

# We grew to *create value*

2023 SUSTAINABILITY REPORT

## Executive Summary



## President's Statement

### José Miguel Torrebiarte

*Administration Board President Progreso*



*2023 was a vibrant year, one that challenged the world and reminded us of human resilience in the face of adversity.* Although we initially anticipated relief following the challenges of the pandemic, we encountered a series of events that invited us to strengthen ourselves and our communities both locally and globally.

Despite these challenges, we witnessed a remarkable strengthening of solidarity and cooperation in the face of new tensions. While conflicts and attacks on democratic systems emerged, so did united voices defending peace and freedom. Although economies experienced some contraction, they were notably resilient in adversity. Inflation, while challenging in some areas, highlighted the economic systems' adaptability to market fluctuations.

It is crucial to recognize that in an interconnected world, challenges know no borders. However, we saw communities unite to support those most vulnerable and mitigate effects from global changes.

From the Administration Council, we maintain a vigilant yet optimistic attitude towards these challenges. We recognize that our business faces various complexities, but we also see opportunities to grow and strengthen in an ever-evolving environment.

New international regulations drive us to innovate our business practices, providing an opportunity to improve our management in all aspects.

*2023 reminded us that while uncertainty is part of life, so is our human capacity to adapt and overcome challenges. As global actors, we are committed to working together to build a more stable, prosperous, and hopeful future for all.*

## CEO 's Statement

### José Raúl González

*CEO Progreso*



Last year, our company continued to move in the right direction, pursuing growth, profitability, and sustainability objectives. These goals are intertwined and reflect our business expectations. Beyond financials, our focus lies on strengthening our capabilities to generate shared value and long-term resilience.

The *Sustainability Report 2023: “We grew to create value”* highlights how we align financial and sustainability objectives, providing a comprehensive view of our global performance. In these times of over-commitment and under-performance, we firmly accept our responsibility as change agents to benefit our stakeholders. Our commitment is clear: to grow not only financially, but also by impacting positively and providing sustainability. It is the right path to a more resilient and prosperous future.

Our recent transformation into a multiproduct, multi-Latin company is a vital milestone in our strategy. Although we have made great strides, we face major challenges. These are risks inherent to business practice that urge us to renew synergies and prioritize resources to ensure this profound change succeeds.

In today’s fast-paced business landscape, we face risks that transcend the tangible and become multidimensional and elusive. The combination of regulatory activism, underlying cultural battles and media pressures saturated with misinformation

creates a climate that distracts or diverts companies’ attention from their core management.

A sustainability debate must be realistic and conciliatory. Failure to meet sustainability criteria affects companies in the short term, but also generates systemic risks that erode their returns over the years. Failure to understand strategic risks often leads to the silent destruction of value. Managing these risks is crucial to maintaining the viability of our business model.

***Sustainability is not only about values; it is also about data. In today’s “data economy,” data’s relevance, timeliness, traceability, security, and quality is critical. In our 100+ years of experience, information generated by quality data enriches knowledge and enhances business’s competitive advantage.***

As we move forward measuring sustainability accurately, we can minimize negative externalities, increase positive impacts and strengthen strategic relationships with our stakeholders. All of this leads to sustainable profitability and balanced growth.

## CEO 's Statement

The Pandemic (Covid-19) certainly left an indelible mark. But history continues to rewrite itself daily. In a world where armed conflicts coexist in various regions, we must be attentive to economic and social consequences. Wars in Ukraine, Israel and now potentially in the Red Sea, along with other less visible but long-standing conflicts, can affect supply chains and the quality of life for millions of people. The human cost of these conflicts calls into question our humanity.

We also live in a global context of political polarization and fragmentation. The multiplicity of electoral processes scheduled for 2024, covering almost half of the world's population, adds an additional layer of uncertainty. Democracies are under pressure and attempts to discredit them as a global political governance model are likely to endure.

**Economic risks are persistent.** Although runaway inflationary pressures have eased, we should not underestimate the potential impact of regional conflicts in Europe and the Middle East regarding commodity supplies and oil prices. Even if downside risks prevail, global growth in the medium term is projected to be lower than before the pandemic, with stubborn inflationary pressures. Such a fragile global economy could collapse in any slight headwind.

Despite the events that may have slowed down our progress, we contributed to our society's prosperity and our planet's sustainability. In 2023, our performance, both economic and in terms of sustainability were positive. We celebrated developments in employment, production, new market exploration and innovation. We also made progress in social

and environmental terms. The new corporate support structure for our newly acquired operations strengthened our sustained long-term value creation goal.

Our strategic priorities for the coming years include:

- *Ensure strict compliance with the Code of Values, Ethics and Conduct (COVEC).*
- *Consolidate our position as a regional leader in producing cement, building materials and solutions.*
- *Proactively address the stress points in the updated 2024 corporate risk matrix.*
- *Maintain an orderly and prudent expansion process, taking advantage of regional market opportunities.*
- *Standardize and implement sustainability policies and best practices in the countries where we have recently started operating, including updating our Sustainability Strategy for the next ten years.*

We reiterate our commitment to sustainable development, aware that the challenges ahead are not few, but also that our reputational capital and the resilience of the Progreso family will allow us to maximize both our goals and expected results.



## Who are we?

Cementos Progreso is a leading cement and building materials company with operations in Guatemala, Belize, El Salvador, Honduras, Costa Rica, Panama, and Colombia. It is Progreso's flagship brand.

Our six reported businesses are: Cementos Progreso (cement), Horcalisa (lime), Mixto Listo (concrete), Agreca (aggregates), Sacos del Atlántico (paper bags), and Construfácil (distribution). Progreso is the corporate brand that consolidates Cementos Progreso and all of its business units.

**In 2024, Cementos Progreso celebrates 125 years.**



## Progreso DNA

### Transcendent purpose



To build the country where we all want to live, together.

### Vision



We share dreams, we build realities.

### Mission



We produce and market cement and other building materials, along with high-quality services.

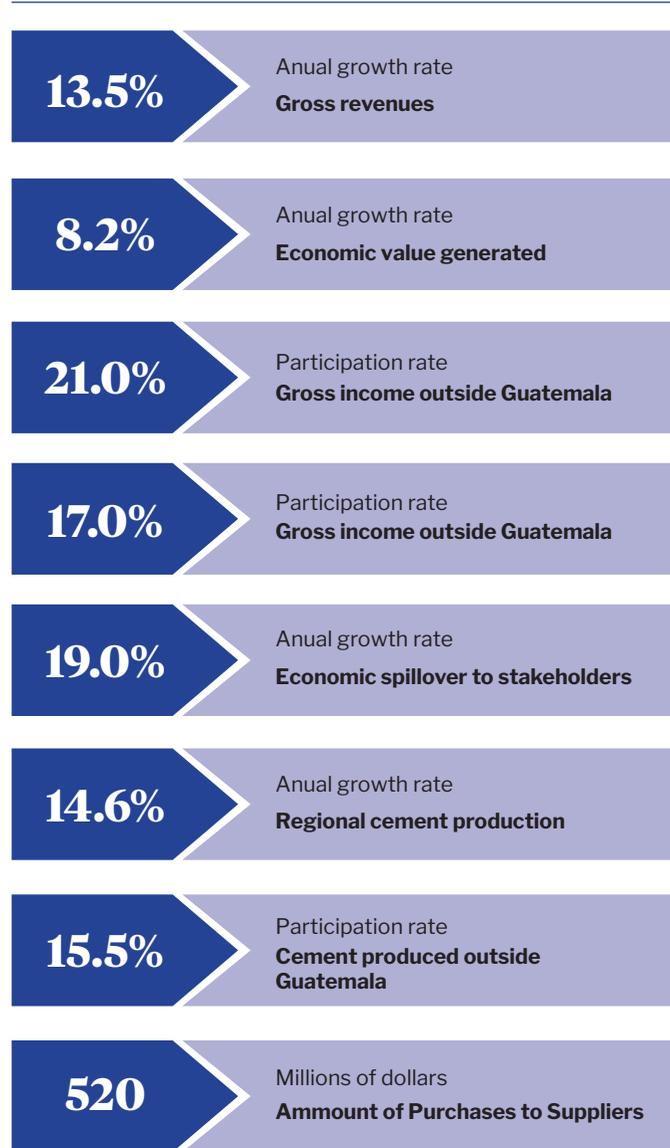
### Values from our Values, Ethics and Conduct Code (COVEC)



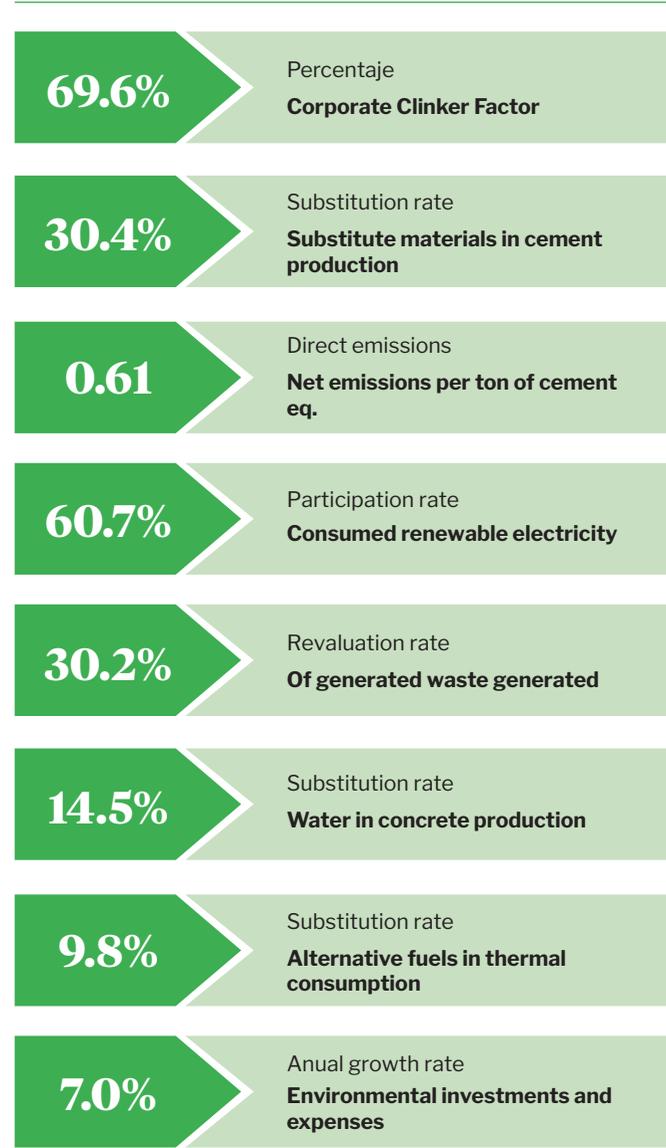
- Ethical behavior
- Genuine leadership
- Solidarity
- Commitment to the company's sustainability

# Our Performance 2023

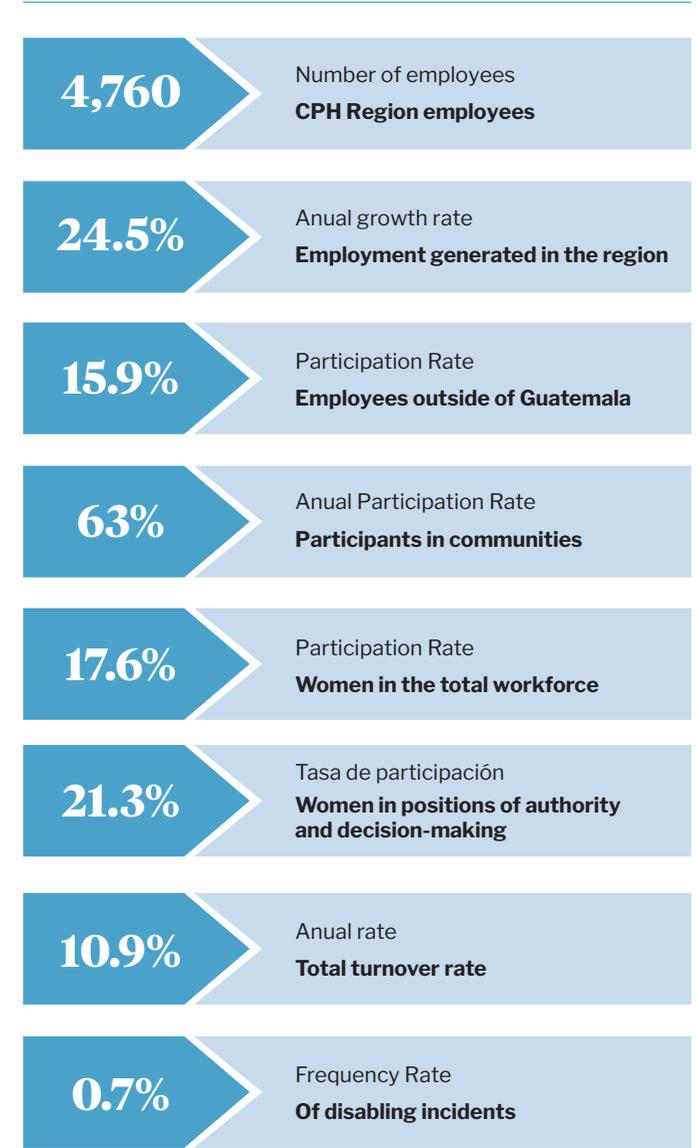
## Economic performance



## Environmental performance

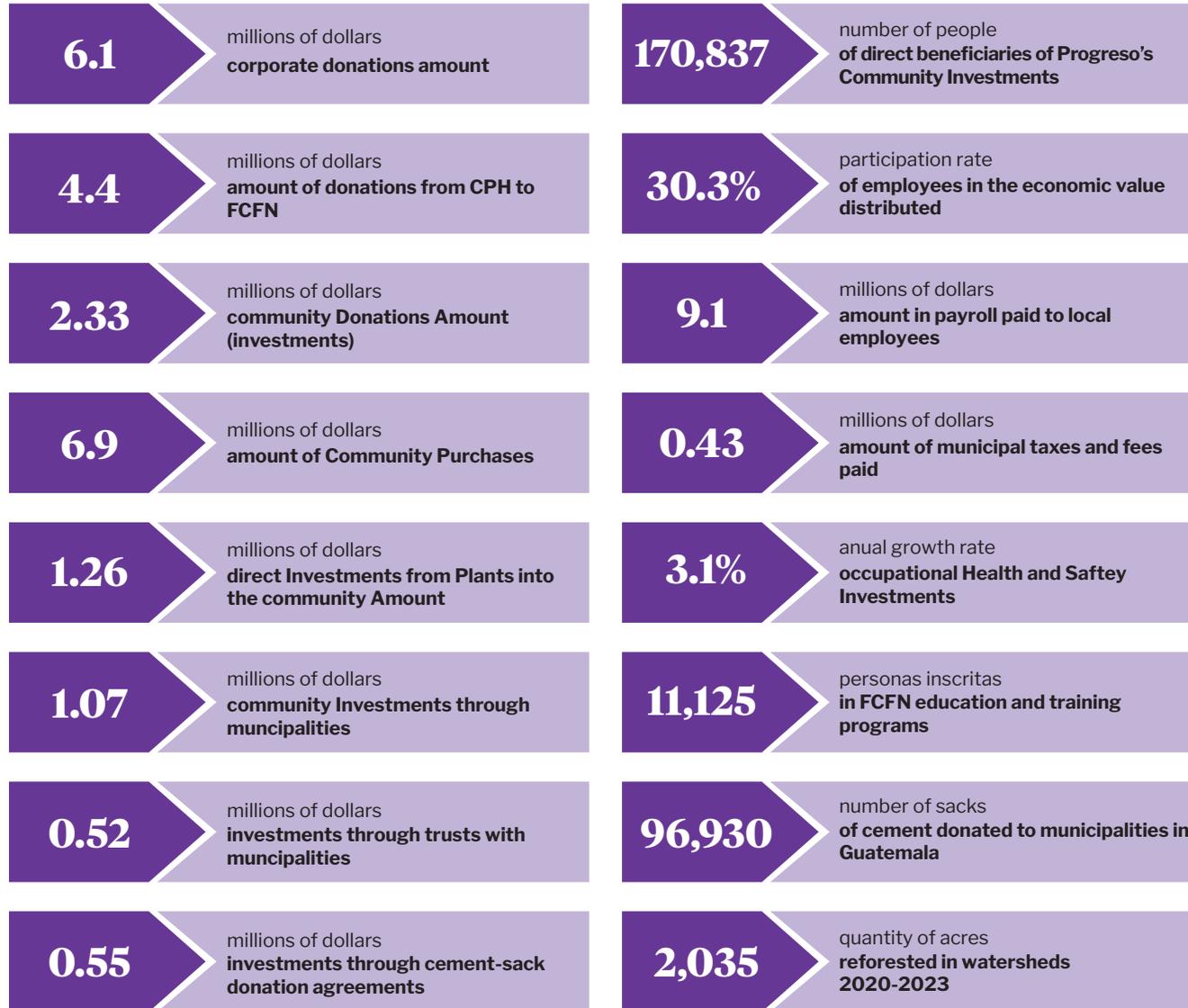


## Job performance



# Our Performance 2023

## Social performance



## Community impacts



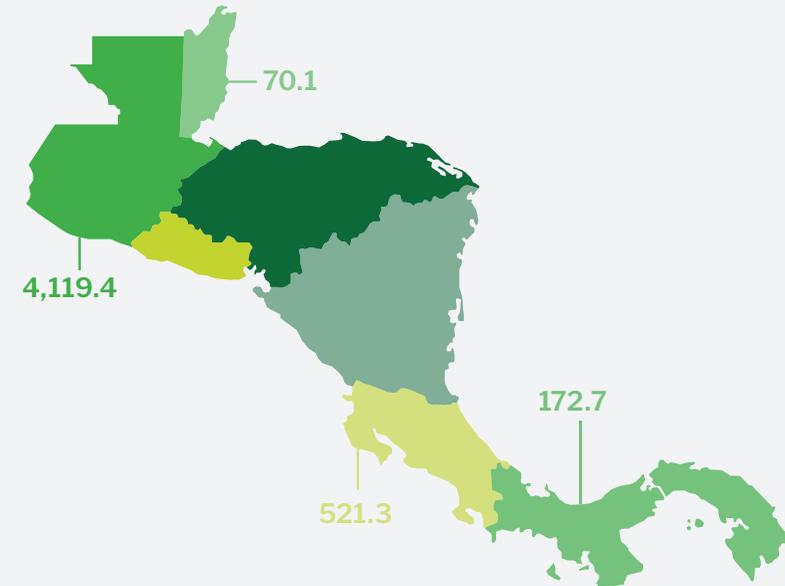
## Production 2023

### Cementos Progreso Holding, S.L. Annual production by product, 2019-2023

Products	2019	2020	2021	2022	2023
<b>Clinker</b> (thousands tons)	2,059.8	2,391.7	2,870.2	3,803.5	3,722.7
<b>Cement</b> (thousands tons)	3,007.7	3,032.3	3,811.3	4,655.6	4,883.4
<b>Lime</b> (thousands tons)	211.5	215.0	231.8	226.0	200.5
<b>Pre-dosed</b> (thousands tons)	214.5	253.5	323.4	377.0	444.8
<b>Concrete</b> (thousands m3)	741.8	681.5	828.1	1,063.8	1,126.9
<b>Paper bags</b> (thousands)	123.0	109.7	141.5	150.4	140.1
<b>Aggregates</b> (thousands tons)	2,412.9	2,122.7	2,566.0	2,711.8	3,296.7

In terms of production, regional results for 2023 are mixed. Cement production, our core product, grew at the regional level; production of ready-mix, concrete and aggregates also grew. But clinker, lime, and paper sacks production fell in 2023.

### Cementos Progreso Holdings, S.L. Cement production by country, 2023 (thousand metric tons)



In an important step toward diversification and security in cement production, in Guatemala we also reduced our reliance on a single plant. For 45 years, the San Miguel plant was our sole produce countrywide, but in 2019 we inaugurated the San Gabriel plant, one of the largest and most technologically advanced cement plants in the region. More recently, in 2021, we started up the Izabal grinding plant, located in the northeast of the country.

## Production 2023

### *Plants and business units*

At the regional level, we have 44 production plants distributed among our five business units.

Cementos Progreso Holding, S.L. Number of production plants, 2023					
Business	Guatemala	Belize	Costa Rica	Panama	CPH
Cement	3	1	2	1	7
Lime	1	0	0	0	1
Concrete	18	0	6	4	28
Paper Bag	1	0	0	0	1
Aggregates	6	0	1	0	7
<b>Total plants</b>	<b>29</b>	<b>1</b>	<b>9</b>	<b>5</b>	<b>44</b>



## Sustainability strategy

Our sustainability strategy responds to the material issues identified upon agreement with our stakeholders. The 19 topics in our Materiality Matrix are addressed, measured, and reported.; as well as grouped into the four pillars of our strategy:



# Preferred Employer



We create exceptional, safe work environments, where people’s integrity is respected and valued, to provide opportunities for professional development and fulfillment. We evaluate annual performance on four material issues that make up the labor dimension of our sustainability:

## Ethics and Compliance (COVEC)

We ensure that our corporate practices are ethical and in strict compliance with applicable laws and regulations. This includes integrity in our operations and business relationships.

## Job satisfaction and well-being

We create a safe, comfortable and an income earning work environment. We seek to eliminate discrimination, exclusion, and any inappropriate practice. We believe that all our associates have the right to dignified employment, with equal opportunities and possibilities for personal and professional development.

## Talent development

With change resulting from our regional expansion, we are redefining our value propositions and workforce management. We maintain hybrid work schemes and are introducing new tools to maximize talent potential.

## Occupational health and safety

We strive to ensure a safe and healthy working environment and healthy work environment. This includes measures such as accident prevention, safety training, the proper use of personal protective equipment, and the promotion of safe practices throughout our operations.





Cementos Progreso Holdings, S.L. Human talent profile, 2023					
Employee profile		Mobility		Inclusive	
<b>Total employees</b>	<b>2023</b>	<b>Disincorporations</b>	<b>2023</b>	<b>Women participation</b>	<b>2023</b>
Number of employees	4,760	Collaborators	674	In decision-making positions	21%
Salary mass (US\$ million)	106			<b>Wage gap</b>	
<b>Employees by gender</b>		<b>Breakdown by gender</b>		Male/female salary	10%
Men	82%	Men	77%	<b>Collaborators outside GT</b>	
Women	18%	Women	23%	Percentage	16%
<b>Ages</b>		<b>Breakdown by age 1/</b>		<b>Local employment</b>	
18-29 years	19%	18-29 years	35%	Community collaborators	65%
30-49 years	66%	30-49 years	56%	<b>Freedom of association 1/</b>	
50 and over	15%	50 and over	9%	Associates	93%
<b>Hierarchies 1/</b>		<b>Annual turnover rates</b>		Unionized	5%
Operatives	84%	Total	11%	Non-associates	2%
Headquarters	10%	Men	10%	<b>Parental leave</b>	
Management	6%	Women	14%	Men (number of cases)	63
<b>Job Types</b>		<b>Types of rotations</b>		Women (number of cases)	36
Permanent	85%	Voluntary	52%		
Temporary	15%	Involuntary	48%		

1/ Excluding Costa Rica and El Salvador.



Cementos Progreso Holdings, S.L. Work climate 2023			
Countries	Global confidence index	Well-being axis index	Work Climate
Guatemala	87%	85%	91%
Panama	64%	69%	69%
Belize	82%	79%	79%
Colombia	83%	94%	94%
Costa Rica	74%	82%	n.d.
El Salvador	82%	65%	n.d.

1/ Guatemala's labor climate relates to the cement business, our main product.





## *Diversity, equity and labor inclusion*

Female participation in the company's total workforce increased from 14.8% in 2020 to 17.6% in 2023.

The participation of 18- to 30-year-olds in the workforce is 19.0% in 2023.



## *Local employment*

### **Community employees**

65.3% of the workforce at our plants is made up of employees from nearby municipalities and communities, thus strengthening the local economy and promoting community development.



## Favorite Supplier



In the Supplier of Choice pillar, we evaluate annual performance on **four material issues** of our sustainability strategy and **one material issue** of our business strategy: expansion process. This issue, which began reporting in 2022, will be incorporated into the materiality matrix when the corporate matrix is updated in consultation with stakeholders.

### Economic value generated and distributed

We measure how the company contributes to the economy and how it distributes the income obtained among stakeholders.

### Business innovation

We promote continuous improvement and constant innovation as practices that help us to maintain productivity and competitiveness in our line of business.

### Expansion process

We monitor the achievements and challenges of our strategy to become a regional leader in the production of cement, building materials, and building solutions.

### Service culture

We focus on measuring customer satisfaction and the quality of our products and services.

### Sustainable construction

We promote sustainable practices in the construction of infrastructure and access to decent housing.

The focus in this chapter is on housing and economic growth.





## 1. Expansion process

### Regional expansion

**15.5%**

Participation rate  
Cement produced outside  
Guatemala

**17.0%**

Participation rate  
IGross revenues outside  
Guatemala

**21.0%**

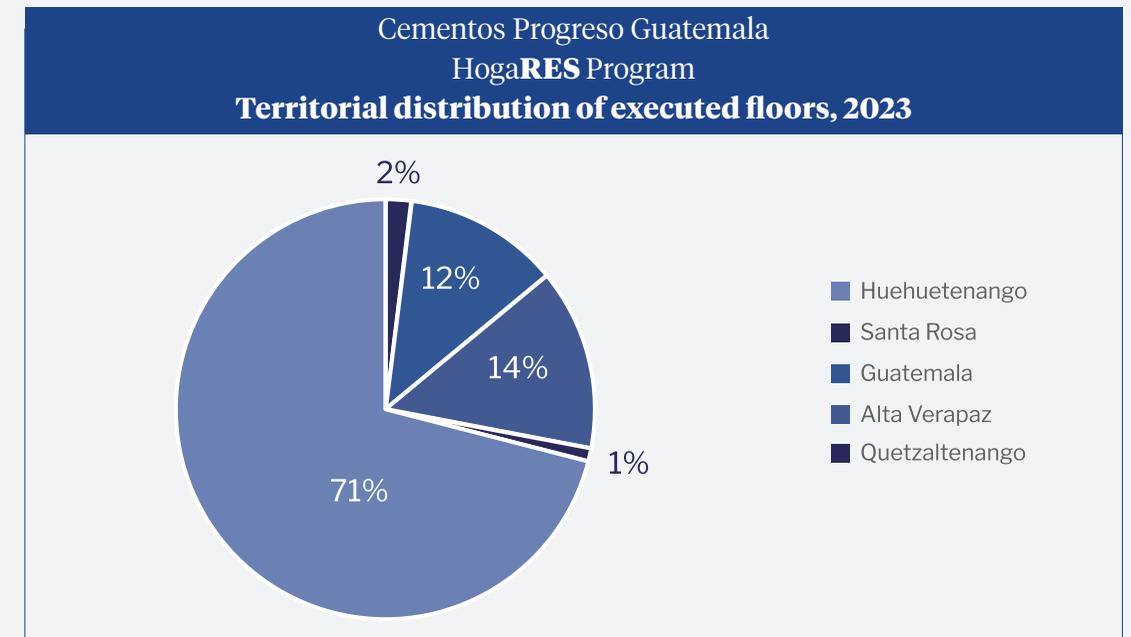
Participation rate  
Economic Value outside  
Guatemala

**15.9%**

Participation rate  
Employees outside  
Guatemala

## 2. Sustainable construction

### Healthy homes



# Environmental Leader



In the **Environmental Leader** pillar, we evaluate the annual performance of **five material issues** that make up the environmental dimension of our sustainability:

## Resilient and sustainable construction

We promote sustainable practices in the construction of infrastructure and access to decent housing.

## Energy and climate variability

We measure and manage our direct and indirect impacts, mainly greenhouse gas emissions.

## Water management

We ensure integrated and optimal use of water resources, without compromising the sustainability of vital ecosystems.

## Biodiversity

We strive to minimize interventions and impacts on living organisms of all kinds, including diversity within species, between species and between ecosystems.

## Circular economy

In our production model, we seek to reuse, repair, renew and recycle materials and products so that they last and can be used for as long as possible.



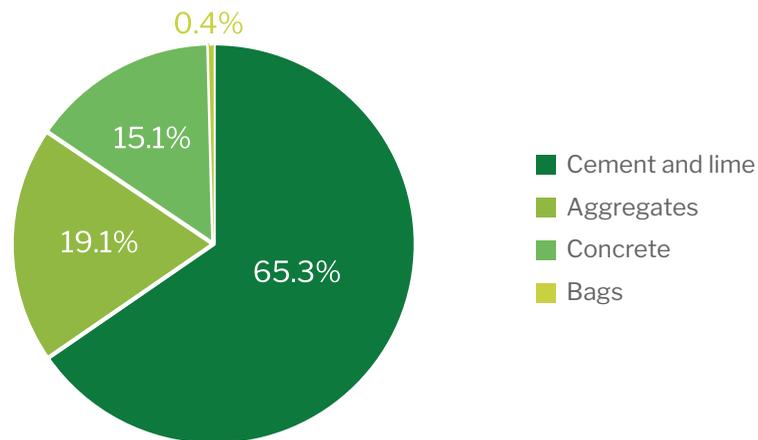
# Environmental Leader



## Water management

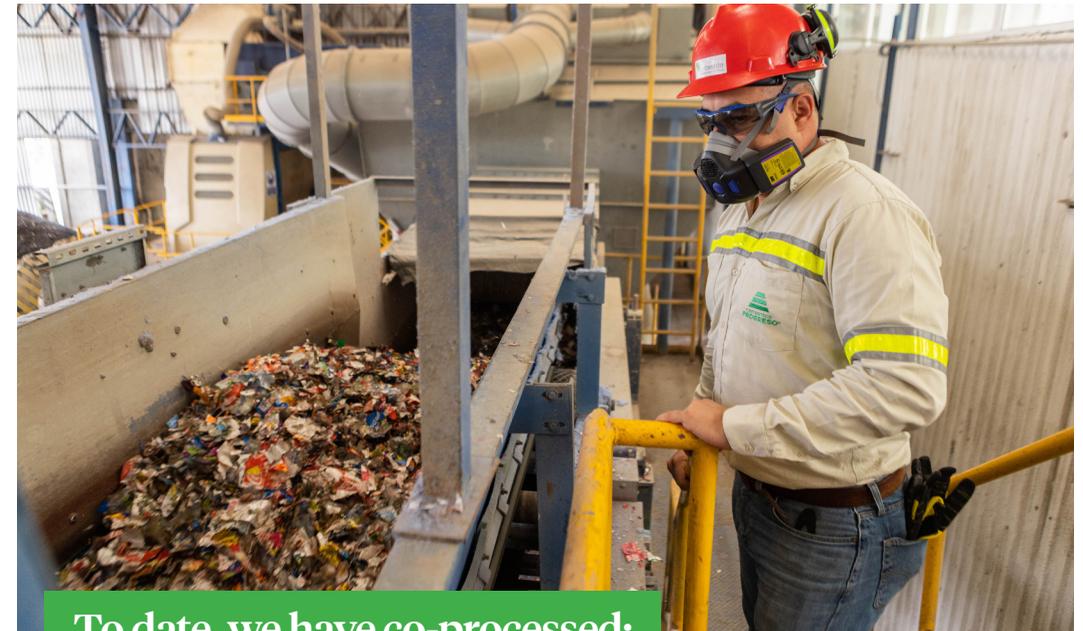
- 1 To reduce consumption, our cement plants have closed cooling circuits that allow us to reuse water indefinitely, compensating only for natural evaporation losses.
- 2 Our cement plants in Guatemala have a combined capacity of 266,000 cubic meters of rainwater harvesting, which we use to supply water during the dry season.
- 3 In addition, we treat sanitary wastewater and encourage reuse for fertigation purposes where possible. In this way we reduce pressure on the bodies of water that supply our operations.

Cementos Progreso Holdings, S.L.  
Water Consumption Distribution by business, 2023



## Circular Economy

We are committed and strive to achieve a cleaner production, to manage our waste responsibly and to achieve an efficient consumption of resources by reducing, reusing and recycling as much as possible, in order to mitigate our environmental impacts and contribute to the well-being of society.



To date, we have co-processed:

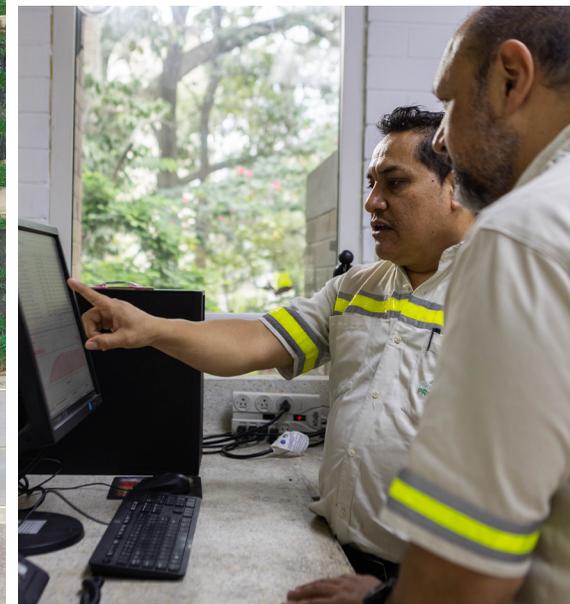
**more than 138,000 tons of solid waste,  
over 97,000 tons of liquid waste and  
more than 46,000 tons of tires.**

## *Vulnerability to climate variability*

Recurrently and with inexact periodicity, a region is affected by climatic anomalies due to changes in the natural distribution of energy. Anomalies can be related to signals or sources of direct climate variability or those carried by climate tele-connections, which are variations occurring in a distant region but influencing the region of interest.

In recent decades, natural cycles of oscillation in temperature and precipitation have sometimes led to climatic and meteorological extremes in different parts of the planet. According to the United Nations Environment Program (UNEP), although the negative effects of climate variability are global in scale, forecasts indicate that the intertropical areas are the most fragile and exposed, and will suffer the most intense impacts. Central America, which contributes less than 0.40% of global emissions, is one of these vulnerable areas due to its geographical exposure but also to its precarious economic and social development conditions. Facing this challenge requires building resilience and capacity to adapt to climate effects.

Concrete plays an important role in strengthening resilience by providing comprehensive protection against damage from adverse climatic events. It can also play a key role in ensuring the safe and reliable supply of potable water, connectivity, and energy. In addition, it protects people's physical integrity and, thanks to its thermal inertia, concrete increases comfort by minimizing or avoiding overheating during heat waves, especially when combined with natural ventilation and appropriate building architecture.



# Environmental Leader



## Energy

We consume two types of energy in our operations: electric and thermal.

### Electric power

In 2023, we consumed 549.5 GWh of electric power across Progreso’s operations in the region. We obtained 60.7% of our electricity from renewable sources.

Cementos Progreso Holdings, S.L. Electricity consumption by country, 2023 in GWh			
Operation	Total electricity consumption	Renewable electricity consumption	% of renewable energy
Belize	2.8	0.7	27.0%
Guatemala	450.0	245.6	55.0%
Costa Rica	85.9	79.0	92.0%
Panama	10.7	8.1	76.0%
<b>Total</b>	<b>549.5</b>	<b>333.52</b>	<b>60.7%</b>

Cement production absorbs 95.3% of total electricity consumption, 62.1% of which comes from renewable sources. Although the aggregates business consumes only 2.4% of the total, only 8% comes from renewable sources. This is an area of opportunity for future improvement.

Cementos Progreso Holdings, S.L. Electricity consumption by business, 2023 in GWh			
Business	Total electricity consumption	Renewable electricity consumption	% of renewable energy
Cement	523.87	325.53	62.1%
Lime	8.65	4.45	51.5%
Aggregates	13.09	1.05	8.0%
Concrete	2.11	1.44	67.9%
Sacks	1.79	1.05	59.0%
<b>Total</b>	<b>549.5</b>	<b>333.52</b>	<b>60.7%</b>

## Biodiversity

In cement and aggregates production in Guatemala, we have been conducting biological monitoring since 2007 to identify and document species in areas adjacent to our plants and quarries. In 2023, we conducted 35 biological surveys.

To date, we have identified 344 animal species, 231 insect species, and 593 species of plants, trees, and shrubs.

Cementos Progreso Guatemala Number of species identified in the cement and aggregates plant area					
Business unit	Birds	Mammals	Herpetofauna	Insects	Flora
Cement	152	53	64	195	350
Aggregates	146	14	12	52	287
<b>Total</b>	<b>222</b>	<b>55</b>	<b>67</b>	<b>231</b>	<b>593</b>



# Responsible Citizen



## Management system

The Responsible Citizenship pillar encompasses all actions that seek to establish and strengthen a strategic, constructive, and trusting relationship with stakeholders, in order to act together in favor of sustainable development.

In the Responsible Citizenship pillar, we evaluate the annual performance of **four material issues** that make up the environmental dimension of our sustainability:

### Responsible Value Chain

We promote responsible practices throughout the life cycle of our products to make rational use of resources and create economic, social and environmental value for all our stakeholders.

### Thriving communities

We strive to establish relationships of trust, solidarity, and reciprocal learning, as well as to make voluntary community investments in the communities and countries where we operate.

### Human Rights

We recognize, respect, and promote the set of prerogatives that underpin human dignity and are indispensable for integral development. We conceive them as interrelated, interdependent, and indivisible.

### Building trust

We promote a set of values and standards of behavior based on our COVEC, to obtain the approval and support of our stakeholders, strengthening our social license to operate and our corporate reputation.



# Responsible Citizen



## Prosperous Communities

Our management system is based on the concept of social license to operate. In order to obtain and preserve it, we act on four strategic axes that are relevant issues for us:

- 1. Internal strengthening
- 2. Genuine relationships
- 3. Local development
- 4. Neighbor service system

## Community impacts

Our impacts are also reflected in the number of direct beneficiaries **(170,837 people in 2023)**, in local employment and in the strengthening of municipal finances.

### Contribution to formal employment

The number of employees at our cement plants in Guatemala has a significant impact on formal employment in the municipalities where we operate.



*In the 2020-2023 period, the San Gabriel plant contributed 9.1% of formal employment in San Juan Sacatepéquez; while the San Miguel plant contributed 17.5% of formal employment in Sanarate.*



## Community investments

### Total contributions

We made total voluntary contributions of US\$8.43 million in Guatemala in 2023, which include corporate donations (material issues of national scope) and community donations concentrated in the municipalities where we have cement and aggregates operations.

Cementos Progreso Guatemala Total voluntary contributions, 2023 (millions of US dollars)	
Type of contribution	2023
Corporate donations	6.1
Community donations 1/	2.33
Direct execution 2/	1.26
Indirect execution	1.07
Trusts 3/	0.52
Agreements	0.55
<b>Total donations</b>	<b>8.43</b>

## Direct community investments

In 2020-2023, we invested US\$4.99 million **directly** in the communities where we operate.

Cementos Progreso Guatemala Direct community investments executed by PSG and PSM social management (US\$ millions)	
Investment axes	Structure
Infrastructure	55%
Water and sanitation	11%
Community infrastructure	13%
Road network	32%
Productive projects	14%
Human capital	5%
Community relations	26%
<b>Total investment</b>	<b>100%</b>

1/ Includes the social investments of the San Gabriel, San Miguel and Agreca plants.

## Indirect Investments

Indirect community investments are those we make through trusts and agreements to support municipalities. These partnerships apply only in the municipalities where we have major cement operations.

The trusts are voluntary monetary contributions and the agreements are voluntary contributions in kind (cement). We calculate and commit the value of our indirect investments each year linked to the productive performance of the cement plants.

At the San Gabriel plant, the in-kind donation covenant started operating at the end of 2022; the monetary support trust was capitalized in 2023 and will start to be converted into works in 2024.

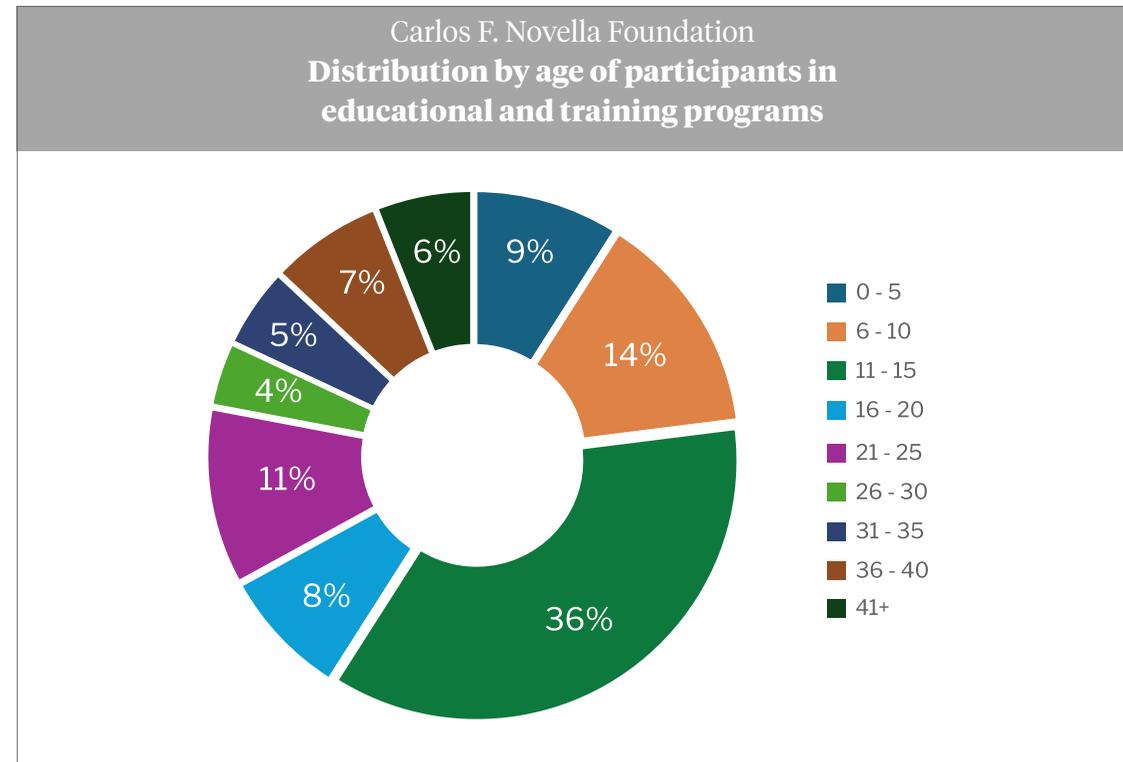


The Carlos F. Novella Foundation (FCFN) has more than 36 years of experience. It develops its interventions through two strategic axes: to be spokespersons and an example of the values of the Founder; and to be the best ally for the generation of capacities in society.

## Corporate donations

Carlos F. Novella Foundation Community investments (millions of US dollars)					
Areas of coverage	2019	2020	2021	2022	2023
San Miguel Plant	1.71	1.65	1.41	1.65	1.79
San Gabriel Plant	1.05	0.88	0.76	0.89	1.13
Other plants served	0.30	0.23	0.30	0.30	0.38
<b>Total</b>	<b>3.06</b>	<b>2.76</b>	<b>2.46</b>	<b>2.83</b>	<b>3.30</b>

Carlos F. Novella Foundation Direct beneficiaries by areas of influence (number of people)					
Areas of influence	2019	2020	2021	2022	2023
San Miguel Plant	2,320	1,386	1,874	1,833	2,965
San Gabriel Plant	3,746	2,420	3,646	3,758	5,536
Other plants	1,446	531	1,230	2,075	2,264
<b>Total</b>	<b>7,512</b>	<b>4,337</b>	<b>6,750</b>	<b>7,666</b>	<b>10,765</b>



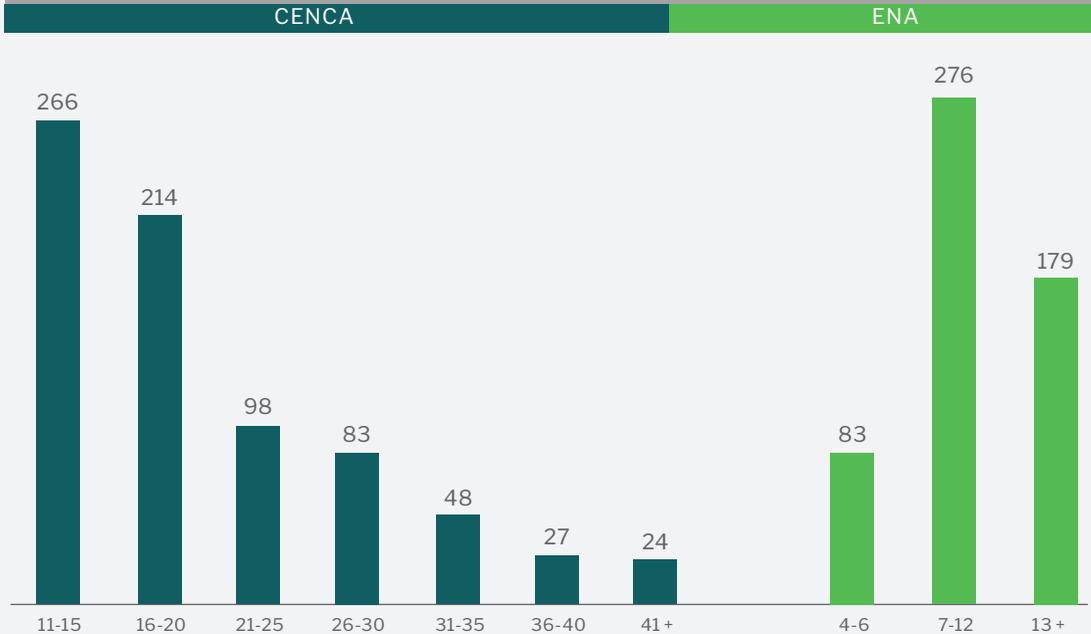
In the Foundation’s **formal education** programs, there is a predominance of younger beneficiaries. This focus on youth underscores the Foundation’s commitment to investing in the next generation by providing the tools and opportunities necessary for their future success. Importantly, however, the Foundation remains committed to lifelong education and training, providing opportunities for all ages.

In the after-school (CENCA-Cursos Libres) and school-based (ENA) education programs, 1,298 students participated. In out-of-school education, students between the ages of 11 and 20 predominate; in school-based education, which is concentrated in primary education, students between the ages of 7 and 12 predominate.



Carlos F. Novella Foundation  
Ages of participants in in-school and out-of-school education program

(number of students)



Not only the children of our employees participate in our schooling and after-school education programs. Children and neighbors in the communities surrounding our operations also participate. In 2023, they represented 84% of the total number of students enrolled:

Carlos F. Novella Foundation					
Students enrolled in school and out-of-school education					
(number of students)					
Students Enrolled	2019	2020	2021	2022	2023
<b>Children of employees</b>	<b>259</b>	<b>228</b>	<b>202</b>	<b>177</b>	<b>206</b>
Men	142	118	104	94	67
Women	117	110	98	83	139
<b>Community members</b>	<b>918</b>	<b>1,084</b>	<b>922</b>	<b>866</b>	<b>1,092</b>
Men	461	532	422	379	467
Women	457	532	500	487	625
<b>Total enrolled students</b>	<b>1,117</b>	<b>1,292</b>	<b>1,124</b>	<b>1,043</b>	<b>1,298</b>
Men	603	650	526	473	534
Women	574	652	598	570	764





### *Local productive development*

#### **Flower and coffee production**

In San Juan Sacatepéquez there are about 8,000 families whose main occupation is growing flowers for several generations; they produce roses, gerberas and chrysanthemums. It is a family subsistence business that serves the domestic market. Since 2021, flowers have been exported to the United States. Likewise, the Cooperativa Integral Agrícola de Floricultores Jardines de San Juan (CIAF, R.L.) was created, in which 36 flower growers participate. AgroProgreso and the social management of the San Gabriel Plant have helped them organize and accelerate technological change in their crops.

The El Pilar farm reduced its parchment coffee production from 230 quintals in 2020 to 74 quintals in 2023. But, starting this last year, it began to produce roasted coffee with the purpose of adding value to its own production and that of the community members, which will have positive impacts on income in the coming years.

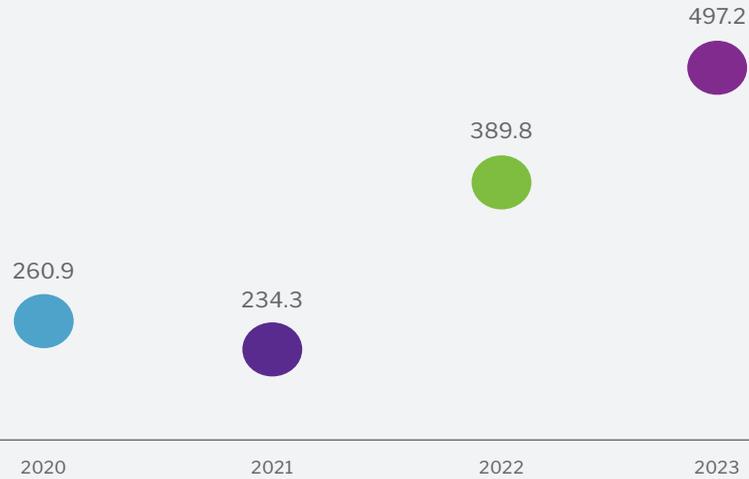
#### **Community leases**

Another key program to contribute to the family economy is the leasing of plots of land at the El Pilar farm. AgroProgreso provides technical assistance to improve their grain and vegetable crops to producers who do not own land. In 2023, 720 leases were signed, representing an increase of 10.1% over the previous year.

In order to facilitate the transfer of the neighbors to the cultivation plots and of the products to the markets, a specific route was built on the property of the El Pilar farm. It is a 3.7 kilometer route that cost US\$969,000, which was provided by Cementos Progreso. It is a public, unrestricted route that began to be used in April 2022. Cementos Progreso will donate the alternate route to the municipality of San Juan Sacatepéquez in 2024.

*AgroProgreso's agricultural sales increased 8.5% in 2023.*

Cementos Progreso Guatemala  
**Total sales of Finca El Pilar**  
 (US\$ thousands)



Forest management (83%), land leases (9%), and ecotourism income (4%) are AgroProgreso’s main sources of income.

*Ecotourism*

AgroProgreso continues to develop local ecotourism. In 2023, we registered 307 visitors, an increase of 25.3%. Revenues for the same concept reached US\$19,359.

Experience in other regions shows that as ecotourism advances, neighbors join the network of product and service providers and community development is enhanced. This is a gradual process aimed at expanding local economic opportunities in the medium term.

**Reforestation**

*Watershed reforestation*

In 2023, we produced 520,820 trees, mainly conifers and broadleaf trees, appropriate for the watersheds to be reforested.

Cementos Progreso Guatemala  
**Tree production in nurseries**  
 (number of trees)

Nurseries	2020	2021	2022	2023
San Miguel Farm	237,413	331,283	290,400	232,575
San Gabriel Farm	150,586	345,206	385,000	288,245
<b>Total sales</b>	<b>387,999</b>	<b>676,489</b>	<b>675,400</b>	<b>520,820</b>



# We grew to *create value*

2023 SUSTAINABILITY REPORT

## Executive Summary

*View the full report here*

