

# BACK TO THE ESSENTIALS, TO GROW TOGETHER

SUSTAINABILITY REPORT EXECUTIVE SUMMARY, 2024





## President's Statement

# Stephanie Ann Melville Molina

## Administration Council President

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The world is undergoing profound transformations, and Progreso is evolving in tandem. We are navigating the winding and tense paths of world order reconfiguration. A world that is more economically interconnected than ever before, coexists with a distrustful, misinformed, and polarized society. The opposing forces of geoeconomic competition generates endless turbulence. It is a world full of risks, but also, opportunities.

Although geostrategic competition in the coming years is expected to be out of the ordinary, there is encouraging news on the horizon. Some key country's economies, including our host country Guatemala, have shown unparalleled resilience. Continued electoral processes are renewing confidence in the democratic system. There are early signs of peace and transformation in the Middle East and unprecedented technological progress, especially in artificial intelligence, which will forever change productivity and business models.

It is not an easy or stable environment. But alongside these current and future concerns, we continue to grow with purpose: in 2024, we will celebrate 125 years of Progreso's history. More than a century of legacy from Don Carlos F. Novella fills us with satisfaction, for his unwavering commitment to developing Guatemala and the other countries where we now operate. The values, geographic expansion, innovation, sustainability, and employees at the heart of our management, are the foundations on which we build the next generations' future with clarity, wisdom, and

purpose.

In line with our strategic imperatives and the roadmap we have set for ourselves, we acquired Cemex's operations in the Dominican Republic in 2024, even though its integration will take place in the first quarter of next year. After the construction of the San Gabriel plant in Guatemala, this is Progreso's second largest investment. This milestone makes us proud, but it also brings extraordinary responsibilities and challenges.

That is why it is so important to get **“back to the essentials, to grow together,”** as our **2024 Sustainability Report** is titled. We have begun a thorough process to optimize costs until we achieve optimal returns. Our roadmaps biggest challenge, will be to remain agents of change, faithful to our values and transcendent purpose.

In 2024, we once again recorded strong financial and sustainability results. This positive performance reflects the entire Progreso Family's commitment and effort. Adaptability and resilience are fundamental assets that underpin our long-term competitive advantages. To preserve and strengthen them, we will soon be renewing our business strategy to bring it in line with our new corporate profile. We will do the same with the sustainability strategy that will accompany and reinforce it. The basic premise will be to adapt to the context without abandoning our essence: to remain committed to adding value to all our stakeholders and care for our corporate balance in the company, the planet, and society.



## Stephanie Melville, Progreso's new president

In 2024, lawyer Stephanie Melville became the first female president in Progreso's history. This is the corporate group to which Cementos Progreso Holdings, S.L. belongs.

Prior to that, she held the positions of Director and Secretary of the company's Business Partner's Meeting. "This is a historic milestone in our journey, to be the first woman to hold this position. Thus begins a brilliant chapter in our history," she said.

She is also vice president of the Guatemalan Industry Chamber.

In addition to being a lawyer from Francisco Marroquín University in Guatemala, she has a master's degree in Corporate Law from Northwestern University and has studied courses in finance, business administration, family businesses, among others.

"The challenge I will face in the coming years is tremendously exciting and demanding. I am preceded by visionary presidents, characterized by excellence and positive impact, who have brought us to where we are today. Thanks to all of them, especially José Miguel Torrebiarte, from whom I am taking over the presidency, for the legacy they leave us with and for inspiring me to lead the way that will allow us to go even further," the new president said.

Stephanie arrives with a vision to continue "transforming our industry toward a more efficient and sustainable approach; to continue generating a positive social and environmental impact for communities and societies; to talk about opportunities for our shareholders and employees, but also about culture, values, evolution, infrastructure, diversity, and women," she highlighted after her appointment.



## CEO's Statement

# José Raúl González

## CEO Progreso

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Geopolitical risks, which are numerous and increasingly intense, remain at the center of our business concerns. The world order is being recalibrated, tending to provoke new waves of uncertainty and instability. In addition, the ongoing geo-economic competition is increasingly reducing private company's room to maneuver. These are unavoidable realities that will continue to stand out in the strategic board of directors' management.

In 2024, we proudly celebrate our 125th anniversary. We thank God; our founder, Carlos F. Novella; and the Progreso family for allowing us to contribute, without distinction, to a better future full of peace, prosperity, and opportunities for all. We have achieved this through our unwavering commitment to our values and transcendent purpose.

We have continued growing in the region. At the end of the year, we acquired Cemex's operations in the Dominican Republic, our gateway to the Caribbean. It is a formidable challenge because it represents Progreso's second largest investment after the San Gabriel plant. We closed this "earned decade" regarding our operations' growth and expansion on a high note.

Growth will continue to be one of our strategic imperatives, but we will continue to pursue it prudently. We will grow in line with market structure and trends in locations where we operate and each country's demand evolves. In an industry as cyclical as ours, diversifying risks, portfolios, and

investments is the only option to compensate for markets that fluctuate at different rates.

In the meantime, it's time to consolidate achievements and create value. We'll support ourselves with a new business strategy accompanied by an updated sustainability strategy that complements it. If the company, the context, and the business are no longer the same, neither can the fundamental strategies that guide us be so.

We are larger and more complex, but we must make everything simpler. We need to get "back to basics." Progreso's regional dimension requires a change in mindset and an effort to improve strategic and differentiating capabilities. We begin by rethinking our governance and organizational structure by region, which we will implement next year.

We began our cost optimizing efforts. Not to achieve short-term goals, but to contribute to Progreso's global resilience. We already have the first results. In 2024, our financial performance was excellent, accompanied by outstanding achievements in sustainability.

The **2024 Sustainability Report, "Back to the Essentials, to Grow Together,"** reflects this. We are proud to share the results with all our stakeholders.



# Who are we?

We were founded in 1899 in Guatemala by Mr. Carlos F. Novella. Since then, we have grown and diversified our business. We are proud to be the only cement company of Central American origin and one of the two oldest on the continent.

Cementos Progreso Holdings, S.L. is a leading company in cement production, materials, and solutions for construction. The company has 125 years of experience and a presence in seven Latin American countries. We also serve six other markets to which we export lime in Latin America and the Caribbean. In total, we have a presence in 13 countries.

In the last decade, we established production operations in Panama, Belize, and Costa Rica, and began commercial operations in Colombia and El Salvador. In 2024, we acquired operations in the Dominican Republic, although we will fully assume them next year.



## Progreso DNA

### Transcendent Purpose

Building together the country where we all want to live.

### Vision

We share dreams and build realities.

### Mission

We produce and market high-quality cement and other construction materials, accompanied by high-quality services.

### Our COVEC Values

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

### Slogan

Progreso in everything we do



# Corporate Performance, 2024

## Economic performance

4.0%

Ordinary gross income (annual growth rate)

9.1%

Economic value generated (annual growth rate)

18.2%

Economic value generated outside Guatemala (percentage share)

16.6%

Gross income generated outside Guatemala (percentage share)

6.0%

Economic spillover to stakeholders (annual growth rate)

5.2%

Regional cement production (annual growth rate)

14.5%

Cement produced outside Guatemala (percentage share)

639.2

Value of purchases from suppliers (millions of dollars)

11.8%

Expenditures and investments in innovation, research, and development (annual growth rate)

## Job performance

4,861

**Direct employment generated** (number of employees)

10,660

**Indirect employment generated** (supplier employees assigned to produce or supply CPH purchases)

15,521

**Total employment generated** (direct + indirect)

12.5%

**Employee participation in the distribution of economic value generated** (percentage of total EVG)

1.0%

**Direct employment growth** (annual growth rate)

18.0%

**Employees outside Guatemala** (percentage of total)

36.0%

**Local employment** (employees from the communities as a percentage of total employment)

13.0%

**Total CPH turnover rate** (% of total employees)

11.8%

**Male turnover rate** (% of total male employees)

18.6%

**Turnover rate for women** (% of total female employees)

17.5%

**Participation of women in total employment** (participation rate)

27.0%

**Women in decision-making positions** (% of total heads and managers)

16.7%

**Gender pay gap** (% of average income for men/women)

14.0%

**Training expenses and investments** (annual growth rate)

## Health and safety performance

0.46

**Frequency rate** (number of incidents with injury per million hours worked by employees)

11.3

**Severity rate** (number of days lost due to workplace incidents per million hours worked)

316

**Days lost due to incapacitating incidents** (number of days per year)

53.9

**OH&S training per employee** (number of hours per year)

23.42

**Average investment per employee in OH&S training** (US dollars per year)

4.4%

**Occupational health and safety expenses and investments** (annual growth rate)

## Environmental performance

### Water management

**1,322.3**

Total water consumption  
(thousands of cubic meters)

**63.4%**

Water consumption in cement and lime (% of total)

**19.8%**

Water substituted in concrete production (% of total consumed in concrete)

### Circular economy

**17.0**

Materials for production, packaging, and recovery  
(millions of tons)

**69.4%**

Corporate clinker factor  
(percentage)

**30.6%**

Substitute raw materials in cement production (substitution rate)

**63.1**

Waste and scrap generated  
(thousands of tons)

**71.8%**

Revaluation rate of waste generated  
(percentage)

**82.0%**

Ordinary waste recovered in cement production (percentage)

**53.1**

Co-processed waste generated by other industries (thousands of tons)

**1,420**

Energy generated from co-processed waste  
(terajoules, TJ)

### Energy and climate variability

**0.62**

Net direct unit emissions in cement plants (tons of CO<sub>2</sub> equivalent cement)

**-14.3%**

Direct CO<sub>2</sub> emissions in other businesses in Guatemala  
(annual growth rate)

**143.3**

Indirect CO<sub>2</sub> emissions in Guatemala  
(thousands of tons of CO<sub>2</sub>)

**555.9**

Total electricity consumption (in GWh)

**62.1%**

Renewable electricity consumed  
(% share of total)

**14,319**

Thermal energy consumed  
(terajoules, TJ)

**9.9%**

Thermal substitution rate (% of alternative fuels in thermal energy thermal energy consumed)

**21.2%**

Expenses and investments  
(annual growth rate)

### Biodiversity and monitoring

**45**

Biological monitoring  
(annual number)

**1,105**

Environmental monitoring  
(annual number)

**454**

Environmental audits  
(annual number)

## Social performance in Guatemala

**10.5** Corporate donations (millions of dollars)

**5.7** CPH donations to the Carlos F. Novella Foundation (millions of dollars)

**2.1** Community investments in areas of influence in Guatemala (millions of dollars)

**1.3** Direct investments by cement plants in Guatemalan communities (millions of dollars)

**0.8** Indirect investments via municipalities in Guatemala (agreement + trust) (millions of dollars)

**2.9** 9 Purchases in communities (millions of dollars)

**76,051** Bags of cement donated to municipalities in Guatemala (number of bags)

**198,817** Direct beneficiaries of community investments in Guatemala (number of people)

**10,000** Direct beneficiaries of community investments in Panama (number of people)

**1,525** Direct beneficiaries of community investments in Costa Rica (number of people)

## Community expenses and investments

15.2 Total community expenses and investments of CPH (US\$ millions)

15.1 Community expenses and investments in Guatemala (US\$ millions)

28,866 Community expenses and investments in Panama (US\$)

41,275 Gastos e inversiones comunitarias en Costa Rica (US\$)

5,263 Community expenses and investments in Colombia (US\$)

267 Community expenses and investments in Belize (US\$)

0 Community expenses and investments in El Salvador (US\$)

498.2 Purchases from suppliers in Guatemala (US\$ millions)

26.8 Purchases from suppliers in Panama (US\$ millions)

72.9 Purchases from suppliers in Costa Rica (US\$ millions)

7.7 Purchases from suppliers in Belize (US\$ millions)

28.7 Purchases from suppliers in El Salvador (US\$ millions)

5.0 Purchases from suppliers in Colombia (US\$ millions)

639.2 Total purchases from suppliers of CPH (US\$ millions)

## Social impacts of cement plants in Guatemala

10.0

**Total payroll paid to local employees at cement plants**  
(millions of dollars)

0.7

**Municipal taxes and fees paid in Guatemala** (millions of dollars)

7.2%

**Contribution of the San Gabriel plant to formal employment in San Juan Sacatepéquez** (% of formal employment in the municipality)

15.9%

**Contribution of the San Miguel plant to formal employment in Sanarate**  
(% of formal employment in the municipality)

5.3%

**Contribution of the San Gabriel plant to municipal revenues in 2012-2024**  
(% of municipal revenues)

6.1%

**Contribution of the San Miguel plant to municipal revenues in 2012-2024**  
(% of municipal revenues)

24.3

**PSG investments in San Juan Sacatepéquez in 2012-2024** (millions of dollars)

14.3%

**Cempro investments compared to investments by the municipality of SJS in 2012-2024** (percentage)

23.7

**PSM investments in Sanarate in 2012-2024** (millions of dollars)

44.8%

**Cempro investments compared to investments by the municipality of Sanarate in 2012-2024** (percentage)

## 2024 Production

### Cementos Progreso Holdings, S.L. Producción regional por producto, 2022-2024

Products	Measurement Unit	Production			Growth rate	
		2022	2023	2024	2023	2024
Clinker	Thousands of tons	3,809	3,723	3,982	-2.3%	7.0%
Cement	Thousands of tons	4,656	4,883	5,174	4.9%	5.9%
Lime	Thousands of tons	226	200	196	-11.3%	-2.4%
Pre-mixed	Thousands of tons	377	445	499	18.0%	12.2%
Concrete	Thousands of cubic meters	1,064	1,127	1,269	5.9%	12.6%
Paper Bag	Thousands of tons	150	140	155	-6.9%	10.9%
Aggregates	Thousands of tons	2,712	3,297	2,871	21.6%	-12.9%

Cementos Progreso Holding produced 5.2 million tons of cement in 2024; a 5.9% increase compared to the previous year. The increase in corporate production originated in Guatemala, as production declined sharply in Belize and Panama. In Costa Rica, we experienced moderate growth.



Cementos Progreso Holdings, S.L.  
**Cement production by country, 2022-2024**  
 (thousands of tons)

Countries	Production			Growth rate	
	2022	2023	2024	2023	2024
Guatemala	3,899	4,119	4,423	5.7%	7.4%
Belize	59	70	61	18.8%	-13.6%
Costa Rica	530	521	527	-1.6%	1.1%
Panama	168	173	163	2.6%	-5.6%
<b>Cementos Progreso Holding</b>	<b>4,656</b>	<b>4,883</b>	<b>5,174</b>	<b>4.9%</b>	<b>5.9%</b>

The lack of dynamism in production outside the home country has reduced the contribution of other countries to total cement production. As long as production in Costa Rica—which accounts for about 10% of the total—does not recover, the overall share of production outside Guatemala will remain around 15%. However, starting in 2025, production in the Dominican Republic will significantly change the regional cement production structure of CPH.

# Sustainability Strategy

We understand sustainability as an intangible asset comparable in importance to financial assets, helping us generate shared value for all our stakeholders and long-term resilience for the company. We manage sustainability based on the 2021 Materiality Matrix, currently in force, which will be updated in 2025 in alignment with the current Corporate Risk Matrix.

The sustainability strategy is led by the CEO and overseen by the Risk, Compliance, and Sustainability Committee to ensure that sustainability permeates all decisions and organizational levels. The strategy is built on four fundamental pillars associated with our materiality:



1. Economic value generated
2. Service culture
3. Business model innovation



1. Occupational health and safety
2. Job satisfaction and well-being
3. Talent development
4. Ethics and Compliance (COVEC)
5. Inclusion in the workplace
6. Corporate Government



1. Water management
2. Circular economy
3. Energy and climate change
4. Biodiversity and ecosystems
5. Sustainable construction



1. Responsible value chain
2. Human Rights
3. Thriving communities
4. Building trust
5. Sustainable infrastructure and housing



# Favorite Supplier



In the **Favorite Supplier** Pillar, we evaluate our annual performance on four material topics and one relevant business strategy issue: the expansion process. The material themes addressed in the Preferred Supplier pillar constitute the **economic dimension** of our sustainability.

## Economic Value Generated (EVG)

Represents wealth generated each year.

It is measured by subtracting external costs from gross revenues.

These exclude salaries, taxes, and debt service.

## Economic Value Distributed (EVD)

The EVD details how much of the economic value generated is received by our main stakeholders: suppliers, employees, communities, governments, and shareholders.

## Economic spillover to stakeholders (ED)

When dividends are subtracted from the EDV, there is a balance that groups together what other stakeholders receive.

This balance is known as “economic spillover” from companies to the rest of society.

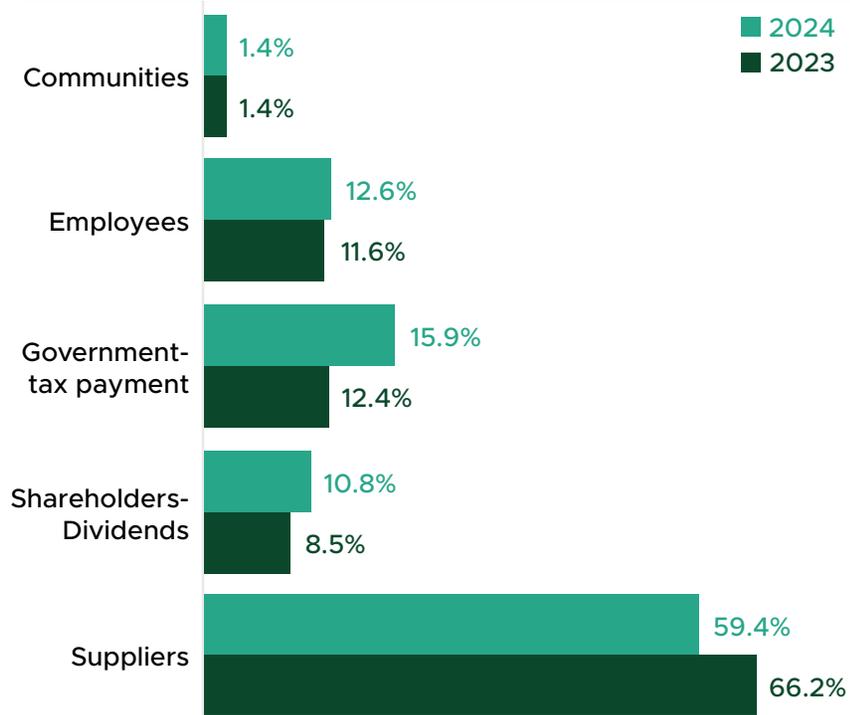
## Economic Value Retained (ERV)

Shareholders obtain a portion of the company’s total income (dividends).

The amount received by shareholders is known as “retained economic value”.

It is the other side of the “economic spillover” coin.

Cementos Progreso Holdings, S.L.  
Distributed Economic Value, 2023-2024



Cementos Progreso Holdings, S.L.  
Regional expansion process performance, 2024

**14.5%** Cement produced outside Guatemala

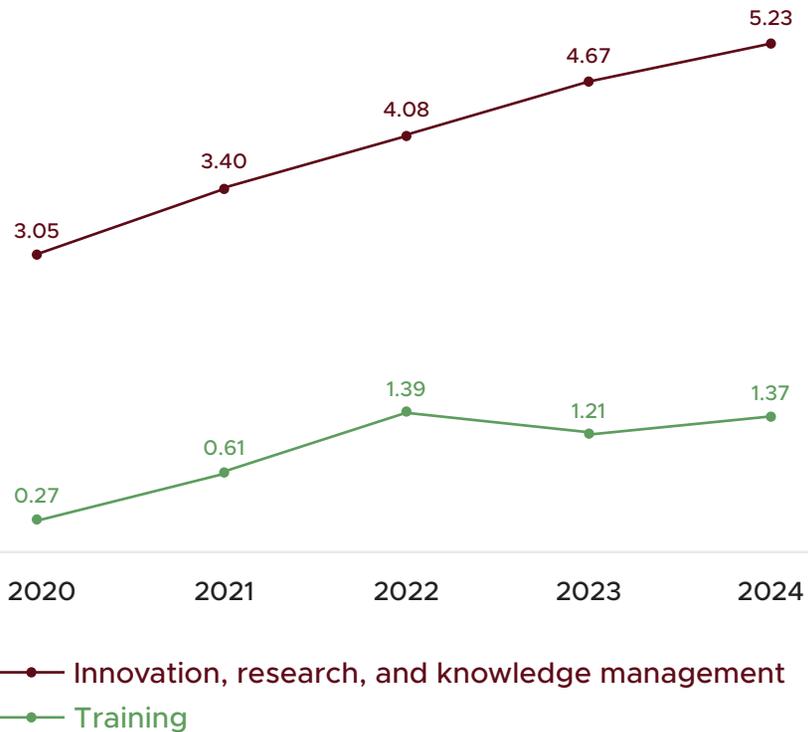
**18.2%** Economic value generated outside Guatemala

**16.6%** Gross revenue outside Guatemala

**18.0%** Employees outside Guatemala

Our investments in the innovation ecosystem, research, development, and knowledge management grew 11.8% in 2024, while investments in training grew at a rate of 14%. We have maintained an uninterrupted growth trend since 2020.

**Cementos Progreso Guatemala**  
**Expenditures and investments in innovation, research, and knowledge management, 2020-2024**  
 (millions of US dollars)



In 2024, we once again achieved outstanding results in our customer ratings. The Net Promoter Score (NPS) was 96.7% and the Customer Satisfaction Index (CSI) reached 92.1%.



Exploration of different typologies



# Preferred Employer



In the **Preferred Employer** pillar, we evaluate annual performance on four material topics that compose our sustainability's labor dimension:

## Ethics and compliance (COVEC)

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

We have a firm commitment against corruption, bribery, and money laundering.

## Workplace satisfaction and well-being

We create a safe, comfortable, and competitive work environment where discrimination, exclusion, and any improper practices are prohibited.

We believe that all our employees have the right to decent employment, with equal opportunities and development opportunities.

## Talent development

We are aligning our value proposition and the way we manage our workforce.

We maintain hybrid work arrangements and are evaluating new tools that allow us to maximize our human talents' potential.

## Occupational health and safety

We are committed to ensuring a safe and healthy work environment.

This includes measures such as accident prevention, safety training, proper personal protective equipment uses, and promoting safe practices throughout our operations.

We firmly believe that motivated and engaged human talent is the foundation of the company's productivity and competitiveness. It is essential for building a sustainable and successful future. The ongoing changes to our human talent management system have continued to evolve, as reported in this report.



Cementos Progreso Holdings, S.L.  
**Human Talent Profile, 2024**

Employee Profile		Mobility		Inclusivity	
<b>Total employees</b>	<b>2024</b>	<b>Separation from the company</b>	<b>2024</b>	<b>Women's participation</b>	<b>2024</b>
Number of employees	4,861	Employees	935	In decision-making positions	27%
Wage total (US\$ million)	98	<b>Breakdown by gender</b>		<b>Wage gap</b>	
<b>Breakdown by gender</b>		Men	75%	Men's/women's salary	17%
Men	82%	Women	25%	<b>Employees outside of Guatemala</b>	
Women	18%	<b>Breakdown by age</b>		Percentage	18%
<b>Ages</b>		18-29 years old	32%	<b>Local employment</b>	
18-29 years old	18%	30-49 years old	60%	Community employees	36%
30-49 years old	66%	50+ years old	8%	<b>Freedom of association</b>	
50+ years old	16%	<b>Annual turnover rate</b>		Associates APT	68%
<b>Hierarchies</b>		Total	13%	Unionists	2%
Operations	89%	Men	12%	Non-members	30%
Heads	7%	Women	19%	<b>Parental leave</b>	
Management	4%	<b>Turnover type</b>		Men (number of cases)	57
<b>Employment type</b>		Voluntary	42%	Women (number of cases)	21
Permanent	98%	Involuntary	58%	Reinstatements (% of total)	97%
Temporary	2%				

Cementos Progreso Holdings, S.L.  
**Indirect employment generated in 2024**

**10,660**

**indirect jobs at suppliers**  
 to meet the total of Progreso Guatemala's  
 purchases.

**30**

**indirect jobs at suppliers**  
 for every US\$ million purchased by  
 Progreso Guatemala.

**15%**

**indirect jobs at suppliers**  
 for every US\$ million purchased by  
 Progreso Guatemala.

**2.3**

**Indirect jobs at suppliers**  
 for every direct job at  
 Progreso Guatemala.

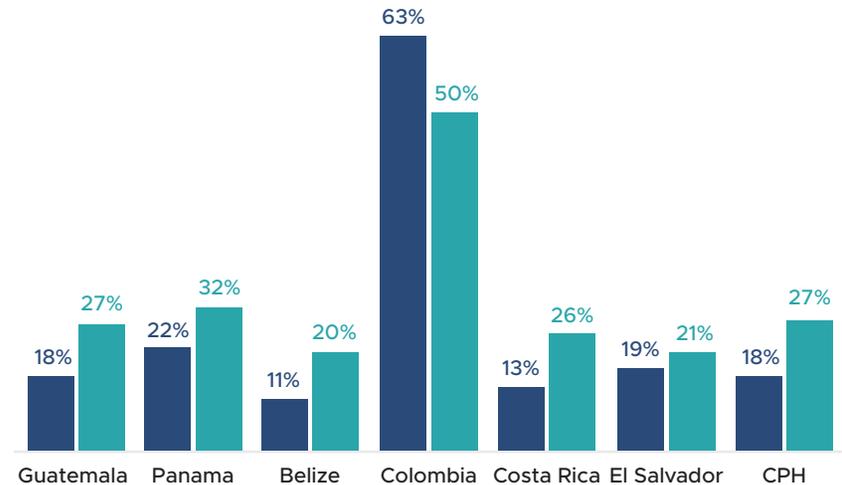
In 2024, 70.5% of our employees participated in some form of internal labor organization. In Guatemala, 76% are affiliated with APT, while in Costa Rica 51% belong to the solidarity association, and in Panama 59% are members of the union.



Cementos Progreso Holdings, S.L.  
**Representation of women in the workforce, 2024**

■ % women in total employment

■ % women in authority and decision-making positions



Cementos Progreso Holdings, S.L.  
**Total local employment rate**

Countries	Community employees	% local employment
Guatemala	1,416	35.5%
Panama	144	73.1%
Belize	43	93.5%
Colombia	7	87.5%
Costa Rica	112	20.2%
El Salvador	27	38.6%
<b>CPH</b>	<b>1,749</b>	<b>36.0%</b>





# Environmental Leader



In the **Environmental Leader** pillar, we evaluate the annual performance of four material themes. These compose the environmental dimension of our sustainability strategy.

## Water management

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

## Circular economy

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

## Energy and climate variability

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

## Biodiversity

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

We ensure we go beyond compliance with environmental laws, regulations, protocols, and international agreements. We are a company committed to achieving and maintaining leadership in the material areas, to make significant contributions to the planet, society, stakeholders, and our own business.

## Water management

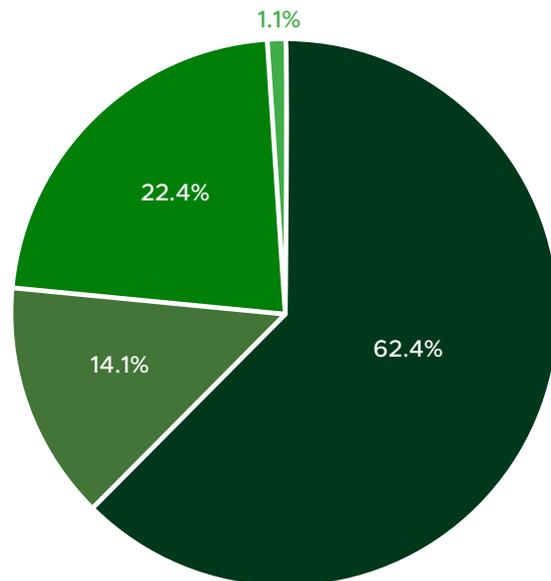
Cement production is entirely dry. Water is only used in the production of concrete and in lime hydration, as part of the final product formulation. Nevertheless, we are committed to optimized water management in our processes. In 2024, we consumed 1.3 million cubic meters of water across the countries where we operate.



To reduce our consumption, we promote two simultaneous strategies: the reuse of wastewater and the use of rainwater. For concrete production in Guatemala, Costa Rica, and Panama, we replaced nearly one-fifth with reused water (7.8%) and rainwater (10.7%).

### Cementos Progreso Holdings, S.L. Water consumption distribution by business, 2024

■ Cement and Lime ■ Aggregates ■ Concrete ■ Bags



## Circular economy

We are committed to and striving for cleaner production, to manage our waste responsibly, and to achieve efficient resource consumption. We are doing this by reducing, reusing, and recycling as much as possible to mitigate our environmental impacts and contribute to societal well-being.

## Factor clinker

In 2024, we produced 5.2 million tons of cement in the region, with an average clinker factor of 69.4% at the corporate level and 68.1% in Guatemala. We produce one of the greenest cements in the world, as our clinker factor is 5.4 percentage points lower than the global average.

This also means that 30.6% of our raw materials are substitutes for clinker. As a result, we avoided emitting approximately 253 kt of CO<sub>2</sub> equivalent.

Cementos Progreso Holdings, S.L.  
**Regional clinker factor, 2021-2024**

Year	CPH	Global Average 2019
2021	67.1%	74.8%
2022	67.7%	74.8%
2023	69.6%	74.8%
2024	69.4%	74.8%

### Waste and scrap

We generated 63.14 kt of waste but co-processed 56.53 kt of waste from other sectors and industries outside of Progreso. In addition to the positive impact of removing waste that pollutes the environment, we used it to generate thermal energy (9.9% of total consumption in 2024), reducing our fossil fuel consumption.



## Energy and climate variability



### Emissions

We implemented three production efficiency strategies: the use of low-carbon substitute raw materials; optimization of energy consumption and recovery of waste heat; and the replacement of fossil fuels with alternative fuels derived from the co-processing of waste from other industries.

In 2024, Scope 1 unit emissions were 0.62 tons of CO2 equivalent per ton of cement. Scope 2 unit emissions from electricity consumption were 0.06 tons of CO2 per ton of cement equivalent.

We also emitted 144.15 ktCO2 net from our other businesses. 85.5% of the emissions from these other businesses were generated in lime production.

We have optimized our value chain. We source the components to produce concrete (cement, aggregates, and water) locally. By avoiding maritime and air transport, we prevent CO2 emissions.

### Energía eléctrica

In 2024, we consumed 555.8 GWh of electricity across all Progreso operations in the region. 62.1% of the electricity consumed was sourced from renewable energy.



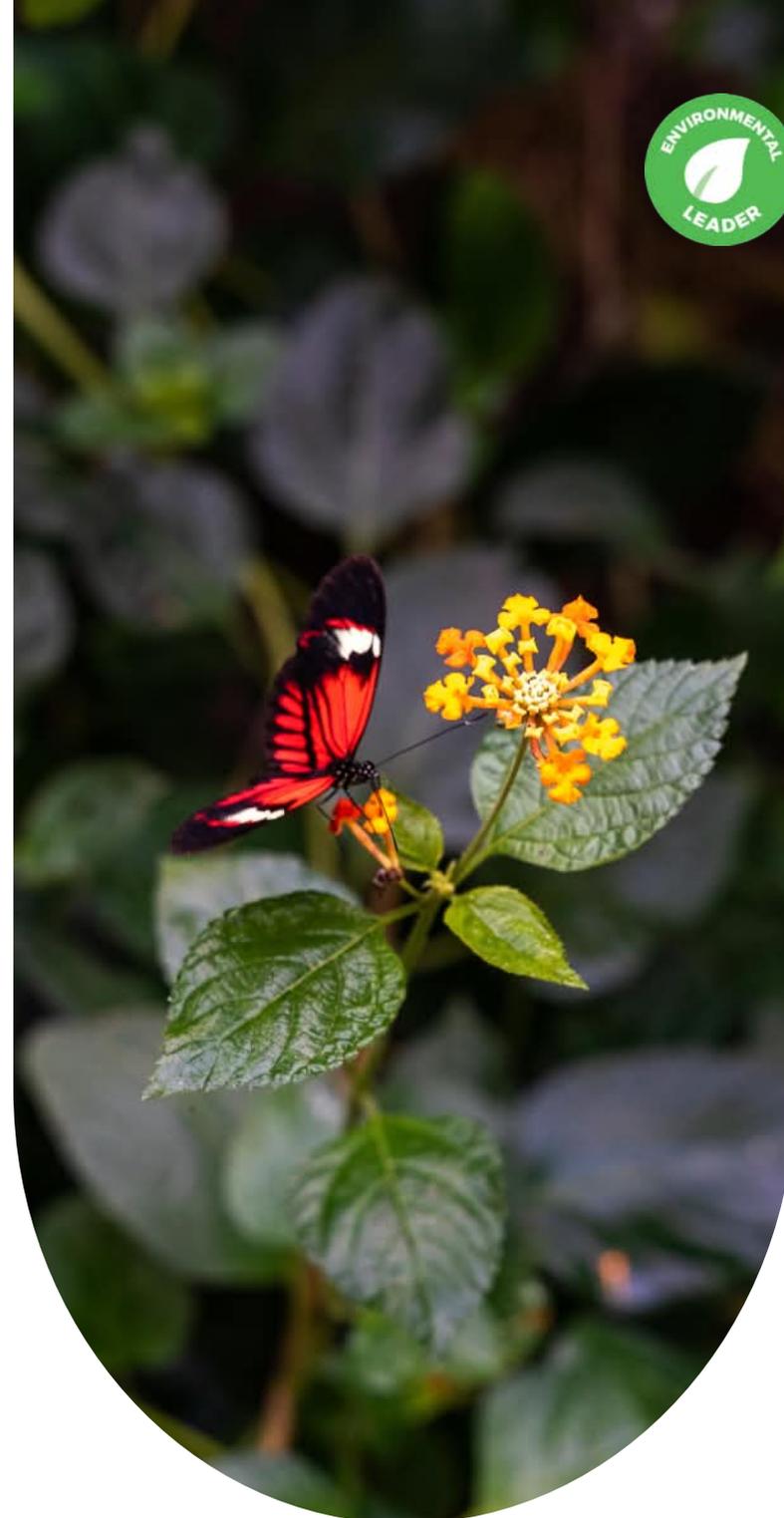
Cementos Progreso Holdings, S.L.							
Electricity consumption by business, 2022-2024							
in GWh							
Operations	Total electricity consumption			Renewable electricity consumption			% renewable energy
	2022	2023	2024	2022	2023	2024	2024
Cement	493.8	523.9	532.3	336.9	325.0	332.7	63%
Lime	9.9	8.7	8.7	5.0	2.3	4.7	54%
Aggregates	11.0	13.1	11.5	0.3	1.0	6.2	54%
Concrete	1.8	2.1	1.4	1.9	1.4	0.7	50%
Bags		1.8	1.9	1.4	1.1	1.0	53%
<b>Total</b>	<b>516.50</b>	<b>549.60</b>	<b>555.80</b>	<b>345.50</b>	<b>330.80</b>	<b>345.30</b>	<b>62%</b>

## Thermal energy

In the Guatemalan and Costa Rican cement operations, we consumed a total of 14,318.55 TJ of thermal energy. 9.8% of it was obtained from alternative fuels through the co-processing of waste from other industries (thermal substitution rate).

## Biodiversity

In cement and aggregates production in Guatemala, biological monitoring has been practiced since 2007 to identify and document species in areas adjacent to our plants and quarries. To date, we have identified 265 animal species (240 birds and 25 mammals), 155 butterfly species, 22 herpetofauna, and 514 flora.





# Responsible Citizen



Exercising responsible corporate citizenship is part of our business commitment, our COVEC, and our institutional DNA. In the Responsible Citizen pillar, we evaluate our annual performance of four material themes that are also part of our sustainability's social dimension:

## Responsible value chain

We promote responsible practices throughout our entire product life cycle, to ration resource use and create economic, social, and environmental value for all our stakeholders.

## Human rights

We recognize, respect, and promote the set of prerogatives that sustain human dignity and are essential for its integral development. We understand them as interrelated, interdependent, and indivisible.

## Thriving communities

We strive to establish of trustworthy, supportive, and mutual learning relationships. We make voluntary social investments in the communities and countries where we operate to improve living conditions.

## Building trust

We live by a set of values and behavior standards based on our COVEC, as well as ongoing dialogue with stakeholders to strengthen our corporate reputation and social license to operate.

## Responsible value chain

We promote lasting transformations in our supply chain by strengthening due diligence. We seek to ensure that our employees and suppliers comply with economic, social, environmental, and human rights responsibility regulations and principles.

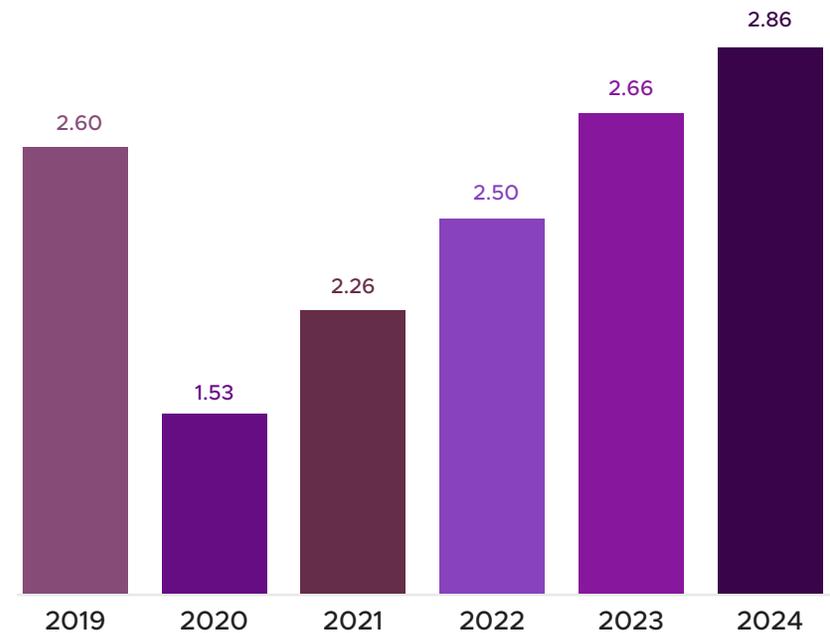
As part of our commitment, in 2024 we approved the **Commitment to Respect Human Rights Policy** in all our business areas. This commitment is aligned with our organizational culture, respect for the rule of law, and Code of Values, Ethics, and Conduct (COVEC) defined corporate values and principles.

Our supply chain is comprised of 3,773 suppliers regionally. Although we added more countries, the number of suppliers decreased slightly because we simultaneously refined the list of active suppliers.



We purchased a total of US\$826.4 million in 2024. 84.1% of purchases were made in Guatemala. The US\$155.1 million purchased from foreign suppliers includes US\$48.3 million from US suppliers. Our primary purchases from these suppliers are spare parts, supplies, equipment, and services. 98.1% of our purchases in 2024 were valued at less than US\$1 million per purchase. This tends to favor small suppliers.

Cementos Progreso Guatemala  
**Purchases from formal community suppliers, 2024**  
(US\$ million)



## Thriving communities

Our community investments are focused on the primary areas of influence near our operations. However, due to the longevity and scale of our operations in Guatemala (headquarters country), community investments are concentrated there. We measure our community impacts in Guatemala through six indicators, which are detailed below.

## Local monetary flow

In 2024, we contributed a total of US\$23.0 million San Juan Sacatepéquez and Sanarate's economies, where our San Gabriel and San Miguel cement plants are located, respectively, in Guatemala. This is a 10% increase over the previous year. Monetary flows have consistently grown over the last five years.

Cementos Progreso Guatemala					
Monetary contributions to communities, 2020-2024					
(millions of dollars)					
Monetary impacts	2020	2021	2022	2023	2024
Community investments	6.3	6.5	7.0	7.8	7.9
Agreements and trusts	0.0	0.1	0.9	1.9	0.8
Cement plants local wages	9.8	9.1	8.0	7.9	9.5
Community suppliers purchases	1.5	2.3	2.5	2.7	3.1
Local taxes and fees	1.0	0.4	0.4	0.5	0.4
<b>Monetary Injected into the local Economy</b>	<b>18.6</b>	<b>18.3</b>	<b>18.8</b>	<b>20.9</b>	<b>21.8</b>



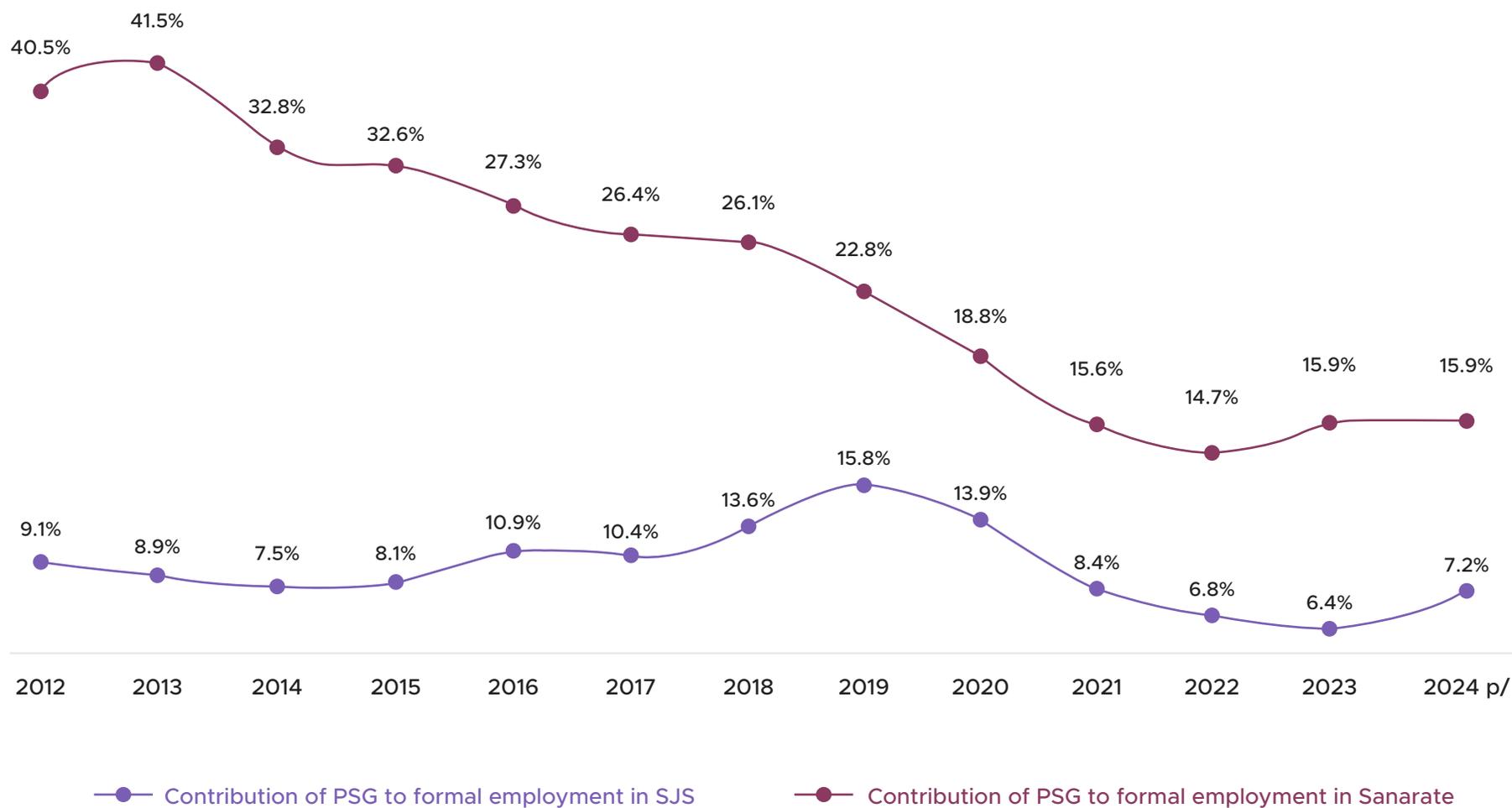
## Contribution to formal employment

Until just over a decade ago, the San Miguel plant provided 41.5% of formal employment in Sanarate. By 2024, that share had dropped to 15.9%. This suggests new employment sources and a more diversified economy. In San Juan, the construction of the San Gabriel plant contributed up to 15.8% of the municipality's formal employment, but once the construction phase was completed and operations began, it has stabilized at around 7.2%.



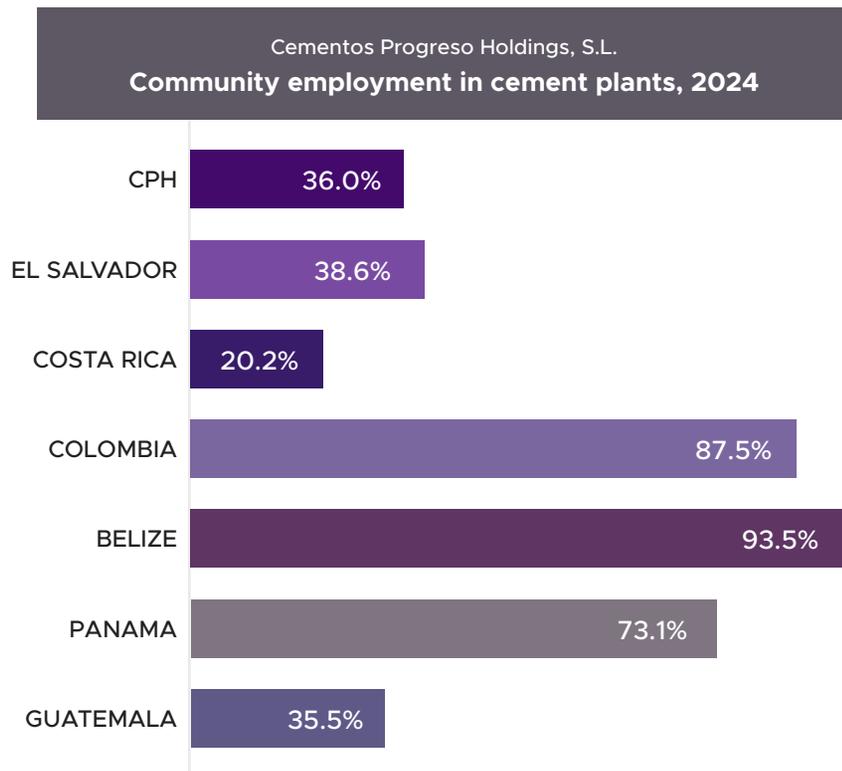


## Cementos Progreso Guatemala Contribution of cement plants to formal municipal employment, 2012-2024



## Local employment

We prioritize hiring local talent from communities where we operate. We consider local or community employees to be those who were born or permanently reside in the municipalities near our cement plants. The average local employment share at the holding company level is 36.0% in 2024, but there are much higher shares in Belize and Panama.



## Local taxes



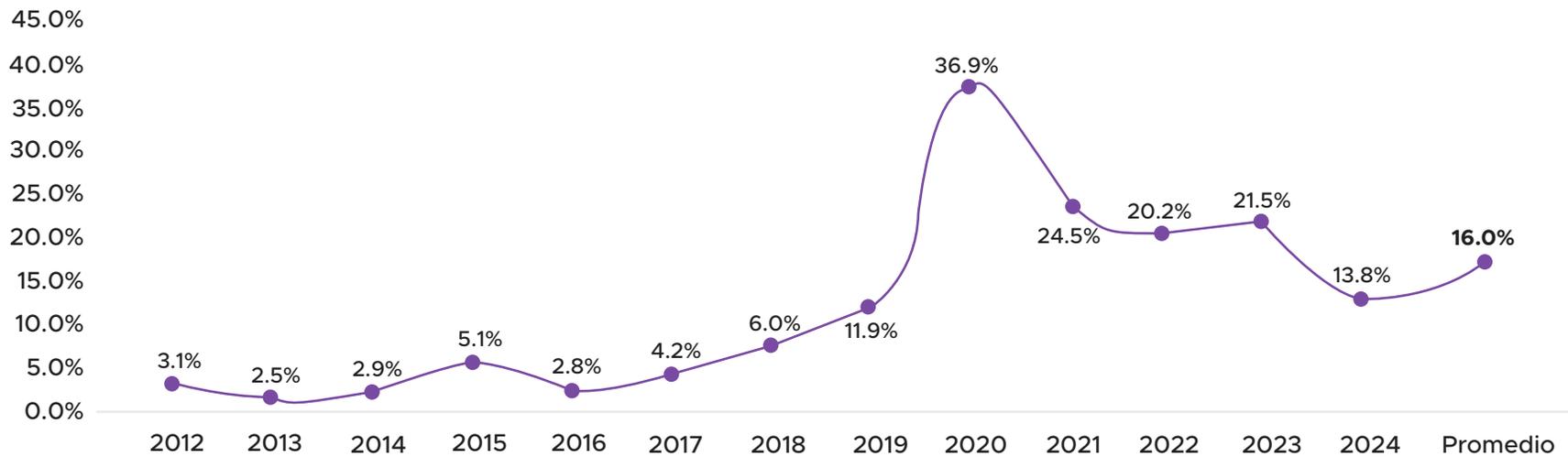
We contribute to municipal own-source revenues primarily through the payment of the Single Property Tax (IUSI) and municipal construction licenses. We also contribute through royalty payments; however, these are made via the Ministry of Energy and Mines, and therefore are not accounted for in this report.

In 2024, 13.8% of the own-source revenues of the San Juan Sacatepéquez municipality were contributed by the San Gabriel plant. Meanwhile, 7.4% of the own-source revenues of the Sanarate municipality were paid by the San Miguel plant.

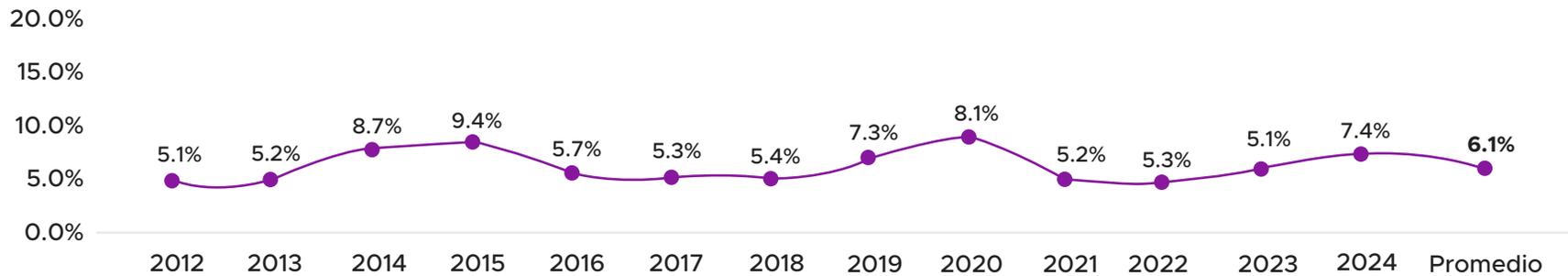




### San Gabriel Plant Contribution to the municipality of San Juan Sacatepéquez



### San Miguel Plant Sanarate contribution to the municipality of Sanarate's own-source revenue



## Investments in municipalities

The community investments we make are voluntary, in addition to our national and local taxes which are mandatory. The amount invested by the San Gabriel plant in the municipality of San Juan Sacatepéquez is equivalent to 15.7% of the amount invested by the municipality that year. Although the amount of our community investments is very similar, the proportion reaches 43.0% in the case of the San Miguel plant, given that the municipality of Sanarate is much smaller, and so are its investments.

San Gabriel Plant Investments in San Juan Sacatepéquez, 2020-2024 Dollars			
Year	PSG community investments	Municipal investments	% PSG investments compared to municipal investments
2020	1,352,538	12,347,509	11.0%
2021	1,932,149	15,172,281	12.7%
2022	1,958,529	15,118,260	13.0%
2023	3,044,543	17,201,148	17.7%
2024	2,762,287	17,593,118	15.7%
<b>Total</b>	<b>11,050,046</b>	<b>77,432,316</b>	<b>14.3%</b>

San Miguel Plant Community investments in Sanarate, 2020-2024 Dollars			
Year	PSM community investments	Municipal investments	% PSM investments compared to municipal investments
2020	1,831,832	2,555,398	71.7%
2021	1,809,945	4,718,269	38.4%
2022	2,715,614	6,447,390	42.1%
2023	2,931,881	6,751,092	43.4%
2024	2,655,358	6,170,936	43.0%
<b>Total</b>	<b>11,944,631</b>	<b>26,643,085</b>	<b>44.8%</b>

## Investments in territorial competitiveness



To avoid paternalistic and short-term projects that generate dependency, we decided, a decade ago, to focus our community investments on improving territorial competitiveness.

Cementos Progreso Guatemala Structure of cumulative direct community investments 2020-2024 Percentages of the total				
Investment pillars	PSG	PSM	AGRECA	Corporate
Infrastructure	23%	10%	17%	9%
Water and sanitation	6%	1%	0%	2%
Community infrastructure	5%	4%	6%	3%
Road network	12%	5%	11%	5%
Productive projects	8%	0%	4%	2%
Human capital */	55%	87%	74%	84%
Community relations	13%	3%	5%	5%
<b>Total community investments</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*/ Includes FCFN investments. Those made in several municipalities were grouped under AGRECA.





## Direct beneficiaries

Community investments at cement and aggregates plants in Guatemala directly benefited 193,482 people in 2024 (an increase of 11%). We do not report indirect beneficiaries due to the lack of certainty involved in the calculations, which would affect our accountability's transparency level.

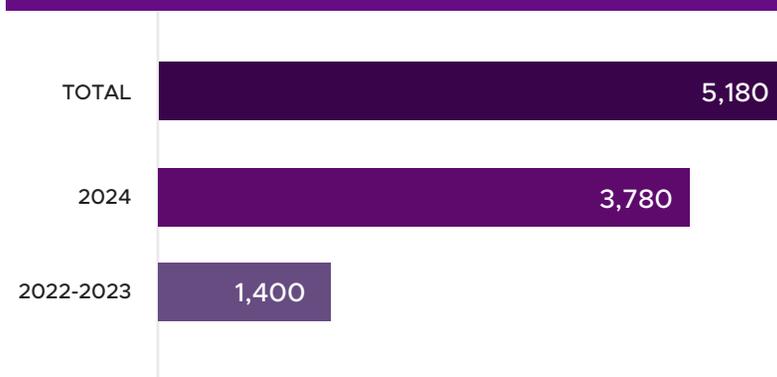
Cementos Progreso Guatemala Direct beneficiaries of its direct community investments (number of people)						
Year	PSG	PSM	AGRECA	FCFN	AGRO PROGRESO	TOTAL
2020	22,670	10,293	18,933	4,337	588	56,821
2021	26,696	54,951	27,866	6,750	862	117,125
2022	30,784	83,777	29,727	7,666	899	152,853
2023	19,160	84,319	58,835	10,765	1,027	174,106
2024	38,499	72,331	65,587	15,000	2,065	193,482

## HogaRES Program

From the start, Progreso has been one of the companies promoting the HogaRES program. The program's objective is to reduce chronic malnutrition by replacing dirt floors with concrete floors, in addition to providing wood-saving stoves and water filters.

HogaRES has become a nationwide flagship program and operates with one of the largest public-private partnerships. It is made up of 14 strategic allies and an intersectoral partnership, covering 24% of the country's municipalities. To date, 6,580 dirt floors have been replaced, benefiting 25,900 people. In the process, four communities have been declared dirt-floor-free. Of the total, we contributed 843 floors in our areas of influence.

## Cementos Progreso Guatemala Replacement of dirt floors, 2022-2024 (number of floors)



## Carlos F. Novella Foundation

Carlos F. Novella Foundation (FCFN) is the Novella family foundation, with over 37 years of experience. Based on the efforts made in these two axes, the FCFN contributes to positive environmental transformations of the surroundings where it operates, by developing competencies for education, life, work, and peace. It mainly works in our operations' primary areas of influence, but also has interventions with broader geographic coverage.

The FCFN receives corporate donations from Progreso and uses them in its interventions in education, social development, training, capacity building, dialogue promotion, citizenship building, food and nutrition security, among others.

Cementos Progreso Guatemala  
**Corporate donations to the FCFN, 2024**  
 (US dollars)

	2024	%
<b>Carlos F. Novella Foundation</b>	<b>3,806,960</b>	<b>66.7%</b>
Corporate donations	2,245,669	39.3%
From the San Miguel Plant	387,097	6.8%
From the San Gabriel Plant	206,452	3.6%
From the Real Estate Division	258,065	4.5%
From the Commercial Unit	709,677	12.4%
<b>Enrique Novella Alvarado School (ENA)</b>	<b>1,769,717</b>	<b>31.0%</b>
From the San Miguel Plant	1,281,072	22.4%
From the San Gabriel Plant	488,645	8.6%
<b>Museum Carlos F. Novella</b>	<b>134,203</b>	<b>2.3%</b>
Corporate donations	134,203	2.3%
<b>Total donations to FCFN</b>	<b>5,710,880</b>	<b>100%</b>

The FCFN distributes its investments among the communities primarily affected by the cement, aggregates, and concrete plants.





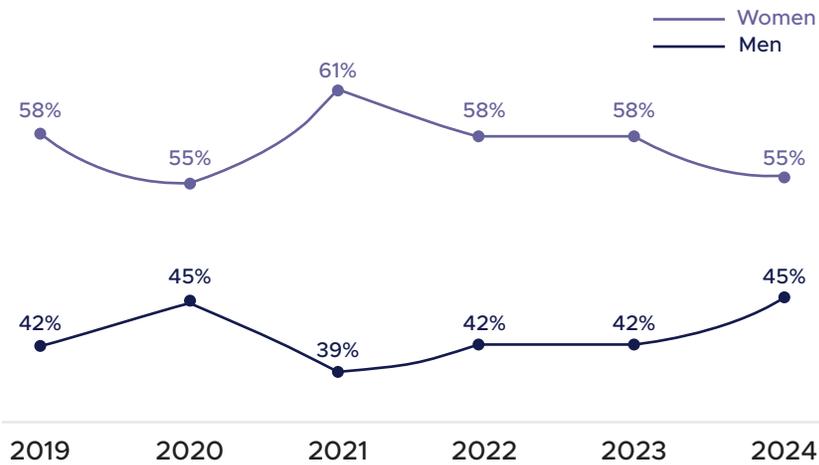
Carlos F. Novella Foundation  
**Inversiones comunitarias, 2019-2024**  
 (US dollars)

Coverage areas	2019	2020	2021	2022	2023	2024
San Miguel Plant	1,712,373	1,649,975	1,405,285	1,646,879	1,789,281	1,899,224
San Gabriel Plant	1,053,442	879,356	757,341	885,567	1,130,614	1,450,406
Other plants served	295,350	233,830	300,003	300,614	379,106	566,724
<b>Total</b>	<b>3,061,165</b>	<b>2,763,161</b>	<b>2,462,629</b>	<b>2,833,060</b>	<b>3,299,001</b>	<b>3,916,354</b>

Carlos F. Novella Foundation  
**Direct beneficiaries by area of influence, 2019-2024**  
 (number of people)

Areas of influence	2019	2020	2021	2022	2023	2024
San Miguel Plant	2,320	1,386	1,874	1,833	2,965	4501
San Gabriel Plant	3,746	2,420	3,646	3,758	5,536	7511
Other plants	1,446	531	1,230	2,075	2,264	2988
<b>Total</b>	<b>7,512</b>	<b>4,337</b>	<b>6,750</b>	<b>7,666</b>	<b>10,765</b>	<b>15,000</b>

Carlos F. Novella Foundation  
**Participation by beneficiaries' gender, 2019-2024**



## AgroProgreso

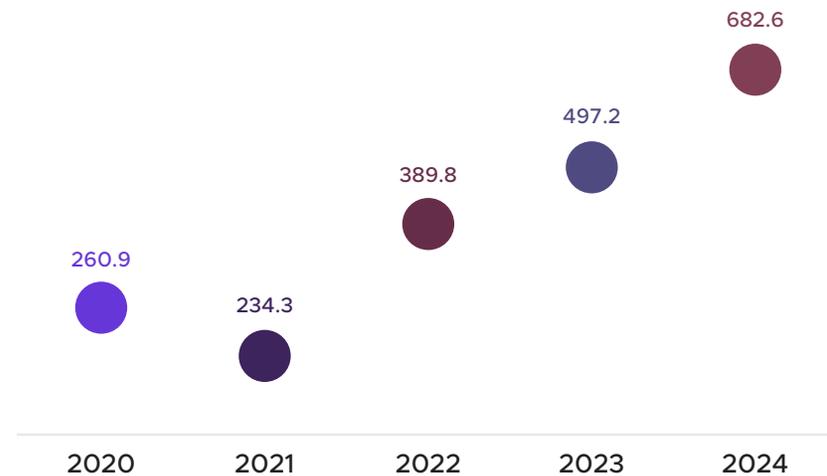
The AgroProgreso business unit is headquartered at the El Pilar farm, located in San Juan Sacatepéquez, very close to the San Gabriel cement plant. AgroProgreso manages all production plant-owned farms, primarily cement plants.

As part of the corporate sustainability strategy, it manages environmental commitments related to sustainable forest management and voluntarily contributes to reversing the deforestation rate in the main watersheds where our operations are located.

Annual sales at the El Pilar farm are expected to grow 37% in 2024. Coffee (105%), forest management (40%), and community leases (17%) boosted total sales and represent the main sources of income for El Pilar farm.



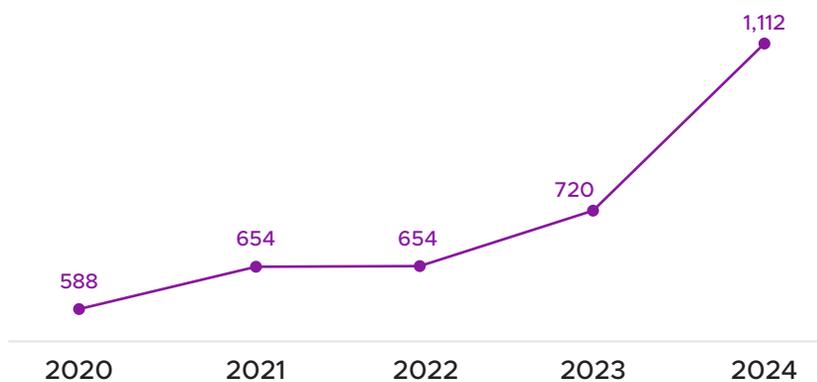
Cementos Progreso Guatemala  
**Total sales at Finca El Pilar**  
 (US\$ thousands)



## Community leases

Community leases are a non-paternalistic way of working with El Pilar farm residents, allowing them to generate income for their households. It is a key program to contribute to the family economy. AgroProgreso provides technical assistance to producers who do not own plots of land to improve their grain and vegetable harvests. In 2024, the number of tenants grew by 54%. The upward trend has continued over the last five years.

Cementos Progreso Guatemala  
**Number of tenants at Finca El Pilar, 2020-2024**  
 (number of tenants)



To facilitate resident transportation to their plots of land and for their produce to markets, we built a dedicated route on the El Pilar farm. It is a 3.7-kilometer route that required an investment of US\$969,000, contributed by Cementos Progreso. This is an unrestricted public-use route that began operating in April 2022 and will be donated by San Juan Sacatepéquez' Municipality in 2025.

## Reforestation

AgroProgreso implements the company's reforestation commitments and carries out voluntary plantings. We focus on two main areas: on non-company properties located in the watersheds where our cement operations are situated; and on company-owned properties to fulfill our environmental commitments and voluntary plantings.

In 2024, we produced 642,151 tree seedlings, primarily conifers and broadleaf trees, which are appropriate species for the watersheds to be reforested.

Cementos Progreso Guatemala  
**Tree production in nurseries, 2020-2024**  
 (thousands of trees)



Nurseries	2020	2021	2022	2023	2024
San Miguel Farm	237	331	290	233	243
San Gabriel Farm	151	345	385	288	399
<b>Total</b>	<b>388</b>	<b>677</b>	<b>675</b>	<b>521</b>	<b>642</b>

We have reforested a cumulative total of 2,613 hectares during the 2020-2024 period. 46% of this land is in the Plátanos River basin, where the San Miguel plant is located, and the remainder is in the Pixcayá River plant, where the San Gabriel plant is located.

Cementos Progreso Guatemala  
**Hectares reforested each year in watersheds**  
 (hectares)

Watersheds	2020	2021	2022	2023	2024
Plátanos river basin	214	298	261	209	219
Pixcayá river basin	136	311	347	259	359
<b>Total</b>	<b>350</b>	<b>609</b>	<b>608</b>	<b>468</b>	<b>578</b>

Two-thirds were mandatory plantations contained in our environmental instruments and commitments, and one-third were voluntary plantations, primarily through tree donations at our stakeholders' request. This proportion remained almost the same over the last five years.

Of the 335 hectares reforested on Progreso lands in Guatemala, 23% were voluntary plantations. In total, 56% of the area reforested in 2024 was voluntary.



# **BACK TO THE ESSENTIALS, TO GROW TOGETHER**

SUSTAINABILITY REPORT EXECUTIVE SUMMARY, 2024