

SUSTAINABILITY REPORT

2 0 2 3



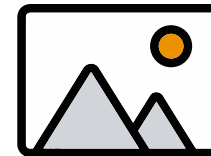


Digital and **Interactive Report**

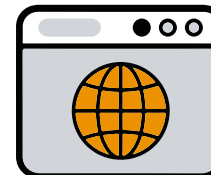
The present **Sustainability Report** is a digital and interactive document. This format allows all readers to use **buttons, links, videos, icons, and images digitally** throughout the document. Thus, the aim is to ensure effective communication with stakeholders through the content of this report.



Video and multimedia



Images and carousels



Web Site



Scan the QR code to access the Digital and Interactive Report from your mobile device.



Table of Contents



01 About Us



02 Our Business



03 Economic
Management



04 Environmental
Management



05 Social Management

ABOUT US



Message from the General Management

GRI 2-22



I am pleased to share with you our 2023 Sustainability Report. Although this was a challenging year in many respects, important goals were achieved and our commitment and focus on all aspects of sustainability have been significantly strengthened.

The surroundings and the environment have been some of the main focuses of concern, and we were thus able to strengthen our sustainability management by significantly reducing our carbon footprint through our own generation of renewable energy and by reducing our emissions. We have also reduced waste, reused water in our industrial processes, implemented reforestation programs, new technology to control and make energy consumption more efficient by replacing fossil fuels with cleaner sources, among others.

We have prioritized health and safety care and prevention for our employees by reinforcing training, wellness, diversity, equality, and inclusion; the growing participation of female personnel in all areas of our organization is noteworthy.

Special attention has been given to activities and projects that benefit our closest communities directly, including infrastructure improvements in 6 elementary schools and a child development center, which have benefited more than 4,000 students, teachers, and their families. Likewise, we have carried out relief and improvement work focused on mitigating possible natural disasters.

Our business is based on sound governance with our strongest commitment to responsibility and ethical conduct, as well as care for the environment and our surroundings.

Constant innovation, development of new products and solutions, process improvements, and the use of state-of-the-art technology worldwide, enable us to achieve the highest standards of quality and efficiency, and thus a remarkable financial performance.

I am proud of having a team like ours, and to be able to share these achievements with you. We continue working and improving to build a better world together for all of us and for the generations to come.

Kind regards,

Robert Pakuts Sahr
General Manager



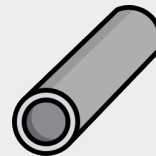
Company Profile

GRI 2-1, 2-6

Since our incorporation in 1972, we have focused on the manufacture of steel products of the highest quality to become pioneers in many aspects of the industry and leading from the beginning with innovation and the introduction of new products and solutions as central pillars. From a first plant in Guayaquil for the manufacture of profiles, we have grown to the current 3 highly specialized and modern plants, with 26 production lines and one galvanizing plant.



Annual capacity of
280,000
tons of steel products.



We manufacture pipes, profiles, plates, roofs, composite slabs, strips, panels, guardrails, among others, that meet the needs and specifications of various sectors, such as construction, infrastructure, energy, telecommunications, and all types of industries in general.



We have 20 distribution centers located in the main cities, which are complemented by an extensive distribution network, allowing for close and agile attention, and above all, the immediate availability of our products throughout the country.



Our wide range of products, economies of scale, technology, along with the LEAN system for continuous improvement of our processes and waste reduction, allow us to achieve high levels of efficiency, quality, and competitiveness, enabling us to export a significant portion of our production to various countries in the region, such as Colombia, Peru, Bolivia, Chile, among others.

Corporate culture and governance

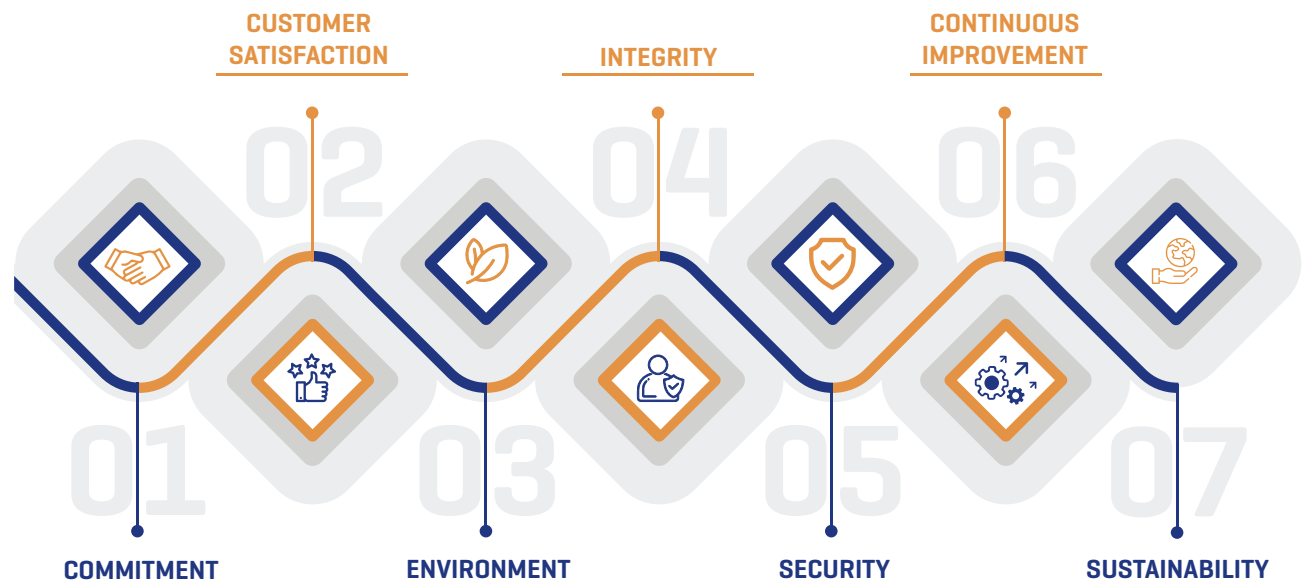
GRI 3-3 Governance,

At IPAC, we promote, through actions, a corporate culture based on ethical principles and environmental responsibility, which is reflected in our purpose as a company:

" We build a better world
focused on people's
wellbeing and the planet's
care. "



Our corporate identity is evidenced in the way we nurture our relationships and conduct our operations and business based on transparency, fairness, and efficiency. These principles are rooted in our organization's core values:



Corporate culture and governance

GRI 2-9, 2-10, 2-12, 2-15

Governance guides our operational management. The main functions of corporate governance are:



To achieve a proper balance between economic development, social equity, and environmental preservation.

The highest governing body, our Board of Directors, made up of 5 members, guides the company's strategic orientation by supervising our policies, strategies, and management control, in order to ensure compliance with the proposed objectives and to long-term development and sustainability.

Our corporate governance goes beyond the aspects mentioned, also focusing on risk management, business ethics, transparency in communication, and compliance with applicable laws and regulations. It also promotes operational efficiency, reduces the risk of conflicts of interest, and enhances the company's ability to adapt to changes in the business and social environment. This approach becomes a crucial element for the long-term success and sustainability of our organization.



Another key aspect is our corporate social responsibility (CSR), where we reaffirm our commitment to act ethically and contribute to sustainable development. Through initiatives to protect the environment, promote gender equality, improve working conditions, support local communities, and promote fair business practices, we aim to create a positive impact on society and the environment in which we operate.

Alliances, certifications, and acknowledgement

GRI 23-3 Partnerships for Development, Business Ethics and Transparency, Circular Economy, 2-22 2-23, 2-28, 205-1
SASB EM-MM-510a.2

Our management implements practices that favor sustainability. To achieve this, we collaborate with strategic allies to reach our goals, which has earned us certifications that support our corporate purpose.

Our strategic alliances are based on collaboration with leading organizations, both nationally and internationally, that share our vision of innovation, sustainability, and responsible growth. These partnerships provide us with access to new technologies, keep us at the forefront of industrial processes, and expand our network of customers, suppliers, and strategic partners.



We have established strategic alliances with non-governmental organizations (NGOs) and other key players.

Through our constant improvement process, we have earned certifications that endorse our commitment and the quality of our products and operations.

WOMEN'S
EMPOWERMENT
PRINCIPLES



FEDIMETAL
Federación Ecuatoriana de Industrias del Metal



ECUADOR
CARBONO CERO

fedexpor



CÁMARA DE
INDUSTRIAS
DE GUAYAQUIL



CAMARA
DE COMERCIO
DE GUAYAQUIL



International Standardization Organization

ISO 9001 | ISO 14001 | ISO 45001



Instituto Ecuatoriano de Normalización
[Ecuadorian Standardization Institute]
Ten of IPAC's product lines are certified.



Certificaciones de IPAC



Electricity and the standardization of safety rules for electrical equipment and components.



Institutional Brand granted by the Ministry of Environment.
We have 4 Green Dot certifications.

Certification in sustainable construction for efficient buildings.



Bronze medal, international sustainability rating from Ecovadis.



Certificaciones de IPAC



Greenhouse Gas [GHG] Effect Verification and Carbon Neutral Certification [ISO 14064-1].



Business Alliance for Secure Commerce.

Among the recognitions and milestones achieved during 2023, the following stand out:



As part of our continuous improvement process, in 2023 we decided to implement new standards to improve infrastructure, competence, impact reduction, among others, such as:



ISO 17025: for the certification of our laboratory, which ensures the quality of our products and the reliability of the tests and trials to which they are subjected.



ISO 28000: International supply chain security management standard.



ISO 27001: This standard sets out best practices to implement an information security management system.



ISO 37001: This international standard sets out the requirements and provides guidance for establishing, implementing, maintaining, reviewing, and improving an anti-bribery management system.



ISO 50001: This standard is intended to keep and improve an organization's energy management system.

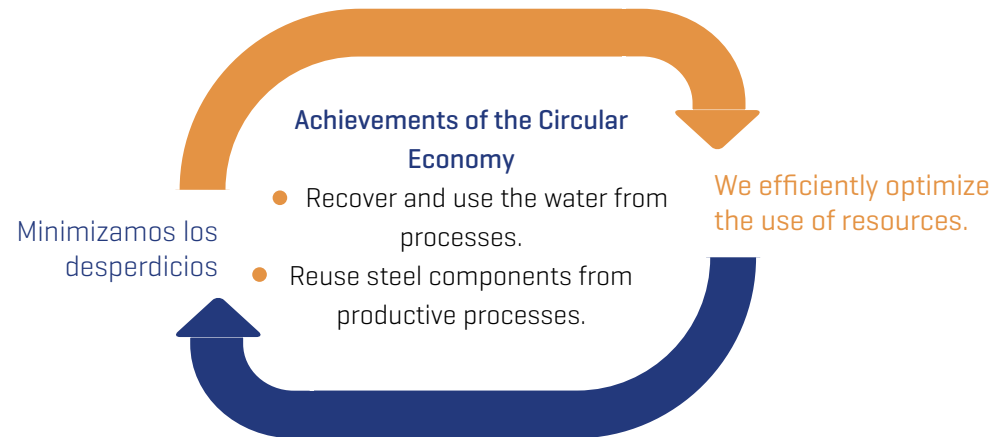
Commitment with sustainable development

GRI 3-3 Sustainable development, Energy, 2-23, 2-24



We are committed to being agents of positive change by building a more sustainable and prosperous future for the coming generations. We are aligned to the Paris Agreement on Climate Change and work to comply with the 2030 Agenda of the Sustainable Development Goals (SDGs). To this end, we have implemented a management system through ISO 14001 certification and thus demonstrated responsibility and commitment to protecting the environment.

As part of our commitment to sustainability and in order to maximize the use of the material resources at our disposal, we have implemented a circular economy strategy in our operation. This strategy involves adopting an approach to product design and manufacturing processes that reduces waste and pollution and maximizes the efficient use of resources.



We implemented specific steel recycling programs, which allow reusing materials within our production process and managing their sale as raw material to other companies in the sector. This favors the reuse and recycling of waste generated in our processes.

With respect to energy efficiency, we have incorporated technologies that reduce our consumption and have expanded our photovoltaic plant. Our manufacturing methods have been optimized to reduce emissions and waste, thereby contributing significantly to cleaner and more sustainable steel production.

Commitment with **sustainable development**

GRI 3-3 Circular Economy

IPAC S.A.'s Good Practices in 2023



**"Clean Beaches"
Minga – 2nd Day**



**Technical visits
ESPOL**



**Gender Equality
Training**





Wall painting
2nd edition



Outstanding students
Sierra Regime 2023



Outstanding students
Sierra Regime 2023



United for Alausí





Planting Awareness 2nd Edition



13 ACCIÓN
POR EL CLIMA



11 CIUDADES Y
COMUNIDADES
SOSTENIBLES



Preparation of **report and materiality**

GRI 2-2

This sustainability report is a voluntary report on the economic, social, and environmental performance of our company, and a measure of transparency whose information is made available to all our stakeholders. This report is based on international sustainability standards, such as GRI [Global Reporting Initiative] and ISO 26000 principles.



Stakeholders

2-29

Interest groups, also known as stakeholders, play a crucial role in affecting or being affected by our organization's operations.

We have identified these groups for better understanding and more effective management to achieve our organization's sustainability strategy objectives.

Collaboration and open dialogue with these groups contribute to building strong relationships and continuous improvement in sustainability.

The main identified stakeholders are as follows:



Materiality

GRI 2-2

The Sustainability Report's materiality includes the most relevant and significant topics for our organization and its stakeholders. These topics have a significant impact on our organization's ability to operate in a sustainable manner and on the decisions made by its stakeholders.

The main aspects considered for this report include the following:

- 1** **Commitment to the client**
- 2** **Corporate ethics and transparency**
- 3** **Economic performance**
- 4** **Presence in the market**
- 5** **Occupational health, security, and wellbeing**

Report's Profile

GRI 2-3

This Report covers the period from January 1 to December 31, 2023, and has been prepared in accordance with the Global Reporting Initiative (GRI) standards, an international organization that promotes transparency through guidelines and indicators for reporting the economic, social, and environmental performance of organizations.

We have also followed the guidelines of ISO 26000 and SASB (Sustainability Accounting Standards Board), which help identify, manage and report on the impacts of organizations.

For any questions or concerns related to the content of this Sustainability Report, please contact:



¡Scan Me!

For any questions, concerns or further details related to the content of this sustainability report, you can contact us through this QR code.

02 | OUR BUSINESS

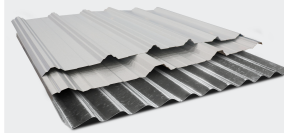


Products & Services

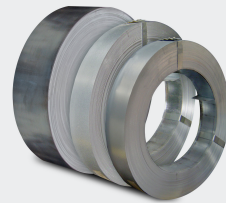
GRI 3-3 Presence in the market, 2-6

With more than 50 years leading the steel industry in Ecuador, IPAC has been known for its constant innovation, high quality and service, and its commitment to customers and the community, by incorporating the principles of sustainability in its business operations.

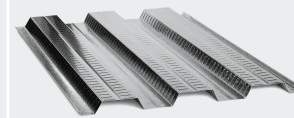
The products we manufacture and distribute throughout the country and are exported to different countries in the region, meet and exceed the requirements of national and international standards and specifications.



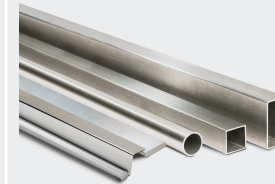
**METAL
ROOF**



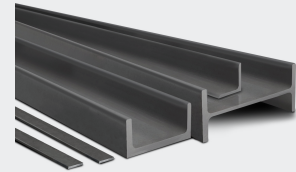
**METAL
STRIPS**



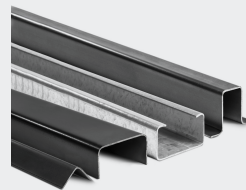
**METAL
DECK**



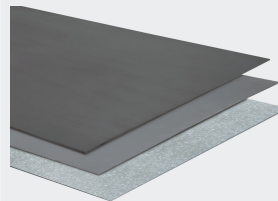
**STAINLESS
STEELS**



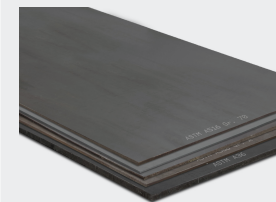
LAMINATES



PROFILES



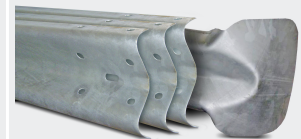
**METAL
SHEETS**



**SPECIAL
STEELS**



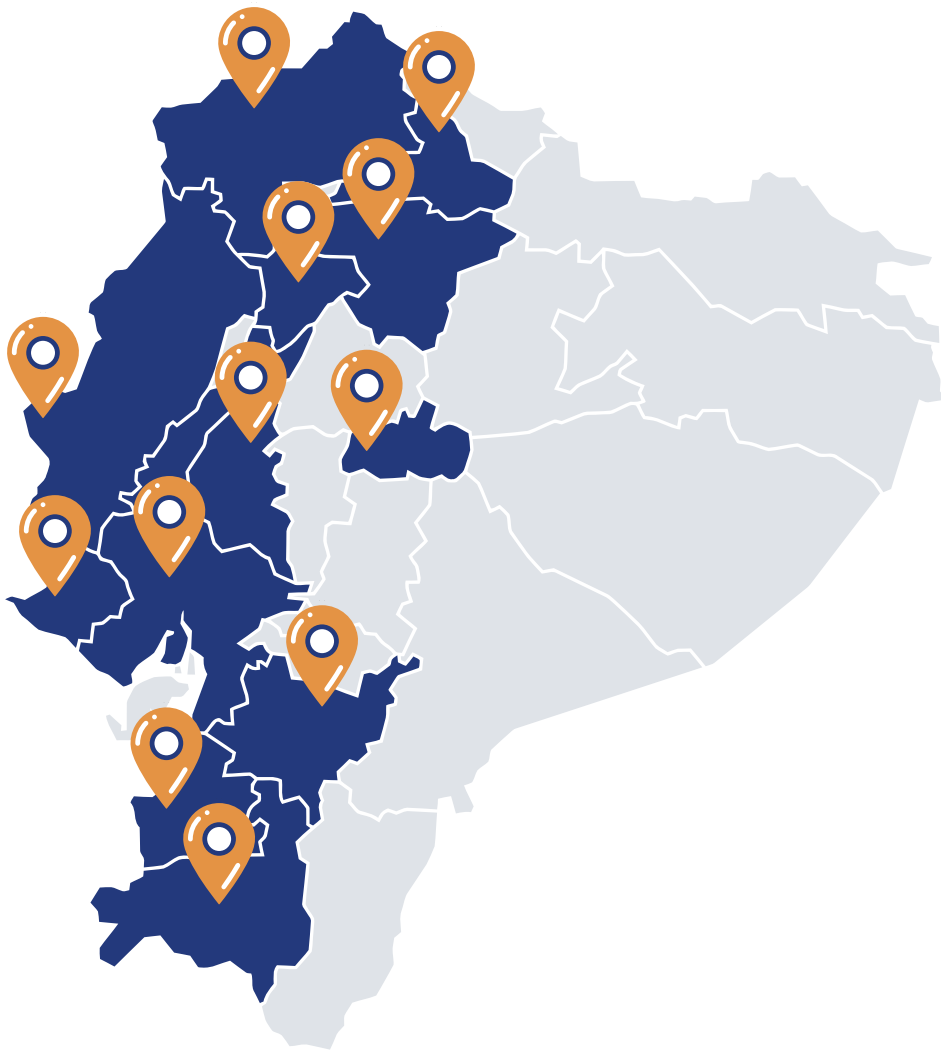
PIPE LINES



GUARDRAILS

Presence in the **Market**

GRI 3-3 Presence in the market



Esmeraldas ●

Ibarra ●

Quito ●

Santo Domingo ●

Quevedo ●

Ambato ●

Manta ●

Portoviejo ●

Santa Elena ●

Guayaquil ●

Durán ●

Machala ●

Cuenca ●

Loja ●

Santa Elena ●

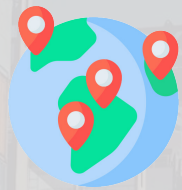
Los Ríos ●



Our geographic presence is based on a broad distribution network, with several warehouses and storage centers that cover the entire national territory. We also have a wide network of dealers and customers.

This extensive network of warehouses and sales points covers the main cities from which they spread to every corner of the country.

Our international presence includes countries in the region including **Colombia, Peru, Bolivia, Chile, and other destinations, like Central America.**



Our leadership is based on the most extensive product range, distribution network, high quality and level of service, innovation, ethical behavior, sustainable practices, continuous improvement, and efficiency.

This allows us to achieve a high degree of competitiveness and preference, which enables us to successfully face the challenges of the market and the competition, by leveraging the opportunities that arise and adapting to the changing environment.

Our value chain, from raw material procurement, through production, distribution, and commercialization, shows high levels of efficiency and quality, which differentiate us and allow us to be more competitive. Our raw material sources are rigorously selected and optimized; our production is efficient and clean, which minimizes waste and emissions, and protects resources and the environment.



Innovation

GRI 3-3 Operational efficiency and product innovation, SASB EM-CM-410a.1, EM-CM-410a.2



Our focus on innovation leads us to constantly search for new solutions, technologies, and practices that help us reduce environmental impact, improve social equity, and promote long-term viability.



We thus give priority to the development of sustainable, resource-efficient, durable, and recyclable products, using clean technologies and renewable energy.



Our own photovoltaic plant and our control system and energy efficiency, reuse of water from our processes, replacement of fossil fuels, allow us to reduce greenhouse gas emissions and apply mitigation measures to achieve carbon neutrality.

Our operational efficiency commits us to review and seek continuous improvement in all our processes, by setting goals to reduce costs and emissions.



We apply the LEAN methodology as a tool to carry out such improvements and optimizations throughout the operational chain.





Our **ERP system [SAP S/4 HANA]** is one of the most advanced in the world and, together with Artificial Intelligence technology, allows us traceability, data analytics, and real-time analysis of all our processes, which is the proper basis to achieve the planned improvements and efficiencies, as well as to improve decision making based on adequate data.

This sustainable innovation helps us generate competitive advantages, boost our economic growth and positively contribute to global sustainability challenges.



Internal culture based on committed leadership, education and training, participation and inclusiveness, ethics and transparency.

This allows us to drive commitment and action towards more sustainable practices, thereby creating an environment in which the way we operate and make decisions are based on sustainability principles where our employees act as change agents.

03 | ECONOMIC MANAGEMENT



Numbers and Results

GRI 3-3 Economic performance, 201-1

As this Sustainability Report is an exercise in accountability and transparency focused on our stakeholders, we present a detailed analysis of our economic performance.



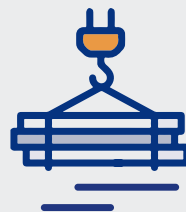
193

[USD
MILLIONS]



10.000

CUSTOMERS



5.800

PRODUCTS



90.000

BILLS
ISSUED



13.049

TRUCKS
DISPATCHED



5,5

NET PROFIT
[USD MILLIONS]



203

TOTAL ASSETS
[USD MILLIONS]



118

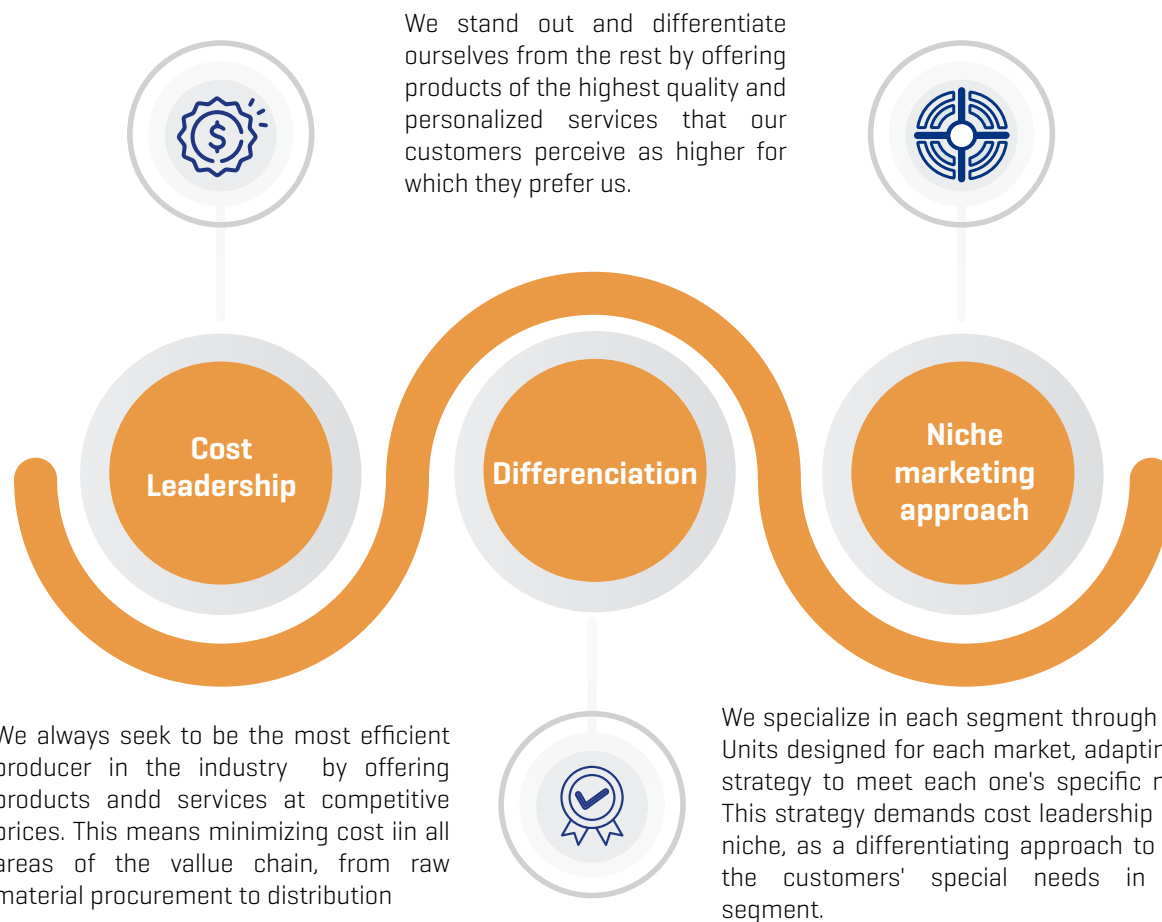
HERITAGE
[USD MILLIONS]

The following table provides an overview of the economic value generated and distributed during the 2023 period:



Numbers and Results

Our competitive strategy is based on the following approaches:



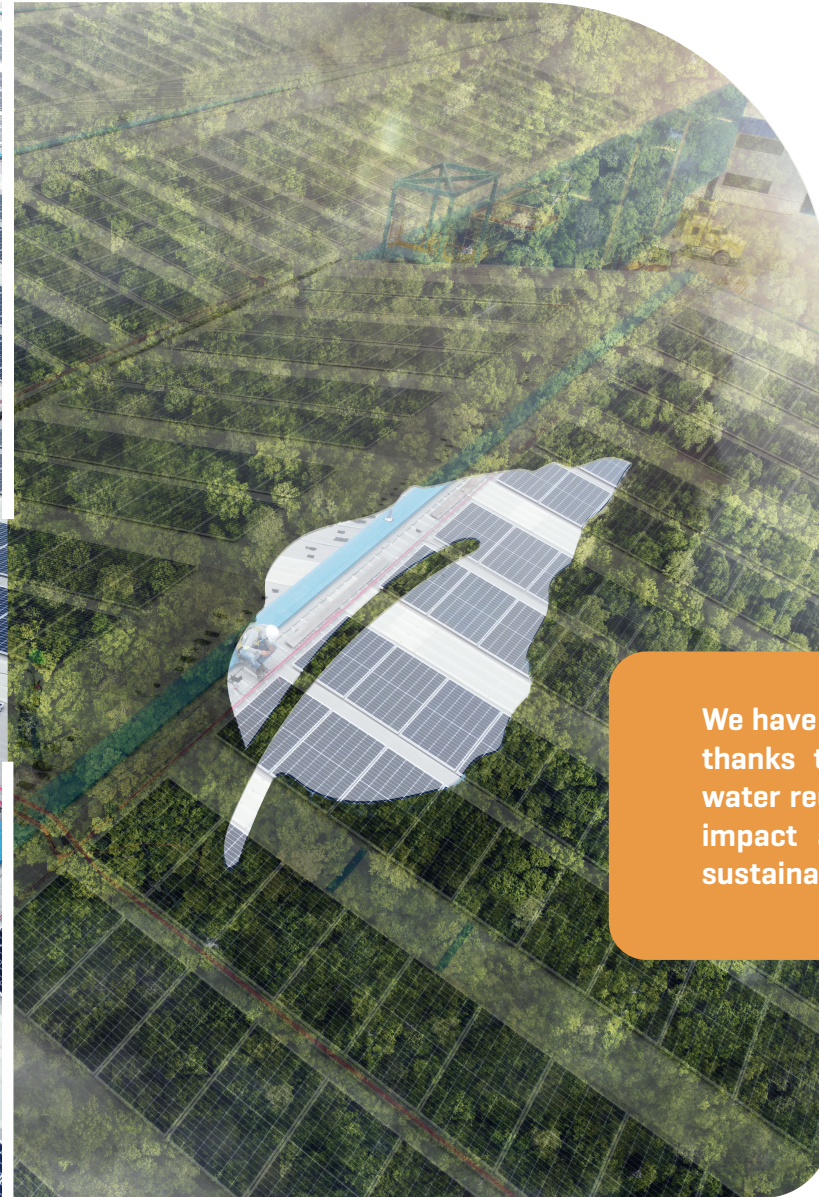
We thus offer the broadest range of products, many of which are unique, as well as exceptional service levels.

Our own network is comprised of 20 distribution centers in the country's main cities.



The centers allow us to offer immediate availability and the fastest and most efficient delivery and dispatch service in the industry. This is complemented by our commercial partners and distributors that take our products to every corner of the country.

Furthermore, our flat organizational structure and direct and smooth communication enable us to make quick decisions, ensuring our ability to adapt to the changing environment, overcome challenges, and take advantage of the emerging opportunities.



Another differentiating factor which gives us a further competitive advantage is the search for excellence in all our processes and continuous improvement to optimize resources, reduce waste, and minimize environmental impact.

Applying the world's state-of-the-art technology and continuous innovation in processes and products give us another competitive advantage.

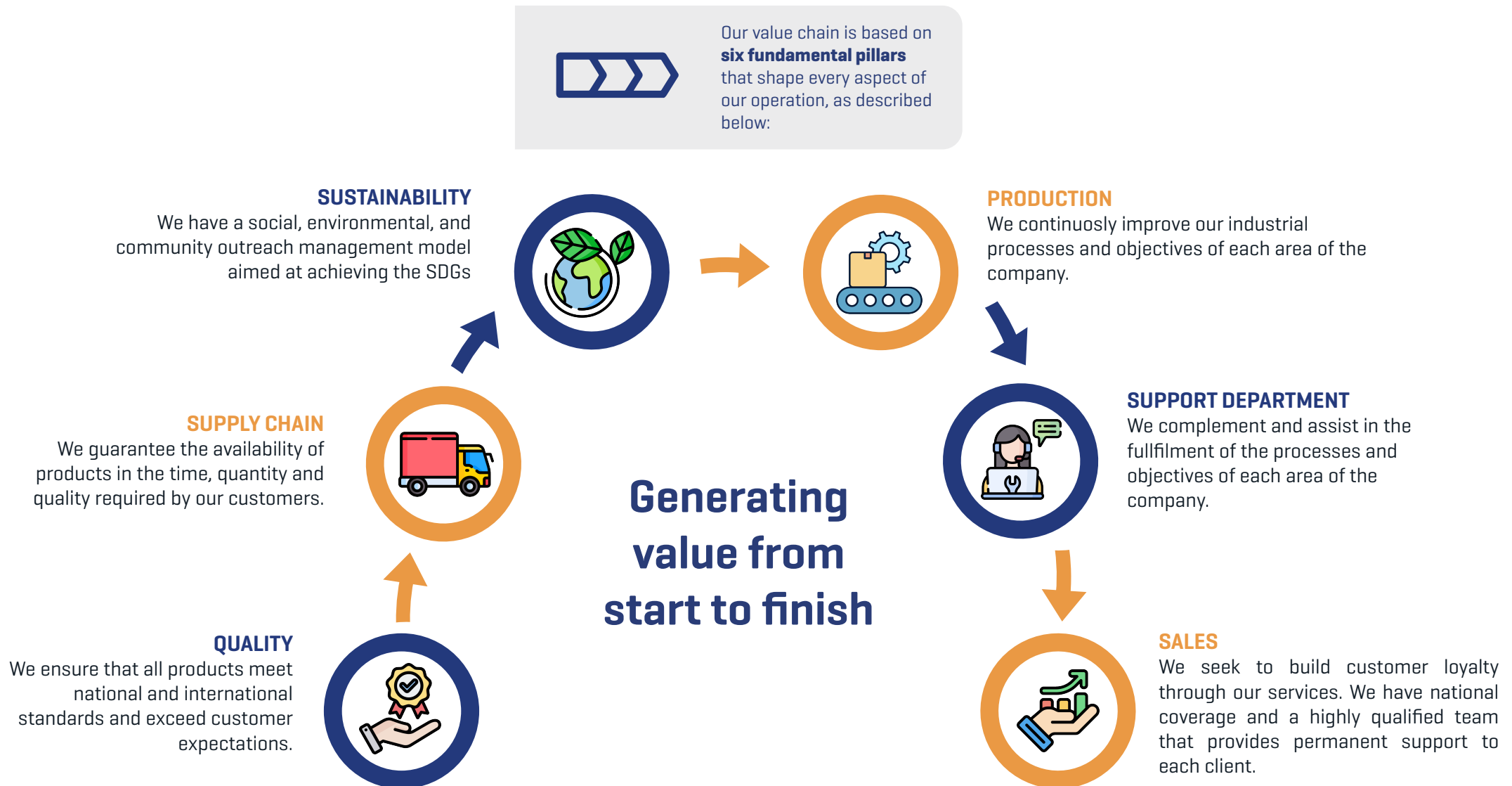
Undoubtedly, our highly qualified, experienced, and customer-focused team ensures that our strategies and action plans are successfully implemented.

We have been certified as a Carbon Neutral company, thanks to our own photovoltaic generation plant, water reuse and substitution of fossil fuels for lower impact alternatives that allow the production of sustainable products.

This is another important differentiating factor in a market that is increasingly aware of the environment and corporate social responsibility.

Value Chain

GRI 3-3 Commitment to the customer



Ethical Commitment

GRI 3-3 Business ethics and transparency, 2-23



Our work and business relationships are based on a strong ethical commitment that maintains our customers' trust and reputation.



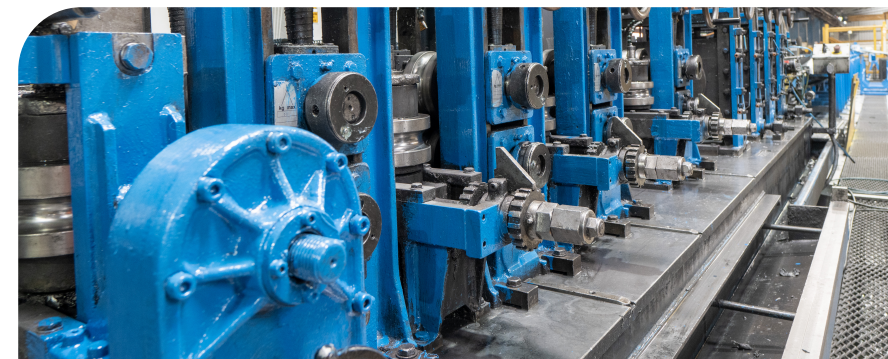
We prioritize ethics in all areas of operation to build strong relationships with our employees, customers, business partners, and society at large.



Our ethical commitment is guided by integrity, honesty and transparency.

We treat all parties with respect and dignity, fostering an inclusive work environment free of discrimination.

We adopt socially responsible business practices, by committing to operate in a sustainable manner, minimizing our environmental footprint, promoting the responsible use of resources, and contributing to the well-being of society and the planet.



Codes of Conduct and Corporate Policies

Reporting irregularities
Sanctions policy



Anti-Fraud
Anti-Bribery Policy



Business conduct for employees
and sales representatives
Code of Ethics
Internal Work Regulations



Health & Security
Joint Committee
Medical department



Environment
Sustainability Policy



Human Rights
Labor and Sexual Harassment Protocol



04 | ENVIRONMENTAL MANAGEMENT



Our Climate Change Management

GRI 3-3 Circular Economy, 2-25,



The environmental management of our company is based on the implementation of policies, procedures, and practices that minimize the negative impact of our operations on the environment and promote sustainability. Commitment from top management, providing leadership and support for environmental initiatives, environmental impact assessment through environmental audits, strict compliance with regulations and regulatory requirements, adoption of best practices, implementation of a circular economy policy, emission reduction, efficient use of energy and water, waste minimization, environmental training and awareness, promotion of green innovation, along with monitoring and continuous improvement, constitute the fundamental pillars of our environmental management and have allowed us to reduce our footprint and achieve carbon neutrality.





We have implemented a circular economy strategy to transform our operation, focusing on waste minimization and maximizing resource efficiency.

Regarding our environmental impact, we are proud to have achieved Carbon Neutrality by 2023 according to international standards of ISO 14064 and GHG Protocol guidelines.



Being carbon neutral means that the emissions generated have been offset to the same extent by mitigation actions, such as our own generation of photovoltaic energy, improvement in energy efficiency, waste reduction, diesel substitution as fuel, and finally balancing emissions through our participation in carbon projects.

The net balance of our CO₂ emissions is zero or neutral, which represents a significant commitment to climate change mitigation and reducing contributions to global warming.

Our future commitment is to maintain this Carbon Neutral status, for which we will continue with our strategy and actions to reduce environmental impact and promote sustainability, through the implementation of technologies and practices that reduce energy consumption, process optimization, energy management systems, increased solar generation capacity, promotion of more sustainable transportation, waste management, material reuse and recycling, composting practices, waste minimization, awareness and sustainability programs.

In this way, we are playing an active role in building a more sustainable and resilient future for all.

Our Climate Change Management

GRI 3-3 Emissions, 2-25, 305-1, 305-2, 305-3
SASB EM-CM-140a.1



IPAC GHG
Emissions Intensity
Ratio = 0,76%

17.910 m3 of
water per year



371 m3 of water
saver per year

Our waste management encompasses all actions related to the reduction, reuse, recycling, and proper disposal of waste generated.



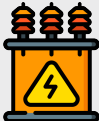

We have implemented practices to achieve source reductions by minimizing the amount of waste generated from the outset through process optimization, selection of less waste-prone materials, and reduction of packaging.

We have established programs to reuse and recycle materials, including their identification, separation, collection and internal processing or shipment to external recyclers.

A composting program is in place for organic waste from our canteen to be turned into compost and used to fertilize our own gardens or other green areas.

We also properly manage hazardous waste, such as chemicals, batteries, used oils, electronic products, among others, to avoid environmental damage.

We also train our employees on proper waste management practices, promoting the separation of waste and the efficient use of resources and the adoption of sustainable behaviors.

Energy Consumption within IPAC from renewable and non-renewable sources			
Source Non-renewable			Source renewable
 Diésel	 LPG - Liquefied Petroleum Gas	 Purchased electric power	 Photovoltaic Energy
5.240 MWh/year	78 MWh/year	5.359 MWh/year	939 MWh/year

Our Environmental Footprint Management







GRI 3-3 Emissions, 2-25, 305-1, 305-2, 305-3



The environmental footprint as a measure of the impact that our activities have on the environment represents a key aspect of our sustainability strategy, which through its measurement and management allows us to develop action plans to reduce and mitigate it.

We have certified through SGS our 2023 carbon footprint, through the measurement of the total amount of greenhouse gases, such as carbon dioxide [CO2], methane [CH4] and nitrous oxide [N2O], among others, and which are calculated as equivalent CO2 emissions.

By managing this carbon footprint calculation, we can identify the main sources of emissions and take measures to reduce them, such as energy efficiency, the use of renewable energies, process optimization, sustainable transportation, and waste management.

		Value of GEI emissions		
Emission Type		Direct Emissions [Scope 1] [TCO ₂ e]	Indirect Emissions [Scope 2] [TCO ₂ e]	Other Indirect Emissions [Scope 3] [TCO ₂ e]
	CO ₂	1.477	513	3.139
	CH ₄	7	0,5	0,5
	N ₂ O	8	1	38
	HFC	28,8		
	SF ₆	0		
	Biogenic CO ₂ emissions	1,11		

Total, TCO₂e SOURCE: IPAC GEI Inventory 2023: 5,143.92 TCO₂e

The main normative reference we used for the calculation was the NTE ISO 14064 - 1 GHG, adapting guidelines from the GHG PROTOCOL and THE CARBON NEUTRAL PROTOCOL, the latter two for the neutralization process. The calculation tool used for this process was the "IPAC 2023 GHG Calculator", an **internal tool developed and verified for Carbon Footprint Management**. The origin of this information comes from 90% of primary data such as accounting records, utility bills, etc. In other cases, under the requirements of the standard it was possible to estimate data statistically.

The calculator is developed in such a way that it applies the different calculation methodologies for each reported source, complying with the specific coefficients and updated to the year if necessary. **For example, we applied the IPCC 2006 methodology for Scope 1 direct emissions; for Scope 2 indirect emissions we used the methodology of the Ministry of Energy and Mines, while for Scope 3 emissions the main entity was DEFRA. The IPCC and DEFRA are recognized international entities in the field of carbon footprint calculation and are worldwide references.**

In line with international standards and the objectives of the Paris Agreement, we have followed the principles dictated in the ISO 14001 and GHG Protocol environmental management regulations, and ISO 14064-1:2018 for the quantification and reporting of greenhouse gas emissions.



By 2024, we will maintain our environmental efforts to maintain our carbon neutral certification.

Resource and **Waste Management**

GRI 3-3 Waste, 302-1, 306-1, 306-2, 306-3, 306-5



We recognize that efficient and responsible management of resources, as well as proper waste disposal, are fundamental to minimizing our environmental impact and promoting sustainable operational practices.

Energy management focuses on optimizing energy use, reducing the consumption of energy resources, and promoting energy efficiency and the use of renewable energy sources.

Energy consumption assessments are conducted, and efficiency and reduction objectives are established.

Control systems have been implemented in production and operation processes to optimize energy consumption and make them more efficient.

Energy demand is managed to reduce it during peak consumption hours, such as scheduling equipment to operate during off-peak hours, installing lighting and air conditioning control systems, and educating employees about energy-saving practices.

The energy efficiency of buildings has been improved through the installation of thermal insulation, efficient windows, intelligent LED lighting systems, and the automation of facility management systems.

The implementation of our own 1 MW capacity photovoltaic power generation plant has allowed us to reduce our consumption of electricity from the public grid by 20%. By 2024, the capacity is expected to be expanded to 2 MW, which is expected to achieve 40% of self-generation in relation to our total electricity consumption.



**Electricity
Consumption**
447
Mwh/month



The replacement of diesel with a less polluting fuel such as LPG, used for combustion in burners and boilers at our Galvanizing Plant, has allowed us to significantly reduce emissions from this source.

We have a 1MW Photovoltaic Plant, which will be expanded to double its capacity by 2024.



Policies and Objectives on Energy Management at IPAC



Energy Efficiency

With ISO 50001 certification, the company commits to identifying and implementing technologies and practices that improve energy efficiency in all facilities and operational processes.



Renewable Sources

The goal is set to obtain at least 40% of the company's energy demand from renewable sources by 2024, through the implementation of photovoltaic systems.



Emissions Reduction

Through ISO 14064-1 certification, the company adheres to standards for reducing greenhouse gas emissions, committing to reduce total emissions by 10% over the next five years, and publicly report progress.



Environmental Certification

The company has established to maintain ISO 14001 and Carbon Neutrality certifications for 2024 and the coming years, reflecting our commitment to sustainability.

Our water management is another crucial part of our corporate sustainability strategy, aiming to conserve, protect, and efficiently use water resources.

Regular water audits are conducted to assess the usage and quality of water in the company's facilities, reducing consumption in operations through process optimization, leak repairs, and the installation of more efficient water use equipment and technologies.

Water reuse and recycling at our Galvanizing Plant reach 99%, through a wastewater treatment plant.

Rainwater harvesting systems have been incorporated into other facilities for reuse in gardens and industrial processes. Training sessions are conducted for employees and nearby communities on efficient water use practices, promoting awareness of the importance of conserving this vital resource and encouraging the adoption of sustainable behaviors.



We implement our Waste Management Procedure, which establishes the classification and disposal of the different types of waste we generate.

Common Waste

We collect and temporarily store recyclable waste and sell it to an authorized waste management facility.



Recycling
21 tons

Hazardous Waste for Disposal

We collect and temporarily store hazardous waste, then send it to a hazardous waste management facility.



Incineration
12 tons



Transportation to Landfill
124 tons



Other Disposal Operations
124 tons

NOTE: Data up to November 2023



05 SOCIAL MANAGEMENT



Human Talent Development

GRI 3-3 Employment Generation, Health, Safety and Well-being, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-10

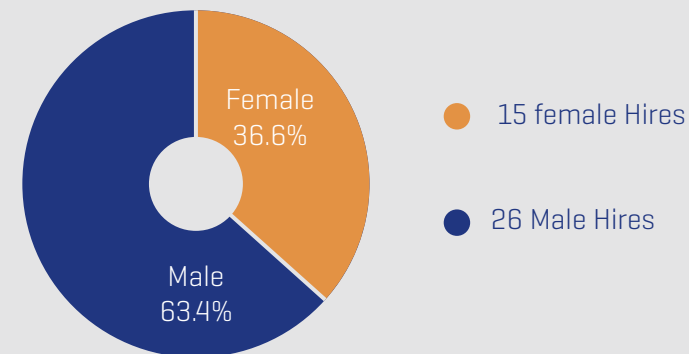
Recognizing that our most important asset is the people who make up our company, we promote their growth and continuous improvement of their skills, knowledge, and capabilities to maximize their potential and foster their contribution to organizational success.

In addition to the development of technical skills, we encourage the development of soft skills such as leadership, effective communication, problem-solving, and teamwork, which contribute to a positive work environment and overall better performance.

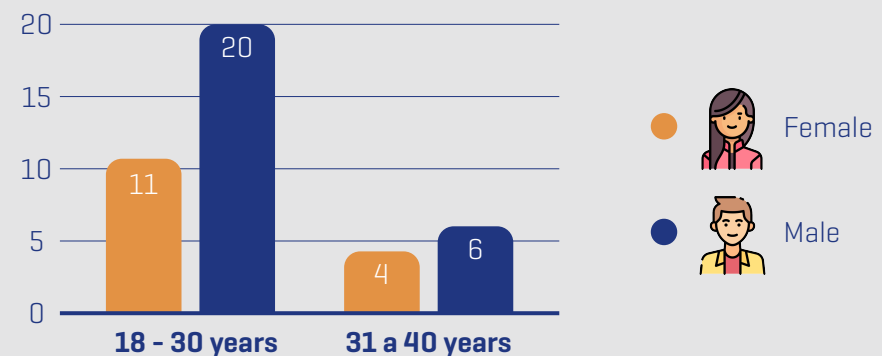


41 new employees hired

Total Hiring 2023

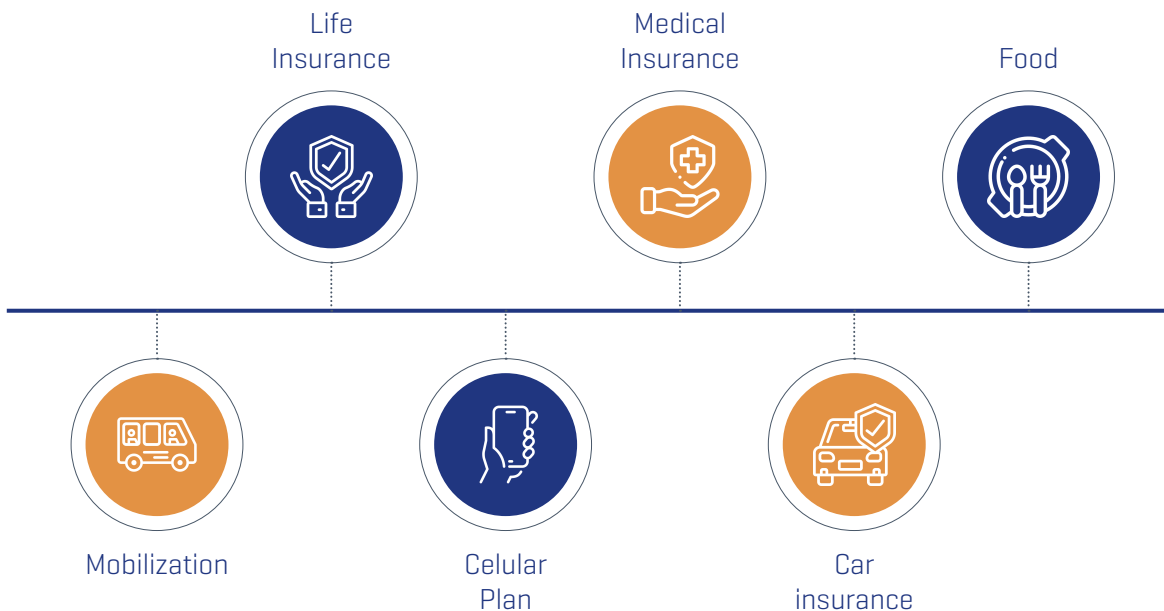


Age range of hires 2023



Our focus on human talent development also fosters **the creation of an inclusive and diverse work environment that encourages innovation and creativity**, as well as the establishment of development programs.

Benefits for our employees



Supporting the health and well-being of our employees, both physically and mentally, is essential for the comprehensive development of our human group and organizational success.

We provide a safe and healthy work environment, helping to improve employees' quality of life and increase their job satisfaction, leading to higher productivity, lower turnover, and a better reputation for the company as an employer committed to the well-being of its staff.

Our ISO 45001 certification allows us to manage workplace safety and health appropriately, helping to prevent risks, protect our workers, and promote a safe environment.

Among some of the activities related to the well-being of our employees, the IPAC 2023 Sports Days stand out, with the participation of 280 employees in an environment of fun, joy, and integration.

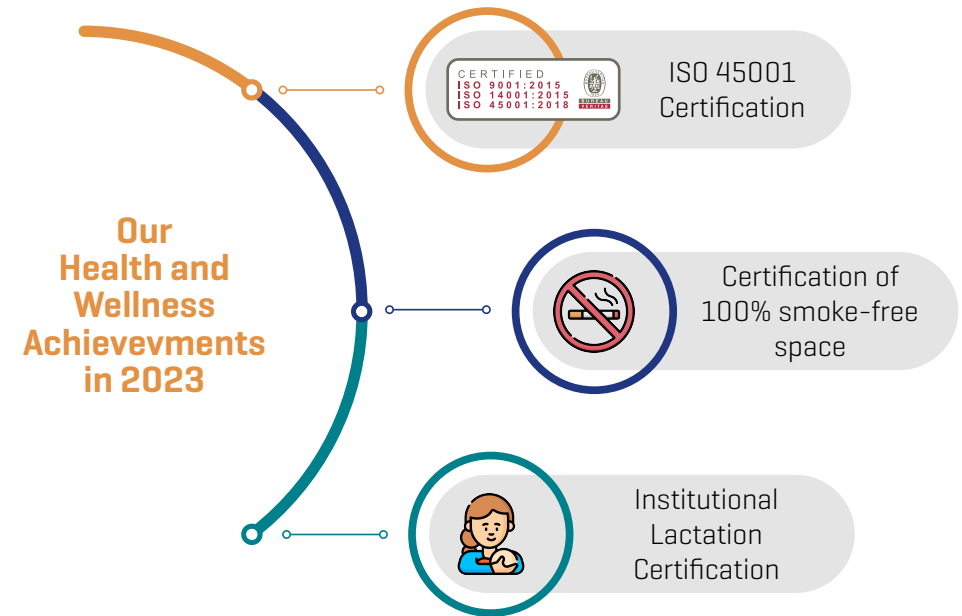
Some additional benefits related to health and well-being include supplementary health insurance, accident and life insurance, assistance programs or support in difficult situations such as family, financial, or health problems.



We assess the physical health of our employees through check-ups and regular examinations by our permanent medical service at the company. **Other benefits, such as the "Healthy Life" program, benefitting 21 employees with pre-existing conditions, and promoting better nutrition, as well as glucose, respiratory, electrocardiogram, radiographic exams, among others.**

Additionally, we promote an ergonomic work environment, with appropriate furniture and equipment to prevent injuries and improve the comfort of employees.

Promoting awareness of the importance of health and well-being through awareness campaigns and education helps to create a healthier and more balanced culture.



There is **a Joint Committee whose main function is to promote and ensure safety and health at work**, with the responsibility of identifying and evaluating occupational risks, proposing preventive measures, participating in the development of occupational safety and health programs, and collaborating with actions to improve working conditions.

The goal is to ensure a safe and healthy work environment for all employees.

Diversity and Inclusion

GRI 3-3, Diversity, Equity, and Inclusion, 2-7, 405-1

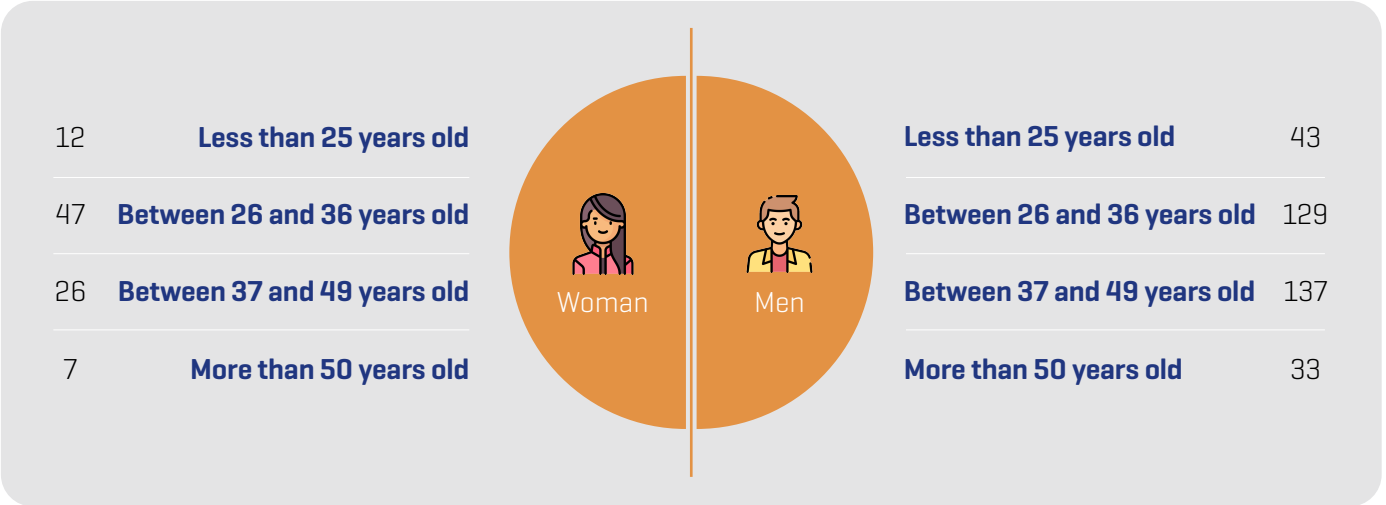


We have a strong commitment to respecting and valuing individual differences, and fostering an environment where all people feel valued, respected, and have equal opportunities to contribute and advance in the organization. **We promote a culture that values diversity and encourages collaboration among people from different backgrounds and perspectives.**

By making diversity and inclusion one of our strategic priorities, we not only help improve the culture and work environment but also generate a positive impact on society.

We have clear policies and procedures to address and prevent discrimination, harassment, and exclusion, including the implementation of a safe and confidential reporting channel, regular training on diversity and inclusion, and promotion of transparent and equitable recruitment and promotion processes.

We have implemented awareness campaigns and organizational workshops to foster a corporate culture based on zero tolerance for any form of discrimination, whether based on gender, race, religious belief, political or cultural differences.



**Talks:
Prevention of Violence
and Harassment**



Attendees:
218 employees

**Talks:
Sexual and
Reproductive Rights**



Attendees:
138 employees

**Training:
To promote conscious and
equal leaders - Female
Empowerment**



Attendees:
134 employees

Additionally, we collaborate with external organizations and participate in community initiatives that promote diversity and inclusion, such as partnering with non-profit organizations, fairs, etc.

Corporate Volunteering



We have encouraged our employees to participate in community service and volunteering activities, generating a positive impact both inside and outside the company.

We have carried out programs to promote responsible consumption of resources and actions for environmental cleanliness and conservation.



Sowing Conscience

- 20 volunteers / collaborators
- 60 trees planted
- 4500 m2 reforested



Minga for our beaches

- 29 volunteers + 38 families
- 2 km of clean beach



Recyclathon

- 18 volunteers/collaborators
- 66 kg of recycled waste

We have implemented projects involving various social groups. **These projects are designed not only to interact and understand the needs of local communities but also to contribute significantly to improving their quality of life.**



Together for more pleasant spaces

- Sidewalk cleaning and painting
- 10 volunteers / collaborators
- 9 community volunteers
- 20 families benefited



Drawing Contest Change of Murals

- Incentives for winners
- 4 volunteers / collaborators for judges
- Change of murals at Bastión Popular Park in Guayaquil

Through these activities, we strengthen our bond with society and foster a spirit of solidarity and cooperation among our employees.

We have a Solidarity Fund to which 258 employees contribute monthly.

This fund is intended to help coworkers facing catastrophic or emergency situations, fostering solidarity and support within the work community.

Corporate Volunteering demonstrates its commitment to social responsibility and the well-being of the community and society at large, generating a sense of pride and satisfaction among employees as they see the positive impact they are having on the lives of others.

Commitment to the Community

Environmental education and recycling program

GRI 3-3 Community Engagement, 413-1



Our approach is to contribute to the development and well-being of the communities where we operate, carrying out a set of corporate social responsibility actions and activities, corporate volunteering programs, collaboration with local schools and universities, among others, thus contributing to sustainable development and the general welfare of society.

We have worked in collaboration with local organizations, schools, and universities to identify the main needs and design initiatives and actions that more effectively address those challenges.

Among some of these activities, those carried out in the sector known as Bastión Popular in Guayaquil stand out, **where through our Environmental Education and Recycling Program, we reached over 1,600 girls and boys, students from 5 schools in Guayaquil**, with the aim of raising awareness about climate change and promoting good recycling practices and waste separation.



Beneficiary schools in Guayaquil:

José de la Cuadra

200
students
benefited

Manuel Galarza

300
students
benefited

300
students
benefited

Cacique Tomalá

400
students
benefited

Luis Chiriboga

400
students
benefited

Leopoldo Izquieta

Building the Future



Mejoramiento de la infraestructura de escuelas del área de influencia, en Guayaquil.

Our "Building the Future" program focuses on improving the quality and conditions of education in some of the schools and childcare centers in our nearest community, improving infrastructure conditions and preventing the adverse effects that climate phenomena or rainfall may cause in these facilities.

Six educational units and one childcare center were assisted, benefiting more than 4,000 children, adolescents, and teachers, allowing us to provide them with an appropriate environment for learning.



Building the **Future**



José de la Cuadra
School

536
students benefited



Manuel Córdova
School

1.196
students benefited



Luis Chiriboga
School

1.120
students benefited

Declaration of use	We have presented the information cited in this table of contents for the period from January to December 2023, using the Global Reporting Initiative GRI	
GRI 1 used	Standards as a reference.	
GRI STANDAR	CONTENTS	PAGE
GRI 2: General Contents 2021	THE ORGANIZATION AND ITS REPORTING PRACTICE	
GRI 2: General Contents 2021	2-1 Organizational details	8
GRI 2: General Contents 2021	2-2 Entities included in sustainability reporting	19, 20
GRI 2: General Contents 2021	2-3 Reporting period, frequency and contact point	ok
GRI 2: General Contents 2021	2-4 Updating of information	This is the first Sustainability Report published by IPAC under GRI standards.
GRI 2: General Contents 2021	2-5 External verification	This Sustainability Report has not been externally verified.
GRI 2: General Contents 2021	ACTIVITIES AND EMPLOYEES	
GRI 2: General Contents 2021	2-6 Activities, value chain and other business relationships	8, 22, 23
GRI 2: General Contents 2021	2-7 Employees	ok
GRI 2: General Contents 2021	GOVERNANCE	
GRI 2: General Contents 2021	2-9 Governance structure and composition	10
GRI 2: General Contents 2021	2-10 Appointment and selection of the highest governance	10
GRI 2: General Contents 2022	2-12 Role of the highest governance body in overseeing impact management	10
GRI 2: General Contents 2021	2-15 Conflicts of interest	10
GRI 2: General Contents 2021	STRATEGY, PRACTICES AND POLICIES	
GRI 2: General Contents 2021	2-22 Sustainable Development Strategy Statement	6, 11
GRI 2: General Contents 2021	2-23 Commitments and policies	11, 15, 33
GRI 2: General Contents 2021	2-24 Incorporation of commitments and policies	15
GRI 2: General Contents 2021	2-25 Processes to remediate negative impacts	36,39
GRI 2: General Contents 2021	2-28 Association affiliation	11
GRI 2: General Contents 2021	STAKEHOLDER ENGAGEMENT	
GRI 2: General Contents 2021	2-29 Approach to stakeholder engagement	ok
GRI 2: General Contents 2021	2-30 Collective bargaining agreements	IPAC does not have employees covered by collective bargaining agreements
Economic Performance		
Management approach	3-3 Management approach	28
GRI 201:		
Economic Performance 2016	201-1 Direct economic value generated and distributed	28
Market presence		
Management approach	3-3 Management approach	22
Commitment to the customer		
Own Material Topics 2021	3-3 Management approach	32
	Customer satisfaction	9
Operational efficiency and product innovation		
Own Material Topics 2021	3-3 Management approach	25
SASB	EM-CM-410a.1 product innovation	25
	EM-CM-410a.2 product innovation	25
Business ethics and transparency		
Own Material Topics 2021	3-3 Management approach	11, 33
GRI 205:	205-1 Operations assessed for corruption-related risks	11
Anti-corruption 2016	EM-MM-510a.2 Business ethics and transparency	11
Governance		
Own Material Topics 2021	3-3 Management approach	9
Employment generation		
Own Material Topics 2021	3-3 Management approach	44
GRI 401:		
Employment 2016	401-1 Hiring new employees and staff turnover	44
	401-2 Benefits for full-time employees	44

GRI STANDAR	CONTENTS	PAGE
Diversity, equity and inclusion		
Own Material Topics 2021		49
GRI 405:	3-3 Management approach	
Diversity and Equal Opportunity 2016	405-1 Diversity in governing bodies and collaborators	49
GRI 406:	406-1 Cases of discrimination and corrective actions taken	
Non-discrimination 2016		49
Health, safety and welfare		
Management approach	3-3 Management approach	46
GRI 403:	403-1 Occupational health and safety management system	46
Shealth and safety at work 2018	403-2 Hazard identification, risk assessment and incident investigation	46
	403-3 Occupational health services	46
	403-4 Worker participation, consultation and communication on occupational health and safety	46
	403-5 Occupational health and safety training for workers	46
	403-6 Promotion of workers' health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked through commercial relations	46
	403-10 Occupational diseases and illnesses	46
Community liaison		
Own Material Topics 2021	3-3 Management approach	52
GRI 413:	413-1 Operations with local community participation programs, impact assessments and development	
Local Communities 2016		52
Partnerships for development		
Own Material Topics 2021	3-3 Management approach	11
Sustainable development		
Own Material Topics 2021	3-3 Management approach	15
Energy		
Management approach	3-3 Management approach	15
GRI 302:		
Energy 2016	302-1 Energy consumption within the organization	38, 41
Waste		
Management approach	3-3 Management approach	38, 41
GRI 306:	306-1 Waste generation and significant waste-related impacts.	38, 41
Waste 2020	306-2 Management of significant impacts related to waste.	38, 41
	306-3 Waste generated	38, 41
	306-4 Waste not destined for disposal	38, 41
	306-5 Waste for disposal	38, 41
Water		
Own Material Topics 2021	3-3 Management approach	38
GRI 303:		
Water and effluents 2018	303-2 Management of impacts related to water discharge	38
	303-5 Water consumption	38
SASB	EM-CM-140a.1 Percentage of recycled or recirculated water	38
Emissions		
Management approach	3-3 Management approach	39
GRI 305:		
Emissions 2016	305-1 Direct GHG emissions [Scope 1]	39
	305-2 Energy-related indirect GHG emissions [Scope 2]	39
	305-3 Other indirect GHG emissions [Scope 3]	39
	305-5 Reduction of GHG emissions	39
Circular economy		
Own Material Topics 2021	3-3 Management approach	11, 16, 36



www.ipac-acero.com