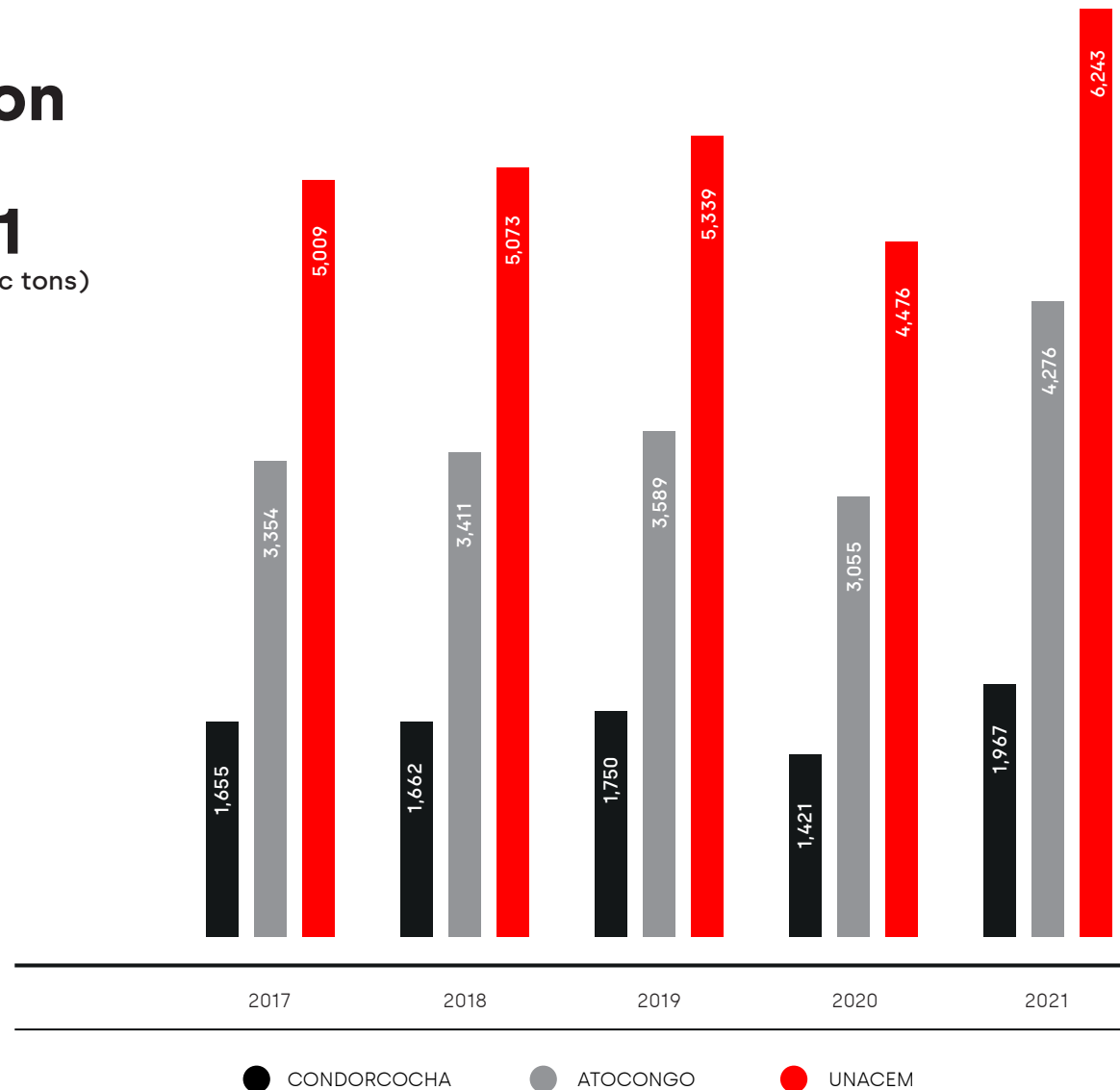
[GRI 102-6] [GRI 102-7] [GRI 201-1] [Non GRI Market share] [Non GRI Events affecting the demand for cement]

Our production and dispatches reached record levels in 2021, thanks to our clients' resilience in spite of the challenging circumstances of the COVID-19 pandemic. Total clinker production was 6,214,479 t, a figure 105.9% higher than that for 2020 (3,017,405 t).

² Semi-trailer used to carry bulk materials.

Cement Production by Plant, 2017-2021

(in thousands of metric tons)



This significant increase can be explained by the high demand in 2021 compared with 2020, the year in which clinker production was paralyzed for three months and cement dispatches for two months because of measures imposed by the Government to combat the pandemic.

It should be noted that total clinker production by the Atocongo Plant in 2021 was 4.7 million tons - a record.

WE PRODUCED A RECORD OF 6,2 MILLION TONS OF CEMENT FOR THE DOMESTIC MARKET IN 2021.

Cement production reached a total of 6,243,018 t, a 39.5% increase over the 4,475,625 t produced in the previous year and 16.7% higher than in 2019. This result was the result of higher domestic demand during the year.

By the end of 2021, we had produced 4,276,217 t of cement at the Atocongo Plant (Lima) and 1,966,801 t at the Condorcocha Plant (Junín), easily covering the domestic demand for cement.

In this context our Atocongo and Condorcocha operations produced excellent results and achieved a combined plant utilization ratio of 92.3% for clinker production (versus 45.0% in 2020) and 75.2% for cement (versus 53.4% in 2020).

WE EASILY COVERED THE DOMESTIC DEMAND FOR CEMENT IN 2021.

Cement dispatches

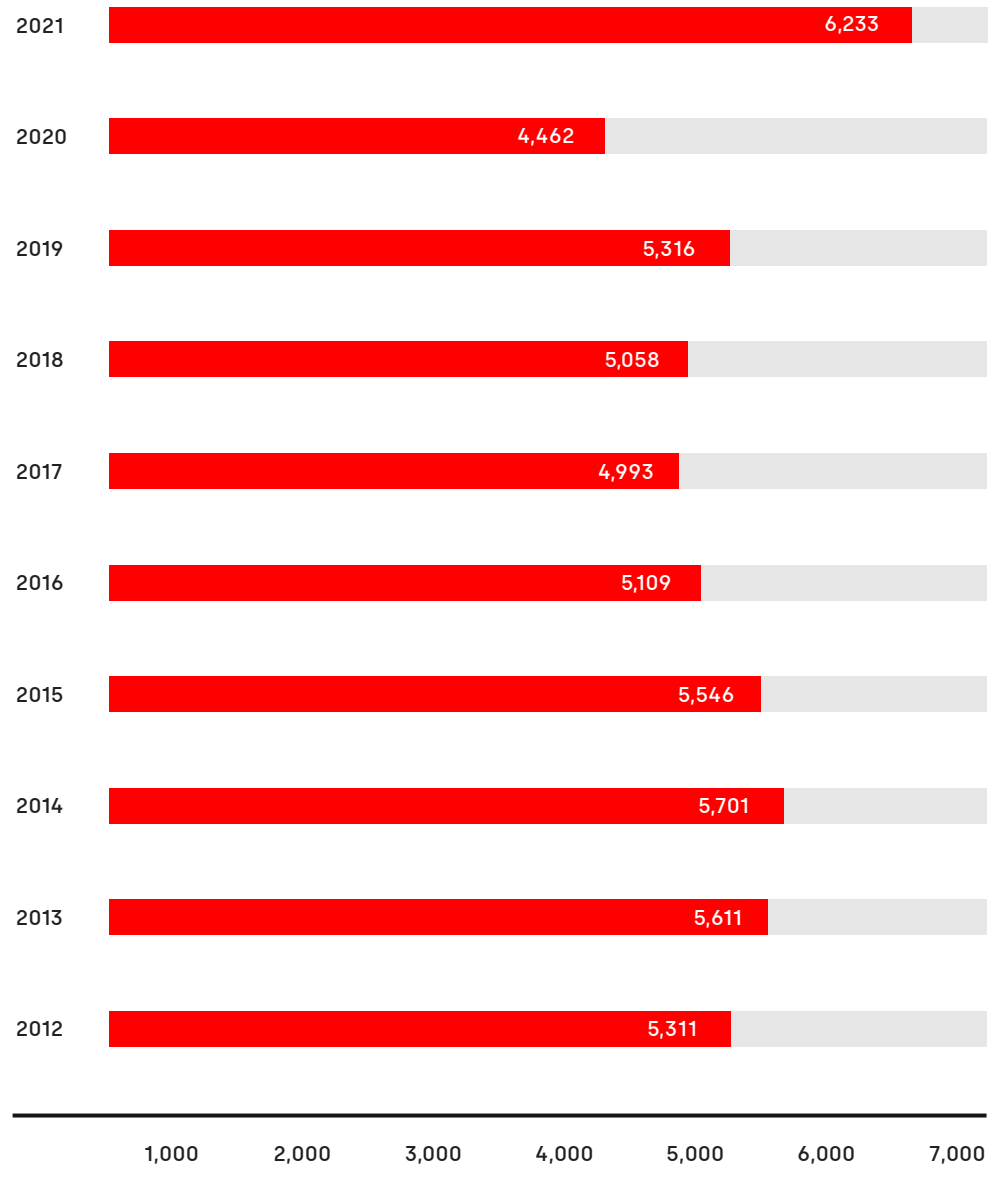
The total volume of cement dispatched in 2021 was 6,233,325 t, a figure 39.7% higher than in 2020 (4,461,843 t) and 17.2% higher than in 2019 (5,316,427 t). Dispatches from both plants reached record levels. In October the figure was 585,231 t.

Furthermore, according to data from the National Statistics & Information Technology Institute (INEI), cement dispatches for the whole of Peru amounted to 11,958,393 some 18.7% higher than in 2020 (10,078,578 t).



Domestic Market Cement Dispatches, 2012-2021

(in thousands of metric tons)



3.2.5**Sales**

[GRI 102-7] [GRI 201-1]

In 2021, sales of bagged and bulk cement represented 72.6% and 27.4% respectively of total dispatches. It should be pointed out that in Peru self-building is the main stay of the construction sector. For that reason, 75.2% of cement in bags is used for that activity and 24.8% goes to construction companies. As far as bulk cement is concerned, 52.8% is sold to concrete manufacturers and 47.2% to mining and industrial companies.

Cement in bags

Our bagged products are sold principally through two distribution channels: traditional hardware stores (consisting of the Progresol hardware store network and independent stores that are not part of the network) and modern hardware stores (the large self-service DIY stores).

Performance in 2021

Our bagged cement business unit grew by 32.1% compared with 2020, principally because of sales through the traditional channel used mainly by the self-build market.

Due to lockdowns and other restrictions in place since 2020, we saw that users spent their savings on improving, extending or remodeling their homes.

Bulk cement

This unit sells Portland cement types I, IP, IPM, GU, V and HS, principally to ready mixed concrete companies, builders of hydroelectric power stations, mines, oil companies, construction companies in general and firms making cement-based products.

Performance in 2021

Our bulk cement business unit grew by 64.7% compared with 2020, which is an important increase bearing in mind that it was the business unit that was most affected by the pandemic during the year.

CEMENT IN BAGS

- 72.6% of dispatches (2021)
- Brands: Cemento Andino – type I, Cemento Sol – type I, Cemento Andino Forte – type MH/R, Cemento Andino – type V, Cemento Andino Ultra – type HS and Cemento Apu – type GU.
- Growth in sales: 32.1%.
- Sales channels: traditional hardware stores and large self-service DIY stores.

BULK CEMENT

- 27.4% of dispatches (2021)
 - Portland cement types I, IP, IPM, GU, V and HS
 - Growth in sales: 64.7%
 - Sales channels: ready mixed concrete companies, hydroelectric power station builders, mines, oil companies, construction companies in general and firms making cement-based products.
-

Our sales strategy continues to be based on innovation in products, services and business models that will enable us to continue strengthening a sustainable commercial relationship with the whole of the value chain from plant to hardware store. To do so we are continuing to build loyalty and strengthen links with hardware stores through careful management and wider coverage by the Progresol network, which at the close of 2021 consisted of 1,051 points of sale.

A RECOVERY IN DEMAND IN 2021 MEANT THAT UNACEM'S DISPATCHES REACHED RECORD LEVELS. MONTHLY DISPATCHES IN OCTOBER AMOUNTED TO 585,231 T.

Thanks to our team's efforts, by the end of 2021 we had achieved the following milestones:

- 1,051 loyal clients in the Progresol network, 4% higher than in 2020.
- We managed to increase our market share of the traditional channel by 0.3% compared with 2020, thanks to the strength of our brands and the loyalty of our customers.

3.2.6**Digital transformation****Why is this important for UNACEM?**

We seek to strengthen the digital transformation of the company and to adapt to the challenges and demands of today's market. We are therefore continuing to implement IT and infrastructure security protocols.

How is it managed?

UNACEM has different approaches to digital transformation, which take the form of the applications and projects described below:

1. **ERP:** our enterprise resource planning (ERP) system is SAP's S/4HANA. By the end of 2021 we had implemented all the modules covering the company's operations and in 2022 we are migrating it to the cloud using SAP RISE.
2. **Analytical mobility:** SAP Fiori enables us to have the whole ERP system on electronic devices and gives us flexible access from anywhere and from any device using analytical applications.
3. **Data:** we use business intelligence (BI) projects to obtain strategic information that increases the efficiency of critical operations. Our principal objective is to become a 'data driven' company.
4. **Processes:** using process evaluation and diagnostics we seek continual improvement through automation. These automated / digitized processes provide our clients (both internal and external) with prompt and high-quality information.

5. **Operations:** this approach is centered principally on industrial operations analysis and business intelligence (BI) based on ML/AI to enable us to carry out improvements to our production equipment and achieve greater efficiencies and reduce costs and environmental emissions, as well as to achieve predictability to improve maintenance and dispatches.

Internal management

Successful trials with new vehicle identification technologies: in order to improve our automated dispatch system we have carried out a 15-day trial of number plate recognition cameras.

On average, the system successfully identified 93% of vehicle license plates.

This trial identified improvements that could be made to lighting and obstructions to viewing the license plates.

Correct identification of vehicles will enable us:

- To monitor vehicle parking capacity.
- To check the location of vehicles for assigning shifts.
- To measure the dispatch process from the arrival of a vehicle at the plant.
- And, most important of all, the driver can stay in his cab for the whole of the dispatch cycle.



LA MEZCLADORA – INNOVATION HUB

As part of our vision of innovation, and aware that collective effort multiplies the impact of action taken in the sector and society, since 2021 we have been part of La Mezcladora (the Mixer), the first construtech and proptech innovation hub in Latin America, with partners SIDERPERU, Cementos Pacasmayo, Menorca, Habitat for Humanity, Banco de Crédito del Peru, Master Builders Solutions, Prodac-Bekaert and UTEC.

The purpose of this innovation hub is to promote and implement technological solutions to increase the productivity of the construction and house-building sectors, improve the availability of housing and encourage an environment for innovation in the sector.

The activities of La Mezcladora concentrate on:

- Open innovation: connecting proven solutions among the partners to implement pilot projects for new products and services, in addition to validating new solutions.
- cross learning + a culture of innovation: collaborative innovation.
- Events and dissemination: we organize events that promote the relevance of innovation to the industry and publish new solutions, trends and technologies.

These first months of La Mezcladora have produced encouraging results: 4 meetings with more than 400 participants; a challenge with 8 teams chosen from operations in Brazil, Colombia, Chile, Guatemala, Mexico and Peru; and the design of a first pilot program to facilitate access to professional solutions via financing.

3.2.7**Exports and port operations**

- In 2021 we exported 706,891 t of clinker, a volume 35.6% greater than in the previous year (521,287 t). 98.1% of our exports went to Chile and only the remaining 1.9% to other clients in America.
- The total volume of bulk cargoes handled by our port facility was 1,281,629 t, a 65.8% increase over 2020; a total of 40 vessels were loaded and unloaded. In addition to clinker exports, the main products handled by the port facility were gypsum, coal, slag, pozzolan and cereals for third parties, and imported clinker, making a total of 574,738 t (compared with 463,106 t in 2020).

3.2.8**Economic-financial results**

[GRI 102-7] [Non GRI Profitability]

The company's financial results at the close of 2021 were excellent. The separate audited financial statements of UNACEM as at the 31st December 2021, are as follows:

Financial results

	2019	2020	2021	Variation 2021/2020	Variation 2021/2019
Net sales	1,985,111	1.698 958	2.429.187	43.0%	22.4%
Gross profit	673,393	464,050	864,012	86.2%	28.3%
Operating profit	624.207	261.041	742.731	184.5%	19.0%
Profit before taxation	466.322	52.045	538,245	934.2%	15.4%
Net profit	348 916	30.287	395.531	1205.9%	13.4%
EBITDA (with declared dividends by subsidiaries)	862.817	506.498	997.505	96.9%	15.6%
EBITDA (without declared dividends by subsidiaries)	703,569	497.544	896,341	80.2%	27.4%



Income

Our income from sales of cement as at the 31st December 2021 was S/ 2,217.3 million, 40.6% higher than in 2020. This increase is due mainly to higher volumes of cement sold as the economy and demand recovered.

Furthermore, export income as at the 31st December 2021 was 34.9% higher than in 2020. Revenue from blocks and paving grew by 154.6% compared with Q420.

Our total turnover, therefore, was 43.0% higher at S/ 2,429 million, compared with S/ 1,699.0 million in 2020.

The cost of sales was 26.7% higher than in 2020, due to the larger physical volume of cement sold and continuous operation

EBITDA margin and net profit

Our gross profit increased by 86.2% compared with 2020, while the blended gross profit margin reached 35.6% (27.3% in the same period of the previous year).

Our operating costs amounted to S/ 241.8 million as at the 31st December 2021, an increase of 29.1% over the previous year, due principally to higher spending as market demand recovered.

Our other operating income at the close of the year increased by 173.6% compared with 2020, which is explained by dividend income declared by UNACEM Ecuador through Inversiones Imbabura S.A., by Ferrocarril Central Andino S.A. and by Inversiones en Concreto y Afines S.A., amounting to a total of S/ 94.4 million.

Other costs fell by 42.3% compared with the same period of the previous year, the result of an adjustment made in 2020 to assets related to the Atocongo thermal power station project and the Cristina quarrying concession, amounting to S/ 57.7 million.

Consequently, in 2021 we obtained an operating profit of S/ 742.7 million compared with S/ 261.0 million in 2020, explained principally by the larger blended gross margin and higher dividend income declared by our subsidiaries, net of increased administration and operating costs.

The EBITDA margin, including dividends declared by subsidiaries, was 41.1% in 2021 (29.8% in 2020). EBITDA without dividends declared by subsidiaries was S/ 896.3 million, a figure higher than the S/ 497.6 million produced in 2020. It should be noted that our monthly EBITDA reached record levels during the final quarter.

Our financial expenses fell by 2.5% compared with the same period in the previous year, mainly because of lower financial costs deriving from the re-profiling of S/ 1,168 million of debt carried out in January 2021.

At the close of 2021 we had suffered an exchange rate loss of S/ 48.3 million compared to a loss of S/ 49.7 million in the same period of the previous year, which is explained mainly by the devaluation of the Peruvian sol and the existence of financial debt denominated in US dollars.

The provision for income tax is calculated on the basis of the results of the fiscal year.

Our net profit increased considerably compared to the previous year, from S/ 30.3 million to S/ 395.5 million, for the reasons mentioned above.

Debt management

As far as our debt levels are concerned, as explained previously, in January we re-profiled S/ 1,168 million of debt with three local banks, which enabled us to improve repayments in subsequent years at a lower financial cost.

Furthermore, in addition to scheduled repayments we have made some early repayments resulting in net amortization of S/ 507.0 million during the year, restoring our target level of leverage, which should not exceed 3 times our EBITDA.

	2019	2020	2021
Short-term debt	383,762	793,526	383,635
Long-term debt	2,683,803	2,377,416	2,280,272
Total debt	3,067,565	3,170,942	2,663,907
EBITDA	862,817	506,498	997,505
Debt ratio/EBITDA	3.56x	6.26x	2.67x

Risk classification

Our Standard & Poor's global risk rating remained unchanged at BB, with the outlook changed to stable in June 2021.

We hope that the recovery, our excellent results for the year and the measures taken to improve the company's performance will lead to an improved global risk rating in the medium term. Meanwhile our local risk ratings remained at AA by Apoyo & Asociados and AAA by Class & Asociados, both with a stable outlook.

Our separate financial statements for fiscal year 2021 were prepared in accordance with International Financial Reporting Standards (IFRS).

Capital

Our fully subscribed and paid up capital is S/ 1,818,127,611 (one thousand eight hundred and eighteen million one hundred and twenty seven thousand six hundred and eleven soles only), represented by 1,818,127,611 (one thousand eight hundred and eighteen million one hundred and twenty seven thousand six hundred and eleven) ordinary shares having a nominal value of S/ 1.00 each.

Equity account

With the above and in accordance with International Financial Reporting Standards (IFRS), the figures in nuevos soles as at the 31st of December 2021 and 2020, respectively are as follows:

EQUITY ACCOUNT	AS AT 31.12.2020	AS AT 31.12.2021
Capital	1,818,127,611	1,818,127,611
Additional capital	-38,019,081	-38,019,081
Treasury shares	-	-11,609,773
Statutory reserve	363,625,523	363,625,523
Results not realized	-33,328,329	-17,926,738
Accumulated results	2,690,223,938	2,896,810,192
Total equity	4,800,629,662	5,011,007,734

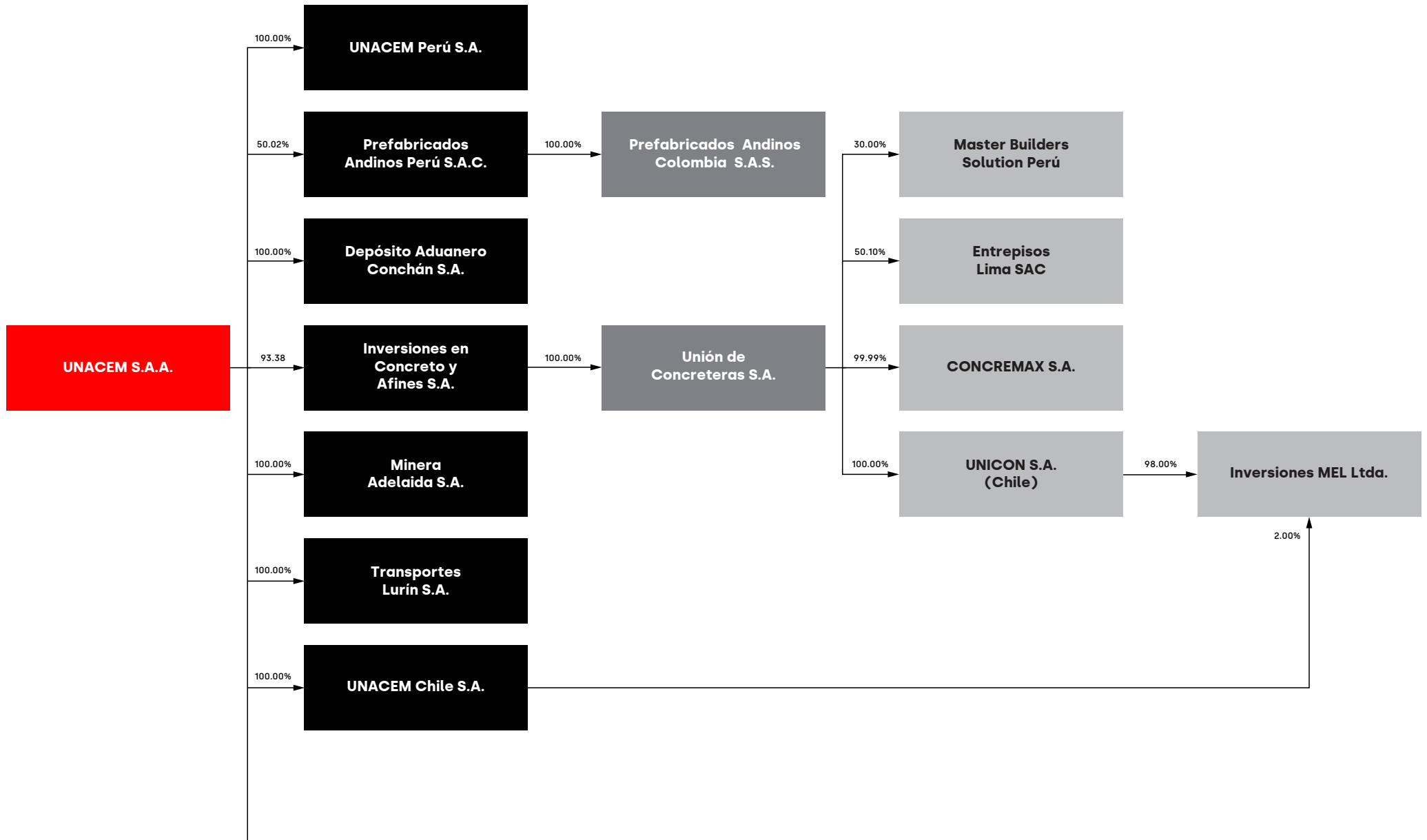
At present we have a number of tax, legal and labor proceedings in progress relating to the company's operations. In the opinion of the management and our legal advisers, the final result will not create significant costs and the company has made such provisions as it considers necessary with regard to these proceedings as at the 31st December 2021.

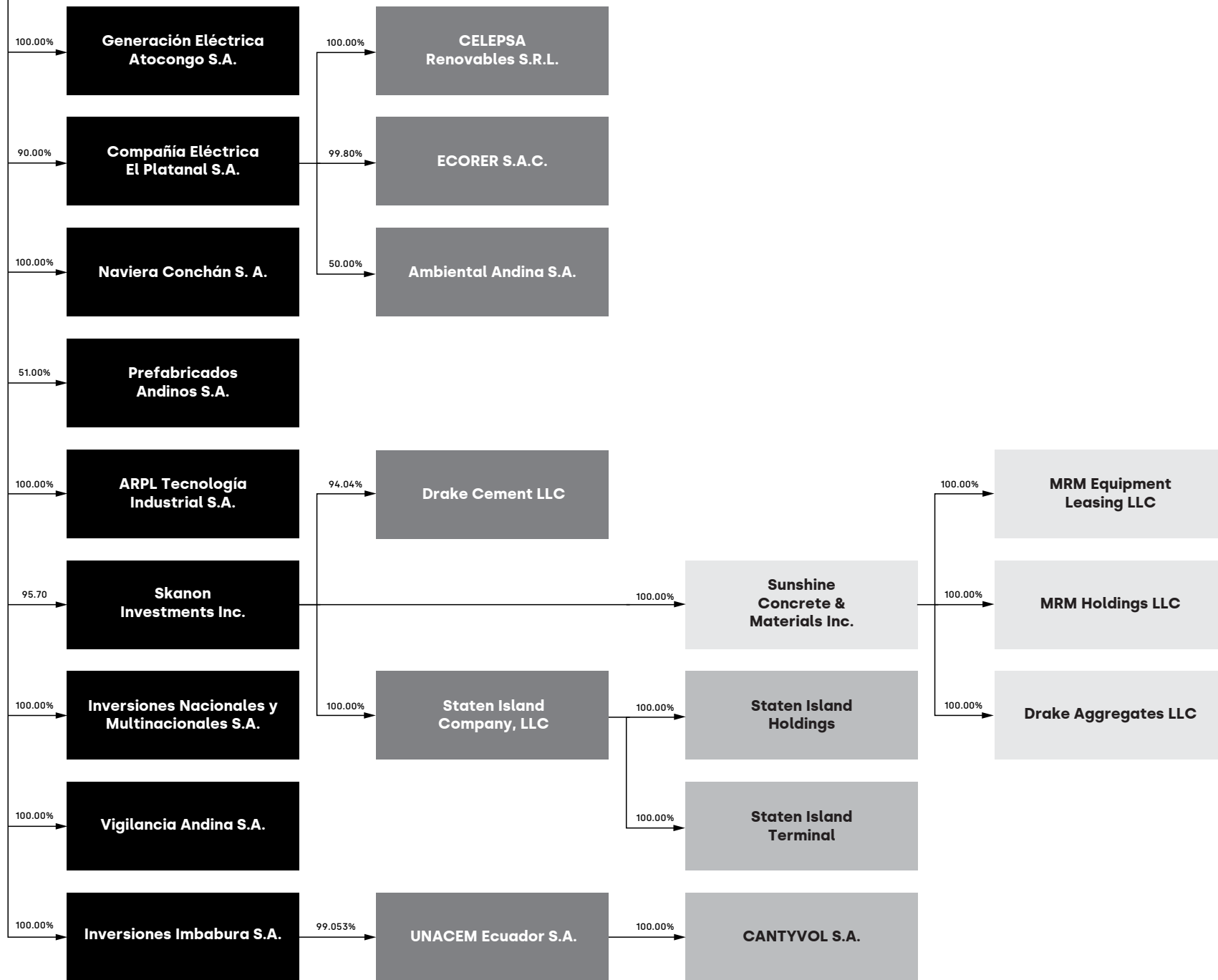
External audit

Our external auditors during 2021 were Caipo y Asociados S. Civil de R.L. (a member firm of KPMG International Limited). The opinion on the statement of financial position, results, integral results, changes in net equity and individual cash flow accounts as at the 31st of December 2021, which form part of this Integrated Report, was issued without qualifications.

**3.2.9****Subsidiaries and affiliates**

The UNACEM economic group has subsidiaries in 5 countries: Peru, Ecuador, USA, Chile and Colombia. Its operations include cement, concrete, energy and services, the principal results of which are given below.





Subsidiaries and affiliates in Peru

Subsidiaries and affiliates in Peru	Net turnover (million S/)					Net results (million S/)					Net equity (million S/)				
	2019	2020	2021	Variation 21/19	Variation 21/20	2019	2020	2021	Variation 21/19	Variation 21/20	2019	2020	2021	Variation 21/19	Variation 21/20
Unión de Concreteras S.A.	863.7	535.9	861.0	-0.3%	60.7%	35.8	-9.3	53.9	50.7%	679.6%	369.9	360.5	414.4	12.0%	15.0%
CONCREMAX S.A.	198.4	109.9	187.5	-5.5%	70.6%	3.3	-6.8	4.6	40.6%	167.6%	76.3	69.6	74.1	-2.9%	6.5%
Entrepisos Lima S.A.C.	21.7	17.2	25	15.0%	45.3%	1.3	0.8	1.6	23.2%	100.0%	12.2	12.9	9.5	-22.0%	-26.4%
Master Builders Solutions Peru S.A.	86.5	61.1	103.3	19.4%	69.1%	12.3	7.13	17.3	41.2%	142.6%	31.6	38.7	38	20.4%	-1.8%
Prefabricados Andinos Peru S.A.	12.2	5.1	12.3	0.9%	141.2%	-4.4	-5.8	-3	-32.2%	48.3%	37.7	31.9	28.9	-23.4%	-9.4%
Compañía Eléctrica El Platanal S.A.	258.1	231.2	314.9	22.0%	36.2%	44.6	16.5	54.8	22.9%	232.1%	755.7	772.3	827.1	9.4%	7.1%
CELEPSA Renovables S.R.L. – CERE	17.2	18.1	21	22.3%	16.0%	-0.05	-10.1	-9.9	21422%	2.0%	175.8	165.7	155.8	-11.4%	-6.0%
Ambiental Andina S.A. – AMBIAND	1.9	1.9	1.6	-15.4%	-15.8%	0.1	0.07	0.3	322.5%	328.6%	1.0	1.1	1.3	33.6%	18.2%
ARPL Tecnología Industrial S.A.	38.4	33.9	42.6	11.1%	25.7%	9.9	7.4	11.7	17.7%	58.1%	39.9	40.6	46.6	16.7%	14.8%
Vigilancia Andina S.A.	45.3	41.1	41.5	-8.3%	1.0%	0.9	1.1	0.6	-29.4%	-45.5%	5.8	6.9	7.2	23.4%	4.3%

Inversiones en Concreto y Afines S.A. – INVECO – UNICON

In May 2021, UNICON celebrated 25 years as the leader of the ready mixed concrete market in Peru.

• Performance in 2021

By the end of 2021, ready mixed concrete dispatches by UNICON throughout Peru amounted to 1,932,197 m³, a figure 44% higher than the 1,341,199 m³ dispatched in 2020, when operations were halted at the start of the COVID-19 pandemic.

During the year UNICON supplied ready mixed concrete to some important large projects such as the Jorge Chávez airport expansion, Metro Line 2 and the principal private construction projects in Lima.

Similarly, significant volumes of concrete were provided for road building in several districts of Lima, such as the Northern Section of COSAC I, Balaguer and Las Torres avenues in Lurigancho – Chosica, the Pachacútec housing estate in Villa El Salvador, Av. Prolongación Jose Carlos Mariátegui in Villa Maria del Triunfo, Av. Malecón Grau in Chorrillos and Av. Jorge Chávez in the districts of Villa Maria del Triunfo and Villa El Salvador. Outside the capital, the company supplied concrete to the Ambo-Oyón highway project, among others. Furthermore, the mining business unit achieved 56% growth in volumes compared with 2020 and 15% compared with 2019, with monthly dispatches reaching record highs. The aggregates business unit saw a 104.0% increase in turnover for the year.

UNICON launched two new products during 2021: the UNIconclado system for the construction of anchored walls and Previga, prefabricated reinforced concrete components ready for erection on-site, as part of its strategic alliance with Aceros Arequipa. In December it opened a new production plant for bagged mortars and concrete, which incorporates the latest technology. This increases the company's monthly production capacity from 250,000 to 450,000 40 kg bags.

CONCREMAX S.A.

CONCREMAX's main business is the production, sale, distribution and pumping of ready mixed concrete, especially for small and medium-sized construction projects. It also offers three concrete construction systems: light-weight slabs consisting of joists and covings, hollow-core slabs and concrete floor slabs introduced in 2018, sales of which have been outstanding.

• Performance in 2021

Ready mixed concrete dispatches throughout Peru by CONCREMAX reached 416,610 m³, 55% higher than in 2020 (268,230 m³ in 2020).

CONCREMAX also sells three types of bagged dry products under the UNICON brand: concrete, mortar and cement rendering. Sales of these products during 2021 increased by 11.70% compared with 2020.

Entrepisos Lima S.A.C.

This company offers prefabricated concrete structural elements to the construction industry for use in buildings and infrastructure projects. They are specialists in prefabricated items and have clients in the housing, infrastructure and mining sectors all over Peru.

The company serves the following markets: building (floor slabs) and infrastructure (reinforced prefabricated components).

• Performance in 2021

Entrepisos Lima's sales of floor slabs amounted to 337,000 m² in 2021, an increase of almost 80% despite restrictions imposed because of the pandemic and Peru's political and economic instability. In the infrastructure unit sales volumes remained similar to those of 2020.

Master Builders Solutions Peru S.A.

UNICON holds 30.0% of the stock of Master Builders Solutions Peru S.A. 70% of the company's shares are held by Master Builders Solutions Deutschland GmbH, an affiliate of the Lone Star private equity fund.

The different segments of the construction chemicals business of Master Builders Solutions Peru S.A. saw a significant recovery compared with fiscal year 2020. The Construction Systems segment especially, tripled its sales compared with 2019.

The concrete plant and underground segments returned to their pre-pandemic levels. As a result, the company as a whole achieved record turnover and profitability in 2021.

Prefabricados Andinos Peru S.A.

In spite of the challenging environment in 2021, the company filled all of its clients' orders and recorded significant growth in both contracting and turnover (351% and 187%) compared with 2020. These levels are still, however, below those achieved prior to the pandemic.

Turnover for erection work amounted to S/ 11.681 million and 3,312 m³ of production. During the year and part of its product diversification strategy, PREANSA Peru started to produce post-tensioned concrete components for new projects.

Compañía Eléctrica El Platanal S.A.

El Platanal hydroelectric power station generated 1,123 GWh. Total annual energy produced in the Peru amounted to 49,955 GWh (11% higher than in 2020), making the company the tenth largest generator in the National Grid System (SEIN), contributing 2.10%. It produced 4.00% of the total generated by hydroelectric stations, placing it in ninth position.

During 2021, CELEPSA sold 1,699 GWh of energy by contract, of which 554 GWh was sold in the regulated market and 1,145 GWh to its clients in the free market. Furthermore, total power supplied to the company's clients varied between a maximum of 182 MW and a minimum of 143 MW. In order to meet its contractual commitments, CELEPSA complemented its own generating capacity by purchasing energy from Messrs. Fenix Power, CELEPSA Renovables, firm power from Hidrocañete and firm energy from UNACEM.

Additionally, as a result of the significant participation by CELEPSA together with other agents, the principal distortion affecting spot prices was eliminated and it was again clear that the market needs to expand naturally, by means of competition.

CELEPSA Renovables S.R.L. – CERE

The 19.92 MW Marañón hydroelectric power station is located at 2,900 m.a.s.l., near to the village of Nuevas Flores in the province of Huamalíes, department of Huánuco.

In 2021 Marañón hydroelectric station, which meets renewable energy standards, generated 143.6 GWh.

Ambiental Andina S.A. – AMBIAND

AMBIAND's earnings fell by 17% in 2021 compared with the previous year, as environmental services contracts from 2020, which accounted for 28% of the company's turnover, were not renewed. The meteorology and hydrology business units grew by 26% and 9% respectively, compared with the previous year.

ARPL Tecnología Industrial S.A.

During 2021 the laboratory unit continued to provide raw material evaluation services for new projects and compliance verifications for material such as cements, limestone, pozzolan, slag, gypsum, iron ore, clays and fuels.

The process of implementing a document management system was started in 2021. This is being carried out in synergy with the Environment Division of UNACEM and includes the development of a contract management module: evaluation, classification and qualification of suppliers, to enable efficient tender processes and ensure the quality of our services to our clients.

The principal projects carried out in 2021 include: after completing the engineering for the "New Condorcocha Plant Kiln 2 Dust Remover and Clinker Cooler" project in accordance with our Building Information Modeling (BIM) procedures, the company supervised the civil engineering work, dismantling and erection of mechanical equipment and electrical installations, performed sequence testing and commissioned the plant successfully in May 2021.

The purpose of this project is to reduce dust emissions from the clinker cooler to less than 20 mg/NM³ improve heat recovery by modernizing the cooler.

The project entitled "Migration of the Condorcocha Kiln 2 Control System", to control starting and stopping of 580 pieces of equipment was also completed, thus ensuring the reliability of the production process. The project consisted of the installation of new servers, PLC (programmable logic controller), optical fiber cabling, operations monitors with 24 hour information, and others.

The company commissioned a new bagged dry products production plant for CONCREMAX in Villa El Salvador, thus increasing the production capacity of dry bagged products to 134,000 t/year; the plant has two production lines: one for mortars and the other for concrete.

Vigilancia Andina S.A.

Vigilancia Andina S.A. is a subsidiary of UNACEM, principally engaged in providing private security and personal protection services for the assets and staff of its clients.

In 2021, even during the COVID-19 pandemic emergency, the company grew by 0.98%, slightly better than in 2020, and sought to maintain close commercial relations with its clients, maintaining the continuity of the payment chain.

Subsidiaries and affiliates abroad

Subsidiaries and affiliates		Net turnover (In million US\$)					Net results (In million US\$)					Net equity (In million US\$)				
		2019	2020	2021	Variation 21/19	Variation 21/20	2019	2020	2021	Variation 21/19	Variation 21/20	2019	2020	2021	Variation 21/19	Variation 21/20
UNACEM Ecuador S.A.	ECU	140.0	119.7	159.5	13.9%	33.2%	27.6	23.7	30	8.6%	26.6%	94.3	109.8	140.4	48.9%	27.8%
CANTYVOL S.A.	ECU	6.9	6.9	8.0	15.5%	15.9%	0.3	0.5	0.7	133.3%	40.0%	3.5	3.5	3.8	8.5%	8.6%
UNICON Ecuador Cía. Ltda.	ECU	15.2	10.6	10.9	-28.2%	2.8%	0.1	-0.6	-0.5	-542.5%	-16.7%	11.7	11.2	10.6	-9.3%	-5.4%
Skanon Investment Inc. –	USA	132.0	171.1	180.6	36.8%	5.6%	-5.9	2.0	4.0	-168.0%	100.0%	254.6	257.2	290.9	14.2%	13.1%
Drake Cement LLC																
UNICON Chile S.A.	CHI	57.1	39.0	61.8	8.2%	58.5%	-1.6	-1.1	1.4	-187.5%	-227.3%	8.6	7.6	10.6	23.3%	39.5%
Prefabricados Andinos S.A.	CHI	18.9	14.2	18.7	-1.1%	31.7%	0.2	1.5	0.9	350.0%	-40.0%	1.6	3.3	2.9	81.3%	-12.1%
Prefabricados Andinos	COL	3.4	3.0	4.8	41.2%	60.0%	0.7	0.1	-0.5	-171.4%	-600.0%	6.4	5.8	5.2	-18.8%	-10.3%
Colombia S.A.S.																

1. Subsidiaries and affiliates in Ecuador

In Ecuador the vaccination process is 71% complete, international trade is thriving, raw material prices are high and the country has hardly been affected by the global financial crisis, allowing it to increase its GDP by 3.6%, driven mainly by the shrimp fishery (+10.9%), trade (+7.9%), domestic consumption (+4.1%) and the oil industry (+2.0%). The construction sector, however, contracted by an estimated 4% during the year.

The new government of Guillermo Lasso has so far concentrated on the vaccination campaign, reactivation of the economy and international trade.

- **Inversiones Imbabura S.A. – UNACEM Ecuador S.A.**

UNACEM Ecuador experienced an important recovery in demand during the first half of the year, particularly domestic consumption, which enabled it to close 2021 with turnover US\$ 41 million higher (34%) than the previous year, though 2020 was atypical due to the pandemic, and 15% higher than in 2019. This trend continued during the second half year, showing the company's understanding of the market and ability to take advantage of the opportunities arising from small and medium-sized building projects, even in a reduced housing sector.

- **Canteras y voladuras S.A. – CANTYVOL**

Canteras y Voladuras S.A. (CANTYVOL) is a subsidiary of UNACEM Ecuador S.A. engaged in responsible quarrying and sales of raw materials for cement manufacturing. It manages three active quarrying concessions: Cumbas (pozzolan), Pastavi (clay) and Selva Alegre (limestone).

Performance in 2021

Production in 2021 was as follows:

- Limestone extracted: 996,313 t.
- Crushed limestone: 1,045,923 t.
- Clay: 231,254 t.
- Pozzolan: 274.950 t.

With the Quinde Project, inaugurated in 2014, CANTYVOL pioneered a transformation in the transport of limestone from the traditional method to a system using gravity and conveyor belts through a tunnel in the mountain.

The conceptual phase began in 2021, with the support of ARPL Tecnología Industrial and preliminary engineering for moving the crusher to a lower level so that limestone extraction can continue.

- **UNICON Ecuador Cía. Ltda.**

Desde su conformación, UNICON Ecuador ha tenido aceptación en el sector de la construcción por su calidad y servicio, y ha logrado convertirse en un jugador reconocido en el mercado ecuatoriano.

La empresa cuenta con 102 colaboradores y 3 locaciones de producción situadas estratégicamente a lo largo de Quito: la principal, en el centro-norte; la segunda, en el sur; y la tercera, en el extremo norte de la ciudad.

- **Miravalle Plant:** covers an area of 20,000 m². It serves the center-north sector of the city and adjacent valleys. It has two fully automated loading bays, mixers, a concrete laboratory and an office building.
- **South Plant:** covers an area of 22,000 m². This plant serves the southern sector of the city and the Chillos valley. It has one automated loading bay with mixer.
- **North Plant:** covers an area of 5,500 m². This plant has one loading bay to serve the city's northern periphery and surrounding areas.

These three locations cover the whole of Ecuador's capital. The firm also owns 44 mixer trucks, 20 stationary concrete pumps and 5 boom pumps.

Performance in 2021

In the context of the country, with limited public infrastructure and mega-projects progressing slowly, UNICON Ecuador managed to maintain the volume produced in the previous year, at 111,055 m³ and remains the market leader in Quito.

2. Subsidiaries and affiliates in the United States

The Portland Cement Association (PCA) estimates that in 2021 the cement market in Arizona grew 8.7% compared with the previous year (2020 saw growth of 15% compared with 2019). This market growth

is sustained mainly by cement imports into Arizona for large infrastructure projects being built in the state.

- **Skanon Investment Inc. – Drake Cement LLC**

UNACEM holds 95.8%, either directly or indirectly, of the shares in subsidiary Skanon Investments, which in turn is: (a) holder of 94.1% of Drake Cement, (b) 100% of the companies grouped under the Drake Materials and Staten Island brands and (c) owner of an irrevocable purchase option on the company Desert Ready Mix.

In turn, Staten Island holds an irrevocable purchase option on the company Desert Aggregates. Desert Ready Mix and Desert Aggregates produce and sell ready mixed concrete and aggregates, respectively and both operate in the State of Arizona.

Performance in 2021

The total volume of clinker produced by Drake Cement was 594,025 short tons (tn), 5.6% lower than the 629,680 tn produced in 2020. In 2021 the plant achieved kiln productivity of 90% (95% in 2020). Total sales of cement by Drake amounted to 637,883 tn (730,381 tn in 2020), which represents a reduction of 12.7% (equivalent to 92,498 tn). It should be noted that 2021 saw the highest rainfall in Arizona for five years, which affected dispatches as the number of working days was reduced.

During the COVID-19 pandemic, Skanon implemented a prevention and vaccination strategy centered on its collaborators and the sustainability of its operations, following the guidelines issued by the state and US Federal authorities, there have been no fatalities or permanently disabling injuries since 2020.

3. Subsidiaries and affiliates in Chile

- **UNICON Chile S.A.**

UNICON Chile has a presence in 7 zones of central Chile and has 15 plants strategically situated in: region IV (La Serena), region V (Viña del Mar y Los Andes), the metropolitan region (four plants in Santiago), region VI (Rancagua y San Fernando) and region XVI (Chillán). The company also has a fleet of 127 of its own mixer trucks and leases 80 more.

Performance in 2021

During 2021 ready mixed concrete dispatches by UNICON Chile reached 814,985 m³, a figure 46% higher than the volume dispatched in 2020 (559,221 m³).

This large increase is explained principally by two key factors: (1) an increase in transport and removal of restrictions on the operation of certain non-essential industries imposed during the COVID-19 pandemic in 2020; and (2) an increase in the installed capacity in the metropolitan region, due to the commissioning of the Ochagavia plant in October 2020 and two branches MEL20 in mid 2021 after the company acquired the assets of Cementos La Unión. This has given the company a considerable increase in supply and market share in that part of the country where most concrete is used.

- **Prefabricados Andinos S.A. – PREANSA Chile**

During 2021 the effects of the pandemic and the international context generated higher personnel costs due to hygiene protocols, with a consequent increase in the cost of PREANSA Chile's main raw materials leading to higher production costs.

Performance in 2021

Important contracts were signed by the Bridge & Pavement business unit, one of them being Puente Industrial, a bridge linking Concepcion and San Pedro in Chile's Eighth Region, worth US\$ 18.5 million. Another important milestone was the closure and negotiation of overpricing regarding the Quebrada Blanca 2 project for mining company TECK, which showed an increase in associated costs of US\$ 2.5 million; this money is to be used exclusively to pay financial debt during the first quarter of 2022.

- **UNACEM Chile S.A.**

In 2020, UNACEM reached an agreement to acquire Cementos La Unión S.A. (CLU) in Chile. The acquisition price was US\$ 23 million, consisting of a minimal amount for the company and a much larger amount to purchase CLU's debt. The acquisition took effect in March, and included a cement mill with a capacity of 300,000 t/year.

Furthermore, in December 2021 UNACEM Chile and Messrs. Cementos Bío Bío S.A. and its affiliates Bío Bío Cementos S.A. and Minera Río Teno S.A., entered into a sale contract for all the assets of the 300,000 t/year San Antonio cement milling plant in the municipality of San Antonio, Valparaíso Region and all the extraction or mining rights and concessions to the pozzolan deposit known as "Popeta 1 al 30", covering an area of approximately 300 hectares. The price of this transaction amounted to US\$ 30,800,000 including VAT, paid by UNACEM Chile S.A. in cash.

With the addition of these two mills in Chile we have vertically integrated the Chilean operation and strengthened our presence in that market, which is our main export market for clinker and where we also have concrete (UNICON Chile) and prefabricated operations (PREANSA Chile).

4. Subsidiaries and affiliates IN COLOMBIA

Apart from the challenging international context, 2021 was a challenging year in Colombia, where social discontent with the government resulted in 40 days of blockades and disturbances in April and May, which caused difficulties for our production plants and problems with the supply of raw materials, among others.

The economy and infrastructure construction sector slowed markedly during the first three quarters of the year, however several sectors saw a significant recovery after September, reflected in GDP growth of around 9% compared with 2020.

- **Prefabricados Andinos Colombia S.A.A.**

In 2021 the company continued to operate the mobile production plant for the MAR1 project, a concession that is part of the country's 4G infrastructure plan; manufacturing was completed in August. This plant produced 3.090 m³ during the year.

Performance in 2021

The PREANSA Colombia infrastructure unit has been accepted by the market as a very efficient alternative for the construction of pedestrian bridges and ended the year with several projects on hand, the most representative of which are:

- Accenorte. Located to the north of Bogota, the company has a contract for the construction of 8 pedestrian bridges valued at US\$ 1,650,00 (1.170 m³), of which 48% had been invoiced at year end.
- Concesión CSO. 80 km from the production plant. Construction of two helical pedestrian bridges valued at US\$ 320,000 (245 m³).
- Provioriente. Construction of 8 pedestrian bridges on the Villavicencio Yopal highway, 400 km from Bogota. The value of this contract is US\$ 2,350,000 (1,020 m³); by the end of December the equivalent of 22% had been invoiced.

The Bogota plant also continues to fabricate components such as manholes, light-weight concrete slabs and others.

Finally, the installed volume in 2021 was 7,020 m³, 5% less than the volume installed in 2020 (7,400 m³).

3.3

Contractors and suppliers

3.3.1

Sustainable procurement strategy

We have a high level of commitment to sustainability throughout our supply chain, which is why we seek to communicate, promote and evaluate the adoption of sustainable practices by our suppliers, with special emphasis on health and safety, respect for human rights and environmental management in all of our operations.

Environmental, social and ethical guidelines

- **Human rights**

Our suppliers protect and encourage the values contained in the Universal Declaration of Human Rights and in the conventions of the International Labor Organization (ILO), the aim of which is respect for individual rights,

specifically: prohibition of child labor, compliance with employment obligations, equality and the elimination of discrimination, respect for free association and prohibition of forced work.

- **Environmental sustainability**

We expect our suppliers of goods and services to comply with the environmental standards and legislation applicable to their activities. This implies obtaining all permits and licenses required by local legislation.

Furthermore, we encourage the efficient use of natural resources in purchasing processes, as well as adequate handling of waste and a reduction in emissions from their operations.

- **Business ethics**

In accordance with our anti-corruption policy, we expect our suppliers to adhere to ethical business practices through the following:

- Fair competition: we seek to avoid action that restricts free, independent and autonomous competition.
- The fight against corruption and money laundering: we expect our suppliers not to offer (either directly or through intermediaries) favors or advantages to public officials in exchange for benefits;
- Nor to carry out activities that could involve money laundering, in accordance with applicable legislation.

Our suppliers' economic development

We encourage the economic development of our suppliers through training programs aimed at improving their competitiveness and ESG (environment, social and governance) aspects.

3.3.2**Transferring good practices to contractors and suppliers**

[GRI 102-9] [GRI 204-1]

We have a registration evaluation procedure for suppliers of goods and services (including contractors), that requires them to sign a sworn statement of compliance with employment rules, respect for human rights and proper health, safety and environmental procedures, as well as anti-bribery measures.

In 2021, UNACEM bought goods and services worth S/ 1,813,899,601 from 2,130 suppliers (contractors).

Our purchases from local suppliers during the year represented 13% of total goods and services procurement.

Evaluating our suppliers

Our procurement function is evaluated by internal and external audits based on ISO 9001, ISO 14001, OHSAS 18001, ISO 37001 and BASC standards, which include the purchasing process and dealing with complaints and claims in accordance with the company's procedures.

Registering and evaluating suppliers of goods and services

Our "Registry and Evaluation of Suppliers of Goods and Services" procedure sets out guidelines for permanent registration and evaluation. The process is as follows:

1. SUPPLIER REGISTRATION

We use a registration form asking for general details of the supplier, who must submit their taxpayer registration (RUC) and a copy of their operating licence.

2. PERFORMANCE EVALUATION

We perform an integrated evaluation of environmental, social, employment and health and safety practices using parameters established in our Integrated Management System.

3. SCORE

We award points for supplier performance based on different parameters, including: general details, company details, activity and risk rating.

The environmental, social and ethical requirements evaluated include:

1. HEALTH AND SAFETY AT WORK SYSTEM

- Certification to ISO 9001, ISO 14001 and/or ISO 45001 standards.
- Health & safety at work regulations.
- Risk map.
- HIRAC Matrix. Audit records.

2. SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- Social responsibility programs.
- Anti-discrimination practices.
- Social responsibility report.



3. ENVIRONMENTAL MANAGEMENT SYSTEM

- Environmental aspects & impacts matrix.
- Audit records.
- Carbon footprint & water footprint.
- Solid waste management.

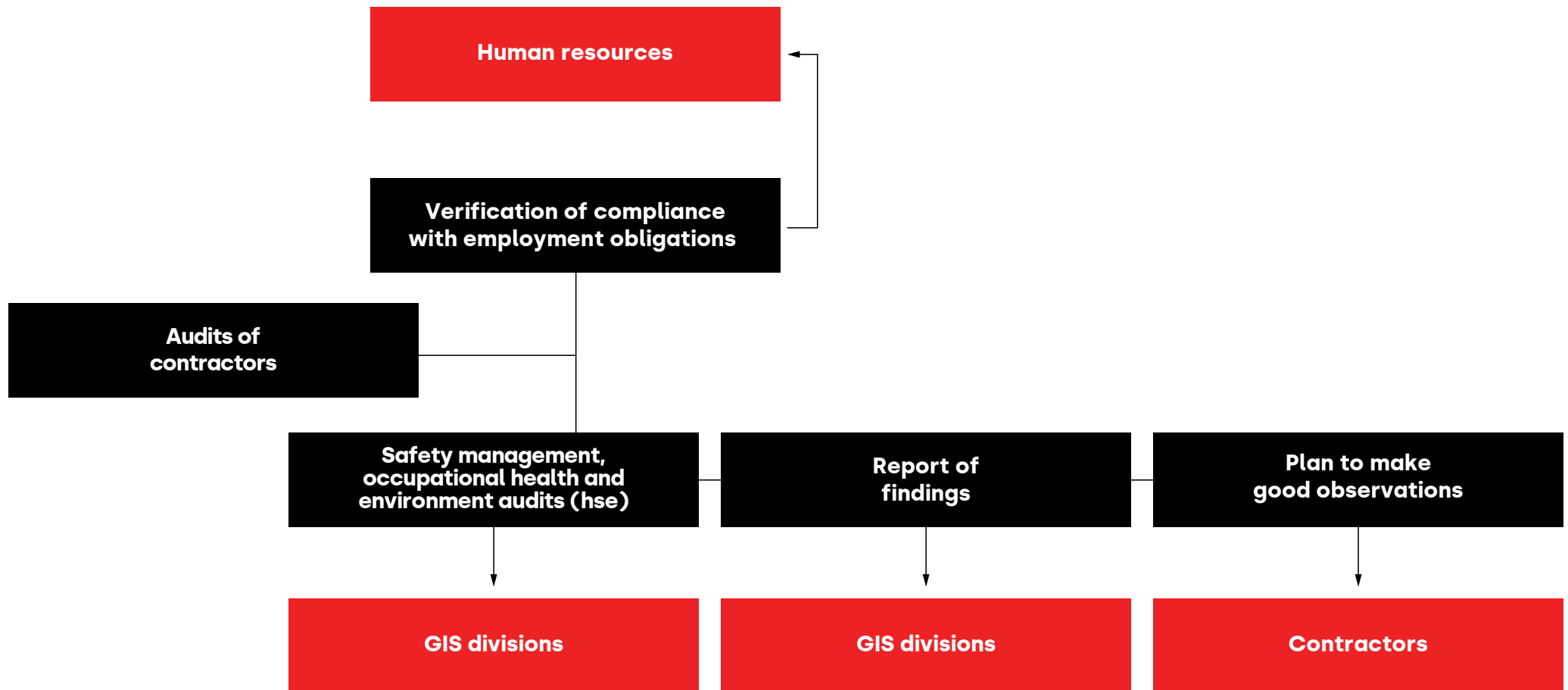
4. ANTI-CORRUPTION

- Guidelines and/or policies to prevent corrupt practices.
- Understanding the UNACEM Code of Ethics & Conduct and Anti-corruption Policy.

Contractor evaluation

- Our contractors are strategic collaborators in several of our processes and are therefore subject to continual evaluation and monitoring.
- We demand strict compliance with current employment, environmental and health and safety legislation, as well as ethical behavior, effective compliance with anti-corruption policies, respect for human rights and implementation of socially responsible practices.

As our contractors are strategic partners, we are jointly responsible for any incident or accident they cause, as required by law. For that reason, before starting work contractors must identify and evaluate occupational hazards and environmental impacts, and to carry out health and safety at work training in line with current Peruvian legislation.



Every six months, users evaluate the performance of their contractors regarding quality, environmental matters and health and safety at work. A contractor that fails to obtain the minimum number of points in the evaluation is suspended until action is taken to ensure proper performance. Once these actions are approved, the contractor may once again be allowed to provide its services.

The "Integrated Contractor Management" procedure establishes the guidelines and requirements to be complied with by contractors in order to prevent accidents, incidents and environmental impacts.



GUIDELINES & REQUIREMENTS FOR CONTRACTORS IN:

- Employment matters.
- Health and safety at work.
- The environment.

SCOPE

INCLUDING CONTRACTORS WORKING WITH USE AT:

- Plants.
 - Quarries
 - Hydroelectric stations.
-

Contractor audits

The cycle of health and safety at work and environment (HSE) audits started in September 2021 and is programmed to last until April 2022. We have planned 10 HSE audits of contractors at Atocongo and Conchan, which will be mixed (remote and face-to-face).

In HSE audits we report on 103 findings, of which 21% are acts of partial compliance and 6% non-compliance.

Details of the companies subjected to six-monthly evaluations 2021 are given below:

FIRST HALF YEAR

67 contracting companies evaluated

SECOND HALF YEAR

30 contracting companies evaluated

In 2021, 3 contractors passed at least one six-monthly evaluation during the year.

[GRI 308-1]

3.3.3**Competitive Business Program**

The Competitive Business program is a joint initiative with the Global Reporting Initiative (GRI). Its aim is to generate skills within companies at measuring sustainability criteria (the reporting process) and thus to manage their risks, enabling them to be more competitive and to take advantage of new market opportunities.

In the 7 consecutive years that this program has been running, 43 companies in our value chain have produced sustainability reports; in total, 105 reports have been published.

Asociación Unacem has been the executive agency of the Competitive Business program since 2019 and provided direct training and advice to the participating companies.

In 2021 we enabled 26 companies in the UNACEM value chain to produce sustainability reports for 2020. The companies participating in the program thus:


- Identified and eliminated deficiencies in their economic, environmental and social management.
- Planned, implemented and measured the results of their management improvements.
- Reported progress with sustainability in a language common to their different stakeholder groups.

It should be pointed out that this period saw a 50% increase in the number of reporting companies and that 87% of companies drew up reports for the previous year.



3.4

Clients and distributors



3.4.1

Communication with our clients

[GRI 417-1]

Our aim is to strengthen channels of communication with our clients with a view to promoting loyalty and providing innovative solutions and tools for improving pre-sale and after-sales service. To this end we are strengthening our digital platforms in order to become ever closer to them and make the purchase process easier.

Our communication strategy is focused on raising awareness and strengthening the position of each one of our brands and products, for that reason our marketing effort is based on four strategic pillars:

- Ensuring that end-users continue to prefer our products.
- Generating value through a portfolio of reliable, optimized products.
- Strengthening the loyalty and business of the traditional hardware store sector.
- Developing communication channels for construction companies and the manufacturing sector.

How can we manage this?

ENSURING THAT END-USERS CONTINUE TO PREFER OUR PRODUCTS

We develop the identity and positioning of each brand so that every year we can launch multi-channel advertising campaigns and professional training for building workers.
We make useful information available to home-builders on what they need to do to build safely.



GENERATING VALUE THROUGH A PORTFOLIO OF RELIABLE, OPTIMIZED PRODUCTS

We identify market opportunities, analyze the feasibility of new campaigns and launch new products such as Cemento Apu in 2014 and Cemento Andino Ultra in 2017.

STRENGTHENING THE LOYALTY AND BUSINESSES OF THE TRADITIONAL HARDWARE SECTOR

By developing the Progresol network and by our loyalty plans and visibility in independent hardware stores.



DEVELOPING COMMUNICATION CHANNELS FOR CONSTRUCTION COMPANIES & THE MANUFACTURING SECTOR

By loyalty plans for clients and technical assistance for better pre-sale and after sales service.

3.4.2

Strengthening our digital platforms

Progresol

The purpose of Progresol is to encourage a sustainable commercial relationship throughout the value chain, from factory to point of sale.

2008

We incorporate successful independent hardware stores with a high turnover and coverage into the Progre-Sol network.



2020

In 2020 we launched the progresol.com website to help Progresol partners increase on-line sales.



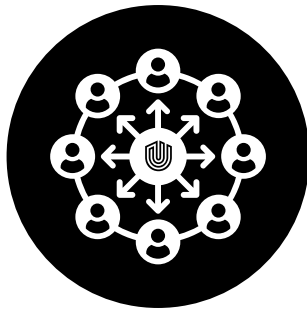
2021

We achieved 477 construction material purchases, equivalent to 47,122 bags of cement, significant quantities of steel, bricks, aggregates, profiles and piping. progresol.com is a simple way to bring self-builders with more than 1,000 progresol hardware stores throughout Peru.

THE PURPOSE OF THE PROGRESOL ECOSYSTEM IS TO BRING US CLOSER TO END USERS, TO PROVIDE A BETTER, SPEEDIER SERVICE THROUGH TRADITIONAL HARDWARE STORES AND THUS ENSURE THAT THEY CHOOSE OUR PRODUCTS.



**UNACEM
plant**



Distributor



Progresol 1.0



Progresol 2.0



**Master
builder**



**Site
owner**



PROGRE +



progresol.com





Performance in 2021

New functions of Progre+

In addition to the improvements incorporated in 2020, we have added new functions that complement the existing ones, making the purchase process easier:

- **Payments:** the platform enables the creation of a payment ticket so that payment can be made in the country's main banks (BCP, BBVA, Scotiabank, Interbank).
- **Appointments:** using Progre+, clients can make appointments to pick up their purchases from 20:00 to 8:00 (evening and early morning), for faster service, at the same time this helps to increase rotation speeds up the process and creates more sales opportunities.
- **Carrier APP:** a gap was detected in communication between Progre+ and the drivers. Many drivers do not have an idea in real time of queues at the plant or whether they have a collection order assigned to them. The functions are:
 - Visualization of shifts and waiting lists at the plants.
 - Collection order (under development).



**THANKS TO OUR PROGRESOL WEBSITE
WE ARE CREATING BENEFITS BOTH FOR
OUR END USERS AND OUR PROGRESOL
PARTNERS.**

We give our end users the ability to price and obtain construction materials easily from their mobile devices, while hardware stores can generate sales using WhatsApp.



Benefits for our Progresol partners

Using the Progresol website has many advantages for our customers:

- Immediate contact with the customer via WhatsApp or by telephone and the ability to receive prices even outside normal working hours.
- Rapid validation of delivery address, product quantity, payment conditions and whether additional products or services are required.
- Greater proximity to end users, enabling us to generate a customer profile.
- The ability to send commercial quotes in an appropriate format, with detailed information and other conditions (for example: delivery time, price validity subject to variation depending on market prices or the dollar exchange rate, etc).

How have we increased our clients' on-line sales?

Our Progresol.com website diverts all purchase inquiries to the hardware stores nearest to the site in question, enabling sales to be confirmed by digital media.

Inquiries for construction materials through progresol.com increased by 127% in 2021. The quantity of digital transactions in the market has grown surprisingly.

• After-sales service

During 2021 we made efforts to reduce the response time by hardware stores via weekly meetings with all of those involved. Orders have risen 73% thanks to this follow-up policy.

• Training for clients

Half way through the year we held a training workshop for Progresol network partners to demonstrate the functions and benefits of using progresol.com.

- **Digital marketing planl**

In the second half of 2021 we embarked on an advertising campaign for progresol.com that enabled us to substantially increase visits to the page by those seeking quotations for construction materials.

**MONTHLY VISITS TO THE SITE
INCREASED BY MORE THAN 130%
BETWEEN 2020 AND THE END OF 2021,
TO 35,000 VISITS.**



J

Jorge Chumpitaz
Progresol client

The web tool Progresol lets us improve the business's logistics, delivery times and communication. We can place an order in just 24 hours, reduce waiting time, record the time taken on the road and program collections. For example, from our drivers' point of view the programmed collections let us tell them when they should go to the factory and this helps them to keep to their working hours and rest times. The tool also offers bonuses for reaching goals, according to the information registered.

I also helped to build the tool before it was launched, as I was invited to 'design thinking' workshops to give my recommendations.

As far as communication with UNACEM is concerned, we have always had a channel we could use to make our ideas or queries known. Although there were no physical visits during the pandemic, the company stayed in touch using the virtual application; we are still using these channels for collecting vouchers and organizing transfers.

3.4.3**Occupational health and safety of costumers**

[GRI 416-1]

We give truckers carrying bulk cement an instruction card with recommendations to be followed if anything happens to the cargo.

In addition, all bags carry a code containing information on its origin (the silo where it was stored and the bagging machine used), ensuring the traceability of every bag sold. The other side of the bag contains recommendations for using the product.

Safety data sheets for cement and clinker

We issue material safety data sheets (MSDS) for our cement and clinker, containing information to be taken into account when handling the product. Some of this information is also printed on the back of our cement bags.

Performance in 2021

We retained our clients' support during the pandemic.

We have taken action in support of our clients and offered advice to help them to meet hygiene requirements and to gain access to the Reactiva Peru credit facility.

- Disbursements were made to 23 clients.

We also made the following changes:

- We updated our general health and safety procedures to take account of the new challenges posed by COVID-19.
- We sent mass e-mails to clients to inform them of the new safety protocols for entry to the plant, which include: temperature measurement, use of respirators and face guards, and others.
- We installed hand-washing facilities (soap and water) in the dispatch departments of both plants.
- Banners and signs were erected to prevent contagion in the dispatch departments of both plants.

3.4.4

Client satisfaction

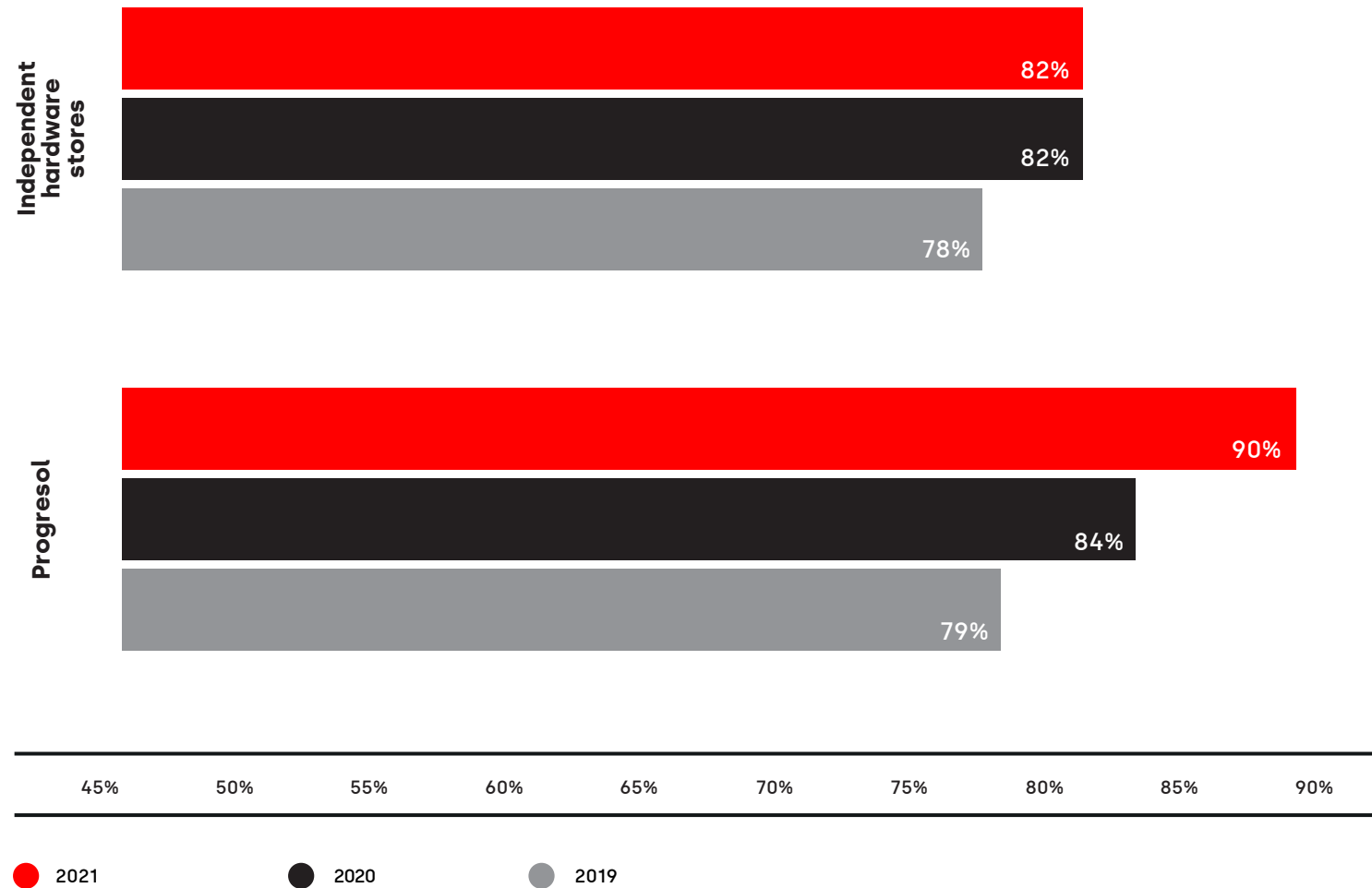
Every year we measure client satisfaction by surveys of those responsible for purchasing our products and the users of our services.

During this work we also receive suggestions, plaudits and information, which we then analyze and use to improve our processes. We are totally committed to responding to the needs of our clients.

Performance in 2021

In 2021 we increased the satisfaction index among Progresol hardware stores by 6%. Among independent hardware stores, we maintained the same level of satisfaction as last year.

Client satisfaction interviews



The main actions enabling us to achieve these results included the following:

- Maintaining cement prices in spite of the economic crisis.
- Helping our clients through the Progresol website to maintain their product ranges using digital tools that generate incremental sales and help to minimize personal contact in the context of the pandemic.

3.4.5

Making Master Builders Program

With a view to helping the professionalization and formalization of the sector and improving safety for master builders, we have renewed our Making Master Builders training program and are developing a program called UNACEM Cantera, a virtual learning platform freely available to all, which will enable thousands of master builders and masons to receive training and improve their professional skills so that they can take advantage of better employment opportunities.

This platform will increase the number of trained master builders as access will be no limits to access or space and everyone will be able to gain skills in their spare time.

UNACEM Cantera: A free professional training and certification program

With the aim of contributing to the professional development of construction industry workers and encouraging the formalization of the industry in Peru, we have introduced a free on-line professional training and certification program called "Unacem Cantera" in an alliance with Instituto Capeco. We have given away 800 scholarships.

The courses focused on reading drawings, construction materials specifications, dosing and mixing concrete, masonry construction systems and finishing work, among others.

In 2021 we worked on developing two other types of free courses: training to improve construction techniques and develop projects, and construction solutions using tools to reinforce knowledge of the construction process and site safety, which will be ready to offer to the general public in 2022.

3.4.6**Internal guidelines regarding unfair competition, monopolies and practices against free competition**

Our Code of Ethics and Conduct describes the minimum standards of conduct that must be observed by all the directors, executives, collaborators and external advisers of UNACEM, wherever they may be, such that their behavior upholds the image of UNACEM.

This document contains general criteria for action and decision-making in accordance with our values and covers our relationships with our stakeholders. There is a section dedicated to competition, in which we state:

"We defend free competition; we therefore do not tolerate any conduct that may illegally and unfairly restrict market competition, or any practice that could be considered detrimental to clients or consumers.

We are proud of our strict compliance with competition legislation, which is designed to protect the market".



CAP. 4

**Environmental
management**

[GRI 102-11]

At UNACEM we are committed to protecting the environment and minimizing impacts on the areas and communities in which we operate. To do so we have implemented an Environmental Management System in the search for continual improvements to our operations, thus encouraging the sustainable use of natural resources.

Our sustainability commitments for the period 2021-2050 are based on our 5 pillars of sustainability. Of these, 3 support the strategic environmental management of the organization:

- Environment and Biodiversity
- Climate change
- A circular economy

The main achievements in our management of these three pillars are described below:

Environment and biodiversity pillar

- **Environmental quality**

WATER MANAGEMENT

- The National Water Authority (ANA) renewed our blue certificate for treating 100% of the waste water from our production units (Atocongo and Condorcocha plants).



AIR QUALITY MANAGEMENT

- We have achieved 99.9% efficiency in dust removal from our kiln, cooling and milling processes thanks to the use of modern particle filtering systems such as electro-filters and sleeve filters.
- We have closed the storage area for clinker from the Condorcocha plant's kilns 3 and 4.
- We have introduced participatory monitoring at Condorcocha plant.

-
- **Natural and Cultural Resources**

BIODIVERSITY

- The SNMPE have recognized our efforts at biodiversity conservation for the Lomas de Quebrada Rio Seco Private Conservation Area project.
- We will continue with our restoration project for the seasonal habitats known as lomas.



ARCHEOLOGY

- We have been carrying out an Archaeological Monitoring plan as part of the closure of the Las Hienas quarrying concession.
- In Pueblo Viejo and Tablada de Lurín we are adding value to archaeological projects being carried out by the Pontificia Universidad Católica del Perú by compiling information and management by the Asociación UNACEM.

ENVIRONMENTAL CERTIFICATION

The Ministry of Production (PRODUCE) has approved the following environmental instruments:

- Update and modification of the environmental impact assessment for the port facility and the Atocongo - Conchan conveyor.
 - Technical Support Document (ITS) for the project entitled "Installation of a Diesel B5 Filling Station and Modification of the Storage System for Fuel for Direct Consumption".
 - Technical Support Document (ITS) for the project entitled "Improvement to the Transmission Line between Carpapata II and Carpapata I Hydroelectric Power Stations", to be built at the hydroelectric stations and the Condorcocha plant thermal power station.
 - Technical Support Document (ITS) for the project: "Implementation of Bagging, Palletizing and Storage Systems", to be built at the Atocongo Plant.
-

Climate change pillar

We are always seeking to reduce our greenhouse gas emissions as part of the global commitment to combating the effects of climate change.

One of our climate-change-based proposals is the use of supplementary cementitious materials, clean and alternative fuels, energy efficiency, clean energies and carbon capture.

EMISSIONS MANAGEMENT

- A new particulate matter retention system (sleeve filter) in the kiln II cooler at Condorcocha plant.
 - We continue to bring our systems into line with the new maximum permissible limits (MPL) for the cement industry and also comply with the MPL for atmospheric emissions at our Atocongo thermal power station.
 - Our CO₂eq emissions indicators have been verified by PricewaterhouseCoopers using the criteria of the Cement Sustainability Initiative (CSI), for the UNACEM S.A.A. annual results of 2010, 2014 and 2019. (Condorcocha and Atocongo plants in Peru).
-

Circular economy pillar

The circular economy pillar focuses on the following: product life cycle, raw materials and alternatives, waste recycling and the development of local suppliers.

WASTE MANAGEMENT

- We reuse more than 75% of the solid inorganic waste generated at both sites and more than 90% of the organic waste produced by the plant, which are composted and used to enrich green areas.
- At both sites we reuse 77% of non-hazardous solid waste and 43% of hazardous solid waste.



**4.1**

Climate strategy

Climate change is one of the main reasons for our commitment to sustainability, by which we encourage initiatives that help mitigation and adaptation to the effects of climate change, with technological options that will help us to become carbon neutral by 2050.

Our action focuses on:

THE USE OF SUPPLEMENTARY CEMENTITIOUS MATERIALS

Addition of industrial by-products such as fly-ash, slag and others.



CLEAN ALTERNATIVE FUELS

Use of clean fuels such as natural gas, and co-processing of waste as an alternative fuel.

ENERGY EFFICIENCY

The introduction of pre-heating and pre-calcination systems to improve thermal efficiency of per ton of clinker produced and more efficient use of electricity in the cement manufacturing process, resulting in lower CO₂eq emissions.

CLEAN ENERGY

Encouraging the use of energy from renewable sources.



CARBON CAPTURE

Technologies to capture CO₂ principally by using nature-based solutions and participation in the emissions market (voluntary offsets).

4.1.1

Emissions

It is essential to monitor and take action to reduce our particulate and greenhouse gasses (GHG) emissions per ton of cement produced, as well as our indirect GHG emissions.

Performance in 2021

2021 saw notable reductions related to production efficiency and specific emissions for each environmental parameter in our manufacturing process.

Determination and verification of our carbon footprint

UNACEM has been measuring its carbon footprint since 2013. In 2021 we made the relevant calculations for 2019 and 2020 in order to include mitigation alternatives and thus contribute to the reduction in GHG emissions.

We achieved the following results in 2021:

Increase in consumption of clean fuels in clinker manufacturing:

- We made a 22% reduction in specific CO₂eq emissions from fuels compared to the base year of 2010. This means that we did not emit 385,000 tons CO₂eq during the year thanks to an increase in clean fuel use.
- In the Atocongo Plant, natural gas consumption rose from 91.6% in 2019 to 94.73%.
- Taking the improvements associated with consuming clean energy into account, we have improved specific CO₂eq emissions per ton of cement, obtaining a weighted average of 628 kilograms of CO₂eq per ton of cement produced.

Increase in sales volume of additive-based cements:

[No GRI Cementos adicionados]

- We have seen a 4% increase in sales of additive-based cements compared with 2019.
- By the close of the year, our additive-based cement sales were 33% of total volume. This increase in sales and production has reduced the consumption of clinker in the cement manufacturing process, preventing emissions of approximately 451,000 tons of CO₂eq compared with the 2010 baseline.

Direct and indirect GHG emissions:

- Similarly, our direct GHG emissions (Scope 1) increased by 7.3%, whilst indirect GHG emissions (Scope 2) fell in 2021 by 3.8% compared with 2019. It should be pointed out that all of our Scope 2 external electricity consumption comes from renewable sources such as hydroelectric power generation.

Reduction in the clinker factor

The cement industry is making an effort to reduce the use percentage of clinker in cement as its effect on emissions is practically linear: every ton of clinker replaced means a reduction of around a ton of CO₂eq⁽³⁾.

- In 2021 we increased production of additive-based cements, reflecting the reduction in the clinker factor in the composition of cement.
- The clinker factor fell from 0.912 in 2010 to 0.863 in 2021, which represents important progress, although there is still room for improvement and opportunities to reduce GHG further. The company is evaluating alternatives in this regard. In 2020 however there was a very slight increase of 0.006% in the clinker/cement ratio because of the increase in production.

First cement producer to receive a level one certificate from Carbon Footprint Peru

We have been recognized and awarded a level one certificate from Carbon Footprint Peru thanks to our good climate change practices, such as calculating the carbon footprints of the Atocongo and Condorcocha plants in 2018.

Find out more at: [Read more.](#)

In addition, in 2021 we carried out an evaluation as part of a pilot project being implemented with FICEM that seeks to identify waste with a calorific value similar to that of coal within a radius of 50, 100 and 200 km around the cement plants.

4.1.2

Energy management

As part of our environmental quality effort, we have developed an **Energy Efficiency Management Program** to encourage optimization of our consumption, reduction in costs and an improvement in the environmental consequences of clinker and cement manufacture, among others actions.

How we manage this

In order to adapt to climate change and reduce greenhouse gas emissions from the Peruvian cement industry, we have an initiative called "**Improved Energy Efficiency in Cement Production in Order to Reduce Electricity Consumption**", in line with Nationally Determined Contributions (NDC). Within the framework of this initiative, we have taken the following action at our Atocongo and Condorcocha plants:

- Raising our collaborators' awareness of efficient electricity use, to encourage sensible energy consumption in our camps and sites through specific campaigns.
- We are progressively modernizing our production lines, installing new and more energy efficient machinery.
- Progressive changes in both plants, modernization of kilns 1 and 2 using more energy efficient equipment. More energy efficient milling, N° 5 mill (with press).
- We are optimizing energy resource management at our hydroelectric power stations, and coal consumption by the use of appropriate additives.
- We monitor heat and electricity consumption per ton of clinker and cement produced by our plants. This is complemented by the use of the Getting the Numbers Right (GNR) reporting standards.

Performance in 2021

In 2021 we met our goal of using more than 90% clean electrical energy, from hydroelectric stations Carpapata I, II and III and El Platanal, with which we have a supply contract.

Furthermore, thanks to better kiln performance, we achieved a 2% reduction in fuel-specific CO₂eq emissions compared with 2019, and a 22% reduction compared with the 2010 baseline.

The following additional action was also taken to improve our performance:

- Different transformers in Carpapata I and II hydroelectric stations, which enabled us to increase the consumption efficiency of the Condorcocha plant.
- Flexibility manufacturing of cements between the plants: Cemento Andino brand cement can now be made in the Atocongo Plant and Cemento Apu brand in the Condorcocha plant. This not only provides competitive advantages, it also reduces the carbon footprint associated with transporting these products to Lima or Junín.
- Efficient use of limestone in the manufacture of clinker and cement.

Finally, we would like to point out that the Atocongo Plant is in the top 10% of the world's most efficient plants because of its technology (mill, high-technology kilns, change in the energy matrix using more natural gas). This superior performance has been identified by comparison with the baseline, which we helped to draw up as part of the FICEM road map for Latin America to determine emissions levels using the GNR methodology. This study compared the performance of UNACEM's plants with those of other cement manufacturers in Peru, Latin America and throughout the world.

Our progress in drawing up the climate change management road map

We take an active part in important forums for developing methodologies and strategies to reduce emissions and make our industry carbon neutral.

1. Cement Road Map for Peru

ASOCEM and the associate companies of the Inter-American Cement Federation (FICEM) began to develop the Cement Road Map for Peru towards the end of 2019. The aim is to reduce greenhouse gas emissions by the cement industry and to collaborate with the Nationally Determined Contributions commitment assumed by Peru.

UNACEM Road Map

We have drawn up the **UNACEM Road Map** for climate change and a circular economy, which involves the 3 cement plants: Atocongo, Condorcocha and Otavalo (Ecuador), where we have been implementing waste valuation initiatives, carbon pricing, environmental labeling and the use of the Inter-American Cement Federation (FICEM) calculator going forward to 2030.

By the close of 2021 this work was 80% completed and we expect to finish in 2022. This road map is an important milestone for Peru's cement industry as it is the first one developed in the country and will become a benchmark for climate change measures.

Challenges

- To determine how to reduce greenhouse gas (GHG) emissions using technology.
- To estimate the potential value of urban solid waste (USW) and used tires (UT) for energy production to be used in the manufacture of clinker.
- To estimate the financial impact of applying different carbon pricing mechanisms.
- To verify and report carbon dioxide equivalent (CO₂eq) emissions per product for the environmental labeling of our cements.
- To carry out a study of corporate ecosystem services so that we can develop strategies to minimize risks and increase opportunities. This implies an evaluation (study) of the different realities and/or problems of each Peruvian cement manufacturer concerning logistics, internal

governance, local and regional government, environmental technologies, regulations, the market and other services that may create opportunities and/or risks, to be used to establish strategies as part of the Cement Road Map for Peru.

Learn more about the work to reduce emissions from the cement industry at: [Read more.](#)

2. 2. Reporting emissions using Getting the Numbers Right (GNR) methodology

We have been using the GNR reporting standard since 2010; it provides a homogenized methodology for the cement industry to estimate CO₂eq emissions and energy consumption. We have also been reporting this information on the GNR worldwide platform since 2016.

- Such reports are voluntary and the aim is to create a database of global information on the entire cement industry, including accurate verified data on CO₂eq emissions and the industry's energy efficiency.
- Its use improves the quality of our impact monitoring, giving us accurate and reliable information with which we can implement initiatives to reduce GHG emissions.

In 2021 we carried out an independent audit of CO₂eq emissions performance indicators at the Condorcocha and Atocongo plants for 2010, 2014 and 2019.

Learn more about this initiative in which UNACEM is taking part at: [Read more.](#)

3. 3. Carbon Disclosure Project [GRI 102-12]

The CDP is a non-profit-making organization that administers one of the most important global environmental reporting systems, helping investors, companies, cities, states and regions to manage their environmental impacts. The CDP requests information on climate risks and

opportunities from the world's largest companies on behalf of investors and politicians, in order to encourage measurement and dissemination as essential aspects of an effective strategy for managing climate change.

In 2021 we completed our first climate change and water security questionnaires. We believe that our participation in this enterprise together with the world's largest cement manufacturers will enable us to demonstrate the progress we have made. In the climate change questionnaire we obtained B- and in the water security questionnaire B+; we hope to continue improving and taking our place among the industry's leaders in future years.

4. Workshop: "Potential Reduction of Greenhouse Gas Emissions by the Peruvian Cement Industry"

This workshop was part of the Cement Road Map for Peru and its aim was to compile information on technologies used by the cement industry in Peru from 2010 to date, that have reduced emissions. In the workshop, the member companies of ASOCEM were asked to identify their potential for reducing emissions.

This information will enable each one of the associated companies (UNACEM, Pacasmayo and Yura) to forecast climate action up to 2030 and estimate the reduction in emissions. The measures are evaluated as a function of the potential for reducing emissions from the plants and what is viable under the legislation of each country.





4.2

Circular economy

In a circular economy we encourage the efficient use of resources by re-using the waste generated by our processes, thus helping to extend the useful life of the materials and reducing the impact of our use of natural resources.

The guidelines for action under this pillar are as follows:

PRODUCT LIFE CYCLE

Our Integrated Management System certificate (ISO 14001) is based on the life cycle principle. To do so we evaluate the different stages of our products and those of third parties (recycling) from the environmental impact of raw materials procurement through processing, use and final disposal.



RAW MATERIALS AND ALTERNATIVES

Reduced consumption of natural resources and waste recycling, in order to reduce CO₂eq emissions.

WASTE RECYCLING

Economic valuation of waste to avoid disposal in landfill.

DEVELOPMENT OF LOCAL SUPPLIERS

We collaborate with local companies (suppliers) to provide sustainable solutions to internal problems and those in our areas of influence.

4.2.1**Waste management**

[GRI 306-1] [GRI 306-2]

At UNACEM we seek to reduce, reuse, recycle and recover solid waste from our production process and support departments, in order to achieve an efficient use of resources. Our management is geared to a circular economy.

How we manage this

We have an **Integral Waste Management Program** for all production units of the company. Furthermore, our **Integrated Management System** includes procedures for adequate solid waste management, in which we give priority to the reuse of materials rather than consider them to be waste, and dispose only of waste that cannot be reused.

- We launch campaigns to incentivize our personnel to segregate and reduce waste in our installations.
- We encourage formal recycling through agreements with associations of recyclers in the surrounding areas. We provide training and assistance in order to strengthen their role in the recycling chain and circular economy.
- We make use of plant waste, mud from the waste water treatment plant (WWTP) and organic waste from our mess rooms to make compost, which is then used when maintaining green areas of our installations. This initiative is being implemented in both plants; Atocongo has a composting plant and at Condorcocha compost is made in an area set aside for the purpose. Both plants have been doing this since 2013.
- We organize campaigns to collect urban waste in the communities adjacent to our sites and try to raise the awareness of local governments and community representatives in order to encourage minimizing waste.

- In the context of the hygiene emergency we have been managing bio-contaminated waste using guidelines and procedures aimed at protecting employees and ensuring hygienic handling of such waste.

How we measure our effort

As part of our solid waste management performance monitoring:

- We measure waste recycled as a percentage of total waste generated.
- We reuse rubble from our quarries, thus reducing the waste/limestone ratio by using high-quality limestone that optimizes reuse and reduces construction waste.
- We measure the quantity of materials recovered by the industrial cleaning service, which is then reused in our production process.
- We have reuse indicators for recyclable waste and make use of organic waste and waste with a commercial value.
- We use donation, generation and disposal data for hazardous and non-hazardous waste.

These indicators are in turn included in the IMS indicators used by UNACEM.

Performance in 2021

We reached the following milestones in 2021:

Waste recycling

- We reuse more than 75% of the solid waste generated at both sites and more than 90% of organic waste generated in the plant, which is composted and used as fertilizer on our green areas.
- At both sites 77% of non-hazardous solid waste and 43% of hazardous solid waste is reused.
- At Atocongo we have an agreement with the Palmeras Recyclers Association to collect waste generated by the plant and with the Inca Pachacutec Recyclers Association to use recyclable waste from our camp.

Waste reduction

- We have digitized our processes and achieved a drastic reduction in our paper consumption.

Cleaning the perimeter wall and urban waste

- In 2021 we carried out maintenance of the perimeter wall at Atocongo, including the collection of urban waste that could act as a site of infection to the detriment of the local community. We collected approximately 2,300 tons of solid waste and rubble.
- Our solid waste management includes clearing urban waste generated by the communities adjacent to our operating units. More than 430 tons from the Atocongo plant and around 350 tons from the port facility was collected, transported and disposed of in an authorized landfill, thus eliminating possible sources of infection for the community.

Future challenges

In 2022 we plan to confirm a pilot plant for co-processing urban solid waste (USW) and used tires (UT), with the Inter-American Cement Federation (FICEM).

We will thus be able to estimate the value of waste as an alternative fuel, taking into account the rate of waste generation by the communities adjacent to our two plants.

We are also contemplating:

- Repeating the experience of working with formal recyclers at other operating units.
- Ecologically friendly camp: recovering 50% of the waste generated by families living at the Atocongo plant camp.
- Achieving "zero waste disposal" for 2030 from the operating units.

4.3

Environment and biodiversity

4.3.1

Water management

How to do it [GRI 303-1][GRI 303-2]

At UNACEM we acknowledge that water is an essential and scarce resource and are therefore committed to adequate and responsible water management by our quarries, port facility and power stations.

The purpose of this management is to reduce water consumption through implementation of the following programs:

- Studies and projects: as part of our Shared Values Plan we are assisting those organizations that work with the National Water Association (ANA) to reduce our water footprint, we have considered carrying out studies and projects in river basins jointly with local organizations aimed at strengthening skills and encouraging responsible water consumption in the community.

- Process optimization.
- River basin conservation.
- Strengthening skills.

Our plants are located in two areas with unique characteristics. While one is in Villa Maria del Triunfo, a district of Lima with a very dry climate, the other is in La Unión Leticia, in Tarma, where the climate is temperate and the winters dry.

We draw water from wells and from surface sources and are licensed to do so by the National Water Authority. Our wells have a meter and are monitored by SEDAPAL and local water authorities.

Domestic consumption takes place in our offices, mess rooms and camp, while our equipment cooling systems and dust suppression are responsible for industrial consumption. This direct consumption is metered monthly and included in our annual water footprint.

Performance in 2021

During 2021 we continued to implement measures to reduce, reuse and increase the efficient use of the resource, including the following:

Water optimization in our operations

- We recirculate (a process of filtering and recycling) 100% of industrial cooling water in both plants.
- We treat and reuse 100% of the waste water and do not discharge any into water bodies.
- We have 2 waste water treatment plants (WWTP) that use settlement, biotechnology and disinfection, enabling us to reuse 100% of our effluent in the fire-fighting system and to irrigate green areas, so none is discharged into water bodies.
- More than 50 hectares of green areas are watered using treated waste water from the WWTPs.

- We use technical irrigation systems to maintain more than 30 hectares of green areas.
- Use of efficient water control systems in the bathrooms of our offices and locker rooms.
- Personnel are trained in efficient water use.

Water quality monitoring

- We have piezometric monitoring and water quality programs in all operating units, which logs consumption of ground and surface water, in compliance with all our government licenses.
- We carry out hydrogeological studies and groundwater monitoring, which helps to prevent future changes in the quality and level of the groundwater. Thus we ensure that water is always available.
- The quality of surface water, groundwater and effluent from our different processes is ensured through continual monitoring carried out with the help of a consultant accredited by Peru's National Institute for Quality (INACAL).

Measuring our water footprint

- We measure our water footprint and have implemented such measuring and other projects relating to responsible water use in neighboring communities, which has earned us a Blue Certificate for the Atocongo plant and renewal of the certificate already awarded to the Condorcocha plant.

IN 2021, S.D. N.° 025-2021-MIDAGRI DECLARED THE RIVER BASINS TO BE SECURE IN TERMS OF WATER AVAILABILITY.

The Condorcocha plant uses surface water from the River Perené, which has “high water availability”, while the Atocongo Plant uses groundwater from the River Lurin, where the water availability is “balanced”.

This means that neither basin is vulnerable and is able to provide surface water and groundwater.

Participation in water management organizations

We take part in round tables as representatives of the private sector in managing the basins of the rivers Lurin and Perené.

We are represented on the Rivers Chillón, Rimac and Lurin Water Resources Board and take part in the Water Committee of the Peruvian Mining, Petroleum and Energy Society.

This active involvement gives us first-hand experience of the problem of water management at local level and of the legislation discussed and evaluated at these meetings.

Describing our experience in forums

It should be pointed out that in 2021 we discussed our experience in forums organized by the National Water Authority (ANA) and National Manufacturers Society (SNI), where we described the good practices we have implemented to ensure we manage our water resources responsibly. In December we took part in an international forum as a guest of the ANA.

4.3.2

Air quality

We seek to prevent, control, reduce and mitigate our impact on air quality in the zones in which we operate, encouraging innovation and efficiency in our operations.

Our environmental quality work includes an **Air Quality and Emissions Monitoring Program** for all production units of UNACEM, which is part of our environmental and biodiversity management effort.

It is drawn up in line with the programs approved in our current environmental management tools for each one of our production units, and implemented in accordance with Peruvian legislation.

Our Integrated Management System establishes environmental indicators that enable us to monitor gaseous emissions into the environment, as well as the quality of the air in the direct areas of influence of our plants, thus ensuring compliance with our obligations contained in the environmental management tools.

Performance in 2021

2021 saw the following milestones in our air quality management, which will enable us to reduce particulate emissions:

- We have achieved 99.9% efficiency in dust removal from our kiln, cooling and milling processes thanks to the use of modern particle filtering systems such as electro-filters and sleeve filters.
- We commissioned a sleeve filter dust extraction system for kiln 2 at Condorcocha plant.
- We have closed the storage area for clinker from the Condorcocha plant's kilns 3 and 4.

Furthermore, we submitted a Plan to Adapt to the New Maximum Permissible Limits (PALMP) for atmospheric emissions from cement and/or lime plants. The PALMP for the Atocongo plant was approved in 2021.

We have monitored nitrogen oxides (NO_x), sulfur dioxide (SO_2) and mercury (Hg) emissions in compliance with the provisions of S.D. 001-2020-MINAM.

We will also continue with tests on hydrated lime use to reduce SO_2 emissions. We have obtained favorable results enabling us to evaluate this method as one of the alternatives for keeping the concentration of SO_2 below the approved MPL.

4.3.3**Managing biodiversity****How we do it** [GRI 304-3]

We manage natural resources sustainably by identifying and proper management of risks and significant impacts on the ecosystems in which our operations are located. Thus we help to care for and preserve biodiversity, ensuring that the life cycles of species are not interrupted and that they remain in the zone, benefiting both the company and society at large.

We have conservation and restoration plans and closure plans for each of our units. We take action depending on the ecosystems in which our operations are located.

Condorcocha plant

The Condorcocha site contains Laguna de Patos lake, where limestone used to be extracted. This lake is now the habitat of migratory birds and is used for breeding domestic animals such as rabbits, ducks and geese. It is also stocked with trout, a species that has adapted very well to the area. We have 13 hectares of forested areas recognized by the National Forest and Wildlife Service (SERFOR).

We have also progressively taken action in parallel with the formation and profiling of disturbed area to encourage natural recovery of these areas.

Progress with our biodiversity management commitments and action are submitted to the competent authority every six months.

Furthermore, we monitor the flora and fauna at all of our operating units in both the dry and rainy seasons. This enables us to understand changes in the ecosystems adjacent to our operations via indicators such as plant coverage and abundance.

Learn more about our conservation work on Laguna de Patos lake at: [Read more.](#)

Achievements in 2021

As far as biodiversity is concerned, in 2021 we achieved the following:

- We were awarded the Sustainable Development award in the Mining Sector Environmental Management category for the Lomas de Quebrada Rio Seco Private Conservation Area. This area will serve as a benchmark for other private companies to preserve biodiversity in the zones in which they operate.
- At Condorcocha we continue to manage the Barranco zone, where there used to be a landfill site. We have planted adapted species such as alfalfa, which provides fodder for our guinea pig farm.
- In coordination with the Condorcocha operations department we took part in the 'Chaccu de Vicuña', a vicuña shearing event in July 2021, organized by Huacapo Rural Community in Junín. This is a festival that aims to encourage the sustainable use of vicuña fiber and rural community tourism as an opportunity for economic development in the zone. A few days before the event, a wire mesh stockade is prepared into which the vicuña are herded. Once in the stockade these emblematic South American camelids are sheared under supervision by SERFOR (the National Forest and Wildlife Service). The event is organized by the village of Huacapo and the economic benefits go directly to the community.
- Our participation encourages the adoption of good practices with investment in biodiversity and archeology, as well as socio-environmental initiatives to prevent conflicts near to our current operations and future projects.

Atocongo Plant and Cristina quarrying concession

The Atocongo plant and Cristina quarrying concession are located in fragile seasonal ecosystems called "lomas". For that reason the environmental instruments approved for both operations include conservation and restoration plans (recovery, replanting) using species native to the lomas ecosystems.

As part of our commitment to the management and preservation of biodiversity, in the Cristina concession area in the districts of Pachacamac and Lurin, we have a private conservation area (ACP) known as Lomas de Quebrada Rio Seco, which covers 788 hectares, for conserving and preserving the biological diversity found in the lomas ecosystem, increasing scientific research and promoting outdoor pursuits such as cycling, trekking and opportunities for tourism.

Learn more about the management of our private conservation area (ACP) Lomas de Quebrada Rio Seco at: [Read more.](#)



R/E

Renzo Castagnino and Estela Martínez

"Lomas de Quebrada de Río Seco", the first ACP in Metropolitan Lima. The first company to establish an area for the protection, restoration and propagation of species such as the Flor de Amancay or Peruvian Lily.

We own the first private conservation area recognized by the Ministry of the Environment in July 2021. We seek to consolidate our company in Peru and the region as a leader in protecting the lomas ecosystem and become a benchmark for other companies in the industry.

The initiative arose from a genuine commitment to biodiversity from the senior management of UNACEM. We took on the challenge of preserving the Flor de Amancaes beyond what we are obliged to do by law. We had previous experience helping associations such as the Lomas de Lúcumo and Lomas de Paraíso Ecotourism Associations. We are also advised by entities such as the UNDP and the Natural Protected Areas Service (SERNARP).

The ACP consists of two zones: (i) The multi-use zone, which can be used for sporting, recreation and cultural activities, provided that due care is taken; and (ii) the limited-use zone, exclusively for conservation, where large-scale visits are not permitted and access is for scientific research only in order to preserve its natural components.

All our projects and interventions are designed jointly with the local community.

In the future we intend to open more of these areas to the general public: consolidate routes, services, waste management and commerce, but always hand in hand with care for the local environmental.



4.4

Environmental compliance

How we manage this

We concentrate on identifying, evaluating, monitoring and complying with our environmental commitments and obligations according to Peruvian legislation and current environmental management tool.

Formal complaint and claims mechanisms

We have formal mechanisms for complaints and claims from the communities; these are logged by the Community Relations Department of Asociación UNACEM, which coordinates action to address them appropriately with the operating units involved. The Integrated Management System is used to monitor these actions.

These mechanisms are documented in the Integrated Management System procedure GG-P-001, "Communications with stakeholders, consultations and participation by personnel", which establishes guidelines and action when receiving, logging and analyzing complaints, claims, accusations, consultations and participation from:

- Employees and their representatives concerning the Health and Safety at Work Management System.
- Other communications with stakeholders regarding quality, the environment, safety, occupational health and the Code of Ethics and Conduct.

The procedure also provides directives to determine what action is appropriate in response to claims, complaints, accusations and consultations and for communications in general. According to the nature and importance of the claim or complaint, Asociación UNACEM coordinates the action to be taken with the person responsible for the case.

Environmental obligations control and monitoring system

We have implemented a modern system of control and monitoring using GEORGE software administered by the Legal Department, which shows compliance with the company's environmental obligations for all of its processes.

The instruments that help us to monitor compliance with our environmental responsibilities are described below:

- **The Quality Plan**, which includes a Monitoring Program for Emissions, Air, Water and Effluent Quality and biological monitoring. We carry out participatory environmental monitoring in which we answer questions and comments about our water and air quality monitoring. Local agents and inhabitants take part in this monitoring work.
- **Reports on compliance with environmental commitments** assumed in current environmental management instruments, in addition to other reports for the authorities relating to significant environmental aspects (ANA, SERFOR, OEFA, MEM and MINCUL, among others institutions).
- internal and external audits, as required by our Integrated Management System.

Performance in 2021 [GRI 307-1]

In 2021 we provided evidence of compliance with our environmental and social commitments to the Environmental Evaluation and Monitoring Organization (OEFA), which carried out environmental supervision of the Condorcocha and Atocongo plants.

it should be noted that despite the pandemic we have complied with the commitments contained in our environmental instruments.


We would also emphasize that we have not received any penalties greater than US\$ 10,000 from any of the environmental authorities during fiscal year 2021. This information can be confirmed at: [Read more.](#)





4.5

Optimization and efficiency projects



4.5.1

Outstanding projects

During 2021 we continued with pre-feasibility and feasibility studies for a number of strategic projects and projects that are about to be implemented.

We also started the investment phase of other projects and continued with the construction of those started in the previous year.

We would point out that these projects were given priority in our strategic plan, in line with our sustainability, maintenance, productivity and growth targets.

Projects outstanding in the Condorcocha plant

Our projects	Description
Clinker storage at Condorcocha	<p>Description</p> <ul style="list-style-type: none"> - This project consists of work to cover the clinker storage area at our Condorcocha plant, which has a total storage capacity of 130,000 t. - Enclosing this area will ensure that all particulate material remains within the area. <p>Progress in 2021</p> <ul style="list-style-type: none"> - We completed construction of the project's third stage. <p>Project status: Detail engineering for the dome-type roof is being carried out. The project is due to be completed in December 2023.</p>
Migration of the kiln 2 control system at Condorcocha	<p>Description</p> <ul style="list-style-type: none"> - This project consists in the modernization of the old control system for the kiln 2 production line at the Condorcocha plant, in order to optimize it and guarantee reliability. <p>Progress in 2021</p> <ul style="list-style-type: none"> - In May we completed installation of the new system software and hardware. <p>Project status: completed.</p>
Modernization of the kiln 2 cooler, including sleeve filters, at Condorcocha	<p>Description</p> <ul style="list-style-type: none"> - This project consists in the modernization of the clinker cooler and installation of a new dust extraction system using sleeve filters. <p>Progress in 2021</p> <ul style="list-style-type: none"> - In May we completed the civil engineering work, installation of the mechanical, electrical and control components of the new system, and commissioning. <p>Project status: completed.</p>
New cooler and sleeve filters for kiln 3 at Condorcocha	<p>Description</p> <ul style="list-style-type: none"> - This project involves the installation of a new clinker cooler and sleeve filter dust extraction system. - The project will also increase the capacity and efficiency of the line with better environmental protection. - It will help us to reduce the kiln's energy consumption by up to 5%.



Our projects	Description
	<p>Progress in 2021 - During 2021 we continued with the engineering development work and began the procurement process.</p> <p>Project status: en desarrollo. Se proyecta concluirlo en julio de 2023.</p>
Modernization of transformer bank and electricity substation at Capapata I and II hydroelectric power stations	<p>Description - The project will replace single-phase transformers with three-phase transformers, as well install compact PASS-MO type switch bays and new electrical control panels in the Capapata I and II hydroelectric stations. - On completion our power stations will operate with greater efficiency and reliability; jointly they generate 12 MW of power and supply renewable energy to our plant Condorcocha cement production plant.</p> <p>Progress in 2021 - This project was successfully completed in December.</p> <p>Project status: completed.</p>
New N° 6 cement bagging and palletizing line	<p>Description - Implementation of a new automatic cement bagging and palletizing line, and another palletizing machine for the existing N° 5 bagging line. - This project will increase the Condorcocha bagging and dispatch capacity by up to 39%, thus shortening dispatch times to our clients.</p> <p>Progress in 2021 - We have started the engineering development work and procurement.</p> <p>Project status: en desarrollo. Se proyecta concluirlo en diciembre de 2022.</p>

Outstanding projects in the Atocongo Plant

Projects	Progress in 2021
Ecologically-friendly conveyor belt system for limestone from Manchay to Atocongo	<p>Description</p> <ul style="list-style-type: none"> - The aim of the project is to create a safe, efficient and sustainable transport system for limestone from our Silencio 8 quarry in Manchay to our Atocongo Plant. - It will eliminate the use of trucks and thus avoid dust problems and pollutant gas emissions from these vehicles. <p>Progress in 2021</p> <ul style="list-style-type: none"> - In 2021 we continued with the process of obtaining approval for the project's modified environmental impact assessment and we held the obligatory public hearing. <p>Project status: under construction. Completion of the project is planned for the end of 2024.</p>
Clinker storage area at Atocongo	<p>Description</p> <ul style="list-style-type: none"> - Covering the clinker storage area. - This area will have a more efficient clinker recovery system and its storage capacity will be approximately 350,000 t. - Enclosing this area will ensure that all particulate material remains within of area. <p>Progress in 2021</p> <ul style="list-style-type: none"> - In 2021 we continued with the pre-feasibility study for the project. <p>Project status: under construction. Completion of the project is planned for mid-2025.</p>
New N° 8 cement bagging and palletizing line	<p>Description</p> <ul style="list-style-type: none"> - This project involves the installation of a new automatic cement bagging and palletizing line, as well as palletizing machinery for the existing bagging lines 3, 4, 5 and 6. - This project will increase the Atocongo bagging and dispatch capacity by up to 37%, thus shortening dispatch times to our clients. <p>Progress in 2021</p> <ul style="list-style-type: none"> - We began the engineering development work and procurement for this project in 2021. <p>Project status: under construction. The project will be completed in January 2023.</p>



Projects	Progress in 2021
New primary crusher and storage areas	<p>Description</p> <ul style="list-style-type: none"> - This project consists in the installation of a limestone crusher and the construction of new enclosed storage areas for limestone and other materials such as additives. - It will enable us to improve crusher reliability and retain particulate material within the enclosed storage areas. <p>Progress in 2021</p> <ul style="list-style-type: none"> - In 2021 we developed the feasibility study. <p>Project status: under construction. Completion of this project is planned for the end of 2025.</p>

4.5.2

Ruray Program

The Ruray program seeks to generate positive environmental impacts, promoting the efficient use of resources in different processes, such as raw materials extraction, clinker and cement manufacture and sales of our products

In 2021 the Ruray program continued to produce efficiencies and innovation with 21 initiatives in 3 general areas: production, purchasing and sales. At the close of the year, thanks to the commitment of the people involved in the program, we have put 21 initiatives into practice and generated efficiencies worth S/ 88.1 million, a figure 20.7% higher than our original goal.

2021 saw 9 initiatives added to the Ruray program, 2 of them relating to care of the environment:

- **Ecocamp:** this project seeks to optimize water consumption, segregate waste at source and donate the segregated waste to recyclers. It also encourages the use of organic waste to make compost for reuse on our green areas.

- **GoPaperless:** a pilot project to implement digital signatures, a virtual document management and reception system (software) and digital archives. The purpose is to eliminate the use of paper and reduce costs and fuel consumption by no longer requiring documents to be physically transported from place to place.



CAP. 5



Talent
management



5.1

Organizational transformation

Since 2020 we have been working to transform the organization by incorporating the first 3 corporate vice-presidencies and the chief executive's office into the design and implementation of the Grupo UNACEM's strategy.

In 2021 the Corporate Vice President - Talent and Culture, defined the 3 strategic pillars for talent management and their goals:

TALENT & REMUNERATION

Providing the group with the strategic skills and talent necessary to guarantee the sustainability of the business based on a high-performance culture.

CULTURAL TRANSFORMATION & CHANGE MANAGEMENT

Developing and managing the group's new cultural identity & model to support the transformation.

OPERATIONAL EXCELLENCE

Provide the organization with agile, versatile and efficient tools and processes to support the businesses.

Talent and remuneration

As part of the talent management function, we have been introducing a process of transverse performance management to the group as well as a skills-based leadership model.

The performance and development management process forms part of a talent management map to ensure the sustainability of our business by taking into account efficient organizational designs and the talent necessary, in response to the needs of our stakeholders.

Remuneration management involves an examination of the worth of different positions and the definition of wage bands. All business units of the group work with the same transverse scheme.

Cultural transformation and change management

We have defined a new corporate identity. We have also included a new group purpose, values and aspirations that apply to UNACEM's business units.

We will be disseminating this new organizational culture in UNACEM during 2022.


Operational excellence

This vital management function seeks to deploy transverse personnel policies, define management indicators and the personnel macro-process.



5.2

Jobs, talent management and diversity



5.2.1

Jobs

During 2021 we continued to concentrate on the health and welfare of our collaborators and on implementing the Covid-19 Monitoring and Prevention Plan, with assistance for those collaborators who contracted the disease and those who required psychological help in order to support them in their loss.

- We also continued to provide support and other facilities for those administrative collaborators who were working from home, such as monitors, chairs, Internet access, etc.
- For collaborators working in the plant we maintained all biosafety measures and encouraged vaccination to the extent that now, around 99% of our collaborators have received two doses of the vaccine.

It should be pointed out that we worked to improve the scope of the action taken to safeguard health in response to the needs of 2021.

5.2.2 Diversity and equal opportunities

We owe our leadership in the industry over many years to our collaborators. We therefore offer a motivational, challenging and positive working environment in safe and healthy physical conditions.

How we manage this

Our personnel selection criteria are regulated and audited as part of the Integrated Management System (IMS).

Our strategy is determined by the Corporate Vice-Presidency - Talent and Culture, it is a skills-based management model aimed at ensuring that new employees have the skill sets needed for each position.

This model includes the following processes:

Skills-based management model

Job profile creation

Recruitment and selection

Performance evaluation

Development

Training

• When we create a vacancy, we always give priority to internal talent before recruiting from outside the company.

• We encourage the hiring of local labor in our direct areas of influence, respecting the principles of equality and opportunity.

It is worth noting that when starting to work for UNACEM, every collaborator goes through induction training to reinforce the concept of respect for equality of opportunity through our mission; Company values; the IMS including safety in the workplace; the Code of Ethics and Conduct (CODEC); and the Anti-Corruption Policy.

Performance in 2021

In 2021 we had 808 people working full time.

Table 1: Classification of our collaborators by sex and place of origin, 2021

[GRI 102-7] [GRI 102-8]

2021					
CLASSIFICATION	WOMEN		MEN		TOTAL
	LIMA	JUNÍN	LIMA	JUNÍN	
Administrative	63	3	181	78	325
Employees	23	2	82	42	149
Plant employees	0	0	148	186	334
Total	86	5	411	306	808

It should be emphasized that between 2020 and 2021, the number of women in leadership positions increased by 16% due to changes in the roles of collaborators already working for the organization and the employment of a new assistant human resources manager.

Furthermore, the ratio of women in top management positions increased by 12% and the ratio of women in STEM (science, technology, engineering & mathematics) positions increased by 2% for the reasons mentioned above.

Table 2: Gender inclusion indicators

Diversity indicator	2020	2021
Proportion of women in the total labor force (as a % of the total labor force)	11%	11%
Proportion of women in all management posts, including junior,, middle and senior management (as a % of total management posts)	16%	16%
Proportion of women in junior management (the lowest level of management)	Not applicable	Not applicable
Proportion of women in top management positions (maximum two levels below the CEO, or comparable positions)	8%	12%
Proportion of women in income-generating management posts	0%	0%
Proportion of women in STEM-relating posts	2%	2%

Finally, we promoted a collaborator aged 65 to an assistant managerial post in the legal department, reaffirming our confidence in his experience and in the value he brings to the department and to the company.

Table 3: New hires by gender, age and region of origin - 2021

[GRI 401-1]

GENDER	LIMA			JUNÍN			TOTAL
	INCOME			INCOME			
	20-29 YEARS	30-39 YEARS	40-59 YEARS	20-29 YEARS	30-39 YEARS	40-59 YEARS	
Male	6	14	5	5	6	2	38
Female	3	1	3	0	0	0	7
Total	9	15	8	5	6	2	45

Table 4: Collaborators leaving the company, by gender, age and region of origin - 2021

[GRI 401-1]

GENDER	LIMA				JUNÍN				TOTAL
	DISMISSALS				DISMISSALS				
	20-29 YEARS	30-39 YEARS	40-59 YEARS	60-70 YEARS	20-29 YEARS	30-39 YEARS	40-59 YEARS	60-70 YEARS	
Male	1	4	1	11	3	11	0	8	39
Female	0	0	0	2	0	0	0	0	2
Total	1	4	1	13	3	11	0	8	41

In 2021 we employed indirectly 701 collaborators through our contractors providing security, cleaning and restaurant services at our two sites, an increase of 15% compared with 2020.

Table 5: Local collaborators employed by contractors, 2021

TYPE OF ACTIVITY	ATOCONGO PLANT			CONDORCOCHA PLANT			TOTAL
	WOMEN	MEN	SUBTOTAL	WOMEN	MEN	SUBTOTAL	
Cleaning	9	191	200	2	114	116	316
Lookout	0	257	257	0	101	101	358
Mess room	7	5	12	0	15	15	27
Total	16	453	469	2	230	232	701

5.2.3

Working environment

As part of the evolution of the corporate structure of Grupo UNACEM, in 2021 we created new departments with a clear focus on human resources and production management, based on secure employment and seeking to impose transverse guidelines on all group companies.

During the year we placed a lot of emphasis on providing biosafety and emotional support for collaborators.

5.2.4**Training**

We value the contributions made by our collaborators and seek to encourage their personal and professional growth through a development strategy.

For that purpose we have an Annual Training Plan (PACE), in which we plan and carry out training to increase the knowledge and skills of our collaborators.

Furthermore, we prioritize subjects relating to health and safety at work, technical aspects and soft skills.

Performance in 2021

In 2021 our training effort, always encouraged by the senior management, placed special emphasis on disseminating biosafety protocols in the context of the COVID-19 emergency.

E-Learning platform

2018

Our e-learning platform includes cross-knowledge training.



2019

We extended this tool to the supervision.

2020

We strengthened our training resources by including content produced by WOBI (World of Business Ideas): negotiation, personal development, creation of efficient teams, innovation and creativity, problem solving, communication, continual improvement of processes, personal learning and adjustment to surroundings.

In 2021 we addressed the following subjects:

- Getting the most out of a team at a distance.
- Keeping teams motivated and committed.
- Getting the best out of the advantages of working at home.
- Change to management 3.0.
- Help your team to focus on clients.
- Imposing communications style.
- Developing empathy in the workplace.

- Improving personal effectiveness.
- Encouraging happiness at work.
- Releasing creative potential.
- Add orientation to management style.
- Generate an excellent experience for clients.

Instituto UNACEM

Instituto UNACEM is an internal initiative aimed at developing technical knowledge and skills in our collaborators in order to ensure compliance with the company's strategic guidelines.

At present we have three programs in the Atocongo and Condorcocha plants:

Certification programs	Aim
Cement engineer certification	To provide our collaborators with a global view of the cement production process, showing the contribution by each area (primary or support) to our finished products.
Operator certification	To ensure standardized and expert performance by our control room operators, through theoretical and practical training in the equipment, procedures and processes involved in the manufacture of cement.
Quality analysis certification	To improve the performance of participants by standardized processes, in order to achieve reliable results and thus to encourage continual improvements in the quality of our products.

In 2021 we continued to develop technical knowledge and skills through the programs offered by Instituto UNACEM, which are aimed at developing the core competences of the business. We are shortly to certify 24 employees.

Table 6: Collaborators certified by Instituto UNACEM

CERTIFICATES	COLLABORATORS
Cement engineer	6
Operators	4
Quality analysts	10
Total	24

In total we provide an average of 19.53 hours of training annually to collaborators in different labor disciplines.

Table 7: Average hours training per year per employee

[GRI 404-1]

JOB CLASSIFICATION	GENDER	NUMBER OF HOURS	AVERAGE HOURS
Administration	Female	1,100	17.73
	Male	9,360	36.42
	Total	10,459	32.79
Employees	Female	386	15.44
	Male	1,977	15.94
	Total	2,363	15.86
Operators	Female	-	-
	Male	2,845	8.52
	Total	2,845	8.52

**5.3**

Safe and healthy working environment

[GRI 403-1] [GRI 403-2] [GRI 403-4] [GRI 403-7]

In UNACEM the safety and health service of our collaborators is one of the main pillars of our management style. We therefore have a Health and Safety at Work Management System incorporated into our Integrated Management System (IMS).

We are continually seeking best practices that enable us to eliminate or minimize risks in our activities. During 2021 we continued our efforts to prevent the spread of COVID-19 in our installations.

We also continued with the Covid-19 Monitoring and Prevention Plan approved by the Ministry of Health, including measures to reduce the likelihood of contagion.

5.3.1

Occupational health

[GRI 403-3] [GRI 403-6]

We have different programs aimed at safeguarding the health of our collaborators, which provide assistance and preventive medicine and attend any emergencies that occur in the plant.

We also offer family medical insurance that provides medical treatment at a wide range of private clinics and whose benefits also extend to the registered family members of our collaborators.

We developed the following programs in 2021:



In the context of the COVID-19 pandemic our Covid-19 Monitoring and Prevention Plan, approved by the Ministry of Health, is still in force and includes measures to reduce the likelihood of contagion and safeguard the physical and emotional health of our collaborators. Some of the principal measures are described below:

Measures to reduce contagion and protect physical and emotional health

Preparing spaces and facilities	We have reduced the capacity of our personnel buses (to 50% of maximum capacity)	We have created biosafety conditions, hand washing and of social distancing as well as disinfection of the areas	183 collaborators are working at home. 173 from Atocongo and 10 from Condorcocha	
Preventive measures in our plants	We measure temperature on entry to the plant and provide alcohol gel for our collaborators	We have taken 6,717 antigen tests at Atocongo and 5,955 at Condorcocha	We provided additional doctors and nurses at the medical center for measuring temperature	Social distancing by means of "working groups"
Monitoring our infected collaborators	Permanent monitoring, nutritional advice, psychological and emotional support as needed by collaborators with positive diagnoses			
Preventive safety talks	COVID-19 prevention talks: 9 talks at Atocongo 5 talks at Condorcocha			
MINSA vaccination program	99.4% of collaborators at Atocongo have received two doses of vaccine and 99% at Condorcocha			

We have provided 487 biosafety kits for COVID-19 prevention at Atocongo and 295 at Condorcocha

Stress management emotional health program

The purpose of this program is to provide our collaborators with tools that reduce the perception of stress and benefit their health. To that end we aim to provide tools and techniques for the adequate management of emotions in difficult situations.

- We arranged 14 talks and /or workshops jointly with Messrs. FITCORP and Pacífico Seguros.
- 176 collaborators from Atocongo and 259 from Condorcocha took part.

I want to be healthy program

The aim of this program is to create spaces for reflection that encourage our collaborators to look after themselves, helping them to improve their lives by healthy living and also helping us to maintain and/or reduce the incidence of disease and prevalence of habits detrimental to quality of life.

Results in Atocongo and Condorcocha

- 455 collaborators at Atocongo and Condorcocha took part in the talks and/or workshops of the 'I want to be Healthy' program. We gave 23 talks and/or workshops on nutrition and an average of 50 collaborators attended each one at Atocongo and Condorcocha plants.
- We organized 20 virtual dance classes together with the La Candelaria Peru cultural center.
- Functional training once a month from May to August.

Mental health and emotional support survey

During the second quarter of the year we carried out mental health and emotional support surveys of our collaborators, in order to understand their attitude to the mental health, emotional support and physical health talks and activities we had arranged in the context of the COVID-19 pandemic, and to provide feedback for futures activities.

375 collaborators took part in the survey and the results were very positive; the following results were obtained from both sites:

- 90% of the participants enjoy good mental and physical health.
- 54% of participants had not contracted COVID-19, whilst 46% had.
- 66% of participants had not lost a family member during the pandemic; 3% had lost their father, mother or both while 29% had lost other family members.
- 59% were satisfied with the talks on psychological aspects and emotional support that have been given.

One of the requests from our collaborators was to continue with the virtual physical activities, as these had improved their health and welfare, and to organize activities in which all the family could take part.



“ALL OF THESE MEASURES HELPED TO REDUCE THE NUMBER OF COLLABORATORS WITH COVID-19, AND AT THE END OF 2021, 4.2% OF COLLABORATORS HAD COVID-19 AT ATOCONGO AND 0.5% AT CONDORCOCHA”.

We provided additional doctors and nurses at the medical center for measuring temperature.

A

Ana Cecilia Novoa
Collaborator

Biosafety measures and action taken by UNACEM to safeguard the health of employees and those connected to the company in the context of working from home and of COVID-19.

I had COVID-19 at the beginning of 2021 and this was a very complicated period for me as I live alone, nevertheless, I was being supported and assisted by UNACEM. Giovanna, head of social welfare, and my immediate supervisor Jose Luis Perry, were very concerned about my health for the whole time until the illness passed.

Giovanna called me every day to ask how I was and to give me encouragement. When I recovered I received personalized support, psychological support, advice and motivation for the depression I was suffering; and medical support.

It took time to recover completely and there were times when I could only work for a couple of hours I was so tired, but I received a lot of understanding and support from my direct superior. All of this was a great help in overcoming this stage, so during the year I told my story to others to encourage them to get vaccinated, because the vaccine saves lives.





5.3.2

Health and safety at work management system

[GRI 403-1]

During 2021 we continued to strengthen our Health and Safety at Work Management System based on 9 elements:

- Leadership, responsibility and organization.
- Training and skilled personnel.
- Risk management.
- Health and hygiene at work.
- Managing contractors.
- Incident investigation and analysis.
- Preparation for emergencies.
- Communications.
- Performance evaluation.

“GIVEN THAT OUR FIRST CORPORATE VALUE IS ‘SAFETY’, WE HAVE PRIORITIZED IMPLEMENTATION OF OUR MANAGEMENT SYSTEM WHILE CONTINUING TO ENCOURAGE LEADERSHIP,

responsibility and organization, risk management and contractor management, all within the framework of our new 'Lives First' safety culture”.

Performance measurement is based on proactive and reactive indicators, the most important of which are:

Proactive indicators

- 5 minutes of safety training at the beginning the working day.
- Safety training.
- Recording observations.

- Logging the percentage of registered observations addressed.
- Percentage of HSE Committee observations resolved.
- Percentage of actions to correct HSE non-conformities.
- Visible leadership interventions (VLI).

Table 8: Proactive indicators, 2019, 2020 and 2021

[GRI 403-5]

Proactive indicators	Atocongo			Condorcocha			UNACEM		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
5 minutes of safety training at the beginning the working day	100%	100%	100%	97%	99%	100%	99%	100%	100%
Safety training	100%	99%	99.64%	100%	95%	100%	100%	97%	100%
Register of occurrences	3,335	873	1,140	6,757	3,695	3,581	10,092	4,568	4,721
Log of the percentage of registered occurrences addressed	86%	94%	89%	89%	92%	91%	87%	93%	90%
Percentage of HSE Committee observations resolved	93%	73%	88%	71%	63%	83%	82%	68%	86%
Percentage of actions to correct HSE non-conformities	94%	74%	73%	97%	96%	95%	96%	85%	84%
Visible leadership interventions	4,488	894	1,447	2,175	447	1,201	6,663	1,341	2,648

2021 saw a significant increase in our reactive safety indicators due to an increase in the number of events and more days lost because of accidents. We identified some incapacitating accidents to be related to concerns about the pandemic, which may have affected concentration and risk perception levels among our collaborators during their work.

In July we introduced the Visible Leadership Interventions program aimed at encouraging safe behavior among management, junior management, foremen and supervision in general.

Table 10: Number of minor accidents, 2019, 2020 and 2021

[GRI 403-9]

PLANT	MINOR								
	2019			2020			2021		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Atocongo	28	0	28	9	0	9	20	1	21
Condorcocha	21	0	21	33	0	33	32	1	33

Table 11: Number of incapacitating accidents, 2019, 2020 and 2021

[GRI 403-9]

PLANT	INCAPACITATING								
	2019			2020			2021		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Atocongo	15	0	15	12	0	12	31	0	31
Condorcocha	4	0	4	8	0	8	15	0	15

During 2021 we continued using the LOTOTO standard for isolating equipment, as well as safety standards for hoisting and working above ground and in confined spaces.

We are implementing standards for:

- Hot work.
- Managing contractors.

Diagnosis of the Health and Safety at Work Management System

At the corporate level we carried out a diagnosis of the Health and Safety at Work Management System together with well-known international consultants DuPont. The diagnosis showed a significant improvement between 2017 and 2021 as far as the creation of a culture of safety is concerned.

The **Lives First Program** was reinforced by workshops for the companies' senior management, in which the results of the diagnosis were analyzed and guidelines for 2022 drawn up.



5.4

Human rights



5.4.1

Focus on human rights

[GRI 408-1] [GRI 409-1]

Respect for human rights is part of our culture. We respect and comply with current legislation without restrictions, as well as relevant domestic and international pacts and agreements.

As part of our commitment to human rights, we are signatories to and active participants in the United Nations Global Compact 2014, by which we undertake to eradicate any form of discrimination, forced labor or child labor and to guarantee respect for liberty and collective bargaining.

5.4.2**Human Rights Policy and procedures**

In 2021 we published the Grupo UNACEM Human Rights Policy, which incorporates respect for and promotion of human rights, including aspects such as: diversity, inclusion and gender equality, among others. The policy was drawn up based on the following international principles:

- The United Nations Universal Declaration of Human Rights.
- The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human rights.
- The 10 principles of the United Nations Global Compact, specifically those concerning human rights (principles 1 and 2) and employment practices (principles 3, 4, 5 and 6).
- GRI Global Standards for Sustainability Reporting (GRI Standards).
- Global sustainability indexes such as the Dow Jones Sustainability Index.

The Declarations and commitments expressed in our policy constitute conduct guidelines for all Grupo UNACEM collaborators and also apply to our partners, clients and suppliers, with whom we join forces to promote respect for human rights throughout our value chain.

“RESPECT FOR HUMAN RIGHTS IS NOT, THEREFORE, THE SOLE RESPONSIBILITY OF THE STATE, IT IS A SOCIAL AND ETHICAL RESPONSIBILITY OF BUSINESSES.

Grupo UNACEM is committed to unrestricted respect for human rights and considers it essential that they are explicitly and transparently laid out in a policy document”.

We implement the Grupo UNACEM Human Rights Policy via internal procedures that govern our operations, such as our Internal Regulations (IR) and Code of Ethics and Conduct:

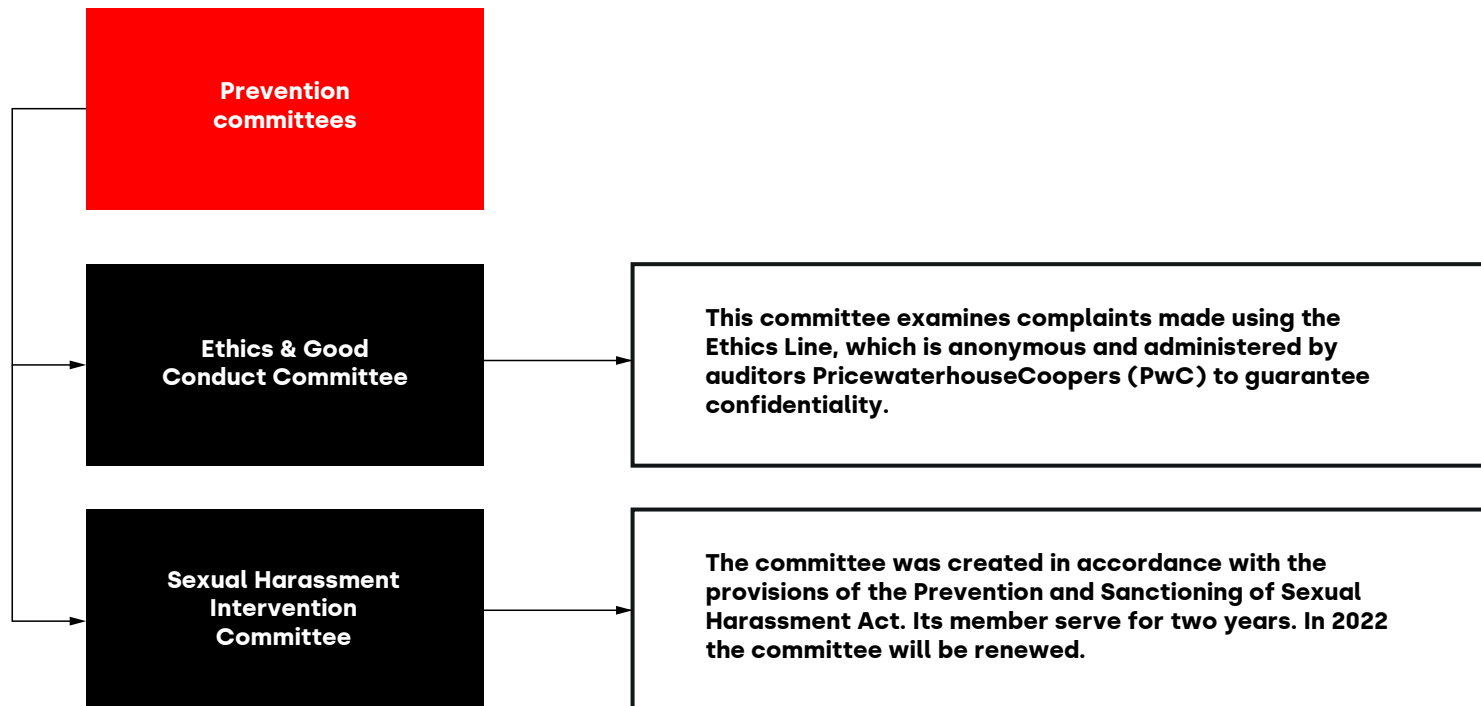
Components of the Human Rights Policy	Commitment	Related procedures and internal systems	Discover more information on prevention and mitigation mechanisms
Diversity and equality	We guarantee equality of access to employment opportunities at all levels in the organization and for collaborators of every gender, race and nationality, as well as our work with adjacent local communities.	Code of Ethics and Conduct Sustainability policy	Diversity and equal opportunities



Components of the Human Rights Policy	Commitment	Related procedures and internal systems	Discover more information on prevention and mitigation mechanisms
Gender	We encourage respect for the rights of men and women, guaranteeing equality of opportunity for both and promoting participation by women in decision taking and ensuring equal pay for men and women.	Internal regulations	
Freedom of association and collective bargaining	We respect the right of collaborators to create such organizations as they deem appropriate or to join such organizations and negotiate collectively.	Collective bargaining agreements Code of Ethics and Conduct	Freedom of association and collective bargaining
Discrimination	We encourage equal treatment of all our collaborators and stakeholders, regardless of socioeconomic status, sexual orientation, gender, race, age, disability, religious beliefs, cultural diversity of physical characteristics, among others.		Prevention of sexual harassment and discrimination
Forced labor	We do not permit any type of involuntary work. We do not approve of exploitation, abuse or physical punishment. We require our trading partners and/or allies not to make use of such practices.	Occupational health and safety management system	Focus on Human Rights
Child labor	Child labor is not acceptable All personnel hired are over 18 years of age.		
Health and safety at work	We are committed to carrying out our operations in a safe and efficient manner, giving priority to the welfare of our employees above any other organizational goal.	Environmental management system	Health at work Health and safety at work management system
The environment	We conduct our business in a responsible and sustainable manner, minimizing environmental and social impacts, facilitating participation by the population and publishing environmental information transparently.	Code of Ethics and Conduct	Environmental management
Working environment	We encourage and promote a working environment in which the contributions of each of our collaborators is valued, they are motivated and committed and free from sexual and other harassment.	"Prevention of sexual harassment" procedure	Prevention of sexual harassment and discrimination Working environment

Prevention of sexual harassment and discrimination

We encourage an environment free from sexual harassment and discrimination, in which respectful treatment of all our collaborators is the norm, and which is free from offensive or hostile behavior, whether written, verbal or through inappropriate actions or gestures. We consider any conduct, practice or abuse of authority aimed at generating discomfort among our collaborators to be unacceptable. Our Ethics and Good Conduct and Sexual Harassment Intervention committees exist to safeguard this environment.



During the course of 2021, we received and submitted 2 complaints of sexual harassment at work, which were investigated by the Sexual Harassment Intervention Committee in accordance with existing regulations and procedures. They were also registered with the Ministry of Employment.

Freedom of association and collective bargaining [GRI 102-41] [GRI 407-1]

The mechanisms for evaluating compliance with our obligations under our collective bargaining agreements are registered in the payroll, showing that there are no restrictions on freedom of association or collective bargaining in the company, nor are there restrictions preventing the employees of suppliers or contractors from forming unions

UNACEM has 2 labor unions:

	Atocongo Plant	Condorcocha Plant
Name of union	Employees Trade Union of Unión Andina de Cementos S.A.A. – Atocongo Quarries	Sole Employees Trade Union of Unión Andina de Cementos S.A.A.
Members	123 plant employees and 35 members	158 plant employees and 3 members
% of total collaborators	32.0%	52.0%
Performance in 2021	<ul style="list-style-type: none"> - The last collective bargaining agreement was in October 2021 valid for one year from July 2021 to June 2022. - All personnel affiliated to the union are covered obligatorily by the collective bargaining agreements. 	<ul style="list-style-type: none"> - The previous collective bargaining agreement was in 2019, valid for 3 years from January 2019 to December 2021. January 2022 saw the start of meetings aimed at reaching a new collective bargaining agreement. - All personnel affiliated to the union are covered obligatorily by the collective bargaining agreements.
The resulting agreements are offered as an option to manual and staff employees who are not members of the union		

Human rights and our security services [GRI 410-1]

Among our suppliers, the subsidiary company that provides security services to all of our sites has its own integrated policy requiring its personnel to be aware of and trained in human rights and compliance with applicable legislation.

This policy accords with the directives governing the company's industry. For that reason its personnel undergo a training program in different subjects , including human rights.

It is important to note that in order to obtain the private security guard credential issued by the Civilian Security Services, Firearms, Munitions and Explosives Regulatory Authority (SUCAMEC), applicants must pass a constitution and human rights course, which includes subjects such as fundamental rights and duties relating to the life, integrity, liberty and security of individuals.



CAP. 6



**Social
management**



6.1

Asociación UNACEM

In 2003 we created Asociación Unacem as our social responsibility organization, to channel and amplify our community development effort and assume responsibility for UNACEM's social management.

Mission:

Asociación Unacem is responsible for promoting and facilitating community relations and for designing and implementing private social investment projects and initiatives.

Area of influence:

The direct areas of influence cover 5 districts of Lima and 3 of Tarma.

Plant	Atocongo Plant	Condorcocha Plant
City	Lima	Tarma
Districts	<ul style="list-style-type: none"> • Villa María del Triunfo • Pachacámac • Villa El Salvador • Lurín • San Juan de Miraflores 	<ul style="list-style-type: none"> • La Unión Leticia • Village of Condorcocha and the rural communities of Chancha and Huancoy • Sacsamarca • Palca • Acobamba

Asociación Unacem concentrates on 5 aspects: social infrastructure, health, education, the environment and community relations.

In 18 years of work we have generated more than 100 alliances with State institutions, civil society and international aid organizations. We are currently implementing projects based on social innovation, technology and the sustainable development goals (SDG) and their targets, as can be seen in the following illustration:



Contribution to the SDG by line of action
ACTION
SDG and related targets

Education

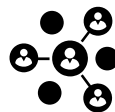
- **Target 4.3:** Access to high-quality technical training
- **Target 4.4:** A considerable increase in the number of young people and adults who have the necessary skills, particularly technical and professional skills, to obtain jobs and create businesses.
- **Target 4.7:** Encourage the acquisition of theoretical and practical knowledge necessary to ensure sustainable development.
- **Target 8.5:** Achieve full, productive and decent employment


Health

- **Target 3.2:** Contribute to a reduction in infant mortality factors
- **Target 3.8:** Access to quality health services
- **Target 11.1:** Ensure access by everyone to adequate, safe and affordable housing and basic services and improve marginal neighborhoods.


The environment

- **Target 11.6:** Reduce the negative environmental impact of cities, paying attention to air quality and municipal waste management
- **Target 12.5:** Considerably reduce waster generation through prevention, reduction, recycling and reuse
- **Target 13.3:** Improve education and awareness-raising on mitigation of climate change and its effects.
- **Target 15.1:** Encourage the conservation, reestablishment and sustainable use of terrestrial ecosystems
- **Target 17.17:** Encourage and promote effective alliances in the public and public-private spheres and in civil society.


Community relations

- **Target 6.b:** Strengthen participation by local communities in improvements to water management
- **Target 11.6:** Reduce the negative environmental impact of cities, paying attention to air quality and municipal waste management
- **Target 12.8:** Ensure that everyone in the world has information and knowledge relevant to sustainable development
- **Target 17.17:** Encourage and promote effective partnerships in the public and public-private spheres and in civil society.


Social infrastructure

- **Target 6.2:** Achieve adequate and fair access to hygiene services
- **Target 9.1:** Develop reliable, sustainable, resilient and high-quality infrastructure
- **Target 11.7:** Provide universal access to green areas and safe, inclusive and accessible public spaces



6.2

Social infrastructure

[GRI 203-1]

We encourage the development of our communities through donations of cement, building blocks and concrete, as well as by carrying out building work with the participation of local people.

Performance in 2021

During 2021 we continued to support communities within our areas of influence through donations of cement and other construction materials for improvement work on:

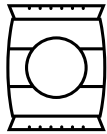
- Educational infrastructure (construction, improvements to classrooms and patios) and communal infrastructure (retaining walls, stairs, sports pitches, parish offices, fences, irrigation channels, dams and others).
- We helped with the construction of priority community projects in our direct areas of influence (parks, roads and paths, ramps, sports pitches and others).

It should be noted that where we have donated cement the community have taken an active part in the work. This generates value and confidence among the community.

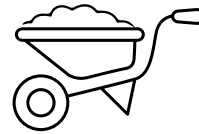


Atocongo Plant

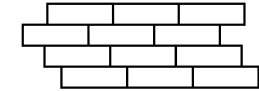
Achievements in 2021



We donated 767 bags of cement to community organizations, to be used for 8 construction projects to the benefit of the 7,105 people in the community.



We provided 16,482.58 m³ of concrete to the Municipality of Villa Maria del Triunfo to be used in the construction of 6 community projects (concrete road surfaces, access ramps and sports pitches) that benefited 43,550 people.



We helped with the construction of community infrastructure works (concrete paving, improvements to parks, concrete blocks and slabs, retaining walls) in Tablada de Lurin, José Gálvez and Virgen de Lourdes in the district of Villa Maria del Triunfo, benefiting 11,950 people.

INTERESTING STORY: PUMASAULI: THE RESERVOIR THAT BRINGS LIFE TO A WHOLE COMMUNITY

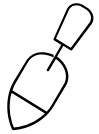
The village of Matará is located in the district of Santo Domingo de los Olleros, province of Huarochirí in the Lima highlands. This area is very dry, rain is scarce and there are no nearby rivers. The most precious resource of all in this area is water.

Today, more than 1,000 families enjoy the benefits of efficient water management. Thanks to the Pumasauli reservoir, they have water for their crops, livestock and handicrafts. Their farm production, especially prickly pear, has tripled and is expected to increase still further. A joint effort between the community, local authorities and UNACEM was the determining factor in completing this project, bringing hope to families who want to build better lives for themselves and providing an incentive for local people who have moved away to return.

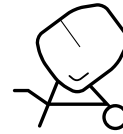
UNACEM provided 3,000 bags of cement in 2012 for the reservoir construction, 3,050 bags in 2018 and 1,000 bags in 2021, while the community, organized and committed, were the main instigators and builders of this important work.

Condorcocha Plant

Achievements in 2021



We donated 4,029 bags of cement for the construction of 12 community infrastructure projects benefiting 2,855 people.



250 bags of cement to Mariscal Cáceres de Huaripampa school and Jose G. Otero school, benefiting 351 pupils.



We also donated 820 bags of cement to the local government for the construction of 3 community projects benefiting 3,500 people.



Efraín Motta
Beneficiary

Construction of Av. La Mar – Villa Maria del Triunfo.

We are grateful to UNACEM for their contribution of construction materials needed to build the new Av. La Mar. We recognize the company's enthusiasm in providing us with advice throughout the project, as well as its work planting trees along the new road.

This project has had a very positive social impact on local people as it has encouraged them to keep their homes and gardens tidy and stimulated neighborliness with a view to keeping the area safe.

Our communication, organization and management skills as community leaders have also been strengthened, enabling those who had no faith in the project to come round to our way of thinking later, motivating them to continue with the project and bring it to a successful conclusion together with UNACEM.



German Solís
Beneficiary

Inauguration of the third and final construction stage of the Pumasauli reservoir – Santo Domingo de Olleros.

On behalf of the community of Matará I thank UNACEM for this donation of 1,000 bags of cement for the third stage of the Pumasauli reservoir. The reservoir is a huge contribution to our economy because of the scarcity of water for our activities that we used to suffer; now, with the reservoir finished we have increased farm and livestock production on the higher areas of the community and with more water for irrigation we have 1700 hectares under cultivation instead of the previous 200 hectares.

This has not only improved the community's economy, but also increased access to education and healthcare, and improved our living standards generally. This help from UNACEM has been wonderful and we hope to continue working together in the future on new projects, so that some of those who have moved away will be able to come back home.

6.2.1**'Work in Lieu of Taxes' (Oxl) projects****Improvement and expansion of the potable water and drainage system in the village of Condorcocha in the district of La Unión – province of Tarma – department of Junín**

GRI 203-1] [SMV (7200) Project description and performance]

This project consists of the installation of a new water storage and treatment system, distribution network, drains and waste water treatment for the village of Condorcocha adjacent to our plant, thus benefiting a total of 1,200 inhabitants. Investment in the project will be approximately S/ 5.5 million.

In 2021 the Ministry of Housing, Construction and Public Hygiene (MVCS) prioritized this project within the framework of Law N° 29230 Works in Lieu of Taxes, by ministerial ruling. Furthermore, the Ministry of Finance (MEF) approved the MVCS budget for this project using the same mechanism.

Thereafter, the MVCS began the obligatory tender process and adjudication of the technical dossier for construction of the project in 2022.



6.3

Health

We encourage healthier habits, nutrition surroundings in neighboring communities, helping individuals, families and community leaders to improve the health of community members.

Performance in 2021

In the context of the current healthcare emergency we have been using digital and virtual tools to carry out 4 types of activities:

- Remote teaching of health practices for vulnerable groups (prevention of anemia, healthy eating, emotion management, healthy housing, prevention of COVID-19, etc.), through educational calls and messages.
- Participation in health fairs organized by the healthcare sector with an educational module aimed at preventing anemia, healthy eating and prevention of COVID-19.
- Strengthening healthcare skills through educational workshops.
- Intervention to prevent anemia in families with children aged 6 months to 5 years and assistance with recovery from the condition.

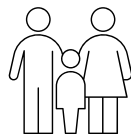


Atocongo Plant

Achievements in 2021



We administered 1,780 preventive treatments through remote guidance in the prevention of anemia, balanced and complementary nutrition, healthy practices and emotion management. 2,678 people benefited from this campaign.



We helped to improve the skills of 960 people in subjects such as anemia prevention, the use of virtual tools, organizing time, healthy eating, family health and emotion management.



We gave 1,036 preventive treatments at health fairs organized by the healthcare sector with an educational module aimed at preventing anemia, healthy eating and prevention of COVID-19. 593 people benefited from this campaign.



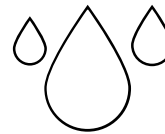
We helped in the prevention of and recovery from anemia in children under 5 through workshops monitoring families, thus benefiting 395 children. As a result 94% of them improved their nutrition by eating food rich in iron; 65% of those initially diagnosed with anemia had recovered by the end of our intervention.

Condorcocha Plant

Achievements in 2021



We administered 452 preventive treatments through remote guidance in the prevention of anemia, balanced and complementary nutrition, healthy practices and emotion management, benefiting 400 people.



We helped to improve the skills of 85 people in subjects such as anemia prevention, the use of virtual tools, organizing time, healthy eating, family health and emotion management.



We helped in the prevention of and recovery from anemia in children under 5 through workshops monitoring families, benefiting 70 children. As a result 78% of them improved their nutrition by eating food rich in iron; 85% of those initially diagnosed with anemia had recovered by the end of our intervention.

INTERESTING STORY: DONATION OF AN OXYGEN PLANT IN VILLA MARIA DEL TRIUNFO

In November 2021 we donated a modern oxygen plant to Villa Maria del Triunfo, which will provide 50 cylinders of medicinal oxygen every day to the population of southern Lima in order to combat the COVID-19 pandemic.

The plant is located in José Gálvez Mother and Child Health Center and is the product of a working alliance with MINSA's Lima South Integral Healthcare Networks Office (DIRIS).

The donation included the oxygen plant, capable of producing 30 m³ of high-purity medicinal oxygen (93% +/-3) per hour and a compressor with a capacity of 16.9 m³/h, which will enable the hospital to fill oxygen cylinders and take them to its patients. Our contribution implied an investment of nearly S/ 1.2 million.

Lima South DIRIS arranged financing for the oxygen plant infrastructure, compressor and to buy an electricity generating set.

**Dra. Freya Quintana**

Medical Director of José Gálvez Mother and Child Health Center
Donation of an oxygen plant in Villa Maria del Triunfo.

This donation enables us to provide oxygen free of charge to the population of José Gálvez, Villa Maria del Triunfo and other health centers in the area that are helping local people during the pandemic.

The plant enables us to treat at least 7 people per day, benefiting patients with COVID-19 and other serious respiratory illnesses.

We are grateful to UNACEM for this contribution, as so many people will benefit from free oxygen during and after their illness. In this way, UNACEM has contributed to preserve life and minimize the impact on the household economy of the people with limited resources.

We consider UNACEM to be an important ally for healthcare, and we hope to be able to depend on the company's support in the future.



6.4

Education

We have contributed to the development and strengthening of teaching skills and techniques and entrepreneurs in our areas of influence.

Performance in 2021

During the COVID-19 pandemic we have continued to promote the development and strengthening of:

- Entrepreneurial skills and guidance on the prevention of gender violence to help family budgets.
- Technical and social skills, vocational guidance to improve the employability of young people.
- Integral training for students in our areas of influence.

All of our training activities are continuing, but using digital means, because of the healthcare emergency.



Atocongo Plant

Achievements 2021

Virtual workshops for entrepreneurs

648 beneficiaries



We have organized workshops to strengthen entrepreneurship in the context of the healthcare emergency, by using new management tools and skills and technical-productive skills.



We prioritize business plans, financial management, process management, the use of marketing tools and social networks, brand image design, empowerment for women and access to public e-commerce platforms, among others.



We organize workshops in conjunction with the University Social Responsibility program of Universidad ESAN, the civil association Sembrando Empresa, Universidad UTEC, the Women's Emergency Centers in Villa María del Triunfo and Villa El Salvador, operated by the Ministry of Women and Vulnerable Populations, and CENFOTUR.

Art, Culture and Sports program

248 beneficiaries



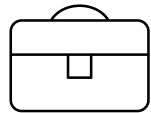
Throughout the year we have organized virtual sports – welfare and early learning workshops, which attracted to women, senior citizens and children.

Atocongo Plant

Achievements 2021

Tu Futuro – program for improving the employability of young people in southern Lima

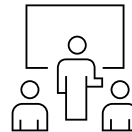
128 beneficiaries



Continuing with the training to improve the employability of young people of southern Lima, in 2021 and in alliance with Fundación Forge, we provided advice and assistance in obtaining jobs for them.



75 young people from southern Lima obtained good, formal jobs, which has had a positive impact on the start of their working lives.



We provided vocational guidance and advice on the labor market to 60 students in their final year of secondary school, in an alliance with the Ministry of Employment and Job Creation.



In 2021 we continued to support integral education for 190 students from the communities of Cucuya and Cardal in the Pachacamac district, by means of virtual art, gaming and music workshops.



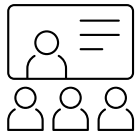
This knowledge helped both boys and girls to develop their sensitivity, control their emotions and relate better to their surroundings through observation and opening.

Condorcocha Plant

Achievements in 2021

Social skills program

174 beneficiaries



During the fourth quarter, we arranged virtual workshops to strengthen social skills in children and adolescents, as a contribution to subjects prioritized by the Ministry of Education (MINEDU) in the context of the pandemic.

Virtual productive workshops and strengthening of financial skills

48 entrepreneurs



We continue to develop the technical and productive skills of women entrepreneurs in the zone, so that they can generate income to support their families.



This intervention uses virtual media and thus helps to improve connectivity skills.



In alliance with the civil organization Sembrando UNICAS, we continue to help strengthen the management skills of 4 micro-finance groups run by women entrepreneurs from the area. These groups have been operating since November 2019 and have seen a sustained increase in their loan fund.

**6.5**

The environment

We encourage better environmental management of the areas surrounding our sites through our Community Environmental Program, allied with the communities and local and sector authorities.

Performance in 2021

During the healthcare emergency we have been holding virtual training sessions for environmental and community organizations and promoters.

We have placed special emphasis on solid waste management, green areas and action to combat climate change in a joint effort with the municipalities of the districts of Villa Maria del Triunfo, Lurin and Villa El Salvador, and environmental groups.



Atocongo Plant

Achievements in 2021

Virtual training in solid waste management for environmental promoters and the community

Thanks to our alliance with the municipalities of Villa Maria del Triunfo, Lurin and Villa El Salvador, we have been able to arrange virtual training sessions for 100 environmental promoters and 30 members of the community who are members of urban farming associations in Villa Maria del Triunfo. This training has helped to improve environmental management in these districts.

Managing green areas and woods

With the assistance of the environmental committees, we have planted 2 copses to the benefit of 100 families. Furthermore, we have replanted trees on the central reservation of Lima and Maria Reiche avenues as part of our commitment to tree planting and maintenance enshrined in the "Atocongo - Conchan Conveyor Belt" project.

Agreement with recyclers' association

We have entered into an agreement with the Inca Pachacutec Recyclers Association to collect reusable waste, which directly benefits 120 families from the UNACEM camp, and another with the Los Tigres de las 200 Millas Recyclers Association to collect waste from Conchan Port Facility.

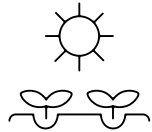
Plans for tourism in Lomas de Paraiso

We provide technical advice in business management to the directors and tourist guides of Lomas de Paraiso in Villa Maria del Triunfo and the Lomas de Lucumo Ecotourism Association (ACELL) in Pachacamac, thus benefiting 18 participants in these organizations, who received 58 hours of instruction and a certificate. We have also replanted trees and provided protection for the buffer zones of both associations working with SERFOR.

Condorcocha Plant

Achievements in 2021

EMPRO Program



We have implemented this project strengthening the productive and organizational skills of 3 beneficiary groups: farmers, guinea pig breeders and sheep breeders.



We decided what actions were required and incorporated them into the integrated management of the micro-basin together with eco-friendly practices.



In 2021 we benefited 3 farming in the area of influence of the Condorcocha plant.

6.6

Community relations

We have implemented processes and activities aimed at consolidating positive and sustainable links between the company and its surrounding communities based on an open-door policy, respect, mutual confidence and a collaborative effort.

We work closely with State institutions, civil society and international aid organizations.

Performance in 2021 – Atocongo Plant

- In 2021 we continued to support various initiatives for dialogue and agreement between districts, benefiting 14,105 people with 9 virtual conferences.
- We strengthened the skills of 115 social organizations, benefiting 220 leaders in leadership and community organization.
- We provided technical aid for the formal incorporation of a District Environmental Committee to the benefit of 7 environmental associations in Villa Maria del Triunfo.

Performance in 2021 – Condorcocha plant

- In 2021 we continued compliance with the integral agreement reached with the rural community of Huancoy:
 - We encouraged the hiring of local labor: 15 jobs in UNACEM's contractors and 2 in UNACEM Condorcocha, to inhabitants of Huancoy.
 - Higher education scholarships for 25 children from Huancoy community. Of these, 9 have completed their courses and 16 are still studying.
 - We supply electricity to Huancoy rural community.
- We have carried out 4 environmental monitoring sessions (only 2 were participatory due to the pandemic restrictions) and published the results of monitoring carried out in 2020.
- We improved the abilities of 21 social organizations, providing 67 community leaders with leadership and management skills.



“OVER THESE 18 YEARS WE HAVE CREATED MORE THAN 100 ALLIANCES AND AT PRESENT WE ARE IMPLEMENTING PROJECTS ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG), USING SOCIAL INNOVATION AND TECHNOLOGY AS DEVELOPMENT TOOLS”.



CAP. 7



Simple
reorganization

The most important milestone of the year and one of the most important in the history of UNACEM, was approval for a simple reorganization of the company at a general meeting of shareholders held on the 14th of December 2021, which took effect on the 1st of January 2022.

The reorganization projects consisted of the splitting of 3 equity blocks to be transferred in their entirety by UNACEM (now UNACEM CORP. S.A.A.) to three subsidiaries, with no change in the capital of UNACEM nor of its controlling company: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A. (INMA).

UNACEM Peru S.A. is the new company that, from the 1st of January 2022, produces and sells cement in Peru and for export. Consequently, all the assets and liabilities of this business have been transferred. Minera Adelaida S.A. received those mining concessions that are unrelated to the principal business activity of UNACEM Peru S.A. INMA received the real estate holdings not related to the principal economic activity of UNACEM Peru S.A.

The new structure optimizes a strategy for creating long-term value for the stakeholders of UNACEM CORP. and its subsidiaries, facilitates the alignment of its business units; concentrates on the development of human talent and the process of transforming UNACEM CORP. and its subsidiaries, and recognizes the value of the knowledge accumulated over more than 100 years as the leader of the cement market in Peru.


7.1

Splitting of 3 equity blocks

UNACEM transferred 3 equity blocks to 3 subsidiaries as follows:

	Equity block N° 1	Equity block N° 2	Equity block N° 3
Equity block transferred to	UNACEM Peru S.A.	Minera Adelaida S.A.	Inversiones Nacionales y Multinacionales Andinas S.A.
	S/ 000	S/ 000	S/ 000
Total assets	4,229,917	27,224	92,210
Total liabilities	2,073,442	0	11,530
Assets and liabilities, net	2,156,475	27,224	80,680

- **Equity block N° 1:** UNACEM CORP. transferred all of the clinker and cement production assets and liabilities in Peru to a newly-created subsidiary: UNACEM Peru; this is the largest of the equity blocks transferred. As a result of the transfer of this equity block to UNACEM Peru, all UNACEM employees have been transferred to UNACEM Peru except for thirteen (13) who remain with UNACEM CORP. It should be noted that UNACEM Peru has adopted the same governance and corporate social responsibility standards as UNACEM CORP. and that the members of the Board of Directors of UNACEM Peru are and will continue to be directors of UNACEM CORP., with the same powers and responsibilities and subject to the same standards and principals of good corporate governance.
- **Equity block N° 2:** UNACEM CORP. has transferred the block consisting of mining concessions not related to the principal business activity of UNACEM Peru to Minera Adelaida S.A., thus separating the activities of the receiving companies; the operating quarrying concessions (related to the main business activity of UNACEM Peru) were transferred to UNACEM Peru as part of Equity Block N° 1, thus separating them from the non-operating concessions (not related to the main business activity of UNACEM Peru), which were transferred by UNACEM CORP. to Minera Adelaida.
- **Equity block N° 3:** UNACEM CORP. has transferred real estate not related to the cement business to Inversiones Nacionales y Multinacionales Andinas S.A.

7.2

Change of trading name

When the reorganization took effect, the trading name of UNACEM S.A.A. changed to UNACEM CORP. SOCIEDAD ANONIMA ABIERTA.



7.3

Change in purpose

The reorganization also implied a change in the purpose of the firm, given that UNACEM has become a holding company with investments in cement, concrete, energy and services. The purpose is now:

- (i) to invest in other companies engaged in the manufacture, marketing and sale of clinker, cement and other construction materials in Peru. and abroad; as well as,
- (ii) to develop all types of intellectual property and the technologies related to such activities and to manage natural resources and circular economic processes for use or assignment in use to third parties; and,
- (iii) to carry out all activities, businesses and operations required to control and/or manage its subsidiaries and manage its investments, including the administration of shared services, asset transfers, service provision and the provision of financing, whether direct or indirect, to its subsidiary and associated companies. Furthermore, the company may invest in other companies incorporated in Peru and abroad that are engaged in (i) similar activities and/or those that contribute to, develop or complement its investments in the above-mentioned activities; as well as (ii) real estate and the generation, transmission and/or distribution of electrical energy.

7.4

Opening financial statements as at 1st January 2022



UNACEM CORP S.A.A.

In thousands of soles	As at 01.01.2022
Assets	
Current assets	
Cash and cash equivalents	54,588
Trade accounts receivable and various	279,412
Inventories	
Costs incurred in advance	1,523
Total current assets	335,523
Non-current assets	
Trade accounts receivable and various	94,699
Investments in subsidiaries and others	6,057,206
Mining concessions and properties, plant and equipment	133
Deferred asset	3,060
Intangible assets	23,550
Total non-current assets	6,178,648
Total assets	6,514,170

In thousands of soles	As at 01.01.2022
Liabilities	
Current liabilities	
Other financial liabilities	21,911
Trade accounts payable and various	293,360
Liability for tax on deferred earnings	71,663
Provisions	35,211
Total current liabilities	422,145
Non-current liabilities	
Other financial liabilities	1,081,018
Total non-current liabilities	1,081,018
Total liabilities	1,503,163
Equity	
Capital issued	1,818,128
Additional capital	(38,019)
Own shares in portfolio	(11,610)
Statutory reserve	363,626
Unrealized profits	(17,927)
Accumulated results	2,896,810
Total equity	5,011,008
Total liabilities and equity	6,514,170

UNACEM Perú S.A.

In thousands of soles	As at 01.01.2022
Assets	
Current assets	
Cash and cash equivalents	10
Trade accounts receivable and various	7,867
Inventories	435,516
Costs incurred in advance	2,309
Total current assets	445,702
Non-current assets	
Trade accounts receivable and various	10,380
Mining concessions and properties, plant and equipment	3,658,326
Asset deferred for clearing	102,528
Intangible assets	12,992
Total non-current assets	3,784,226
Total assets	4,229,927

In thousands of soles	As at 01.01.2022
Liabilities	
Current liabilities	
Other financial liabilities	361,724
Trade accounts payable and various	62,104
Provisions	6,147
Total current liabilities	429,975
Non-current liabilities	
Other financial liabilities	1,199,254
Financial derivatives	25,428
Liability for tax on deferred earnings	393,380
Provisions	25,405
Total non-current liabilities	1,643,467
Total liabilities	2,073,442
Equity	
Capital issued	2,156,485
Total equity	2,156,485
Total liabilities and equity	4,229,927

CAP. 8

Annexes



8.1

General information on the business



8.1.1

General details

a. Trading name

Unión Andina de Cementos S.A.A. (hereinafter, UNACEM).

b. Registered office

The administration offices of UNACEM are located at Avenida Atocongo 2440, Villa María del Triunfo, province and department of Lima. Telephone: 217-0200. Telefax: 217-1496.

c. Incorporation and registration

UNACEM was incorporated as Cementos Lima S.A., by public deed on the 28th December 1967, in accordance with legislation in force at that time. In compliance with the first transitory provision of the Companies Act, UNACEM brought its legal status into line with the said act by public deed on

the 17th of November 1999, this action being registered under electronic registry entry N° 11021439 of companies register (the “Registry Entry”).

A general meeting of shareholders on the 2nd May 2011 agreed unanimously to adapt the company to the public limited company format with the trading name of CEMENTOS LIMA S.A.A., and to modify the company’s by-laws. These agreements were incorporated in a public deed on the 2nd May 2011 by notary public Julio Antonio del Pozo Valdéz and registered on the 26th May 2011 under item B00021 if the registry entry.

A general meeting of shareholders held on the 24th July 2012 agreed to modify the company’s trading name to “Unión Andina de Cementos Sociedad Anónima Abierta” or, in abbreviated form, “UNACEM S.A.A.”, which agreement was incorporated into a public deed on the 25th July 2012 by notary public Julio Antonio del Pozo Valdéz and registered on the 9th August 2012 under item B00024 of the registry entry. Furthermore, the same shareholders meeting approved (i) a merger between UNACEM as the acquiring company and Cemento Andino S.A., as company being acquired, as well as (ii) the date on which the merger would take effect was the 1st of October 2012. These agreements were incorporated into a public deed on the 3rd October 2012 by notary public Julio Antonio del Pozo Valdéz and registered on the 7th November 2012 under item B00025 of the registry entry.

A general meeting of shareholders on the 28th December 2018 approved a merger to take effect on the 1st January 2019, with UNACEM as the acquiring company and Sindicato de Inversiones y Administración S.A., (SIA), Inversiones Andino S.A. (IASA) and Inmobiliaria Pronto S.A. (PRONTO), the later holding 100% of the shares in ARPL Tecnología Industrial, as the companies being acquired. In addition, with the merger registered as a public deed and on expiry of the period allowed for opposition by creditors, the company increased its subscribed and paid up capital by S/ 171,624,203, that is, from S/ 1,646,503,408 to S/ 1,818,127,611 and issued 171,624,203 new ordinary shares having the same nominal value as the existing shares (S/ 1.00 each), to be distributed among the shareholders of the companies being acquired in proportion to the exchange ratios.

A general meeting of shareholders held on the 28th May 2019 approved a merger between UNACEM as the acquiring company and Cementos Portland S.A.C. (CEMPOR) as the company being acquired, the merger to take effect on the 1st of June 2019.

A general meeting of shareholders held on the 14th December 2021 approved a simple reorganization of UNACEM to take effect on the 1st January 2022, which had been approved by the independent directors committee and by the Board of Directors of the company.

The simple reorganization project involves the separation of three equity blocks, 100% of which are to be transferred to 3 subsidiaries, with no changes in the capital or controlling unit: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A. (INMA).

UNACEM Peru S.A. will be the new company specializing in the production and sale of clinker and cement in Peru and for export. Minera Adelaida S.A. will take over those mining concessions not related to the principal business of UNACEM. Property not related to the principal business of UNACEM is transferred to INMA:

The new structure is part of a strategy to generate long-term value for its stakeholders; and will facilitate the alignment of its operating business units. Emphasis will be placed on the development of human talent and on the transformation of the group; it will give a value to the knowledge accumulated over more than 100 years as the leader of the cement market in Peru.

Furthermore, the same shareholders meeting approved a change in the trading name and purpose of UNACEM, which will now be known as UNACEM CORP. S.A.A. and its purpose will be that indicated in paragraph 7.1.3. These changes are currently being formalized. [GRI 102-10]

d. Economic group and entities of which it consists

TAXPAYER ID (RUC) (OR EQUIVALENT)	ISIC	TRADING NAME	PURPOSE
20544695861	7499	Inversiones JRPR S.A.	Investments (holding company)
20101073263	7414	Nuevas Inversiones S.A.	Investments (holding company)
20603267665	7499	Catli Investments S.A.C.	Investments (holding company)
20100137390	2694	Unión Andina de Cementos S.A.A. (formerly Cementos Lima S.A.A.)	Cement manufacture and sales
20137920469	6302	Depósito Aduanero Conchán S.A.	Administration of bonded and other warehouses
20175503227	1320	Minera Adelaida S.A.	Mineral extraction
20112799452	6110	Naviera Conchán S.A.	Shipping operations
20101813305	6023	Transportes Lurín S.A.	Investments (holding) and others
20157385292	4010	Generación Eléctrica de Atocongo S.A.	Thermal electricity generation
20512481125	4010	Compañía Eléctrica El Platanal S.A. ("CELEPSA")	Generation and sale of electrical energy
20552320833	7499	Ambiental Andina S.A.	Meteorology & hydrology services and new hydroelectric projects in Peru
20422764136	4010	CELEPSA Renovables S.C.R.L.	Generation and sale of electrical energy
20305012417	7499	Inversiones en Concreto y Afines S.A.	Investments (holding)
20297543653	2695	Unión de Concreteras S.A. ("UNICON")	Production and sale of concrete and additives



TAXPAYER ID (RUC) (OR EQUIVALENT)	ISIC	TRADING NAME	PURPOSE
20263674929	2695	CONCREMAX S.A.	Concrete manufacture and sales
Extranjero	2695	UNICON S.A. ("UNICON Chile")	Concrete manufacture and sales
Extranjero	2695	UNACEM Chile S.A.	Concrete manufacture and sales
20524273803	2695	Entrepisos Lima S.A.C.	Investment in construction and prefabricated concrete components
20471505073	2429	BASF Construction Chemicals Perú S.A.	Manufacture and sale of concrete additives
Extranjero	7414	Skanon Investments Inc.	Investments (holding)
Extranjero	2694	Drake Cement, LLC	Cement manufacture and sales
Extranjero	7414	Staten Island Holding	Port facility (under study)
Extranjero	7414	Staten Island Terminal	Port facility (under study)
Extranjero	2695	Sunshine Concrete & Materials, Inc.	Manufacture and sale of concrete
Extranjero	7122	MRM Equipment Leasing LLC	Manufacture and sale of concrete
Extranjero	9111	MRM Holdings LLC	Manufacture and sale of concrete
Extranjero	7414	Staten Island Holdings LLC	Port facility (under study)
Extranjero	7010	Drake Aggregates LLC	Production and sale of aggregates



TAXPAYER ID (RUC) (OR EQUIVALENT)	ISIC	TRADING NAME	PURPOSE
20518153278	2695	Prefabricados Andinos Perú S.A.C. ("PREANSA Perú")	Production and sales of prestressed and prefabricated concrete structures.
Extranjero	2695	Prefabricados Andinos Colombia S.A.S.	Production and sales of prestressed and prefabricated concrete structures.
Extranjero	2695	Prefabricados Andinos S.A. ("PREANSA Chile")	Production and sales of prestressed and prefabricated concrete structures.
20563343193	7499	Inversiones Imbabura S.A.	Investments (holding)
Extranjero	2694	UNACEM Ecuador S.A.	Cement manufacture and sales
Extranjero	1320	Canteras y Voladuras S.A. (CANTYVOL)	Quarrying
20100079331	7421	ARPL Tecnología Industrial S.A.	Industrial consulting
20101701507	7499	Inversiones Nacionales y Multinacionales Andino S.A.	Real estate investments
20100740614	7499	Vigilancia Andina S.A.	Security services
20604883505	3510	ECORER S.A.C.	Generation, transmission and distribution of electrical energy
Extranjero	2695	Inversiones Mel20 Limitada	Concrete manufacture and sales
20608552171	2394	UNACEM Perú S.A.	Cement, lime and gypsum manufacture

8.1.2

Capital and shareholdings

a. Capital

As at the 31st December 2021, the subscribed and paid up capital is represented by 1,818,127,611 ordinary shares having a nominal value of S/ 1 per share, which are fully issued and paid up.

As at the 31st December 2021, the company's shares were being quoted on the stock exchange at S/ 2.40.

b. Share classes created and issued

REFERENCE	ORDINARY SHARES
Created	X
Issued	X

c. Number and nominal value of shares issued

REFERENCE	ORDINARY SHARES
Number as at 31-12-21	1,818,127,611
Nom. value 31-12-21	S/ 1.00

d. Shareholdings

Shareholders holding more than 5% of the company's shares:

NAME	SHARES	NATIONALITY	ECONOMIC GROUP
Inversiones JRPR S.A.	25.12%	Peruvian	JRPR
Nuevas Inversiones S.A.	25.25%	Peruvian	JRPR
AFP Integra	11.10%	Peruvian	SURA
AFP Profuturo	8.63%	Peruvian	Scotiabank

e. Voting shares

HOLDING	NUMBER OF SHAREHOLDERS	PERCENTAGE SHAREHOLDING
Less than 1%	2,835	22.04
Between 1% and 4.99%	9	21.00
Between 5% and 9.99%	1	6.59
More than 10%	2	50.37
Total	2,847	100.00

f. Shareholdings by type of shareholder

HOLDING BY TYPE OF HOLDERS OF SHARES OR REPRESENTATIVE INSTRUMENT MAKING UP THE S&P PERU SELECT INDEX (AT CLOSE OF FISCAL YEAR 2021)	NUMBER OF HOLDERS	% SHAREHOLDING ⁽⁴⁾
1. Members of the Board of Directors and senior management of the company, including family members ⁽⁵⁾ .	101	58.20%
2. Company employees not included in numeral 1.	36	0.06%
3. Individuals not included in numerals 1 and 2.	2,572	10.00%
4. Pension funds managed by pension fund managers supervised by the Banking, Insurance and Pension Fund Regulatory Authority.	12	26.22%
5. Pension funds supervised by the State Pensions Office (ONP).		0.00%
6. Entities of the Peruvian State, except as referred to in numeral 5.	1	0.09%
7. Banks, financial institutions, municipal savings and loan institutions, edpymes, rural savings and loan institutions and cooperatives supervised by the Banking, Insurance and Pension Fund Regulatory Authority.	1	0.00%
8. Insurance companies supervised by the Banking, Insurance and Pension Fund Regulatory Authority.		0.00%
9. Intermediaries supervised by the SMV.	1	



⁴ Two decimal places.

⁵ The term "family members" is as defined in the *Regulations Concerning Indirect Property, Relationships and Economic Groups*.

HOLDING BY TYPE OF HOLDERS OF SHARES OR REPRESENTATIVE INSTRUMENT MAKING UP THE S&P PERU SELECT INDEX (AT CLOSE OF FISCAL YEAR 2021)	NUMBER OF HOLDERS	% SHAREHOLDING⁽⁴⁾
10. Investment funds, mutual funds and trusts covered by the Stock Market Act and Investment Funds Act, and bank trusts covered by the Banking and Financial System Act.	16	0.77%
11. Stand-alone trusts and bank trusts abroad, insofar as they can be identified.	29	1.95%
12. Foreign depositors shown as shareholders of ADRs or ADSs.		0.00%
13. Foreign depositors or trustees shown as shareholders not included in numeral 12.	8	0.24%
14. Foreign trustees shown as shareholders.	7	0.35%
15. Entities not included in the previous numerals ⁽⁶⁾ .	62	1.71%
16. Shares belonging to the S&P/BVL Peru Select Index or securities representing such shares in the company's portfolio.	1	0.40%
Total	3,111	100.00%

⁴ Two decimal places.

⁶ The term "entities" is as defined in the *Regulations Concerning Indirect Property, Relationships and Economic Groups*.

g. Holding by shareholder place of residence

HOLDINGS BY HOLDERS OF SHARES OR REPRESENTATIVE SECURITIES BELONGING TO THE S&P/BVL PERU SELECT INDEX BY PLACE OF RESIDENCE (AT CLOSE OF FISCAL YEAR 2021)	NUMBER OF HOLDERS	% SHAREHOLDING ⁽⁷⁾
Domiciled	2,710	95.66%
Non-domiciled	137	4.34%
Total	2,847	100.00%

8.1.3

Description of operations and performance

a. Purpose

Up to the 31st December 2021, the purpose of the company was the manufacture of clinker, cement and other construction materials, in Peru and abroad, including marketing and sales, as well as operation of the Conchán port facility and complementary installations.

The company may carry out all operations, actions or contracts and develop mining, manufacturing, commercial and port activities necessary or appropriate for the production and sale of clinker, cement and other construction materials.

The company may also invest in other companies engaged in similar activities and/or those that assist, develop or complement it in Peru or abroad. Its social aims include investment in other companies engaged in the electricity business.

From the 1st January 2022, the company's new purpose is (i) investment in other companies dedicated to the production, manufacture, sale marketing and sale of clinker, cements and other construction materials, in Peru and abroad; as well as (ii) to develop all types of intellectual property and technologies related to the above activities and manage natural resources and processes, such as a circular economy, during exploitation or assignment in use by third parties; and (iii) to carry out all activities, businesses and operations required to control and/or manage its subsidiaries and administer its investments, including the administration of shared services and asset transfers, the provisions of services and financing, whether directly or indirectly, of its subsidiaries and associates. Furthermore, the company may invest in other companies incorporated in Peru and abroad that are engaged in similar activities and/or those that contribute to, develop or complement its investments in the above-mentioned activities; as well as (ii) real estate investments and the generation, transmission and/or distribution of electrical energy.

ISIC.- 2694 up to the 31st December 2021

ISIC.- 7499 from the 1st January 2022

b. Duration

Indefinite.

c. Evolution of the company

The first cement producer in Peru, Compañía Peruana de Cemento Portland S.A., was incorporated on the 6th July 1916, the predecessor of the Issuer. Its first factory (1924), called "Maravillas", was located near to the Presbítero Maestro cemetery in Lima.

The highest cement factory in the world was built in 1956: Cemento Andino S.A., located in Tarma at 4,000 m.a.s.l., next to Carpapata hydroelectric power station. Two years later, in 1958, the Condorcocha plant opened with one kiln.

Kiln II at Condorcocha was commissioned in 1963 and was the first kiln equipped with drying and a heat exchanger in America.

Kiln III began operating in 1969.

On the 28th of December 1967 Compañía Peruana de Cemento Portland S.A. changed its name to Cementos Lima. The company acquired new kilns, mills and other equipment using the latest technology.

In 1974 the military government expropriated the shares in Cementos Lima S.A. and Cemento Andino S.A. Six years later 51% of the shares and control of the company were returned to its shareholders.

By then the condition of both companies was less than optimal.

1987 saw the start of a refurbishment and extension kiln III at Condorcocha. This was the first kiln with double heat exchangers and precalcination in Peru, developed by ARPL Tecnología Industrial.

The Conchan port facility entered service in 1989, located km. 24.5 from Lima on the Southern Pan-American Highway, in Lurin, built to export products to international markets such as the United States, Chile and Panama, among others. In the same year, Tarma was severely affected by terrorism and Cemento Andino S.A. was the main company in the area to suffer.

Union de Concreteras S.A. was created in mid 1996 with the merger of two leading ready mixed concrete companies: CORPRESA (founded in 1956) and HORMEC (founded in 1976), with backing from the two largest cement manufacturers in Peru (Cementos Lima S.A and Cemento Andino S.A.). The company traded as UNICON.

1996 saw the start of the second stage of an expansion of the Atocongo plant in Lima, which was completed in 1999; this extension enabled a three-fold increase in clinker and cement production.

One year later, ARPL Tecnología Industrial directed the repair, modernization and expansion of kiln II at Condorcocha.

In 2002, after approval of the corresponding environmental impact assessment, construction started on an 8.2 km underground conveyor belt to carry raw materials and bulk cement from the Atocongo Plant in Villa Maria del Triunfo to Conchan port facility in Lurin. The project included the construction of new , roads, paths, bus stops and green areas to improve the surrounding areas.

Asociación Unacem (formerly Asociacion Atocongo) was created in 2003 as the issuer's corporate social responsibility organization aimed at bringing the company closer to the community by implementing social responsibility projects and high-impact private social investment. At the same time the Condorcocha plant implemented community development programs in Tarma.

In 2005 construction started on a railroad to link communities in the highlands with the coast, and to connect the Condorcocha plant with the port of Callao and the cities of Huancayo and Cerro de Pasco.

2007 was the first year in which natural gas was used in the Atocongo plant in Lima, thus reducing gaseous emissions from the production process by more than 25%. That same year PREANSA Peru was incorporated as a result of the issuer's association with Spain's PRAINSA group, the company is dedicated to the construction and erection of industrialized concrete structures.

2010 saw the opening of El Platanal hydroelectric power station (located in the River Cañete basin in Yauyos), in which the issuer is a shareholder (through its predecessors Cementos Lima and Cemento Andino). The El Platanal hydroelectric power station generates an average of 1.1 million megawatt-hours a year of clean energy, enough to supply electricity to 200,000 Peruvian homes.

In 2011 the Drake Cement cement plant opened in Yavapai County in the State of Arizona (USA), with a production capacity of approximately 600,000 tons of clinker and 624,000 tons of cement a year.

In July the same year UNICON acquired 100% of the shares in Firth Industries Peru S.A. (now CONCREMAX S.A.) one of the main suppliers of concrete and aggregate solutions to the housing, mining and infrastructure sectors in Peru.

In 2012 construction started on the 12.8 MW "Carpapata III Hydroelectric Power Station", which combined with Carpapata I and Carpapata II hydroelectric stations makes a total of 24 MW of generating capacity. In June 2012 expansion work on the Condorcocha plant was completed with the commissioning of line IV, increasing the plant's clinker production capacity from 1.2 to 1.9 million tons annually, and its cement milling capacity from 1.2 to 2.1 million tons a year.

On the 1st October 2012, UNACEM (formerly Cementos Lima) took over Cemento Andino S.A. The merger produced important synergies and operational improvements. It also improved supply to the market, with a wider range of cements and other products at competitive prices, as well as optimal gearing for future investment projects.

In 2013 the modernization and expansion of kiln 1 at Atocongo was completed, increasing that plant's clinker production from 3.6 to 4.8 million tons a year and the cement milling capacity from 4.5 to 5.5 million tons a year. With the expansion of both plants now completed, UNACEM has an installed capacity of 6.7 million tons of clinker and 7.6 million tons of cement a year, as well as an extensive portfolio of products to offer the market.

In October 2014 the company organized an international bond issue valued at US\$ 625 million with a nominal interest rate of 5.875%, maturing in October 2021. Similarly, in November and December 2014, through a subsidiary Inversiones Imbabura S.A., it acquired 98.89% of the shares in Lafarge Cementos S.A. for US\$ 518.9 million. The acquisition of UNACEM Ecuador marked an important milestone in the company's growth strategy and a significant additional means of value creation.

UNACEM Ecuador S.A. has a plant in the province of Imbabura, with a production capacity of 1 million tons of clinker and 1.5 million tons of cement; it is an integrated operation with more than 60

years' worth of limestone reserves and an extensive distribution network that enables it efficiently to service the Ecuadorian market.

2016 saw the finalization of two large projects at Condorcocha plant. Carpapata III hydroelectric power station and the new mill and bagging line, which has increased UNACEM's installed capacity to 8.3 million tons of cement a year, and the consolidated cement production capacity of UNACEM and subsidiaries to approximately 10.4 million tons of cement a year.

Hidro Marañon hydroelectric power station, an indirect subsidiary of the company, came on-stream in mid 2017 with a generating capacity of 18.4 MW.

During 2017, as part of an initiative by UNACEM to strengthen the organization's values and culture, the main Board approved a Code of Ethics and Conduct and, in addition, started implementing an integrated anti-bribery system based on ISO standard 37001, certification to which we obtained in June 2019.

In September 2018, the Board of Directors approved financing of up to US\$ 490 million to refinance existing liabilities and for other corporate purposes. In the same vein, in October UNACEM partially redeemed foreign bonds valued at US\$ 400 million. In addition, UNACEM acquired Cements Portland S.A. (CEMPOR), taking advantage of its proximity to Atocongo plant, in search of an increase in competitiveness and sustainability, as well as environmental improvements, synergies, cost optimization and a longer useful life for the quarries.

Furthermore, a general meeting of shareholders held on the 28th December 2018, approved a take over by the company of Sindicato de Inversiones y Administración S.A. (SIA), Inversiones Andino S.A. (IASA) and Inmobiliaria Pronto S.A. (PRONTO), to take effect on the 1st of January 2019. The merger between UNACEM, SIA, IASA and PRONTO culminated with none of the shareholders exercising their right of separation and with no creditor opposition at all; it represented a milestone in the history

of UNACEM. It demonstrated the commitment of all the shareholders, both majority and minority, to the search for greater value for the company and all its stakeholders.

A general meeting of shareholders held on the 28th May 2019 approved a merger between UNACEM as the acquiring company and Cementos Portland S.A.C. (CEMPOR) as the company being acquired, the merger to take effect on the 1st of June 2019.

Implementation of the Anti-Bribery System was completed in the first quarter of 2019 and certified to ISO 37001 by certifying body Peru Certification, with accreditation from ANSI National Accreditation Board (ANAB). The certificate was issued in June for all sites: Atocongo, Condorcocha, Conchán and Villarán, which was one of 2019's most important milestones for the company and reaffirmed its aim of strengthening its values and organizational culture, with zero tolerance for all forms of corruption.

In August 2019, the Board of Directors approved financing of up to US\$ 230 million to refinance existing liabilities. Similarly, in October UNACEM partially redeemed foreign bonds valued at US\$ 225 million.

From March 2020 onwards, the COVID-19 pandemic in Peru became acute, leading to the paralyzing of economic and commercial activity in many countries, including Peru. The interruption of the company's economic activities from the 17th March to the 19th May 2020 had a detrimental effect on its financial results. This led the Board to take a series of preventive and extraordinary measures to safeguard the company's liquidity and working capital, which enabled it to meet its obligations to its employees, suppliers and clients throughout the value chain.

In order to reinforce its corporate governance, in September 2020 the Board of Directors approved the creation of two new directors' committees: (i) the Strategy and Sustainability Committee and (ii) the Appointments and Remunerations Committee.

In December 2020, UNACEM reached agreement to acquire Cementos La Unión S.A. in Chile, and in the first quarter of 2021 approved the purchase of 100% of the shares in Cements La Unión S.A. (CLU) and 100% of the Inversiones Mel 20 Limitada (MEL20). This purchase consists of a cement mill with a capacity of 300,000 t/year and a ready mixed concrete unit with plants and trucks and a capacity of 336,000 m³/year. The total value of the operation was approximately US\$ 23 million, consisting of the purchase price and debt of CLU, which will be guaranteed by UNACEM.

Performance in 2021

Performance in 2021 is reported in chapter 3: "Economic management".

In January 2021 the company re-profiled debt amounting to approximately S/ 1,168 million, with the aim of refinancing long-term liabilities in soles and at a lower financial cost. This transaction enabled the company to pay off 6 medium-term and 2 short-term loans.

In December 2021 a general meeting of shareholders of UNACEM approved a simple reorganization of the company, to take effect on the 1st January 2022, details of this important milestone in the company's history are given in chapter 7: Simple reorganization.

Furthermore, in December 2021, the company's subsidiary UNACEM Chile S.A., purchased all the assets of the San Antonio cement milling plant in the community of San Antonio, Valparaiso region, Republic of Chile, as well as the extraction rights and concessions to a pozzolan deposit known as "Popeta 1 to 30", covering approximately 300 hectares, for a total of US\$ 30.8 million.

Changes in the permanent and temporary labor force

During 2021 the company had a total of 808 employees, of whom 740 were permanent and 68 temporary. Compared with 2020, the number of permanent collaborators fell by 0.26% while temporary employees rose by 19.29%.

d. The company's principal assets

The principal machinery and equipment installed as at the 31st December 2021 (making up the equity block transferred in its entirety to subsidiary UNACEM PERU S.A. in the simple reorganization that took effect on the 1st January 2022) consists of:

ATOCONGO PLANT

PROCESS	PRINCIPAL EQUIPMENT	MAKE
1. Primary crushing	Crusher	ESCH - Werke
2. Secondary crushing	Crushers	Hischman y Pensylvania
3. Raw mill	Roller press	Krupp Polysius (4)
4. Clinkerization	Kilns 1 and 2	Krupp Polysius y F.L. Smidth
5. Cement mill	Roller press	Krupp Polysius (7)
6. Dispatch	Bagging lines	Haver & Boecker (7)

CONDORCOCHA PLANT

PROCESS	PRINCIPAL EQUIPMENT	MAKE
1. Primary crusher	Crusher	Svedala
2. Secondary crusher	Crushers	MIAG, Thyseen Krupp
3. Raw mill	Ball mills and roller presses	MIAG, Krupp, Polysius
4. Clinkerisation	Kilns 1, 2, 3, 4	MIAG, KHD (2), Pfengfei
5. Cement mill	Ball mills and roller presses	MIAG (3), Krupp (2), Mercy, Polysius, F.L. Smidth
6. Dispatch	Bagging lines	F.L. Smidth y Haver & Boecker (3)

There are no guarantees of any kind applicable to the assets of the company.

e. Internal audits

Internal audits are performed on all of our sites. These allow continual monitoring of the system, and compliance. We also manage our processes in order to achieve our goals and comply with our integrated management policy using a series of mechanisms built into the IMS, including monitoring and measurement of indicators; internal management audits; ensuring legal compliance; measuring client satisfaction; evaluation of contractors; assessment of environmental impacts and risks; and management of protection, operational and strategic risks; treatment of all non-conformities detected; and reviews of the GIS by the management.

In Condorcocha we carry out integrated internal audits and audits of our contractors in order to verify compliance with environmental management, health and safety at work requirements and legal aspects. In 2019 we introduced a system of penalties for non-compliance with environmental, employment and health and safety requirements in order to bring our standards and those of our contractors into line.

f. Quality goals

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

g. Legal and administrative procedures and arbitration**Tax position –**

- (a) The tax authority is empowered to examine, and if applicable correct the income tax calculated by the Company for four years after submission of each tax return. Corporation tax returns

for fiscal years 2016 to 2020 and the return to be submitted for 2021, as well as our monthly value added tax returns for December 2016 to December 2021 are subject to audit by the tax authorities.

- (b) Because of different interpretations of current legislation by the tax authority, it is not possible to determine at this date whether any reviews will have a negative effect on the company, therefore any future increase in tax or charges that may result from tax audits would be applied to the results of the fiscal year in which they are determined. In the opinion of the Company's management and legal advisers, any future additional tax liability will not affect the financial statements as on December 31, 2021.

Contingencies –

In the normal course of its business, the company has been subject to a number of tax, legal (employment and administrative) and regulatory claims, which are registered and revealed in accordance with International Financial Reporting Standards.

(a) Tax proceedings:

As a result of tax audits in previous years, the company has been served by Peru's tax authority (SUNAT) with various rulings alleging non-payment of corporation tax. In some cases the company has lodged objections with higher authorities when such rulings are found to be unlawful and in other cases it has paid the amounts claimed under protest.

These tax proceedings are related to:

- Corporation tax for fiscal years 2000 and 2001.
- Corporation tax for fiscal years 2004 and 2005.
- Fine related to corporation tax for fiscal year 2013.
- Fines related to interest payments on account of fiscal year 2014.

- Contribution to the Mining, Metallurgical and Steel Industry Complementary Retirement Fund for fiscal years 2013 to 2015.
- Quarrying royalties of Cementos Lima for fiscal years 2008 and 2009.
- Quarrying royalties of Cemento Andino for fiscal year 2008.

As at the 31st December 2021, the company has balances receivable with relating to these tax proceedings because, in the opinion of the company management and their legal advisers there are reasonable grounds for expecting a result favorable to the company's interests.

h. Administration

LIST OF DIRECTORS

NAME	POSITION	IN POST SINCE
Ricardo Rizo Patrón de la Piedra	President	December 2012
Alfredo Gastañeta Alayza	Vice President	December 2012
Marcelo Rizo Patrón de la Piedra	Director	July 1994
Jaime Sotomayor Bernós	Director	July 1994
Carlos Ugás Delgado	Director	July 1996
Diego de la Piedra Minetti	Director	March 2011
Jorge Ramírez del Villar López de Romaña	Director	March 2018
José Antonio Payet Puccio	Director	March 2018
Martín Ramos Rizo Patrón	Director	March 2018
María Elena Rizo Patrón de la Piedra	Director	July 2020
Elmer Rafael Cuba Bustinza	Director	July 2020

LIST OF MANAGERS

NAME	POSITION	IN POST SINCE
Pedro Lerner Rizo Patrón	General Manager	July 2020
Álvaro Morales Puppo	Corporate CFO	February 2021
Marlene Negreiros Bardales	Vice President - Talent and Corporate Culture	February 2021
Eduardo Sánchez Verdejo	Corporate Vice President Industrial Operations	February 2021
José Luis Perry Gaviño	General Counsel	December 2019
Francisco Barúa Costa	Investment Manager	April 2014
Kurt Uzátegui Dellepiane	Commercial Manager	September 2012
Jeffery Lewis Arriarán	Project Manager	May 2009
Juan Asmat Siquero	Atocongo Operations Manager	December 2011
Pablo Kohatsu	Human Resources Manager	August 2021
Héctor Leyva Cruz	Condorcocha Operations Manager	July 2018
Armando Casis	General Manager of Asociación UNACEM	2012

8.2

Financial statements

The separate financial statements as at the 31st December 2021, attached to this integrated report, were audited by Messrs. Caipo y Asociados S.C.R.L., a member firm of the global organization KPMG, who issued an unqualified opinion upon them.

The separate financial statements as at the 31st December 2020, attached to this integrated report, were audited by Messrs. Paredes, Burga y Asociados S.C.R.L., a member firm of EY, who gave an unqualified opinion upon them.

Changes in those responsible for drawing up and revising financial information:

There have been no changes in the company's general accounting office in the last two years.

Until the 31st December 2018 the general management of the company was in the hands of Sindicato de Inversiones y Administración S.A. On the 1st January 2019, Mr. Carlos Ugás Delgado was appointed as General Manager.

On the 31st January 2020, acting on a prior agreement by the Audit and Risks Committee, the Board of Directors of UNACEM unanimously approved the appointment of Mr. Pedro Lerner Rizo Patrón as the new General Manager, to take effect from the 1st July 2020.

Contents

Separate statement of financial position

Separate income statement

Separate integrated income statement

Separate statement of changes in net equity

Separate cash flow statement

Notes to the financial statements




8.3

Section IV: Information on securities registered with the Stock Market Public Registry

The following is a summary of stock market information attached in accordance with the Regulations for Preparation and Presentation of Annual and Quarterly Reports, approved by CONASEV Ruling N° 211-98-EF/94.11.

UNIÓN ANDINA DE CEMENTOS S.A.A. - UNACEM S.A.A.

ISIN CODE	MNEMONIC	YEAR-MONTH	2021 PRICES				AVERAGE PRICE S/
			OPENING S/	CLOSING S/	HIGH S/	LOW S/	
PEP239001006	UNACEMC1	2021-01	1.53	1.75	1.82	1.53	1.68
PEP239001006	UNACEMC1	2021-02	1.75	1.84	1.91	1.70	1.85
PEP239001006	UNACEMC1	2021-03	1.84	1.72	1.86	1.65	1.76
PEP239001006	UNACEMC1	2021-04	1.72	1.53	1.75	1.23	1.42
PEP239001006	UNACEMC1	2021-05	1.53	1.47	1.60	1.39	1.47



ISIN CODE	MNEMONIC	YEAR-MONTH	2021 PRICES				AVERAGE PRICE S/
			OPENING S/	CLOSING S/	HIGH S/	LOW S/	
PEP239001006	UNACEMC1	2021-06	1.47	1.34	1.55	1.15	1.28
PEP239001006	UNACEMC1	2021-07	1.32	1.22	1.35	1.15	1.29
PEP239001006	UNACEMC1	2021-08	1.25	1.40	1.40	1.00	1.17
PEP239001006	UNACEMC1	2021-09	1.49	1.46	1.49	1.37	1.42
PEP239001006	UNACEMC1	2021-10	1.43	1.71	1.73	1.43	1.62
PEP239001006	UNACEMC1	2021-11	1.69	1.90	1.95	1.65	1.81
PEP239001006	UNACEMC1	2021-12	1.90	2.40	2.50	1.90	2.33

Corporate bonds

As at the 31st December 2021, UNACEM has others securities registered with Lima Stock Exchange Public Registry. These securities are bonds from the "Second Debt Instruments Issue", according to the following details:

In thousands S/	Annual interest rate	Frequency	Maturity	2021	2020
Corporate bonds					
First and second issue of the second program	5.16%	twice a year	Mar-23	18,815	60,000
Total				18,815	60,000

A Board meeting on the 16th November 2021 made an irrevocable offer to all corporate bondholders of the issue denominated "Unión Andina de Cementos S.A.A. Bonds – Second Issue" (the "Bonds") made as part of the Second Debt Instruments Program, to purchase all the bonds from that issue in circulation.

On the 23rd November 2021, 8,237 bonds were redeemed at a price equal to 101.00% of the principal. In addition, on the same date all accrued interest was paid, amounting to approximately S/ 446,000. As a result of this early payment of bonds, the company incurred costs of approximately S/ 412,000 in relation to the partial redemption.

The stock market information about this program, is shown below:

ISIN CODE	MNEMONIC	YEAR-MONTH	2021 PRICES				AVERAGE PRICE S/
			OPENING S/	CLOSING S/	HIGH S/	LOW S/	
PEP23900M103	UNAC2DBC2A	2021-04	105.8189	105.8189	105.8189	105.8189	105.8189
PEP23900M103	UNAC2DBC2A	2021-11	101.0000	101.0000	101.0000	101.0000	101.0000



Payment schedule

The following tables summarize the maturity profile of the company's financial liabilities based on undiscounted payments included in the respective contracts:

AS AT THE 31ST DECEMBER 2021					
	BOOK VALUE	UP TO 12 MONTHS	FROM 2 TO 3 YEARS	FROM 4 TO 8 YEARS	TOTAL
Trade and other accounts payable and various	427,127	427,127	-	-	427,127
Other financial liabilities:					
Capital amortization	2,663,907	383,635	1,752,487	527,785	2,663,907
Flow from interest payments	340,060	86,542	228,011	25,507	340,060
Total liabilities	3,431,094	897,304	1,980,498	553,292	3,431,094
AS AT THE 31ST DECEMBER 2020					
		UP TO 12 MONTHS	FROM 2 TO 3 YEARS	FROM 4 TO 8 YEARS	TOTAL
Trade and other accounts payable and various		255,075			255,075
Other financial liabilities:					
Capital amortization		793,526	1,886,985	490,431	3,170,942
Flow from interest payments		140,178	228,382	18,455	387,015
Total liabilities		1,188,779	2,115,367	508,886	3,813,032

Fair value

The fair values of other financial liabilities have been calculated by comparing initial market interest rates with current market rates for similar financial instruments. The following is a comparison between the book values and fair values of these financial instruments:

	2021		2020	
	BOOK VALUE S/(000)	FAIR VALUE S/(000)	BOOK VALUE S/(000)	FAIR VALUE S/(000)
Bank promissory notes	170,000	166,847	367,440	362,295
Other financial liabilities	2,493,907	2,263,217	2,803,502	2,644,876





8.4

This report



8.4.1

Materiality analysis

The definition of material issues is fundamental to placing sustainability at the center of our business. These periodic evaluations are part of a range of processes we use to identify sustainability issues that are relevant to our business and the expectations of our stakeholders.

In 2020 we updated our materiality based on a new definition of our purpose. We therefore introduced spaces for dialog using virtual platforms, taking into account the representative nature of our stakeholders at both sites and including executives and senior managers, collaborators, clients, suppliers, contractors, community leaders, opinion formers and industry associations.

The knowledge acquired in this process will help us to manage future risks and opportunities in our operations. The process also enabled us to strengthen our relationships with our stakeholders.

The process of choosing the most relevant aspects to include in this report consisted of three stages:
[GRI 102-49]

Version

Within the framework of developing materiality, we analyzed emerging sustainability issues in the industry contained in The Sustainability Yearbook 2020 by RobecoSAM and S&P Global⁽⁸⁾, in order to identify market trends and relevant aspects that can be used as a basis for comparison with the materiality analyzed in 2019. Finally, we reviewed UNACEM's principal policies, regulations and processes.

Identification and relationships

In 2020 we organized two virtual workshops with 26 of the company's managers and assistant managers. We also arranged workshops with 14 representatives of the value chain and 20 community leaders. Finally, we carried out an on-line survey of our collaborators (149 responded) and another aimed at opinion formers.

Material issues and main stakeholder expectations [GRI 102-44] [GRI 102-47]

This year, as part of the process of drawing up this report, we made use of the expectations revealed in our 2020 materiality analysis. The main expectations identified are given below:

8 A RobecoSAM publication that includes an annual classification of the sustainability of the largest companies in the world in each industry, taking into account the results of the Corporate Sustainability Assessment (CSA). At the beginning of 2020, S&P Global acquired the ESG classification business of RobecoSAM to reinforce its position as the principal resource for environmental, social and governance (ESG) information and solutions.

Material issue	GRI issue	Details of the expectation
Environmental performance		
Energy and emissions	GRI 302 GRI 305	Our stakeholders expect us to provide more information on the management of negative impacts relating to energy use and emissions.
Operating efficiency	GRI 301 GRI 303 GRI 306	The expectation is that we should work jointly with the different stakeholder groups in the value chain in order to make the transformations and changes required viable.
Biodiversity	GRI 304	The expectation is that conservation of protected areas be incorporated into corporate strategy.
Sustainable construction	Non GRI Additive-based cements	There is an expectation that UNACEM will apply innovative strategies to implement good practices in sustainable construction..
Economic performance		
Corporate ethics and compliance	GRI 102 GRI 205 GRI 206 GRI 307 Non GRI ISO 37001 certification GRI 419	The stakeholders have a good opinion of UNACEM's ethical and compliance performance. They expect the company to continue to employ best practices.



Material issue	GRI issue	Details of the expectation
Economic performance		
Product quality	GRI 416 GRI 417	The perception of our stakeholders is that UNACEM products are high quality and higher strength than local and international standards. They expect us to maintain this high quality.
Economic performance	GRI 201 GRI 203 Non GRI Market share Non GRI Profitability Non GRI Events affecting the demand for cement	The perception is that UNACEM is financially solid and correctly manages assignment of resources, costs and margins. They expect to receive information on UNACEM's strategy for maintaining its economic performance during the pandemic
Supply chain management	GRI 102 GRI 204 GRI 308 GRI 414	The perception is that compliance with ISO standards is very important for UNACEM, and that the company meets these parameters and looks after the environment. It is expected that this compliance will continue.



Material issue	GRI issue	Details of the expectation
Social performance		
Health and safety at work	GRI 403	The perception is that the company is concerned about the welfare of its collaborators, provides continual training and follows strict protocols with its contractors to prevent risks in the workplace.
Communities and social investment	GRI 413	There is an expectation that information will be provided periodically on health campaigns, education and infrastructure. Emphasis is also placed on the good relations existing with the community relations department because of its acceptance and support.
Human rights	GRI 406 GRI 407 GRI 408 GRI 409 GRI 410	It is expected that the encouragement of respect for employment rights will continue. The importance of encouraging an increase in the number of female collaborators is accepted.
Jobs, talent management and diversity	GRI 401 GRI 404 GRI 405	Stakeholders expect to receive more information on talent management and the working environment applicable to all collaborators; as well as technological improvements in the workplace.

8.4.2**Relations with stakeholders**

[GRI 102-42] [GRI 102-43]

Management of our relations with our stakeholders is based on our Sustainability Policy and Code of Ethics.

In this policy we undertake to encourage dialog and transparency, to inform and report the results of our work to our stakeholders, in order to create confidence and address any consultation or conflict.

Definition of stakeholders

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

The main criteria for choosing our stakeholders are:

- **Relation to the value chain**
We include those stakeholders who are linked to our value chain or who have expectations regarding our acquisition and distribution processes.
- **Proximity to the operations**
We prioritize the direct and indirect areas of influence of our operations and concessions.
- **Responsibility**
Also included are groups to which we have or could have any socio-environmental, commercial, legal, operational or ethical responsibility.

Mechanisms for dialog and communication with our stakeholders [GRI 102-40] [GRI 102-42] [GRI 102-43]

In order to maintain this win-win relationship with our stakeholders, we have implemented a number of mechanisms for dialog and communication that enable us to understand their expectations, concerns and needs, which we can incorporate into our management approach.

STAKEHOLDERS	DEPARTMENT RESPONSIBLE	OUR COMMITMENT	RELATIONSHIP MECHANISMS	FREQUENCY	SUBJECTS OF INTEREST
Collaborators	Commercial Manager Human Resources Department	<ul style="list-style-type: none"> • Guaranteeing a safe and healthy working environment. • Promoting a culture of recognition. • Facilitating inspiring and challenging leadership. 	<ul style="list-style-type: none"> • Managing performance. • Face-to-face communications, notices, intranet and virtual media. 	Annual Permanent	<ul style="list-style-type: none"> • Health and safety at work. • Ethics and compliance. • Talent management. • Efficiency and productivity. • News of interest. • Internal activities, events and programs.
Society	Commercial Manager Environment division and Asociación UNACEM	<ul style="list-style-type: none"> • To reduce, control and mitigate our environmental impacts (by measuring our carbon footprint, water footprint and fugitive emissions). • To be a good corporate citizen. • To be a key actor in local development through our social investment strategy. 	<ul style="list-style-type: none"> • Website, social networks, e-mail. • Technical reports. • Workshops, meetings, face-to-face and virtual communications. • Community relations plan • Complaints and queries procedure (GIS). • Workshops, meetings, and communications via community relations specialists using virtual tools. • Sustainability Report. • Participation in forums, workshops and meetings between institutions using virtual media. 	Permanent	<ul style="list-style-type: none"> • Environmental impacts of the operations on adjacent communities and ecosystems. • Community relations. • Human rights. • Climate change. • Efficiency and productivity. • Ethics and compliance. • Project financing. • Commercial brand information. • Information on safe construction. • Institutional information.
Clients	Commercial Manager	<ul style="list-style-type: none"> • Providing innovative products. • Generate greater value such as the Progre+ service and its different functions. • Training for our clients regarding our products. 	<ul style="list-style-type: none"> • Advice and assistance. • Client service line. 	Permanent	<ul style="list-style-type: none"> • Ethics and compliance. • Efficiency and productivity.




STAKEHOLDERS	DEPARTMENT RESPONSIBLE	OUR COMMITMENT	RELATIONSHIP MECHANISMS	FREQUENCY	SUBJECTS OF INTEREST
Shareholders	Board of Directors and General Manager Relationship with investors	<ul style="list-style-type: none"> • Ensure good corporate governance. • Manage the continuity of the business and its sustainability over time. • Focus on returns to shareholders. 	<ul style="list-style-type: none"> • Personal meetings. • General meeting of shareholders. • Integrated report. <ul style="list-style-type: none"> • Website • Direct communications. 	Permanent Quarterly Annually	<ul style="list-style-type: none"> • Efficiency and productivity. • Ethics and compliance.
Suppliers	Logistics department	<ul style="list-style-type: none"> • Promote the development and certification of suppliers. • Establishes clear rules. • Promote respect for free competition. • Promote sustainable development in the value chain. 	<ul style="list-style-type: none"> • Personalized follow-up. • Supplier evaluation (SSOMA audit). <ul style="list-style-type: none"> • Integrated report. • Competitive Business and Value Chain Program– GRI. 	Permanent Annually	<ul style="list-style-type: none"> • Economic results. • Efficiency and productivity. • Health and safety at work. • Ethics and compliance.





8.5

Environmental, social and governance metrics (ESG)



8.5.1

Environmental metrics

Table 12: Scope 1 greenhouse gas emissions

[GRI 305-1]

GREENHOUSE GAS EMISSIONS (tCO ₂ eq) ^{***}		
SCOPE 1		
2019*	2020**	2021**
CO ₂ eq emissions	CO ₂ eq emissions	CO ₂ eq emissions
4,114,912.00	2,159,586.00	4,454,458.00

(*) Data verified by PwC by monitoring CO₂ emissions KPI.

(**) Value obtained using PwC GNR methodology.

(***) These values include emissions of Atocongo Thermal Plant (own source)

Table 13: Indirect (Scope 2) greenhouse gas emissions

[GRI 305-2]

INDIRECT GHG EMISSIONS FROM ENERGY GENERATION (tCO ₂ eq) SCOPE 2		
2019*	2020**	2021**
CO ₂ eq emissions	CO ₂ eq emissions	CO ₂ eq emissions
72,724.00	42,483.00	80,494.00

 (*) Data verified by PwC by monitoring CO₂ emissions KPI.

(**) Value obtained using the SEIN and MINAM emission factor.

Table 14: Kiln fuel consumption

[GRI 302-1]

KILN FUEL CONSUMPTION								
	2020				2021			
	Coal (t)	Residual oil (t)	Natural gas (m ³)	Diesel (gallons)	Coal (t)	Residual oil (t)	Natural gas (m ³)	Diesel (gallons)
UNACEM	135,625.68	2,292.00	172,691,887.00	14,555.20	249,732.00	3,622.00	383,128,870.00	22,727.87
Conversion factor to GJ	23.16	41.76	0.04	0.14	24.72380152	41.12991489	0.04	0.14
UNACEM, GJ	3,140,762.28	95,713.78	6,289,827.08	2,037.19	6,174,324.40	148,972.55	13,945,890.87	3,181.06
Percentage	32.96%	1.00%	66.01%	0.02%	30.46%	0.73%	68.79%	0.02%
	Goal: energy from clean fuel (NG)		> 60%		Goal: energy from clean fuel (NG)		> 60%	

Table 15: Electricity Consumption

[GRI 302-1]

ELECTRICITY CONSUMPTION (GIGAJOULES)						
	2020			2021		
	Atocongo thermal power station	El Platanal	Hydroelectric stations Carpapata I, II and III	Atocongo thermal power station	El Platanal	Hydroelectric stations Carpapata I, II and III
TOTAL	104,525.57	1,054,527.59	425,967.16	191,280.17	1,967,598.84	468,197.70
Representing	6.59%	66.53%	26.87%	7.28%	74.90%	17.82%
Renewable		93.41%			92.72%	
Non-renewable		6.59%			7.28%	
	Goal: Electrical energy consumption > 90% renewable			Goal: Electrical energy consumption > 90% renewable		

Table 16: GHG emissions per ton of cement and clinker produced

GHG EMISSIONS PER TON OF CEMENT AND CLINKER PRODUCED			
	UNACEM		
	2019	2020	2021
GHG (kg CO ₂ eq / t cement)	636	585	626
Clinker/cement ratio	0.865	0.855	0.862
Specific energy consumption* (kcal/kg clinker)	771.01	779.96	780.12
Cement production (t)	5,338,845	4,472,605	6,245,656
Clinker production (t)	5,709,299	3,017,405	6,214,479

*Weighted average for the kilns in each plant.

Table 17: Water consumption

[GRI 303-3]

	WATER CONSUMPTION (M ³)		
	2019	2020	2021
Total water consumption from underground sources / springs and creeks	640,269	559,384	796,565.03
Total water consumption for domestic use	344,838	295,569	392,971.26
Total water consumption for industrial and mining use	295,431	263,816	403,593.77
Volume of water reused	213,296	177,051	202,642.41
Percentage water reused	33%	32%	25%
Goal of reusing water	28%	30%	28%

Table 18: Water footprint

[GRI 303-3]

1. Information reported in 2020		2. Information reported in 2021*	
WATER FOOTPRINT (liters of water per kilogram of cement)			
Plant	Water footprint (l/kg)	Plant	Total
Atocongo	Reduction of 0.05 liters of water	Atocongo	1.85
Condorcocha	per tonne of cement produced	Condorcocha	1.57
UNACEM	cement produced.	UNACEM	1.76

(*) In 2021 was measured the organizational footprint of Atocongo and Condorcocha plants

Table 19: Nitrogen oxides (NOx), sulfur oxides (SOX) and other significant atmospheric emissions

2019				2020				2021			
NOx	SOx	Hg	PM	NOx	SOx	Hg	PM	NOx	SOx	Hg	PM
6,029	8,876	1.4	1,337	2,698	5,525	0.74	386	7,852	13,502	0.000264	510

Note: PM: Particulate Materials.

Table 20: Materials used, by weight or volume

[GRI 301-1]

Materials	Materials used, by weight or volume					
	2019		2020		2021	
	Quantity	Unit	Quantity	Unit	Quantity	Unit
Milling additives	1,713,436	kg	1,589,912	kg	2,482,489.2	kg
Clay	95,795	t	62,102	t	89,788.0	t
Bauxite					7,703.0	t
Limestone	8,853,511	t	4,762,285	t	9,617,508.8	t
Imported coal	98,172	t	45,073	t	115,272.5	t
Peruvian coal	186,440	t	77,897	t	133,889.3	t
Fly ash	5,369	t	4,338	t	3,907.7	t
Carbon dioxide	4	t	60	t	19.9	t
Mill scale	71,652	t	57,557	t	71,958.0	t
Gas	314,998,407	m ³	172,691,886	m ³	383,128,843.0	m ³
Iron oxide	198,312	t	90,650	t	124,677.0	t
Diesel oil B5 S-50	17,888	gal	11,037	gal	15,674.6	gal



Materials used, by weight or volume						
Materials	2019		2020		2021	
	Quantity	Unit	Quantity	Unit	Quantity	Unit
Industrial fuel oil N° 6	4,271	t	2,292	t	3,622.0	t
Pozzolan	120,312	t	98,627	t	86,520.3	t
Silica	92,288	t	32,957	t	118,119.0	t
Gypsum	244,734	t	195,675	t	285,657.2	t
Hydrated lime			50	t	2,147,579.6	t
Bags (42.50 kg cement)	89,487,776	bag	81,175,698	bag	106,612,029.0	bag
Big bags (1.5 t)	76,339	bag	62,070	bag	163,858.0	bag
Total cement dispatches	5,316,427	t	4,461,843	t	6,233,325.1	t



Table 21: Solid waste management by type and treatment

[GRI 306-4]

WASTE	2021					
	Waste management and method of treatment					
	Atocongo		Condorcocha		UNACEM	
Method	Tons	%	Tons	%	Tons	%
Non-hazardous waste	3,403	100%	966	100%	4,369	100%
Reuse	1,858	55%	25	3%	1,883	43%
Recycling	848	25%	483	50%	1,331	30%
Composting	84	2%	71	7%	155	4%
Total non-hazardous waste recycled	2,791	82%	579	60%	3,370	77%
Landfill	612.1	18%	387	40%	998.8	23%
Hazardous waste	211.0	100%	97.3	100%	308.3	100%
Recycling	79.2	38%	52.7	54%	131.9	43%
Stabilization	0	0%	0	0%	0	0%
Encapsulation	0	0%	0	0%	0	0%
Landfill	131.8	62%	45	46%	176.4	57%
% solid waste reused UNACEM 2021						75%

8.5.2
Social metrics
Table 22: Breakdown of all collaborators and senior staff by employment category, sex and age

[GRI 405-1]

BREAKDOWN	BREAKDOWN BY AGE AND SEX						TOTAL MEN	TOTAL WOMEN	TOTAL
	MEN			WOMEN					
	<30	30-50	>50	<30	30-50	>50			
Management		4	4				8	0	8
Subsidiary departments		5	10		1	2	15	3	18
Departments		25	33		9	3	58	12	70
Total	0	34	47	0	10	5	81	15	96

Table 23: Diversity indicators

Diversity indicator	% de FTE 2021
Collaborators with disabilities	1%
< 30 years	5%
30 - 50 years	57%
> 50 years	38%

Table 24: Hiring indicators

	2018	2019	2020	2021
Total number of new hirings	24	42	40	41
Percentage of vacancies covered by internal candidates (internal contracts)	8.33%	16%	12.50%	13.00%
Average cost of contracting / FTE (currency: US\$)	2,690	2,875	3,230	17,033

Table 25: Collaborator turnover

	2018	2019	2020	2021
Total employee turnover rate	0.9	4.18	3.24	5.34
Voluntary employee turnover rate	0.03	3.55	3.24	2.92

**Table 26: Number and percentage of unionized collaborators by sex and professional category
– Condorcocha plant, 2021 [GRI 102-41]**

CONDORCOCHA PLANT									
BREAKDOWN	MEN			WOMEN			TOTAL		
	Total	Unionized	% unionized	Total	Unionized	% unionized	Total	Unionized	% unionized
Administrative	78	0	0%	3	0	0%	81	0	0%
Employees	42	3	7%	2	0	0%	44	3	7%
Plant employees	186	158	85%	0	0	0%	186	158	85%
Total	306	161	53%	5	0	0%	311	161	52%

**Table 27: Number and percentage of unionized collaborators by sex and professional category
– Atocongo plant, 2021**

ATOCONGO PLANT									
BREAKDOWN	MEN			WOMEN			TOTAL		
	Total	Unionized	% unionized	Total	Unionized	% unionized	Total	Unionized	% unionized
Administrative	181	0	0%	63	0	0%	244	0	0%
Employees	82	30	37%	23	5	22%	105	35	33%
Plant employees	148	123	83%	0	0	0%	148	123	83%
Total	411	153	37%	86	5	6%	487	158	32%

Table 28: Number of temporary & permanent collaborators UNACEM 2021

[GRI 102-7] [GRI 102-8]

Breakdown	2020				Total 2020	2021				Total 2021
	Temporary		Permanent			Temporary		Permanent		
	Women	Men	Women	Men		Women	Men	Women	Men	
Administrative	6	27	6	27	422	8	28	81	313	430
Employees		4		4	46		4	2	38	44
Plant employees		20		20	331		28		306	334
Total	6	51	6	51	799	8	60	83	657	808

Social investment metrics

Table 29: Social infrastructure metrics

[GRI 413-1]

Plant	N° of projects carried out	Beneficiary institutions	N° of bags of cement donated	Unskilled labor	Skilled labor	N° of beneficiaries
Atocongo	8 community projects	Grass-roots, public, social and religious organizations.	767	120	16	7,105
Condorcocha	12 community projects	Grass-roots, public and social organizations	4,029	180	24	2,855
	2 schools	Schools	250	100	4	351
	3 projects carried out	Local government	820	45	6	3,500
Total	25		5,826	445	50	13,811

Table 30: Actions and beneficiaries – education

[GRI 413-1]

Type of action carried out	N° of beneficiaries	Allied institutions
Virtual training in various subjects to encourage entrepreneurship in the context of the COVID emergency: <ul style="list-style-type: none"> · Guidance for entrepreneurs to strengthen skills in the use of management tools. · Personalized business advice for drawing up and implementing improvement plans for entrepreneurs. · Implementation of e-commerce platforms in alliance with Mercado de Lima. · Cooking and bakery workshops to develop new productive skills. · Training in good food handling practices for hygiene control in gastronomy businesses. · Empowerment through talks to prevent violence against women. · COVID-19 monitoring and prevention plan. 	648 participants	- Asociación Sembrando Empresa. · Universidad ESAN – University Responsibility Program. · Municipality of Lima. · Parish of Santísima Cruz in Valle de Manchay. · CENFOTUR. · MIDIS – Women’s Emergency Center of Villa Maria del Triunfo and Villa El Salvador.
- 21 workshops to promote the physical welfare of adult women, senior citizens and nursing mothers using early learning techniques.	284 students	
· Accompaniment and guidance for inserting trained young people into the labor market.	75 young people obtained formal employment	Fundación Forge
· Program to contribute to the general education of students by developing artistic skills.	190 students	Escuela Declara



Type of action carried out	N° of beneficiaries	Allied institutions
· 18 virtual workshops to promote the development/strengthening of social skills in children and adolescents, in aspects such as assertive communication, emotional expression, self esteem and team work.	174 participants	
· Virtual productive training workshops to strengthen entrepreneurship among women.	115 participants	
· Advice to bolster financial skills among local entrepreneurs and management of four microfinance groups led by women.	4 microfinance groups 48 partners of both sexes	
Total	1,534	



Table 31: Community environmental metrics

[GRI 413-1]

Type of action carried out	Plant	N° of beneficiaries			Allied institutions
		Associations and organizations	Families	Environmental leaders or promoters	
Waste management, climate change:	Atocongo	3 environmental committees		100 environmental promoters	Municipality of Villa Maria del Triunfo
1 awareness-raising campaign					Municipality of Lurin
31 training workshops		1 association of			Municipality of Villa El Salvador
1 agreement signed		recyclers			
Managing parks and gardens:	Atocongo				CAZ TdL / CAZ JG
- 3 training workshops - organic market gardens	Atocongo		100 families benefiting		Municipality of Villa Maria del Triunfo
- Donation: 100 trees and fertilizer	Atocongo				Municipality of Villa Maria del Triunfo
- 130 trees planted (Av. Lima / Av. Maria Reiche) / improvements to Av. Lima	Atocongo		100 families benefiting		Municipality of Villa Maria del Triunfo
- Donation: 2 water tanks for irrigating trees planted on embankments	Atocongo		50 families benefiting		Municipality of Villa Maria del Triunfo



Type of action carried out	Plant	N° of beneficiaries			Allied institutions
		Associations and organizations	Families	Environmental leaders or promoters	
Lomas / tourism plan	Atocongo				
- 6 months of advice in business management	Atocongo	2 associations		18 leaders and certified guides	
- 200 trees and fertilizer donated for replanting	Atocongo		100 families benefiting		
- 2 cooperation agreements signed	Atocongo	2 associations			
EMPRO	Condorcocha	3 farmers			Germany aid
· 1 virtual training course (3 videos)	Condorcocha	groups			Germany aid
· 5 training sessions	Condorcocha				Germany aid
· 59 advisory sessions	Condorcocha				Germany aid
· 6 demonstration plots installed	Condorcocha				Germany aid
· 3 irrigation modules installed	Condorcocha				Germany aid
Local environmental management	Condorcocha				
· Periodic collection of solid waste in the village of Condorcocha	Condorcocha		230 families		
Total		11	580	118	

Table 32: Community relations – training workshops for local social organizations and leaders

[GRI 413-1]

Districts	2021	
	Social organizations	Participants
Villa María del Triunfo	25	81
Villa El Salvador	53	70
Pachacámac	17	33
Lurín	17	31
Santo Domingo de los Olleros	3	5
Total	115	220

8.5.3
Economic metrics
Table 33: Direct economic value created and distributed

[GRI 201-1]

Figures in thousands of soles	Economic value		
	2020	2021	Variation
Sales	1,698,958	2,429,187	730,229
Gross profit	464,050	864,012	399,962
Operating profits	261,041	742,731	481,690



Economic value			
Figures in thousands of soles	2020	2021	Variation
EBITDA	506,498	997,506	491,008
Profit before taxation	52,045	538,245	486,200
Net profit	30,287	395,531	365,244

Table 34: Distribution of economic value among stakeholder groups

[GRI 201-1]

Economic value			
Figures in thousands of soles	2020	2021	Variation
Direct economic value created	1,763,574	2,596,436	832,862
a) Turnover	1,698,958	2,429,187	730,229
b) Other income	64,616	167,249	102,633
Economic value distributed	1,733,287	2,200,905	467,618
c) Remuneration and other social benefits for collaborators	184,362	256,895	72,533
d) Suppliers of goods and services	1,124,450	1,485,575	361,125
e) Financial costs (interest)	163,936	159,271	-4,665
f) Taxes and payments to governments	246,739	277,583	30,844
g) Social responsibility and private social investment	13,800	21,581	7,781
Economic value retained	30,287	395,531	365,244
Shareholder dividends	23,626	192,445	168,819

Table 35: Associations of which we are a part

[GRI 102-13]

-
- | | |
|---|---|
| <ul style="list-style-type: none"> » Alianza para Obras por Impuestos (ALOXI) » Asociación Civil Amigos de la Policía Nacional del Perú (SINACOOOP-PNP) » Asociación Civil BASC Perú (BASC Perú) » Asociación Club de la Banca y Comercio (CBC) – associate » Asociación de Exportadores (ADEX) » Asociación de Productores de Cemento (ASOCEM) » Asociación Nacional de Anunciantes (ANDA) » Asociación Peruana de Operadores Portuarios (ASPPOR) » Asociación Peruana de Recursos Humanos (APERHU) » Cámara de Comercio Americana del Perú (AMCHAM Perú) » Cámara de Comercio de Lima (CCL) – associate » Cámara Peruana de la Construcción (CAPECO) » Comité de Operación Económica del Sistema Interconectado Nacional (COES-SINAC) » Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP) – through ASOCEM | <ul style="list-style-type: none"> » Encuentros Iberoamericanos de la Sociedad Civil (EISC) » Federación Interamericana del Cemento (FICEM) – through ASOCEM <ul style="list-style-type: none"> » Global Cement and Concrete Association (GCCA) » Global System, Global Standard y Global Solution-1 (GS1) <ul style="list-style-type: none"> » Instituto de Ingenieros de Minas del Perú (IIMP) » Instituto de Seguridad Minera (ISEM) » Instituto Peruano de Acción Empresarial (IPAE) <ul style="list-style-type: none"> » Instituto Peruano de Economía (IPE) » Observatorio Ciudadano Lima Cómo Vamos <ul style="list-style-type: none"> » Perú Sostenible » RedEAmérica » Servicio Nacional de Adiestramiento en Trabajo Industrial (SENATI) <ul style="list-style-type: none"> » Sociedad de Comercio Exterior del Perú (COMEXPERÚ) » Sociedad Nacional de Industrias (SNI) – class AAA » Sociedad Nacional de Minería, Petróleo y Energía (SNMPE) |
|---|---|
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**8.6**

Índice GRI

[GRI 102-54]



For the Materiality Disclosures Services, GRI Services has checked that the GRI contents index is clear and that the references for content items 102-40 to 102-49 correspond to the sections of the report indicated.

This report has been drafted in accordance with the core option of the GRI Standards. [GRI 102-54]

GRI 101: Grounds 2016
(GRI 101 does not included contents)

GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
GRI 102: General contents 2016	102-1: Name of the organization	28	-	-	-
	102-2: Activities, brands, products and services	107	-	SDG N° 9, 11	-
	102-3: Location of registered office	[SMV 7100: Datos Generales] Av. Atocongo 2440, Villa María del Triunfo, Lima, Perú	-	-	-
	102-4: Location of the operations	100	-	-	-
	102-5: Ownership and legal structure	http://www.UNACEM.com.pe/?page_id=65	-	-	-
	102-6: Markets served	108	-	-	-
	102-7: Size of the organization	28, 48, 100, 108, 113, 120, 219 & 335	-	-	-
	102-8: Information on employees and other collaborators	219 & 335	-	SDG N.º 8	Principle 6
	102-9: Supply chain	145	-	-	-
	102-10: Significant changes in the organization and its supply chain	25, 52 & 291	-	-	-
	102-11: Precautionary principal or approach	172	-	-	-
	102-12: External initiatives	28, 30, 105 & 187	-	-	-
	102-13: Membership of associations	343	-	-	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Strategy					
102-14:	Declaration by senior executives responsible for decision taking	6	-	-	-
Ethics and integrity					
102-16:	Values, principles, standards and standards of conduct	91	-	SDG N.º 16	Principle 10
Structure of governance					
102-18:	Governance structure	46	-	-	-
102-35:	Remuneration policy	70	-	-	-
Stakeholder participation					
102-40:	List of stakeholders	324	-	-	-
102-41:	Collective bargaining agreements	245 & 334	-	SDG N.º 8	Principle 3
102-42:	Identification and selection of stakeholders	15, 323 & 324	-	-	-
102-43:	Approach to stakeholder participation	323 & 324	-	-	-
102-44:	Key subjects and concerns mentioned	319	-	-	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Reporting practices					
102-45:	Entities included in the consolidated financial statements	28	-	-	-
102-46:	Definition of the contents reports and subject coverage	34	-	-	-
102-47:	List of material issues	319	-	-	-
102-48:	Adjustments to the information	There have been no adjustments to the information	-	-	-
102-49:	Changes in the drafting of reports	The materiality evaluation was carried out in 2020	-	-	-
102-50:	Period covered by the report	2021	-	-	-
102-51:	Periodicity of reports	2020	-	-	-
102-52:	Ciclo de elaboración de informes	Annually	-	-	-
102-53:	Point of contact for questions concerning the report	365	-	-	-
102-54:	Declaration that the report has been drafted in accordance with GRI standards	344	-	-	-
102-55:	GRI contents index	344	-	-	-
102-56:	External verification	This report is not subject to external audit	-	-	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Material issues					
GRI 200: The economy					
Economic performance					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	41, 96, 108, 111 & 173	-	-	-
	GRI 103-2. The management approach and its components	41, 96, 108, 111 & 173	-	-	-
	GRI 103-3. Evaluation of the management approach	41, 96, 108, 111 & 173	-	-	-
GRI 201: Economic performance	GRI 201-1. Direct economic value created and distributed	108, 113, 341 & 342	-	SDG N° 2, 5, 7, 8, 9	-
Indirect economic impacts					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	251 & 322	-	SDG N° 2, 5, 7, 9, 11	-
	GRI 103-2. The management approach and its components	251	-	SDG N° 2, 5, 7, 9, 11	-
	GRI 103-3. Evaluation of the management approach	251	-	SDG N° 2, 5, 7, 9, 11	-
GRI 203: Indirect economic impacts	GRI 203-1. Investments in infrastructure and support services	251 & 258	-	SDG N° 2, 5, 7, 9, 11	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Procurement practices					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	143 & 322	-	-	-
	GRI 103-2. The management approach and its components	143	-	-	-
	GRI 103-3. Evaluation of the management approach	143	-	-	-
GRI 204: Procurement practices 2016	GRI 204-1. Proportion of expenditure placed with local suppliers	145	-	SDG N° 12	-
Policy					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	93 & 321	-	-	-
	GRI 103-2. The management approach and its components	93	-	-	-
	GRI 103-3. Evaluation of the management approach	93	-	-	-
GRI 205: Anti-corruption 2016	GRI 205-2. Communications and training in anti-corruption policies and procedures	91	-	SDG N° 16	Principle 10



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Unfair competition					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	The company the leader in its market. We do not have a policy that addresses unfair competition	-	-	-
	GRI 103-2. The management approach and its components	We do not have a policy that addresses unfair competition	-	-	-
	GRI 103-3. Evaluation of the management approach	We do not have a policy that addresses unfair competition	-	-	-
GRI 206: Unfair competition 2016	GRI 206-1. Internal guidelines regarding unfair competition, monopolies and practices that interfere with free competition	No legal action has been taken	-	-	-
GRI 300: The environment					
Materials					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	178-200 & 321	-	-	-
	GRI 103-2. The management approach and its components	178-200	-	-	-
	GRI 103-3. Evaluation of the management approach	178-200	-	-	-
GRI 301: Materials 2016	GRI 301-1. Materials used, by weight or volume	330		SDG N° 9, 12, 13	Principles 7, 8 and 9



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Energy					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	183	-	-	-
	GRI 103-2. The management approach and its components	183	-	-	-
	GRI 103-3. Evaluation of the management approach	183	-	-	-
GRI 302: Energy 2016	GRI 302-1. Energy consumption within the organization	327 & 328		SDG N° 9, 12, 13	Principles 7, 8 and 9
Water and effluent					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	192 & 321	-	-	-
	GRI 103-2. The management approach and its components	196-200	-	-	-
	GRI 103-3. Evaluation of the management approach	196-200	-	-	-
GRI 303: Water and effluent 2018	GRI 303-1. Interaction with water as a shared resource	194	-	-	-
	GRI 303-2. Managing impacts relating to water discharges	194	-	-	-
	GRI 303-3. Water extraction	229	-	SDG N° 6, 13	Principles 7, 8 and 9



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Biodiversity					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	200-203 & 321	-	-	-
	GRI 103-2. The management approach and its components	200	-	-	-
	GRI 103-3. Evaluation of the management approach	200	-	-	-
GRI 304: Biodiversity 2016	GRI 304-3. Protected or restored habitats	200	-	SDG N.º 6, 14, 15	Principles 7, 8 and 9
Emissions					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	180-183 & 321	-	-	-
	GRI 103-2. The management approach and its components	180-183	-	-	-
	GRI 103-3. Evaluation of the management approach	180-183	-	-	-
GRI 305: Emissions 2016	GRI 305-1. Emisiones directas de GEI (alcance 1)	326	-	SDG N.º 3, 12, 13, 14, 15	Principles 7, 8 and 9
	GRI 305-2. Indirect emissions of GHG from energy generation (tCO ₂ eq)	327	-	-	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Waste management					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	191-194 & 321	-	-	-
	GRI 103-2. The management approach and its components	191-194	-	-	-
	GRI 103-3. Evaluation of the management approach	191-194	-	-	-
GRI 306: Waste 2020	GRI 306-1. Waste generation and significant impacts relating to waste	191	-	-	-
	GRI 306-2. Managing significant impacts relating to waste	191	-	-	-
	GRI 306-4. Waste not destined for disposal	332	-	SDG N.º 3, 6, 12	Principles 7, 8 and 9
Environmental compliance					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	204-206 & 321	-	-	-
	GRI 103-2. The management approach and its components	204-206	-	-	-
	GRI 103-3. Evaluation of the management approach	204-206	-	-	-
GRI 307: Environmental compliance 2016	GRI 307-1. Non-compliance with environmental legislation and standards	206	-	SDG N.º 16	Principles 7, 8 and 9



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Environmental assessment of suppliers					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	145-148 & 322	-	-	-
	GRI 103-2. The management approach and its components	145-148	-	-	-
	GRI 103-3. Evaluation of the management approach	145-148	-	-	-
GRI 308: Environmental assessment of suppliers 2016	GRI 308-1: New suppliers that have passed evaluation and selection filters in accordance with environmental criteria	152	-	SDG N.º 8, 12	Principles 7, 8 and 9
GRI 400: Society					
Jobs					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	217-222 & 323	-	-	-
	GRI 103-2. The management approach and its components	217-222	-	-	-
	GRI 103-3. Evaluation of the management approach	217-222	-	-	-
GRI 401: Jobs 2016	GRI 401-1. New employment contracts and personnel rotation	221	-	SDG N.º 5, 8	Principle 6



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Health and safety at work					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	227-235 & 323	-	-	-
	GRI 103-2. The management approach and its components	227-235	-	-	-
	GRI 103-3. Evaluation of the management approach	227-235	-	-	-
GRI 403: Health and safety at work 2018	GRI 403-1. Health and safety at work management system	227-234	-	-	-
	GRI 403-2. Identifying hazards, risk evaluation and incident investigation	227	-	-	-
	GRI 403-3. Health services in the workplace	228	-	-	-
	GRI 403-4. Employee participation, queries and communications on health and safety at work	227	-	SDG N.º 3, 8	Principle 6
	GRI 403-5. Health and safety training for employees	236	-	-	-
	GRI 403-6. Safeguarding employees' health	228	-	-	-
	GRI 403-7. Prevention and mitigation of impacts on the health and safety of employees directly linked through commercial relationships	227	-	-	-
	GRI 403-9. Injuries caused by accidents at work	237-239	-	SDG N.º 3, 8	Principle 6



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Training and instruction					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	223 & 323	-	-	-
	GRI 103-2. The management approach and its components	223	-	-	-
	GRI 103-3. Evaluation of the management approach	223	-	-	-
GRI 404: Training and instruction	GRI 404-1. Average hours of training per year per employee	226	-	SDG N° 4, 5, 8	Principle 6
Average hours of training per year per employee					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	218 & 323	-	-	-
	GRI 103-2. The management approach and its components	218	-	-	-
	GRI 103-3. Evaluation of the management approach	218	-	-	-
GRI 405: Diversity and equal opportunities 2016	GRI 405-1. Diversity in governing bodies and among employees	333	-	-	Principle 6



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Non-discrimination					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	240 & 323	-	-	-
	GRI 103-2. The management approach and its components	240-246	-	-	-
	GRI 103-3. Evaluation of the management approach	240-246	-	-	-
GRI 406: Non-discrimination 2016	GRI 406-1. Cases of discrimination and corrective action taken	No cases of discrimination were recorded in the company in 2021	-	SDG N.º 5, 8, 16	Principles 1, 2 and 6
Freedom of association and collective bargaining					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	245 & 323	-	-	-
	GRI 103-2. The management approach and its components	245	-	-	-
	GRI 103-3. Evaluation of the management approach	245	-	-	-
GRI 407: Freedom of association and collective bargaining 2016	GRI 407-1. Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	245	-	SDG N.º 8	Principles 1, 2 and 3



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Child labor					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	240 & 323	-	-	-
	GRI 103-2. The management approach and its components	240-243	-	-	-
	GRI 103-3. Evaluation of the management approach	240-243	-	-	-
GRI 408: Child labor 2016	GRI 408-1. Operations and suppliers with which significant risks of child labor exist	240	-	SDG N° 8	Principles 1, 2 and 5
Forced labor					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	240 & 323	-	-	-
	GRI 103-2. The management approach and its components	240-243	-	-	-
	GRI 103-3. Evaluation of the management approach	240-243	-	-	-
GRI 409: Forced labor 2016	GRI 409-1. Operations and suppliers with whom there is a significant risk of forced or obligatory labor	240	-	SDG N° 8	Principles 1, 2 and 4



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Security practices					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	246 & 323	-	-	-
	GRI 103-2. The management approach and its components	246	-	-	-
	GRI 103-3. Evaluation of the management approach	246	-	-	-
GRI 410: Safety practices	GRI 410-1. Security personal trained in human rights policies or procedures	246	-	SDG N° 16	Principles 1, 2
Local communities					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	247-276 & 323	-	-	-
	GRI 103-2. The management approach and its components	247-276	-	-	-
	GRI 103-3. Evaluation of the management approach	247-276	-	-	-
GRI 413 Local communities	GRI 413-1. Operations in which the local population participate, impact assessments and development programs	337-341	-	-	Principle 1



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Social evaluation of suppliers					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	145 y 322	-	-	-
	GRI 103-2. The management approach and its components	145-151	-	-	-
	GRI 103-3. Evaluation of the management approach	145-151	-	-	-
GRI 414: Social evaluation of suppliers 2016	GRI 414-1. New suppliers that have passed evaluation and selection filters in accordance with social criteria		Our GIS does not contemplate social evaluation of suppliers or the impact generated	-	SDG N° 16 Principle 6
Client health and safety					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	166 & 322	-	-	-
	GRI 103-2. The management approach and its components	166	-	-	-
	GRI 103-3. Evaluation of the management approach	166	-	-	-
GRI 416: Client health and safety 2016	GRI 416-1. Evaluation of impacts on health and safety of products or services	166	-	SDG N.° 8	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Marketing and labeling					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	108, 157 & 322	-	-	-
	GRI 103-2. The management approach and its components	108 & 157	-	-	-
	GRI 103-3. Evaluation of the management approach	108 & 157	-	-	-
GRI 417: : Marketing and labeling 2016	GRI 417-1. Information and labeling requirements for products and services	107 y 154	-	SDG N° 12	-
Socioeconomic compliance					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	93 & 321	-	-	-
	GRI 103-2. The management approach and its components	93	-	-	-
	GRI 103-3. Evaluation of the management approach	93	-	-	-
GRI 419: Socioeconomic compliance	GRI 419-1. Non-compliance with social and economic legislation and standards	During 2021 no significant fines or non-monetary penalties were imposed	-	SDG N.° 16	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Non GRI Market share					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	322	-	-	-
	GRI 103-2. The management approach and its components	108	-	-	-
	GRI 103-3. Evaluation of the management approach	108	-	-	-
Non GRI Profitability					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	322	-	-	-
	GRI 103-2. The management approach and its components	120	-	-	-
	GRI 103-3. Evaluation of the management approach	120	-	-	-
Non GRI ISO 37001 certification					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	321	-	-	-
	GRI 103-2. The management approach and its components	105	-	-	-
	GRI 103-3. Evaluation of the management approach	105	-	-	-



GRI standard	Contents	Page / direct answers	Omissions or observations	ODS	Global Compact advanced COPs
Company profile					
Non GRI Additive-based cements					
GRI 103: Management approach 2016	GRI 103-1. Explanation of the materials aspect and coverage	321	-	-	-
	GRI 103-2. The management approach and its components	108 & 181	-	-	-
	GRI 103-3. Evaluation of the management approach	108 & 181	-	-	-
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2021 INTEGRATED REPORT

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