

# BUILDING A SUSTAINABLE FUTURE

2023 INTEGRATED  
ANNUAL REPORT



**Pacasmayo** 



## **RESPONSIBILITY STATEMENT**

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-14]

This document contains truthful and sufficient information regarding the development of the business of Cementos Pacasmayo S.A.A. and its subsidiaries in 2023. Notwithstanding the responsibility of the issuer, the signatories make themselves responsible for its content in accordance with the applicable legal provisions

**Alfredo Tong Lam**  
Accounting Manager

**Manuel Ferreyros Peña**  
Vice-President of Administration and Finance

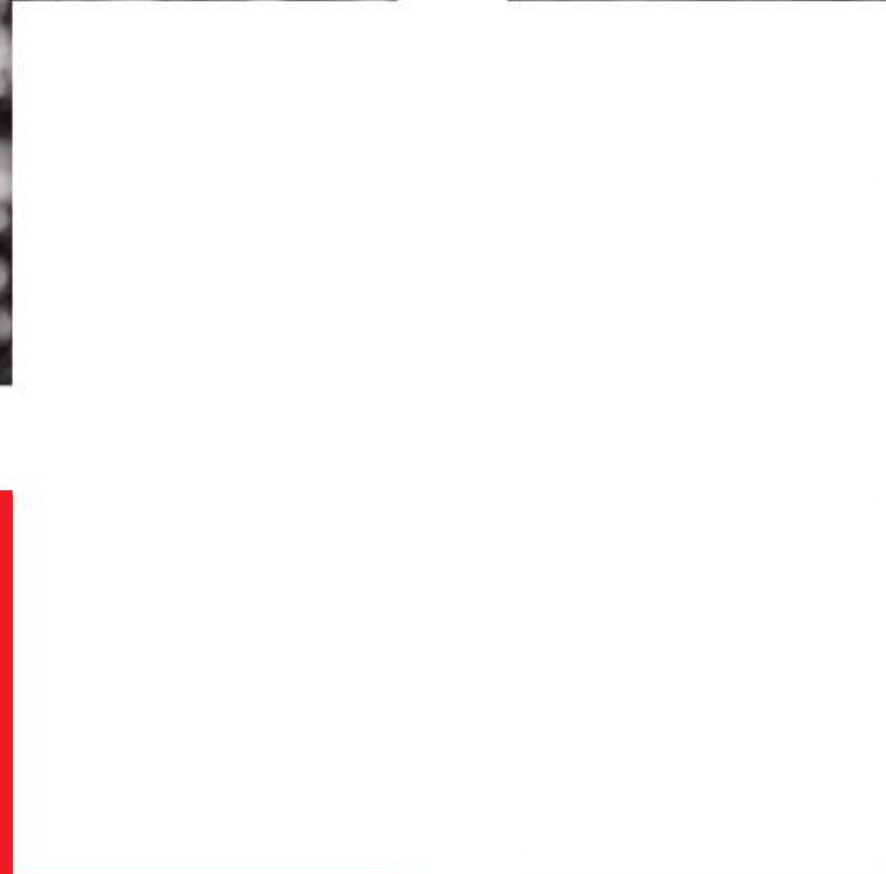
Lima, February 14, 2024

**2023 Integrated Annual Report  
Cementos Pacasmayo S.A.A.**

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# LETTER FROM THE CHAIRMAN OF THE BOARD

[GRI 2-11] [GRI 2-14] [GRI 2-22]

The year ending confirmed that uncertainty is part of the new normal throughout the global scenario. The permanent change in lifestyles coupled with a growing deterioration of the planet caused by global warming are the other central axes in this new scenario.

This situation has put our strength and resistance to the test, more so than ever before, and has also tested our ability to face and overcome very critical moments; it has fostered creativity and the need to generate positive changes that counteract or face such moments.

The response to this situation fundamentally depends on organizations being able to attract, develop and retain the best possible human talent. It is this talent

 **HAVING A HIGHLY DIVERSE  
TEAM ALSO ALLOWS US TO  
EXPLORE BROADER AND MORE ORIGINAL  
SOLUTIONS.SOLUTIONS.**

who, with a proactive, assertive, and very positive attitude, has the challenge of successfully adapting their plans, preparing alternative schemes or reformulating their short- and medium-term programs in the face of permanent change. Having a highly diverse team also allows us to explore broader and more original solutions.

In the midst of the current situation, private companies continue to be the true engine and driving force of the economy, as well as promoter of investment and employment which are what generate progress and development in the long run.

In the past year, this vision led us to build a new kiln in our plant in the city of Pacasmayo with the most sophisticated and eco-friendly technology on the planet; we continued our commitment to building solutions to facilitate, enrich and modernize the construction sector; it also led us to promote and directly implement large-scale works with social and economic impacts through the works-for-taxes mechanism; and to the digital transformation of our distribution channels always putting the client at the center of every decision.

We were able to continue to strengthen our permanent and proactive relationship, coordination, and support for the people who welcome us with joy. We owe ourselves to our communities and we will always continue to support their permanent development.

Finally, I want to thank the continuous efforts of all the members of the great Pacasmayo family for their

commitment which has already exceeded 65 years but remains unchanged through all the circumstances we have gone through.

Likewise, I would like to renew above all our unwavering faith in the future of this great nation that is Peru.

**Eduardo Hochschild Beeck**  
Chairman of the Board

**PRIVATE COMPANIES  
CONTINUE TO BE THE  
TRUE ENGINE AND  
DRIVING FORCE OF  
THE ECONOMY**





CHAPTER 1

**OUR  
PERFORMANCE  
IN 2023**





# OUR PERFORMANCE IN 2023

[GRI 3-3 Economic Value Generation] [GRI 201-1] [GRI 201-2]

At Cementos Pacasmayo we share the dream of building a prosperous and sustainable country together. That is why we are committed to the continuous improvement of our operational processes and the strengthening of relationships with our stakeholders. We managed the impact of our actions by investing in sustainability. Consequently, we created spaces of importance for our employees and had an impact on the growth of our communities; we operated responsibly with society and the environment; acted with integrity and provided building solutions and products of the highest quality, all designed to build a Peru with resilient infrastructure.



In 2023 we achieved positive results in a unique context of parallels between economic recovery and the symptoms of the global and local crises. Therefore, it is with great pride that we present this year's achievements:

**2023 Net Sales:**

**S/ 1,950.08  
MILLIONS**

**Financial Revenue:**

**S/ 7.25  
MILLIONS**

**Other Revenue:**

**S/ 3.22  
MILLIONS**

**Economic Value Generated (EVG):**

**S/ 1,960.55  
MILLIONS**

**Suppliers (Stock and Services):**

**S/ 1,267.56  
MILLIONS**

**Employees (Salaries and Social Benefits):**

**S/ 289.01  
MILLIONS**

**Community (Social Programs):**

**S/ 9,590,521**

**Government (Income Tax + Other Taxes):**

**S/ 107.40  
MILLIONS**

**Shareholders (Dividends):**

**S/ 190.30  
MILLIONS**

**Net Financial Expenses:**

**S/ 99.09  
MILLIONS**

**Economic Value Distributed (EVD):**

**S/ 1,962.90  
MILLIONS**

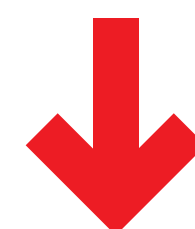
**Economic Value Withheld (EVW):**

**-S/2.40**



**2023 NET SALES**

**S/ 1,950.1  
MILLIONS**



**-7.8%**  
compared to  
2022

**2023 ADJUSTED EBITDA \***

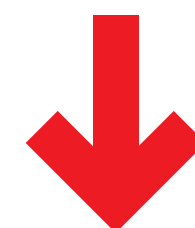
**S/ 518.3  
MILLIONS**



**4.9%**  
compared to  
2022

**2023 CEMENT, CONCRETE AND  
PRECAST PRODUCT DISPATCHES**

**2.95  
MILLIONS MT**



**-13.9%**  
compared to  
2022

**IN 2023:**

We recorded revenues of S/ 1,950.1 million soles, 7.8% below 2022, due to low levels of public and private investment which affected the demand for cement, and due to cyclone Yaku during the first months of the year. However, our 2023 adjusted EBITDA amounted to S/. 518.3 million soles, increasing 4.9% compared to 2022, mainly due to cost reduction and operational efficiency – as we stopped using imported clinker – began operating in our new more efficient kiln and benefited from more favorable raw material costs. Finally, our Cement, Concrete and Precast product shipments amounted to 2.95 million metric tons due to the fact that the sales volume of these solutions decreased by 13.9% compared to 2022, for the reasons mentioned above.

\*Adjusted EBITDA excludes the devaluation of Pacasmayo vertical kilns amounting to S/ 36.6 million.



## MAIN ACHIEVEMENTS IN 2023



We ranked 10th, climbing 5 positions. At the sectoral level we continue to rank 1st for the 7th consecutive year.



We ranked 12th. At the sectoral level we continue to rank 1st for the 7th consecutive year.



We ranked 11th, climbing 11 positions. At the sectoral level, we ranked 1st place.



Our General Manager, Humberto Nadal is recognized as a leader in the sector.



Winners of the Grand Prize for Sustainability of the II ESG and Sustainability Awards for the EcoSack



We are a member of the Sustainability Yearbook, and we are ranked 8th globally in the building materials sector.



We have been recognized for our good risk management.



The were recognized and granted the Grand Effie award for our disintegrable and environmentally friendly packaging, the EcoSack, in addition to 2 other Effie awards. The first, the gold award, in the category of 'Innovation in Product Marketing' and the other, the silver award, in 'Positive Change in the Environment' category.



Recognized as a "Zero Anemia Company" for generating a positive impact in the fight against anemia in the country.



We offset 100% of our 964 kg of CO<sub>2</sub> emissions by using Cabify.



We ranked top 3 in the Latin America construction sector in the '2023 Latin American Executive Team' and in the categories: Best Investor Relations Program, Best Investor Relations Team, Best CEO, Best CFO, Best Investor Relations Professional and Best Board of Directors. We were also awarded the "Most Honored Company" in Peru and Latin America for having the greatest accumulated success in the rankings.



We received for the 10th consecutive year the recognition of Peru Sostenible as a company with Sustainable Management (EGS).



# 1.1. WE ARE A COMPANY WITH PURPOSE

[GRI 2-1]

We are Cementos Pacasmayo S.A.A. (hereinafter, Pacasmayo), a Peruvian company whose purpose is **'To build together the future of your dreams'**. We specialize in the production, marketing and distribution of cement and building solutions, playing a key role in the development of our country. With a 65-year history, we have asserted our leadership in the sector, especially in northern Peru, a region that has grown alongside us.

We have been listed on the Lima Stock Exchange (BVL) since 1995 and this year we are celebrating eleven years of being listed on the New York Stock Exchange

(NYSE). We have come a long way since we took the bold decision in February 2012 to expand our horizons and commit to high standards of transparency and corporate governance.

Over the last decade, we have reached significant milestones such as the issuance of international bonds in 2013 and the inauguration of a new plant in Piura in 2016, which increased our cement capacity by 1.6 million tons. To date, we have managed to rank among the leading cement companies in the world.

We believe in the importance of integrating sustainability into our business strategy, a philosophy that has consolidated our position as a regional benchmark.

# 65years

## 2030 AIM 'BUILD THE FUTURE YOU DREAM OF TOGETHER'

### VISION

Be a leading company that provides building solutions anticipating the needs of clients and contributing to the country's progress.

### MISION

To create value for our investors by means of sustainable growth for the benefit of our clients, employees, communities and the country.

### CULTURAL PRINCIPLES



## OUR APPROACH TO SUSTAINABILITY

[GRI 2-12] [GRI 2-13]

At Pacasmayo we consider sustainability as a way to achieve profitable long-term businesses based on the commitment to improving the quality of life of citizens while fully respecting human rights. We understand the dynamics of our surroundings, as well as the expectations of our stakeholders. It's for this reason that we have set up a Sustainability Committee which is made up of the three vice-presidents and key leaders of the organization. This body executes and guides our actions pursuant to the 2023 Sustainability Plan. The Committee meets bimonthly having held six sessions in 2023.

The board oversees annually the management of environmental, social and governance impacts, with Javier Durand, chair of the Sustainability Committee, being responsible for reporting on progress on this matter. It should be noted that the **Sustainability area** was created in 2022 and the **Climate Change Committee** was created in 2023 to strengthen governance in sustaina.



**WE CONSIDER SUSTAINABILITY AS A WAY TO ACHIEVE PROFITABLE LONG-TERM BUSINESSES BASED ON THE COMMITMENT TO IMPROVING THE QUALITY OF LIFE OF CITIZENS WHILE FULLY RESPECTING HUMAN RIGHTS**





## MEMBERS OF THE 2023 SUSTAINABILITY COMMITTEE



**CARLOS JULIO  
POMARINO**

Vice-President  
of the Cement  
Business



**JAVIER  
DURAND**

Vice-President  
of Legal and  
Corporate  
Compliance



**MANUEL  
FERREYROS**

Vice-President of  
Administration and  
Finance



**ALDO  
BERTOLI**

Central Business  
Manager



**DIEGO  
ARISPE**

Central Manager  
of Corporate Social  
Responsibility



**DIEGO  
REYES**

Central Manager of  
Risks, Supply Chain  
and Administration



**MARCO  
MORALES**

Manager of Safety,  
Occupational  
Health,  
Environment and  
Management  
Systems



**IBRAHIM  
CHAHUÁN**

General Manager  
of Building  
Solutions



**PEGGY  
GUZMÁN**

Manager of  
Culture, ex and  
Compensation



**INÉS  
ROGGERO**

Central Manager  
of Innovation  
and Digital  
Transformation



**JULIO  
OROPEZA**

Central Manager of  
Operations



**TITO INOPE**

Central Manager  
of Corporate  
Excellence



**CLAUDIA  
BUSTAMANTE**

Manager of  
Sustainability and  
Investor Relations



**ISABEL  
MENDO**

Community  
Relations Analyst  
for Social  
Responsibility  
Management



# OUR 2030 SUSTAINABILITY STRATEGY

[GRI 2-22]

Our sustainability strategy is aligned to contribute to the fulfillment of the 2030 Agenda and the Sustainable Development Goals, in line with our purpose of building together the future of our dreams.





**PILLAR 01**

**ACT WITH INTEGRITY**

**ETHICAL BEHAVIOR**

Promote continuous improvement to foster a culture of integrity and an effective compliance model.

**CORPORATE GOVERNANCE**

Promote diligent, transparent, and responsible decision-making behavior.

**RISK MANAGEMENT**

Evaluate, monitor and mitigate ESG risks as part of the organization's comprehensive risk management.

**HUMAN RIGHTS**

Identify, evaluate, and mitigate the risks related to Human Rights as a consequence of our activities.

**PILLAR 02**

**BE OUR CLIENTS' BEST ALLY**

**SERVICE EXCELLENCE**

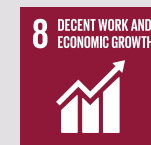
Strengthen our competitive position in the market by exceeding our clients' expectations.

**SUSTAINABLE AND RESILIENT PRODUCTS**

Consolidate demand for sustainable products.

**INNOVATION WITH OUR CLIENTS**

Generate value propositions specific to the needs of each type of client.



**PILLAR 03**

**DEVELOP EXTRAORDINARY TALENT**

**EMPLOYEE COMMITMENT**

Achieve a high sense of employee identification with and belonging to Pacasmayo.

**ATTRACTING, DEVELOPING AND RETAINING TALENT**

Secure the talent needed to spearhead change.

**FUTURE EMPLOYMENT**

Achieve an efficient and responsible future employment transition.



**PILLAR 04**

**GROW WITH OUR COMMUNITIES**

**LOCAL DEVELOPMENT**

Contribute to the improvement of the quality of life in our areas of influence.



**PILLAR 05**

**OPERATE RESPONSIBLY**

**SUPPLIER DEVELOPMENT**

Ensure sustainability standards in the value chain.

**OCCUPATIONAL HEALTH AND SAFETY**

Lead the safety standard in the industry.

**EMISSIONS**

Reduce our CO<sub>2</sub>eq emissions.

**CIRCULAR ECONOMY AND WASTE**

Increase the volume of reused waste in our operations.

**AIR QUALITY**

Mitigate the impacts of particulate matter in the air.

**PROTECTION OF BIODIVERSITY**

Protect and restore the biodiversity where we operate.

**WATER MANAGEMENT**

Manage our risks and impacts on water resources.

**2030 GOAL:**

- 3% water reduction per ton of cement produced.
- 100% of areas identified with water stress have a water management plan.



## MILESTONES IN SUSTAINABILITY

COMMITTED TO THE DREAMS OF THE FUTURE, THIS YEAR WE ACHIEVED THE FOLLOWING MILESTONES IN SUSTAINABILITY:



### JAN

- We ranked 12th in the Merco Responsibility ESG Ranking.
- We received the EDGE certification for our leadership and commitment to the sustainable construction of our corporate office.
- We obtained the ISO 37301 Compliance Management System certification and renewed the ISO 37001 Anti-Bribery Management System certification.

### FEB

- We obtained the certifications in ISO 14001 and 45001 for the Environmental and Health and Safety Management System, respectively; as well as renewed the ISO 9001 Quality Management System certification.

### MAR

- Cementos Pacasmayo and Dino SRL were recognized by the Ministry of the Environment with the 'Carbon Footprint Peru' seal. This is an official tool used by the Peruvian state to recognize public and private organizations that manage their Greenhouse Gas (GHG) emissions for the benefit of the environment.

### APR

- Launched CRECE+, a program that seeks to strengthen the value chain in our areas of influence through the development in stages of our suppliers, boosting growth and competitiveness, as well as promoting the adoption of good practices.

### MAY

- We became part of the S&P/BVL Peru General ESG index which recognizes us as one of the most sustainable companies in the Peruvian stock market.

### JUN

- We ranked 11th in Merco Talento general ranking.
- We received the Gran Effie for our EcoSack.

### JUL

- RWe received the Authorized Economic Operator (AEO) certification, a designation granted by SUNAT to companies with the highest foreign trade operator standards.
- For the 10th consecutive year we were recognized by Peru Sostenible as a company with Sustainable Management.
- DWe developed the #PacasmayoEcoeficiente Webinar - 25 years.



## AGO

- We inaugurated Kiln 4 at the Pacasmayo plant.
- We are the first and only cement company in Peru to certify all its products under the rigorous ICONTEC scheme 5.
- We were recognized as one of the 44 companies with the greatest accumulated success by the 2023 Latin American Executive Team Midcap survey, carried out by Institutional Investor magazine as the "Most Honored Company." In the cement and construction sector our leaders: Humberto Nadal, Manuel Ferreyros and Claudia Bustamante were recognized in the Top 3 as Best CEO, Best CFO and Best Investor Relations Professional in Latin America. In addition, we also ranked third place in the following categories: Company with Best Administrative Board, Best Investor Relations Program and Best Investor Relations Teams.

## SEP

- Merco Empresas TOP 10: We were recognized as one of the companies with the best reputation in Perú.
- Our DINO testing and metrology laboratories received Accreditation by the National Quality Institute (INACAL). This is a formal recognition of the technical competence of our laboratories to carry out tests and calibrations, generating high added value for our products.

## OCT

- We received our first electric vehicle at the Pacasmayo plant. With this pilot we will save on fuel consumption and continue contributing to the reduction of CO<sub>2</sub> emissions.
- Our CEO Humberto Nadal was recognized by Semana Económica, ranking 5th in the Top 25 most worthwhile CEOs in its 2023 edition.
- Our CEO Humberto Nadal was elected to the Board of Directors of the GCCA.
- We were recognized by Pacifico Seguros for our Risk Prevention Management.

## NOV

- We were recognized by Semana Económica with the Grand Prize for Sustainability and ranked first place in the Sustainable Innovation in Products and Services category thanks to the positive impact that our EcoSack has been generating.

## DEC

- For the fifth consecutive year we appeared on the Dow Jones MILA Sustainability Index.
- RWe renewed our packaging achieving a significant 5% reduction of ink coverage.



## OUR CLIMATE CHANGE STRATEGY

[GRI 3-3]

Reaffirming our commitment to be carbon neutral by 2050, we developed sustainable operations to build the future of our dream.

In 2023, we focused on developing a more sustainable operation, which is why we committed to optimizing our clinkerization process at the Pacasmayo plant. In addition, we sought to improve our performance in accordance with national and international standards. Therefore, we strengthened the analysis of scenarios aligned with the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) and carried out a diagnosis through our participation in the Carbon Disclosure Project (CDP) in the Climate Change category.



## WE DEVELOPED SUSTAINABLE OPERATIONS TO BUILD THE FUTURE OF OUR DREAM

### MAIN OPERATIONAL PROGRESS

We sought to maximize the use of our industrial assets by becoming increasingly efficient. Therefore, we optimized the cost of production and made operations more sustainable, which represented a competitive advantage in the markets where we operate. Creativity, methodology, innovation, and technological management of processes are very important matters to achieve competitiveness, and operations were managed under very strict premises of efficiency and competitiveness.

**Certification of products** under scheme 5 (More rigorous) pursuant to Supreme Decree No. 001-2022-PRODUCE.

**Start-up of Kiln 4 production**, which has the lowest caloric consumption, reducing CO<sub>2</sub> missions.

**Reduction of consumption of imported bituminous coal** for national coal (Pacasmayo plant).

**Reduction of electricity consumption** at the Pacasmayo plant.



**OUR ROADMAP  
TO CARBON  
NEUTRALITY**

[GRI 201-2] [R1] [LO2]

**PLANS BEGINNING IN 2023**

- Use of Green Hydrogen as a combustion enhancer in the clinkerization process. ➔ **YEAR OF IMPLEMENTATION 2024-2025**
- Implementation of co-processing at the Pacasmayo plant and progressively at other plants. Reach fossil fuel replacement levels of 20% by 2030. ➔ **START TESTING IN 2023 AND IMPLEMENTING IN 2026**
- Use of process waste (filter dust) as an additive in cement milling. ➔ **YEAR OF IMPLEMENTATION 2025**
- Implementation of Separate Grinding to optimize cement grinding and obtain a lower value of the cement clinker factor. ➔ **YEAR OF IMPLEMENTATION 2026**
- Use of Calcined Clays as an additive in cement milling. ➔ **YEAR OF IMPLEMENTATION 2026**

# 2050 CARBON NEUTRALITY

**2030**



**REDUCTION OF SPECIFIC CO<sub>2</sub> EMISSIONS.**



**ESTABLISHMENT OF THE PACASMAYO EMISSIONS REDUCTION PLAN**



**SCENARIO ANALYSIS: PHYSICAL AND TRANSITION RISKS**



**ALIGNMENT WITH THE FICEM PERU ROADMAP**

**2023**



**CREATION OF THE CLIMATE CHANGE COMMITTEE**



## MEMBERSHIPS

[GRI 2-28]

When we talk about building the future of our dreams, we are aware of the importance of being united. That is why we take part in initiatives, both national and international, that seek far-reaching purposes, and which are aligned with our short and long-term objectives.



We are members of the Global Cement and Concrete Association (GCCA) and Innovandi, who have been working on innovation to reduce CO<sub>2</sub> emissions in the cement and concrete industry to achieve the goal of becoming carbon neutral by 2050. In addition, we are the only Peruvian company on the GCCA Board of Directors.

Our management is aligned with the [Peru Cement Industry Roadmap](#), document to which we contribute together with FICEM and the Association of Cement Producers of Peru (ASOCEM). This roadmap shows the strategy to be followed so that, by the year 2030, we can significantly reduce the industry's emissions.

We participated in the process of developing a global Blue Dot Network (OECD) certification, to promote sustainable infrastructure.

We work hand in hand with the Green Building Council Peru to evaluate the characteristics of our products that contribute to obtaining sustainable construction certifications.

We are members of the UN Global Compact, thus contributing to the acceleration of the positive impact of the private sector, the 2030 Agenda and the Sustainable Development Goals (SDGs).



## STOCKHOLDERS

[GRI 2-6] [GRI 2-25] [GRI 2-29]





At Pacasmayo we have a strategic perspective. Our stakeholders are a fundamental part of what we do, as they represent the cogs of the gear that allow us to continue growing and driving development.

In addition, we have different documents available which guide our relationship with stakeholders. These guidelines apply to all our operations: :



- [Corporate Social Responsibility Policy](#)
- [Manual for crisis communication management](#)
- [Social Management Report](#)
- [Social Management Strategy](#)
- [Concerns and Complaints Channel](#)
- [Responsible Communication Guidelines](#)





STAKEHOLDER	DEFINITION	DIALOG MECHANISM	FREQUENCY	MAIN TOPICS AND CONCERNS
 <b>Communities</b>	<p>They are the communities in our areas of influence.</p> <p><b>Identification and Selection</b></p> <ul style="list-style-type: none"> <li>Through the Information and Social Management System.</li> <li>RelacionAR Pacasmayo Perception Study (every two years).</li> </ul>	<ul style="list-style-type: none"> <li>Digital media</li> <li>Calls</li> <li>Extraordinary in-person meetings</li> </ul>	Weekly	<ul style="list-style-type: none"> <li>Corruption</li> <li>Environmental pollution</li> <li>Water services</li> <li>Fight against poverty</li> <li>Illegal loans (drop by drop)</li> <li>Drain and sewerage system</li> <li>Extortion</li> <li>Roads</li> <li>Violence against women</li> <li>Land trafficking</li> <li>Alcoholism and drug addiction</li> <li>Employment</li> <li>Citizen security</li> <li>Medical centers</li> <li>Working conditions</li> <li>Prostitution</li> <li>Education</li> <li>Medicinal oxygen</li> <li>Drug trafficking</li> <li>Electricity/Telephony</li> <li>Informal mining</li> <li>Agriculture</li> <li>Internet</li> </ul>
 <b>Government Regulatory</b>	Regulatory institutions and territorial governments (local, regional, national)	Emails	As needed	<ul style="list-style-type: none"> <li>Social and environmental standards and regulatory compliance</li> <li>Transparency</li> <li>Ethics and Integrity</li> </ul>
 <b>Suppliers</b>	<p><b>Identification and Selection</b></p> <ul style="list-style-type: none"> <li>Two criteria: (1) Importance and risks of sustainability; (2) Purchase volume.</li> </ul>	<ul style="list-style-type: none"> <li><b>Strategic Partner Suppliers:</b> Coordination meetings are held.</li> <li><b>All suppliers:</b> Customer service channel.</li> </ul>	<ul style="list-style-type: none"> <li><b>Strategic Partner Suppliers:</b> Quarterly.</li> <li><b>All suppliers:</b> According to the needs and requirements of operations.</li> </ul>	<ul style="list-style-type: none"> <li>Payment chain</li> <li>Resizing operations after the pandemic</li> </ul>
 <b>Shareholders/ investors</b>	The company's current shareholders, and any potential ones who have been identified as such (through meetings or contacts and have asked to be part of the distribution list).	<p>Minimum periodicity: Quarterly</p> <ul style="list-style-type: none"> <li>Digital media</li> <li>Calls</li> <li>Extraordinary in-person meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>The company's financial results</li> <li>Sustainability strategy</li> <li>Actions to tackle climate change</li> </ul>



STAKEHOLDER	DEFINITION	DIALOG MECHANISM	FREQUENCY	MAIN TOPICS AND CONCERNS
 <p><b>Clients</b></p>	<ul style="list-style-type: none"> <li>■ Master builders / self-builders</li> <li>■ Hardware stores</li> <li>■ Partners</li> <li>■ Construction companies</li> </ul>	<p><b>Master builders:</b></p> <ul style="list-style-type: none"> <li>■ Daily: construyexperto.pe, WhatsApp Don Manuel.</li> </ul> <p><b>Self-builders:</b></p> <ul style="list-style-type: none"> <li>■ Social networks.</li> </ul> <p><b>Hardware stores</b></p> <ul style="list-style-type: none"> <li>■ Weekly: FerreXperto, in-person visits.</li> <li>■ Bimonthly: Email.</li> </ul> <p><b>Partners:</b></p> <ul style="list-style-type: none"> <li>■ Monthly: Channels, portal, in-person visits, email, telephone surveys.</li> </ul> <p><b>Construction companies:</b></p> <ul style="list-style-type: none"> <li>■ Daily: PacasPro app</li> <li>■ Weekly: In-person visits</li> <li>■ Fortnightly: In-person interviews and training, email and WhatsApp.</li> </ul>	<p>As needed</p>	<p><b>Self-builders:</b> Have a long-lasting home, built with resistant products.</p> <p><b>Hardware stores:</b> Have products that have guarantees, are of good quality and are good brands.</p> <p><b>Construction companies:</b> Adequate service, guarantee, fulfillment of shipme.</p> <p><b>Adequate credit conditions</b></p> <ul style="list-style-type: none"> <li>■ Continuity of operations (dispatches/sales).</li> <li>■ Adequate credit conditions.</li> <li>■ Inventory status .</li> </ul>
 <p><b>Shareholders/ investors</b></p>	<p>They are the face and engine of our company.</p> <p><b>Identification and Selection</b></p> <ul style="list-style-type: none"> <li>■ We have a recruitment and selection procedure in place aimed at the meeting the company's talent needs.</li> </ul>	<p>Workplace, WhatsApp, CCII tray, Ponte al Dia [Stay Up to Date] corporate news, murals (locations), posters (Lima offices and locations), YouTube, and branding</p>	<ul style="list-style-type: none"> <li>■ Ongoing</li> <li>■ Via communication campaigns (branding only)</li> </ul>	<p>Health, safety culture, cultural spaces, ethical culture, cybersecurity culture, sustainability, digital transformation, diversity and inclusion, volunteering, social welfare, mental health, benefits, hybrid work</p>



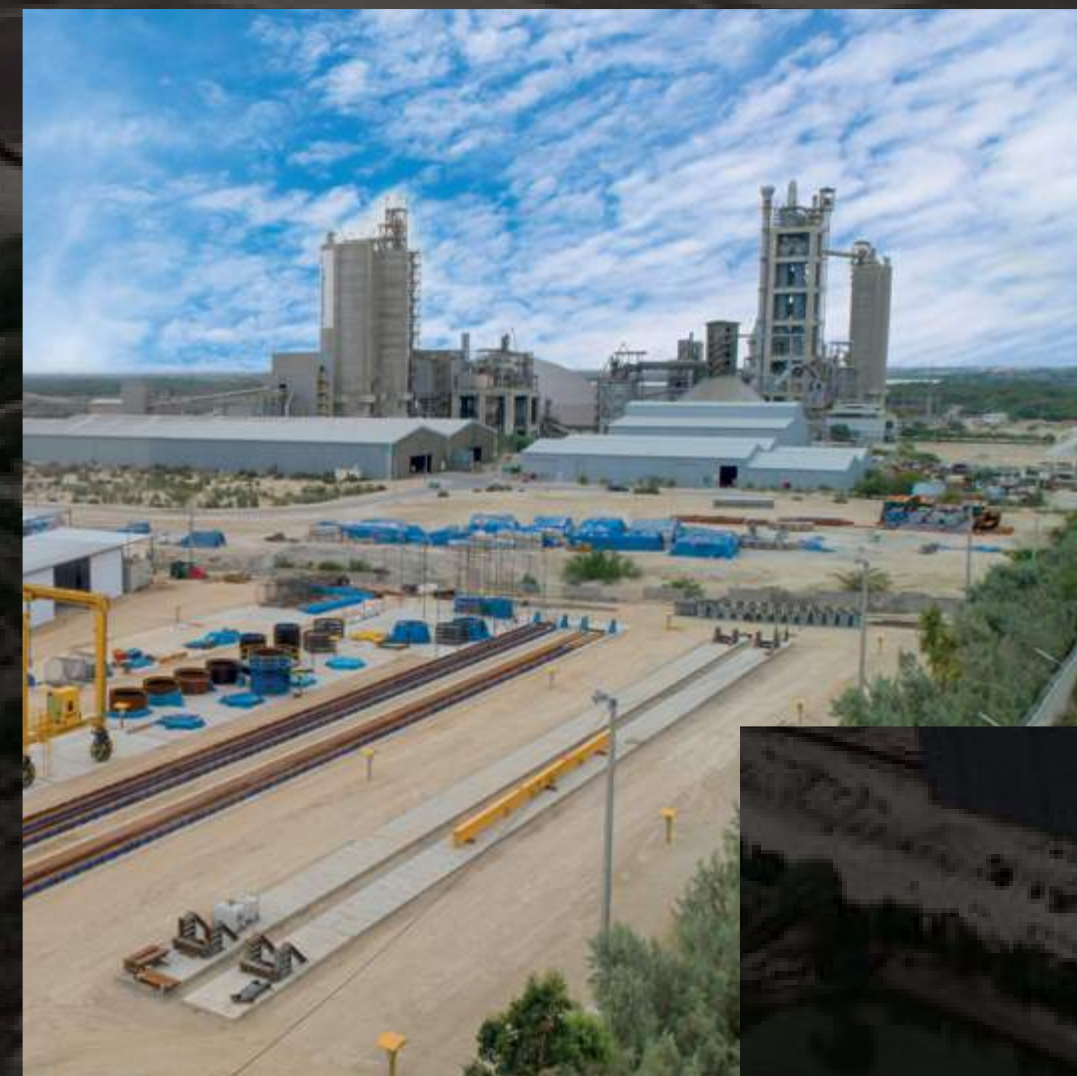
## 1.2. WE PROVIDE BUILDING SOLUTIONS

### THE CEMENT INDUSTRY [GRI 2-6]

The cement industry in Peru is a strategic sector for the country's economy, contributing significantly to the development of construction and employment growth. Despite the 11% drop in cement shipments compared to the previous year, the country's cement companies and Cementos Pacasmayo have learned to adapt to the emerging challenges of the industry and the country's situation.

Peruvian cement companies are committed to continue investing to meet the demand for cement in the country, delivering quality products and contributing to Peru's sustainable development by improving the well-being of its people.

### CEMENT PRODUCTION [GRI 2-1]



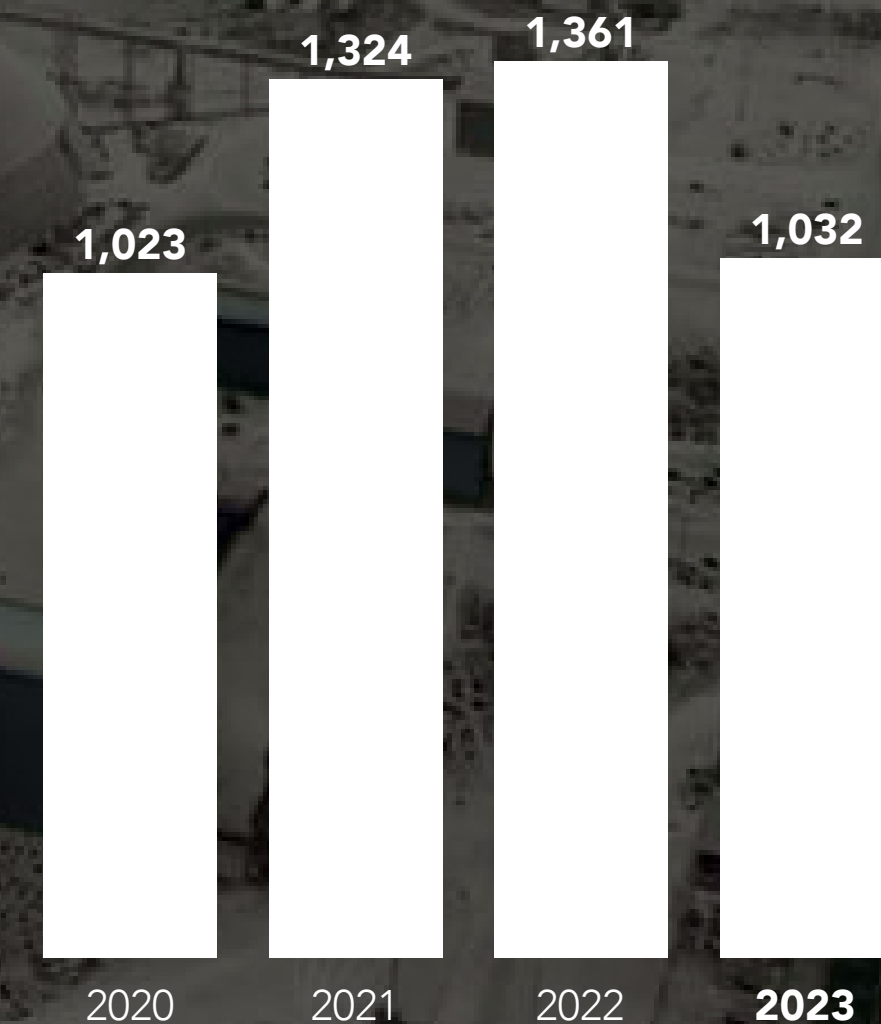
# PIURA PLANT

LOCATION:  
**300 KM**  
north of Pacasmayo

CEMENT PRODUCTION CAPACITY:  
**1.6 MM MT**  
per year

CLINKER PRODUCTION CAPACITY:  
**1.0 MM MT**  
per year

Production evolution in millions of MT





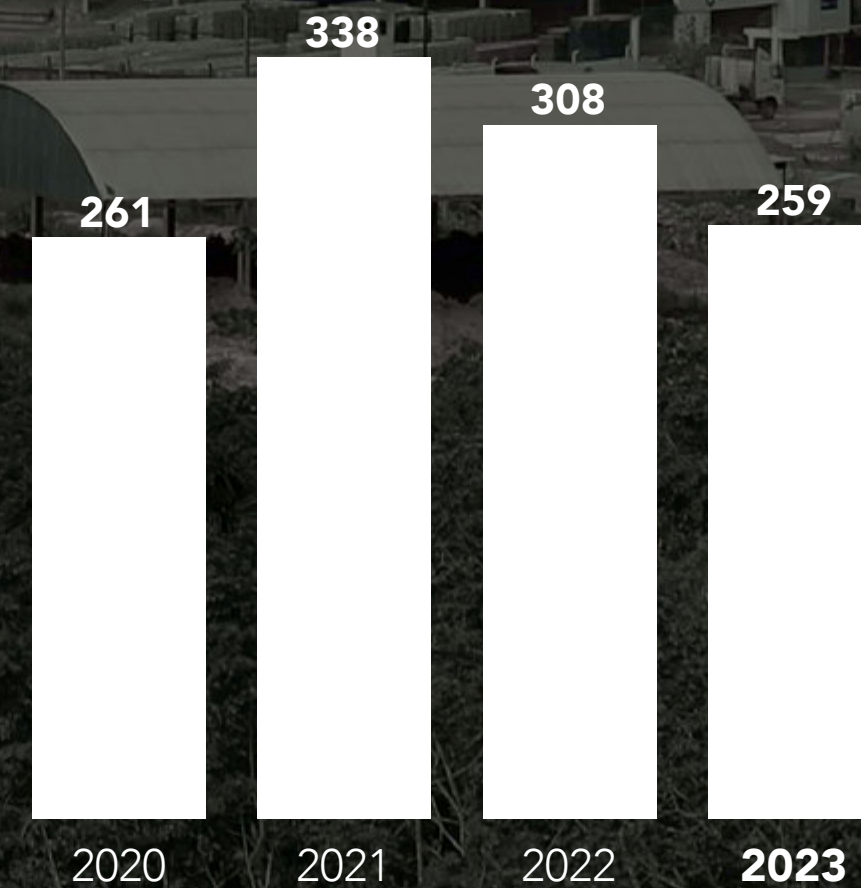
# RIOJA PLANT

LOCATION:  
**468 KM**  
east of the Pan-American Highway

CEMENT PRODUCTION CAPACITY:  
**440K TM**  
per year

CLINKER PRODUCTION CAPACITY:  
**290K TM**  
per year

Production evolution in  
millions of MT





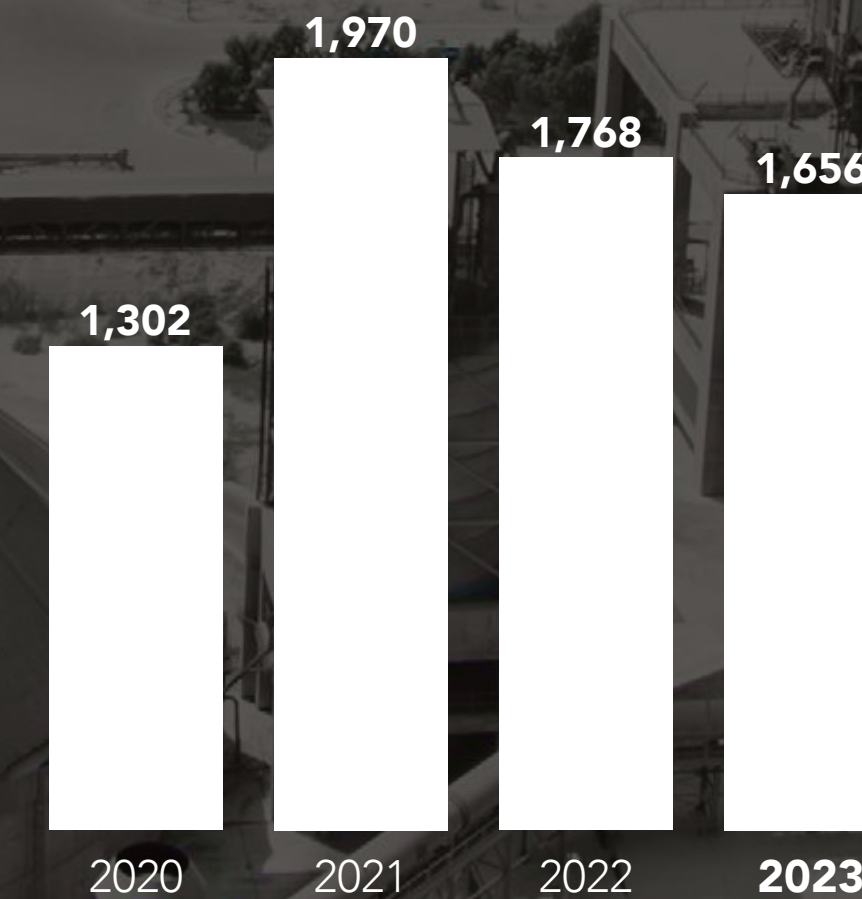
# PACASMAYO PLANT

LOCATION:  
**667 KM**  
north of Lima

CEMENT PRODUCTION CAPACITY:  
**2.9 MM MT**  
per year

CLINKER PRODUCTION CAPACITY:  
**1.8 MM MT**  
per year

Production evolution in millions of MT





## TYPES OF PRODUCTS

Our clients drive every creation, every service, and every solution we offer. Each item we present carries with it the essence of the highest quality on the market, carved with the dedication of those who dream big.

It should be noted that in 2023 we managed to obtain the demanding and rigorous type 5 certification for our products, under the Technical Regulation on Hydraulic Cement used in Buildings and Constructions in General (Supreme Decree No. 001-2022-PRODUCE). This certification is the most demanding and rigorous in terms of product certification, being the only cement company nationwide that has it. The certification guarantees the production, marketing, and quality assurance system of all our cements.



### CEMENT

Specialized cements to meet the needs of our customers



### LIGHTWEIGHT PRECASTS

Precast concrete elements, ready to use on site



### HEAVYWEIGHT PRECASTS

Custom-made industrialized concrete structures



### READY-MIX CONCRETE

Innovative solutions of the highest quality that meet the diverse needs of each client



### BAGGED SOLUTIONS

Pre-dosed solutions prepared under the highest quality standards, ready to use



### PAINT

Paint made with excellence in quality developed based on our customers' needs



### LIME

Guaranteed quality and comprehensive logistics, which allow high performance and continuity of operations



### PAVEMENTS

Rigid pavement with concrete, interlocking pavement and cement floor that promote the economic, social and environmental development of our country



## BUILDING SOLUTIONS

At Cementos Pacasmayo we are immersed in a story of purpose and responsibility. Every technological development and every breakthrough in our materials represent a chapter in our transformation story.

We strive to be not only builders, but also guardians of a future where our constructions not only endure but contribute to a more sustainable and balanced world for generations to come, and which will bridge infrastructure gaps and address the challenges of climate change.



**WE STRIVE TO BE NOT ONLY BUILDERS, BUT ALSO GUARDIANS OF A FUTURE**





**EMBLEMATIC WORKS**



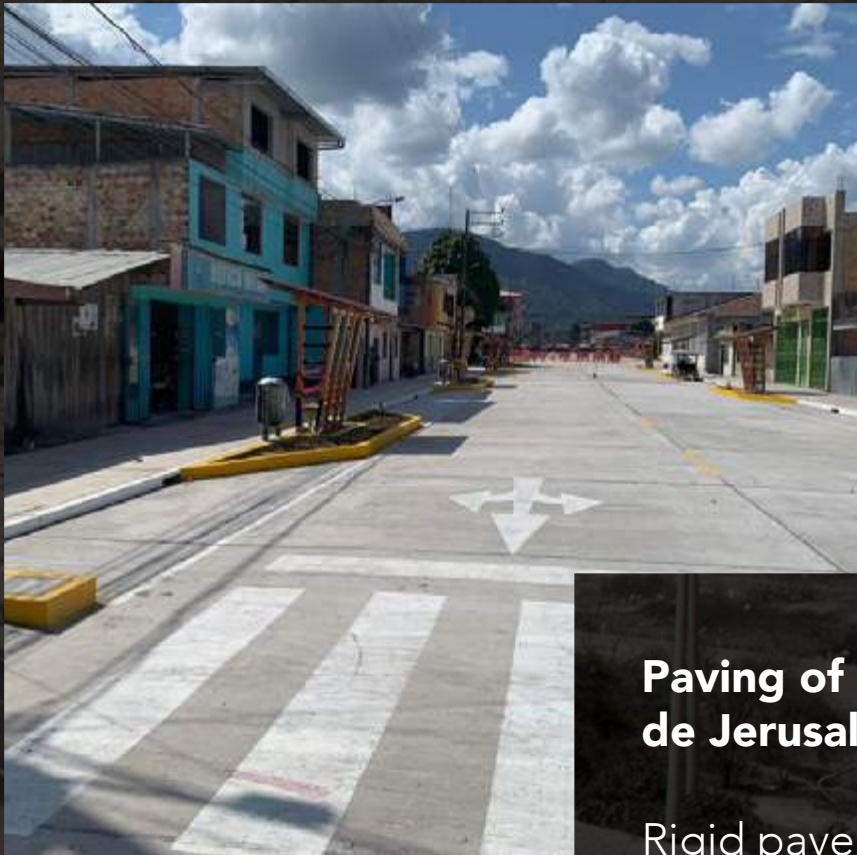
**Paving of Urb. Casa Blanca - Centenario**

Rigid pavement was used.



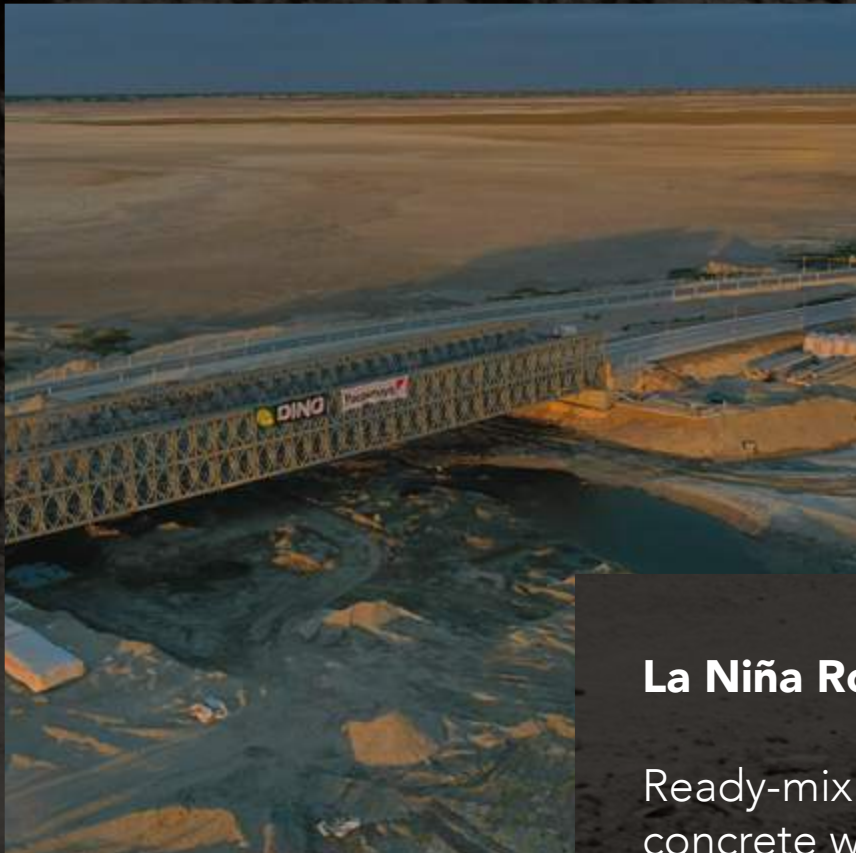
**Quebrada El León Trujillo**

Ready-mixed concrete was used.



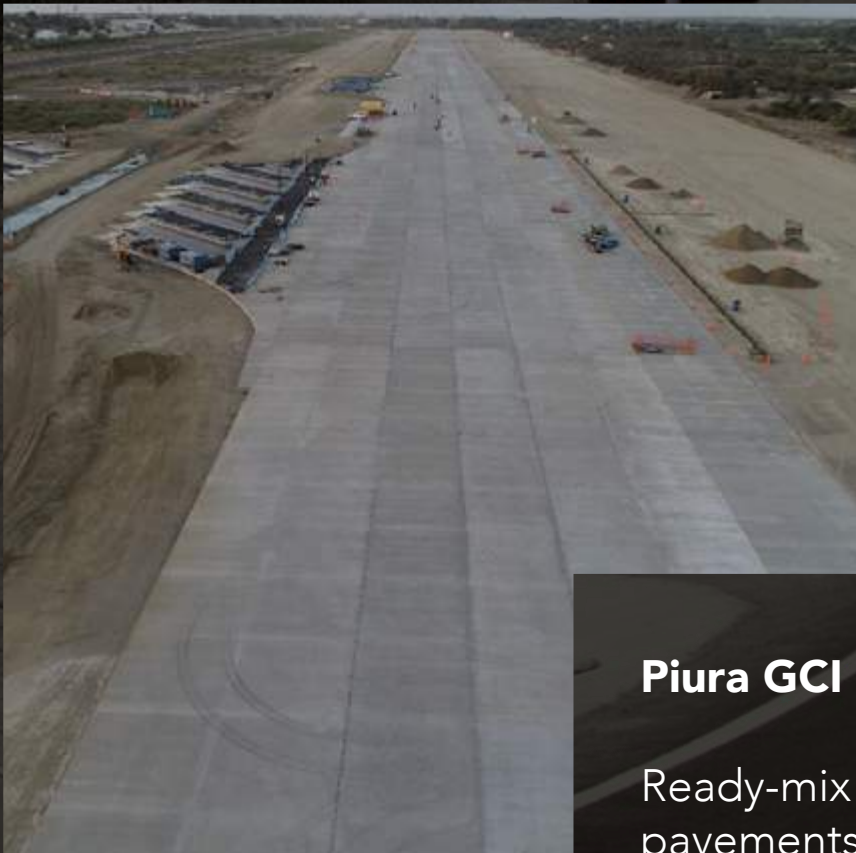
**Paving of 2da de Jerusalén**

Rigid pavement was used.



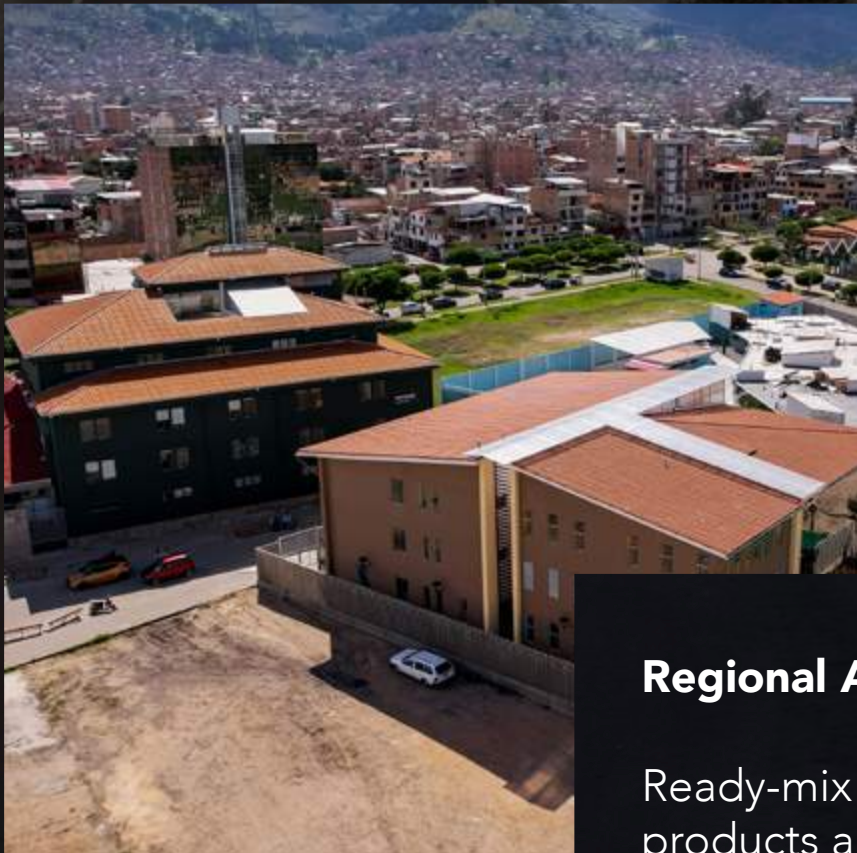
**La Niña Route**

Ready-mix concrete and precast concrete were used.



**Piura GCI International Airport\***

Ready-mix concrete, rigid and precast pavements were used.



**Regional Archive of Cajamarca**

Ready-mix concrete, precast, bagged products and paint were used.

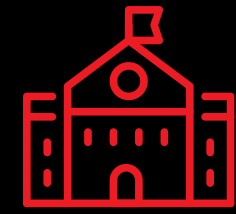
\*Still under construction



CHAPTER 2

**WE BUILD  
THE FUTURE  
TODAY**





## GOVERNANCE

**+5.7%**

Gross profit compared to the previous year.

**100%**

Directors and employees have received communication about anti-corruption policies and procedures.

**ZERO**

Administrative processes related to corruption.





**SOCIAL**

**+S/ 1,4 MM**

Social investment for cyclone yaku response.

**ZERO**

**FATAL ACCIDENTS** of employees and contractors.

**ZERO**

**CONFLICTS** with our communities and surrounding areas.

**+0.9%**

Employee engagement regarding the previous year.



**ENVIRONMENTAL**

**-4.6%**

Reduction of CO<sub>2</sub> emissions of scope 1 compared to the previous year.

**-11.7%**

Reduction of non-renewable energy consumption compared to the previous year.

**-51.2%**

Reduction of the total waste generated compared to the previous year.





## 2.1. WE ACT WITH INTEGRITY

### GOOD CORPORATE GOVERNANCE

GRI 2-9] [GRI 2-10] [GRI 2-14] [GRI 2-17] [GRI 2-18] [GRI 2-19]

Our goal is to comply with the best national and international practices in Corporate Governance and for this, we promote diligent, transparent, and responsible decision-making behavior. Our approach to maintaining the high standards achieved so far is not only willingness, but a continuous commitment to the sustainable success of our company. In this sense, we seek that our Corporate Governance represent excellence for the benefit of our investors and all our stakeholders.

The highest governing body is the [Board of Directors](#), made up of seven members: one Executive Director and six Non-Executive Directors (the number of directors to be elected is decided by the General Shareholders Meeting).

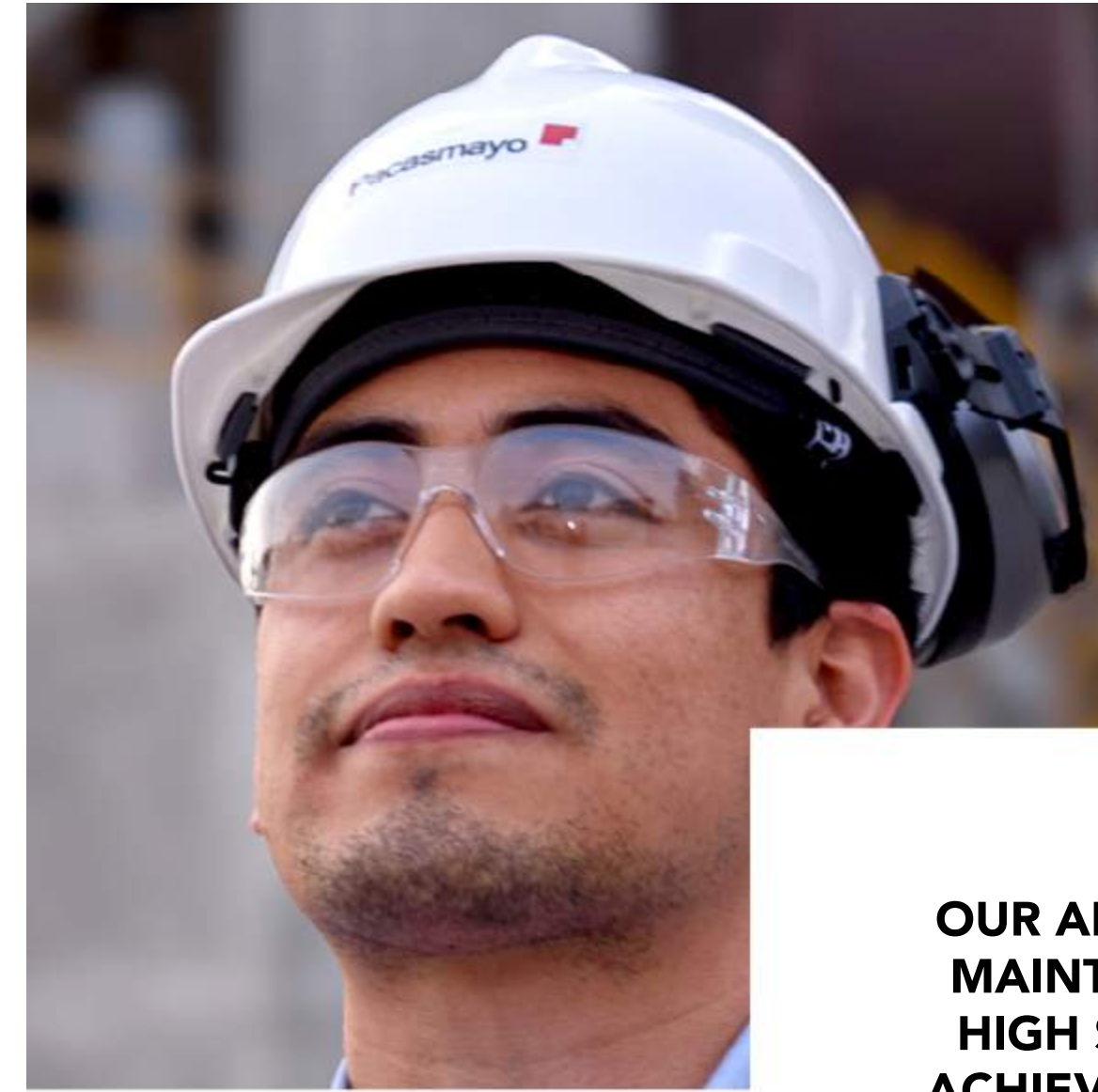
In accordance with the provisions of the Articles of Incorporation, the Board of Directors shall consist of a minimum of seven and a maximum of eleven members. Before the election, the General Shareholders Meeting shall agree on the number of Directors to be elected for the corresponding period. Directors

shall be elected for periods of three years, except for appointments made to complete terms of office. Directors can be re-elected.

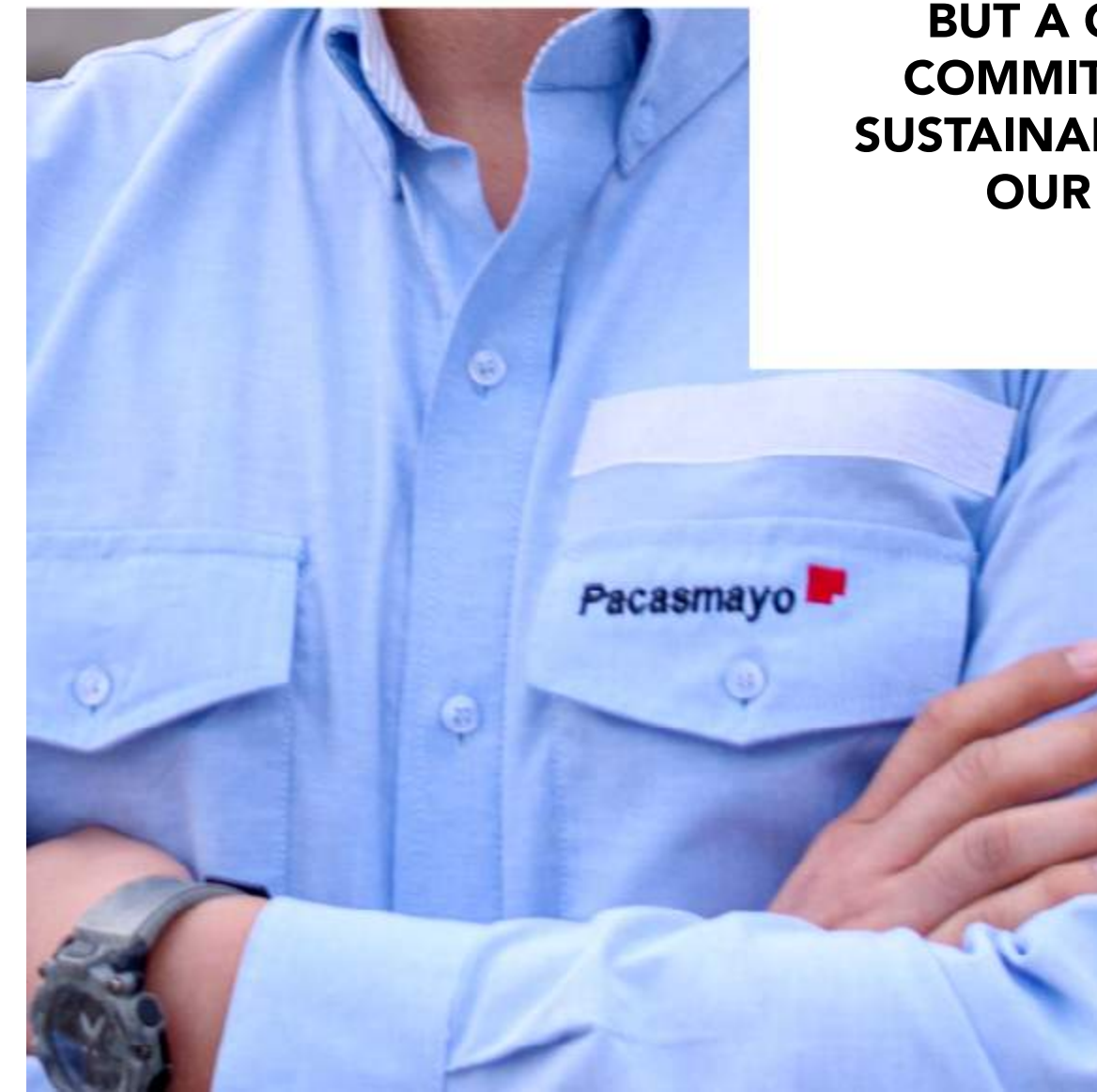
The election and nomination process set forth in the [Regulations of the Board of Directors](#), ensures that the Board includes diverse members with appropriate experience, knowledge, skills, competencies and qualifications, including financial literacy and other relevant experience to perform their duties and the management of impacts of the organization, as well as to complement the skills already available to the administrative body, taking into account the specific needs of the company and its shareholders. Also, as part of our commitment to diversity and equity, we do not discriminate on the basis of diversity factors such as gender, age, geographic origin, race, socioeconomic status, religion, among others. For election purposes, each share gives the right to as many votes as there are directors to be elected, and each shareholder can accumulate their votes in favor of a single person or distribute them among several.

The Board carries out an annual evaluation of the performance of its members as well as the Board as a collegiate body and reviews the development of the work entrusted to the committees. The Good Corporate Governance Committee establishes the guidelines and the appropriate process for conducting these evaluations, where the suggestions of each of the Directors can also be taken into consideration.

The independence requirements included in our directors' [Independence Affidavits](#) define 'Non-executive Directors' as such Directors who are not related to



**OUR APPROACH TO MAINTAINING THE HIGH STANDARDS ACHIEVED SO FAR IS NOT ONLY WILLINGNESS BUT A CONTINUOUS COMMITMENT TO THE SUSTAINABLE SUCCESS OF OUR COMPANY**



the majority shareholders (within the second degree of consanguinity or affinity) or to the management team of the Company. They have an impartial view, free of conflicts of interest, are not subject to personal, patrimonial or economic interests and are called to be members of the Board given their professional careers, honesty, sufficiency and economic independence, and dissociation from the Company, its shareholders or directors. To date, the average tenure of Board members is 10.4 years.

The offices of the President and the CEO are separate. The duties of the Chairperson are detailed in the [Regulations of the Board of Directors](#) and those of the CEO in the [Articles of Incorporation of Cementos Pacasmayo S.A.A.](#) Among other duties, the Board reviews and approves the Integrated Annual Report, before it is shared in the public domain, in addition to overseeing compliance with laws, financial reporting and public disclosures made to this end. Thus, on an annual basis, the company carries out training and awareness sessions regarding sustainability, ethics and risk management, with the aim of increasing the collective knowledge, skills and experience of the highest governance body.

**OUR BOARD OF DIRECTORS**

[GRI 2-9] [GRI 2-11]

**Non-Executive Director:**

**EDUARDO HOCHSCHILD BEECK**

- Chairman of the Board of Directors of Cementos Pacasmayo, Hochschild Mining plc, Inversiones ASPI S.A., Aclara Resources and the Board of Directors of UTEC and TECSUP.
- **Experience:** Materials, construction and mining industry.

**JOSÉ RAIMUNDO MORALES DASSO**

- Vice President of the Board of Directors of Cementos Pacasmayo, Banco de Crédito del Perú and Pacífico Compañía de Seguros and Director of Atlantic Security Holding Corporation.
- **Experience:** gRisk Management and Corporate Finance .

**ANA SOFÍA HOCHSCHILD CORREA**

- Graduate in Psychology from IE University in Madrid, pursuing a master’s degree at Harvard, and participating in the Educational Leadership, Organizations, and Entrepreneurship program.
- **Experience:** Innovation and Digital Transformation.

**Independent Director:**

**ANA MARÍA BOTELLA SERRANO**

- Executive President of the Integra Foundation and Director of Programs of the Atlantic Institute of Government. Member by opposition of the Superior Corps of Civil Administrators of the Spanish State.
- **Experience:** Risk Management, Public Policy, Legal and Sustainability .

**VENKAT KRISHNAMURTHY**

- Co-founder of Alignable, North America's largest network medium-sized businesses, and of Gita Krishnamurthy Vidyalaya. Director of the private Internet travel company Grand Circle Corporation.
- **Experience:** Cybersecurity .

**ESTEBAN CHONG LEÓN**

- Full Professor at the Universidad del Pacífico, Head of the Accounting Department and Chairman of the Admissions Council of said university. Retired partner of PricewaterhouseCoopers Peru (PwC) with over 36 years of professional experience.
- **Experience:** Accounting and Risk Management .

**Executive Director :**

**HUMBERTO NADAL DEL CARPIO**

- CEO of Cementos Pacasmayo, Vice President of the Board of Directors of Ferreycorp. He is also the CEO and Director of ASPI, Fosfatos del Pacífico and FOSSAL. Former Chairman of the Board of Directors of the Mi Vivienda Fund and of the Board of Trustees of Universidad del Pacífico.
- **Experience:** Materials, construction and mining industry, Risk management, Corporate finance and Public Policy.



**OUR BOARD COMMITTEES**

[GRI 2-9] [GRI 2-15] [GRI 2-16]

PILLAR 01

**EXECUTIVE COMMITTEE**

It is primarily responsible for supervising and supporting the management of Cementos Pacasmayo in the execution of the agreements adopted by the Board of Directors, implementing the strategy approved by the Board, meeting the short- and medium-term goals, as well as designing action plans to fulfill such goals.

- Eduardo Hochschild Beeck
- Raimundo Morales Dasso
- Humberto Nadal del Carpio

**COMMITTEE ON SUSTAINABILITY AND GOOD CORPORATE GOVERNANCE**

It reviews the organizational structure of the Board and its Committees, proposes the nomination of candidates and oversees the evaluation of the performance and effectiveness of the Directors. It also defines the criteria for being an independent director and monitors, together with the Audit Committee, compliance with BGC procedures. It also monitors the Sustainability Strategy and oversees the effectiveness of Sustainability Practices.

- Eduardo Hochschild Beeck
- Raimundo Morales Dasso
- Humberto Nadal del Carpio

**AUDIT COMMITTEE**

Responsible for reviewing the Financial Statements, evaluating internal controls and procedures; and risk management. It is also responsible for overseeing the effectiveness of the anti-bribery prevention model and ESG risk management. All complaints received during the management period are reported to this committee. It is responsible for reporting to the Board of Directors on emerging issues regarding quality or integrity.

- Ana María Botella Serrano
- Venkat Krishnamurthy
- Esteban Chong León

**FREE COMPETITION GOOD PRACTICES COMMITTEE**

Responsible for approving and implementing policies and programs to train our employees on good free competition practices, as well as to ensure compliance with regulations on free competition and antitrust regulations.

- Eduardo Hochschild Beeck
- Raimundo Morales Dasso
- Humberto Nadal del Carpio



## ETHICS AND COMPLIANCE

[GRI 3-3] [GRI 2-15] [GRI 2-23]

Our essence is aligned with the highest standards of legality and ethics. From senior management to each employee, everyone is committed to actions that reflect our responsibility to ethical principles in all operations.

Our goal is to root ethics at the very core of our corporate identity; not only training outstanding professionals, but instilling in people solid values, positioning ethics as one of the pillars that guides every step we take as a company.

In particular, our [Code of Conduct](#) and our Prevention Model cover the following aspects: Prevention of corruption and bribery, money laundering and terrorist financing, anticompetitive practices; discrimination and human rights, confidentiality of information, conflicts of interest, insider trading, environment, health and safety at work, respect for communities and whistleblowing. If there are complaints regarding any of these matters, they are duly reviewed, and the Compliance Officer includes it in their report to the Audit Committee.

For its part, the Integrated Anti-Bribery and Compliance Policy provides protection and surveillance me-

chanisms against corruption and the aforementioned crimes in any of their forms. It is also complemented by the Anti-fraud Policy, and the Handbook for the Prevention of Money Laundering and Financing of Terrorism, which establish provisions regarding political, charitable and sponsorship contributions.

We are also committed to free and fair competition in the market. Our main goal is for our consumers to benefit from this competition. This commitment affects all levels of the company and must be strictly fulfilled by each and every one of its members, as indicated in our Competition Policy.

In order to prevent and mitigate conflicts of interest, we have in place a Related Party Operations Policy which sets out the guidelines and procedures for the approval and disclosure of certain transactions between the Company and other parties, including transactions between the economic group, the Company, and other parties. as well as to learn about commercial or personal relationships maintained by Directors and Managers with the Company, with their suppliers or clients, and other stakeholders. Also, conflicts of interest are regulated in the Company Code of Conduct and the Regulations of the Board of Directors. In addition to all this, being on different boards of directors, shareholding, and related parties, is also reported in the Report on the Compliance of the Good Corporate Governance Code for Peruvian Companies.

Some of the Policies that guide our daily activities are:

MAIN CORPORATE POLICIES	LAST UPDATED	APPROVAL LEVEL
<a href="#">Zero Tolerance Discrimination Policy</a>	2023	Board of Directors/General Manager
<a href="#">Occupational Health and Safety Policy</a>	2023	
<a href="#">Environmental Policy</a>	2022	
<a href="#">Integrated Anti-bribery and Compliance Policy</a>	2022	
<a href="#">Complaints Policy</a>	2022	
<a href="#">Diversity Policy</a>	2022	
<a href="#">Tax Policy</a>	2022	
<a href="#">Human Rights Policy</a>	2021	
<a href="#">Compliance Policy vis-à-vis the Public Sector</a>	2021	
<a href="#">Supplier Code of Conduct</a>	2021	
<a href="#">Code of Conduct</a>	2020	
<a href="#">Integrated Anti-Bribery and Compliance Manual</a>	2020	
<a href="#">Corporate Social Responsibility Policy</a>	2019	
<a href="#">Anti-fraud Policy</a>	2017	
<a href="#">Handbook for the Prevention of Money Laundering and the Financing of Terrorism</a>	2017	
<a href="#">Competition Policy</a>	2012	

**OUR PREVENTION MODEL**

[GRI 205-1]

Our Prevention model, certified under ISO 37001:2016 standard, allows us to prevent, detected and respond promptly to potential breaches. The effectiveness of this model was evaluated in 2023 through an internal and external audit, both with satisfactory results, which has allowed us to maintain the certification and renew our commitment to ethics and integrity.

**Our risk matrix has identified 543 risk,** of which 138 are 'very low' risks and 18 are 'low', totaling 181 risks that are related to corruption and other crimes which are part of the scope of our prevention model (bribery, collusion, influence peddling, fraud, money laundering and terrorist financing and anti-competitive practices). This matrix evaluates 100% of our operations (Cementos Pacasmayo, Cementos Selva, DINO and DISCA)



For the 5th consecutive year, we have renewed our Zero Bribery Certification, which since 2019 is granted to us annually by the Association of Employers for Integrity, certifying our high standards in the fight against corruption.



We also maintained the **ISO 37301** certification of our compliance management system and not only maintained the **ISO 37001** anti-bribery management system, but expanded its scope to include new crimes under the administrative responsibility of the legal entity.

We also participated in the **PYMÉtica program of Entrepreneurs for Integrity**, in collaboration with USAID Peru's Transparent Public Investment project. This program aims at strengthening the culture of business integrity in over 50 SMEs in the construction sector in seven regions of the country.



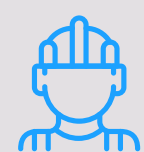
**OUR PREVENTION MODEL ALLOWS US TO PREVENT DETECTED AND RESPOND PROMPTLY TO POTENTIAL BREACHES**



**COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES**

[GRI 2-23] [GRI 205-2]

We are committed to maintaining a responsible business conduct wherein business is performed in a transparent, ethical manner and generating value for all our stakeholders. To do this, it is necessary to share relevant communications regarding our commitments and policies on the matter.



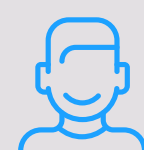
**WORKERS**

We maintain ethical culture training spaces and have employees promote our ethical principles, employees whom we call 'ethical agents'.



**PARTNERS**

We have a conduct handbook for suppliers that is publicly available on the web.



**COMMUNITY**

We have a CSR policy in place as well as a social management strategy that is publicly available on the web and which establishes the communication channels that the community has at their disposal.

**Decentralization of Mundo Ético**

We held a Sustainable Fest impacting over 720 people and more than 310 people were recognized for living a sustainable culture. We had different activation spaces.

**MUNDO ÉTICO**

Our *Mundo Ético* (Ethical World) program is the fundamental basis for our ethics, compliance and prevention system. By integrating all actors in our value chain, we seek to strengthen the culture of integrity at Cementos Pacasmayo through raising awareness, generating capabilities and putting the company's values into practice. This year it consisted of four stages:

**Positioning: Be Conscious**

We recognize and thank our ethical agents, aligning our brand and identity under the umbrella of Sustainability

**Awareness raising and Training**

We conducted three training modules for Sustainability Ambassadors. Likewise, our ethical agents served as judges in spaces of dialogue and support.

**Recognition**

We received the ISO 37001, 37301 and Anti-Bribery Certification. In addition, we disseminate the program through our corporate Workplace, WhatsApp and mailing.





Furthermore, for clients and suppliers we are structuring a Human Rights training session in order to prevent risks throughout our value chain, including those related to ethics and compliance.

This year we also managed to communicate to 100% of Board members and 100% of employees about anti-corruption policies and procedures

**GRIEVANCE MECHANISMS**

[GRI 2-16] [GRI 2-26] [GRI 2-27] [GRI 205-1]

Our complaints channel is the main connector of our prevention system with our key actors, such as employees, suppliers, clients and third parties, to learn about their worries or concerns, and if necessary, require making a complaint or filing a report. All complaints received are investigated and, depending on the severity, are referred to the corresponding user area to be dealt with appropriately.

The Board's Audit Committee receives a report of all the complaints lodged in the period. The complaints received are communicated by the Internal Auditor and the Compliance Officer to the Audit Committee during its regular meetings, detailing the reason for the complaint, actions taken and outcomes.

In 2023, we received 35 complaints, all of which were fully addressed; 97% of the complaints were resolved during the period, and the remaining are still under investigation.

100% of our operations, that is, Cementos Pacasmayo S.A.A., Distribuidora Norte Pacasmayo S.R.L., Ce-

The main concerns received this year were regarding:

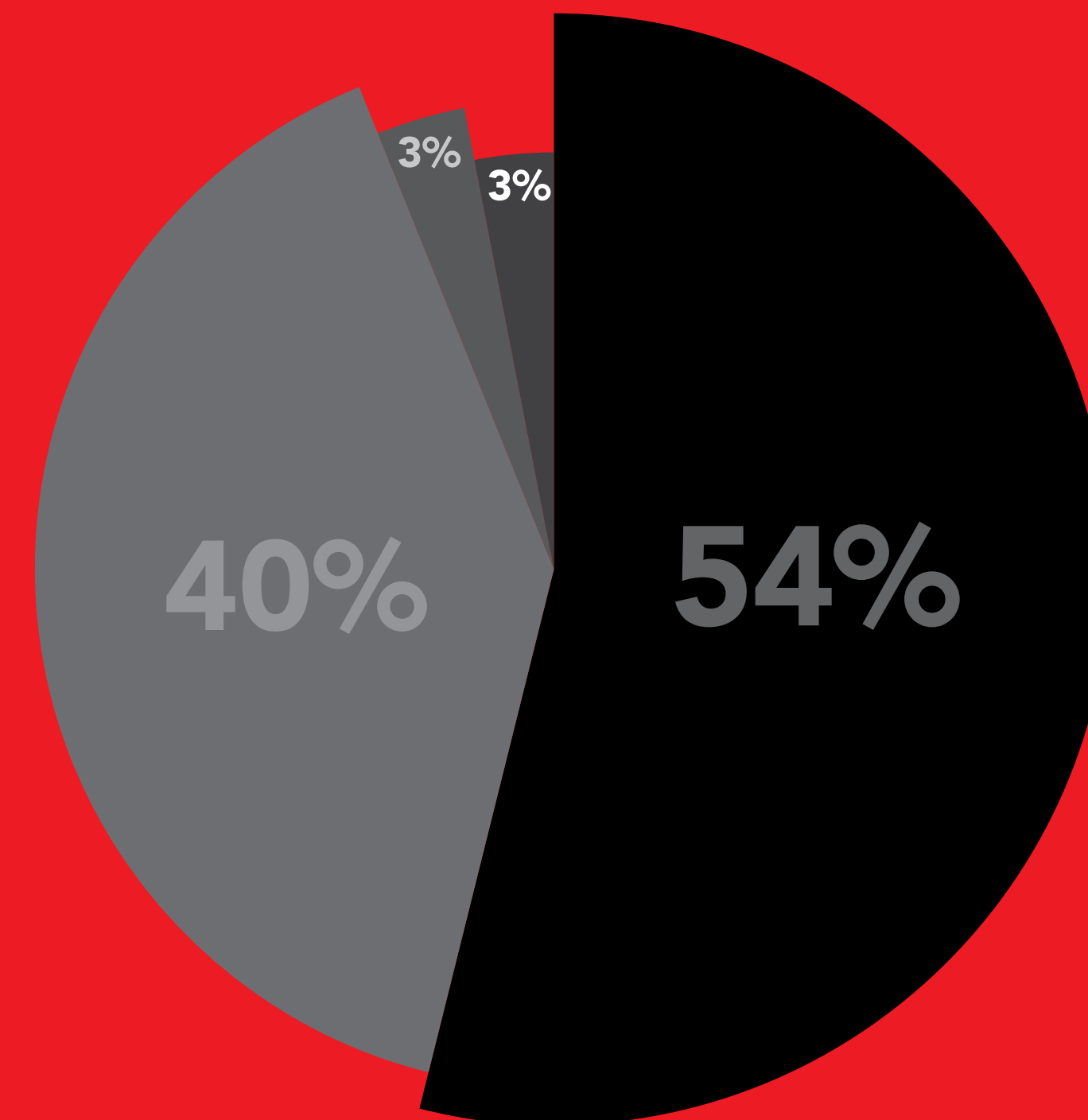
■ Corruption and bribery	<b>15</b>
■ Employee safety	<b>2</b>
■ Failure to comply with procedures	<b>4</b>
■ Confidentiality of information	<b>1</b>
■ Conflict of Interest	<b>1</b>
■ Respect for the Law	<b>1</b>
■ Professionalism	<b>3</b>
■ Third-party scam	<b>1</b>
■ Misappropriation	<b>1</b>
■ Sexual harassment	<b>1</b>
■ Respect for the community	<b>1</b>
■ Labor claim	<b>1</b>
■ Respect for the human person	<b>5</b>

mentos Selva S.A.C. and Dinoselva Iquitos S.A.C., are assessed in relation to the risks related to corruption.

At the end of 2023, we have had no cases, legal or administrative proceedings related to corruption issues. Furthermore, there have also been **zero complaints** of unfair competition or practices against free competition and **zero cases** of significant sanctions for legislation and regulations. Moreover, in the event of non-compliance, that is, reprimand, dismissal, or violations of the Zero Tolerance policy, actions shall be implemented in accordance with our internal work regulation. In these circumstances, we maintain a detailed record of any and all suspensions and dismissals.

**Principales resultados**

- **Discarded**  
One misconduct and/or inappropriate behavior was identified, and the appropriate action was taken
- **Closed**  
The facts reported did not constitute negligence and/or misconduct or could not be proven
- **Archived**  
There is not enough information available to perform a full investigation
- **In progress**  
One misconduct and/or inappropriate behavior was identified which is still in the process of identification.





# DURING 2023 WE FOCUS ON STANDARDIZING THE METHODOLOGY

## RISK MANAGEMENT

### RISK GOVERNANCE

Corporate risk management aims at preventing and addressing risks that could affect the achievement of objectives and business continuity. Our methodology is based on the COSO Enterprise Risk Management standard and the Australian Standard for Risk Management AS/NZ 4360, adapted in accordance with the ISO 31000 standard: Risk Management. This methodology is approved by the Board of Directors and is reflected in our [Comprehensive Risk Management Policy, CP Risk Management Procedures](#), with the purpose of ensuring the achievement of organizational objectives and transforming threats into opportunities.

In 2023, we focused on standardizing the methodology and unifying the Corporate Risk Matrix. Regarding the assessment and treatment of risks, we have currently identified over 500 risks which are operational, compliance and cybersecurity in nature. The Risk Committee, which meets quarterly, monitors the results of the company's risk management. These results indicate that of the 21 key risks for the company, 18 were in line with corporate risk appetite, while 3 fell within the established tolerance; 122 new risks were also identified, of which 72 were strategic, 45 tactical and 5 operational. It should be noted that our management is aligned to the identification of emerging and paralyzing risks such as those described in the Business Continuity Plan, which was approved and tested throughout the Yaku phenomenon.



Reaffirming our strong commitment to developing and maintaining best practices in our risk management, thus ensuring excellence and effectiveness in all our operations, Mariella Choy, member of the Risk Team and Administration Manager, was certified as ISO 31000 Risk Manager. Likewise, at the end of 2023, we began the automation and risk self-management process. This tool, currently under development, will include the incorporation of an open access mailbox on our platform for all employees by 2024. This will allow them to express their risk-related concerns at any time, as well as provide the necessary feedback to identify opportunities for improvement.

To ensure the executive governance of our risks, participants in their management are those responsible for the risk, which include senior management and their teams, and are responsible for identifying and managing risks within their respective processes. In addition, the risk team, led by Risk Manager Diego Reyes, guide, design the methodology and establish corporate management guidelines. The Risk Committee, composed of the General Manager, Vice Presidents and the Risk Manager, report the results to the Audit Committee and the latter promotes the corporate risk management strategy.

Among our good practices in 2023, we can highlight:

#### **Education for Directors**

All directors received communication with the most relevant information and important figures of the company's risk management. In addition, directors who are members of the Audit Committee received more in-depth information through the committee sessions which served as a platform to address risk management concerns.

#### **Evaluation for Employees**

Performance assessments include responsibility and integrity competencies, evaluating the participation of our employees in programs related to ethical culture and compliance, as well as the motivation of the team to participate in these programs.



## **GOOD PRACTICES**

#### **Communication Plan**

To communicate risk management in a more effective and understandable way, we have implemented new tools, such as management instructions, dissemination videos, newsletters and personalized talks. In addition, more than 100 talks were held at different locations and with various company managers.

#### **Risk Tracking**

In order to correctly and efficiently monitor the organization's risks, we have developed specific indicators that facilitated the identification of such risks that, according to risk appetite and tolerance, should be addressed with greater caution.



**RISK MANAGEMENT STAGES**

Our methodology is based on the COSO Enterprise Risk Management standard and the Australian Standard for Risk Management AS/NZ 4360, adapted in accordance with the ISO 31000 standard: Risk Management.



**1. RISK IDENTIFICATION**

Through dialogues with those responsible for the various areas of the company, we evaluate the risks in our value chain, processes and subprocesses, addressing both physical and transitory risks. This interaction creates an environment conducive to sharing diverse perspectives on possible risks to the company, identifying their consequences and determining the measures necessary to prevent or mitigate these risks.

**2. RISK CLASSIFICATION**

We classify risks in different ways:

- According to classification and sub classification: Operational, Compliance (corruption, collusion, fraud, bribery, influence peddling and LAFT), Cybersecurity.
- According to their economic impact: Strategic (10M to +), Tactical (2M to 10M), Operational (0 to 2M).
- According to group: Paralyzing, Emerging, Others.

**3. RISK ANALYSIS, ASSESSMENT AND PRIORITIZATION**

We carry out a thorough evaluation that considers both the probability of occurrence and the severity of the impacts. For this purpose, we use the Corporate Risk Matrix and an objective methodology. In addition, we carry out quantitative and qualitative analyzes to quantify the financial impact in the event the risk materializes.

Prioritization of risks requiring immediate attention is achieved through calibration forms shared with risk managers, where probability, impact level and mitigation controls are determined. The results obtained are calibrated with weights, resulting in five levels of residual risk. All this detailed information is reflected in our Corporate Risk Policy and Procedures.

In addition, our methodology gives us a historical view of the evolution of risk and allows us to evaluate the effectiveness of the controls implemented.





**4. RISK REVIEW**

Corporate risk calibrations are carried out at least once a year; however, for the 21 strategic and key risks, frequency and results are presented quarterly to the Risk and Audit Committees. In addition, at the end of the year, the Annual Risk Report is prepared, providing a comprehensive view of risk management and highlighting the achievements reached by the company.

**5. RISK TREATMENT**

We have designed and implemented action plans and controls aimed at preventing and mitigating risks, conducting regular meetings and assessments. These actions are aligned with the company's appetite and tolerance to risk. At the same time, we are in the testing phase of the Business Continuity Plan, which allows us to anticipate the materialization of risks.

**6. MONITORING AND SUPERVISION**

Through audits, we evaluated the effectiveness of our controls and, based on our findings, implemented additional preventive and corrective actions.

**7. COMMUNICATION AND CONSULTATION**

Risk management involves all areas of the organization, both within and outside its specific processes. Training sessions are conducted annually to strengthen the understanding and application of risk management across the organization. In addition, user feedback is sought in order to identify opportunities for improvement.

A risk report was presented outlining the 2023 management results pursuant to our management processes. Said document includes the risk maturity index for the 2024 corporate targets. This measure aims to generate improvements in several key aspects, including stakeholders, risk culture, risk assessment methodology, risk structure and leadership support. This approach is also aligned with the results of annual risk feedback and joint work with the Sustainability area. Furthermore, this work will address environmental, social and governance risks, which will be reflected in the application of risk self-management.



**CLIMATE RISK MANAGEMENT**

[GRI 201-2]

ESG risk management includes risks related to climate change. Therefore, they are analyzed through the same Risk Management stages and are part of the company's 2030 Sustainability Plan. This risk assessment includes those that may occur in the short, medium, or long term, and of different types, such as physical and transition risks, among others.

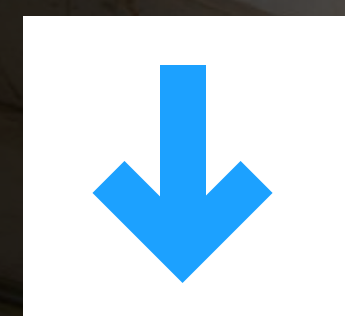
We have clear objectives to manage climate risks and opportunities, seeking to reduce our emissions by 20% by 2030 and achieve more than 20% co-processing. All this goes hand in hand with the implementation of operational contingency plans and conditioning of the infrastructure of the plants to ensure continuity, as well as the testing of emergency plans and crisis response.

To that end, we have aligned ourselves with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding risks derived from climate change. For example, a risk would be to

**WE HAVE CLEAR OBJECTIVES TO MANAGE CLIMATE RISKS AND OPPORTUNITIES, SEEKING TO REDUCE OUR EMISSIONS BY 20% BY 2030**



**20%**



**EMISSIONS  
REDUCTION  
BY 2030**



have employees' health be affected due to heat waves or lack of water, as well as the paralysis of our operations due to water stress, landslides, or forest fires. Likewise, we are exposed to the possibility of not marketing finished products or supplying raw materials to production plants through disabled access routes.

This year we have also identified the risks and opportunities related to climate change and analyzed the impacts of the risks on the organization's strategy. The identified risks have been incorporated into the risk matrix and the business continuity plan together with action and impact mitigation measures in the event any of them occur.

The preparation of this Plan has involved the development of the Business Impact Analysis (BIA), the identification of risk scenarios, emergency plans, crisis management and response committees for each of the scenarios proposed. Scenarios include business disruptions as a result of climate change effects such as heavy rains and floods.

As part of the strategy and action plans, investment works worth approximately USD 6 million have been carried out in recent years to make our plants adapt to and cope with climate phenomena. In 2023 we took financial measures regarding the risks and opportunities arising from climate change, which amounted to a total investment of USD 21,038,647.47.

**Cybersecurity**

At Pacasmayo, our focus on Information Technology (IT) is to establish and monitor a collaborative digital environment. We seek to facilitate the interaction between different company actors: Departments, procedures, and employees, ensuring that their operations are carried out in a reliable, agile and safe way. Our goal is to promote digital development, foster innovation and lead digital transformation, all aligned with the company's strategic objectives.

Cybersecurity governance is led by IT management, through the area of Infrastructure and Information Security, and our Chief Information Officer (CIO), Luis Miguel Soto, who is responsible for overseeing compliance with the strategy. This management is complemented by an Information Security Committee made up of different managers in order to guarantee cross-cutting work on the matter.

In addition, in 2023 we implemented the following initiatives:



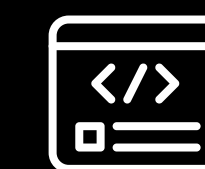
**OUR GOAL IS TO PROMOTE  
DIGITAL DEVELOPMENT,  
FOSTER INNOVATION  
AND LEAD DIGITAL  
TRANSFORMATION**

**The Pacasmayo 4.0 Program**

whose main objective is to digitally transform cement operations by maximizing the potential of people, processes and technology to achieve a sustainable and efficient operation.

**OT Cybersecurity:**

The front line of industrial networks in cement plants is addressed with strategic projects to increase our level of resilience, risk control, regulatory framework and culture.



**CYBER  
SECURITY**

**Mundo project:**

Unique DINO Industrial business operations model to standardize processes, roles, activities and technological solutions for all business units

**Proyecto Apolo**

Launch of the portal that digitizes the B2B business model with our partners.



In April 2023, we were proud recipients of the 2022 Recycling Distinction awarded by the Yo reciclo, yo soy Claro (I recycle, I am Claro) program, part of the multisectoral strategy Peru Limpio (A Clean Peru) promoted by the Ministry of the Environment (MINAM). This recognition values our commitment to the proper treatment of Waste Electrical and Electronic Equipment (WEEE) and reflects our commitment to sustainability and responsible management of IT technological resources.

# PERÚ LIMPIO



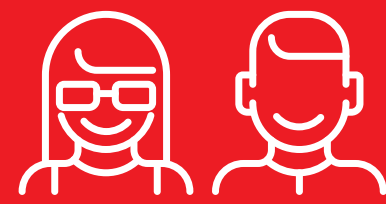
## COMMITMENT TO HUMAN RIGHTS

[GRI 2-23][GRI 403-5]

At Pacasmayo, we are committed to respecting and promoting Human Rights throughout our value chain and operations. Our due diligence approach, aligned with the Guiding Principles on Business and Human Rights, allows us to prevent, mitigate and promptly address any impacts on our stakeholders.

### OUR HUMAN RIGHTS DUE DILIGENCE APPROACH

Our Human Rights Due Diligence process covers 100% of our operations and proactively identifies and evaluates the potential impacts and risks related to respecting Human Rights. It should be noted that the risks inherent in human rights vulnerability are reviewed quarterly because of the situation, sensitivity and nature of such risks. In addition, we have mitigation/control and remediation measures in place which are set forth in our Social Management Strategy.



### 1. COMMITMENT

### 2. RISK MANAGEMENT

### 3. TRAINING AND DISSEMINATION

### 4. GRIEVANCE MECHANISMS

### 5. MONITORING AND REPORTING





For the second consecutive year, we conducted our Human Rights training program aimed at our employees and operators. This virtual training introduced basic human rights concepts, as well as risk examples and case studies. In addition, a training session in Human Resources was conducted for clients and suppliers.

Complaints are received through the complaints box and are opened by the audit management, but these may be escalated to the corresponding committee according to their classification. The committee then conducts an investigation to determine the veracity of the complaint. If the case is true, the appropriate persons or entities are addressed, and the necessary sanctions or corrections are applied. Likewise, opportunities for improvement are identified both by the identification of risks and the associated controls.

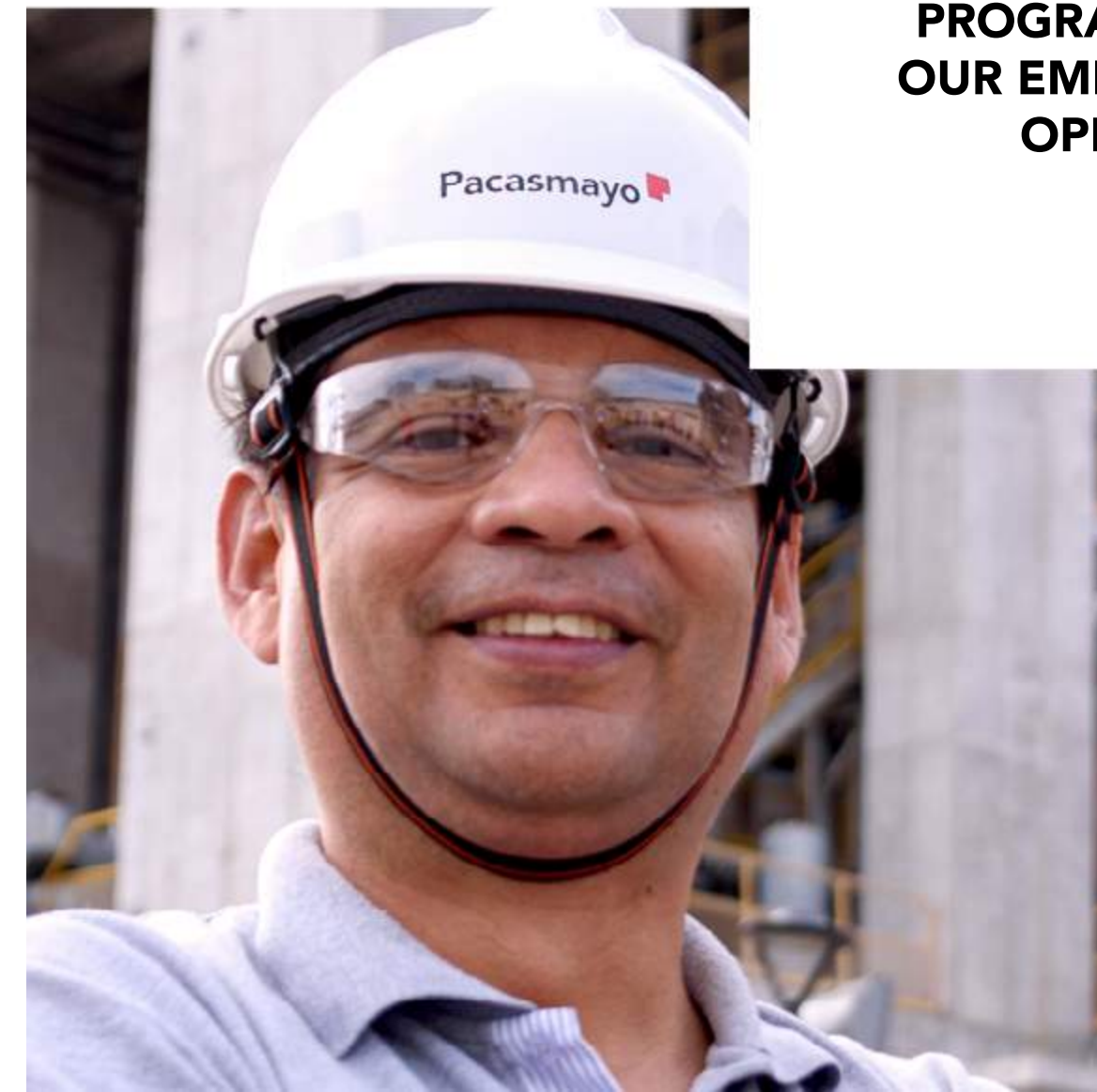
All these complaints cases are submitted to the Audit Committee which meets quarterly. The Audit Committee is the body responsible for overseeing the progress and challenges inherent in risk management, including Human Rights risks. Its primary function is to ensure the precise alignment of this management with the strategic objectives, constantly pursuing the optimal performance of the organization.

**+100**  
**OF EMPLOYEES**  
**PARTICIPATED IN THE**  
**SECOND HUMAN RIGHTS**  
**TRAINING SESSION.**

**100%**  
**OF OUR OPERATIONS**  
**COVERED WITHIN OUR**  
**HUMAN RIGHTS' SCOPE**



**FOR THE SECOND  
CONSECUTIVE YEAR  
WE CONDUCTED OUR  
HUMAN RIGHTS TRAINING  
PROGRAM AIMED AT  
OUR EMPLOYEES AND  
OPERATORS**





**MANAGEMENT OF RISKS OF IMPACTS ON HUMAN RIGHTS**

We have incorporated preventive measures that serve as a framework for all our stakeholders and whose primary purpose is to minimize the risk of human rights vulnerability. Each year we seek to strengthen the identification and management of risks related to the impact of Human Rights of employees, suppliers and clients, through matrices with specific predetermined controls, which have a scope toward our Employees, Suppliers and Contractors, Communities and Clients.

To this end, we have commitments and policies in place approved by our CEO and under the supervision of the Board of Directors, including:

- [Human Rights Policy](#)
- [Complaints channels](#)
- [Diversity, inclusion and equal opportunities policy](#)
- [Clauses in contracts or purchase orders and Supplier Code of Conduct](#)
- Equal Pay Policy
- Recruitment and Selection Procedure

- Procedure and Intervention Committee against sexual harassment
- Monthly meetings with union representatives
- Collective agreements in force and entered into with our three unions in direct dealings
- The Decalogue of community relations
- The Decalogue of Good Behavior with the population

We also have means and spaces where we collect impacts and risks as part of our human rights due diligence, and we strive to raise awareness among our stakeholders on this matter.

This year we received five cases in the complaints box that have been treated with due confidentiality and diligence, and which were dealt with and fully resolved during the period.

At the end of 2023, we had 19 risks related to HR, of which, after the respective assessment, have **Low and Very low residual risk.**

MAIN ISSUES EVALUATED	VULNERABLE GROUPS IDENTIFIED
<ul style="list-style-type: none"> <li>■ Forced labor</li> <li>■ Child labor</li> <li>■ Human trafficking</li> <li>■ Discrimination and harassment</li> <li>■ Freedom of association</li> <li>■ Right to collective bargaining</li> <li>■ Equal pay</li> <li>■ Protection of personal data</li> </ul>	<ul style="list-style-type: none"> <li>■ Employees</li> <li>■ Contractors</li> <li>■ Communities</li> <li>■ Women</li> <li>■ Girls and boys</li> </ul>

This year we had:

**EMPLOYEES**



In November, we trained +100 employees. In addition, they have access to Intranetgovernance documents, which are shared from the time of their induction and periodicall thereon through different media.

Talks with workers from different areas with two objectives: Identification and treatment of risks, on the one hand, and on the other, receive feedback on management.

**CLIENTS**



In November, we trained +250 clients. It included an evaluation and a gift cards' draw.

**SUPPLIERS**



In October and November, we trained +55 strategic suppliers. In addition, it is included in the Clause in purchase orders and the Clause in Contracts.

Unexpected surveys of workers hired through labor intermediation to find out directly from the soure whether their rights are being respected.

**COMMUNITIES**



It is governed by our Strategic Plan: Social Management Culture. We also have in place a Decalogue of Community Relations and a Decalogue of Good Behavior with the Population.



## 2.2. WE ARE OUR CLIENTS' BEST ALLY

### EXCELLENCE SERVICES

#### OUR CLIENTS: COMPOSITION AND LOCATION

[GRI 2-6]

At Cementos Pacasmayo, we believe that our clients are the reason behind our motivation and innovation to generate and deliver value to everyone who trusts us.

In order to identify their needs in a specialized way and ensure quality throughout the purchase process, we divide our main clients according to their billing capacity and which can be visualized in 2023 as follows:

#### DIRECT CHANNEL / CONSTRUCTION COMPANIES

8%  
OF TURNOVER

They directly buy products and services for already awarded projects of different sizes or types of financing.

#### PARTNERS

77%  
OF TURNOVER

Construction material distributors that are associated with our DINO distributor.



### SEGMENTATION BY BILLING

Tiendas *retail* de venta de materiales para la mejora, decoración o construcción del hogar.

#### MODERN CHANNEL

7%  
OF TURNOVER

Commercial establishments of materials for home improvement and/or construction.

#### NON-PARTNERS

8%  
OF TURNOVER

#### CUSTOMER SERVICE AND CLAIMS MANAGEMENT

[GRI 2-25]

In our constant pursuit for excellence in service, in 2023 we are firmly committed to prioritizing the integral satisfaction of our clients. Our goals are aligned with a continuous process of improvement, where we aspire not only to meet, but to exceed expectations in each interaction.

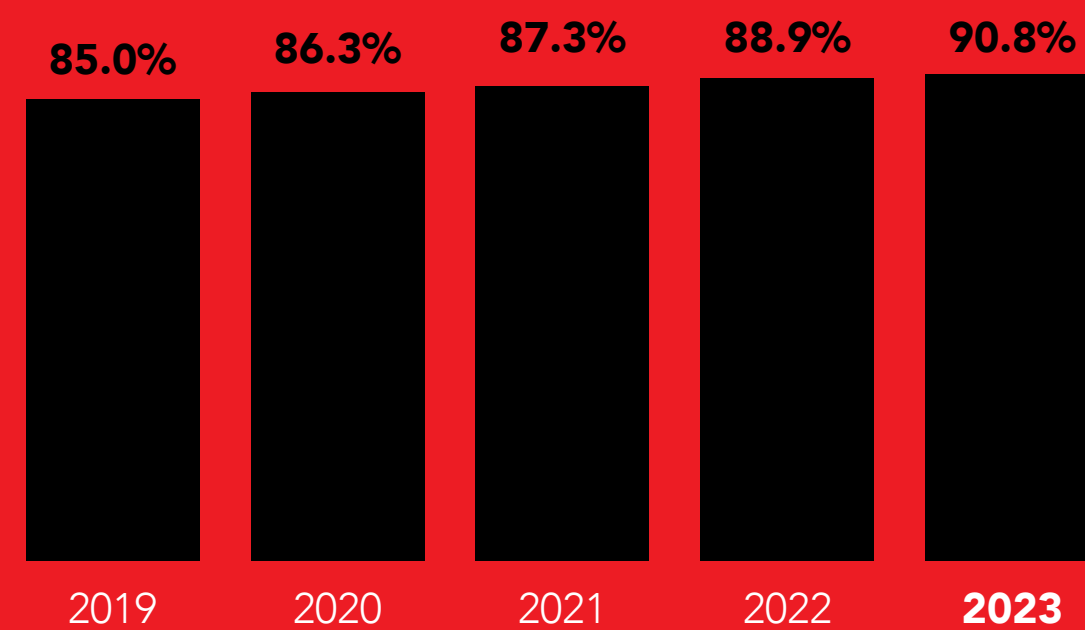
We are committed to managing claims promptly and efficiently, strictly complying with the established deadlines. We also strive to meet our clients' requests in an agile manner and within defined time limits. Our purpose is to build relationships based on trust, offering an experience that stands out for its promptness, accuracy and quality, thus demonstrating our unwavering commitment to our clients.



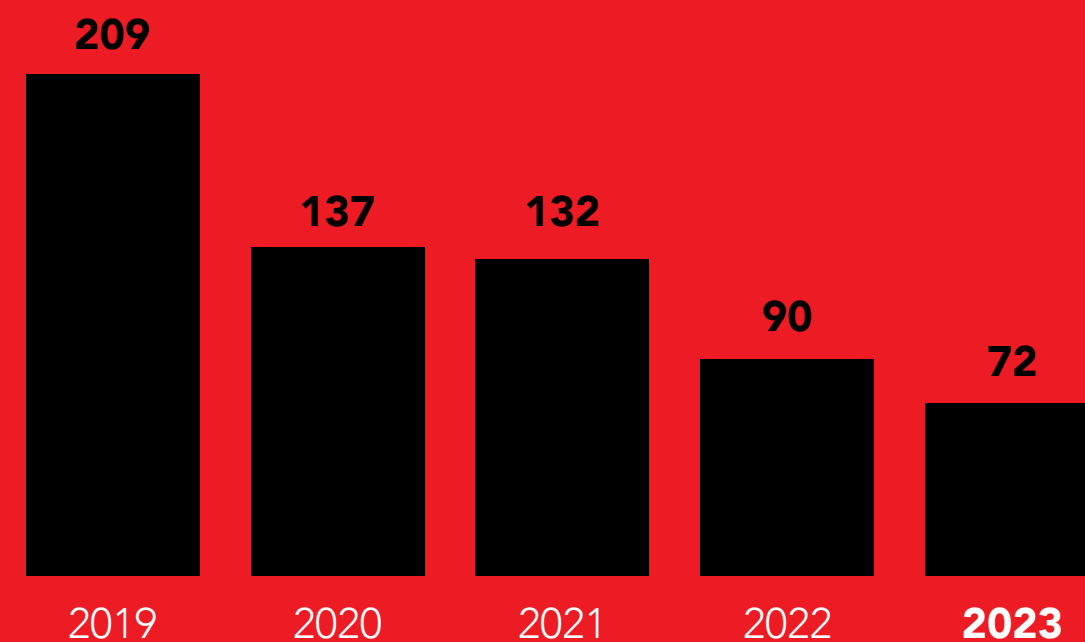
**CLIENT SATISFACTION LEVEL**

Coverage in the past five years was 100% of clients from our commercial network and construction companies

Client Satisfaction Level



Number of complaints



Additionally, in 2023:

**100%**

OF COMPLAINTS WERE CLOSED

**ZERO**

REPORTS OF PRIVACY BREACH, NON-COMPLIANCE WITH LABELING OR PRODUCT INFORMATION IN THE PAST 3 YEARS.

IT SHOULD BE NOTED THAT OUR CUSTOMER SATISFACTION GOAL IN 2023 WAS 89.05% AND WE SCORED

**90.8%**





## SUSTAINABLE AND RESILIENT PRODUCTS

In an ever-evolving world, innovation and responsibility come together in the creation of products that go one step further than the rest. In this sense, durability, efficiency and commitment to a sustainable future are the central axes of every innovation we make to our products. Our approach to including sustainable innovation in the business model can be seen in these **three pillars**:

**1.**  
**PROMOTING A CULTURE** of Sustainability through our Sustainability Management, and with the participation of leaders from different areas of Cementos Pacasmayo in the Sustainability Committee.

**2.**  
**ACTIVE PARTICIPATION** in different spaces and member of national and international organizations that promote the reduction of our industry's carbon footprint (GCCA, ASOCEM, etc.)

**3.**  
**PROMOTING THE CERTIFICATION** of our plants by the Concrete Sustainability Council (CSC) regarding the responsible and sustainable supply of ready-mix concrete. Currently the Dino Piura plant is undergoing said certification process.



**SUSTAINABLE PRODUCTS AND SERVICES**  
Learn about the detailed characteristics of our sustainable products by clicking on each of their links.

## CEMENTOS ADICIONADOS



### FORTIMAX ECOSACO

- Greater durability
- Moderate heat of hydration
- Low permeability in concrete
- Low carbon cement
- Compression resistance



### EXTRAFORTE ECOSACO

- High workability
- Compression resistance
- Low carbon cement
- Compression resistance



### EXTRAFORTE SELVA

- Workability
- Compression resistance
- Low carbon cement
- Compression resistance



### ULTRAARMADO HE ECOSACO

- High initial strength
- Excellent reinforcement
- Optimized hardening
- Medium scale in carbon emissions
- Compression resistance



### HE PRECAST PRODUCTS

- Increased productivity
- Optimized hardening
- High initial strength
- Compression resistance



### AMAZÓNICO

- Especially made for tropical climates
- Compression resistance



### MOCHICA MS

- Anti saltpeter
- Moderate resistance to sulfates
- Compression resistance



### MOCHICA GU

- Versatile product, various application possibilities
- Compression resistance



### VIAFORTE

- Resistance
- Durability
- Reuse of natural soils
- Compression resistance



## CEMENTOS TRADICIONALES



ECOSACK TYPE I

- High resistance to all ages of the work



SELVA TYPE I

- High resistance to all ages of the works



TYPE V

- High resistance to sulfates
- Develops mechanical resistances

## SOLUCIONES



CAL VIVA

- Product quality homogeneity
- Quality for multiple chemical processes
- Optimal storage system



RAPIMIX TARRAJEO

- Plasticity
- Workability
- Easy transport and handling
- Less waste



RAPIMIX ASENTADO

- Plasticity
- Workability
- Easy transport and handling
- Less waste

### PRODUCT AND INNOVATION PROJECTS

We strive to constantly create exploration spaces to deliver products that not only meet today's needs, but also transcend tomorrow's expectations. Innovation and research work hand in hand to create solutions that revolutionize our environment and the entire industry.

- Use of fly ash instead of cement in ready-mix concrete to reduce product costs and CO<sub>2</sub> emissions
- Use of limestone filler to replace lime in Rapimix products



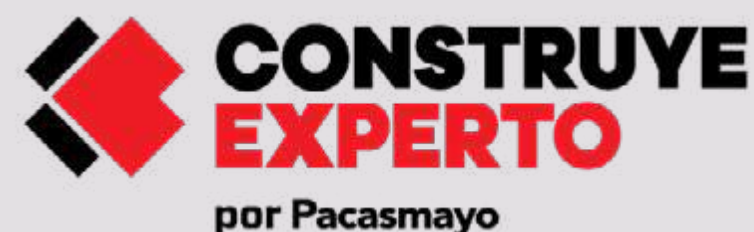
## INNOVATION FOCUSED ON OUR CLIENTS

At Pacasmayo we are aware of the importance of reducing technological gaps in the construction sector. In this sense, we step into the digital transformation in order to improve our competitiveness and offer added value to our clients. This is where our effort and vision for 2030 lies: Creating experiences and products that respond to our clients' needs in advance.

We believe that it is key that the client is always at the center of our business model. Therefore, we encourage the use of our channels and tools which, on the one hand, allow strengthening knowledge and, on the other, facilitate the management of their own businesses.

### MUNDO EXPERTO [EXPERT WORLD]

And so, we created [Mundo Experto](#), an ecosystem of digital solutions that redesigns the experience of the construction world and responds to the new needs of master builders, self-builders, consumers and clients.



Master Builders



Hardware stores



Neighborhood Consumers



Self-builders



GEOLOCATOR



### VISION TO 2030

**CREATING EXPERIENCES AND PRODUCTS THAT RESPOND TO OUR CLIENTS' NEEDS IN ADVANCE**



  
por Pacasmayo

It is the largest **digital platform** catering to construction master builders in Peru now celebrating 3 years of promoting their professional growth. It has free and certified training modules and useful tools for day-to-day work, such as the concrete and mortar calculator and the virtual advisor Don Manuel.

**What's new in 2023**

The **Capacitate**, (Train Yourself) section was redesigned. A favorite of master builders, it is now more user friendly including the use of filters and search engines. Master builders can keep better track of their courses in progress, download certificates and access new courses.



Additionally, we incorporated the **Don Manuel Chatbot**, a bot menu for quick and automated answers, but with the support of the engineer who seeks to give a personalized service to the user. Its nature provides high accessibility because an agile and uninterrupted conversation is maintained via WhatsApp.

**Emissions Savings Calculator**

Finally, a calculator was implemented this year so that users can know how much CO<sub>2</sub> emissions they are saving by using cement with additives.



**+56,000**  
REGISTERED USERS

**+80**  
FREE COURSES

**+150**  
RECORDED CLASSES, AVAILABLE 24/7

**+40,000**  
HOURS OF TRAINING

**+64,000**  
CERTIFICATES OF PARTICIPATION



PILLAR 02

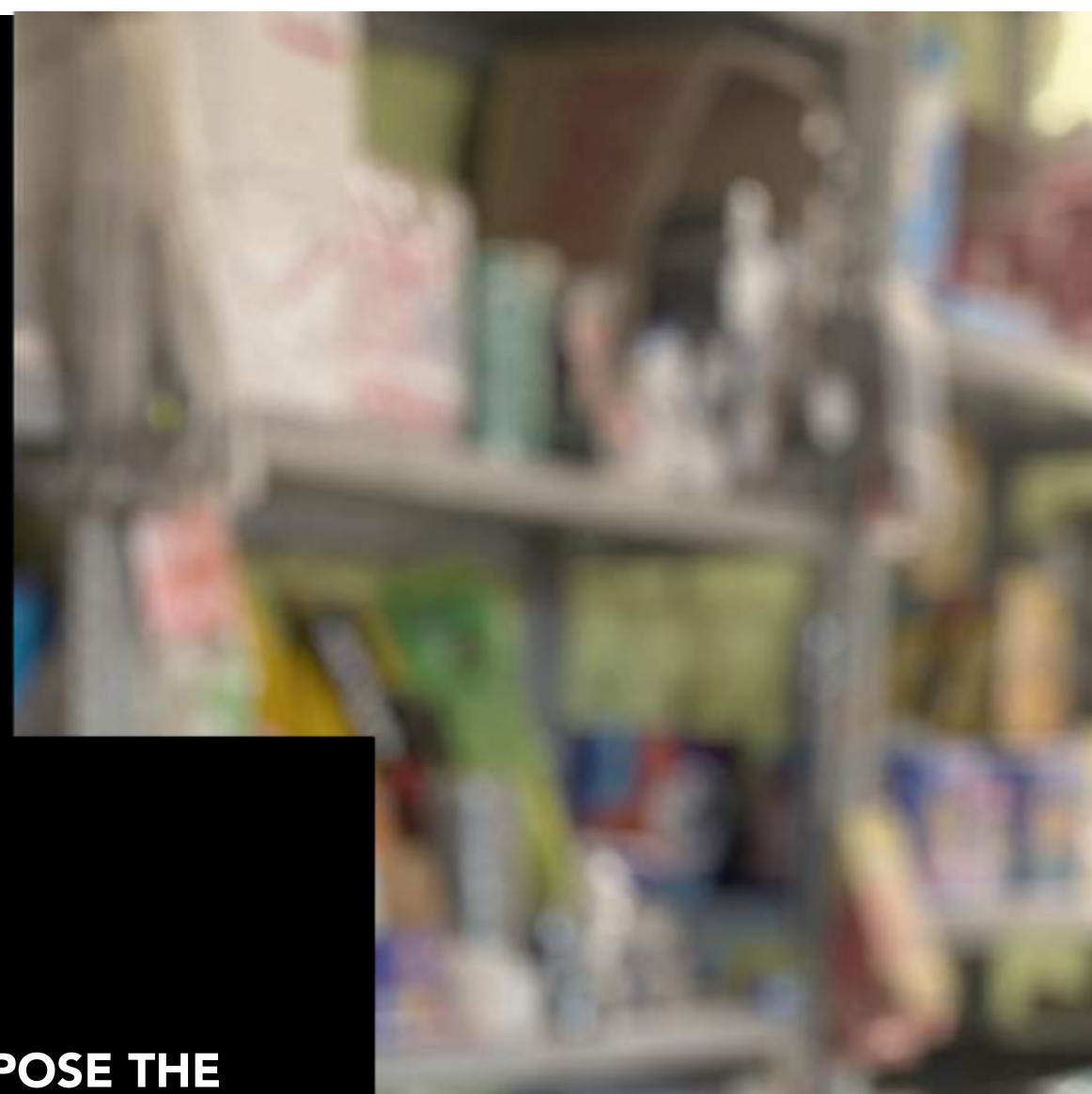


It aims to grow the Hardware store business. Nowadays, hardware stores can place their cement orders digitally, train in topics related to their main needs, and have a Business Management System.

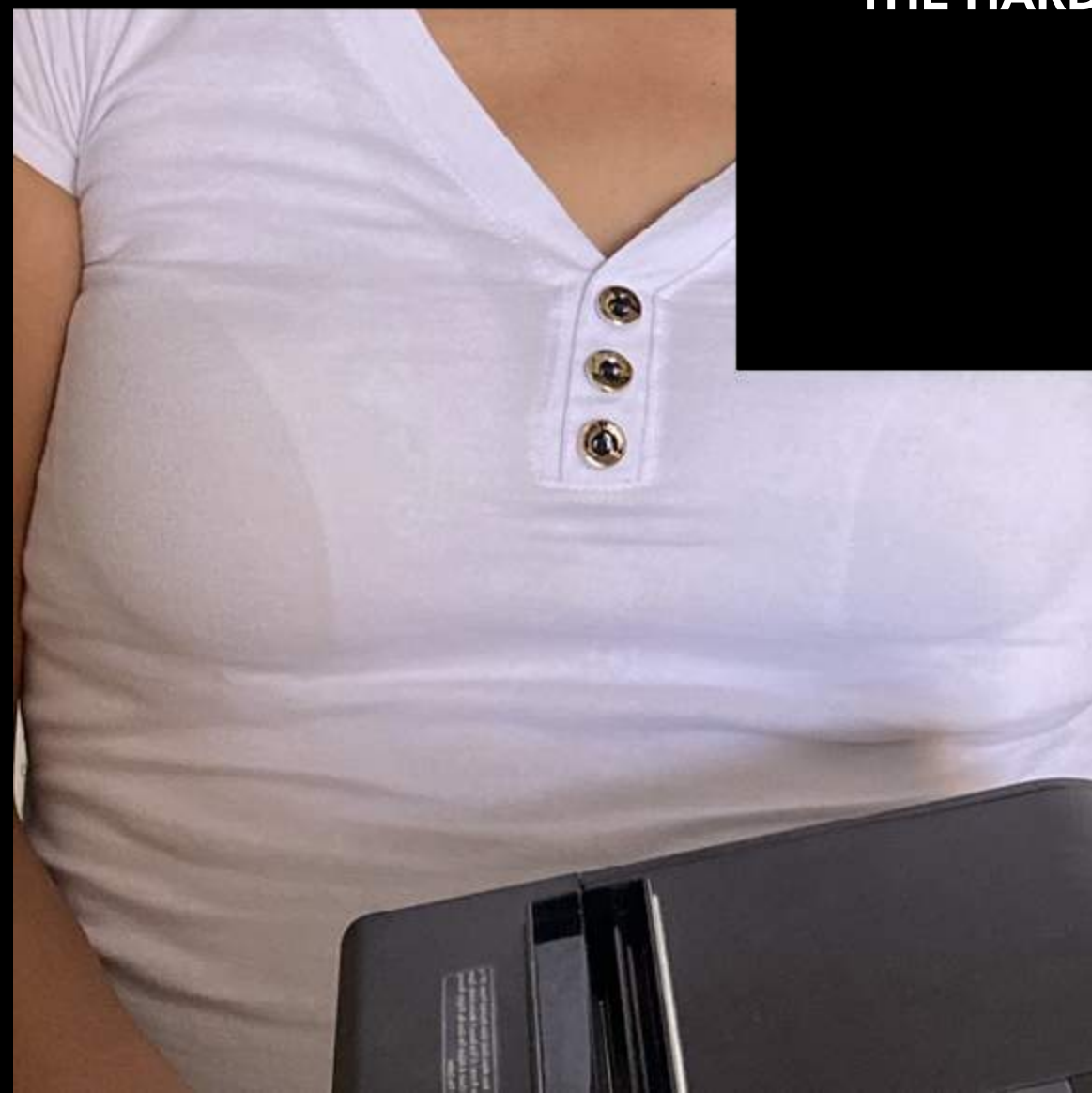
Our goal is to reach all corners of the north with our solutions and thus help our clients and consumers to build together the future of our dreams.



**OUR GOAL IS TO REACH ALL CORNERS OF THE NORTH WITH OUR SOLUTIONS**



**HAS AS PURPOSE THE GROWTH OF BUSINESS OF THE HARDWARE STORES**



**+700**  
HARDWARE STORES HAVE UNDERGONE TRAINING

**+300**  
"BUSINESS MANAGEMENT" USERS

**+2,000**  
HARDWARE STORES USING THE ORDER WEBSITE

**85%**  
SHARE OF THE HARDWARE MARKET



## Pacas Pro

Pacas Pro is a digital platform aimed at the industrial segment. It aims at maximizing the experience of construction companies during the implementation of their projects by provided relevant information online.

It is composed of three pillars:

1. SOLUTIONS PORTFOLIO
2. ADVISORY AND SUPPORT SERVICE
3. EDUCATION AND PROFESSIONALIZATION OF THE MARKET



**IT AIMS AT MAXIMIZING THE EXPERIENCE OF CONSTRUCTION COMPANIES DURING THE IMPLEMENTATION OF THEIR PROJECTS**

### Order Scheduling:

Creating and managing online orders. Users can choose their shifts based on plant capacity, receiving immediate confirmation.

### Equipment Tracking

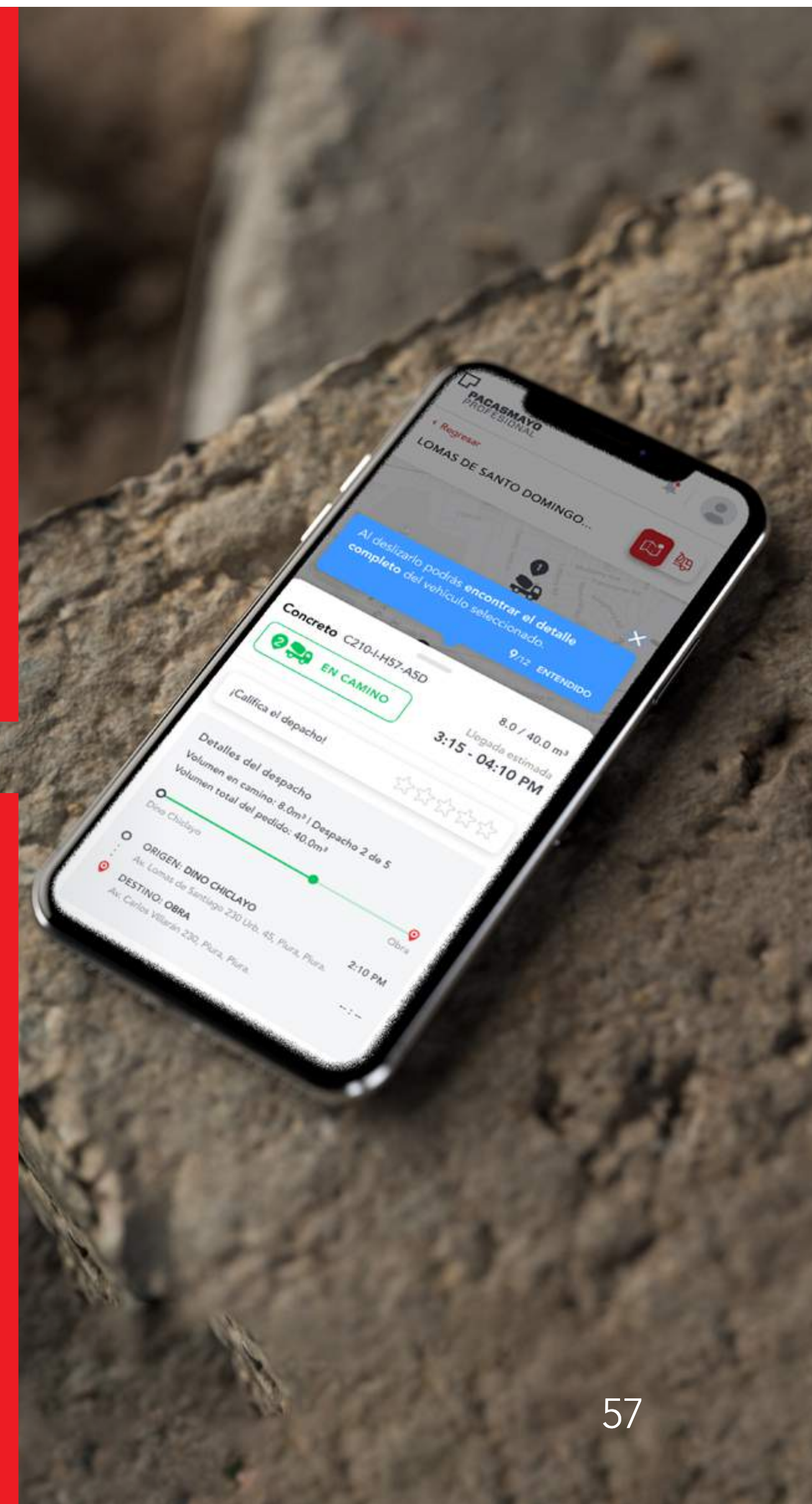
Online tracking of mixers and pumps during shipments to construction sites. Detail of dispatch times, arrival and removal from sites.

### Document Management

Downloading and administration of documents relevant to the progress of works such as referral guides and quality certificates.

### Product Portfolio

Complete catalog of our Building Solutions with relevant information such as data sheets, benefits, uses and applications.





**INNOVATION INITIATIVES FOR OUR EXTERNAL CLIENTS**

We offer the best solutions for our master builders, hardware stores, partners and construction companies, ensuring more sustainable and efficient construction projects.

**MAVERICK**

We have improved our concrete service to adapt it to the unique needs of each client. We changed the way of scheduling, and created new tools to set different prices according to what each client requires. Our digital transformation team is helping to lead and accelerate this process to achieve these goals.



AYU is Pacasmayo's new solution that helps families in Peru build their dreams without debt or interest. Through an intelligent purchasing method, families will be able to define their project and buy the materials that their project needs month after month. This year 500 families signed up (potential self-construction projects).

**PIRQA**

We sought to reimagine the process of self-construction to ensure the quality of life in progressive dwellings. After refining the problem it addresses and the needs of the users it serves, the project is at the stage of exploring concepts, concretizing its value proposition, and thus begin testing a Minimum Viable Product.

**ALIVIA**

A health consultation service for hardware stores that allows stevedores to relieve their physical pain and improve their stowage technique without interrupting their working day, resorting to drugs or undergoing medical examinations. We found the product was desirable and feasible, and so the next step would be that it have a sustainable business model.



**THE BEST SOLUTIONS TO EFFECTS OF INSURING PROJECTS OF CONSTRUCTION MORE SUSTAINABLE AND EFFICIENT**



## INNOVATION INITIATIVES FOR OUR INTERNAL CLIENTS

We have created a safe space within our company to allow for creativity and innovation in our operations make us more competitive and generate development opportunities for our employees.

### Dédalo

The program seeks to develop automation capabilities within the company so that it becomes a common practice and allows employees to optimize their daily tasks. We have had an impact on various areas thanks to the implementation of an automation model with roles, processes and platforms enabled. RPA and Studio X technology have been used to generate automation capabilities and allow our employees to focus on strategic activities.

### Design System

We have developed and implemented the Pacasmayo Design System "Bricks", a collection of reusable components, guidelines and resources used by designers and developers to create consistent and efficient user interfaces.

### Cultural Hacking

A system of practices that foster a user-centered design mindset. These are activities that, just like acupuncture, seek to raise awareness and build capacities among the organization's teams to inspire their way of working and provide them with the tools needed to face challenges filled with uncertainty: research, ideation and experimentation. In 2023, we had an impact on more than 700 people thanks to DemoDays, Design Sprint, an Idea Contest, as well as through mentoring and support sessions.

## DATA & ANALYTICS

We develop our strategy by defining the evolution of Data Management in the organization and the pillars on which it is supported:

- **Organization:** Making up the D&A Committee to prioritize and sponsor initiatives.
- **Operating Model:** Establishing the first agile unit in Pacasmayo: the Data & Analytics Tribe.
- **Technology:** Designing and making available a corporate data ecosystem: the Pacasmayo Data Lake.
- **Use Cases:** Leading the implementation of D&A solutions that generate business value.

Projects: End-to-End vision of strategic projects for D&A-related business.:

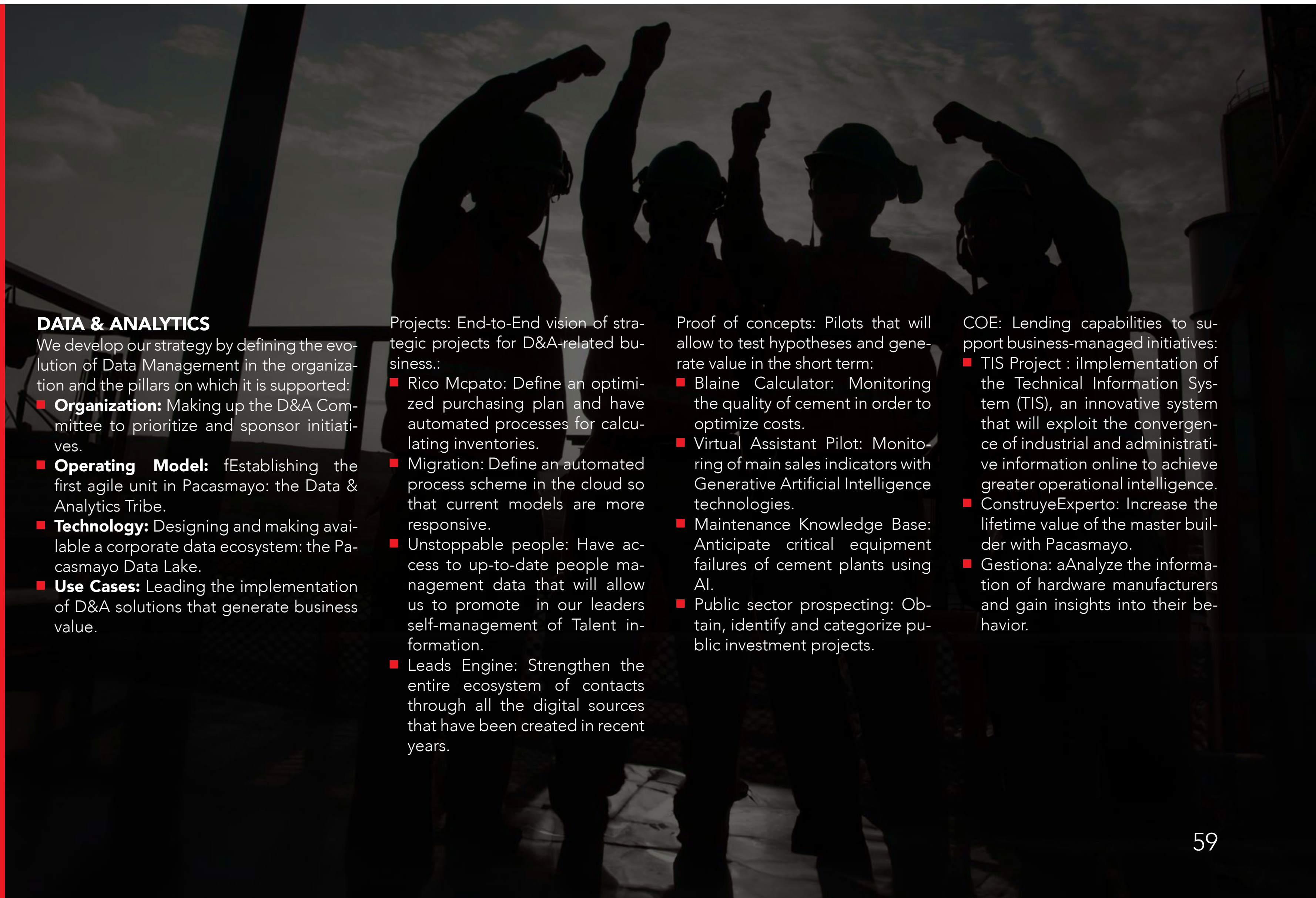
- Rico Mcpato: Define an optimized purchasing plan and have automated processes for calculating inventories.
- Migration: Define an automated process scheme in the cloud so that current models are more responsive.
- Unstoppable people: Have access to up-to-date people management data that will allow us to promote in our leaders self-management of Talent information.
- Leads Engine: Strengthen the entire ecosystem of contacts through all the digital sources that have been created in recent years.

Proof of concepts: Pilots that will allow to test hypotheses and generate value in the short term:

- Blaine Calculator: Monitoring the quality of cement in order to optimize costs.
- Virtual Assistant Pilot: Monitoring of main sales indicators with Generative Artificial Intelligence technologies.
- Maintenance Knowledge Base: Anticipate critical equipment failures of cement plants using AI.
- Public sector prospecting: Obtain, identify and categorize public investment projects.

COE: Lending capabilities to support business-managed initiatives:

- TIS Project : implementation of the Technical Information System (TIS), an innovative system that will exploit the convergence of industrial and administrative information online to achieve greater operational intelligence.
- ConstruyeExperto: Increase the lifetime value of the master builder with Pacasmayo.
- GestionA: aAnalyze the information of hardware manufacturers and gain insights into their behavior.



## 2.3. WE DEVELOP EXTRAORDINARY TALENT

### OUR TEAM

At Cementos Pacasmayo we have designed unforgettable experiences that enhance our best version with the purpose of transforming the organization through our people. We are renewing our focus to increase the sense of belonging and value generation of each Pacasmayo employee.

In 2023 we renewed our Engagement Model with a formula based on 3 main pillars:

1. **CLIMATE**
2. **CULTURE**
3. **EMPLOYEE EXPERIENCE**

 **WE ARE RENEWING OUR FOCUS  
TO INCREASE THE SENSE OF  
BELONGING AND VALUE GENERATION**

#### **ENGAGEMENT STRATEGY**

We sought to build a company with a high level of employee engagement so that our people feel a sense of belonging and, therefore, are happy within the organization. Our engagement strategy seeks to measure the following components:

#### **Engagement**

It measures the strong connection of the employee to their work (a psychological state of energy, dedication and total involvement in their work).

#### **Leadership**

It measures leadership styles tailored to the individual needs of employees and which focus on helping them grow and succeed.



This involvement and identification will allow us to consolidate ourselves as a committed team that shares the same goals and values, a team that co-creates the success of the company and at the same time focuses on growing and improving its personal well-being.

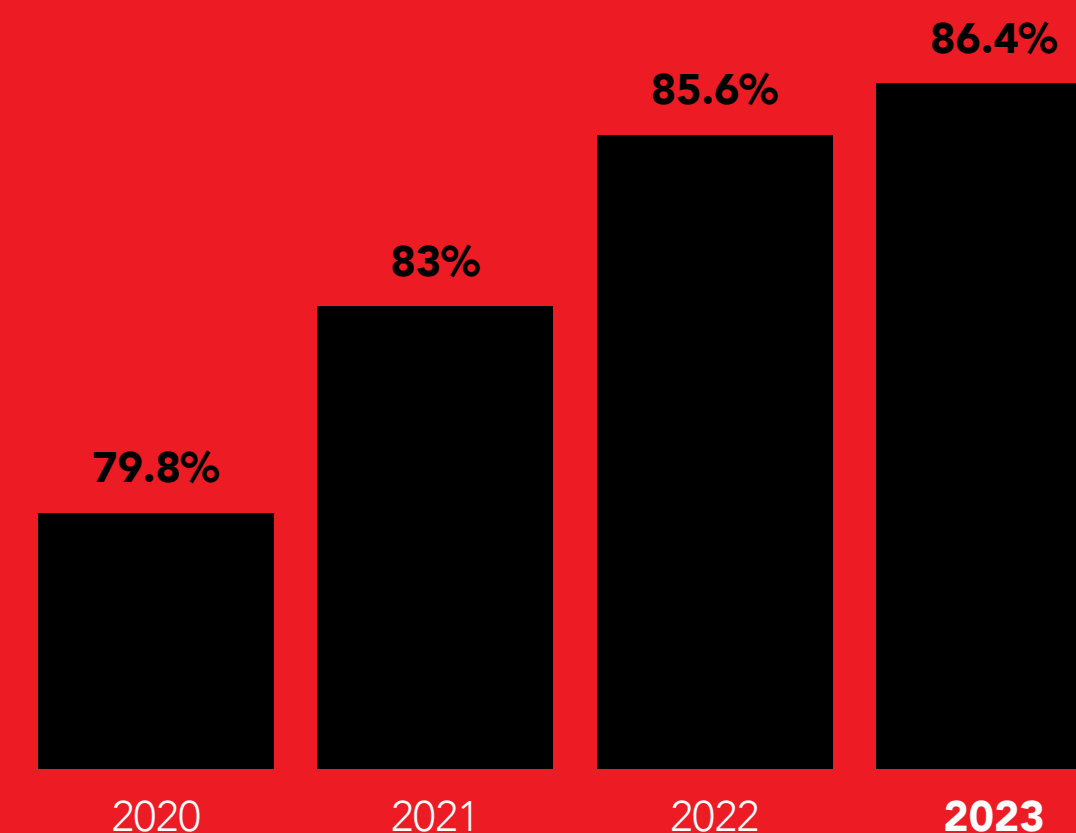
The resources we use for our engagement strategy consist of two large measurements that are carried out in July and November, which are complemented with periodic measurements (pulses) to learn about feelings and thoughts about some specific dimension and / or situation. In addition, we have a network Engagement Promoters who are our culture allies, and their role is to:



- Be an ally of transformation, creating together with the Leader the action plan of their area.
- Generate a positive work environment where the team feels motivated day by day and committed to the organization.
- Co-create rituals or actions that generate closeness within the team.
- Be a connection between teams and the Human Management area.

Our goal for 2023 was to reach an Engagement Index of 85.40% and thanks to the joint work of leaders, promoters and teams in general, we achieved an index of 86.40%.

**Engagement**



**85.70%**  
GOAL 2023

**86.40%**  
ENGAGEMENT INDEX  
ACHIEVED BY 2023



Pursuant to the engagement strategy, we carried out the following activities:

- **Reduction of reporting times by accessing a platform to manage their information.**
- **Personalized advice with leaders .**
- **Creation of action plans by management involving engagement promoters .**
- **Strengthening engagement promoters with conversation spaces.**

**INTERNAL COMMUNICATION**

In order to stay connected with our employees, we have implemented the following communication channels:

**Administrative audience**

- Corporate mail
- Workplace
- Physical channels
- Face-to-face events

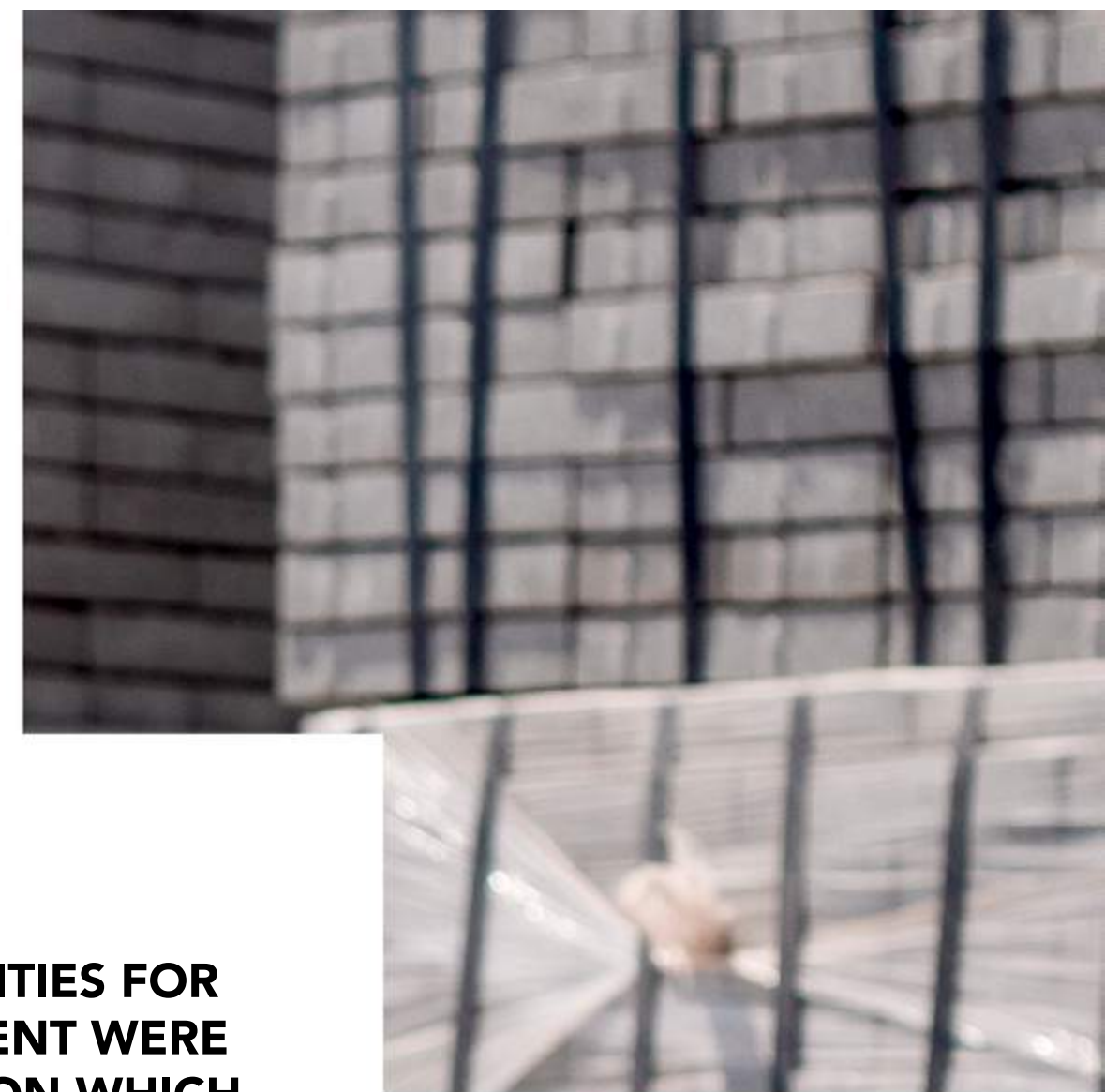
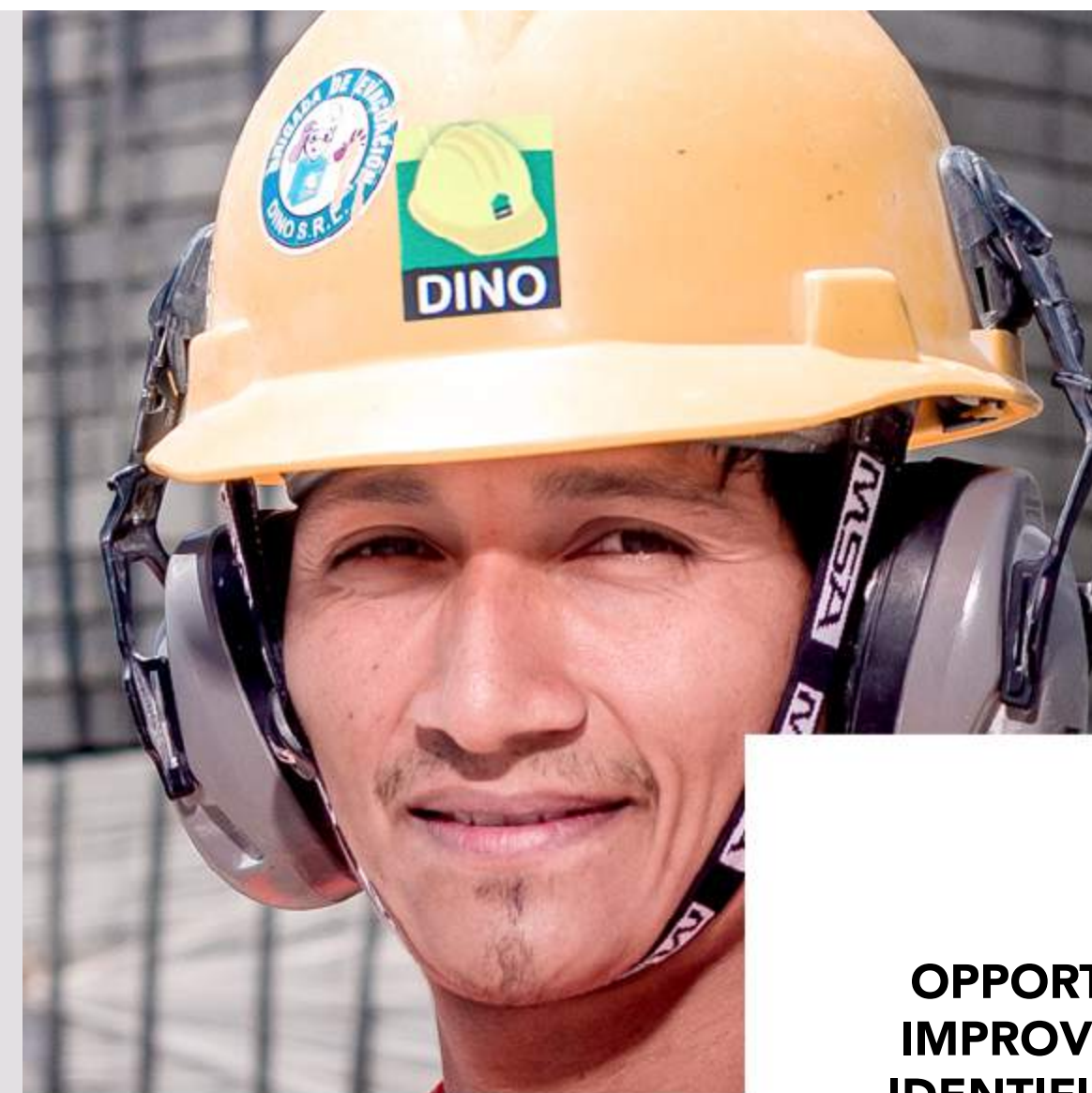
**Operating audience**

- WhatsApp Groups
- Murals
- Face-to-face events

In 2023, the first diagnosis of internal communication channels and cultural spaces was carried out through a survey, interviews and focus groups. In this pulse, opportunities for improvement were identified on which we continue to work on a daily basis for the benefit of our employees who are our most important asset.



**WE SOUGHT TO BUILD A COMPANY WITH A HIGH LEVEL OF EMPLOYEE ENGAGEMENT**



**OPPORTUNITIES FOR IMPROVEMENT WERE IDENTIFIED ON WHICH WE CONTINUE TO WORK ON A DAILY BASIS FOR THE BENEFIT OF OUR EMPLOYEES**

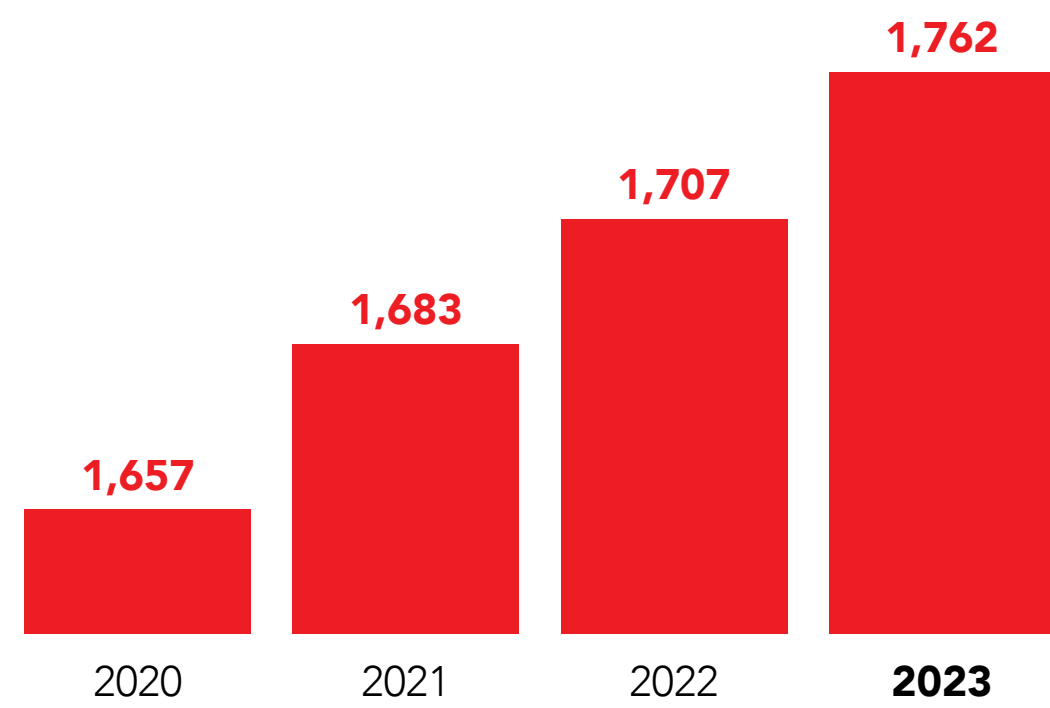




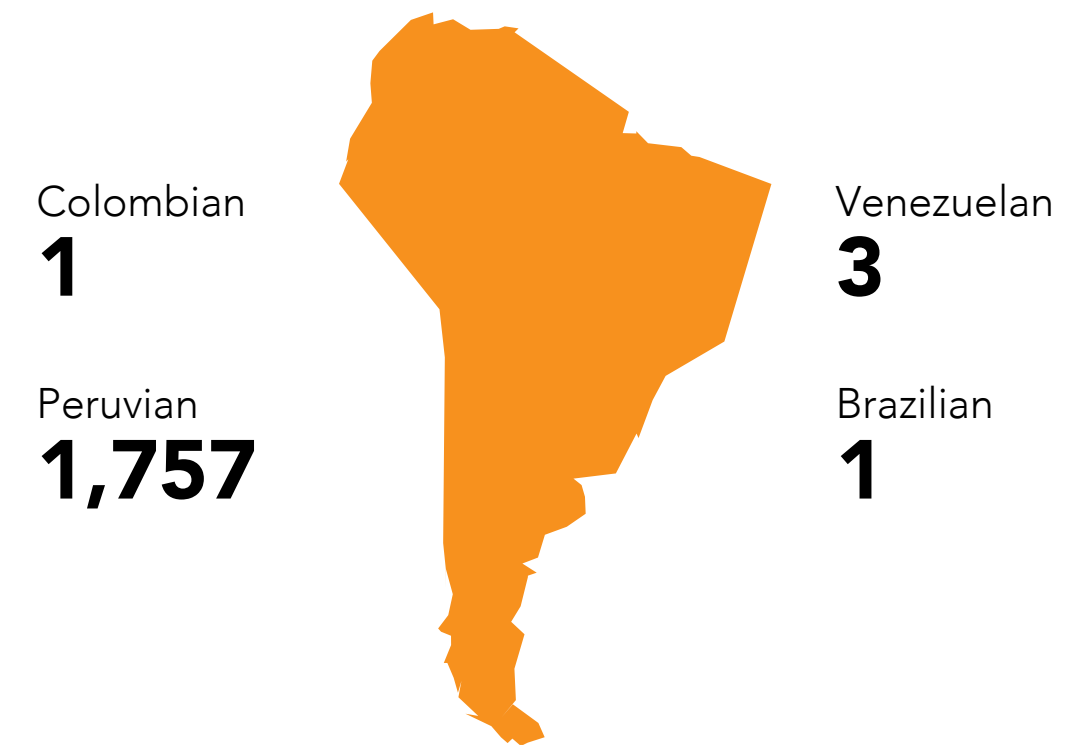
**WE ARE CEMENTOS PACASMAYO**

[GRI 2-7][GRI 2-8]

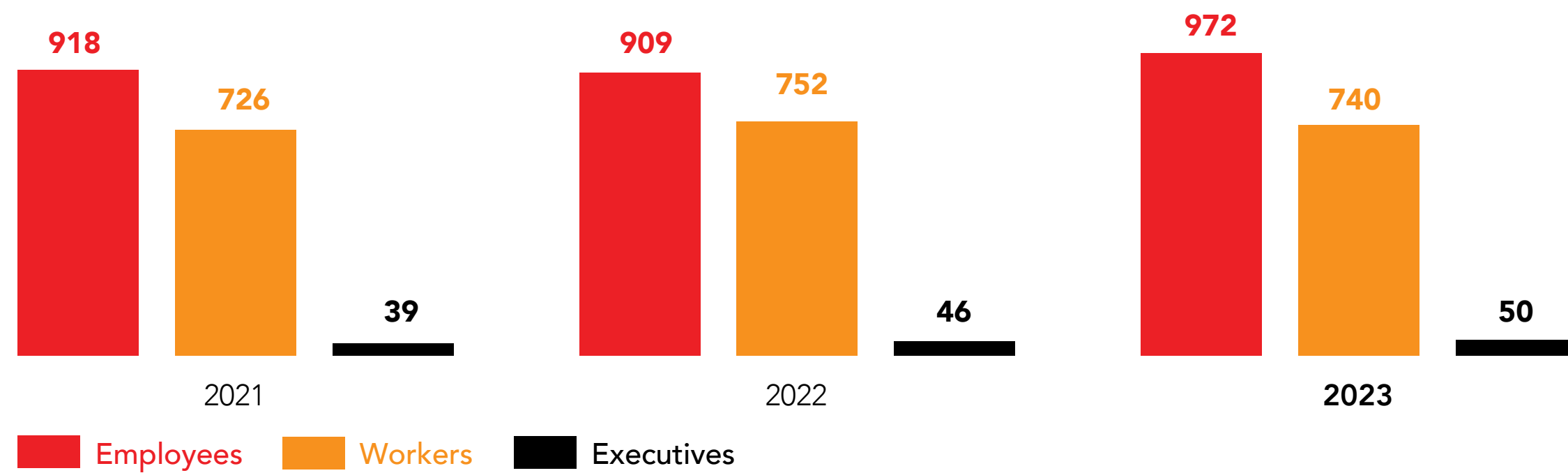
evolution of the number of employees over the past four years:



Number of employees by nationality

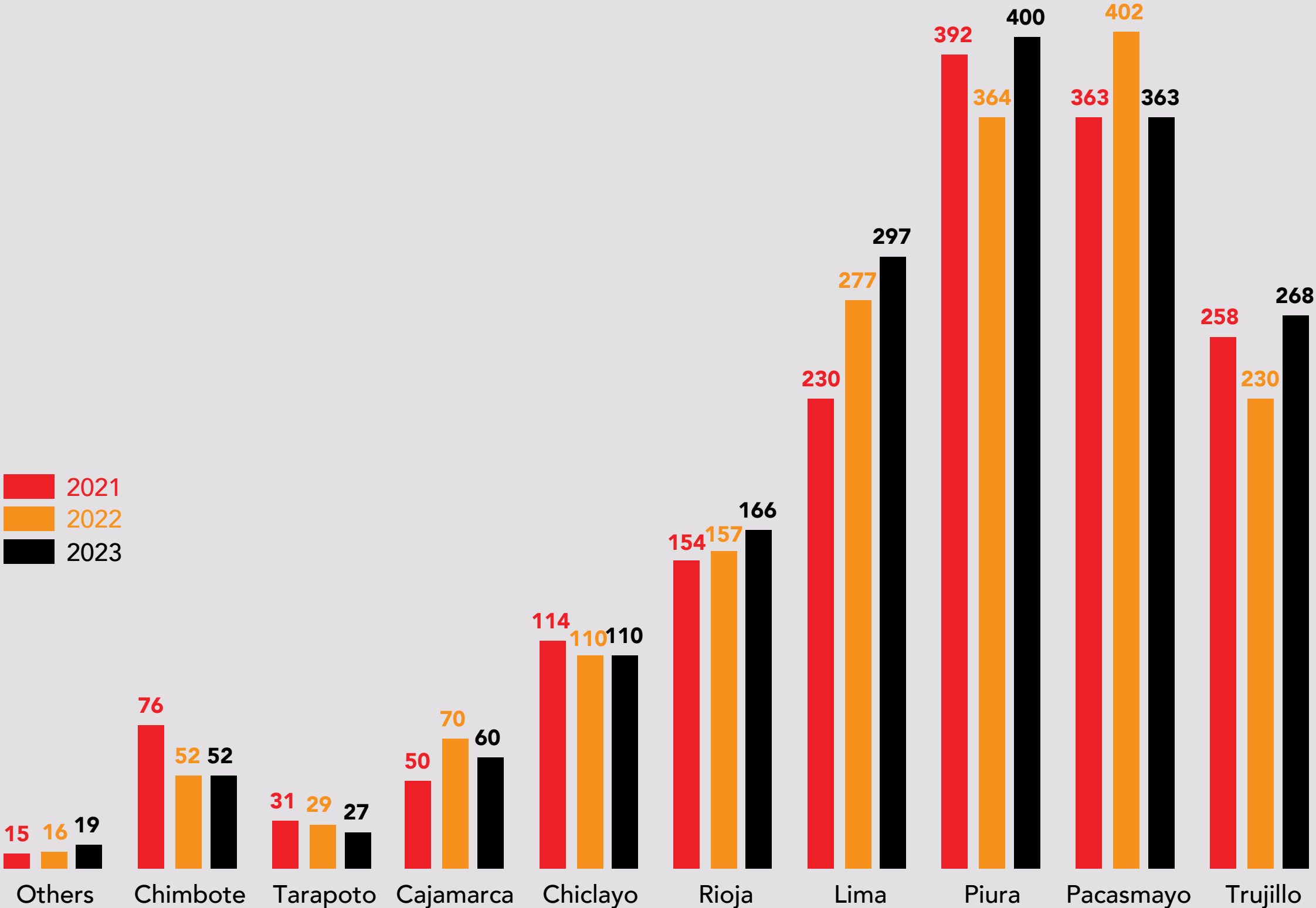


Number of employees by professional cate





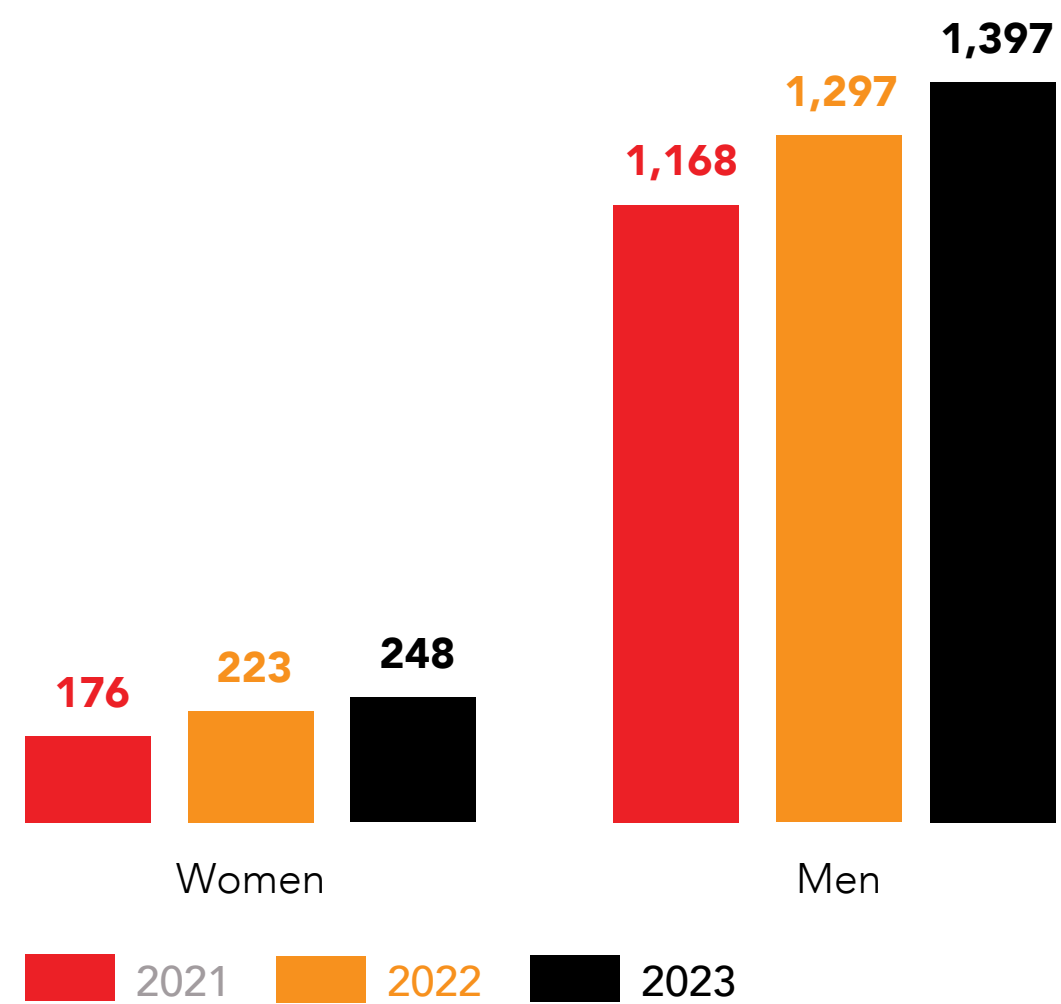
Number of employees per workplace  
(coastal, mountain and jungle regions)



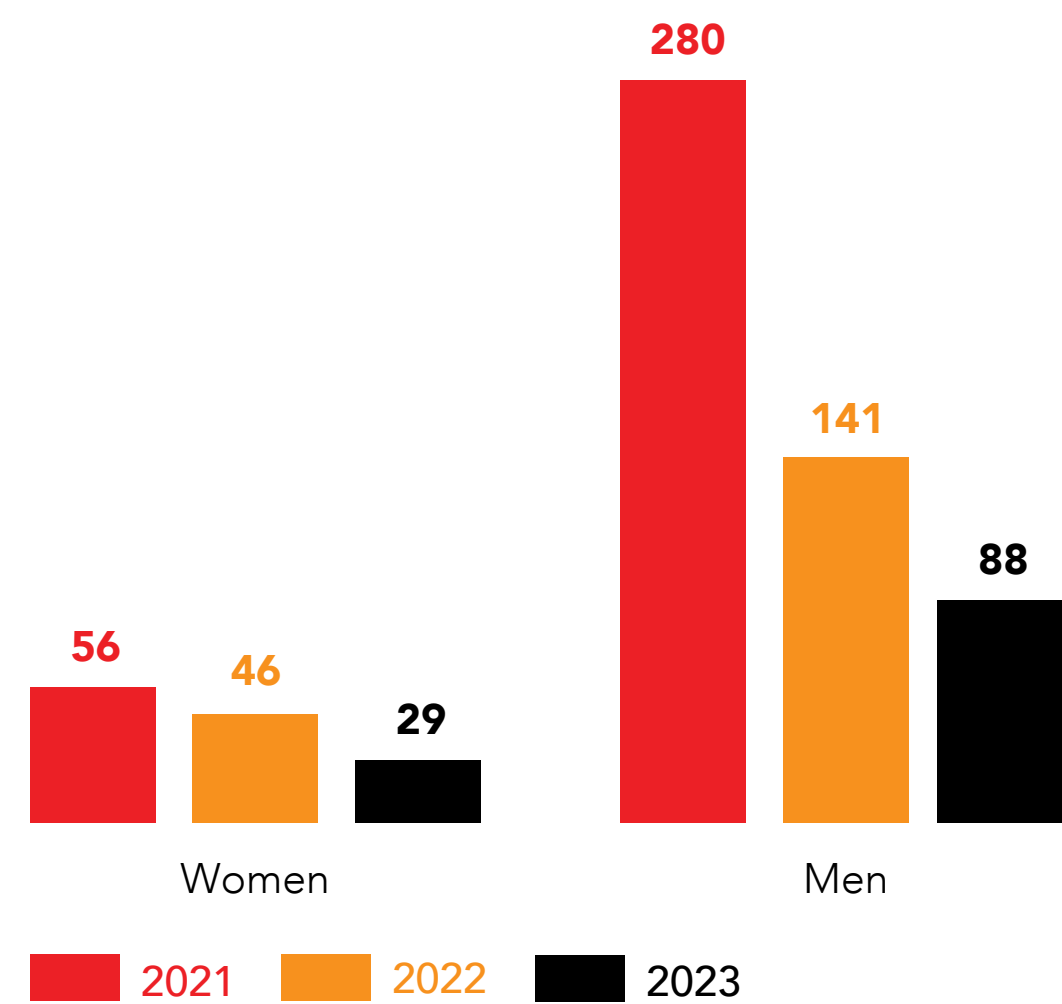


PILLAR 03

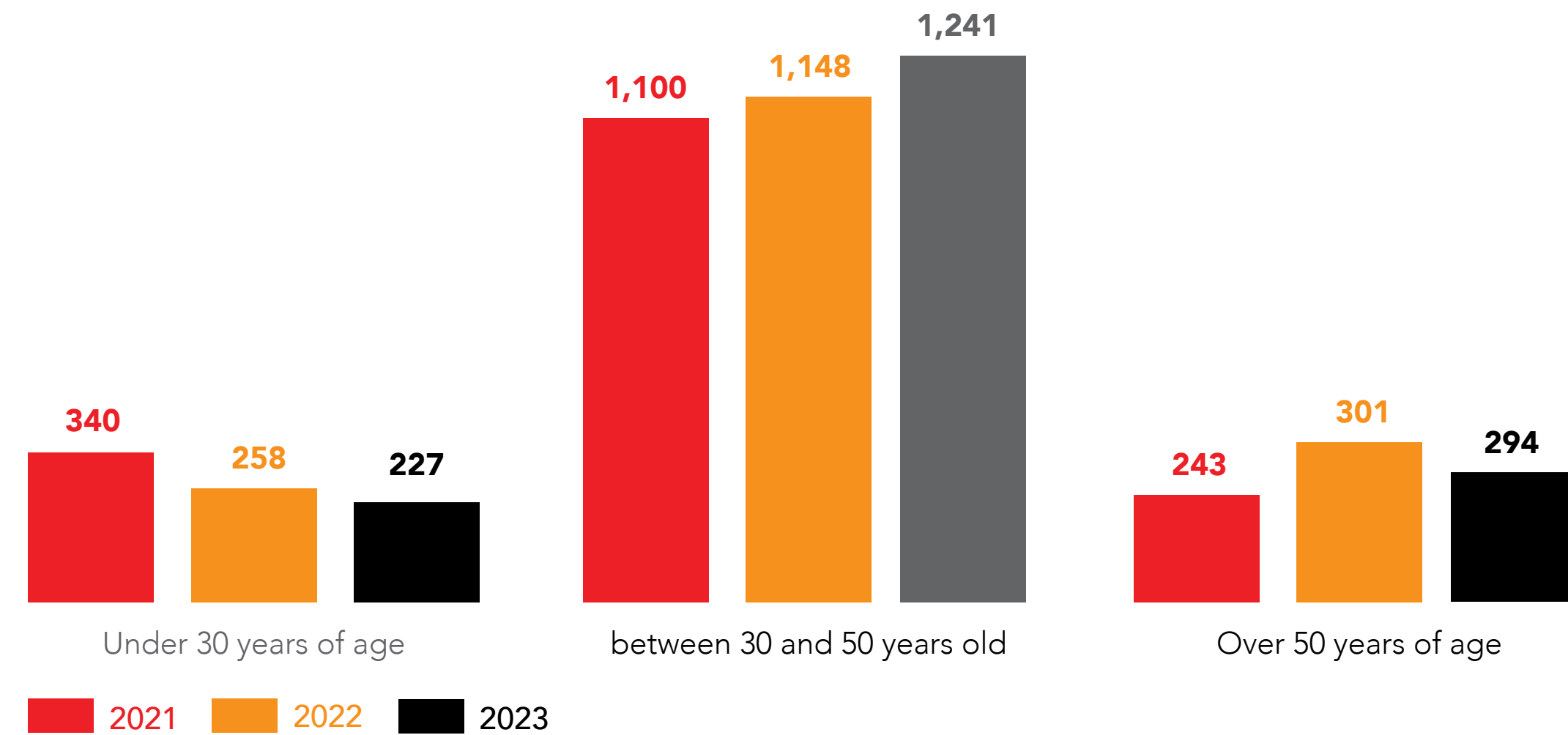
Indefinit- term contract:



Fixed-term contract:



Number of employees by age range:





**BENEFITS**

We maintain many benefits offered to our employees from previous years.

■ **Flexibility with responsibility**

Our employees go to the office on the days and schedules that they consider necessary – in coordination with their bosses and team; because face-to-face interaction will generate much more value. .



■ **(Let's live) Corporate Discounts**

Discounted rates on Primax fuel are provided for our employees.



■ **(Let's live healthier): Oncosalud**

In agreement with Oncosalud, timely preventive medical care and health recovery are guaranteed. IT Includes access to unique rates, payroll discounts and continuity should employees leave the company. It applies to employees and family members, both with the same conditions.



■ **Let's live Pacasmayo): Celebrate your birthday**

A day off for birthdays is offered to our employees to share this special day with their family.



■ **Breastfeeding Facilities**

We have six properly equipped lactation rooms at our Pacasmayo and Piura cement plants; as well as in Dino Trujillo, Chiclayo and Piura; and in our Corporate Office in Lima.



■ **(Let's live healthily): Nutritional guidance**

Telephone guidance from the team of nutritionists to improve employee BMI or eat healthily, and follow-up from the Wellbeing and Occupational Health team.



■ **Learning spaces: Building Wellness**

Monthly information spaces that provide tools for proper management of different topics that promote people's well-being. Topics discussed are in relation to mental health, financial health, nutritional health, among others. In 2023 we conducted prevention talks for the El Niño phenomenon, to publicize prevention measures and risks associated with rains in health, infrastructure, emergency care, etc.



■ **Loans**

We provide loans of a maximum of two wages for emergency health, education and housing, which can be repaid in a period of 12 months and at a preferential interest rate.



■ **(Let's Go Home) Program**

- Mothers who return to work after their post-natal stage work four hours the first week, five hours the second week, six hours the third week and seven hours until the baby is one year old.
- Fathers can enjoy five additional consecutive days of paid paternity leave, in addition to those established by law.



■ **(Let's live healthily): Psychological counseling**

A team of psychology specialists are available to our employees and their families to receive guidance over the phone.



■ **Salary advance**

We provide a maximum salary advance of 80% up to 3 times a year.



Regarding employees covered by the collective agreement, the following benefits are available:

**Discounted Material Sale**

Sale of materials that we produce at a discount for our employees, for their own only home.

**Medical assistance insurance for operators**

We subsidize a percentage of private insurance for operators.

**School Allocation**

An annual grant was given once in February to employees who have school-age children.

**Scholarships**

Monthly amount that is granted to employees who have children in higher education (university or technical), who can prove that they belong to the upper third or have a minimum grade of 14. We have a limited number of scholarships, so we focus on compliance with the criteria established in the policy and finally on a first-come, first-served basis.

**DIVERSITY AND INCLUSION**

Pacasmayo continues to support diversity and, therefore, through our Pacasmayo Plural program we implement initiatives with the Diversity and Inclusion Committee and the Human Management Team, following our goal of increasingly promoting equal opportunities.



**Builders of the Future**

We launched the call for the second class of Constructores del Futuro (Builders of the Future), a professional internship program that aims at incorporating talented women into areas of the company's operations, in order to add to diversity. Just like in 2022, in 2023 ten female professionals were hired and started a year of internships in different areas of operations, including production, maintenance and quality control. Each has been assigned a project as well as a companion guide, who accompanies them throughout the process. They were also assigned a learning path on the Crehana platform.

**Interview Handbook for Candidates**

We prepared an interview handbook so that our employees could conduct interviews with potential new employees in an inclusive manner.

**Allies for Equity**

We launched the Sustainability Ambassadors Program, within which we created a group of ambassadors called "Allies for Equity", where a selected number of

male and female employees will ensure that they promote and implement actions for the benefit of diversity and inclusion in the organization.

In November we invited a group of recognized Female Leaders in the business world to share their experiences on their way to reaching their leadership positions, as well as the challenges and enablers that helped them in this journey. It is an inspirational space for our women in Pacasmayo.

**Inclusion of People with Disabilities**

We continue working towards our goal of including People with Disabilities, which challenges us as an organization to continue eliminating the prejudices that exist in relation to the topic, staying informed and becoming aware of the situation in which any person can be and influence, as well as in the possibility of working. Disability management at Pacasmayo is much more than the fulfillment of an obligation, it is taking on the challenge of diversity in the management of human talent.

**Communication Plan**

We have developed a communications plan throughout the year with topics related to Diversity, Equity and Inclusion (DEI) to continue incorporating this throughout the organization.

**PACASMAYO CONTINUES TO SUPPORT DIVERSITY THROUGH OUR PACASMAYO PLURAL PROGRAM**

### COLLECTIVE BARGAINING AGREEMENTS

[GRI 2-30] [GRI 402-1]

Currently, we have four unions, of which three are from Distribuidora Norte Pacasmayo S.R.L.: Sindicato Único de Trabajadores de Cementos Pacasmayo S.A.A.

- (SUTCPSAA) Sindicato de Trabajadores de Distribuidora Norte Pacasmayo S.R.L.
- (Sitradino) Sindicato Único de Trabajadores de Distribuidora Norte Pacasmayo S.R.L. (Dino)
- Sindicato de Trabajadores Región Lambayeque Distribuidora Norte Pacasmayo S.R.L. (Sitreldino)

The total percentage of employees who are covered by the benefits of collective bargaining agreements is 22 37%.

Trade unions are minority in nature; However, given our policy of Equity, we extend some of the benefits derived from collective bargaining to non-unionized employees. This extension applies to employees up to the management level.

Collective agreements are developed on a triannual basis, so they are in force from 2022 to 2024.

The application of significant operational changes, such as changes in schedule or working hours, are notified with a minimum period of 08 business days before their implementation, pursuant to the legal requirements.

# 22.37%

**EMPLOYEES WHO ARE COVERED BY THE  
BENEFITS OF COLLECTIVE BARGAINING  
AGREEMENTS**



## PACASMAYO TALENT

### DEVELOPMENT AND TRAINING

This year the objective of our training and knowledge strategy focused on improving the learning experience of our employees, as well as accompanying the business with a timely intervention in projects and strategic actions for the company.

### CAMPUS CAP

We launched our first online learning management platform, Campus CAP, wherein we integrate regulatory trainings, cross-cutting paths, support for specific programs, the Crehana e-learning course catalog, as well as the OnBoarding route, and relevant information for their development. It is available to all employees, including the Board.

Supporting the company's vision, future knowledge needs were raised with our main stakeholders and four cross-cutting learning paths were defined:

- Data & Analytics
- Growth Mindset y adaptación al cambio
- Agility
- Sustainability

### KEY INDICATORS

**100%**  
**TRAINED EMPLOYEES**

**100%**  
**TRAINED DIRECTORS**

**S/ 621.12**  
**SPENDING ON TRAINING  
AND DEVELOPMENT PER  
EMPLOYEE**

**21.4**  
**AVERAGE TRAINING HOURS  
PER EMPLOYEE**



**ONLINE COURSES**

Also, we continued managing compulsory courses online. This year, in addition to the regulatory courses on occupational health and safety, and corporate compliance trainings, we supported the development of courses on Cybersecurity and the Environment, key topics for business continuity.

**KILN 4 COMMISSIONING TRAINING**

In 2023, the construction of Kiln 4 was completed at our plant in Pacasmayo. For this reason, a training plan was developed consisting of 5 training sessions for 61 employees (3.46%) that provided support and ensured the correct and effective start-up of Kiln 4. This was achieved through theoretical-practical learning and collaborative work between the areas of the operation through 2,098 hours of training.

**Kiln 4 Training:**

- The content generates value to my daily functions: 4.5
- NPS: 71%
- Production exceeded the budget by 58,879 MT of clinker, which generated an additional benefit of S/10MM in the 2023 period as we stopped the consumption of imported clinker.

**LEADERS WHO TRANSCEND**

We re-launched our leadership school, which focuses on developing adaptive leadership skills and people development. In 2023 we held 10 online sessions in which 57 of our leaders participated, including central managers, managers and some superintendents.

**STRATEGIC PROJECTS**

Also, we supported strategic projects with the timely development of skills. Different learning strategies were implemented for six strategic projects that included the development of skills such as effective negotiation, customer centricity, artificial intelligence, data & analytics, agility applied to their roles, technical business topics among others.





**CRECE DINO**

We continued Crece Dino, our commercial school through which we seek to strengthen the knowledge of our sales force and improve sales indicators, by covering technical training, as well as training focused on the development of commercial skills. 14% of our employees participated in Crece Dino.

- The technical training for the commercial team was given by internal instructors, while those focused

on the development of commercial skills were given by third parties. The latter included the following topics for specific groups:

- Business skills for middle managers: The new middle managers of the sales team were trained to ensure that they have a solid base of skills for the leadership of commercial teams, with the aim that they can manage their teams efficiently.
- Business skills for prospecting: Through this training, we sought to provide a theoretical and practical ba-

sis to develop high-performance prospectors. This was only for members of the prospecting team.

- Business skills for key accounts: Through this training we sought to give the basic guidelines and develop business skills that allow our key account managers to be strategic allies of our clients ensuring consultative sales.

**Technical Training - Internal**

- The content generates value to my daily functions: 4.5
- NPS: 81.1%

**Business skills for prospecting**

- The content generates value to my daily functions: 4.7
- NPS: 100%

**Business Leadership Skills**

- The content generates value to my daily functions: 4.6
- NPS: 89.4%

**Business skills for key accounts**

- The content generates value to my daily functions: 4.5
- NPS: 100%



**DINO TECHNICAL SCHOOL**


[GRI 404-1] [GRI 404-2]

The Dino technical school aims at integrating and developing all the learning initiatives of our operations into Dino - Disac.

We offer different trainings topics to the personnel who operate the most used machinery in our operations, in order to ensure efficient and safe operations. In 2023 we provided the following training sessions:



Additionally, all operators participate in the safety and ethical world training that is made available annually, which includes specific content in accordance with their roles.

 **WE OFFER DIFFERENT TRAININGS TOPICS TO THE PERSONNEL WHO OPERATE THE MOST USED MACHINERY IN OUR OPERATIONS**

**1. FRONT LOADER OPERATION**

**2. OPERATION AND MAINTENANCE OF THE NEW KILN AT PACASMAYO**

**3. FORKLIFT OPERATION**

**4. SAFE CONCRETE PUMP OPERATION**

**5. SAFE MIXER OPERATION**

**6. OPERATION OF VERTICAL MILLS**



**PERFORMANCE EVALUATION**

[GRI 404-3]  
At Pacasmayo we seek to evaluate the fulfillment of objectives, competencies and identified potential, that is, growth projection, agility and versatility, of each employee. Thus, we have corporate competencies that vary according to the hierarchical level.

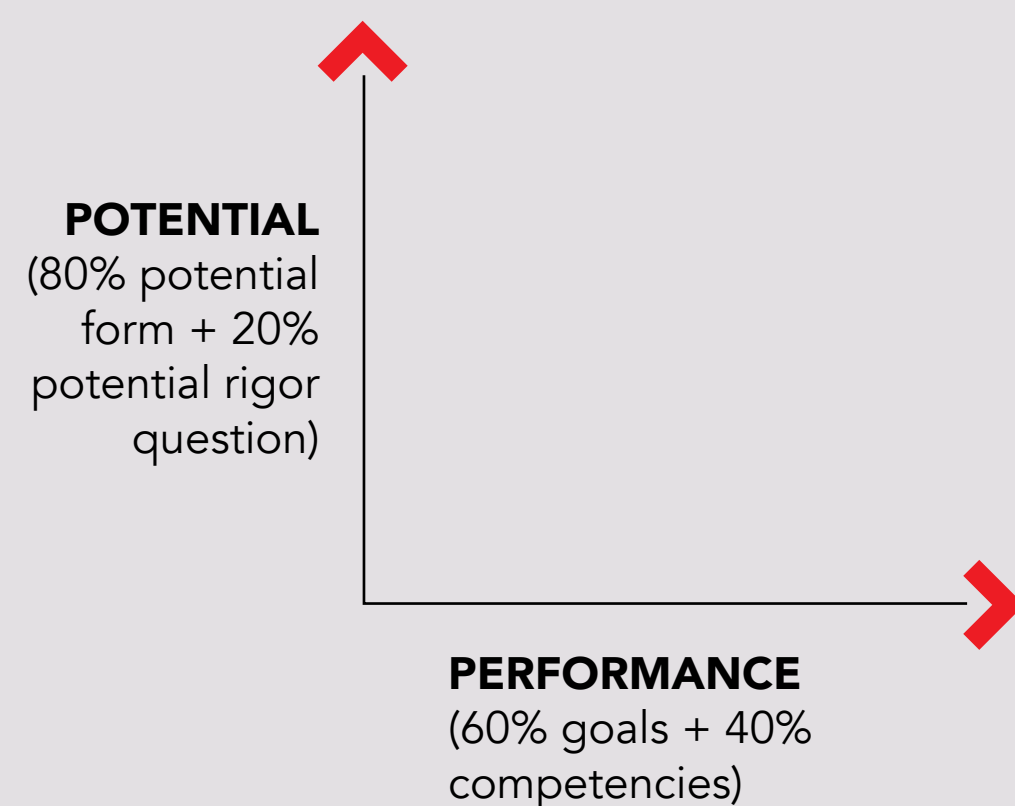
**Administrative Positions**

Each employee defines their annual goals in coordination with their leader at the beginning of the year and is monitored to obtain a final grade for such goals at the end of the year. Likewise, at the end of the year, a competency measurement is carried out, which involves both the leader of the person evaluated, their peers, and their reports, if any. 100% of our administrative positions (921 employees) undergo regular performance evaluations.

**Sales Force**

In 2023, the performance evaluation was launched for our sales force, whose process is customized according to the context in which they develop their activities, which is changing and dynamic. This evaluation consists of a monthly assessment based on sales indicators (50%), management indicators (25%) and competency assessments (25%). From these variables, a grade is obtained which serves as input for the monthly talent committees.

In addition, we carry out talent mapping applying the Nine Box matrix methodology that measures growth projection, agility and versatility. In this way, we obtain key inputs for promotions, trainings and succession plans.



**Methodology model**

In addition, we promote constant feedback as part of this support. We urge leaders, together with their teams, to reinforce the most relevant points of an employee's evaluation and the follow-up on their goals, making this space a conversation in which to receive and give feedback.

This is why, at least twice a year, we carry out our multidimensional evaluation, promoting management by objectives, and we encourage agile conversations that provide feedback.

**CHANGE MANAGEMENT**

Starting this year, we began supporting the organization's strategic projects through a Change Management model that enables greater adoption and adaptation of people and processes towards change, making it sustainable over time and generating much more value to the organization. Some of the fronts on which we focused on this year are Data Analytics, Digital Transformation, Maveric Project and Pacasmayo 4.0.





**CULTURAL TRANSFORMATION**

We are in a process of constant cultural transformation that aims at internalizing our purpose **'To build together the future of your dreams'**, and to internalize our six cultural principles:

- 1. WE PUT PEOPLE FIRST
- 2. WE ARE RESPONSIBLE AND TRUSTWORTHY
- 3. DIVERSITY IS OUR ESSENCE
- 4. WE EXPERIMENT AND LEARN
- 5. UNITED WE ARE UNSTOPPABLE
- 6. WE DO EVERYTHING WITH GOOD VIBES AND ENTHUSIAM



Our goal is to accompany the business towards a client-oriented culture that offers solutions, always guided by our purpose, under the action of our cultural principles, and according to the different needs that the market demands of us. Also, starting this year we are supporting the change management processes that allow us to accompany the organization in the different strategic projects. This year we focused on the fronts related to data analytics and digital transformation.

**BUILD  
TOGETHER  
THE FUTURE  
YOU DREAM  
OF**

## 2.4. WE OPERATE RESPONSIBLY SAFE OPERATIONS

### HEALTH AND SAFETY MANAGEMENT

[GRI 3-3] [GRI 403-1] [GRI 403-8] [GRI 403-6] [GRI 403-7]

We are committed to protecting the holistic health of all our employees since we believe that people are the center of everything. It is for them that we make different efforts to protect their well-being.

In line with this, we have an Occupational Health and Safety Management System (OSH) in place that covers all our employees, including interns, (1,801) and contractors (5,000).



**WE ARE COMMITTED TO  
PROTECTING THE HOLISTIC  
HEALTH OF ALL OUR  
EMPLOYEES SINCE WE BELIEVE  
THAT PEOPLE ARE AT THE CENTER OF  
EVERYTHING**

### INTERNATIONAL CERTIFICATION

Our system is certified under ISO 45001 and complies with the national regulations on the matter, as well as with the requirements of international organizations to which we are linked. In addition, we have a matrix of legal requirements that is updated on a quarterly basis, which allows us to thoroughly monitor compliance with all requirements.





**IDENTIFICATION AND RISK ASSESSMENT**

[GRI 403-2] [GRI 403-7] [GRI 416-1]

We have established a Procedure for the Identification of Hazards, Risk Assessment and Determination of Controls (IPERC). The IPERC matrices are developed annually by the user area with the support of the Occupational Health and Safety area, thus guaranteeing the quality of such processes.

To facilitate the notification of dangers or hazardous situations at work, we have a Concerns and Complaints Channel in place on the company website where any employee, contractor or user can anonymously notify of any event or situation that has occurred. Similarly, notifications can be made anonymously through physical mailboxes in operating units.

Risk identification and assessment are reviewed annually, and these updates allow the implementation of improvement processes.

It should be noted that the health and safety impacts of 100% of our products and services were evaluated and there were no cases of non-compliance with the regulations.

**WERE NO CASES OF  
NON-COMPLIANCE WITH  
THE REGULATIONS.**

**INTERNAL WORK REGULATIONS**

It clearly states that workers must stop their activities and report any dangerous situation to their superiors. This protects employees from fear of retaliation for reporting incidents or withdrawing from situations they consider dangerous.

**INCIDENT AND ACCIDENT INVESTIGATION AND ANALYSIS GUIDE**

This formal and systemic process encompasses reporting, research, analysis and identification of root causes, with the dissemination of the results throughout the organization. Corrective and preventive measures are established, with controls both in the facility whe-

re the incident occurred and in other facilities with the potential for an occurrence. The guide also provides guidelines for training those involved in research, ensuring uniformity and effectiveness in identifying root causes. This approach allows us to learn from incidents and continuously improve our occupational safety and health management system.

**REQUIREMENTS FOR CONTRACTORS**

[GRI 403-7]

We also promote Good Occupational Safety and Health Practices in the procurement processes of goods and services with our clients, subcontractors and suppliers. Thus, it has been established that all the ser-

vices provided in our operations through contractors, subcontractors and suppliers, must guarantee compliance with OSH regulations, have complementary insurance for risk work, comply with our Internal Regulations on Occupational Safety and Health.

Furthermore, we have a [Safety, Health at Work and Environment Handbook](#) in place for Contractors which establishes the guidelines on the aforementioned matters that must be adopted and fulfilled in all of Grupo Pacasmayo's contracts and / or service orders. Additionally, the OSH and environmental requirements for the purchase of goods are pre-established.





**HEALTH SERVICES**

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

In keeping with our commitment to ensuring safe and healthy work environments, we have implemented a comprehensive Occupational Health program that addresses three fundamental aspects.

The confidentiality of workers' personal health data is a priority for us. To ensure this, we follow our Personal Data Protection Procedure in Occupational Health. This procedure clearly establishes the responsibilities of both the company and our health care services, ensuring that the handling of information is always in line with the corresponding informed consents. We ensure that workers' personal health information is not used to treat them favorably or unfavorably, thus reinforcing our commitment to fairness and respect for each individual in our organization.

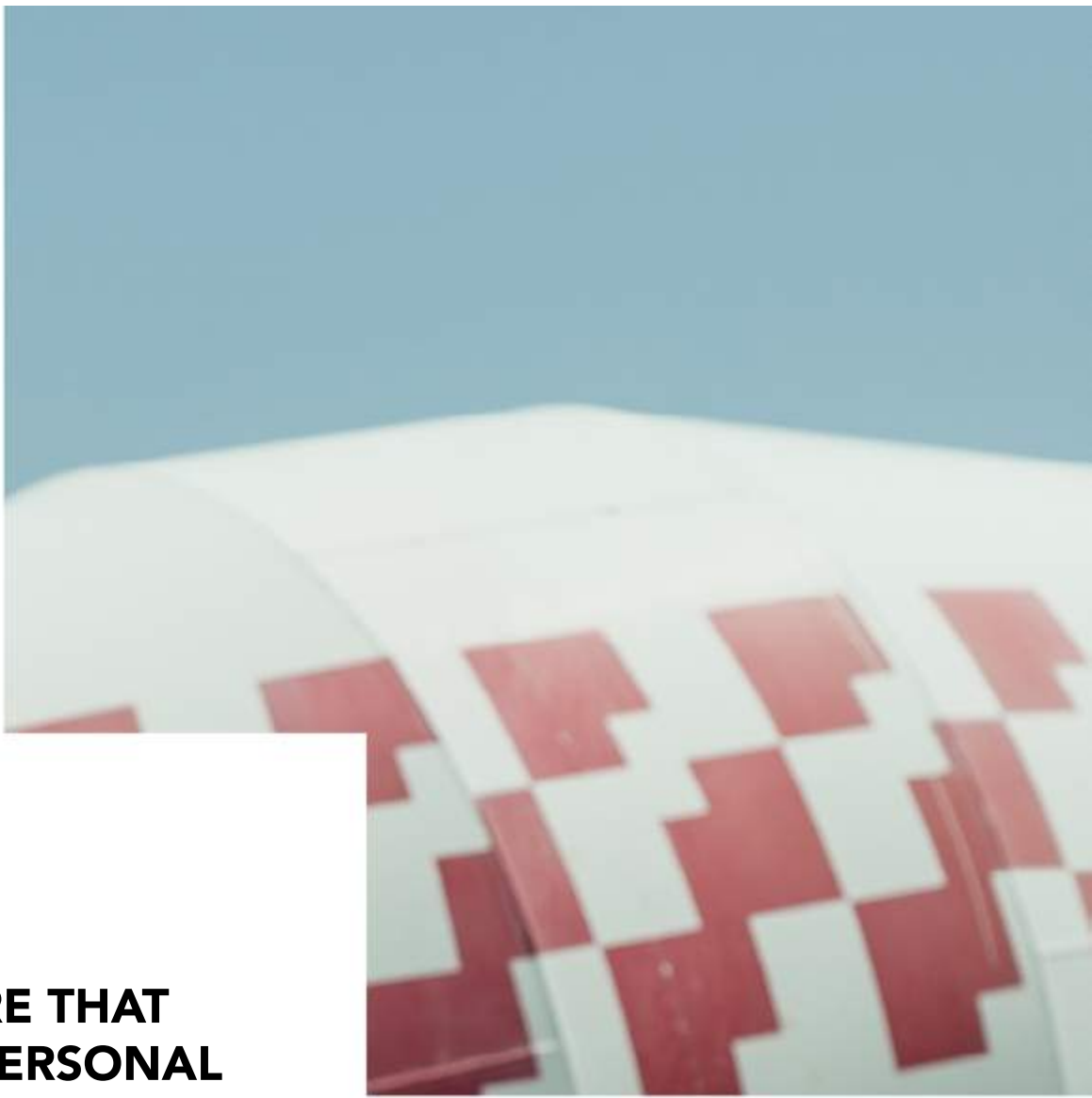
In addition, the Occupational Health program includes health campaigns not related to work and this 2023 we carried out 33 campaigns in the different cities where we operate. Likewise, the company offers employees the option of having a private health insurance subsidized by the company at 70%.

**Comprehensive occupational health program**

- We carry out field workplace inspections, occupational hygiene monitoring measurements and ensure emergency care and medical emergency services. This includes training brigade members and planning evacuations to health centers, if necessary.
- We focus on improving the medical skills of our workers by maintaining an occupational medical history and constantly monitoring their health condition. This proactive care allows us to identify and address any changes in employee health in a timely manner.
- We monitor the plant's surrounding areas, paying attention to local and national epidemiology. We compare this information with medical leaves to assess whether the diagnoses prevalent in the region affect our employees, and propose solutions to minimize their impact.
- We provide infirmary services in our locations with a greater number of employees, or which are far from a health center, to provide the ability to resolve accidents:
  - CPSAA Pacasmayo - Infirmary 24/7 all year round.
  - CPSAA Piura - Infirmary 24/7 all year round.
  - DINO Piura - Infirmary 12 hours from Monday to Saturday.
  - CSSAC Rioja - Infirmary 24/7 all year round.
  - CPSAA Cantera Virrilá - Infirmary 24/7 from Monday to Saturday
  - DINO Trujillo - Mobile Nursing 24/7 all year round.

In addition, these Infirmaries have medical advisors who provide online support to healthcare professionals who are on duty.

All our Infirmaries have schedules that cover all employee work shifts at their respective locations.



**WE ENSURE THAT  
WORKERS' PERSONAL  
HEALTH INFORMATION  
IS NOT USED TO TREAT  
THEM FAVORABLY OR  
UNFAVORABLY**



**SAFETY AND HEALTH COMMITTEE**

[GRI 2-24] [GRI 403-4]

Each of our operational and administrative units has its respective Occupational Health and Safety Committee, also called Joint Committee, which is made up of 50% of members elected by the company and the other 50% is elected by employees by vote. This committee is responsible for promoting the safety and health of all employees in each of our processes, promoting workplace well-being and supporting the development of the employer. The decisions and actions of this committee are fundamental to the fulfillment of our Annual Work Program on Occupational Safety and Health. (For more information, click on [Internal Regulation on Occupational Safety and Health](#)).

In addition, we have established Occupational Health WhatsApp groups in which employees from all locations can express their appreciation, comment, or ask questions, to which we provide immediate answers. During the inductions of new employees, headquarters socializes the contacts of the Occupational Safety and Health team, thus facilitating access to the relevant information.

**50%**  
MEMBERS  
CHOSEN BY THE  
COMPANY

**50%**  
CHOSEN BY  
VOTE OF ALL  
COLLABORATORS

**SAFETY AND HEALTH TRAINING**

[GRI 403-5]

We carry out four mandatory OSH trainings per year, taking into account that the content is aligned to the main risks of our operating units. In 2023, we accumulated 12,361 hours of training. In addition, we have a platform of asynchronous OSH courses, where employees can train at a time that is most convenient to them.

The following courses are offered:

1. **ORDER AND CLEANLINESS IN THE WORKPLACE**
2. **CONTROL HIERARCHY**
3. **DEFENSIVE DRIVING AND ROAD SAFETY**
4. **RESPONSE, EMERGENCY AND CONTINGENCY PLANS**
5. **RISK MAP**
6. **REPORTING OF INCIDENTS, DETOURS AND ACCIDENTS**
7. **IPERC**
8. **IDENTIFICATION OF RISK AND OCCUPATIONAL HEALTH**
9. **PERSONAL PROTECTIVE EQUIPMENT**
10. **SELF-CARE OF HANDS, EYES AND LEGS**





**OCCUPATIONAL HEALTH AND SAFETY INDICATORS**

[GRI 403-9] [GRI 403-10]

UNIT	MINOR ACCIDENT	DISABLING ACCIDENT	FATAL ACCIDENT
Lima Offices	0	1	0
Pacasmayo Plant	0	5	0
Piura Plant	0	1	0
Rioja Plant	0	1	0
Tembladera Quarry	0	0	0
Dino	0	5	0
<b>Total</b>	<b>0</b>	<b>13</b>	<b>0</b>

UNIT	ACCIDENT FREQUENCY RATE (AFR)	OCCUPATIONAL ILLNESS RATE (OIR)	LOST DAYS RATE (LDR)	ABSENCE RATE (AR) (DAYS)
Lima Offices	1.28	0	17.40	0.28
Pacasmayo Plant	1.4	0	11.30	3.78
Piura Plant	2.99	0	4.20	2.14
Rioja Plant	2.62	0	1.00	2.00
DINO	2.99	0	30.40	1.14
Quarries	0	0	0	0

EMPLOYEE INDICATORS	2020	2021	2022	2023
Number of minor accidents of direct employees	3	1	1	0
Number of disabling accidents of direct employees	14	11	14	13
Total number of employee fatalities	0	0	0	0
Lost-time injury frequency rate for employees (expressed in n/million hours worked)	6.01	3.13	3.92	3.31
Frequency rate of occupational illnesses of employees	0	0	0	0
Number of accidents with major consequences	0	0	0	0
Injury rate due to major accidents	0	0	0	0
Number of hours worked by employees	2,829,337	3,829,911	3,822,231	3,931,296
Indicator coverage as a percentage of employees	100%	100%	100%	100%

\*Rates have been calculated based on one million man hours worked.



CONTRACTOR INDICATORS	2020	2021	2022	2023
Number of minor accidents of contracted employees	2.00	5	4	4
Number of disabling accidents of contracted employees	11.00	3	15	13
Total number of contracted employee fatalities	0	0	1	0
Lost time injury frequency rate for contractors (expressed in n/million hours worked)	7.79	2.7	4.72	4.01
Accident Frequency Rate	7.79	2.7	3.96	4.01
Number of hours worked by contractors	1,667,873	3,620,892	4,079,122	4,242,841
Number of accidents with major consequences	0	0	0	1
Injury rate due to major accidents	0	0	0	0.24

\* Rates have been calculated based on one million man hours worked.

TOTAL CASE INCIDENT RATE (TCIR)	GOAL		
2023	2024	2030	2050
0.39	0.50	0.27	0

The main type of occupational injury has been squashing and crushing of hands. There have no cases of occupational diseases, nor cases of silicosis.



GOAL 2023

**CERO**

FATAL ACCIDENTS

Goal Progress

**CERO**

FATAL ACCIDENTS OF EMPLOYEES AND CONTRACTORS

## 2.5. CARING FOR THE PLANET IS EVERYONE'S RESPONSIBILITY

### WE PROTECT OUR PLANET

#### OUR CLIMATE CHANGE MANAGEMENT

[GRI 3-3]

As an organization, we are committed to progressively reducing our carbon footprint, and contributing, from the cement industry to carbon neutrality by 2050. Our vision includes leading decarbonization by 2050, with a specific focus on improving the efficiency of our supply chain and significantly reducing emissions in our clinkerization processes.

Thus, our [Environmental Policy](#), approved by the Board of Directors, establishes guidelines to avoid generating significant impacts on the environment.

These guidelines apply throughout our value chain.

#### VALUE CHAIN



This is promoted with our business partners, communities and society at large. All this is aligned with our [ISO 14001 certification](#) for our Environmental Management System.





Maximizing the use of our industrial assets, becoming increasingly efficient, optimizing the cost of production and making operations more sustainable, represents a competitive advantage in the markets where we operate. Creativity, methodology, innovation and technological management of processes are very important aspects to achieve competitiveness, and operations are managed under very strict premises of efficiency and competitiveness.

Within the framework of our 2023 Sustainability Plan, we have established specific targets, such as reducing CO<sub>2</sub> emissions per ton of cement produced. To support these goals, we carry out continuous monitoring of greenhouse gas emissions, not only to comply with decarbonization, but also to maintain strict control over air quality in our operations, taking into account other greenhouse gases.

As Cementos Pacasmayo, we align ourselves with the Peru - FICEM Roadmap toward a low-carbon economy, in line with the Paris Agreements. We recognize the importance of the global strategy to address climate change and the specific challenges of cement production and are committed to working with ASOCEM and other stakeholders to deliver on this Roadmap, seeking to reduce our environmental footprint. In addition, we review and follow up on the actions and goals set out in this Roadmap to move toward a more sustainable cement industry in Peru.

Furthermore, in December 2023 we established the Climate Change Committee which will carry out different actions to contribute to our commitment to carbon neutrality. This committee will be made up of our leaders:

**JULIO OROPEZA**

Central Manager of Cement Operations



**IBRAHIM CHAHUÁN**

Central Manager of Building Solutions




**CLIMATE CHANGE COMMITTEE**

**CLAUDIA BUSTAMANTE**

Sustainability and Investor Relations Manager



**GABRIEL MANSILLA**

Superintendent of Climate Change





In addition, the committee will be advised and have the direct participation of Rosaura Vásquez, Director of the Cement and Concrete Research Center at the University of Engineering and Technology (UTEC).

It should be noted that in 2023 we were not fined for environmental violations greater than USD 10,000.

**EMISSIONS**

[GRI 3-3] [GRI 305-1] [GRI 305-2]

We have implemented a number of strategic measures in order to manage our greenhouse gas emissions.

Firstly, we focus on reducing the clinker factor in the most in-demand cements with additives, such as ICo, GU, MS(MH) and MS. This action is complemented by a change in our energy matrix, which now includes alternative fuels in clinker production. These initiatives are designed to comprehensively address our carbon footprint and move toward a more sustainable production.

In addition to product-level measures, we have also made significant improvements to our facilities to reduce our emissions. For example, we have launched the

Kiln 4 production line, which has a lower caloric consumption, significantly contributing to the reduction of CO<sub>2</sub> emissions. We have also worked on reducing our plants' consumption of coal and have replaced the consumption of imported bituminous with domestic coal at the Pacasmayo plant.

In addition, to control our particulate matter we have Filter Bags that are responsible for capturing and re-

taining solid particles present in the gases generated during the combustion process in the kiln and thus improve the quality of the air released into the atmosphere. This equipment has scheduled maintenance services to ensure its correct operation.

Our commitment is reflected in an ambitious long-term goal. By 2030, we aim to increase the commercialization of low carbon cements to 95% and reduce

SCOPE 1	2020	2021	2022*	2023
Total emissions in metric tons of CO <sub>2</sub> equivalent	1,425,130	1,965,526	2,038,268	1,945,205
Coverage of operations that measure emissions as a percentage of revenue	100%	100%	100%	100%
<b>Emissions goal for 2023</b>				<b>2,200,000</b>
SCOPE 2	2020	2021	2022	2023
Total de emisiones en toneladas métricas de CO <sub>2</sub> equivalentes	41,248	56,900	62,360	59,513
Coverage of operations that measure emissions as a percentage of revenue	100%	100%	100%	100%
<b>Emissions goal for 2023</b>				<b>60,000</b>



\* The Scope 1 and Scope 2 values for 2022 were updated after delivery of the results of the Corporate Carbon Footprint calculated by a specialized third party. 2023 values are internal calculations based on Clinker production. In 2024 this data will be updated with the Corporate Carbon Footprint measurement.

the cement clinker factor to values close to 0.60. This approach not only makes a significant contribution to reducing emissions, but also demonstrates our commitment to sustainability and environmental care in all our operations.

The methodological guidelines used to calculate our Carbon Footprint have been developed following the methodology of the GHG Protocol 'Greenhouse Gas Protocol Corporate Standard (GHG Protocol)', developed by the World Resources Institute and the World Business Council for Sustainable Development, and supported by ISO 14064-1:2018. Regarding the calculation methods, we mainly followed the methodologies indicated in the Guidelines for the preparation of national inventories of the Intergovernmental Panel on Climate Change 2006 (IPCC). Global Warming Potential has been defined based on the IPCC: Fifth Assessment Report (AR5). As part of the methodology, we applied the operational control consolidation approach.



**ENERGY**

[GRI 3-3] [GRI 302-1] [GRI 302-3] [GRI 302-4] [GRI 302-5]

As an integral part of fulfilling our sustainability strategy, reducing energy consumption is part of our priorities across our operations, focusing our activities on mitigating environmental risks while reducing our energy costs. Thanks to our energy saving policy, in which there is proper programming of productive activity in order to stop production lines equivalent to 50% of normal consumption during off-peak hours, a more efficient use was achieved during peak hours when there is greater demand for energy. In addition, the newly installed energy committee at the Pacasmayo plant reviews energy and environmental management indicators on a monthly basis in order to establish improvement and efficiency actions.

To measure our consumption, we mainly use electrical energy from the National Interconnected Electrical System (SEIN), through our supplier Electro Peru, which generates 100% renewable energy. Only during power outages throughout the plant scheduled for the maintenance of transmission lines are generators used for ancillary ser-

 **GLOBAL WARMING POTENTIAL HAS BEEN DEFINED BASED ON THE IPCC: FIFTH ASSESSMENT REPORT (AR5). AS PART OF THE METHODOLOGY WE APPLIED THE OPERATIONAL CONTROL CONSOLIDATION APPROACH.**

vices (once a year). In addition, we performed the monitoring and control of the specific consumption of electrical energy (kWh / ton cem), through the monitoring network of energy meters integrated in our Control Room.

**MAIN ENERGY INDICATORS**

[GRI 302-1]

EXPRESSED IN MWH	2020	2021	2022	2023
a. Non-renewable fuels purchased and consumed (Coal, Diesel and Residual oil, Gashol)	1,785,248	2,283,950	2,407,806.68	2,120,671.19
b. Non-renewable electricity purchased	124,193	2,100	2,145	3,719.86
c. Steam, heating, cooling and other (non-renewable) energy purchased	0	0	0	0
d. Total renewable energy purchased or generated*	251,244	355,747	349,712	345,537.19
e. Total non-renewable energy sold	0	0	0	0
<b>Total non-renewable energy consumption (a+b+c-e)</b>				<b>2,124,391.05</b>
Total energy consumption target by 2023				2,500,000.00
Total energy consumption costs (in soles)	147,300,826	225,825,153	275,971,376	291,850,074
Coverage as a percentage of income	100%	100%	100%	100%

\*Considerations:

- Anthracite coal heating value factor (GJ/TN)
- Bituminous coal heating value factor (GJ/TN)
- Oil heating value factor (GJ/TN)
- Diesel heating value factor (GJ/TN)
- Rice husk calorific value factor (GJ/TN)
- Gasohol heating value factor (GJ/TN)
- LPG heating value factor (GJ/TN)
- Factor poder calorífico GLP (GJ/TN)

\*It comes from hydroelectric plants and is supported by the contract with the energy supplier.



**WATER AND EFFLUENTS**

[GRI 303-1] [GRI 303-2] [GRI 303-3] [GRI 303-4]

We prioritize the careful management of water resources as part of our cross-cutting strategy, but we also encourage the daily care of water use through small individual actions.

At the cement plants of Piura and Pacasmayo, we extract water from wells, with the appropriate authorization. Similarly, we do not compete for the use of surface water

At the Piura plant, we carry out a treatment process in the Wastewater Treatment Plant (WWTP), allowing water to be reused to water green areas. In situations of water stress, such as in nearby quarries, we opted for the purchase of water from third parties, thus avoiding competing for the use of surface water.

At the Rioja Plant, where there is no water stress, we consume water from the network and extract surface water from the river, always with the proper authorizations from the National and Local Water Authority.



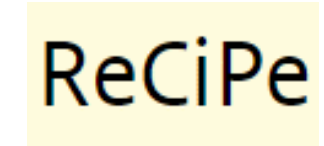
The identification of impacts related to water is carried out considering the needs of water consumption and the available sources, the latter according to their potential impact on the ecosystem. In this way, we carried out a study of water stress and a stability study of the water wells for the Pacasmayo plant, ensuring a sustainable management of the resource. Similarly, to identify our impacts on water management, we prepared the Water Footprint, Scarcity Footprint and Eutrophication Footprint for our cement plants and quarries.

Regarding the quality criteria of effluent discharge, we comply with the established legal standards (Supreme Decree No. 003-2010-MINAM). It is important to highlight that our cement plants and quarries do not generate industrial effluents. Moreover, regarding domestic effluents, we manage their treatment and final disposal with a system that includes septic tanks and absorption wells. This practice ensures compliance with high quality criteria, thus contributing to the preservation of water quality and the integrity of aquatic ecosystems. In 2023, 4,509.97 m<sup>3</sup> of treated water was disposed of through biological treatment.



**Water footprint**  
Measure of total direct and indirect water use associated with the production of goods or services.

**Scarcity footprint**  
Measure that assesses water availability relative to demand, indicating areas where demand exceeds renewable water availability.



**Eutrophication footprint**  
Measure that evaluates the impact of excess nutrients on bodies of water, which can lead to excessive algae growth and degradation of the aquatic ecosystem.



**MAIN WATER INDICATORS**

[GRI 303-3]

EXPRESSED IN MILLIONS OF CUBIC METERS	2020	2021	2022	2023
a. Total municipal water supply (or from other water companies)	0.02	0.03	0.0003	0.009
b. Fresh surface water consumption	0.21	0.31	0.24	0.199
c. Fresh groundwater consumption	0.63	0.75	0.78	0.761
d. Water returned to the extraction source in quality similar to or superior to that of the extracted raw water	0	0	0	0
<b>Total net freshwater consumption (a+b+c-d)</b>	<b>0.86</b>	<b>1.09</b>	<b>1.02</b>	<b>0.964</b>
<b>2023 Freshwater consumption target</b>				<b>1</b>
Cobertura de datos para el consumo de agua, como porcentaje de los ingresos	100%	100%	100%	100%

EXPRESSED IN MILLIONS OF CUBIC METERS	2021	2022	2023
Total net freshwater consumption in water-stressed areas (Total water withdrawals – total water discharges)	1.3	1.13	0.09
2023 Consumption Goal			0.1
Data coverage for water consumption, as a percentage of income	100%	100%	100%

**Water Withdrawal**

TOTAL WATER WITHDRAWAL FROM AREAS WITH WATER STRESS	2022	2023
Fresh Surface Water	0.12	0.092
Groundwater	0.32	0.089
Marine Water	0	0
Produced Water	0	0
Third-party Water	0.44	0.001
<b>Total</b>	<b>1.87</b>	<b>0.182</b>



**WE CARRIED OUT A STUDY OF WATER STRESS AND A STABILITY STUDY OF THE WATER WELLS FOR THE PACASMAYO PLANT ENSURING A SUSTAINABLE MANAGEMENT OF THE RESOURCE**



**CIRCULAR ECONOMY: WASTE MANAGEMENT, SUSTAINABLE MATERIALS**

[GRI 306-1] [GRI 306-2] [GRI 306-3]

Pursuant to our unwavering dedication to environmentally responsible management, we are committed to properly managing the waste generated by our operations. A relevant aspect of this commitment is the reuse of marketable material, a practice that we advocate in our company to reduce our environmental impact.

The most significant waste in our company is waste material generated mainly by the return of concrete from our clients. Its relevance derives from the volume and not from its level of environmental impact. Given that levels are not high, this type of waste is not classified as hazardous. After carrying out an exhaustive legal review process, we concluded that the concrete returned as waste material can also be reused for land leveling, both in our operating units and in those of

third parties, promoting sustainable practices in waste management.

Our waste management is governed by the Law on Comprehensive Solid Waste Management and its Regulations. We focused our efforts on minimizing waste generation from the source, reflecting this approach in our Non-Municipal Solid Waste Minimization and Management Plans. These plans detail the specific management of each type of waste, ensuring a comprehensive and responsible approach to our waste management. Based on a prior evaluation, solid waste operating companies are selected.

Also, focused on the circular economy, we carried out a pilot project where we used our residual oils as partial fuel of our Kiln 3 at the Pacasmayo plant.



**MAIN INDICATORS – WASTE MANAGEMENT**

[GRI 306-3] [GRI 306-4] [GRI 306-5]

EXPRESSED IN METRIC TONS	2020	2021	2022	2023
a. Total waste generated	43,121	2,527	5,464	2,589
b. Total waste used, recycled, sold	1,316	2,010	4,968	2,230
c. Incineration for energy recover	0	0	0	23
Total disposed waste (a-b+c)	41,805	517	496	336
<b>Waste disposal target for 2023</b>	<b>400</b>			
Waste management data coverage, as a percentage of revenue	100%	100%	100%	100%

OWN INDICATOR (EXPRESSED IN METRIC TONS)	2022	2023
Repurposed waste material	58,897	77,739

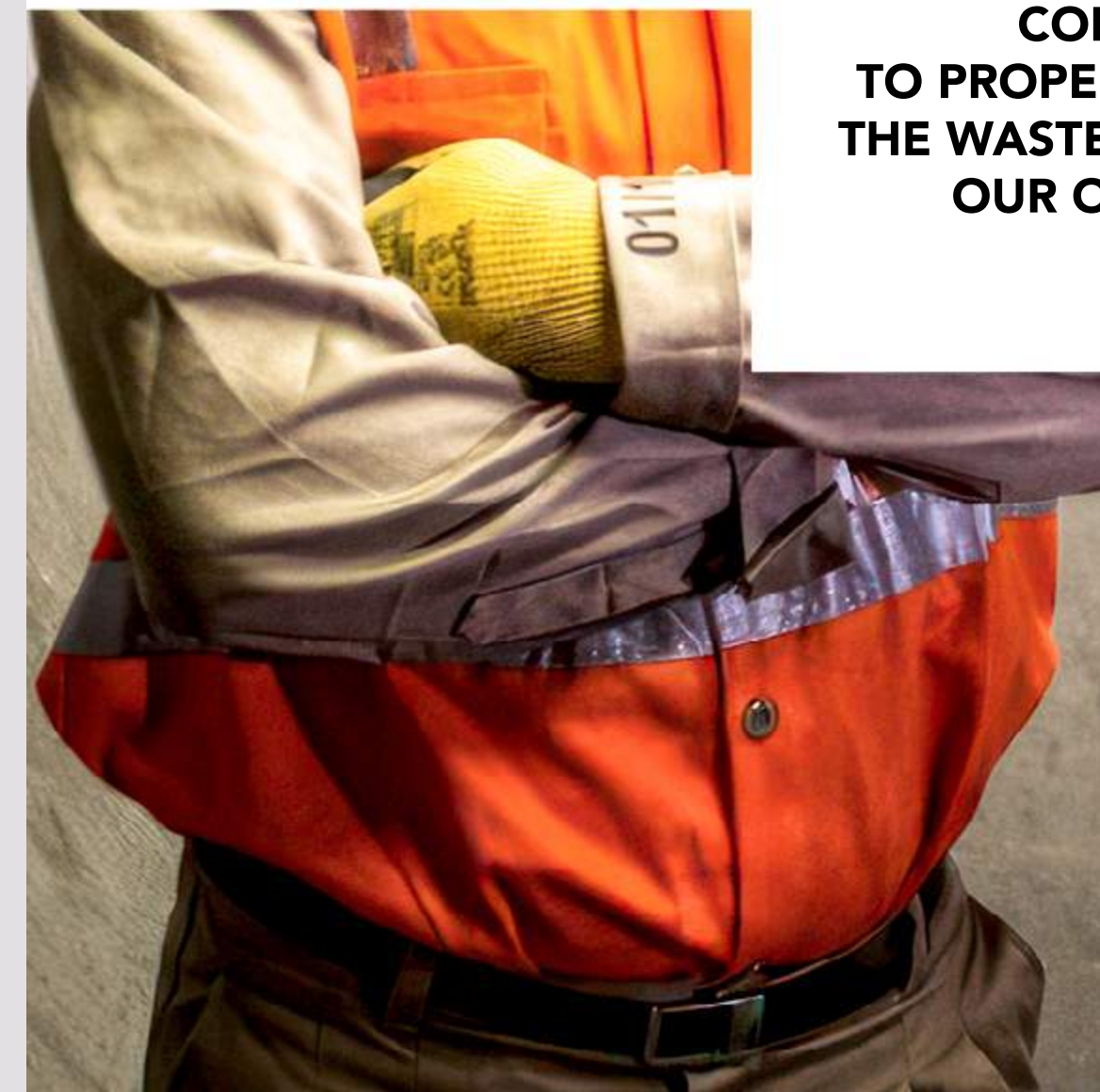
TOTAL HAZARDOUS AND NON-HAZARDOUS WASTE				
EXPRESSED IN METRIC TONS	2020	2021	2022	2023
Solid hazardous waste	121	315	296	252
Solid non-hazardous waste	43,078	2,220	5,168	2,415



WASTE NOT INTENDED FOR DISPOSAL THROUGH RECOVERY OPERATION				
EXPRESSED IN METRIC TONS	2020	2021	2022	2023
<b>Hazardous Waste</b>				
Preparation for reuse	3	0	3	23
Recycling	0.76	3.1	3.2	2.68
Other recovery operations	5	135.8	129.6	109
<b>Total</b>	<b>8.8</b>	<b>138.9</b>	<b>135.8</b>	<b>135</b>
<b>Non-hazardous Waste</b>				
Preparation for reuse	743	772	50	3
Recycling	0.63	319.8	366.5	316
Other recovery operations	524	779.4	4,415.60	1,790.3
<b>Total</b>	<b>1,267.60</b>	<b>1,871.40</b>	<b>4,832.10</b>	<b>2,109</b>



**PURSUANT TO OUR  
UNWAVERING DEDICATION  
TO ENVIRONMENTALLY  
RESPONSIBLE  
MANAGEMENT WE ARE  
COMMITTED  
TO PROPERLY MANAGING  
THE WASTE GENERATED BY  
OUR OPERATIONS**



**BIODIVERSITY**

[GRI 304-1] [304-2] [304-3] [304-4]

We have an unwavering commitment to prioritizing biodiversity conservation at all our operations centers. We strictly adhere to our commitment not to carry out operational activities in UNESCO-designated 'World Heritage' areas, according to classification I-IV of the International Union for Conservation of Nature (IUCN), and those that are part of the Ramsar Convention<sup>2</sup>. We strictly comply with environmental protection regulations for protected natural areas, thus ensuring the care and preservation of the ecosystems in which we operate.

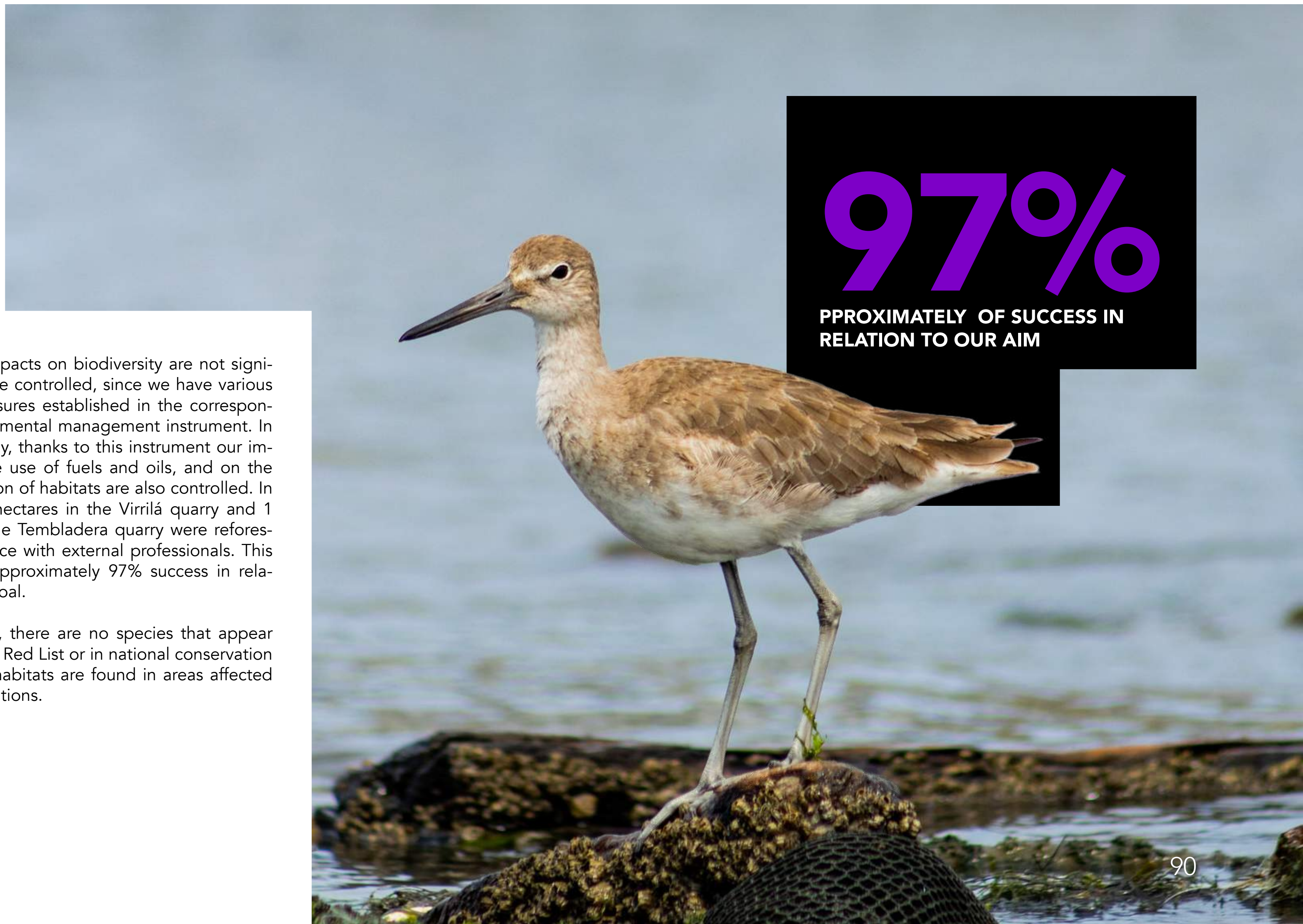
This is how we include environmental category risks, within our corporate risk matrix, and, among them, we have identified the potential impacts that our operations could cause on biodiversity.

Our biodiversity management is geared toward mitigating adverse environmental impacts and enhancing positive impacts on our operating environment. Thanks to the control measures established in our environmental management instrument, we strive to keep our adverse impacts under control, especially related to the use of fuels, oils and habitat transformation.

We recognize the immense value of biodiversity and adapt monitoring and preservation strategies according to the unique characteristics of each protected area. This approach allows us to prevent any alteration in ecosystems, thus ensuring the long-term preservation of biological wealth at our sites of operation.

Thus, our impacts on biodiversity are not significant and are controlled, since we have various control measures established in the corresponding environmental management instrument. In the same way, thanks to this instrument our impacts on the use of fuels and oils, and on the transformation of habitats are also controlled. In 2023, 17.5 hectares in the Virrilá quarry and 1 hectare in the Tembladera quarry were reforested, in alliance with external professionals. This represents approximately 97% success in relation to our goal.

Furthermore, there are no species that appear on the IUCN Red List or in national conservation lists whose habitats are found in areas affected by our operations.



**97%**

**APPROXIMATELY OF SUCCESS IN  
RELATION TO OUR AIM**

\* It refers to the Convention on Wetlands of International Importance



**Areas of Biodiversity Value**

[GRI 304-1]

At Pacasmayo we care about Peruvian biodiversity and natural wealth, and we also manage the risks and opportunities of areas that are next to areas of great value for our country. In this sense, we seek to protect the nature present in the following areas:

**Alto Mayo protected forest**

- Declared a protected forest by national legislation because of the value of its terrestrial ecosystems: Supreme Resolution No. 0293-87-AG/DGFF.
- We are located on the border of the Alto Mayo protected forest buffer zone, a vital area of the terrestrial ecosystem.
- In our Tioyacu quarry, we carry out subsurface limestone extraction activities, deepening and not expanding the operations surface area, so it remains at 1,576 hectares, same as last year. It is located on the left margin of the Fernando Belaunde Terry highway from Rioja to Nuevo Cajamarca, opposite the Segunda Jerusalén population center. This is an important area for terrestrial ecosystems.

**Virrilá Estuary**

- The Virrilá estuary is considered one of the most important places for migratory birds in South America, as this natural area provides a warm climate for them to rest and feed, and it has recently been declared a Ramsar site thanks to our support.
- Additionally, our Bayóvar 4 quarry is located 6.8 kilometers from the Virrilá estuary. It is a mining concession where we carry out conchuela (seashell) ex-

traction activities. It is located in the detour of the North Pan-American highway, crossing with Bayóvar, km 28, province and district of Sechura, Piura region. This is an important area for bird conservation and biodiversity. 4.5 hectares have been intervened this year.

**75**  
**TOTAL NUMBER OF OPERATIONAL SITES THAT WERE EVALUATED (249,357 HECTARES)**

**2**  
**NUMBER OF SITES THAT HAVE A SIGNIFICANT IMPACT ON BIODIVERSITY, AND HAVE A BIODIVERSITY MANAGEMENT PLAN (24 HECTARES)**

\*It should be noted that in both areas our operations are located outside the protected area.

## RESPONSIBLE SUPPLY CHAIN

[GRI 2-6]

The supply chain plays a key role in our value chain, enabling us to deliver on the promise of value to our clients and society. We recognize our suppliers as essential partners to ensure ESG standards in all our products, services and building solutions. We seek to maintain operations that are efficient, flexible and integrated to our productive and commercial activities, guaranteeing quality and sustainability in each link of the chain.

As part of our 2030 sustainability strategy, we have set out specific ESG commitments and targets related to supply chain management. In this context, we applied ESG criteria to guide our supplier contracting decisions, taking into account key aspects such as quality, deadlines, price and delivery time.

Our five strategic priorities for the supply chain include:

- Complying with quality standards and delivery times
- Negotiating prices and availability
- Focusing on safety, occupational health and the environment
- After-sales service and market type
- Preserving organizational reputation and transparency in all our operations

### POLICIES AND PROCEDURES

[GRI 410-1]

We have a Supplier Code of Conduct in place which sets out the expected behavioral guidelines for our suppliers and related third parties. We expect our suppliers to internalize these guidelines, develop responsible procurement policies and replicate similar standards of conduct within their own supply chains.

Said document establishes 5 guidelines:

1. RESPECT FOR PEOPLE
2. OCCUPATIONAL HEALTH AND SAFETY
3. RESPECT FOR COMMUNITIES
4. PROTECTION OF THE ENVIRONMENT
5. ETHICS AND INTEGRITY

**WE RECOGNIZE  
OUR SUPPLIERS  
AS ESSENTIAL  
PARTNERS**



We have different corporate policies and procedures

- Procurement policy for purchasing goods, services and raw materials
- Procedure for Unloading Bulk Materials (Imported Raw Materials)
- Contract Policies for the Acquisition of Goods and Services
- Reception, Storage, Dispatch and Inventory Procedure
- Procedure for Evaluation, Re-evaluation and Monitoring of Suppliers
- Supplier Selection Procedure
- Client Satisfaction Level Measurement Procedure
- Client Complaints Handling Procedure
- Procedure for the reception of spare parts and supplies
- Procedure for the storage of spare parts and supplies
- Warehouse inventory procedure of spare parts and supplies
- Procedure for the dispatch of spare parts and supplies

Additionally, 100 per cent of our security personnel received training on specific human rights policies or procedures from the organization and their application to security.

**OUR SUPPLIERS**

Our critical suppliers are considered strategic partners because of their importance in business continuity and their involvement in the value chain. They are a crucial part of our ESG supplier program and the ones we continually work with to reduce sourcing, transparency and corruption risks. In 2023, purchases from our strategic partners amounted to 426 million soles.

Strategic suppliers are established at the end of the purchase period, i.e. In 2024 we rank our 2023 significant suppliers.

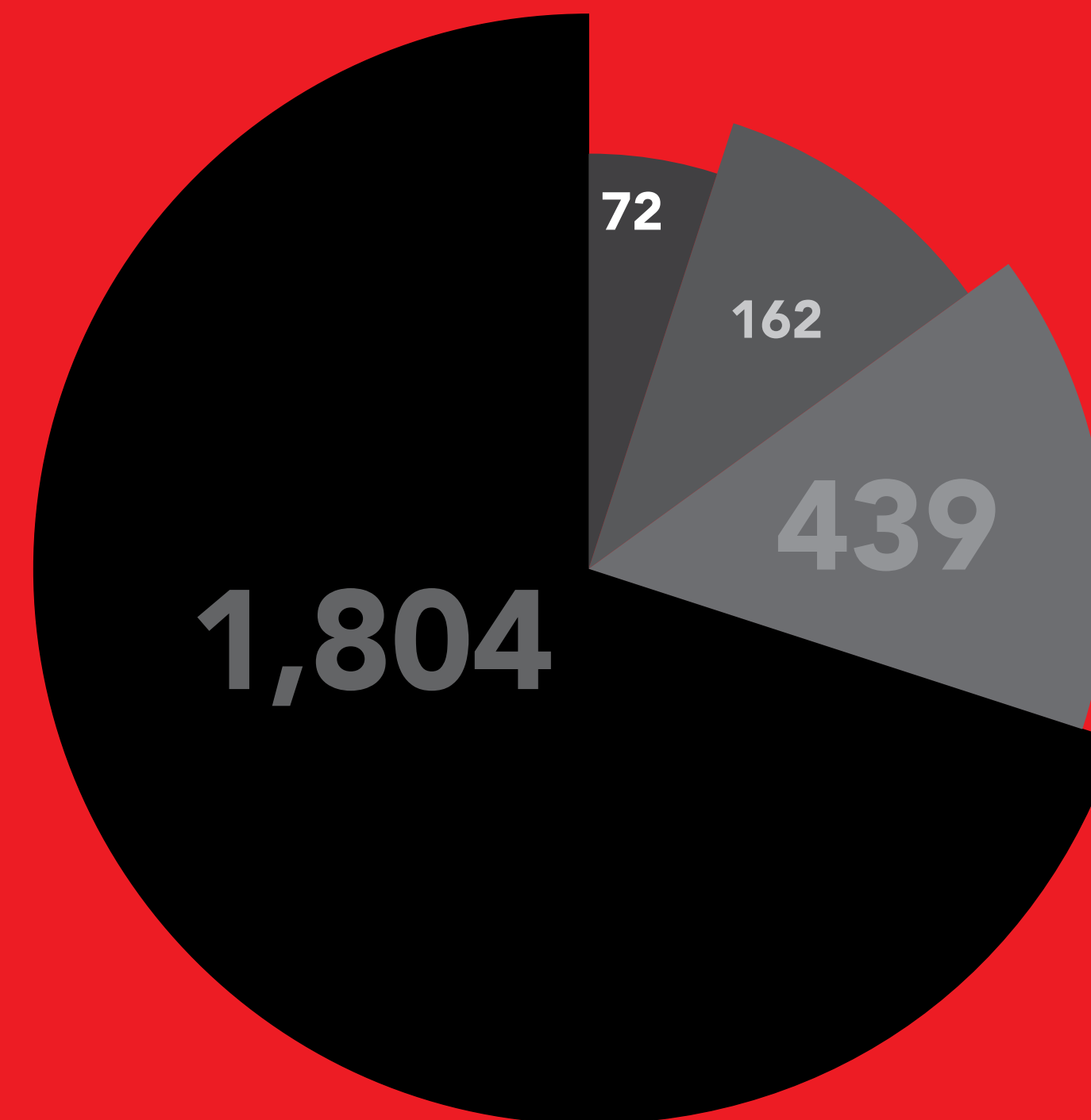
We also have local suppliers that operate within the national territory and maintain a direct commercial relationship with the company (for management reasons, we do not make a formal distinction between local and national suppliers).



**IN 2023 PURCHASES FROM OUR STRATEGIC PARTNERS AMOUNTED TO 426 MILLION SOLES.**

**Purchase Value**

- **Supplier type C**  
Purchases up to S/ 56 MM and impact value of 4.94% of total purchases
- **Supplier type B**  
Purchases up to S/ 166 MM and impact value of 14.59% of total purchases
- **Supplier type A**  
Purchases up to S/ 477 MM and impact value of 41.81% of total purchases
- **Strategic partner suppliers**  
Purchases up to S/ 411 MM and impact value of 38.66% of total purchases





**WE ORGANIZE OUR SUPPLIERS INTO SEVEN PURCHASING GROUPS:**

**1. SUPPLIERS OF RAW MATERIALS**

Used for Cement Plants (CPSAA) and aggregates used for the manufacture of concrete and precast products.

**2. PRIMARY TRANSPORT SUPPLIERS**

Limestone, conchuela (shell), coal, slag and pozzolana. It ensures the availability of raw materials for cement production.

**3. SUPPLIERS OF SPARE PARTS AND DIRECT SUPPLIES**

Used for Cement Plants (CPSAA), concrete and precast products (DINO), e.g. fuel, lubricants, additives and cement bags.

**4. OPERATIONAL SERVICES PROVIDERS**

Provided for Cement (CPSAA), Concrete and Precast product (DINO) operations.

**5. SUPPORT SERVICES PROVIDERS**

Due to the importance of Support Services, which are provided for all operations of the company such as security services.

**6. WATER/ENERGY SUPPLIERS**

Used for Cement Plants (CPSAA).

**7. SUPPLIERS OF ASSETS AND EQUIPMENT**

Due to the importance of assets and equipment, they ensure concrete operations (DINO), for example, suppliers of mixers and pumps.

**SELECTION AND EVALUATION OF SUPPLIERS**

Our selection process includes aspects related to environmental care, respect for human rights and social development, governance and economic indicators, and business relevance and productivity for the business. The indicators that stand out most are:

-  **DELIVERY TIME**
-  **DELIVERED QUANTITY**
-  **QUALITY OF THE GOOD OR SERVICE PROVIDED**
-  **ENVIRONMENT**
-  **MONEY LAUNDERING AND FINANCING OF TERRORISM (MLFT)**
-  **FINANCIAL STATEMENTS**

Our approval process seeks to ensure the supply of our operations. Currently, there are two processes in place:

TECHNICAL APPROVAL	SUPPLIER APPROVAL
<p><b>Aim:</b> Technical capacity to supply a good or service</p>	<p><b>Aim:</b> Assurance of supply sustainability</p>
<p>Topics covered:</p> <ul style="list-style-type: none"> <li>■ Financial situation and legal obligations</li> <li>■ Operational capacity</li> <li>■ Quality management</li> <li>■ Commercial management</li> <li>■ Money Laundering and Financing of Terrorism (MLFT)</li> </ul>	<p>Topics covered:</p> <ul style="list-style-type: none"> <li>■ Financial situation and legal obligations.</li> <li>■ Operational capacity</li> <li>■ Quality management</li> <li>■ Safety, Occupational Health and Environment</li> <li>■ Commercial management</li> <li>■ Social Responsibility</li> <li>■ Money Laundering and Financing of Terrorism (MLFT)</li> <li>■ Ethical Business</li> </ul>

Furthermore, it is important to keep in mind that, if suppliers do not pass the approval questionnaire, they must necessarily carry out a corrective plan according to the adjustments requested by the approver, who will ensure correct compliance in order to continue negotiating with us.

This strict compliance with our sustainability criteria ensures that we only work with suppliers who share our commitment to environmental and social responsibility.

**IN 2023 WE EVALUATED**

**187**  
**SUPPLIERS**

Third-party supplier evaluations are carried out by the MEGA Group pursuant to ISO 9001:2015, ISO 14001:2015 and 45001:2018. Its on-site supplier approval services meet the requirements of all three standards and are recognized and certified by the Colombian Institute of Technical Standards and Certification (ICONTEC) and the International Certification Network (IQNet).





**SUPPLIER DEVELOPMENT**

We believe in actively working with our suppliers to drive positive change and continuous improvement. We improve their sustainability practices through the provision of resources and support. This includes the promotion of environmental management systems, resource efficiency and sustainable technologies. We also prioritize capacity-building and knowledge sharing to train suppliers in areas such as labor practices and community engagement.

The development of our suppliers not only strengthens our supply chain process, but also creates a wider positive impact on the industry and the communities we serve. Some of the notable initiatives are:

1. **THEORETICAL AND PRACTICAL TRAINING FOR TRUCK DRIVERS**
2. **PROGRAMMING TRAINING SESSIONS AND CONTROLS OF DRIVERS REGARDING THE USE OF SPEED IN UNITS**
3. **CLEAR SPECIFICATION OF MEASUREMENT CRITERIA TO DIFFERENTIATE BETWEEN ACCIDENTS AND INCIDENTS.**
4. **ACCURACY OF CONTROLS RELATING TO THE MEASUREMENT OF CARRIER GROUPS.**
5. **PROPOSAL FOR TRAINING OPERATORS IN A DISTRICT**



As part of our integrated and sustainable growth, we created **Crece+**, with the aim of strengthening supply chains in our areas of influence, through the development of our suppliers, fostering growth, competitiveness and adoption of good practices in the industry.

**SCOPE**

- **Rioja contractors**
- **Pacasmayo contractors**
- **Piura contractors**



**WORK  
AXES**

**1. Training**  
Free spaces for knowledge transfer

**2. Continuous Improvement**  
Continuous improvement actions with impact on the operation

**3. Growth spaces**  
Spaces of communication, innovation and recognition



# Crece

Construyendo juntos, generamos valor

**PROGRAM CONSISTING OF 206  
ACADEMIC HOURS OF TRAINING**

**TECHNICAL**

- Electrical outlets and lighting equipment facilities
- Electrical panels and grounding facilities

**ADMINISTRATIVE**

- Compliance
- Soft skills for construction
- Human Rights
- Labor issues
- Accounting and taxation

**SSOMA**

- Safe handling of lifting equipment
- Good practices in lifting equipment
- Working at heights and confined spaces
- Emergency response

**IN 2023, WE DEVELOPED THE CAPABILITIES OF 203 SUPPLIERS THROUGH TRAINING AND THE GROW+ PROGRAM.**

**ESG SUPPLIER PROGRAM**

Our environmental, social and governance (ESG) initiatives for suppliers are designed to assess, monitor and improve their sustainability. We encourage them to adopt best practices in areas such as resource efficiency, waste management, employee wellbeing, diversity and inclusion, and ethical sourcing. We offer guidance and training to support their efforts to improve their sustainability outcomes.

Our process to introduce ESG indicators in our relationship with suppliers begins with an Affidavit that all suppliers must submit in order to be able to work with the group, in which they commit to comply with our Code of Conduct. In addition, the accreditation contains ESG questions and allows them to identify their sustainability practices and opportunities for improvement. The responses provided by the suppliers in the questionnaire are carefully evaluated and scored. Based on the results, we can identify preferred suppliers and establish long-term partnerships with those who demonstrate a strong commitment to sustainability.

This strict adherence to our sustainability criteria ensures that we only work with suppliers who share our commitment to environmental and social responsibility. By selecting and partnering with suppliers that meet our rigorous ESG criteria, we can collectively move toward a more responsible and resilient construction sector and toward a more sustainable and ethical future.

We also prioritize the training of both our suppliers and Pacasmayo buyers. In this way, we foster a culture of sustainability that requires collaboration and shared knowledge of the parties involved in our supply chain.

In 2024 we will promote an ESG supplier program that will have 4 fronts:

**1. SELECTION OF SUPPLIERS**

**2. CORPORATE PURCHASES**

**3. EVALUATION AND DEVELOPMENT**

**4. RISK MANAGEMENT**

It will seek to evaluate, monitor and promote the performance of suppliers within the framework of sustainable and ESG practices and address risks and material impacts in the medium and long term, unifying policies and procedures of the different processes.

## 2.6. WE GROW WITH OUR COMMUNITIES

### BUILDING OPPORTUNITIES IN OUR SURROUNDING AREAS

[GRI 3-3] [GRI 2-25]

#### OUR SOCIAL MANAGEMENT MODEL

At Pacasmayo we build the Future today, so we work every day to prevent, mitigate and address the social risks associated with the development of our operations in our areas of influence. In this daily task, we also seek to enhance opportunities and promote relationships of trust in these areas.



**AT PACASMAYO WE  
BUILD THE FUTURE  
TODAY**

In 2023, we restructured our Social Management Strategy in which we set out the following objectives:

1. **DEVELOP STRATEGIC RELATIONSHIPS THAT GENERATE TRUST WITH THE ACTORS IN THE ENVIRONMENT**
2. **CONTRIBUTE TO THE IMPROVEMENT OF THE QUALITY OF LIFE IN OUR AREAS OF INFLUENCE**
3. **COMMUNICATE THE SOCIAL VALUE GENERATED**



## VISION

Contribute to the sustainable development of the business and of our stakeholders.

## MISSION

Create and strengthen a social environment favorable to the continuity and growth of our operations, promoting innovative programs and projects that contribute to sustainable development and improvement of the quality of life of the population in education, health care and local and socio-environmental development.



Among other changes, the procedure for handling complaints, reports and suggestions has also been updated with the aim of improving the scope and quality of communication with our stakeholders, as well as promoting a clear and accessible procedure for all.

In 2023, our Community Relations Management (RRCC) implemented within the Information and Social Management System (SIGS) a section called Follow-up on Concerns and Complaints, where informal complaints that involve the organization and more areas, in addition to Community Relations, can be sent. This allows all of our leaders involved to have access to the status of concern, follow-up on concerns when RRCC coordinators get out into the field, and streamline the process for the benefit of stakeholders.

We also developed a new Good Neighborhood diagnosis this year to assess our progress with regard to the perception of communities and stakeholders in our areas of direct and indirect influence. Thus, strengthening relationships in a sustainable way and evaluating the level of satisfaction with the initiatives already implemented.

**STRATEGIC RELATIONSHIPS**

[GRI 413-1] [GRI 413-2] [GRI 2-25]

The identification and characterization of stakeholders is recorded in the SIGS, defining their level and frequency of relationship based on certain criteria and categories. Following their registration, an action plan is determined that includes a specific strategy to link with a monitoring plan.

This year, two zones have been included in the four zones where local community participation programs, impact evaluations and development were implemented. These are Cantera Virrilá and Cantera Bayóvar 9, in addition to the four previous zones, Planta Piura, Planta Pacasmayo, Planta Rioja and Cantera Tembladera. The six zones in total have a reach of 100%.

As part of our social management strategy and prevention system, we are committed to paying attention on a daily basis to the perception of the population in relation to our projects, operations and actions. To do this, we developed procedures for addressing complaints, reports and suggestions with key definitions and channels that we have established to receive, classify, register, investigate and resolve complaints, reports and/or suggestions on social and environ-

mental issues, also guaranteeing the protection of the complainant/whistleblower. Our main channels are:

In addition, we provide the necessary tools so that all our direct leaders can address these situations. Complainants can directly report their complaints or suggestions through the Community Relations Officer during field work, calls, text messages and/or mail.

**MAILBOXES:**

Physical complaint boxes at each of the plants of Pacasmayo, Piura and Rioja.

**WEBSITE\***



**Operations with significant negative impacts – real or potential – on local communities 2023**

	LOCATION	COMMUNITIES	TYPE OF IMPACT	DESCRIPTION
Piura Plant	Piura	ENACE III, ENACE IV, Villa Hermosa, Coscomba	Potencial	The potential impacts are related to the failure to implement social commitments within the Community Relations Plan in the areas of health, education and local development. As well as operational controls not implemented for those hazards and risks identified by the organization.
Pacasmayo Plant	Trujillo	La Greda, El Progreso, La Palmera, El Porvenir	Potencial	
Rioja Plant	San Martín	Segunda Jerusalén	Potencial	
Tembladera Quarry	Cajamarca	Tembladera, Yonán Nuevo	Potencial	
Virrilá quarry	Piura	Sechura, Parachique, Virrilá.	Potencial	
Bayóvar quarry 9	Piura	Illescas, Sechura	Potencial	

**WE ARE COMMITTED TO PAYING ATTENTION ON A DAILY BASIS TO THE PERCEPTION OF THE POPULATION IN RELATION TO OUR PROJECTS OPERATIONS AND ACTIONS**

\* <https://www.cementospacasmayo.com.pe/canal-de-inquietudes-y-denuncias/registre-su-denuncia>

## SOCIAL INVESTMENT

# S/ 9,590,521



Education Projects:

**S/ 5,388,146.00**



Urban Development Projects:

**S/ 2,676,722.79**



Proyectos de salud:

**S/ 364,179.82**



Environmental Development Projects:

**S/ 57,135.00**



Local Development Projects:

**S/ 86,094.00**



Contribution to the response of Cyclone Yaku:

**S/ 1,018,243.66**



**EDUCATION  
PROJECTS**



**Luis Hochschild Plaut Educational Fund (FLEHP)**

- Program that grants educational credits to low-income 5th-year high school youths to continue with quality technical higher education, and learn esoft and hard skills for their professional development. In 2023, 12 young people with high potential were able to enter to continue their professional development.

**DOJO Program**

- It seeks to contribute to improving the educational quality of regular basic education (EBR) in science, technology and innovation. It reach reaches Pacas-

mayo, Tembladera, Rioja and Sechura and students can access courses such as Digital Marketing, Creativity and Innovation Workshops and more. We managed to engage a total of 213 young participants.

**Technology Dissemination Centers (CDT)**

- We provide training in office automation courses and new technologies free of charge. It reach reaches Pacasmayo, Yonan (Tembladera) and Sechura. We reached a large number of participants, a total of 2,269 young people.

**Entrepreneurs at Work**

- We strengthen technical-productive capacities of people in Pacasmayo in order to increase their income. For example, in occupational modules of cooking, aesthetics, dressmaking, among others, at the CETPRO Pacasmayo. We reached 507 students and 100% of them managed to enter the labor market.

**Your future - Forge**

- We contribute to the development of young talent in partnership with the organization Forge. Trainings include socio-emotional skills, sales techniques, customer service and distribution. We managed to train and certify 20 youths in soft and technical skills that respond to the labor demand, 9 youths who entered formal employment and 20 youths improved the quality of their personal lives.





## HEALTH PROJECTS



### **I Choose to Live Well**

- We seek to develop skills and healthy lifestyles of youths in the Elías Soplin Vargas district based on five axes: Nutritional health, oral health, sexual and reproductive health, mental health and immunizations. We managed to reach 200 adolescents and improve their quality of life.

### **(Operation Smile) Donation**

- We seek to contribute to the surgery of children and that our employees support us in volunteer activities to carry out the surgical program. This year 15,000 soles were donated changing smiles.

### **Medical Campaigns**

- This year we carried out 9 medical campaigns in the units of Rioja, Pacasmayo, Tembladera, Piura and Sechura. Among the topics we addressed health issues in: Internal Medicine, Pediatrics, Gynecology, Pneumology, Traumatology and General Medicine. Also on sanitation through the fumigation campaign to prevent and mitigate dengue fever.



## LOCAL DEVELOPMENT



### **Guinea Pig Project in Elías Soplín Vargas**

- Our goal is to train breeders so that they can produce guinea breeders i line with productive, safety and care standards. This year we have three participants, reaching S/ 5,000 in sales of new products.

### **Coffee Project (SWAN)**

- We seek to enhance the production and commercial value chains, increasing quality standards and creating opportunities for sustainable placement in the market. This year we have three participants, reaching S/ 12,000 in sales of new products.

### **Piedra Jabón Artisans Project**

- We provide support to Piedra Jabón artisans in brand development and product positioning in the local and national market. Sixteen artisans reached S/ 30.000 in income in the year.

### **Profitable Artisanal Development Project**

- We create spaces where women can empower themselves and generate economic income based on artisanal work together with the Manos Creativas Association of Artisans of Pacasmayo, through weaving crochet. There are thirty-four female crocheters.



**URBAN  
DEVELOPMENT**



**La Greda-Pacasmayo**

■ Routes were improved along the Las Mercedes and Prolongación América streets. The total investment amounted to S/. 46,902.73 between financial investment and cement.

**El Progreso-Pacasmayo**

■ The houses located in the main square of the sector were benefited. The total investment amounted to S/. 60,412.34 between financial investment and cement.

**Pronoei Niño Jesús**

■ The educational institution located in El Progreso benefited with the construction of 22.90 linear meters by 2 meters of height of fencing pursuant to the pole and sheet modality, as well as with a financial investment amounting to S/ 13,941.78.

**Inicial N.º 2299 Divino Niño Jesús**

■ We contributed to the infrastructure of the premises in which the educational institution is operating. located in La Palmera, Pacasmayo. Financial investment amounts to S/.20.000.

**Belizario, Parachique**

■ We built classrooms and sought to improve the infrastructure of 04 educational institutions of the Annexes of the Province of Sechura. Investment in cement amounted to 7,869.42.

**Selva infrastructure**

■ In Selva, we donated 6,936 bags of cement for various purposes. From building homes to improving community infrastructures, our goal is to drive sustainable development and improve the quality of life of our neighbors.

**(Concrete Dreams) Program**

In places where others see challenges, we see opportunities. In every corner of our most vulnerable communities, there are dreams waiting to be realized. Dreams that yearn to become the possibility of a better future. In Sueños en Concreto, we not only build floor or areas of a home, but also build hopes and paths toward a brighter tomorrow.

Thus, in 2023 we consolidated our Sueños en Concreto program to improve the infrastructure conditions of homes and thus contribute to the improvement of the quality of life and living conditions in our areas of direct influence.

**OUR  
2023 RESULTS**

HOUSING	NO. OF BENEFICIARIES	BAGS OF CEMENT	TONS	FLOORS (M2)	CPSAA SUPPORT	FAMILIES' SUPPORT
203	812	4,290	182.33	7,052.14	S/. 100,631.50	S/. 131,240.00





## ENVIRONMENTAL DEVELOPMENT

[GRI 304-3]



### **Participation in the Environmental Conservation Area Management Committee: Virrilá Estuary - RAMSAR**

■ We coordinated with local authorities and the community to free a part of the Virrilá estuary from operations. Thanks to this, in 2015, the Estuary of Virrilá Environmental Conservation Area was formed and subsequently, the Management Committee was created, which involved several actors in the area. The scope of this initiative reaches 14,007 ha.

### **Inter-institutional Cooperation Agreement with the National Service of Protected Natural Areas**

■ We maintain our agreement with Sernanp seeking to work together to contribute to the conservation of the Illescas Reserved Zone (ZRI). In addition, we develop activities related to dissemination, environmental education and monitoring of the condor. The scope of this initiative is 37,453 ha.

### **Recovery and conservation of dry forests in Tembladera**

■ This project has a scope of 5 ha of arid land and seeks its recovery through the planting of native and timber plants in order to expand green areas, generate a landscape environment for the population and recover plants from the area that are in the process of extinction.



PILLAR 04

## CONTRIBUTION TO ATTEND THE CYCLON YAKU

In 2023 Cyclone Yaku affected the coast of northern Peru, especially our communities in Pacasmayo, Tembladera, Piura and Sechura. Our objective was to address the effects of the cyclone through an immediate action strategy in coordination with local authorities and neighborhood councils in our areas of influence, making available our resources and human group developing five action fronts:

**1.**  
Water removal from flooded streets and roads by providing water cisterns and pumps

**3.**  
Supply of water for domestic consumption through the use of cisterns



### FRONTS OF ACTION

**2.**  
Removal of debris and solid waste by yellow line equipment and dump trucks

**4.**  
Intervention of critical areas by supplying yellow line equipment

**317,404**  
PEOPLE  
BENEFITED

**14**  
TONS OF  
VICTUALS

**44**  
VOLUNTEERS

**1,412,963\***  
SOLES INVESTED

\*Includes donations and contracted services



**VOLUNTEERISM**

Our corporate volunteering has as its main objective to contribute to the development of communities, our employees and the entire organization through articulated and participatory work.

In 2023 our contribution to the community was based on the development of corporate activities and continue on the path of strengthening the culture of volunteering within the entire organization. We are currently

working on four strategic axes based on the sustainable development goals: SDG 3 Health and Welfare, SDG 4. Quality Education, SDG 11. Sustainable Cities and Communities and SDG 13. Climate Action.



**1. For our community:**

- Valuable resource of time and skills provided directly to the community.
- Strengthens working bonds with the community.

**2. For our employees:**

- Supports professional growth and development and transcendence.
- Incrementa la sensación de bienestar en nuestros colaboradores.

**3. For our business:**

- Efficient and innovative resource to develop the capabilities of our employees.





**PACASMAYO  
PLANT**

**Cyclone Yaku Emergency: Identification of affected population**

- Visits to areas reported as affected, identifying families whose homes had been destroyed.

# HOURS	# VOLUNTEERS
5	3

**Cyclone Yaku Emergency: Monitoring of operation and proper use of the motor pump, according to the affected area**

- Support during work of water suction in Sarmiento (upper part of Pacasmayo).

# HOURS	# VOLUNTEERS
10	8

**Water suction in Mixer in central area of Pacasmayo**

- Mixers suck the water that is extracted with the motor pumps, achieving a more efficient job because the drains had collapsed.

# HOURS	# VOLUNTEERS
10	8

**Delivery of food packs**

- 1,300 packs of victuals were received, which were labeled and packaged for delivery to each identified area. 220 packs sent to La Greda.

# HOURS	# VOLUNTEERS
7	17

**Fundraising for La Palmera school**

- A campaign of voluntary contributions is launched to rebuild an initial educational center in La Palmera, where the adobe walls eaten away by water were about to fall and the 50 children found in this building were left vulnerable.

# HOURS	# VOLUNTEERS
2	7

**Christmas Campaign**

- Celebrating Christmas in the educational institutions of Nuestra señora de Guadalupe / Inicial Las Palmeras / Angelitos de Jesus. Joy was brought through gift giving.

# HOURS	# VOLUNTEERS
5	7





**YAKU Emergency: Delivery of donations to AH. La Molina**

■ The donation of 300 bags of victuals and corrugated iron were distributed to the areas of A.H La Molina 1.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
4	10	300

**YAKU Emergency: Donations to A.H. Villa Ciudad del Sol**

■ The donation of 200 bags of victuals and corrugated iron were distributed to the areas of A.H Villa Ciudad del Sol.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
3	10	200

**YAKU Emergency: Donations to A.H. Villa Hermosa**

■ The donation of 250 bags of victuals and corrugated iron were distributed to the areas of A.H Villa Hermosa.

# HOURS	# VOLUNTEERS	# BENEFICIARIOS
4	8	200

**YAKU Emergency: Delivery of donations to A.H. Las Peñitas**

■ The donation of 100 bags of victuals and corrugated iron were distributed to the areas of A.H Las Peñitas - Sechura.

# HOURS	# VOLUNTEERS	# BENEFICIARIOS
4	6	100

**First Solidarity After**

■ Together with the volunteer team, the 1st volunteer after-hours with the children of the C.E Especial San Martín de Porres was organized with the aim of generating economic funds for our social intervention in the city of Sechura.

# HOURS	# VOLUNTEERS
5	110

**Second Solidarity After**

■ Together with the volunteer team, the 2nd volunteer after-hours with the children of Prinoi Semillitas de amo rwas organized with the aim of generating economic funds for our social intervention in the district 26 de octubre in Piura.

# HOURS	# VOLUNTEERS
5	120





**Maintenance of the seedlings of the 2023 great reforestation crusade in the district of Elias Soplin Vargas**

■ Front: Acción por el Clima Climate Action

# HOURS	# VOLUNTEERS
8	35

**Training: "Construction of eco-friendly bioorchards"**

■ Front: Acción por el Clima Climate Action

# HOURS	# VOLUNTEERS
8	35

**Comprehensive Health Campaign in Segunda Jerusalén**

■ Front: Health and Wellness

# HOURS	# VOLUNTEERS
8	35

**Unusable Waste Collection Campaign "In addition to the prevention of Dengue Fever"**

■ Front: Health and Wellness

# HOURS	# VOLUNTEERS
8	35

**Making people smile at Christmas in Tarapoto-Rioja**

■ Front: Health and Wellness

# HOURS	# VOLUNTEERS
8	35

**Recycling Program in favor of the environment**

■ Front: Sustainable Cities and Communities

# HOURS	# VOLUNTEERS
8	35



TRUJILLO

**Winning Roulette I**

■ In coordination with the Volunteer team and the GH team, a fundraising activity was carried out wherein everyone from the plant team participating thus contributing to a noble cause.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
8	10	70

**Donate and make someone smile**

■ In coordination with the Volunteers and the GH team, the clothing donation activity was carried out for the children of the Corazón de Jesus Glass of Milk, in which clothes were delivered to boys and girls.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
2	2	60

**Breakfast Sale**

■ In coordination with the volunteers, the products for the breakfast sale were donated and at the same time the winning roulette was held for fundraising.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
5	5	70

**Christmas Show**

■ With the funds raised, we put on a Christmas show and gave presents to the children of the Corazón de Jesús Glass of Milk.

# HOURS	# VOLUNTEERS	# BENEFICIARIES
3	4	188





**OFICINA  
LIMA**

**Bioorchards Volunteering**

■ We joined the NGO CREA+ on renovation day of the bioorchard and green areas of the I.E. Manuel Robles Alarcón school in San Juan de Lurigancho. Our volunteers had the opportunity to maintain the bioorchard of one of the areas of the school and plant different seeds, as well as remove the waste of one of the green areas of the school so that students can take advantage of added space.

# HOURS	# VOLUNTEERS
4	13

**PRONOEI Volunteering**

■ We joined the NGO CREA+ in the donation of books and their later delivery to the Colegio Sagrado Corazón de Jesús in San Juan de Lurigancho. On such occasion we shared a morning of reading and games with the children of the school where we learned about 3 fundamental values: Self-esteem, courage and creativity.

# HOURS	# VOLUNTEERS
4	10

**Let's learn ethics with the children of Ronald McDonald House**

■ Through various dynamics, we seek to strengthen the education of children and promote ethical values, with the aim of forming responsible, respectful citizens who are committed to the growth and improvement of our society. We are convinced that by focusing on education and values from an early age, we lay the foundation for a prosperous and sustainable future for our country.

# HOURS	# VOLUNTEERS
2	10

**Girls' Home Volunteering**

■ Our volunteers spent some time with the teenagers of the Girls' Home "Nuestra Señora de la Misericordia", shared with them about their profession and taught them about their area.

# HOURS	# VOLUNTEERS
3	12

**Let's Gift Smiles This Christmas**

■ The third grade children of the Tahuantinsuyo Special Basic Education Center received a gift designed especially for them by their godparents from the company.

# HOURS	# VOLUNTEERS
2	2

**Agile Consulting for Pronabec scholarship holders**

■ Guide young higher education scholarship holders on employability strategies and tools so that they can successfully enter the job market.

# HOURS	# VOLUNTEERS
10	24





## CHAPTER 3

# APPENDIXES



# 3.1. GENERAL BUSINESS INFORMATION

## GENERAL DATA

### NAME, ADDRESS, PHONE, FAX AND CONTACT DETAILS

[GRI 2-1] [GRI 2-6]

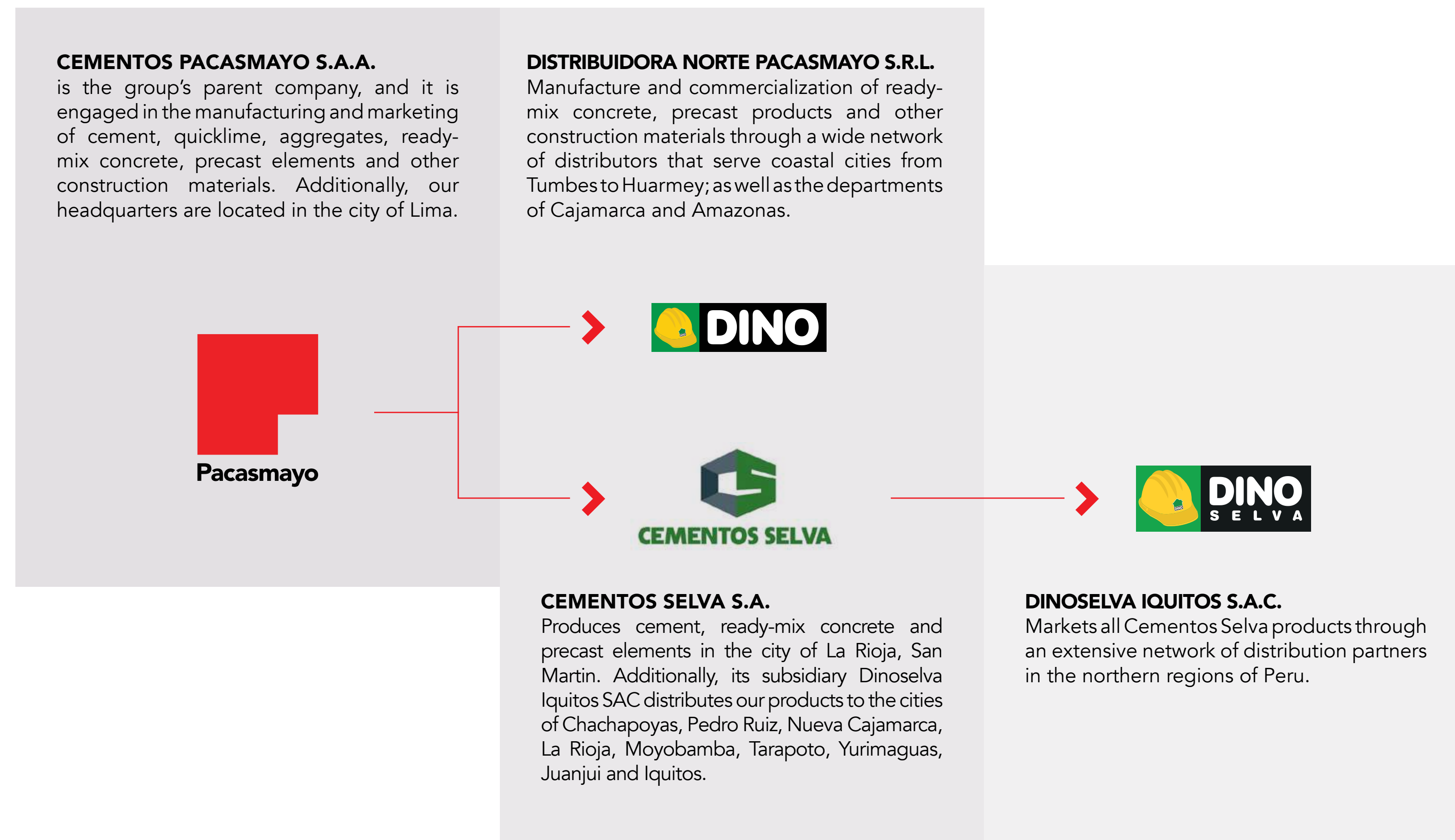
- Business Name: Cementos Pacasmayo S.A.A.
- Address: Calle La Colonia 150, Urbanización El Vivero, Santiago de Surco 15023, Perú
- Phone: (511) 317-6000 Fax: (511) 317- 6099

### INCORPORATION AND REGISTRATION IN PUBLIC RECORDS

Incorporation and registration: Public Deed dated December 10, 1998, executed before Notary Public Dr. Gustavo Correa Miller, registered in entry No. 11076338 of the Registry Legal Entities of Lima.

## CEMENTOS PACASMAYO AND SUBSIDIARIES

[GRI 2-2] [GRI 2-6]





**OTHER SUBSIDIARIES**

(not included in the scope of the Integrated Report).

**E.T. GUADALUPE EIRL**

**Empresa de Transmisión Guadalupe:**

The company provides electric energy to our plants in Pacasmayo and Piura.



**Acuícola Los Paiches:**

An organization focused on the breeding and marketing of paiches in the northern jungle of Peru.

**TAKAY**

**Soluciones Takay:**

A platform that connects families who want to build with certified professionals.



**Salmueras Sudamericanas:**

Currently inactive since the last quarter of 2017.

It should be noted that another of our subsidiaries is 150Krea Inc., a company incorporated in June 2021 in the United States, dedicated to providing leasing services for intangible assets. It is currently not in operation.

**ECONOMIC GROUP**

Economic Group Cementos Pacasmayo S.A.A. belongs to the 'Hochschild – Pacasmayo' economic group, mainly composed by the following companies:

Business Name	Business Purpose
<b>Inversiones ASPI S.A.</b>	Maintain investments in their subsidiary companies.
<b>Cementos Selva S.A.C</b>	Production of cement, lime and plaster
<b>Distribuidora Norte Pacasmayo S.R.L.</b>	Distribution and marketing. Wholesale of construction materials, hardware items and plumbing equipment and materials.
<b>Dinoselva Iquitos S.A.C.</b>	Distribution and marketing Wholesale of construction materials, hardware items and plumbing equipment and materials.
<b>Empresa de Transmisión Guadalupe S.A.C.</b>	Provide electricity transmission services to our plants in Pacasmayo and Piura.
<b>Acuícola Los Paiches S.A.C.</b>	Breeding and marketing of paiches in the northern jungle of Peru.
<b>Fosfatos del Pacífico S.A.</b>	Mining activities for manufacturing and marketing fertilizers and chemical products.
<b>Salmueras Sudamericanas S.A.</b>	Currently inactive since the last quarter of 2017.
<b>FOSSAL S.A.A.</b>	Investments Other types of financial intermediation.
<b>150Krea Inc.</b>	Lessors of non-financial intangible assets
<b>Corporación Materiales Piura</b>	Extraction of stone, sand and clay
<b>Soluciones Takay S.A.C</b>	Building solutions projects

## **DESCRIPTION OF OPERATIONS AND DEVELOPMENT**

### **Business Purpose**

[GRI 2-6]

The purpose of the Company is to devote itself to the development and manufacture of cements, quicklime, aggregates, cement blocks and bricks, ready-mix concrete and other construction materials, their derivatives and related products, including their marketing and sale, in the Republic of Peru and overseas. Likewise, the Company may carry out all types of mining activities such as prospecting, research, exploration, development, exploitation, marketing, general work, processing and transportation; as well as carry out all activities related to the provision of the transportation service for goods in general, and for hazardous materials and waste, including chemical inputs and controlled goods; and enter into and sign all acts and contracts suitable for the achievement of its corporate purpose, including the activities of acquiring, selling, building, leasing and managing movable and immovable property and carrying out all civil and commercial acts that are appropriate, including its participation in other companies in the Republic of Peru and abroad.

### **CIU**

2394

### **Term**

Indefinite





## OPERATIONS EVOLUTION

Historical Overview (Timeline)

- **1949** The Compañía Nacional de Cementos Portland del Norte is founded.
- **1957** Compañía Cementos Pacasmayo S.A. begins its commercial activities with the installation of the first clinker production line completed in 1958. The production capacity of clinker stands at 110,000 MT/year.
- **1966** The installation of the second production line is completed. The production capacity of clinker rises to 303,500 MT/year.
- **1977** Installation of line 3. The production capacity of clinker increases to 720,000 MT/year, without including line 1.
- **1994-1995** The capacity of the production line 3 is expanded up to 690,000 MT/year through technological improvements. Plant capacity increases to 840,000 MT/year.
- **1998** A cement plant located in the province of Rioja is purchased from the regional government of San Martín. A new Company named Cementos Pacasmayo S.A.A. is created as a result from the merging of Cementos Norte Pacasmayo S.A., Cementos Rioja and Cordasa.
- **2000** A new vertical mill is installed in the Pacasmayo plant, increasing milling capacity. The company Cementos Selva S.A. is established.
- **2001** The capacity of the plant in the rainforest is expanded up to 120,000 MT/year.
- **2007** 3 vertical furnaces are installed in the Pacasmayo plant.
- **2008** The fourth vertical furnace is installed at the Pacasmayo plant. The production capacity of clinker rises to 1,241,000 MT/year. The installation of a new vertical furnace with a production capacity of 80,000 MT/year begins in the rainforest.
- **2010** A new cement mill is installed. The milling capacity of the Pacasmayo plant increases by 1,200,000 MT/year. The project aimed at converting the Waelz furnace for producing both zinc and lime is developed.
- **2011** The installation of 2 new vertical furnaces begins at the Pacasmayo plant.  
  
The construction of a new production line begins at the Rioja plant in order to increase the installed capacity from 200,000 MT/year to 440,000 MT/year of cement .  
  
In December, a minority shareholding in the capital of Fosfatos del Pacífico S.A. is sold to a subsidiary of Mitsubishi Corporation in order to develop phosphate deposits in the Bayóvar fields, northwestern Peru.
- **2012** Cementos Pacasmayo S.A.A. lists its shares on the New York Stock Exchange (NYSE), becoming the first Peruvian cement company to be listed in this market.  
  
The production capacity of horizontal kiln no. 2 increases, which together with the installation of two new vertical kilns increase the installed capacity to 1,500,000 MT of clinker.
- **2013** Cementos Pacasmayo S.A.A. issues 10-year international bullet bonds for US \$300 million, with a coupon rate of 4,5%. The international rating given by Fitch and S&P was BBB- and BB+ respectively. The placement took place on February 1, 2013, and it generated a demand of more than US \$2,5 billion.  
  
The testing stage for the expansion of new production line begins at the Cementos Selva plant.  
  
The project for a new Cement Plant in Piura is launched.
- **2014** The Environmental Impact Assessment for the Phosphate Project was approved in March 2014.  
  
The EIA prepared for the construction of the new cement plant in Piura is approved; thus, the construction begins.
- **2015** In September 2015 the new cement plant in Piura started the commercial production of cement. This added 1,6 million metric tons per year to the production capacity of cement.  
  
Cementos Pacasmayo was awarded a special recognition by the Lima Stock Exchange (BVL) for having obtained the highest sustained growth in Corporate Government in the last 5 processes. Moreover, the company remains listed in the BVL's Good Corporate Governance Index.



In October 2015 a successful share buyback program was implemented. Over 37 million investment shares are repurchased at S/ 2.90 per share.

- **2016** In February 2016, the new cement plant in Piura started the production of clinker. As a result, the start-up of the plant was completed, adding 1 million metric tons per year to the production capacity of clinker.

In May 2016, Cementos Pacasmayo S.A.A. decided to dissolve Calizas del Norte S.A.C., one of its subsidiaries.

In August 2016 the plan for separating cement and phosphate operations in two independent public companies was announced. This was approved in September by the Shareholders Meeting. The Company's stake in Fosfatos del Pacífico will be transferred to FOSSAL, which is listed in the Lima Stock Exchange.

- **2017** In March 2017, the separation of the cement and phosphate operation into two Independent Public Companies becomes effective.

- **2018** In March 2018, we launched a new corporate image, accompanied by a new vision towards 2030, seeking to evolve from a cement-producing company to a building-solutions company, placing the customer at the center of our overall strategy.

In November 2018, we announced the purchase of international bonds through an Offer to Purchase for Cash. This offer ended on December 7, buying a total of USD 168,388,000, or approximately 56.13% of the total in circulation.

- **2019** On January 8, 2019, the Shareholders' General Meeting approved the issuance of a local bond program for up to S/ 1,000 million. On January 31, 2019, 2 emissions were realized for a total of S/ 570 million. One for S/ 260 million at a 6.68750% rate for a 10-year period and another for S/ 310 million for a 15-year period at a 6.84375% rate.

In addition, we managed to appear on the annual Dow Jones Sustainability Index (DJSI World), which is made up of those companies that, worldwide, demonstrate a performance superior to those of their counterparts pursuant to social, environmental and economic criteria.

We launched our cultural movement "Let's Build Together", which will allow us to reach our Vision, through collaborative work, seeking the common good.

We built and established our Purpose, which reflects the feeling of our over 1,600 employees. "Build the future you dream of together".

- **2020** On March 15, 2020, President Vizcarra declared a state of emergency to prevent the massive spread of COVID-19, so the production and marketing of cement was paralyzed until mid-May.

In addition, we managed to appear on the annual Dow Jones Sustainability Index (DJSI World), for the second consecutive year, ranking 9th place globally and 4th place at the MILA company level: improving 7 positions in the global ranking and 1 place in the MILA, ranking compared to the previous year.

- **2021** Given the exponential growth in cement demand, the optimization of the capacity of the Pacasmayo plant was approved in October, to produce an additional 600 thousand MT of Clinker, and thus reduce the consumption of imported Clinker.

In addition, we managed to appear on the annual Dow Jones Sustainability Index (DJSI World), for the third consecutive year, ranking 8th place globally, improving 1 position in the global ranking compared to the previous year.

- **2022** In addition, we managed to appear on the annual Dow Jones Sustainability Index (DJSI World), for the fourth consecutive year, achieving a score of 79, improving 4 points compared to the previous year. Thus, we established ourselves as the only Peruvian cement company present in the index this year.

In addition, to strengthen our sustainability strategy and especially our commitment to reducing emissions, this year we created the Sustainability and Investor Relations Management, and the Climate Change area.

- **2023** For the fifth consecutive year, we managed to appear on the Dow Jones Annual Sustainability Index (DJSI MILA) and remain the only Peruvian cement company present on this prestigious index. Also, this year we inaugurated a new kiln at our Pacasmayo plant, which in addition to adding 660 thousand tons of clinker capacity per year, will support our path to carbon neutrality as it allows us to achieve energy efficiency.



**COMPETITION ANALYSIS**

There are nine cement-producing facilities in the country. Even though they do not differ much in terms of production costs, producers have competed mainly in clearly defined geographical areas due to the high transportation costs.

The Company's main production plant is located in the city of Pacasmayo, 96 km north of the city of Trujillo.

In 1998 operations began at the production facility located in the city of Rioja, Department of San Martín, which is currently owned by the subsidiary Cementos Selva S.A.

In 2015, the commercial production of cement from a new plant, located in the Piura-Paita highway, department of Piura, started. The current owner of this plant is Cementos Pacasmayo S.A.A.

The Company also owns the subsidiaries Distribuidora Norte Pacasmayo S.R.L. and Dinoselva Iquitos S.A.C., together with a network of affiliates that distribute a significant part of its products.

Other main producers/importers of cement in Peru are the following:

**Unacem S.A.A.**, which has two cement plants. The main plant is located on the surroundings of Lima, and it is the largest manufacturer of cement in Peru. The second plant is located in the Department of Junín, and mainly serves the central area of the country and part of the Departments of Loreto and Ucayali.

**Mixercon**, located in the city of Lima, mainly serves this city and, to a lesser extent some provinces of the country.

**Caliza Cementos Inca**, located in Cajamarquilla, mainly serves the city of Lima and some provinces of the country, to a lesser extent.

**Yura S.A.**, has two plants that mainly serve southern Peru and the areas near our borders with Bolivia and Chile.

Additionally, there are cement importers who mainly supply the cities of Lima and Iquitos, as well as other provinces to a lesser extent.





**ANALYSIS OF OUR SURROUNDINGS  
(EXOGENOUS VARIABLES)**

In the following section, we identify the exogenous variables that could have an effect on the production and/or marketing of our products:

**GLOBAL RISK**



**International conflicts, such as the current conflict between Russia and Ukraine, have negatively affected international prices, increasing inflation and, therefore, our business, financial situation and operating results.**

Global markets are currently operating in a period of economic uncertainty and volatility following Russia's large-scale invasion of Ukraine on February 24, 2022, which continued into 2023. Although the duration and impact of the ongoing military conflict are highly unpredictable, geopolitical tensions could have an adverse effect on the global economy and business activity and cause (i) movements in the capital and credit markets, (ii) increase in interest rates and inflation in the markets in which we operate, (iii) decrease in growth, among others. These developments have led to disruptions in trade flows of goods produced by Russia and Ukraine (mainly energy and grains) which has generated upward pressures on international prices.

Peru is a net importer of oil, and as such has been affected by the significant increase in price, generating high levels of inflation. The increase in the price of coal directly affects our business as it is one of the raw materials used in our process. Indirectly, the rise in the price of oil and

gas also affects our business as it generates inflationary pressure across the country and increases freight prices, which in turn increases import costs.

**RISKS RELATED TO PERU**



**Economic, social and political developments in Peru, including political instability, inflation rates and unemployment, could have an adverse material effect on our business, financial situation and operating results.**

All our operations and clients are located in Peru. Consequently, our business, financial situation and operating results depend on the level of economic activity in Peru. Our business, financial situation and results of operations could be affected by changes in economic policies as well as in other policies of the Peruvian government (which has exercised and continues to exert substantial influence on many aspects of the private sector) and by other economic and political developments in Peru, including devaluation or depreciation, currency exchange controls, inflation, economic recessions, political instability, corruption scandals, social unrest and terrorism.

In the past, Peru has experienced political instability that included a succession of regimes with disparate economic policies and programs that created uncertainty for domestic and foreign investors. In 2021, Pedro Castillo took office as President of Peru, after a contested election. The confirmation of Castillo's triumph generated uncertainty and instability since Castillo represented a radical left party. With a new constitution platform and



**OUR BUSINESS  
FINANCIAL SITUATION  
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ECONOMIC POLICIES  
AS WELL AS IN  
OTHER POLICIES  
OF THE PERUVIAN  
GOVERNMENT**



more government intervention in the Peruvian economy, the extreme position of some members of the ruling party Perú Libre, and the appointment of some of them as members of its first cabinet, generated distrust and discomfort in the opposition in Congress. On December 7, 2022, Pedro Castillo addressed the country in a televised message to the Nation in which he announced his decision to dissolve the Congress of the Republic, intervene the Judiciary, the Public Prosecutor's Office, the National Board of Justice and the Constitutional Court, in addition to calling for the election of a new congress with constituent powers. At the end of his message, Castillo gave the order to arrest the nation's prosecutor Patricia Benavides. The self-coup failed as it generated immediate rejection from all political institutions, the Public Ministry and even Castillo's own ministers (most of whom resigned). Castillo was removed that same day by the Congress of the Republic, and arrested as he was heading to the Mexican embassy in Lima to seek political asylum. The then Vice President, Dina Boluarte, was appointed to replace Castillo as constitutional president by line of succession.



**Macroeconomic conditions may have an adverse effect on the company's business, financial condition and results of operations.**

Our operations and clients are located in Peru. Therefore, significant reductions in the level of economic activity in the country or in their main macroeconomic indicators, such as Gross Domestic Product (GDP), domestic demand, private investment or public spending, could adversely affect our business, financial condition or results of the operation.

Although the Peruvian economy has experienced strong growth over the past decades, GDP growth has been slowing down in recent years. If the rate of economic growth continues to fall or inflation increases over the next few years, our ability to generate new flows could be materially affected.



**The devaluation of the sol could have a negative effect on our business, financial condition and results of operation.**

A significant devaluation of the sol could affect us as some of our costs are in dollars. As a result, we are exposed to currency mismatch. A devaluation of the sol against the dollar and greater exchange rate volatility could increase our costs and therefore put pressure on our profitability margins.

If the Peruvian Government implements restrictive exchange rate policies and other similar laws, our ability to pay debts or other obligations could be affected and experience restrictions to access international financing.



**The increase in the inflation rate in Peru could have an adverse effect on the Peruvian credit market in the long term.**

In the past, Peru had experienced periods of high inflation, which undermined the economy and the government's ability to create favorable conditions for investment. The Central Bank of Peru, which sets the interest rate in the country, may increase or decrease the rate in

an attempt to control inflation. Increases in the interest rate could affect our cost of credit. In addition, a scenario of high inflation would negatively impact the competitiveness of Peru compared to other countries in the region, with negative consequences in the levels of economic activity and employment.



**Changes in tax laws or their interpretation can increase our tax burden and as a result, adversely affect our business.**

Congress regularly implements changes to tax laws that can increase our tax burden or that of our subsidiaries. These changes may include modifications to our tax base, tax rates, and sometimes, the enactment of temporary taxes, which in some cases have involved changes in the IGV exemptions applicable to some of our operations in the Amazon.

The Peruvian government has recently introduced a number of changes relating to transfer pricing rules and the formal obligations to comply with the BEPS Guidelines on transactions made between related parties or with the intervention of low or non-tax jurisdictions, such as the obligation to submit new local files, master files and country-by-country reports to the Peruvian tax authority and adjust the taxable bases for income tax purposes.

Potential changes in our tax system, in determining the time of payment or the establishment of new taxes, could generate increases in our general costs and negatively affect our operations results.



**Our operations could be negatively affected by an earthquake, flood or other natural disasters.**

The severe weather conditions and other natural disasters in our areas of influence may adversely affect our operations. Peru is affected by El Niño, an oceanic and atmospheric phenomenon that causes warming of temperatures in the Pacific Ocean, resulting in heavy rains on the coast of Peru and several other effects. The effects of El Niño, which usually occur every two to seven years, include flooding and destruction of the fish population and agriculture, and consequently have a negative impact on Peru's economy. For example, in early 2017, El Niño negatively affected agricultural production, transportation and communications services, tourism and commercial activities, caused widespread damage to infrastructure and displaced significant populations. Similarly, the Yaku cyclone arrived in northern Peru during the first months of 2023 and hit mainly the regions of Tumbes, Piura and Lambayeque. This phenomenon, and the rainy season in general, caused economic losses estimated at 4,000 million dollars by former Minister of Economy Alonso. Although our facilities were not significantly affected, our ability to send cement and conchuela was compromised with the destruction of infrastructure.

Peru is also located in an area with seismic activity. For example, in 2007, an earthquake with a magnitude of 7.9 on the Richter scale hit the central coast of Peru, severely damaging the region south of Lima. These conditions can cause physical damage to our properties, closing one or more of our shopping centers or retailers, temporary interruptions in the supply, delays in the delivery and availability of products.



In addition, events arising from climate change, such as extreme droughts or severe flooding, could affect the living conditions of Peruvians, the production and availability or the cost of certain products of our supply chain, among others. Any of these factors can interrupt and adversely affect our business.



**The social and political environment in Peru could have a negative impact on the business, financial condition and results of operations.**

Our business, financial conditions and results of operations could be affected by scenarios of political instability, social unrest and other events that affect investment, productivity, growth and main macroeconomic variables.

Despite the economic growth of the last decades, high levels of inequality persist in Peru. If the levels of poverty, unemployment and access gaps to basic public services, such as health, water or education, rise, a context of social instability could be generated, which would affect the economic performance of the country.

Another source of risk is related to the social disturbances in areas with mining, oil and gas operations. Mining is an important part of the Peruvian economy; however, in recent years, Peru has experienced protests against mining projects in several regions of the country.

**EMERGING RISKS**

As part of our risk management, we identify emerging risks that may have a significant impact on our operations in 3 or 5 years, whether external to us, and specific.

**EMERGING RISK 1**

**Socio-economic impact on the stowage process due to changes in national regulations on the weight of cement bags.**

**Category:  
ECONOMIC** 

Description of risk	Possible impacts to the business	Mitigation actions
At the ministerial level, technical working groups are being set up to implement a possible change in the regulations on the weight of cement bags. The new national regulation would aim to improve the safety and health of construction workers by trying to prevent injuries caused by heavy lifting.	Economic impact for the company by changing the infrastructure of the dispatch process and adapting the capacity of each plant to meet the standard. This new regulation would imply a complete change in the process of bagging, handling, storage, distribution and transport of cement.	The Napoleon project aims at evaluating all the variables that would be affected by the change in national regulations.

**EMERGING RISK 2**

**Stoppage of operations due to labor discontent among group workers and/or neighboring communities.**

**Category:  
SOCIAL** 

Descripción del riesgo	Posibles impactos al negocio	Acciones de mitigación
The social climate exacerbated due to the political crisis in the country in 2023, led to several strikes, uprisings and obstructions at the road level, access to the operations of various companies nationwide.	The impact on the company resulted in a constant uncertainty due to the latent paralysis of some of the operations, affecting not only the continuity of the operation, but also, and very importantly, the people who work directly or indirectly in the different locations of the company and therefore, to our right to work.	Negotiation and signing of collective labor agreements with the different unions, periodic meetings with union authorities, agreements and response to their demands and claims. Work in the Community Relations area in neighboring communities.



## AUTHORIZATIONS

We have all the permits and authorizations for the purposes of developing our activities in all our locations (plants, administrative offices, quarries, among others).

We have concessions of limestone, conchuela, pozzolana, among other mostly non-metallic materials. The term of these concessions is indefinite, provided that we pay an annual concession fee and a penalty fee if we do not meet the required minimum annual production levels. Failure to pay these fees in a timely manner for two consecutive years will result in the loss of our concession. As of the date of this annual report, we have paid all fees applicable to our operating concessions.

## ADMINISTRATIVE OR ARBITRATION LEGAL PROCEEDINGS

### Contingency of legal claims

Based on previous experience, Management expects these claims to be resolved within the next 5 years; however, the Group cannot guarantee that such claims will be resolved within this period because the authorities do not have a maximum time limit to resolve the cases. Based on previous experience, Management expects these claims to be resolved within the next 5 years; however, the Group cannot guarantee that such claims will be resolved within this period because the authorities do not have a maximum time limit to resolve the cases.

The Group's legal advisors consider that it is only possible, and not probable, that such legal actions will succeed in accordance with the above, no provision for these legal claims was recorded in the interim unaudited condensed consolidated financial statements.

## ADMINISTRATION

### List of Directors

The Cementos Pacasmayo Board of Directors is the collegiate body chosen by the General Shareholders' Meeting that exercises the powers and rights concerning the representation, direction and administration of the Company; being of its competence to solve all such matters that by law or by the articles of incorporation are not expressly reserved to the General Shareholders' Meeting. Board members are elected every 3 years by the General Meeting of Shareholders, it being possible to be re-elected. As of July 9, 2020, Pacasmayo no longer has Alternate Directors. Eduardo Hochschild Beeck is the current Chairman of the Board of Cementos Pacasmayo and has been since 2014. The average tenure of a director is 10.42 years.

#### ■ Eduardo Hochschild Beeck

Mr. Hochschild serves as Executive Director since April 1991, and currently serves as Chairman of the Board. He holds a degree on mechanical engineering from Tufts University, Boston, USA. Mr. Hochschild is also President of Hochschild Mining plc, Aclara Resources Inc., Inversiones ASPI S.A. and the Board of Directors of UTEC and TECSUP, and expert advisor to the Economic Council of the Episcopal Conference.

#### ■ Ana María Botella Serrano

Ms. Botella is a Non-executive Director since July 9, 2020. She was previously Alternate Director from September 1, 2019 to July 9, 2020. She holds a bachelor's degree in law from the Complutense University of Madrid and is a member of the Higher Corps of Civil Administrators of the Spanish State.

As a public official. Ms. Botella has worked at the Ministry of the Interior, Civil Government of La Rioja, Ministry of Public Works, Finance Delegation of Valladolid and Ministry of Finance. In 2003, she was elected Council-

lor of the City of Madrid, has served as Second Deputy Mayor and has held the Government Delegations of Employment and Social Services and Environment and Mobility. In December 2011, she was invested Mayor of the City of Madrid, a position she held until June 2015. She is currently the Executive President of the Integra Foundation and Director of Programs of the Atlantic Government Institute.

#### ■ Ana Sofía Hochschild Correa

Ms. Hochschild holds a degree in Psychology from IE University in Madrid, with special emphasis on organizational psychology and knowledge in digital transformation. She has worked at Sony, Ernst & Young, Voxel School and XR Ventures. She serves as a Director at Voxel School. L.S. and participates in other initiatives related to education. She is currently pursuing a master's degree at Harvard, participating in the Education Leadership, Organizations and Entrepreneurship Program.

#### ■ Venkat Krishnamurthy

Mr. Krishnamurthy serves as Director since July 9, 2020. He holds a degree in Computer Science from the Indian Institute of Technology in Kanpur, where he received the Presidential Gold Medal and a PhD in Computer Science from Stanford University. Mr. Krishnamurthy is a serial entrepreneur, who has created innovative technological and business advancements in Computer Graphics, Enterprise Software, Social Media, Internet Marketing, IDC. DAC, Laser Scanning, Manufacturing, Metrology, Orthodontics, EAS/Security and Supply Chain.

He is currently a co-founder of Alineable, North America's largest network for small and medium-sized businesses, and Gita Krishnamurthy Vidyalaya, a free school for low-income children in South India, as well as a board member of Grand Circle Corporation, a private online travel agency. He is a winner of the Academy Award for Technical Achievement (2001) for his pioneering inventions in the area of high-order surface reconstruction (polynomial) re-

ady for 3D scanner animation. Previously, he co-founded Invisalign, Paraform/Metris, now Nikon Metrology; CTO at OATSystems, now Checkpoint's RFID/IOT division and instructor at MIT Professional Education in Radical Innovation.

#### ■ Raimundo Morales Dasso

Mr. Morales serves as Director since March 2008. He holds a bachelor's degree in economics and business administration from Universidad del Pacífico (University of the Pacific) and a master's in business administration from the Wharton Graduate School of Finance from the University of Pennsylvania, USA. Between 1970 and 1980 he worked in different positions on the Bank of America and Wells Fargo Bank.

He joined Banco de Crédito del Perú in 1980 where he held senior management positions. He was General Manager of BCP from October 1990 to April 2008. He currently holds the position of Vice President of the Board of Directors of Credicorp LTD., Banco de Crédito del Perú and Pacífico Cía. Seguros y Reaseguros. He is also a member of the Board of Directors of Grupo Crédito, Atlantic Security Holding Corporation, Cementos Pacasmayo S.A.A., and Fosfatos del Pacífico S.A.

#### ■ Humberto Nadal del Carpio

Vice President of Ferreycorp S.A.A. and Ferreyros S.A. since August 2020. Independent member of the Board of Directors of Ferreycorp S.A.A. and Ferreyros S.A. since March 2017. He is CEO and director of Cementos Pacasmayo, as well as CEO and vice president of Inversiones ASPI, and majority shareholder of Cementos Pacasmayo. Mr. Nadal Del Carpio is CEO and director of Fosfatos del Pacífico and Fossal; director of the Association of Cement Producers (ASOCEM); and former president and current member of the Board of Trustees of the Universidad del Pacífico (University of the Pacific). He is director of the GCCA, a global association that brings together the vast majority of cement-producing companies worldwide. He



is director of FICEM, an association of cement producers in Latin America that comprises 80% of companies in the region. He is a member of the Advisory Council of the Faculty of Humanities, Arts and Social Sciences of the University of Engineering and Technology (UTEC). Previously, he was Chairman of the Board of Directors of the Mi Vivienda Fund. Member of the G-50 group. He holds a degree in Economics from the Universidad del Pacífico, (University of the Pacific) and a master's degree in business administration from Georgetown University.

■ **Esteban Chong León**

Mr. Chong holds a Bachelor of Arts in Accounting from Universidad del Pacífico (University of the Pacific) and a master's degree in business administration from the University of Pittsburgh, United States. He has a diploma in International Financial Reporting Standards from The Association of Chartered Certified Accountants (United Kingdom) and in Corporate Governance of Boards of Directors from Northwestern University – Kellogg School of Management (United States). He is Senior Professor at Universidad del Pacífico (University of the Pacific) and has been Head of the Accounting Department and Chairman of the Admissions Council of said University. Mr. Chong is a retired partner of PricewaterhouseCoopers Peru (PwC) with more than 36 years of professional experience, 20 of them as a partner. He held several positions at PwC, including Territory Senior Partner (TSP) for Peru and Bolivia, Head of Assurance for Peru, Partner in Charge of Risk Management, Member of the Regional Executive Committee and Representative to the Regional Board (Theatre Oversight Board), where he was Chairperson of the Admissions Committee. He is currently a director of Inmobiliaria Los Alerces, KR Comercial and KR Proyectos and is a member of the Audit, Risk and Finance Committee of CGIAR (formerly Consultative Group on International Agricultural Research).

■ **Manuel Ferreyros Peña  
Vice President of Administration and Finance**

Mr. Ferreyros served as Alternate Director from March

**TOP EXECUTIVES**

<b>Name</b>	<b>Position</b>
Humberto Nadal del Carpio (*)	Chief Executive Officer
Manuel Ferreyros Peña	Vice-President of Administration and Finance
Jorge Javier Durand Planas	Legal Vice President
Carlos Julio Pomarino Pezzia <sup>3</sup>	Vice-President of Cement and Business Solutions
Diego Arispe Silva	Central Manager of Corporate Social Responsibility
Aldo Bertoli Estrella	Central Business Manager
Ibrahim Chahuán	Central Manager of Building Solutions
Ely Hayashi Hirahoka	Central Manager of Management Control and Finance
Tito Alberto Inope Mantero	Central Manager of Corporate Excellence
Diego Reyes Pazos	Central Risk Manager, Supply Chain and Administration
Julio Rafael Oropeza	Central Manager of Cement Operations
Hugo Villanueva Castillo <sup>4</sup>	Central Climate Change Manager
Inés Roggero	Central Manager of Innovation and Digital Transformation

(\*) View profile in the Directors section

<sup>3</sup>Worked until December 31, 2023

<sup>4</sup>Worked until December 31, 2023

2008 until July 9, 2020, and serves as our Vice-President of Finance and Administration since January 2008. He is a member of the Board of Fosfatos del Pacífico S.A. and of FOSSAL S.A.A. Mr. Ferreyros holds a Bachelor's degree in Business Administration from Universidad de Lima (University of Lima) a Multinational MBA from the Adolfo Ibáñez School of Management, Miami and a master's in business administration from the College of Insurance of New York. Mr. Ferreyros has pursued the Advanced Management Program at Instituto Centroamericano de Administración de Empresas – INCAE (Central American Institute of Business Administration) and the CEOs' Management Program at Kellogg School of Management, among others. Before joining the Company, Mr. Ferreyros was Chief Executive Officer of La Positiva Seguros y Reaseguros. He's been distinguished among the three best CFOs in the construction industry in Latin America by Institutional Investor magazine between 2014 and 2022.

■ **Javier Durand Planas  
Legal Vice-President**

Mr. Durand joined the Hochschild Group in 1994 and has been the company's Vice President of Legal and Compliance since 2008. Previously, he held the title of legal vice-president at Hochschild Mining plc. Mr. Durand holds a Law degree from Universidad de Lima (University of Lima), and a master's in business administration from Universidad del Pacífico (University of the Pacific). Among other studies, he has also completed the Management Program for Lawyers and Corporate Governance and Performance Program at the Yale School of Management (USA), the Strategic Negotiations Program of Harvard Business School (USA) and the Prince of Wales Business & Sustainability Fellowship Programme by the University of Cambridge Institute for Sustainability Leadership (UK). Currently, Mr. Durand is also a board member of Inversiones ASPI S.A., and he is member of the Board of Directors of UTEC and TECSUP. He is also Director of FOSPAC from March 30, 2021 and Director of FOSSAL from March 24, 2023.

■ **Carlos Julio Pomarino Pezzia  
Vice-President of Cement and Building Solutions**

Mr. Pomarino is the Vice-President of the Cement and Building Solutions part of the business since January 2017. He holds a degree in Economic Engineering from Universidad Nacional de Ingeniería (National University of Engineering) and a master's in business administration from the Adolfo Ibáñez School of Management and ESAN. He has also participated in the



Senior Management Program at Universidad de Piura and completed the Certification of Independent Board members at Centrum Católica. He was the Vice-President of Cement from 2012 to 2017, Deputy Chief Executive Officer from 2009 to 2012, served as Commercial Officer of the Company from 2002 to 2009, and as Chief Executive Officer of Distribuidora Norte Pacasmayo S.R.L. from 1998 to 2009. Prior to joining the Company, Mr. Pomarino worked as Manager of Administration and Finance at Comercializadora de Alimentos S.A. and as Chief Financial Officer at Fábrica de Tejidos San Jacinto S.A.

■ **Diego Arispe Silva**  
**Central Manager of Human Management and Corporate Social Responsibility**

Mr. Arispe has been the Central Manager of Human Management since June 2019 and of Corporate Social Responsibility since January 2022. He holds a Law degree from the Pontifical Catholic University of Peru and has a Master of Business Administration (MBA) from Columbia Business School (United States). He has been working at the company for more than fifteen years, having held various positions in the areas of Human Management, Community Relations, and Legal, and was part of the team in charge of the implementation of our cement plant in Piura, as Project Controller.

■ **Aldo Bertoli Estrella**  
**Central Business Manager**

Mr. Bertoli is our Central Business Manager since May 2016. He holds a degree in Business Administration from Universidad del Pacifico (University of the Pacific) and a master's degree in business management from Universidad de Piura (University of Piura). Before joining our company, Mr. Bertoli worked for five years at Pepsico Inc as the Sales Manager for Peru, Ecuador, and Bolivia. Previously, Mr. Bertoli worked for twelve years at Procter & Gamble in various Commercial positions, including four years as Country Manager in Bolivia.

■ **Ibrahim Chahuán Riveros**  
**Central Manager of Business Solutions**

Mr. Chahuan has been our Central Manager of Business Solutions since January 2022. He holds a Bachelor of Business Administration from Universidad del Pacífico – UP (University of the Pacific) and an Executive MBA from Northwestern University - Kellogg School of Management. Mr. Chahuan has eleven years of experience in the company, having held diverse positions mainly in the areas of marketing, finance, and operations. He participated in corporate finance projects key to the company's development, such as the issuance of USD 300 million bonds and for nearly seven years he has been in charge of promoting and developing the company's building solutions.

■ **Ely Adriana Hayashi Hirahoka**  
**Central Manager of Management Control and Finance**

Ms. Hayashi is our Central Manager of Management Control and Finance since January 2022. She holds a Bachelor of Business Administration from Universidad del Pacífico (University of the Pacific) and a Master of Business Administration (MBA) from IE Business School in Madrid, Spain. Ms. Hayashi joined our Company in 2006 and has worked in different operational and financial positions throughout her over 15 years working at the Company.

■ **Tito Alberto Inope Mantero**  
**Central Manager of Corporate Excellence**

Central Manager of Corporate Excellence. Mr. Inope is Central Manager of Corporate Excellence at Cementos Pacasmayo. Previously, he held the position of Central Manager of Building Solutions. He holds a degree in Economics from Universidad de Lima (University of Lima) and a master's degree in business administration (MBA) from the Universidad Peruana de Ciencias Aplicadas (UPC) (University of Applied Sciences), as well as the Senior Management Program (PAD). Mr. Inope joined our Company in 1996, and he has worked in different management positions in Operations, Projects, and Planning throughout his 25 years at the company.

■ **Diego Reyes Pazos**  
**Central Manager of Supply Chain, Administration and Risks**

Mr. Reyes is currently Central Manager of Supply Chain, Administration and Risk. In July 2013 he assumed the position of Supply Chain Manager and in subsequent years the Administration and Risk Management. He has vast experience in the supply chain, project development, design and implementation of systems/processes and financial analysis. He graduated with a degree in Business Administration from the Universidad de Lima (University of Lima) and received a master's in business management from Universidad de Piura (University of Piura). Before joining our company, Mr. Reyes worked as Operations and Finance Manager at Belcorp, as Senior Business Process Expert for Latin America at SAB Miller, as Project Manager in the Vice Presidency of Supply Chain at UCP Backus & Johnston, among others.

■ **Julio Oropeza Reyes**  
**Central Manager of Cement Operations**

Mr. Oropeza has been the Central Operations Manager of Cementos Pacasmayo since November 2022, also being in charge of the company's Climate Change and R&D Committees.

He has twenty-four years of experience in the cement industry, during which time he has held different positions and functions in Venezuela, Ecuador, Chile, Argentina, and Peru. His areas of expertise include production, process optimization, quality control, optimization of KPIs and costs, formation of high-performance teams, environmental management, safety, innovation, project development and plant management. He is a chemical engineer from the Universidad Nacional Experimental Francisco de Miranda (Venezuela, 2002), certified as a Process Engineer (Holcim, 2012) and an MBA in Integrated Management System: Quality, Environment and Safety from the Universidad de Viña del Mar (University of Viña del Mar) (Chile, 2015).

■ **Hugo Pedro Villanueva Castillo**  
**Central Manager of Climate Change**

Mr. Villanueva has served as Central Manager of Climate Change at Cementos Pacasmayo and Cementos Selva since January 2012. He previously served as Operations Manager of Cementos Selva for over nine years. Mr. Villanueva has also worked at our Company for over twenty years, holding different positions in the areas of Quality, Production and Operations. He holds a degree in Chemistry from Universidad Mayor de San Marcos (National University of San Marcos), and an MBA from the Monterrey Technological Institute (Mexico). Additionally, he has participated at the General Management Program at PAD, UDEP and at the Program for Senior Management at INCAE in Costa Rica. He has also participated in various specialization programs in the industry.

■ **Inés Roggero**  
**Central Manager of Innovation and Digital Transformation**

Ms. Roggero has been the Central Manager of Innovation and Digital Transformation since June 2022 and in January 2023 she was assigned the leadership of the Data and Analytics tribe. Before joining our company, she served as Corporate Innovation Manager at Alicorp, where she was responsible for identifying process improvement initiatives, new analog, and digital products. In addition, Ms. Roggero has more than seventeen years of experience in mass marketing at companies such as Johnson & Johnson and the Coca-Cola Company. During this time, she has won more than ten marketing awards and has managed to launch more than ten new products to market. She has a master's in design management from the IED in Barcelona.



**EXECUTIVE COMPENSATION** [GRI 2-19] [GRI 2-20]

Our business operates in a competitive environment where highly trained professionals and executives are required. The continued expansion of the Peruvian economy in recent decades has increased competition for local talent. Therefore, we have an executive compensation plan designed to achieve the following main objectives:

- Recruit, retain and motivate highly talented and dedicated executives with the skills and experience required to manage and operate our business and create long-term value for our shareholders.
- Provide our executive officers with compensation opportunities that are fair, reasonable, and competitive in the market.
- Compensate based on our performance and individual performance.
- Promote transparency through the use of clear and direct compensation metrics.

- Align the interests of our executive officers with the interests of our shareholders, both short and long term.

This plan helps us distinguish ourselves from other companies in the cement industry in Peru and provides an adequate compensation structure to retain our executives, reward them for their individual performance and induce them to contributing to the creation of long-term value.

The key components of our executive compensation plan are:

- Base salary  
Base salaries provide stable compensation for executives allowing us to recruit and retain highly talented and dedicated executives and, through periodic increases based on merit, provide a basis on which executives

can be rewarded for individual performance.

- Short-term cash bonus incentives

As a key component of our compensation plan, we currently provide our executive officers with the opportunity to earn annual cash bonuses based on the achievement of our short-term business objectives and corporate performance.

- Long-term cash bonus incentives

The Group implemented a long-term compensation plan for its key executives that took effect in 2011. This long-term incentive is paid in cash, is based on the salary of each staff member and depends on the staff member's years of service within the Group. According to the latest update of the plan:

- The executive shall receive the equivalent of an annual salary for each year of service that begins to accrue as of 2019. This benefit accrues and accu-

mulates for each executive and is payable on two separate occasions.

- The first payment shall be made in the sixth year from the creation of the bonus plan and the last payment will be made in the ninth year as from the same date.

If the executive decides to voluntarily withdraw from the Group before the established dates of effective compensation, they lose the right to receive such compensation. In accordance with IAS 19, the Company uses the projected unit credit method to determine the present value of this deferred obligation and the related deferred current cost, considering expected salary increases and a current government bond discount rate (risk free rate).

**REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT TEAM WITH RESPECT TO THE LEVEL OF GROSS INCOME OF THE COMPANY (SEPARATELY, CEMENTOS PACASMAYO)**

	2016	2017	2018	2019	2020	2021	2022	2023
Directors	1.2%	0.8%	0.8%	0.7%	0.7%	0.5%	0.5%	0.5%
Management	3.4%	3.4%	3.3%	2.6%	2.8%	2.2%	2.4%	1.6%
<b>Total</b>	<b>4.6%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>2.7%</b>	<b>2.9%</b>	<b>2.1%</b>

**SHARES OWNED BY EXECUTIVES**

As of December 31, 2019, board members and our executive officers jointly hold 1,429,778 common shares and no investment shares (not including the common shares held by Mr. Eduardo Hochschild through ASPI). This amount represents less than 1% of our outstanding capital stock as of December 31, 2023. Mr. Eduardo Hochschild, the Chairman of the board, indirectly controls through ASPI 211,985,547 common shares.

Messrs. Humberto Nadal, Mr. Raimundo Morales, Manuel Ferreyros and Carlos Julio Pomarino individually and collectively own less than 1% of our common shares.



## 3.2. SHARECAPITAL AND SHAREHOLDING STRUCTURE



### SHAREHOLDING STRUCTURE

[GRI 201-4]

**The share capital of the issuer:** Represented by 423,868,449 fully subscribed and paid-in common shares, at a nominal value of one nuevo sol per share, and which represent 91.32% of all outstanding shares.

In addition, 40,278,894 investment shares at a nominal value of one S/ 1 per share, and which represent approximately 8.68% of all outstanding shares. As of December 31, 2018 the company owns 36,040,497 investment shares of its own issuance equivalent to 89.48% of the total investment shares.

**Share structure:** The percentage of shares of the ten main common shareholders is as follows:

#### SHARE STRUCTURE

1.	50.01%	6.	3.73%
2.	8.44%	7.	3.23%
3.	5.26%	8.	3.07%
4.	4.21%	9.	2.73%
5.	3.96%	10.	1.91%

#### MAIN SHAREHOLDERS (WITH A STAKE OF OVER 5% OF SHARE CAPITAL):

Name and/or Business Name	Shareholding	Nationality	Economic Group
Inversiones Aspi S.A.	50.01 %	Peruana	Hochschild - Pacasmayo
JP Morgan Chase Bank N.A. FBO Holders Of. (ADRs) (*)	8.44 %	EE. UU.	
RI – FUND 2	5.26 %	Peruana	

(\*) All common shares underlying the ADRs are registered in the share registry under the name of the depositary "J.P. MORGAN CHASE BANK, NA.FBO HOLDERS OF ADRS." The total number of ADRs issued as of the end of December 2023 amounts to 7,150,700, figure equivalent to 35,753,501 common shares.

#### VOTING ENTITLEMENT OF SHARES

[GRI 201-4]

Holding	Number of Shareholders	Percentage of Shareholding
Less than 1%	8,461	10.76%
Between 1% - 5%	9	25.53%
Between 5% -10%	2	13.70%
More than 10%	1	50.01%
<b>Total</b>	<b>8,473</b>	<b>100.00%</b>



**INVESTMENT SHARES**

Holding	Number of Shareholders	Percentage of Shareholding
Less than 1%	432	7.43%
Between 1% - 5%	2	3.09%
Between 5% -10%	0	0%
More than 10%	1	89.48%
<b>Total</b>	<b>435</b>	<b>100.00%</b>

\*There is no maximum number of shares that the CEO can have based on a multiple of their salary, nor a maximum number of shares that other members of the executive committee can acquire.

Indicators (%)	2019	2020	2021	2022
Total percentage of voting rights held by company founders personally or through other companies or organizations	50.01	50.01	50.01	50.01

Voting rights on 1 share	Votes per share	Number of shares	Voting power*
No vote (excluding preferential and own shares without voting rights)			
One vote	1	423,868,449	423,868,449
Total	-	464,147,343	423,868,449

(\*) = votes per share x number of shares





**OWNERSHIP STRUCTURE BY TYPE OF INVESTOR (SHARE: CPACASC1)**

#	Ownership by type of share or representative value of share that make up the S&P Peru Selective Index (at the end of the year)	Number of Holders	Shareholding Percentage
1	Members of the board of directors and senior management of the company, including relatives	7	0.34%
2	Workers of the company, not included in paragraph 1.	20	0.02%
3	Individuals not included in paragraphs 1 and 2.	8,374	9.17%
4	Pension funds managed by Pension Fund Management Companies under the supervision of the Superintendency of Banking, Insurance and AFP.	12	26.58%
5	Pension fund administered by the Pension Standardization Office (ONP).	0	0%
6	Entities of the Peruvian State, with the exception of assumption included in paragraph 5.	2	0.01%
7	Banks, financial institutions, municipal savings banks, development entities for small and micro businesses (Edpymes), rural banks and credit unions under the supervision of the Superintendency of Banking, Insurance and AFP.	0	0%
8	Insurance companies overseen by the Superintendency of Banking, Insurance and AFP.	4	3.77%
9	Brokering agents, overseen by the SMV.	3	0.01%
10	Investment funds, mutual funds, and trust assets under the scope of the Securities Market Law and the Investment Funds Law and bank trusts under the scope of the General Law of the Financial System.	12	1.27%
11	Autonomous assets and banking trusts from the abroad to the extent that they can be identified	0	0%
12	Foreign depositories listed as holders of the share under ADR or ADS programs.	1	8.44%
13	Foreign depositories listed as holders of shares not included in paragraph 12.	0	0%
14	Foreign custodians listed as shareholders	0	0%
15	Entities not included in previous numbers	38	50.40%
16	Shares belonging to S&P/BVL Peru Select Index or a value representative of these shares, in the company's portfolio.	0	0%
	<b>Total</b>		<b>100.00%</b>
	Ownership of the share or value representative of participation that makes up the S&P/BVL Perú Select Index, according to their residence (at the end of 2023)		
	Domiciled	8,366	90.65%
	Non-domiciled	107	9.35%

The ASPI controller has 50.01% of the shares and is classified under "Entities not included in the previous paragraphs".



## SHARE CAPITAL AND SHARE PRICE BEHAVIOR

### CREATED AND ISSUED SHARE CLASSES: COMMON AND INVESTMENT SHARES

**The share capital of the issuer:** Represented by 423,868,449 fully subscribed and paid-in common shares, at a nominal value of one nuevo sol per share, and which represent 91.32% of all outstanding shares.

In addition, 40,278,894 investment shares, at a nominal value of one nuevo sol per share, and which represent approximately 8.68% of all outstanding shares. As of December 31, 2023, the company owns 36,040,497 investment shares of its own issuance equivalent to 89.48% of the total investment shares.

### MONTHLY STOCK PRICES OF CEMENTOS PACASMA- YO LISTED ON THE LIMA STOCK EXCHANGE (BVL)

**Code mnemonic:** CPACASC1 - CPACASI1 – CPAC

**TABLE OF VARIABLE INCOME – 2023 QUOTATION**

ISIN Code	Mnemonic	Year - Month	2023 QUOTATION				Price Average S/
			Opening S/	Close S/	Maximum S/	Minimum S/	
PEP239501005	CPACASC1	2023-01	4.00	4.05	4.15	3.98	4.05
PEP239501005	CPACASC1	2023-02	4.05	4.05	4.10	3.90	4.03
PEP239501005	CPACASC1	2023-03	4.00	4.00	4.07	3.88	4.03
PEP239501005	CPACASC1	2023-04	3.95	3.95	4.05	3.75	3.81
PEP239501005	CPACASC1	2023-05	4.00	3.97	4.08	3.87	3.97
PEP239501005	CPACASC1	2023-06	4.00	3.82	4.00	3.76	3.85
PEP239501005	CPACASC1	2023-07	3.86	3.87	3.90	3.70	3.81
PEP239501005	CPACASC1	2023-08	3.87	3.83	4.00	3.79	3.87
PEP239501005	CPACASC1	2023-09	3.84	3.81	3.90	3.78	3.82
PEP239501005	CPACASC1	2023-10	3.86	3.74	3.86	3.70	3.75
PEP239501005	CPACASC1	2023-11	3.70	3.55	4.05	3.50	3.93
PEP239501005	CPACASC1	2023-12	3.52	3.78	3.80	3.50	3.64



**TABLE OF FIXED INCOME – 2023 QUOTATION**

ISIN Code	Mnemonic	Year - Month	2023 QUOTATION				Price Average S/
			Opening S/	Close S/	Maximum S/	Minimum S/	
PEP239505006	CPACASCI1	2023-01	3.52	3.52	3.52	3.52	3.52
PEP239505006	CPACASCI1	2023-02	--	--	--	--	3.52
PEP239505006	CPACASCI1	2023-03	3.50	3.50	3.55	3.50	3.51
PEP239505006	CPACASCI1	2023-04	3.55	3.50	3.55	3.50	3.54
PEP239505006	CPACASCI1	2023-05	--	--	--	--	3.50
PEP239505006	CPACASCI1	2023-06	--	--	--	--	3.50
PEP239505006	CPACASCI1	2023-07	3.50	3.50	3.50	3.50	3.50
PEP239505006	CPACASCI1	2023-08	--	--	--	--	--
PEP239505006	CPACASCI1	2023-09	--	--	--	--	3.47
PEP239505006	CPACASCI1	2023-10	3.51	3.50	3.51	3.50	3.50
PEP239505006	CPACASCI1	2023-11	3.99	4.00	4.00	3.99	3.96
PEP239505006	CPACASCI1	2023-12	3.59	3.53	3.59	3.53	3.59

**TABLE OF FIXED INCOME – 2023 QUOTATION**

ISIN Code	Mnemonic	Year - Month	2023 QUOTATION				Price Average S/
			Opening S/	Close S/	Maximum S/	Minimum S/	
US15126Q2084	CPAC	2023-01	--	--	--	--	--
US15126Q2084	CPAC	2023-02	--	--	--	--	--
US15126Q2084	CPAC	2023-03	--	--	--	--	--
US15126Q2084	CPAC	2023-04	--	--	--	--	--
US15126Q2084	CPAC	2023-05	--	--	--	--	--
US15126Q2084	CPAC	2023-06	5.08	5.08	5.08	5.08	5.08
US15126Q2084	CPAC	2023-07	--	--	--	--	--
US15126Q2084	CPAC	2023-08	5.23	5.23	5.23	5.23	5.26
US15126Q2084	CPAC	2023-09	--	--	--	--	--
US15126Q2084	CPAC	2023-10	--	--	--	--	--
US15126Q2084	CPAC	2023-11	--	--	--	--	--
US15126Q2084	CPAC	2023-12	4.80	4.80	4.80	4.80	4.80



**TABLE OF FIXED INCOME – 2023 QUOTATION**

ISIN Code	Mnemonic	Year - Month	2023 QUOTATION				Price Average S/
			Opening S/	Close S/	Maximum S/	Minimum S/	
PEP23950M017	CPACA2BC1A	2023-02	91.8425	91.7312	91.8425	91.7312	91.7699
PEP23950M017	CPACA2BC1A	2023-03	91.9180	91.9180	91.9180	91.9180	91.9180
PEP23950M017	CPACA2BC1A	2023-07	97.2257	97.9670	97.9670	97.2257	97.4603
PEP23950M017	CPACA2BC1A	2023-08	98.6335	98.6335	98.6335	98.6335	98.6335
PEP23950M017	CPACA2BC1A	2023-12	99.2328	99.2328	99.2328	99.2328	99.2328
PEP23950M025	CPACA2BC1A	2023-02	90.8511	88.9643	90.8511	88.9643	89.7190

**MONTHLY STOCK QUOTATIONS OF CEMENTOS PACASMAYO LISTED ON THE NEW YORK STOCK EXCHANGE (NYSE) CODE MNEMONIC ADRS: CPAC**

Year - Month	2023 STOCK PRICES			
	Opening USD	Closing USD	Highest USD	Lowest USD
2023-1	5.20	5.34	5.50	5.00
2023-2	5.40	5.15	5.50	5.05
2023-3	5.10	5.28	5.49	5.07
2023-4	5.38	5.40	5.49	5.01
2023-5	5.26	5.53	5.56	5.06
2023-6	5.49	5.09	5.49	5.05
2023-7	5.13	5.35	5.49	5.06
2023-8	5.35	5.32	5.60	5.22
2023-9	5.34	5.17	5.39	5.00
2023-10	5.08	5.00	5.22	4.90
2023-11	5.02	4.72	5.60	4.65
2023-12	4.93	5.14	5.20	4.65



### 3.3. FINANCIAL STATEMENTS

#### AUDITED FINANCIAL STATEMENTS

[GRI 2-3]

The separate and consolidated financial statements as of December 31, 2023 attached hereto were audited by Tanaka, Valdivia & Asociados S. Civil de R.L, a member firm of EY, who issued an unqualified opinion.

#### Modifications to the Staff Members Responsible for the Preparation and Review of Financial Information:

There were no changes in the team of staff members responsible for the preparation and review of the financial information of the Company in 2023 and 2022.

### ANALYSIS OF THE MAIN ECONOMIC AND FINANCIAL RESULTS

2023 was a challenging year, due to the negative effects of Cyclone Yaku during the first quarter and the overall deterioration of the economy. Therefore, sales volumes decreased 13.9% compared to 2022. Additionally, revenues decreased by 7.8% due to the aforementioned phenomenon and the low levels of public and private investment affected the demand for cement. With regard to gross profit, this increased by 5.7% compared to 2022.

Net profits amounted to S/ 168.9 million, a decrease of 4.5% compared to 2022, mainly due to the devaluation of the vertical kilns in the last quarter of 2023. However, the net profit margin increased by 0.3 percentage points, reaching 8.7% in this period.

The consolidated EBITDA amounted to S/ 481.8 million, a 2.4% decrease compared to 2022, mainly due to the depreciation of our vertical kilns, which had an effect of S/ 36.6 million. However, the adjusted EBITDA increased by 4.9% compared to 2022, mainly due to operational efficiencies derived from the new kiln in Pacasmayo, the discontinued use of imported clinker and lower raw material costs, mainly coal.

#### LIQUIDITY

Standalone, Cementos Pacasmayo S.A.A.

Liquidity Ratio	2018	2019	2020	2021	2022	2023
Current Ratio (Current Asset / Current Liability)	2.98	2.51	3.91	1.39	1.11	1.12
Acid ratio (Cash-banks and accounts receivable / Current liabilities)	0.53	0.62	1.89	0.56	0.12	0.07

The current ratio increased slightly by 0.01, remaining in line with 2022. The acid ratio or acid test decreased from 0.12 in 2022 to 0.07 in 2023, mainly due to the increase in short-term financial liabilities.

#### CAPITAL AND FINANCING

Standalone, Cementos Pacasmayo S.A.A.

Debt Ratios	2018	2019	2020	2021	2022	2023
Total Liabilities / Total Assets	0.48	0.50	0.53	0.61	0.63	0.63
Total Net Equity / Total Assets	0.52	0.50	0.47	0.39	0.37	0.37

The 'total liabilities / total assets' ratio was 0.63 in 2023, slightly lower than in 2022. The 'Net Equity / total assets' ratio was 0.37 in 2023.

**FINANCIAL RESULTS**

Standalone, Cementos Pacasmayo S.A.A.

Profit Ratios	2018	2019	2020	2021	2022	2023
Gross Profit	42.3%	39.5%	35.1%	29.5%	31.9%	37.5%
Operational Profit	24.2%	23.9%	20.3%	16.1%	17.7%	21.1%
Net Profit	9.3%	14.8%	6.6%	12.8%	13.0%	13.2%

Consolidated

Profit Ratios	2018	2019	2020	2021	2022	2023
Gross Profit	37.0%	35.0%	29.0%	28.9%	30.8%	35.4%
Operational Profit	19.2%	19.4%	13.6%	16.4%	16.8%	17.3%
Net Profit	5.9%	9.5%	4.5%	7.9%	8.4%	8.7%

At a consolidated level, the gross margin increased by 4.5 percentage points compared to 2022, since imported clinker was no longer used because we began to use our own.

Our operating margin increased 0.5 percentage points, mainly due to the operating efficiency derived from our new kiln at Pacasmayo.

Our net margin increased by 0.3 percentage points, primarily due to an improved cost structure as a result of both operational efficiency and reduced raw material costs

**STANDALONE AND CONSOLIDATED NET SALES OF GOODS (IN THOUSANDS OF SOLES)**

Market	2018	2019	2020	2021	2022	2023
Standalone	820,416	893,841	853,586	1,194,911	1,365,057	1,275,355
Consolidated	1,262,934	1,392,701	1,296,334	1,937,767	2,115,746	1,950,075

**PRODUCTS WITH THE HIGHEST INCIDENCE AT THE SEPARATE LEVEL (% OF SALES)**

Product	2018	2019	2020	2021	2022	2023
Cement	93.0%	96.0%	96.2%	96.7%	97.2%	98.0%
Lime	7.0%	4.0%	3.8%	3.3%	2.8%	2.0%

**PRODUCTS WITH THE HIGHEST INCIDENCE AT THE CONSOLIDATED LEVEL (% OF SALES)**

Product	2018	2019	2020	2021	2022	2023
Cement, concrete, and blocks	89.8%	92.6%	91.4%	92.1%	92.8%	94.9%
Construction supplies	5.5%	4.8%	6.0%	5.9%	5.4%	3.8%
Lime	4.6%	2.6%	2.5%	2.0%	1.8%	1.3%
Other	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%



## TAX TREATMENT

There are no special relationships between the issuer and the State that individually imply special tax treatment or specific exemptions for activity or in matters of supervision or concessions. The General Regime of Income Tax and General Sales Tax apply for tax purposes. In the case of subsidiaries located in the Amazon region, the IGV exemption for the sale of goods and services established by the Amazon Law applies to all taxpayers who carry out activities in that region within the limits established in the aforementioned regulation. (Paragraph 13.1 of Article 13 of the Amazon Law No. (27037).

## MAIN ASSETS

The main items of property, plant and equipment, net of accumulated depreciation, are:

### STANDALONE INFORMATION, CEMENTOS PACASMAYO S.A.A.

Description	2018	2019	2020	2021	2022	2023
Machinery and Equipment	976,074	921,251	869,018	814,158	761,488	874,438
Buildings and Facilities	467,203	456,243	443,649	430,481	415,528	505,615
Land	204,328	210,269	210,803	210,803	205,751	208,839
Mine Closure	-	6,723	6,456	5,684	9,071	13,445
Transportation Units	11,033	9,555	6,998	5,361	4,318	3,790
Works in progress and units to be received	42,671	33,829	22,306	51,666	168,116	36,283
Computer Equipment and Tools	10,372	9,034	7,119	6,434	8,020	8,725
Furniture and Appliances	2,663	2,190	2,033	1,698	1,414	1,277
Mining Concessions	21,876	21,042	20,709	20,660	20,588	47,497
Interest Capitalization	58,644	57,205	55,766	54,430	56,149	59,325
Mine Development Costs	14,572	17,491	19,459	22,734	30,113	34,477
<b>Total Assets</b>	<b>1,809,436</b>	<b>1,744,832</b>	<b>1,664,316</b>	<b>1,624,109</b>	<b>1,680,556</b>	<b>1,793,711</b>



**CONSOLIDATED INFORMATION**

Description	2018	2019	2020	2021	2022	2023
Machinery and Equipment	1,143,376	1,089,309	1,037,531	979,777	915,097	1,012,375
Buildings and Facilities	557,595	549,564	537,107	521,052	504,497	592,536
Land	240,424	251,654	252,190	256,552	251,511	254,599
Transportation Units	39,042	40,315	32,451	35,162	28,297	22,022
Works in progress and units to be received	58,391	56,123	36,995	61,405	172,086	42,659
Computer Equipment and Tools	12,940	11,685	9,843	11,518	15,421	15,900
Furniture and Appliances	3,295	3,010	2,873	2,634	2,472	2,107
Mine Closure	1,460	1,416	7,674	6,648	9,253	13,583
Mining Concessions	21,927	21,093	20,778	20,727	20,655	47,570
Interest Capitalization	60,446	58,926	57,406	55,986	57,623	60,717
Mine Development Costs	13,827	17,586	19,660	23,470	30,926	35,283
<b>Total Assets</b>	<b>2,152,724</b>	<b>2,100,682</b>	<b>2,014,508</b>	<b>1,974,931</b>	<b>2,007,838</b>	<b>2,099,351</b>

**MACHINERY AND EQUIPMENT**

**Pacasmayo**

As of December 31, 2023, the Pacasmayo plant owns four horizontal kilns of which three are intended to produce clinker and one to produce lime. In 2023, one horizontal kiln was added, and a provision was made for devaluation of the 6 vertical kilns. The clinker production capacity is 1,755,600 metric tons per year.

For cement production, the plant has three cement mills with an annual installed capacity of 2.9 million metric tons. Additionally, the plant has storage silos with a capacity of 26,700 metric tons of cement. Primary and secondary crushers are also found near our Tembladera quarry.

As of December 31, 2023, our Pacasmayo facilities have an installed production capacity of approximately 240,000 metric tons of quicklime per year, including the annual installed capacity of one of our clinker kilns and our Waelz rotary kiln.

**Rioja**

The Rioja plant has four vertical kilns with a total clinker production capacity of 289,080 metric tons per year. It also has three cement mills with a production capacity of 440,000 metric tons per year. The plant also has storage silos with a capacity of 1,750 metric tons of cement.

**Piura**

The Piura plant has one horizontal kiln with a total production capacity of 1 million metric tons per year, as well as one cement mill with a capacity of 1,6 million metric tons per year. Moreover, it has 2 storage silos with a capacity of 24,000 metric tons of cement and an additional one with a capacity of 1,300 metric tons.

**Concrete**

We have over 22 fixed and mobile concrete plants in the cities of Chimbote, Trujillo, Chiclayo, Piura, Cajamarca, Pacasmayo, Tarapoto, Iquitos and Moyobamba, among others. We also have mixer trucks and pumps to supply our clients with concrete.

**Buildings, Constructions and Land**

Cementos Pacasmayo has offices in Lima (Calle La Colonia 150, Urbanización El Vivero, Surco), in addition to plants, warehouses and offices at our three plants.

**Mining Concessions**

As of December 31, 2023, the Company mainly has non-metallic mining concessions. Among the most important ones, we have mining concessions of limestone, conchuela, coal and brine. All concessions are for an indefinite term provided that the minimum levels of exploitation are met in accordance with the provisions set forth in Legislative Decree No. 054-2008-EM.

## 3.4. MATERIALITY ASSESSMENT

[GRI 3-1] [GRI 3-2]

The materiality process helps us prioritize resources and efforts on economic, social and environmental issues relevant to Cementos Pacasmayo and our stakeholders.

Every year, we review our material topics. In 2023, for the first time, we carried out a double materiality exercise, that is, materiality of impact (impacts that the company generates on the environment and society) as well as a financial materiality exercise (impacts of the environment and society on the reputation, strategy, and finances of the company).

To identify such material issues, we performed the following process:



### CONTEXT ANALYSIS OF THE ORGANIZATION

Benchmark del sector.

Estándares internacionales de la industria.

### IDENTIFICATION OF ESG IMPACTS

Face-to-face workshop with Cementos Pacasmayo leaders.

### EVALUATION OF INTERNAL AND EXTERNAL RELEVANCE

Surveys and interviews of stakeholders (suppliers, employees, clients, the state, guilds, investors, the Board and communities).

### DEFINITION OF MATERIAL TOPICS

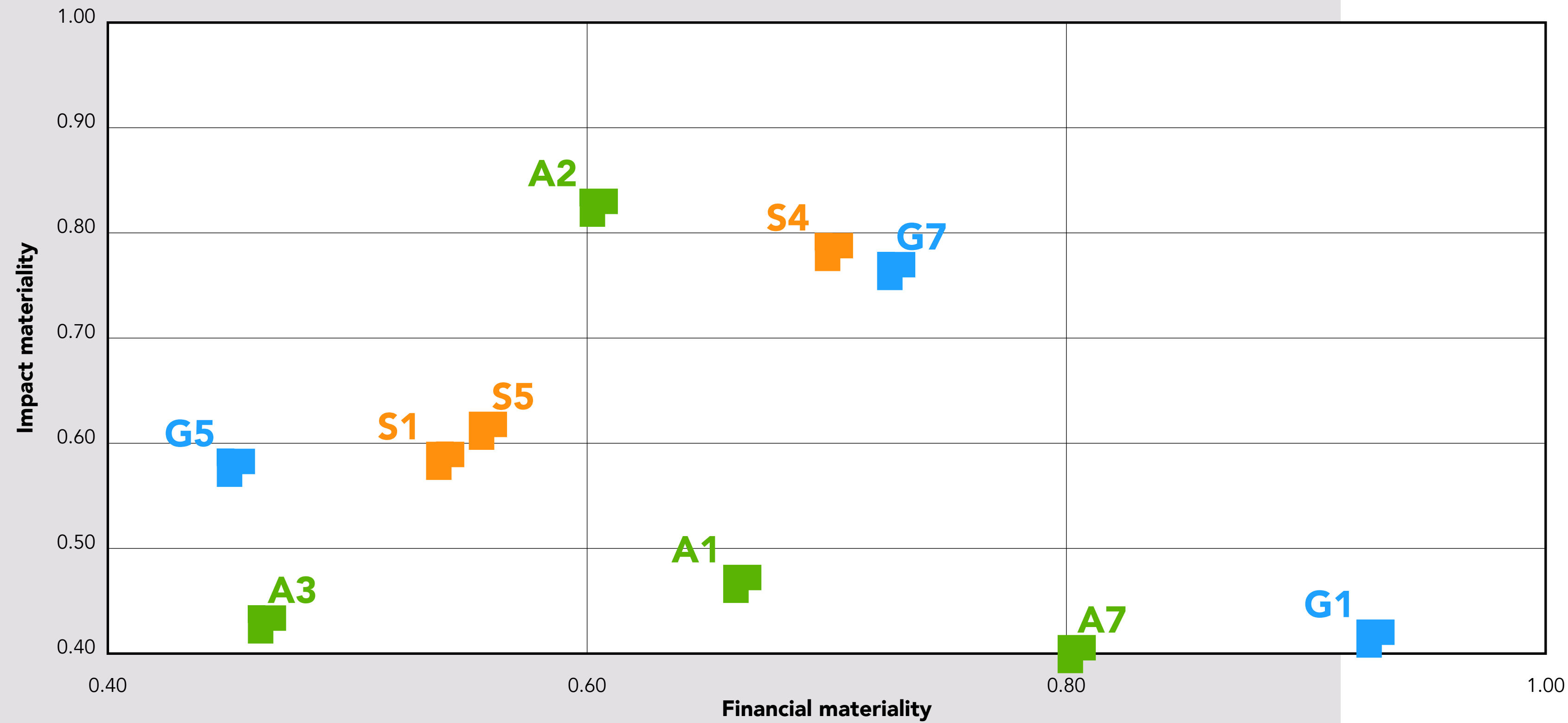
Validation with the Sustainability Committee.

**IN 2023 FOR THE FIRST TIME WE CARRIED OUT A DOUBLE MATERIALITY EXERCISE THAT IS MATERIALITY OF IMPACT AND FINANCIAL MATERIALITY**



The following materiality matrix was obtained as a result of such process, revealing the ten most relevant topics for the organization and our stakeholders.

### MATERIAL ISSUES



- G7** Generation of economic value

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- S4** Health and safety

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- A2** Emissions reduction

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- G1** Operational excellence

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- A7** Energy efficiency

---

- S5** Relationship and Community Development

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- A1** Climate change

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- S1** Human rights

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- G5** Ethical businesses, transparency and anticorruption

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- A3** Waste and circular economy



The coverage of all the indicators in this report and its material topics cover Cementos Pacasmayo S.A.A. and its subsidiaries. The latter include Distribuidora Norte Pacasmayo S.R.L., Cementos Selva S.A.C. and Dinonselva Iquitos S.A.C.

 **TEMA:  
WASTE  
SOLIDS**[GRI 3-3]


It refers to initiatives or actions to reduce the amount of solid waste derived from our operations and increase the percentage of reused and recycled waste, ensuring the promotion and incorporation of the circular economy.

**List of actual or potential impacts:**

- Contribution to the circular economy and the environment with the EcoSack.
- Less environmental pollution through the EcoSack.
- Better CP reputation for advertising campaigns on social networks.

## ENVIRONMENTAL DIMENSION

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 **TEMA:  
REDUCTION  
OF EMISSIONS**

It refers to greenhouse gas reduction efforts associated with the company's operations (both direct and indirect).

**List of actual or potential impacts:**


- Research development for cleaner and more efficient technologies.
- Pollution of houses with monoxide emitted by trailers.
- Reduction of GHG emissions by reducing the clinker factor.

 **TEMA:  
CLIMATE  
CHANGE**

It refers to the design and development of innovative strategies for the transformation and adaptation of operations, based on opportunities arising from climate change and the mitigation of associated risks.

**List of actual or potential impacts:**

- Compliance with Environmental Regulations.
- Safety for the adaptation of products due to climate change.
- Waste and Circular Economy.

 **TEMA:  
ENERGY  
EFFICIENCY**

It refers to the optimization of thermal performance, the promotion of cleaner energies, or where fossil fuels have been replaced by alternative fuels (co-processing) to contribute to the reduction of emissions generated in operations.

**List of actual or potential impacts:**

- Reduced use of fossil fuels and reduced impact on people's health.
- Reduction of CO<sub>2</sub> emissions by implementing co-processing and use of waste.



## SOCIAL DIMENSION



It refers to the promotion of a culture of prevention, ensuring the health and safety of all personnel, including suppliers, contractors, and clients, within the company and the community.

**List of actual or potential impacts:**

- Disabling accidents and fatalities of employees, suppliers, and subcontractors.
- Reduction of accidents due to standards and training.
- Society safety where we operate through prevention.



It refers to the acquisition of the social license (legitimacy) of our operations, through the fulfillment of formal (regulatory) and informal commitments, through the investment in voluntary programs that strategically include stakeholders, their demands and needs.

**List of actual or potential impacts:**

- Contribute to the development of communities through social programs.
- Improvement in emergency response and recovery and prevention work through support to local government, and educational institutions with sports activities and risk reduction activities.
- Improving capabilities and accessibility through the technological development center and associations aimed at women and vulnerable populations.
- Relationships of trust thanks to the organization's compliance with its commitments such as the paving of Pacasmayo.
- Improving quality of life through women's empowerment programs, financing the construction of a children's park, and donating cement for floors.
- Recruitment of local labor.
- Protection for families in the communities so that they have education, health and housing available.
- Cover housing deficit through cement material.
- Contribution to the dream of having a home through contact with hardware stores.
- Support and alliances to promote infrastructure projects in the country.
- Conflictive relationship with the community for invading some habitat.
- Community discontent due to lack of compliance with commitments.



It refers to the principles and management systems that ensure due diligence processes in relation to human rights in the company's operations and its value chain (employees, clients, suppliers, and community), including topics such as health and safety, freedom of association, environmental protection, the rejection of all types of violence, among others.

**List of actual or potential impacts::**

- High standards in process safety both in direct operation and in suppliers.
- Selection processes with standards allow there to be no child labor and respect the rights of children and women, among others.
- Inclusion of women in projects and management of machinery.
- Less interest in fishing due to increased professionalization and skilled labor (better opportunities/quality of life).
- Pollution impacts the health and environment of the surrounding area.
- Improvement in quality of life due to respect for human rights.
- Reduction of effects due to prevention of human rights violations.
- Government costs to intervene in social conflicts.
- Opportunity to contribute to local development.
- Support for employees and communities.



## ECONOMIC AND GOVERNANCE DIMENSION

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 **TEMA:  
OPERATIONAL  
EXCELLENCE**

It refers to the pursuit of continuous improvement in processes and products, efficiency in the use of resources and the achievement of positive impacts on productivity. It also refers to the increase in the level of customer satisfaction as a result of the perception of quality of the products.

**List of actual or potential impacts:**

- Efficient production.
- Efforts to minimize environmental impacts.
- Greater confidence on the part of stakeholders due to the transparency of environmental impacts.
- Affordable product costs by being more efficient in operating costs.
- Continuing to innovate in new products motivates competencies to innovate.

 **TEMA:  
GENERATION OF  
ECONOMIC VALUE**

It refers to the maximization of economic benefits as a product of improvements in productivity and competitiveness related to the line of business.

**List of actual or potential impacts::**

- Economic support to Tembladera by industrial activity.
- Strengthening of local services businesses and diversification of their clients.
- Improvement in supplier contracting.
- Climatic risks in secondary activities such as fan shell extraction.
- Community satisfaction for good performance of Oxl.
- Good relationship with investors due to price and capital strategies.
- Deceleration of shipments in the North.
- Lower demand for cement in the self-construction sector.
- Good relationship with dividend investors.
- Increased investment in sustainable technologies.

 **TEMA:  
ETHICAL BUSINESS, TRANSPARENCY AND  
ANTI-CORRUPTION**

It refers to the principles and policies that govern the behavior of workers and contractors, as well as the company's operations. In addition, it includes the issues of anti-corruption and anti-competitive practices, such as monopolies and price fixing.

**List of actual or potential impacts:**

- Conflict situations and misunderstandings with stakeholders.
- Compliance with standards according to the BVL and other market requirements.
- Affecting the prestige of the entire union when making a good or bad decision.
- Decreased confidence due to regulatory non-compliance.
- Collaboration with other parties for compliance.



## MATERIALITY METRICS FOR THE CREATION OF BUSINESS VALUE

MATERIAL TOPIC: ETHICAL BUSINESS, TRANSPARENCY, AND ANTI-CORRUPTION [GRI 3-3]

Business Case	Type of Business Impact	Strategy to address the impact on the business	Objective	Target Year	Goal Progress	Related Executive Compensation
Acting with integrity is a fundamental pillar of our sustainability strategy, so we seek to generate best practices to promote business ethics, transparency, and the fight against corruption. That is why we establish policies and a clear code of ethics that guide the behavior of all employees and managers. We also implement an ethical culture program for employees and managers in which we train them in anti-corruption matters and make available reporting channels so that they can anonymously report suspicious activities. Finally, we are transparent and publicly disclose information about our activities, impacts, objectives, and progress.	Risk	Our goal is to be recognized as leaders in terms of integrity and transparency in Peru. Our Code of Conduct and our prevention model cover: Prevention of corruption and bribery, money laundering and terrorist financing, antitrust or anticompetitive practices, discrimination and human rights, confidentiality of information, conflicts of interest, insider trading, environment, occupational health and safety, respect for communities and whistleblowing. When there are complaints about these issues, they are reviewed and form part of the reports that the compliance officer submits to the Audit Committee. For its part, the Integrated Anti-Bribery and Compliance Policy provides protection and surveillance mechanisms against corruption and the aforementioned crimes in any of their forms. It is complemented by the Anti-Fraud Policy and the Manual for the Prevention of Money Laundering and Financing of Terrorism, which establish provisions regarding political, charitable and sponsorship contributions.	0 legal or administrative proceedings related to corruption issues	2023 <sup>5</sup>	0 legal or administrative proceedings related to corruption issues	None

<sup>5</sup> The objective is continuous, so the target year becomes the current year.



**MATERIAL TOPIC: HEALTH AND SAFETY**

Business Case	Type of Business Impact	Strategy to address the impact on the business	Objective	Target Year	Goal Progress	Related Executive Compensation
<p>Due to the characteristics of the sector in which we operate, the life and health of our employees and stakeholders have always been a priority for Cementos Pacasmayo and its subsidiaries. Proper occupational health and safety management allows us to protect our employees, avoid government penalties due to accidents and prevent damage to our reputation. For this reason, in 2023 we certified our Occupational Health and Safety Management System with the ISO 45001 standard. In addition, in accordance with current regulations, each of our operational and administrative units has its own Occupational Health and Safety Committee. Finally, we have prepared a Guide for the Investigation and Analysis of Occupational Incidents and Accidents that allows us to manage information for continuous improvement in management.</p>	<p>Risk</p>	<p>Our strategy is based on three main objectives: (1) Improve the Safety Culture Excellence Program; (2) Maintain the sustainability of security management; and (3) Comply with current legal regulations. To this end, we rely on our Occupational Health and Safety Policy and our Occupational Health and Safety Management System (OHSMS), which has ISO 45001 verification and covers 100% of our employees and contractors. As a strategy, we implemented the 'Let's Talk About Health and Safety' program, through which, every morning at the beginning of the workday, we reinforce a mandatory OHS topic with all levels of the operation, an activity that is recorded on a specific platform. We also carry out mandatory and voluntary training sessions based on the main risks identified in the industrial processes, the quarry and at administrative offices.</p>	<p>0 fatal accidents</p>	<p>2030</p>	<p>0 fatal accidents – own employees</p>	<p>Performance Bonus</p>



**MATERIAL TOPIC: COMMUNITY RELATIONS AND DEVELOPMENT**

Business Case	Type of Business Impact	Strategy to address the impact on the business	Objective	Target Year	Goal Progress	Related Executive Compensation
<p>We maintain a strong relationship with our communities, based on local development as a tool to minimize potential conflicts that could paralyze our operations. For this reason, we have identified the main deficiencies in the communities where we operate (urban infrastructure, poor quality of education in the area and low dynamism of the local economy), and as a result, we have developed social investment initiatives that help us overcome them. Our social management mission seeks to create and strengthen a favorable social environment for the continuity and growth of our operations, promoting programs and projects that contribute to sustainable development and improve the quality of life of the population, mainly in the areas of education, health, and local and socio-environmental development. This brings us closer to our vision of contributing to the sustainable development of the business and our stakeholders.</p>	<p>Risk</p>	<p>At Pacasmayo we seek to grow together with our communities, and to achieve this, we base our management on 3 work areas: (1) Strategic Relationships (2) Improved quality of life. (3) Communication of social value. Our management is based on compliance with our Corporate Social Responsibility policy, the Strategic Social Management Plan and the 2030 Sustainability Plan. Specifically, the extensive experience of our social team, as well as our fulfillment of agreements, give confidence to communities and different stakeholders in our areas of influence. Infrastructure works of special importance in our areas of influence are generally executed under the Works for Taxes deduction modality. Our social investment is strategic, through programs that, while remaining related to our core business, respond to the social and economic needs of the communities in which we intervene with these types of initiatives.</p>	<p>0 stoppages due to social conflicts</p>	<p>2030</p>	<p>0 stoppages due to social conflicts</p>	<p>None</p>



## MATERIALITY METRICS FOR STAKEHOLDERS

Description	Cause of impact (part of the business responsible for external impact)	Impacted area evaluated	Relevance of the topic to external stakeholders	Result Metric	Impact Assessment	Metric used to measure external impact
<b>Health and Safety</b>						
Practices and measures implemented to guarantee the protection and well-being of workers at all stages of cement production. This approach seeks to prevent occupational accidents and diseases and promote a safe working environment.	Operations >50% of business activity	Environment	Type of impact: Positive  We included within our lines of action, the identification and control of specific risks associated with plant operations, as well as the implementation of procedures, training sessions, and equipment necessary to safeguard the physical integrity and health of employees. We comply with local and international regulations and regulations related to occupational safety and the promotion of an organizational culture that values safety as a fundamental priority for our own and third-party employees.	0 fatal accidents	Healthcare: (1) Fatalities of own employees (2) Fatalities of contractors	% of reduction in chronic diseases thanks to the company program
<b>Community Relations and Development</b>						
It refers to the acquisition of the social license of our operations, through the fulfillment of formal (regulatory) and informal commitments, through investment in voluntary programs that strategically include stakeholders, their demands, and needs.	Operations >50% of business activity	Society	Type of impact: Positive  Cementos Pacasmayo's social management mission is create and strengthen a social environment favorable for the continuity and growth of our operations, promoting innovative programs and projects that contribute to sustainable development and improvement of the quality of life of the population in education, healthcare and local and socio-environmental development. Likewise, our social management model allows us to prevent, mitigate and address the social impacts associated with the development of our operations. For this reason, in 2022, three axes of action linked to our contribution to the Sustainable Development Goals (SDG) were prioritized: 1. Job Training (SDG 8: Decent work and economic growth). 2. Local development and infrastructure improvement (SDG 11: Sustainable cities and communities). 3. Valuation of natural resources (SDG 15: Life on land).	0 stoppages due to social conflicts	Avoided social cost	Number of households living in safely constructed dwellings



## 3.5. ADDITIONAL INDICATORS

### ENVIRONMENTAL MANAGEMENT

**EMISSIONS** [GRI 305-3] [GRI 305-4] [GRI 305-5] [GRI 305-6] [GRI 305-7]

Scope 3	2020	2021	2022	2023
Total metric emissions CO <sub>2eq</sub>	324,759	486,764	730,660 <sup>6</sup>	697,300
Emissions goal set for 2023				700,000

\*The reported figures correspond to projections based on Clinker production. The value reported for 2020 has been modified for reasons of accuracy. The increase in emissions in 2022 is due to the update of ISO 14064, a methodological guide for calculating the carbon footprint. \*The equivalent CO<sub>2</sub> corresponds to CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O

Intensity ratio	2022			2023		
	Pacasmayo	Piura	Rioja	Pacasmayo	Piura	Rioja
Tons of CO <sub>2eq</sub>	1,472,723	1,016,886	281,935	1,405,482	970,458	269,062
Tons of clinker produced	934,852	1,023,221	239,937	1,097,943	800,141	199,570
Intensity ratio: Tons of CO <sub>2eq</sub> /tonelada clinker produced	1.56	0.86	1.45	1.28	1.21	1.34

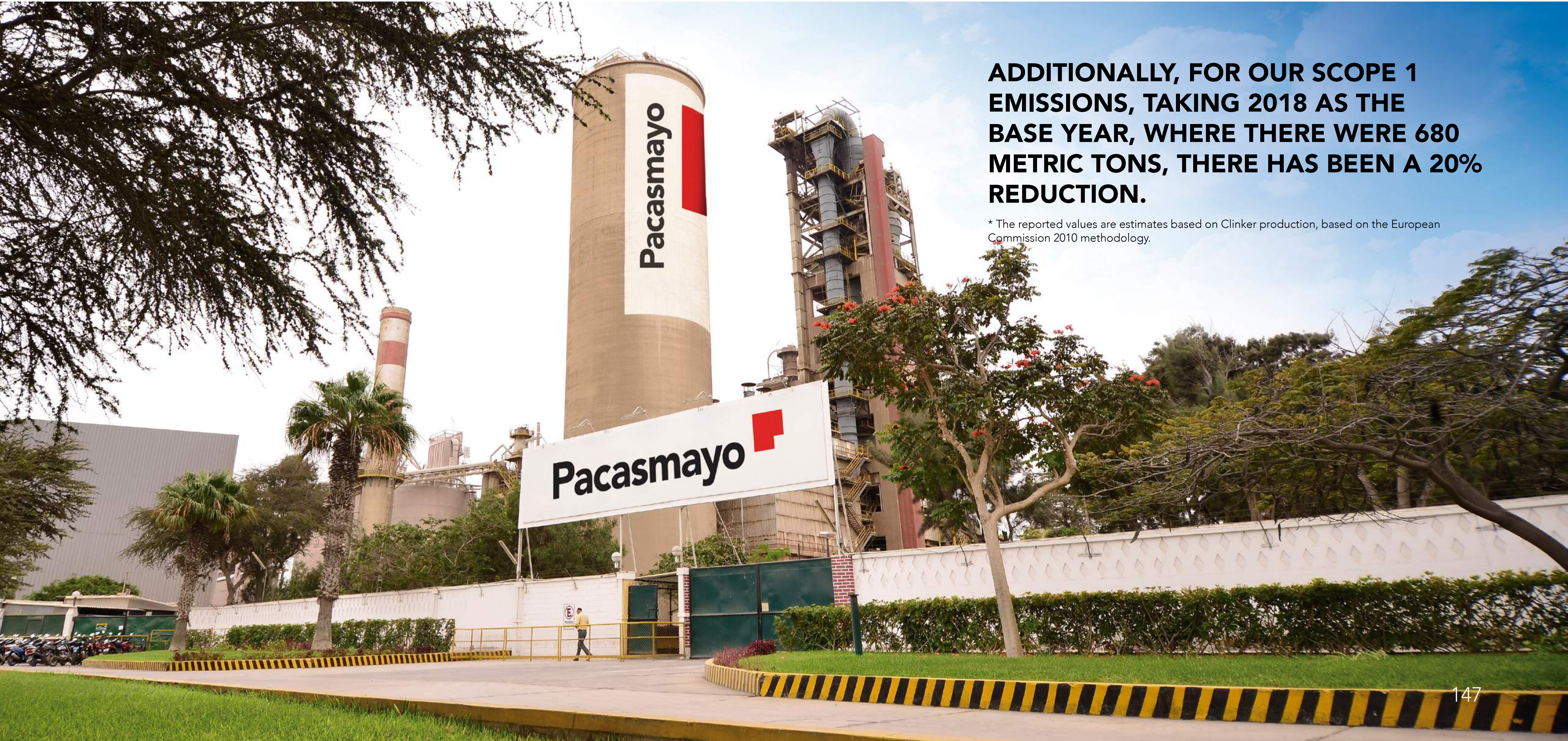
\* Los valores reportados son estimaciones basadas en la producción de clinker. The intensity ratio covers scopes 1, 2 and 3

<sup>6</sup> The 2022 values are updated after the delivery of the results of the Corporate Carbon Footprint calculated by a specialized third party. The 2023 values are internal calculations based on Clinker production, in 2024 these data will be updated with the Corporate Carbon Footprint measurement.

NOX	2020	2021	2022	2023
Total emissions in metric tons	1,833	2,527	2,728	2,603
Coverage as a percentage of income	100%	100%	100%	100%
Emissions goal set for 2023				2,800

SOX	2020	2021	2022	2023
Total emissions in metric tons	552	762	822	785
Coverage as a percentage of income	100%	100%	100%	100%
Emissions goal set for 2023				900

Polvo	2020	2021	2022	2023
Total emissions in metric tons	730	1,006	1,086	1,036
Coverage as a percentage of income	100%	100%	100%	100%
Emissions goal set for 2023				1,100



**ADDITIONALLY, FOR OUR SCOPE 1 EMISSIONS, TAKING 2018 AS THE BASE YEAR, WHERE THERE WERE 680 METRIC TONS, THERE HAS BEEN A 20% REDUCTION.**

\* The reported values are estimates based on Clinker production, based on the European Commission 2010 methodology.



Particles	2022				2023			
	Pacasmayo	Piura	Selva	Total	Pacasmayo	Piura	Selva	Total
PM10	219	239	56	514	257	187	47	491
Total Suspended Particles (TPS)	243	266	62	571	285	208	52	545

Particulate Matter (mg/mp <sup>3</sup> )	LMP (mg/mp <sup>3</sup> )	Compliance (%)
8.21	120	100%

Other significant emissions	2020	2021	2022	2023
CFC-11 (Ttrichlorofluoromethane) equivalent metric tons of ODS production, imports, and exports	-	-	-	-

	2023	Meta 2023
EmiDirect mercury emissions (metric tons)	0.00185	0.002





Risk/Opportunity	Description of impacts	Financial implications of risk or opportunity before taking any action	Methods for managing risk or opportunity	Cost of actions to manage risk or opportunity
<b>Opportunity: Early cement decarbonization policies focused on technology incentives, carbon pricing, near-zero emissions cement standards, and updating building codes.</b>	Getting ahead of environmental regulations by adopting sustainable practices can be a competitive advantage. This could improve the company's position against increasing regulatory pressure.	Financial Implications	Maintain participation in working groups contributing to the development of these policies	1,000,000
<b>Risk: Increased cost of resources</b>	Raw materials essential for cement production, such as clinker and limestone, could become scarcer due to the effects of climate change, which would increase production costs.	Financial Implications	Business continuity plan associated with the effects of climate change	35,000,000
<b>Risk: Impact on the supply chain</b>	The effects of climate change, such as floods or droughts, can affect the transport of raw materials and decrease the level of cement productivity.	Financial Implications	Business continuity plan associated with the effects of climate change	11,400,000
<b>Risk: Transition costs to emissions technologies</b>	In the country context, there currently is no technology that is accessible	Financial Implications	Investment plan	235,600,000



**ENERGY EFFICIENCY**

[GRI 302-1] [GRI 302-2] [GRI 302-3]

Indicators (expressed in MWH)	2020	2021	2022	2023
Total energy consumption within the organization	2,160,685	2,641,796	2,764,667	2,460,928
Percentage of energy purchased	100%	100%	100%	100%
Percentage of renewable energy	7%	12%	13%	14%

\*We do not have energy consumption outside the organization.

Consumption by type of energy (in GJ)	2022			2023		
	Fuel	Electric Power	Total	Fuel	Electric Power	Total
Pacasmayo	3,797,957	6323,177	4,421,134	3,987,864	654,782	4,642,647
Piura	3,212,333,75	492,952	3,705,286	2,524,128	396,857	2,920,985
Rioja	1,445,777	138,819	1,584,596	1,092,009	120,314	1,212,323
Canteras	68,762	4,060	72,821	16,218	4,364	20,581
Dino	94,907	7,724	102,630	83,671	8,310	91,981
Disac	1,631	1	1,632	1,530	173.99	1,704.43

Efficiency by type of energy	Indicator	2022	2023
Electric power	GJ/t cemento	0.37	0.39
	GJ/t de cal	0.43	0.36
Coal	t CAR/t CLK	0.14	0.13

Percentage of consumption by type of energy	2023
Fuel	86.67%
Electric power	13.33%
Total	100%

**WATER CONSUMPTION**

[GRI 303-3] [GRI 303-5]

Operations	Source Type	2020	2021	2022	2023
Planta Pacasmayo	Subterránea	299,930	224,122	343,595	386,981
Planta Piura	Subterránea	194,000	273,036	304,811	247,286
Cantera Tembladera	Superficial	39,200	135,636	125,585	92,245
Lima (oficinas administrativas)	Municipal	2,376	2,811	2,975	4,138
Planta Rioja	Superficial	161,609	163,645	115,564	106,295
Cantera Pajonal	Subterránea	21	8,049	2,020	16
Dino	Subterránea	133,260	156,094	123,578	103,715
Disac	Subterránea	-	10,372	3,648	4,408
<b>Total</b>		<b>830,396</b>	<b>973,765</b>	<b>870,633</b>	<b>945,084</b>

\*Water stress zones include: The Piura plant, the Tembladera quarry and DINO



**WASTE MANAGEMENT**

[GRI 306-3] [GRI 306-4] [GRI 306-5]

Total hazardous and non-hazardous waste (Expressed in metric tons )	2020	2021	2022	2023
Solid hazardous waste	121	315	296	252
Solid non-hazardous waste	43,078	2,220	5,168	2,415

Waste not intended for disposal through recovery operation (Expressed in metric tons )	2020	2021	2022	2023
<b>Solid hazardous waste</b>				
Preparation for reuse	3	0	3	23
Recycling	0.76	3.1	3.2	2.68
Other recovery operations	5	135.8	129.6	117
<b>Total</b>	<b>45</b>	<b>139</b>	<b>135.4</b>	<b>143</b>
<b>Non-hazardous waste</b>				
Preparation for reuse	743	772.2	50	3
Recycling	0.63	319.8	366.5	316
Other recovery operations	524	779.4	4,415.6	1,790.3
<b>Total</b>	<b>1,268</b>	<b>1,871</b>	<b>4,832.1</b>	<b>2,109</b>

**GLOBAL COMPACT: PRODUCTS/SERVICES WITH LOW CARBON EMISSIONS**

Low-carbon cements	2022	2023
Percentage of revenue derived from low-carbon products/services	83%	85.56%
Percentage of company revenue invested in R&D of low-carbon products/services	0.01%	0.01%

\*In the case of the first indicator, the annual income from the marketing of cements with additives, such as HS, MS (MH), ICO and GU, has been considered.

Low carbon building solutions	2022	2023
Percentage of revenue derived from low-carbon products/services	100%	86%
Percentage of revenue that comes from products that can be used to obtain sustainable construction credits and construction certificates that have been developed externally	80%	100%



**INVESTMENT IN SUSTAINABLE INNOVATION**

Projects	2020	2021	2022		2023	
UTEC	2,158,673	2,307,748	2,347,748	95.7%	2,846,232	94.6%
AYU	-	40,000	85,000	2.9%	123,526	4.1%
ATLAS/ALIVIA	-	-	40,000	1.4%	40,000	1.3%
<b>Total</b>	<b>2,158,673</b>	<b>2,347,748</b>	<b>2,890,156</b>	<b>100%</b>	<b>3,009,758</b>	<b>100%</b>

**MATERIALS**  
[GRI 301-1]

Indicator expressed in tons	2020	2021	2022	2023
Total weight of non-renewable materials used to produce or package major products and services	7,196,581	6,956,757	6,956,704	6,523,628

Indicator expressed in tons	2020	2021	2022	2023
Type-1 Limestone	1,336,131	1,457,153	1,484,750	2,002,311
Limestone Lime	105,071	150,997	181,375	57,019
Slag	105,319	158,391	137,864	97,367
Gypsum	90,185	158,805	159,826	134,099
Pozzolana	174,433	205,036	246,772	180,311
Clay	109,013	172,893	232,021	234,707
Sand	209,672	267,092	177,753	194,968
Iron	42,724	68,106	62,720	56,928
Anthracite coal	205,066	291,002	295,149	264,883
Bituminous coal	13,284	26,316	28,134	12,500
Conclueta	906,479	1,336,715	1,515,227	1,162,620
<b>Total</b>	<b>3,297,376</b>	<b>4,292,506</b>	<b>4,521,591</b>	<b>4,397,713</b>
Imported clinker	188,643	660,025	370,436	69,025
Clinker I	1,633,873	1,967,533	2,076,681	2,037,989
Clinker V	41,110	26,440	13,199	18,901
<b>Total</b>	<b>1,863,626</b>	<b>2,653,998</b>	<b>2,460,317</b>	<b>2,125,915</b>



Packaging Materials expressed in thousands (Cement dispatch)	2020	2021	2022	2023
42.5-kg paper bag – type I	4,329	7,710	5,458	5,200
42.5-kg paper bag – type V	450	559	328	350
42.5-kg paper bag – MS	7,133	9,970	11,499	12,082
42.5-kg paper bag – ICO	12,068	15,369	22,175	30,242
42.5-Kg paper bag – Mochica GU	20,352	26,940	15,164	7,354
42.5-Kg paper bag – Mochica MS	9,161	12,780	8,833	5,980
42.5-kg paper bag – precast products	393	878	842	671
42.5-kg paper bag – Qhuna type I	794	1,020	733	481
42.5 kg paper bag – Qhuna type MS	236	270	56	87
42.5-kg paper bag – Ultra armado	877	355	49	9
<b>Total</b>	<b>55,792</b>	<b>75,849</b>	<b>65,136</b>	<b>62,456</b>

Packaging materials (Cement dispatch)	Tipo de fuente	2020	2021	2022	2023
Bag PP	Unidades	25,332	108,060	111,225	99,756
Laminated bag	Unidades	13,376	23,295	23,334	25,671
42.5-kg paper bag – soil stabilizer	Millares	0	42	146	120
42.5-kg paper bag – Mochica masonry	Millares	0	0	316	0
42.5-kg paper bag – Qhuna ICO type	Millares	497,694	1,021	1,082	659
42.5-kg paper bag – Amazónico	Millares	0	411	635	614

**CO-PROCESSING**

Indicators	2022	2023
Percentage of alternative fuel used to replace fossil fuel	0.0	0.0
Cement-clinker ratio	71.6	72.1
Percentage of alternative raw material contained in cement	23.6	3.47
Percentage of alternative raw material contained in concrete	0.0	0.0
Percentage of alternative raw materials contained in other building materials such as asphalt	0.0	0.0



## CORPORATE GOVERNANCE

### BOARD OF DIRECTORS: NUMBER OF DIRECTORS

Levels	One level
Executive Directors	1
Non-executive Directors	3
Other non-executive Directors	3
Total Directors	7
Average tenure of directors	10.4 años

Director	Type of member	Number of terms
Eduardo Hochschild Beeck	Non-executive	3
José Raimundo Morales Dasso	Non-executive	5
Ana Sofía Hochschild Correa	Non-executive	1
Ana María Botella Serrano	Independent	1
Venkat Krishnamurthy	Independent	1
Esteban Chong León	Independent	1
Humberto Nadal del Carpio	Executive	3

Indicators [GRI 201-4]	2020	2021	2022	2023
Percentage of board meeting attendance	97.77%	100%	100%	100%
Minimum attendance percentage for all members of the Board	75%	75%	75%	75%
Number of non-executive/independent directors with four or fewer terms	5	5	5	5
Percentage of short-term CEO bonus deferred in the form of stock or other options	0	0	0	0
Longest period considered in years to evaluate the variable remuneration of the CEO covered in the remuneration plan	8	8	8	8
Longest Time Vesting Period for CEO Variable Compensation	8	8	8	8
Total percentage of government ownership (sum of the percentage of individual government institutions holding over 5% of voting rights)	0	0	0	0



## ETHICS AND COMPLIANCE

### COMPLAINTS

Indicators	Closed	Discarded	Archived	In progress	Total
Corruption and Bribery	4	11	-	-	15
Failure to comply with procedures	1	3	-	-	4
Conflict of Interest	1	-	-	-	1
Professionalism	2	1	-	-	3
Misappropriation	1	-	-	-	1
Respect for communities	-	-	-	-	-
Respect for people	4	-	-	1	5
Employee safety	-	2	-	-	2
Information confidentiality	-	1	-	-	1
Respect for the law	-	-	-	-	-
Third-party scam	-	-	1	-	1
Sexual harassment	1	-	-	-	1
Labor claim	-	1	-	-	1
<b>Total</b>	<b>14</b>	<b>19</b>	<b>1</b>	<b>1</b>	<b>35</b>

\*We consider Closed and Archived complaints to be non-compliant given that a fault has been identified therein.

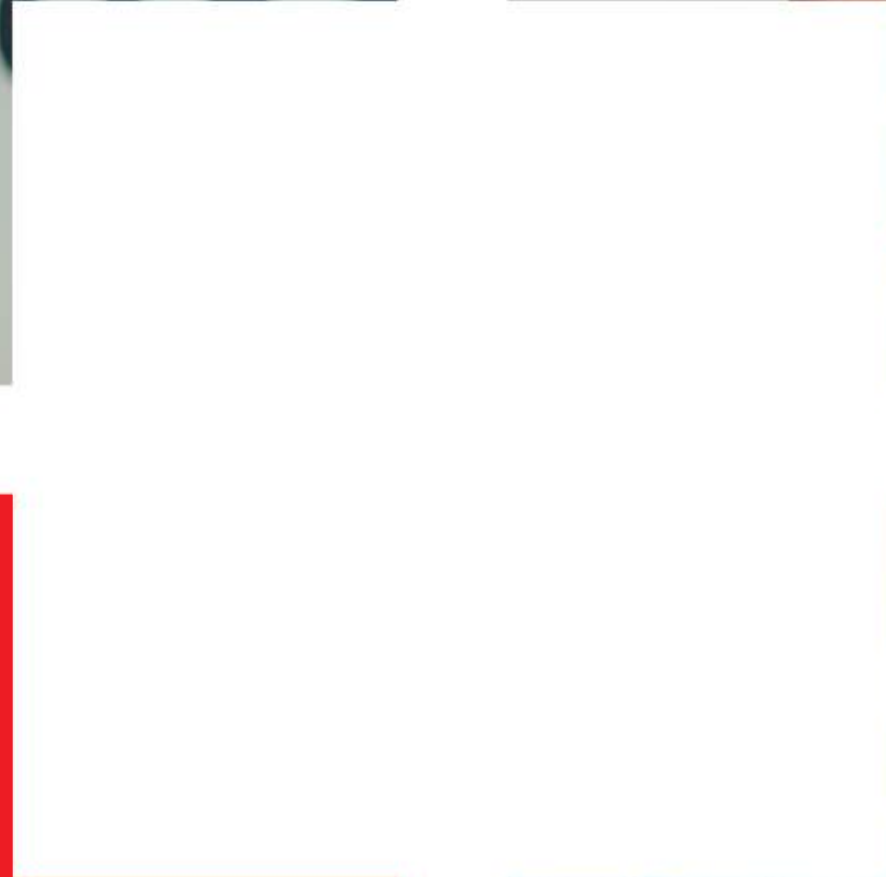
## HUMAN MANAGEMENT

(GRI 2-7)

Indicators	2020	2021	2022	2023
Total number of women	213	235	269	277
Total number of men	1,444	1,448	1,438	1,485

Number of employees undergoing youth labor training (trainees)	2020	2021	2022	2023
Fixed-term contract	52	24	76	84
Indefinite-term contract	0	0	0	0





**DIVERSITY INDICATORS**

Indicators	2022	2023
Percentage of women in the workforce	15.76%	15.72%
Women in management positions, including all levels (as a percentage of total senior management)	15.22%	17.78%
Women in junior management positions, that is, first level management (as a percentage of total junior management positions)	19.23%	18.75%
Women in senior management positions, that is, at most two levels of the CEO or comparable positions	13.33%	15.38%
Women in management positions with income-generating functions (e.g. Sales) as a % of all such positions (e.g., excluding legal, HR, IT, etc.)	6.25%	12.5%
Women in STEM positions (related to science, technology, engineering and mathematics), with respect to the total organization	21.19%	20.58%

**TURNOVER INDICATORS**  
(GRI 401-1)

Indicators	2020	2021	2022	2023
By type of turnover: Forced & voluntary	0	0	0	156
Employee turnover ratio	28.00	29.11	13.30	8.85
Voluntary employee turnover ratio	5.01	6.54	3.51	3.41



Turnover		2021		2022		2023	
		General	Voluntary	General	Voluntary	General	Voluntary
By gender	Women	1.49	1.19	1.88	1.00	1.98	1.08
	Men	27.63	5.35	11.02	2.17	6.87	2.33
By age group	Under 30 years of age	7.55	1.96	2.93	1.05	2.78	1.53
	Between 30 and 50 years old	19.73	4.4	8.79	1.87	5.05	1.65
	Over 50 years of age	1.84	0.18	1.17	0.23	1.02	0.23
By position	Executives	0.18	0.06	0.06	0	0.06	0
	Employees	5.76	3.15	6.27	2.81	7.43	3.13
	Workers	23.17	3.33	6.57	0.35	1.36	0.28
By nationality	Peruvian	29.06	6.47	12.90	3.16	8.73	3.35
	Ecuadorian	0.06	0.06	0	0	0.06	0.06
	Venezuelan	0	0	0	0	0.06	0

**NEW-HIRE INDICATORS**  
(GRI 401-1)

Indicators	2020	2021	2022	2023
Total number of new employee hires	441	467	271	228
Rate of new employee hires	26.61	27.75	15.88	12.9
Percentage of positions filled by internal candidates	4.99	2.14	12	6.6
Average hiring cost per employee (S/)	1,606.0	1,517.0	1,373.2	1,594.16





Number of hired employees		2021		2022		2023	
		New	Internal	New	Internal	New	Internal
By gender	Women	38	4	52	14	42	3
	Men	419	6	180	18	171	12
By age group	Under 30 years of age	141	6	59	22	67	10
	Between 30 and 50 years old	301	4	165	8	139	4
	Over 50 years of age	15	0	8	2	7	1
By position	Executives	Not available		4	0	2	1
	Employees			166	29	113	12
	Workers			62	3	98	2
By nationality	Peruvian			230	32	212	15
	Ecuadorian			0	0	0	0
	Venezuelan	1	0	1	0		
	Brazilian	0	0	0	0		
	Colombian	1	0	0	0		

Recruitment costs		2021		2022		2023	
		New	Internal	New	Internal	New	Internal
By gender	Women	Not available		71,406	17,530	66,955	4,782
	Men			247,176	22,539	272,601	19,130
By age group	Under 30 years of age	213,897	7,536	81,109	27,548	106,809	15,942
	Between 30 and 50 years old	456,617	5,024	226,578	10,017	221,588	6,377
	Over 50 years of age	22,755	0	10,986	2,504	11,159	1,594
By position	Executives	1,517	0	5,493	0	3,188	1,594
	Employees	266,992	10,048	227,951	36,313	180,140	19,130
	Workers	424,760	2,512	85,138	3,756	156,228	3,188
By nationality	Peruvian	Not available		325,836	40,069	337,962	23,912
	Ecuadorian			0	0	0	0
	Venezuelan			1,373	0	1,594	0
	Brazilian			0	0	0	0
	Colombian			1,373	0	0	0



**TRAINING INDICATORS**  
(GRI 404-1)

Indicators	2020	2021	2022	2023
Average training and development hours per full-time employee	9.6	22.7	19.9	21.4

Average hours of training by gender	2022	2023
Women	21.7	21.0
Men	19.6	21.5



Hours of training		2021	2022	2023
By gender	Women	6,171	5,835	5,811
	Men	32,069	28,124	31,868
By age group	Under 30 years of age	6,973	5,953	4,362
	Between 30 and 50 years old	26,377	23,463	27,948
	Over 50 years of age	4,889	4,542	5,369
By position	Executives	1,326	1,170	740
	Employees	30,386	22,742	26,383
	Workers	6,528	10,048	10,558
By nationality	Peruvian	38,124	33,864	37,615
	Brazilian	23	31	11
	Ecuadorian	77	40	0
	Venezuelan	17	24	48
	Colombian	N/A, there were no Colombian employees	N/A, there were no Colombian employees	6



Training Costs (S/)	2021	2022	2023
Average spent on training and development per employee	392.3	536.4	621.12

Training Costs (S/)		2022	2023
By gender	Women	158,436	111,650.19
	Men	727,197	982,762.00
By age group	Under 30 years of age	202,351	100,872.06
	Between 30 and 50 years old	634,100	869,462.92
	Over 50 years of age	79,183	124,077.34
By position	Executives	115,574	10,296.32
	Employees	749,526	825,979.35
	Workers	50,533	258,136.64
By nationality	Peruvian	911,847	1,093,748.46
	Brazilian	1,310	133.87
	Ecuadorian	2,088	0.0
	Venezuelan	388	425.79
	Colombian	N/A, there were no Colombian employees	103.34

#### HUMAN CAPITAL RETURN ON INVESTMENT

	2020	2021	2022	2023
a. Total revenue	358,004,419	484,684,092	553,860,209	525,768,401
b. Total operational costs	51,912,118	62,857,444	77,017,089	94,876,517
c. Total employee-related expenses (salaries+benefits)	50,134,545	60,696,702	73,910,188	78,736,047
HC ROI result (a - (b-c)) / c	7.10542	7.94975	7.45166	6.4726
<b>Total FTE employees (full-time workers)</b>	<b>1,657</b>	<b>1,683</b>	<b>1,707</b>	<b>1,762</b>

#### BENEFITS [GRI 401-2]

Type of benefit	2022	2023
Life insurance	1,707	1,762
Health care	1,707	1,762
Disability coverage	1,707	1,762
Parental leave	80	75



**INDICATORS DE PERMISO PARENTAL**  
(GRI 401-3)

Parental Leave Indicators	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of employees who have been entitled to parental leave	13	64	13	68	13	62
Number of employees who have taken parental leave	13	64	13	68	13	62
Number of employees who have returned to work after ending parental leave	12	64	12	66	13	64
Total number of employees who have returned to work after ending parental leave and who continued to be employed 12 months after returning to work	12	62	1	53	11	64

Parental Leave Indicators	2022		2023	
	Mujer	Hombre	Mujer	Hombre
Return to work rate	100%	100%	100%	100%
Retention rate	100%	100%	85%	100%

**REMUNERATION**  
(GRI 2-21)

Salary by level (Dollars)	2022			2023		
	Women	Men	Ratios	Women	Men	Ratios
Executive level (base salary only)	9,242.27	9,612	0.96	9,514.17	10,121	0.94
Executive level (base salary + other monetary incentives)	13,203.74	13,730.74	0.96	14,271.26	15,182.19	0.94
Management level (base salary only)	5,886.21	6,351.07	0.93	6,059.38	6,654.19	0.91
Management level (base salary + other monetary incentives)	8,829.31	9,642.11	0.92	8,079.17	8,872.25	0.91
Non-managerial level	1,518.62	1,401.94	1.08	1,702.50	1,317.17	1.29

\*Average is based on monthly salary and in dollars



Total annual compensation ratio	2022	2023
Ratio of annual total compensation of the organization's highest-paid person to the median annual total compensation of all employees	9.5	11.55
Ratio of the percentage increase in annual total compensation of the highest-paid person in the organization to the median percentage increase in annual total compensation of all employees	2.76	No hubo incremento

Average compensation	2023
Median compensation of total employees	20,102
Average compensation of total employees	24,070

**BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS** [GRI 201-3]

	2020	2021	2022	2023
Financial resources used to cover pension plan obligations	0	0	0	0
Percentage of salary that the employee contributes	10%	10%	10%	10%

**ANTI-CORRUPTION COMMUNICATION INDICATORS** [GRI 205-2]

Indicators	2021	2022	2023
Total number of members of the governing body to whom anti-corruption policies and procedures have been communicated	7	7	7
Percentage of members of the governing body to whom anti-corruption policies and procedures have been communicated	100%	100%	100%
Total number of employees to whom anti-corruption policies and procedures have been communicated	1,658	1,707	1,762
Percentage of employees to whom anti-corruption policies and procedures have been communicated	100%	100%	100%
Total number of members of the governing body who have received anti-corruption training	7	7	7
Percentage of members of the governing body who have received anti-corruption training	100%	100%	100%
Total number of employees who have received anti-corruption training	1,499	1,505	1,714
Percentage of employees who have received anti-corruption training	90%	89%	99%



**CONFIRMED INCIDENTS OF CORRUPTION AND MEASURES TAKEN** [GRI 205-3] [GRI 206-1]

	2020	2021	2022	2023
Number of legal actions pending or completed regarding unfair competition and violations of anti-trust and monopoly legislation	0	1	1	0
Number of confirmed cases in which an employee has been dismissed for corruption or disciplinary action has been taken	0	0	0	4
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0	0
Number of violations of the code of conduct				
Número de infracciones al código de conducta	2	2	4	15

**ADDITIONAL SAFETY AND HEALTH INDICATORS**

Employee Indicators	2020	2021	2022	2023
Lost workday rate per 100 workers	39.24%	14.92%	36.60%	29.30%
DART (days away/restricted or transfer rate)	2.04%	2.47%	2.66%	2.1%

**SOCIAL MANAGEMENT**

**DETAIL OF SOCIAL INVESTMENT**

Inversión social en soles	2020	2021	2022	2023
Total amount of social investment (donations and cash contributions)	10,578,569	9,624,297	10,065,891	9,590,521,36
Management Overhead	308,861	9,624,297	397,271	418,267





**OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT PROGRAMS, IMPACT ASSESSMENTS, AND DEVELOPMENT**

[GRI 413-1]

Breakdown of social investment in soles	2020	2021	2022	2023
In-kind donations: Donations of products or services, projects/associations, or the like	591,801	779,196	795,954.93	2,676,722,79
Donations: Community services	1,392,230	553,196	0	1.018.243,66 <sup>7</sup>
Cash contributions	8,594,538	8,291,905	9,269,936	5.895.555
Cash contributions to educational institutions	5,478,573	6,879,440	9,023,244	5.388.146
Cash contributions for health equipment	2,442,120	1,202,126	98,288	364.179,82
Cash contributions for infrastructure	490,099	0	0	0
Cash contributions for local development	-	-	85,407	86.094
Cash contributions for environmental conservation	-	-	62,998	57.135
Cash contributions for sponsorships	183,746	210,339	330,937	469.305
Hours: Volunteering performed by workers in paid hours	5,533	20,929	7,716.48	10,846.74

\*Since 2021 the donation procedure for infrastructure no longer involves a cash contribution as it has become only an in-kind contribution. That is, we directly donate the product (cement), which is considered under in-kind donations.

Operación	Lugar	2020	2021	2022	2023
Piura Plant	Piura	100%	100%	100%	100%
Pacasmayo Plant	Trujillo	100%	100%	100%	100%
Rioja Plant	San Martín	100%	100%	100%	100%
Tembladera Quarry	Cajamarca	100%	100%	100%	100%

\*All areas have local development programs.

Expressed in soles	2020	2021	2022	2023
Amount of investment in works for taxes	789,486	856,415	450,000	9,407,528
Amount of social investment (millions of soles)	9.1	9.4	10	8.4
Number of health program beneficiaries in our areas of influence	120	127	402	200
Number of social projects implemented	17	18	19	21
Number of beneficiaries of the Sencico and FELHP agreement	12	8	12	48
Number of families participating in productive projects	306	206	186	78

(\*) The amounts of investment in works for taxes in 2019 and 2020 have been revised and are reported corrected.

<sup>7</sup> Contribución social por ciclón Yaku



**CONTRIBUTIONS TO ASSOCIATIONS IN SOLES**

Name of the Organization	2020	2021	2022	2023
Lima Stock Exchange (BVL)	445,427	146,435	40,071.18	0
Peruvian Chamber of Construction	16,500	25,500	20,807.66	17,304
Peruvian American Chamber of Commerce	27,953	37,000	42,240.01	32,698.15
National Society of Industries	0	0	27,840.00	33,240.00
Stock Market Superintendence	587,527	392,888	303,135.40	300,233.28
Peruvian Institute of Business Action	6,265	0	0	0
Association of Cement Producers (Asocem)	794,836	766,465	1,027,488.39	770,542.84
La Libertad Chamber of Commerce	900	0	0	750
Chamber of Commerce and Production of the Province of Pacasmayo	5,600	3,000	5,200.00	5,400.00
Peruvian Institute of Economics	94,340	94,340	94,340.00	94,340.00
Peru 2021 Una Nueva Visión (A New Vision)	60,180	61,596	70,688.40	45,312.00
Investing in Peru Association	10,419	0	0	0
Global Cement & Concrete Association Members	122,690	148,302	289,339.55	145,370.69
Piura Chamber of Commerce	0	0	900	400
NYSE Market, Inc.	240,974	258,937	322,909.36	303,040
<b>Total</b>	<b>2,413,611</b>	<b>1,934,464</b>	<b>2,244,960</b>	<b>1,748,631</b>

Type of contribution	2020	2021	2022	2023
Lobbying, representations of interest or similar	0	0	0	0
Regional, local or national political campaigns/ organizations/candidates	0	0	0	0
Business associations or groups exempt from paying taxes (e.g. think tanks) (*)	2,049,947	1,136,203	1,578,844.01	1,145,357.68
Other (e.g., expenses related to electoral list measures or referendums)	0	0	0	0
Total contributions and other related expenses	2,049,947	1,136,203	1,578,844.01	1,145,357.68
Data coverage, as a percentage of revenue	100%	100%	100%	100%



Other significant disbursements				
Name of the organization, candidate or topic	Position	Description of position/commitment	2022	2023
Association of Cement Producers (Asocem)	Representation of interests or similar, trade associations, tax-exempt groups, no contributions	The main objective of this association is to promote, develop and protect the cement industry to promote national development.	268.976,02	207.749,49
Global Cement and Concrete Association (GCCA)		The main objective of this association is to promote, develop and protect the cement industry worldwide.	75.743,34	39.194,04
Peru 2021 Una Nueva Visión (A New Vision)		This organization promotes the SDGs. Its aim is to promote that companies' objectives respect the environment and improve the standard of living of people.	18.504,82	12.216,77

Significant Contributions (USD)				
Topic	Position	Description of position/commitment	2022	2023
Association of Cement Producers (Asocem)	Apoyo	Promote, develop, and protect the cement industry in order to promote national development	268.976,02	207.749,49
Global Cement and Concrete Association (GCCA)			75.743,34	39.194,04

**ADDITIONAL SUPPLIER INDICATORS**

[GRI 308-1] [GRI 414-1]

Supplier Environmental Assessment	2020	2021	2022	2023
Percentage of new suppliers evaluated and selected according to environmental criteria	1.64%	1.42%	2.77%	2.93%
Percentage of suppliers evaluated in relation to environmental impacts	4.38%	5.13%	5.58%	5.09%

Supplier Social Assessment	2020	2021	2022	2023
Percentage of new suppliers evaluated and selected according to social criteria	4.11%	3.71%	5.04%	4.10%
Percentage of suppliers evaluated in relation to social impacts	50.35%	41.98%	42.75 %	40.79%

\*2020 values have been adjusted; the denominator in the calculation is lower as only local purchases are being considered.

**NUMBER OF SUPPLIERS BY TYPE**

Tipo	2020	2021	2022	2023
Strategic Partner Suppliers	39	45	76	72
Type A	78	122	51	162
Type B	300	342	33	439
Type C	1,537	1,301	2,062	1,804
<b>Total</b>	<b>1,954</b>	<b>1,810</b>	<b>2,525</b>	<b>2,477</b>



### 3.6. GRI TABLE OF CONTENTS

<b>Statement of Use</b>	Cementos PACASMAYO S.A.A has reported in compliance with GRI standards for the period from 01 January 2021 to 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021



GRI Standard	Table of Contents	Location	Omission
<b>General Content</b>			
GRI 2: General Disclosures 2021	2-1 Organizational Details	2, 10, 23	
	2-2 Entities included in the organization's sustainability reporting	2, 114	
	2-3 Reporting period, frequency and contact point	2, 133	
	2-4 Restatements of information	The following errata are reported regarding the previous year - Mr. Jose Raimundo Morales Dasso is a Non-executive Director - the total of scope 1 emissions was 2,038,268 MT CO <sub>2</sub> .	
	2-5 External verification	Environmental and social KPIs, as well as materiality, are in the verification process	
	2-6 Activities, value chain and other business relationships	20, 23, 49, 92, 114, 116	
	2-7 Employees	63, 155	



GRI Standard	Table of Contents	Location	Omission
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	63	Support
	2-9 Governance structure and composition	32-34	
	2-10 Nomination and selection of the highest governance body	32	
	2-11 Chair of the highest governance body	5, 33	
	2-12 Role of the highest governing body in overseeing impact management	11	
	2-13 Delegation of responsibility for managing impacts	11	
	2-14 Role of the highest governance body in sustainability reporting	2, 5, 32	
	2-15 Conflicts of interest	34, 35	
	2-16 Communication of critical concerns	34, 38	
	2-17 Collective knowledge of the highest governance body	32	
	2-18 Evaluation of the performance of the highest governance body	32	Support
	2-19 Remuneration policies	32, 126	
	2-20 Process to determine remuneration	126	

GRI Standard	Table of Contents	Location	Omission
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	161	All levels are being considered up to the central management level Does not include VPs or CEO.
	2-22 Statement on sustainable development strategy	5, 13	
	2-23 Policy commitments	35, 37, 46	
	2-24 Embedding policy commitments	78	
	2-25 Processes to remedy negative impacts	20, 49, 98-99	
	2-26 Processes to remedy negative impacts	38	
	2-27 Compliance with laws and regulations	38	
	2-28 Membership associations	19	
	2-29 Approach to stakeholder engagement	20	
	2-30 Collective Bargaining Agreements	68	
	<b>Material Issues</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	137	
	3-2 List of material topics	137	



GRI Standard	Table of Contents	Location	Omission
<b>Generation of economic value</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	7	
GRI 201: Economic Performance	201- 1 Direct economic value generated and distributed	7	
	201- 2 Financial implications and other risks and opportunities arising from climate change	7, 18, 43	
	201-3 Defined benefit plan obligations and other retirement plans	162	There is no participation in this type of program.
	201-4 Financial assistance received from government	127, 154	No assistance is received Government finance.
<b>Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	75	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	75	
	403-2 Hazard identification, risk assessment, and incident investigation	76	
	403-3 Occupational health services	77	
	403-4 Worker participation, consultation, and communication on occupational health and safety	85	

GRI Standard	Table of Contents	Location	Omission
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	46, 78	
	403-6 Promotion of worker health	75, 77	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75-76	
	403-8 Workers covered by an occupational health and safety management system	75	
	403-9 Work-related injuries	79	
	403-10 Work-related ill health	79	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	76	100% of our cements have Safety Sheets (Support)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There have been no cases of non-compliance relating to the impacts of the categories of health and safety products and services
<b>Reduction of emissions</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	83	



GRI Standard	Table of Contents	Location	Omission
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	83	
	305-2 Energy indirect (Scope 2) GHG emissions	83	Emissiones biogénicas: 7,524 tnCO <sub>2</sub> eq
	305- 3 Other indirect (Scope 3) GHG emissions	146	
	305- 4 GHG emissions intensity	146	
	305-5 Reducción de las emisiones de GEI	146	
	305-6 Emissions of ozone-depleting substances (ODS)	146	
	305- 7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	146	
<b>Operational Excellence</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	75	
<b>Eficiencia energética</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	84	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	84, 150	

GRI Standard	Table of Contents	Location	Omission
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	150	
	302-3 Energy intensity	84, 150	
	302-4 Reduction of energy consumption	84	
	302-5 Reductions in energy requirements of products and services	84	Support
<b>Community relations and development</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	98	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement programs	99, 164	
	413-2 Operations with significant actual and potential negative impacts on local communities	99	Support
<b>Climate Change</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 81	
<b>Human Rights</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	35	



GRI Standard	Table of Contents	Location	Omission
GRI 410: Material Topics 2021	410-1 Security personnel trained in human rights policies or procedures	92	
<b>Ethical business, transparency and anti-corruption</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	142	
GRI 205: Anti-Corruption 2016	205-1 Operations evaluated based on risks related to corruption	36, 38	Support
	205- 2 Communication and training about anti-corruption policies and procedures	37, 162	
	205-3 Confirmed incidents of corruption and actions taken	163	
GRI 206: 2016 Anti-competitive Behavior	206-1 Legal actions related to anti-competitive behavior and monopoly and anti-trust practices	163	
<b>Waste and Circular Economy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	139	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	152	

GRI Standard	Table of Contents	Location	Omission
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	88	
	306-2 Management of significant waste-related impacts	88	The Ecosack is incorporated as a solution that contributes to downstream waste management.
	306-3 Waste generated	88, 151	
	306-4 Waste diverted from disposal	88, 151	
	306-5 Waste directed to disposal	88,151	Support
<b>Other referenced environmental indicators</b>			
<b>Environment</b>			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	85	
	303-2 Management of water discharge-related impacts	85	
	303-3 Water withdrawal	85, 87, 150	
	303-4 Water discharge	85	
	303-5 Water consumption	150	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	90-91	



GRI Standard	Table of Contents	Location	Omission
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	90	
	304-3 Habitats protected or restored	90	
	304-4 Species that appear on the IUCN Red List and on national conservation lists whose habitats are found in areas affected by operations	90	
<b>Responsible Supply Chain</b>			
GRI 308: 2016 Supplier Environmental Assessment	308-1 new suppliers who have passed selection filters pursuant to environmental criteria	166	The calculation is made based on the value of the operations.
GRI 414: Evaluación social de proveedores 2016	414-1 new suppliers who have passed selection filters pursuant to social criteria	166	The calculation is made in relation to the amount of the tenders.
<b>Other referenced social indicators</b>			
<b>Talent for business continuity</b>			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	157	Support
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	160	

GRI Standard	Table of Contents	Location	Omission
GRI 401: Employment 2016	401-3 Parental Leave	161	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	68	Only SUPREME DECREE No. 007-2002-TR is followed
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	72, 159	
	404-2 Programs for upgrading employee skills and transition	72	Support
	404-3 Percentage of employees receiving regular performance and career development reviews	73	



### 3.7. GCCA SUSTAINABILITY GUIDELINES

KPI	Unit	Explanation
<b>Health and Safety</b>		
Fatality rate, directly employed	0	It is reported as a rate for every 1,000 direct employees
Number of fatalities (direct employees, contractors / subcontractors, third parties)	0	Number of fatalities of direct employees, contractors/subcontractors and third parties as a result of work-related incidents in one year
Lost Time Incident (LTI) Frequency Rate, Direct Employees	3.31	The frequency rate refers to the number of lost-time injuries per 1,000,000 hours
Lost Time Incident (LTI) Frequency Rate, Contractors and Subcontractors (On Site)	4.01	The frequency rate refers to the number of lost-time injuries per 1,000,000 hours
Lost Time Severity Rate (LTI), direct employees	102.8	The severity rate refers to the number of days lost caused by a lost time incident (LTI) per 1,000,000 hours worked

KPI	Unit	Explanation
<b>Environment</b>		
Percentage of quarries with high biodiversity value	20%	The percentage of quarries with high biodiversity value is reported, in which a biodiversity management plan is implemented
Percentage of quarries with rehabilitation plans	100%	The percentage of quarries in which a rehabilitation plan is implemented is reported
<b>Co-processing of fuels and raw materials in cement production</b>		
Alternative fuel rate	0	The alternative fuel rate (fuel for the kilns) is reported as a percentage
Biomass fuel rate	7,524	Biomass fuel rate reported (Kiln fuels) in tons
Specific heat consumption for clinker production	3,301	The specific heat consumption for clinker production is reported in MJ/tons
Alternative Raw Materials Rate	3.72	The alternative raw materials rate (%ARM) is reported as a percentage
Cement/Clinker Factor	72.1	The clinker/cement factor is reported as a percentage



### 3.8. ISASB INDICATORS – BUILDING MATERIALS

Topic	Code	Accounting metric	Location
GHG emissions	EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	83
	EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	83
Air Quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (Dust-PM10), (4) dioxins/furans, (5) volatile organic compounds (COV), (6) polycyclic aromatic hydrocarbons (HAP) and (7) heavy metals	146-149
Energy Management	EM-CM-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage alternative energy, (4) Percentage renewable	84, 150
Water Management	EM-CM-140a.1	(1) Total fresh water withdrawn, (2) Percentage recycled, (3) Percentage in regions with High or Extremely High Baseline Water Stress	87
Waste Management	EM-CM-150a.1	Waste generated, percentage hazardous waste, percentage recycled	88-89
Biodiversity impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	90-91
	EM-CM-160a.2	Terrestrial acreage disturbed; percentage of impacted area restored	91
Workforce Health & Safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) Near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	79-80, 163
	EM-CM-320a.2	Number of reported cases of silicosis	80
Product Innovation	EM-CM-410a.1	Percentage of products that meet credit requirements	152
	EM-CM-410a.2	Total potential market and market share of products that reduce energy, water and substantial impacts during use and production	152
Pricing Integrity & Transparency	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings related to cartel, price fixing or antitrust activities	El importe total es 0



### 3.9. TASK FORCE RECOMMENDATIONS ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Topic Area	Recommended Disclosures	Location
Governance	a. Describe the board's oversight of climate-related risks and opportunities	81-83
	b. Describe management's role in assessing and managing climate-related risks and opportunities	81-83
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	146-150
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	146-150
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	43-44
Risk Management	a. Describe the company's processes for identifying and assessing climate-related risk	39-44
	b. Describe the organization's processes for managing climate-related risks	39-44
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	39-44
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	17-18
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	83,146
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	81-84



### 3.10. COMMUNICATION ON PROGRESS – GLOBAL COMPACT 2023

Aspect	Compliance Statement	Comments	Location
<b>Governance</b>			
Policies and Responsibilities	The highest body of the company issues an annual statement about sustainable development, the impacts of the organization on society and the environment, and a zero tolerance for corruption. In addition, it signs off on sustainability targets, supervises environmental, social, and governance reporting, and regularly reviews potential risks related to the business model.	Every year the company reports its commitment to human rights, labor standards, the environment, and the fight against corruption in its Integrated Annual Report, wherein it reports its main achievements and advances in accordance with its objectives established in the 2030 Sustainability Plan for 2030.	2, 5
	The company publicly states its commitment to Human Rights, labor standards, the environment, and the fight against corruption.	The company's actions are guided by various corporate policies, which reaffirm our commitments to sustainability, such as the Human Rights Policy, Environmental Policy and Integrated Anti-Bribery and Compliance Policy, and an Anti-Fraud Policy.	35
	The organization's Code of Conduct includes issues related to Human Rights, labor standards, the environment, and the fight against corruption.	The Code of Conduct applied to all Cementos Pacasmayo employees covers the following aspects: corruption and bribery, discrimination, confidentiality of information, conflicts of interest, antitrust/anticompetitive practices, money laundering or trafficking/negotiation of privileged information, environment, environment, health and safety, and whistleblowing.	35
	The company has teams to manage Human Rights, labor standards, the environment, and the fight against corruption.	The audit committee is responsible for supervising the effectiveness of the anti-bribery prevention model and ESG risk management.	34
	The company has committees that oversee the management of Human Rights, labor standards, the environment, and the fight against corruption.	Our Sustainability Committee is the body in charge of executing and directing the company's actions through the 2030 Sustainability Plan; it also reports the management of environmental, social and governance impacts.	11-12



Aspect	Compliance Statement	Comments	Location
Prevention	The company has a defined process to assess risk, which applies to risks in Human Rights, labor standards, the environment, and the fight against corruption.	The company has integrated in its risk management the identification and treatment of human rights risks through its matrices.	39-42
	The company involves and identifies risks related to Human Rights, labor standards, the environment, and the fight against corruption in the value chain.	Cementos Pacasmayo has included a clause in all its contracts or in purchase orders, in order to learn whether its suppliers are respectful of their employees' rights. In addition, we have in place a Code of Conduct for suppliers which defines the ethical principles and values to which each employee must commit.	48, 92
	The company follows a due diligence process through which it identifies, prevents, mitigates, and reports actual and potential negative impacts on Human Rights, labor standards, the environment, and the fight against corruption.	Cementos Pacasmayo's due diligence approach is aligned with the Guiding Principles on Business and Human Rights. It is based on five aspects: Commitment, risk management, training and dissemination, grievance mechanisms; and oversight and support.	46-47
	During the due diligence process, the company reviews critical stakeholders in the value chain, where the risk of adverse impacts on human rights, labor standards, the environment and/or the fight against corruption can be particularly serious.	The scope of the company's due diligence process is geared towards employees, suppliers/contractors, communities, and clients.	48
Repair and remediation mechanisms	The company has established a process through which employees can raise concerns about the conduct of the company in relation to the aforementioned issues.	The company has a formal complaints channel that is available to employees, suppliers and third parties in case they need to file a complaint or concern.	38, 48
	The company communicates and applies the process to raise concerns about the conduct for all employees and across its value chain. It also guarantees confidentiality, the safety of the issuer, and due process in the event of irregularities being reported.	The company has implemented the Mundo Ético program, wherein workers are trained on the processes to follow in order to raise concerns or complaints. Any and all complaints received on the public domain web portal can be made anonymously, to be later investigated and, depending on the case, referred to the appropriate user.	36-38



Aspect	Compliance Statement	Comments	Location
Lessons learned	The company's Sustainability Committee shares lessons learned in Human Rights, labor standards, the environment, and the fight against corruption.	Every year the company, in its Integrated Annual Report shares its progress, lessons learned and achievements with its stakeholders and in general with anyone who wants to learn more about the organization. This report is overseen by the Board of Directors, which in turn receives information on ESG impacts annually from the Chairman of the Sustainability Committee.	33
Executive Pay	Compensation for some executives is linked to performance in sustainability management	The management of climate-related issues is part of the objectives of the Safety, Occupational Health, and Environment area (SSOMA). These objectives are evaluated annually, and the result of their fulfillment constitutes one of the factors to calculate the performance bonus, which we also grant annually to the management of each department.	145
Composition of the Shareholders' Meeting	Composition of the Board of Directors	The Board of Directors of Cementos Pacasmayo is composed of seven members: Two executive directors and five non-executive directors; of the total number, three are non-executive directors. Within the committee, female representation is equivalent to 28.57% and male representation is 71.43%.	33-34
	The company produces sustainability reports based on national and international regulatory frameworks.	The company's Integrated Annual Report is prepared based on the standards of the Global Reporting Initiative (GRI), as well as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and Global Cement and Concrete Association (GCCA) standards.	167-186
Data Assurance	The information reported in this questionnaire is secured/verified by a third party	Cementos Pacasmayo's Integrated Annual Report is verified by an evaluation external to the organization.	167



Aspect	Compliance Statement	Comments	Location
<b>Human Rights</b>			
Materiality / Relevance	The company has material topics in Human Rights established according to the risks of the sector, operations, and the country's context.	To describe the actual and potential, negative and positive impacts on human rights and other material topics of the organization, industry reports, reports on global risks and trends, and industry benchmarking are all taken into consideration.	142,145
Commitment	The company has a Human Rights Policy in place which includes the aforementioned material topics	Cementos Pacasmayo's human rights policy is committed to respecting and promoting human rights, as well as mechanisms to address their impacts and prevent or mitigate their impact. It addresses issues related to forced labor, child labor, human trafficking, discrimination, freedom of association, the right to collective bargaining and equal pay.	48
Prevention	The company has a social management strategy that exhibits the organizational commitment to the Human Rights of stakeholders.	The company's social management strategy is committed to acting in accordance with human rights, respecting the equity and diversity of all the relationships dynamics with stakeholders.	98-99,144,163-166
	The company prevents/mitigates the risks and impacts associated with Human Rights.	The company has made available to all its stakeholders various prevention/mitigation policies and mechanisms related to topics such as human rights, freedom of expression, diversity, inclusion and equal opportunities, sexual harassment, collective bargaining, privacy, responsible communication, among others.	48
	The company communicates to 100% of its employees as well as other stakeholders throughout the value chain about the Human Rights risks and impacts on labor standards.	All areas of the organization participate in the risk management process both within and outside the processes in their areas. In addition, risk management trainings are held within the organization annually.	48
	The company assesses progress in the prevention/mitigation of risks and impacts on Human Rights.	The company assesses the effectiveness of its controls through audits in order to implement other corrective measures. In addition, the Board's Audit Committee is the body responsible for monitoring progress and challenges and guaranteeing risk management.	35-36



Aspect	Compliance Statement	Comments	Location
Response	During the reporting period, the company has not been involved in critical remediation or mitigation processes in relation to Human Rights.	In 2023, the company has not had critical remediation or mitigation processes, with all complaints having been resolved during the period.	50
	The company trains and evaluates employees' perceptions concerning human rights.	In 2023, the second training in human rights was held wherein basic concepts and case studies were presented to assess their perceptions.	48
<b>Labor Standards</b>			
Commitment	The company has a Human Rights policy in place that protects labor standards.	Cementos Pacasmayo's Human Rights Policy is committed to respecting and promoting human rights, as well as mechanisms to address their impacts and prevent or mitigate their impact. It addresses issues related to forced labor, child labor, human trafficking, discrimination, freedom of association, the right to collective bargaining and equal pay.	35, 48
	The company has a Human Rights Policy in place that protects the freedom of association and the right to collective bargaining.	The company publicly states its commitment to respect the freedom of association and the right to collective bargaining of its employees as part of its Human Rights Policy.	48, 68
Prevention	The company has a social management strategy that shows the organizational commitment to guarantee the labor standards of stakeholders.	Cementos Pacasmayo has included a clause in all its contracts or in purchase orders, in order to learn whether its suppliers are respectful of their employees' rights. In addition, we have a Code of Conduct for suppliers which defines the ethical principles and values to which each employee must commit.	48, 92
	The company prevents/mitigates the risks and impacts associated with labor standards.	Cementos Pacasmayo has implemented various measures and programs to guarantee the well-being, safety and equal treatment of all its employees.	76-77
	The company communicates to 100% of its employees as well as other stakeholders throughout the value chain about the management of risks and impacts on labor standards.	We carry out mandatory health and safety training, aligned to the main risks of our operating units. We also have an asynchronous course platform to train at the time of their preference.	78
	The company assesses progress in the prevention/mitigation of risks and impacts on Human Rights.	The company assesses the effectiveness of its controls through audits in order to implement other corrective measures. In addition, the Board's Audit Committee is the body responsible for monitoring progress and challenges and guaranteeing risk management.	35-36



Aspect	Compliance Statement	Comments	Location
Performance	The company's current collective agreements provide more favorable rights than those provided for by the law.	The company has four unions (395 unionized workers), three of which are from Distribuidora Norte Pacasmayo S.R.L. 22.37% of employees are unionized.	68
	Percentage of women in high-level leadership positions	In 2023, 17.78% of senior management positions were held by women	156
	Average relationship between the base salary and the remuneration of women and men during the reference period.	Cementos Pacasmayo presents the remuneration of men and women at different levels and their ratios.	161
	Frequency of worker injuries	In 2023, the frequency rate was equivalent to 3.92.	79-80
	Company Incident Rate	The largest number of injuries that occurred throughout the year were hand and eye related. We didn't, however, have any cases of ailments or occupational illnesses or deaths.	79-80
Response and Reporting	The company has participated in the provision or facilitation of remedial action if it caused or contributed to the adverse impact associated with labor standards.	In 2023, the company has not had critical remediation or mitigation processes, with all complaints having been resolved during the period.	49-50
	Additional relevant practical actions that the company has taken to implement the working principles, including the objectives set and any challenges faced, and actions taken for prevention and/or remediation.	This year we focused on improving the learning experience of our employees, as well as accompanying the business with timely intervention in projects and strategic actions for the company.	69-72
<b>Environment</b>			
Commitment	The company has in place an Environmental Policy that covers issues related to climate change, water, biodiversity, air pollution, waste and the use of energy and resources.	Cementos Pacasmayo's Environmental Policy applies to the entire value chain. In addition, it is under the approval and oversight of the Board	35, 81



Aspect	Compliance Statement	Comments	Location
<b>Environment</b>			
Prevention	During the reporting period, has the company contacted affected stakeholders or their legitimate representatives regarding the following environmental issues?	Cementos Pacasmayo has proactively participated in meetings with the GCCA, Asocem and Ficem, in which the development of the Peru Cement Industry Roadmap, was carried out jointly. In addition, the company underwent training, an external audit from the GGCA, and is working to align itself with the KPIs of its thematic guides.	19, 81-82
	The company prevents/mitigates the risks and impacts associated with these environmental issues	The company has established various measures to prevent/mitigate risks/impacts. In 2023, flow meters were installed to measure water consumption, and in the quarries 75 hectares were reforested. In addition, the company aligned itself to the environmental monitoring plan, the carbon and water footprints were calculated, and the highest percentage and reuse of waste was sought.	85-87
	The company assesses progress in the prevention/mitigation of risks and impacts associated with the following environmental topics:	BBiodiversity, number of reforested areas with respect to the objective and the percentage of success. Emissions, comparison of environmental monitoring results versus parameters: maximum permissible limits or ECAS. Waste, percentage of waste reused, marketed or repurposed.	90-91
	The company sets time-bound targets for its environmental issues	The company has in place a sustainability plan that establishes its environmental issue objectives for specific periods and durations, which are under the approval and oversight of the Board of Directors.	13-14, 17-18
	Over the course of the reporting period the company participated in the provision or facilitation of solutions to positively impact the environment.	In 2023, different initiatives were carried out to positively impact our environment with the correct management of water, energy, waste, emissions and our biodiversity.	81-92



Aspect	Compliance Statement	Comments	Location
Climate Action	The company's gross global GHG emissions generated during the reporting period	We continue to strive for the correct management and reduction of GHG emissions	81-97, 146-153
	Categories of Scope 3 emissions that are included in the organization's calculation.	The figures reported correspond to projections based on clinker production. In addition, we follow the ISO 14064, methodological guide to calculate the carbon footprint.	146
	Percentage of company revenue that was invested in R&D of low-carbon products/services during the reporting period	We reported the percentage of company revenue that was invested in R&D of low-carbon products/services during the reporting period	152
	The company has acted to support adaptation and resilience to climate change	We have made significant improvements to our facilities to reduce our emissions. For example, we have launched the Kiln 4 production line, with a lower caloric consumption, which contributes significantly to the reduction of CO <sub>2</sub> emissions. We have also worked on reducing the consumption of coal in our plants and have replaced the consumption of imported bituminous with domestic coal at the Pacasmayo plant.	83-84
Energy Use	The company's renewable energy consumption as a percentage of total energy consumption during the reporting period.	In 2023, the total renewable energy purchased or generated was equivalent to 310,573.16 MWh.	84
Specific questions for the construction and materials sector	Water	Total water consumption 0.964 million cubic meters	85-87
	Number and area (in hectares) of the places that the company owns, leases or manages in or adjacent to protected areas and/or key areas for biodiversity (KBA).	Total number of operational sites: 75 (249,357 ha)	91
	Total weight of waste generated by the company in metric tons during the reporting period.	Hazardous solid waste: 252 tons Non-hazardous solid waste: 2,415 TM Total weight: 2,667 TM	151



Aspect	Compliance Statement	Comments	Location
<b>Anti-corruption</b>			
Commitment	In line with the fight against corruption, the company has in place an Integrated Anti-bribery and Compliance policy, as well as an Anti-fraud Policy.	The Cementos Pacasmayo Anti-Bribery Policy provides protection and surveillance mechanisms in any of its forms. Additionally, it is complemented by the Anti-Fraud Policy and the Money Laundering Prevention Manual, which establish clauses regarding political, charitable and sponsorship contributions.	35
	The company has in place policies and recommendations for employees on how to act in case of doubt or in situations that may represent a conflict of interest.	The Cementos Pacasmayo Code of Conduct covers the following aspects: Corruption and bribery, discrimination, confidentiality of information, conflicts of interest, antitrust/anticompetitive practices, money laundering or insider trading, environment, health and safety, and whistleblowing.	35
Prevention	The company communicates to 100% of its employees and its value chain about the procedures related to anti-corruption and integrity. The contact frequency is reported.	Each year Cementos Pacasmayo carries out a training plan that includes employees, operators, suppliers, and clients. The company has implemented the Mundo Ético program, wherein workers are trained on the processes to follow in order to raise concerns or complaints.	37-38
	The company oversees its anti-corruption compliance program.	The Cementos Pacasmayo corruption prevention model is certified pursuant to the ISO 37001:2016 standard, which allows us to prevent, detect and respond promptly to potential breaches.	35-36, 162
Performance	Total number and nature of corruption incidents that occurred in the company during the reporting year.	There have been four corruption incidents in 2023, which were resolved in the same year. Furthermore, at the end of 2023, no cases or judicial or administrative proceedings related to corruption issues had been filed.	38,155,163



Aspect	Compliance Statement	Comments	Location
Response and reports	Actions the company has taken to address alleged incidents of corruption independently or in response to a dispute or investigation by a government regulator during the reporting year.	Cementos Pacasmayo evaluated (through internal/external audit) the effectiveness of its corruption prevention model and obtained satisfactory results	36
	Participation in collective actions to fight corruption	Since 2019, Cementos Pacasmayo has been recognized by the Entrepreneurs Association for Integrity as a company that achieve high standards in the fight against corruption. In 2023 , the company obtained the Zero Bribery Certification for the fifth consecutive year	36
	Relevant additional practical measures by the company and/or plans to implement the anti-corruption principle, including objectives set and any challenges that have been faced and actions taken for prevention and/or remediation purposes.	Cementos Pacasmayo is proactive in training 100% of its employees through the Ethical World program. This program allows us to strengthen our culture of integrity by working on awareness-raising and capacity-building at all levels of the organization	37-38

**Pacasmayo**

