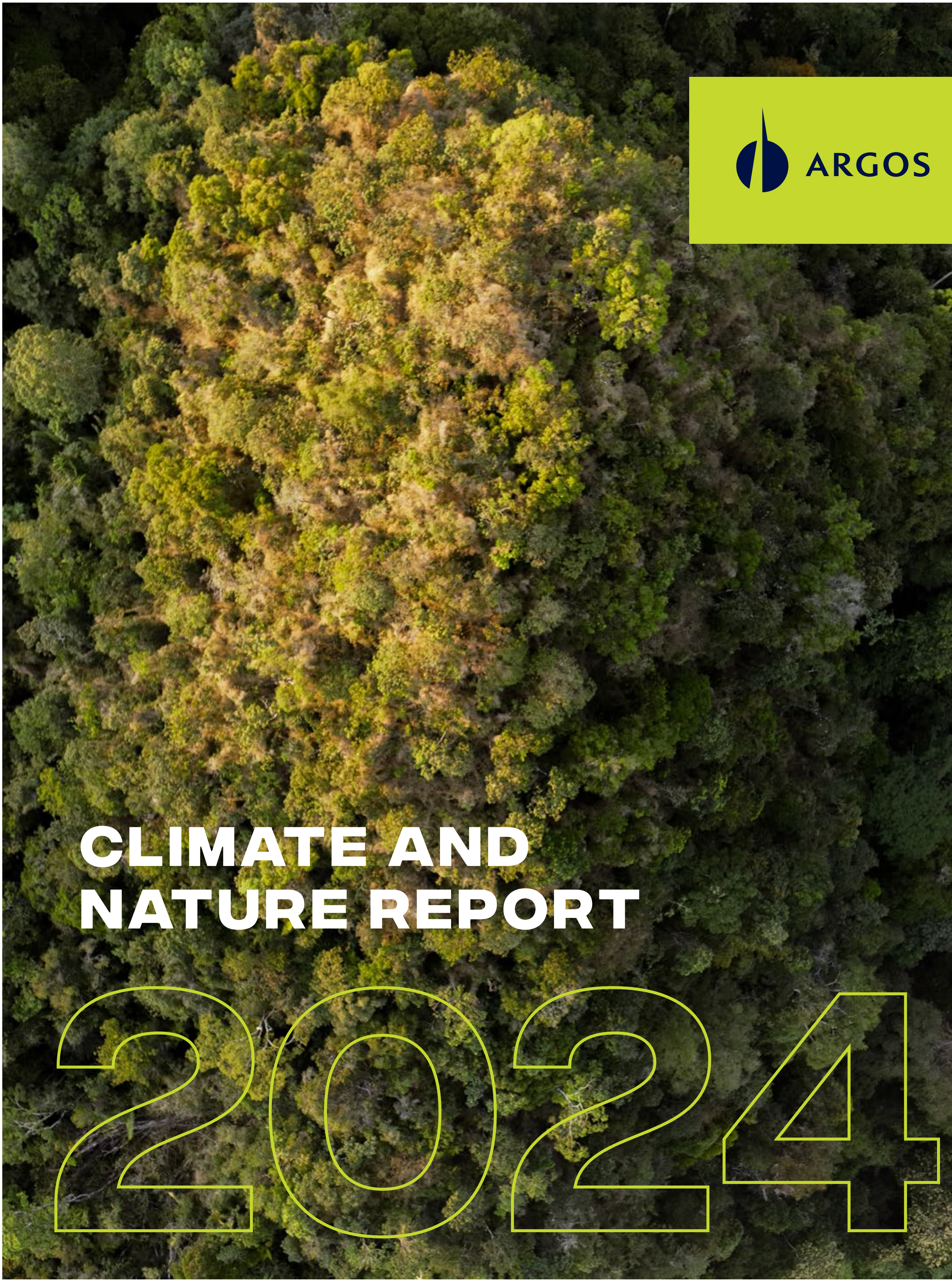
ARGOS

CLIMATE AND NATURE REPORT 2024



Cementos, flora and fauna (photo taken by employee Mario Alejandro Zota)

MESSAGE FROM SENIOR MANAGEMENT

TOMÁS RESTREPO
Future Vice President

At Cementos Argos, sustainability, innovation and value creation for our stakeholders are fundamental principles of our strategy. Thanks to our integral vision, we have successfully adapted to changing environments, captured opportunities and built a more agile and resilient company. Our leadership in the building materials sector, recognized by the Dow Jones Best in Class Index (formerly Dow Jones Sustainability Index), reinforces our commitment to acting responsibly. Through integrity and conviction, we are advancing a transition strategy that aligns economic growth with Paris-aligned climate action and TNFD-aligned nature preservation targets.

Today I am proud to present our Climate and Nature Report, where we consolidate our progress in line with the Task Force on Climate-related Financial Disclosures (TCFD), and for the first time, as early adopters, with the Task Force on Nature-related Financial Disclosures (TNFD). This milestone represents a new chapter in our history of innovation and sustainability, reaffirming our commitment to manage risks and opportunities while contributing to the preservation of ecosystems for present and future generations.

Nature is the basis of our future and that of our business. At Cementos Argos, we understand that our success depends on the balance of the ecosystems that support our operations and communities. This report allows us to deepen our understanding of our impact on the climate, our interdependence with nature and to integrate its value into our corporate strategy. As part of this commitment, we detail our climate and nature strategy in line with the TCFD and TNFD, addressing our governance, risk and opportunity management, and some of the actions we are taking to move towards a more sustainable operation in the 16 geographies where we operate.

This document reinforces our commitment to sustainability and our role in the transition to a low-carbon and resilient economy, thus generating value for our shareholders, society and the environment. Some 2024 achievements to be highlighted include:

- We continue to make progress with our CO_2 reduction roadmap. We closed the period with net direct emissions of 605 kg of CO_2 per ton of cementitious material, meeting the goal established for the year. We expect to reach 514 kg by 2030 through energy efficiencies, reduced clinker use and increased use of alternative fuels in our operations
- We achieved sales of more than USD 660 million in sustainable products and solutions, representing 43% of the Company's total revenues, driving the development of resilient territories
- We reached a strategic agreement with an ally, a leader in waste valorization, for the potential supply of 21,000 tons per year to our Cartagena plant. This waste will be transformed into refuse-derived fuel (RDF), a more sustainable energy source that will partially replace coal in our clinker kiln, thus reducing our environmental footprint and promoting the circular economy
- We continue to analyze nature-related risks in our direct operations, using TNFD's LEAP approach and the Biodiversity Risk Filter tool
- We made our first publication of data in the Colombian Biodiversity Information System (SiB Colombia)
- Until 2024, we have rehabilitated 556 hectares that were part of our mining operation in all regionals, equivalent to 85% of the areas released in our quarries

Finally, we know that the challenge of protecting nature is a major one to face alone. Therefore, we work hand by hand with our stakeholders, building relationships of trust that amplify our impact and contribute towards making a difference. Our purpose is not just to adapt, but to lead by example, demonstrating that sustainability drives innovation and prosperity. This report is a testament to our determination to act today and to inspire others to join us on this path. We invite you to explore it and be part of this vision of a future where business and nature thrive together.

At Cementos Argos, we are convinced of our ability to build together the sustainable future we envision.

Tomás Restrepo - Future Vice President

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TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TNFD Taskforce on Nature-related Financial Disclosures

ABOUT THE REPORT

This 2024 Climate and Nature Report reflects our strategic approach that integrates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). In this document, we present a comprehensive view on the management of risks and opportunities related to climate change and nature, aligning our strategy with these disclosure frameworks and reflecting our commitment to transparency and the generation of shared value.

It covers the period from **January 1 to December 31, 2024**, consolidating information from our operations in the Colombian, Central American and Caribbean Regionals.

In addition, we have consolidated an integrated approach to assessing climate and nature-related risks. We use TNFD's LEAP framework to identify, assess and prioritize critical ecosystem dependencies and impacts. This framework, designed to address the interactions between business activities and natural environments, is complemented by the TCFD principles, enabling comprehensive management of the associated financial risks. This combination ensures a clear focus and alignment with global benchmarks.

In 2024, environmental targets were redefined, and the historical data for key environmental performance indicators were recalibrated to ensure consistency and comparability across reporting periods. This adjustment reflects the strategic divestment of Cementos Argos' operations in the United States, which was completed in alignment with the company's portfolio optimization strategy. Accordingly, all historical figures disclosed in this report have been restated to exclude the environmental data associated with the divested U.S. assets.

The purpose of this document is to provide our stakeholders with clear, consistent and comparable information on our actions and commitments related to climate change and nature. We trust that this information will provide our stakeholders with a sound basis for making informed decisions.

THE BUSINESS CONTEXT

At Argos, we produce and market cement, ready-mix concrete, and aggregates, and for nearly 90 years **we have written a history of sustainability, innovation, environmental stewardship, and commitment to creating value for the Company and society.** With a forward-looking vision, we continue to make possible the construction of housing and infrastructure dreams in 16 countries and territories in the Americas.

We have 7 integrated cement plants, 7 clinker mills, 41 ready-mix concrete plants, 10 aggregates plants, and 11 ports and terminals. We are part of Grupo Argos, an infrastructure holding manager with COP 51.9 trillion of consolidated assets under management and presence in 18 countries in the Americas. Grupo Argos has an integrated portfolio focused on cement, energy, road and airport concessions, urban development and real estate income, where it plays an active role as an investment manager, with the ability to strategically drive and guide companies focused on selective and profitable growth and value maximization.

In 2024, we shipped 9.3 million metric tons of cement and 2.6 million cubic meters of ready-mix concrete and consolidated operating EBITDA of COP 1.2 trillion, driven by positive performance in our key markets. Profitability was strengthened by the implementation of operational optimization strategies, financial flexibility and and the integration of sustainability at the core of the business.

Looking ahead, we plan to continue to be a benchmark for sustainability in the building materials industry. In addition to our commitments on climate change and nature, we have defined goals in other areas such as occupational health and safety, talent, supplier management and community engagement.

Learn more about our performance, achievements and challenges related to the Company's most material social, environmental and governance issues.

OUR RELATIONSHIP WITH CLIMATE AND NATURE

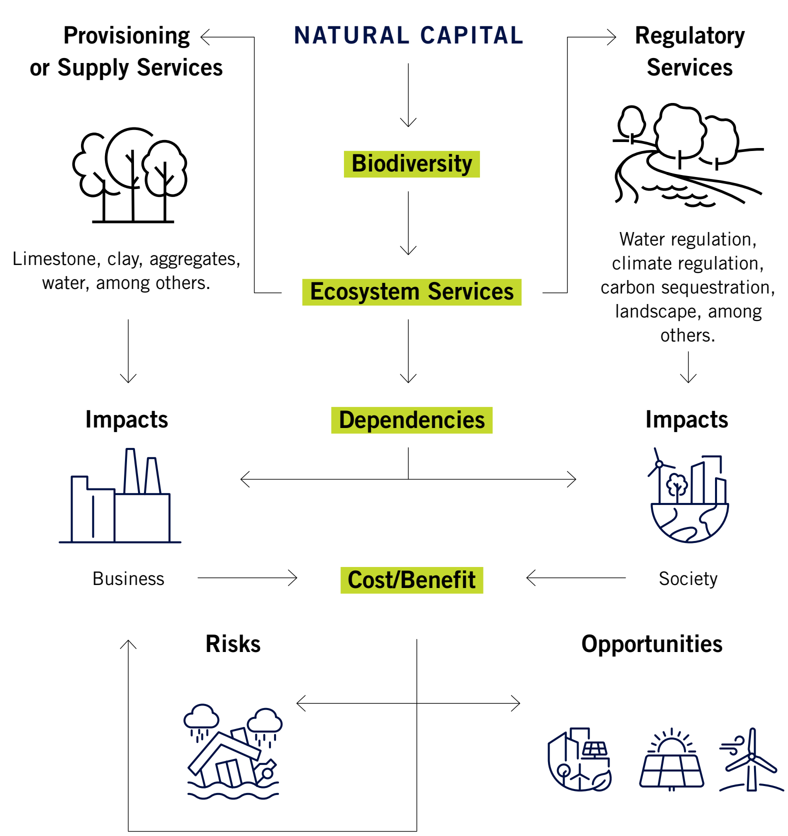
Our Company's activity is intrinsically linked to climate and nature, both in terms of its dependence on natural resources and the impacts generated by our operations. We recognize that our industry, being focused on the production and marketing of cement, ready-mix concrete, and aggregates, has a significant interaction with ecosystems and climate processes, and we are aware of our responsibility to manage these interactions in a sustainable and strategic manner.

DEPENDENCE ON NATURE AND CLIMATE

Our business depends on renewable and non-renewable natural resources. The most critical materials include limestone, clay and aggregates extracted from terrestrial ecosystems. These raw materials are essential for our production, but their extraction can alter landscapes, affect biodiversity and modify ecosystem services, including water regulation and carbon sequestration. In addition, we depend on water for our extraction, production and cooling operations, which links us directly to the local dynamics of water resource availability and quality.

In terms of climate, our operations are vulnerable to extreme weather events and climate variability that can affect our supply chains and production processes. For example, heavy rains or prolonged droughts impact the extraction and transportation of materials, as well as energy efficiency in our plants. This approach recognizes that climate and nature-related risks and opportunities are primarily local in nature and require, in addition to a strategic company approach, a specific strategy for each operating context.

Natural Capital Impacts and Dependencies



IMPACTS ON CLIMATE AND NATURE

Our greenhouse gas (GHG) emissions come mainly from calcination during clinker production and the use of fossil fuels. In addition, we operate in biodiversity hotspots and ecologically sensitive areas. Our operations are centered in Colombia, Central America and the Caribbean, where key ecosystems such as tropical forests, mangroves and areas of high water diversity are found. These areas not only provide the necessary resources for our production, but are also home to endemic species and critical ecosystems that require special attention.

Interventions associated with mining, such as vegetation removal and soil disturbance, affect critical habitats and may negatively impact species. In order to mitigate these effects, we implement biodiversity management plans and ecological restoration programs aligned with the mitigation hierarchy, prioritizing the prevention and compensation of residual impacts. This type of strategy is aligned with our firm commitment to achieve a net positive impact on biodiversity.

Learn about our statement for nature.

None of our facilities are located in areas with extreme high levels of water stress.
2% at medium-high level,
17% at medium level and
81% at low level.

OUR MANAGEMENT STRATEGY

We have an Integrated Risk Management System (IRMS) that complements the governance, audit and compliance models. This system is based on international standards ISO 31000 and COSO-WBCSD-Enterprise Risk Management, and is aligned with global best practices. The structure of the IRMS is designed to be consistent with our corporate governance, supported by a strong organization with clearly defined roles and responsibilities.

The IRMS management model is based on the three lines of defense framework, supported by risk policies and guidelines that guide organizational actions. These policies provide a framework for managing risks efficiently and in line with the Company's strategic objectives. This system is subject to periodic reviews by internal audit, which accompanies the risk analysis in various processes and contributes to the internal control environment of the organization.

Accordingly, we have identified and evaluated risks and opportunities related to the following:

WATER RISK

Water is an essential resource for our operations, from raw material extraction to cooling and production.

As part of our efforts to manage these risks, we have implemented water management plants that include optimizing water consumption in our plants, reusing water in internal processes, and protecting nearby surface and groundwater sources.

CLIMATE CHANGE RISKS

In 2023, we updated the climate scenario framework according to the most recent version developed by IEA (International Energy Agency), IPCC (Intergovernmental Panel on Climate Change) and NGFS (Network for Greening the Financial System), including time horizons aligned with TCFD recommendations.. We also reviewed the taxonomy of risks and opportunities at the strategic, tactical and operational levels, covering emerging risks. This approach remained unchanged for 2024.

We also quantified material impacts in the short, medium and long-term (2030, 2040 and 2050) by analyzing scenarios that include projections of climate variables, narratives, and macroeconomic assumptions.

RISKS RELATED TO NATURE

Nature-related risks have two assessment approaches, physical risks and reputational risks. On the one hand, physical risks of nature are associated with the dependence of an economic activity on biodiversity and ecosystem services in the territories in which it is present. On the other hand, reputational risks consider the state of nature and the impact of operations on it.

01

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Company's governance scheme is constantly evolving, focusing on the generation of sustainable value and the fulfillment of the organizational strategy. To achieve this, it is essential to have a framework of action governed by the principles of ethics, transparency and integrity, contributing to the reinforcement of a culture of compliance and the achievement of objectives in a responsible manner, reflecting our conviction that these principles are essential and non-negotiable.

This corporate governance scheme comprises the different management and administrative bodies and groups of people that make up the Company, working permanently to achieve these objectives, and whose mission and functions are duly regulated in the Company's different corporate governance instruments.

The Board of Directors is the governing body to which the Shareholders' Meeting delegates the company's direction. Its responsibilities include ongoing review of the strategy, adoption of the company's economic, social, and environmental policies, formulation of sustainability actions, monitoring of strategic risks, and oversight of the internal control system, among others.

Our Board of Directors is the management body primarily responsible for making decisions regarding corporate strategic objectives and following up on all decisions made to achieve them, in the continuous pursuit of the Company's and its shareholders' best interests. Additionally, it is the body responsible for providing strategic guidance and oversight in business operations and the risks faced by the Company.

Piedras Azules Plant in Honduras

Our Corporate Governance Scheme

The Board of Directors is responsible for guiding and supporting the Senior Management in the management and monitoring of the Company's strategic plan and any **arising risks and opportunities in economic, environmental and social matters.**

OUR ESG GOVERNANCE

Employees in Aggregates Plant

We have defined a governance structure for environmental, social, economic and corporate governance issues to help us maximize the creation of value in the environments where we operate, in order to foster sustainable growth for Cementos Argos.

BOARD OF DIRECTORS

The Sustainability and Corporate Governance Committee, representing the Board of Directors, continuously monitors ESG aspects. This Committee is also the highest body with direct responsibility for sustainability matters and is in charge of monitoring global trends in non-financial matters in order to adjust our strategy, and guide and monitor the Company's objectives.

PRESIDENT

The President establishes the Company's competitive strategy and activities to ensure profitable and sustained business growth, aligned with the corporate overarching purpose of enabling the building of housing dreams for a more sustainable, prosperous and inclusive society, with a focus on delivering value to different stakeholders.

He/She also acts as the organization's and subsidiaries' representative before various public and private entities, building relationships that favor the positioning, sustainability of the Company and reputation management.

STEERING COMMITTEE

The management of the Company is in the hands of the President and his/her direct team, who follow the guidelines established by the Shareholders' Meeting and the Board of Directors. This includes the analysis, formulation of guidelines and monitoring of the Company's management in the economic, social and environmental fields.

This governance framework is supported by **commitments and policies of responsible business conduct,** including economic, social and environmental issues.

FINANCIAL VICE PRESIDENCY

Risk Management

Argos has an Integrated Risk Management System (IRMS) administered by Risk Management and supervised by the Audit, Finance and Risk Committee. This area is responsible for leading the analysis of the Company's risks, impacts and opportunities, including those related to sustainability.

FUTURE VICE PRESIDENCY

Sustainability Management

Sustainability Management is responsible, at the corporate level, for formulating, monitoring and supervising sustainability strategies, framed in the economic, social and environmental dimensions. Likewise, it is in charge of leading the formulation of work plans and goals in accordance with best practices, standards, and local and international regulations.

VICE PRESIDENCIES, GENERAL REGIONAL MANAGEMENTS AND BUSINESS UNITS

In addition, at Argos we have Vice Presidencies and General Managements Offices that report to the President and supervise the implementation of strategies and action plans in the respective countries. Each of these responsible persons determines the actions necessary to carry out the implementation of the strategy with a local sustainability team in order to meet the objectives set by the Company.

Listed below are our main policies and codes.

SUPERVISION OF THE BOARD OF DIRECTORS

Our Board of Directors is the management body primarily responsible for making decisions regarding corporate strategic objectives and following up on all decisions made to achieve them, in the permanent search for the best interest of the Company and its shareholders. Additionally, it is the body responsible for directing and supporting Administration in the management of the business and the risks faced by the Company.

For this reason, the Board, through its supportive committees and the Company's Senior Management, prioritizes, discusses and approves strategies and formulates recommendations, actions and investments for the management of nature and climate change, and in line with the global sustainability agenda and corporate ambition, actions that are ultimately executed by the operational teams in our countries.

The highest body with direct responsibility for sustainability matters –including climate and nature– related issues, **is the Sustainability and Corporate Governance Committee,** a supportive committee of the Board of Directors.

Board of Directors Supportive Committees

Committee	Responsibility for Climate Change and Nature	Main Topics Covered in 2024
Audit, Finance and Risk Committee **Sessions held during the year:** 5	Oversee the effectiveness of the Integrated Risk Management System (IRMS) and review the Company's financial information and performance, including monitoring strategic risks and following up on the annual audit plan.	▪ Supervision of strategic risks including environmental, political and social issues. ▪ Monitoring of the actions implemented by Management to mitigate them in accordance with the risk appetite. ▪ Follow-up on the annual plan of the Internal Audit and the Statutory Auditor, including the most relevant results, and the implementation of the action plans defined to strengthen internal control.
Sustainability and Corporate Governance Committee **Sessions held during the year:** 3	Continually monitor social, environmental, economic and governance issues not only within the company but also global trends, in order to adjust the strategy, and guide and monitor Argos' objectives.	▪ Continuous alignment of the sustainability strategy with the corporate vision and organizational transformation. ▪ Approval of the update of sustainability goals in accordance with best practices, international standards and industry benchmarking. ▪ Advice and performance monitoring in occupational health and safety, nature, social value, R&D, CO_2 and other key processes for sustainability in the Company. ▪ Approval of the updated decarbonization roadmap. ▪ Analysis of the participation and results from the COP16 on biodiversity.
Appointment and Compensation Committee **Sessions held during the year:** 3	Determine policies and standards for the recruitment, compensation and development of members of the Board of Directors and Senior Management. This includes proposing to the Board of Directors the goals for the Organizational Performance Bonus (PRO, for its acronym in Spanish), an essential component of Senior Management's variable compensation. This program considers financial and non-financial aspects, including but not limited to external perception, operation, climate change and environmental management, and occupational health and safety management performance.	▪ Definition of policies for attracting and retaining key talent, especially in strategic positions. ▪ Definition of goals and review of the results of the PRO variable compensation system, including non-financial aspects such as climate. ▪ Review of the Senior Management compensation model.

SENIOR MANAGEMENT ROLE

Argos' Steering Committee follows the guidelines established by the General Shareholders' Meeting and the Board of Directors. Its main responsibility to implement, monitor and control the business strategy, including sustainability issues.

The Company is managed by the President, Vice Presidents and General Managers, who follow the guidelines set by the General Shareholders' Meeting and the Board of Directors.

In relation to senior management compensation schemes, we highlight the Organizational Performance Bonus (PRO), an essential component of variable compensation, which represents between 30% and 40% of total senior management compensation. This program consists of a long-term and a short-term system, in which we evaluate indicators that leverage the strategy, our commitment to sustainability in all dimensions and organizational objectives, considering financial and non-financial aspects, including but not limited to external perception, operation, climate change and environmental management, and performance in occupational health and safety management.

All matters related to climate change, which have a cross-cutting impact, are jointly managed by the **Vice Presidency of Corporate Affairs, the Vice Presidency of Future, the Sustainability Management, the country CEOs with their managers, directors and local sustainability teams of each operation.**

JUAN ESTEBAN CALLE
President

TOMÁS RESTREPO
Future Vice President

MARÍA ISABEL ECHEVERRI
Corporate Affairs Vice President

FELIPE ARISTIZÁBAL
Financial Vice President

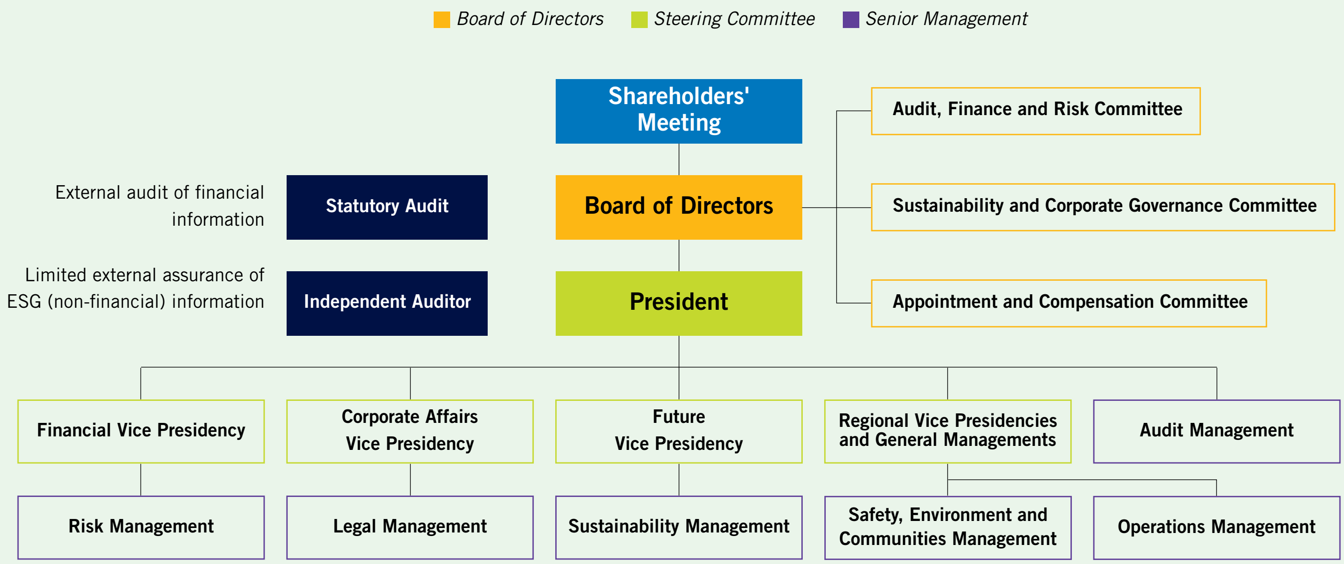
CARLOS HORACIO YUSTY
Colombia Regional Vice President

GUSTAVO URIBE
Central America General Manager

GARY DE LA ROSA
The Caribbean General Manager

GABRIEL BALLESTAS
Trading General Manager

Governance structure for the assessment and management of climate and nature related risks and opportunities.



Responsibilities in Climate Change and Nature

President

- Define the competitive strategy of the organization and its activities to ensure the growing and profitable participation of the business aligned with the corporate mission and vision focused on creating value for stakeholders
- Represent the organization and its subsidiaries before the different public and private organizations, building relationships that enhance the Company's market positioning, sustainability performance, and reputation.

Future Vice Presidency

- Define strategic sustainability guidelines and ensure their implementation, guiding the Steering Committee in decision-making and articulating their execution with the business units to focus resources and efforts on the defined environmental objectives, including climate change, nature and circular economy
- Guide the Steering Committee in decision-making and deploy it with the business units to focus resources and efforts on the objectives established to comply with the sustainability work plans
- Lead external ESG performance measurement processes, including environmental issues
- Promote the continuous review of trends and incorporation of industry and world-class ESG best practices

Corporate Affairs Vice Presidency

- Ensure, from a legal standpoint, that Argos complies with the reports and statements required by regulatory and/or external bodies, including ESG matters
- Guide the reporting and communication of information on ESG issues required by regulatory or external bodies
- Define and implement the Company's internal and external culture and communication strategy
- Ensure the alignment of the sustainability strategy with the regulatory environment, organizational culture and corporate communication, facilitating its integration in decision-making and in the relationship with key stakeholders

Responsibilities in Climate Change and Nature

Financial Vice Presidency

- Prepare risk assessments and monitoring reports with a focus on risks that could significantly affect strategic objectives in order to make decisions based on risks and opportunities, including environmental risks
- Develop the Company's long-term financial plan, including investment plans to achieve the defined environmental objectives
- Evaluate the projects proposed by the business units considering both their profitability and their contribution to sustainability goals, ensuring the efficient allocation of resources and the creation of long-term value

Regional Vice Presidencies and General Managements

- Oversee the implementation of environmental strategies and action plans in each country
- Determine the actions necessary to carry out the implementation of the strategy with a local sustainability team, and thus, meet the objectives set by Argos
- Ensure the implementation of work plans associated with ESG processes in each operation, ensuring their integration into the local strategy, compliance with established objectives and coordination with corporate areas

Sustainability Management

- Develop, monitor and supervise corporate sustainability strategies, guidelines and metrics framed in the economic, social and environmental dimensions
- Support the implementation of work plans in the areas of climate change, nature, health and safety, community engagement, among other key processes, ensuring their alignment with the corporate sustainability strategy and their execution in the different operations
- Lead the process of consolidation and verification of non-financial (ESG) information required by regulatory bodies, rating agencies and/or external parties
- Define the strategy for culture and training in ESG matters and the dissemination of key messages and results in this area
- Review and promote ESG trends and best practices in the industry and other outstanding management benchmarks in order to leverage the implementation of best practices in each process

Safety, Environment and Community Management and Operations Management

- Define, plan and ensure the implementation of the environmental action plan set out for the regions and operations
- Define and monitor annual CO_2 emission reduction targets at the regional and operational levels
- Lead the implementation of nature protection and CO_2 emissions mitigation initiatives in the regions and operations
- Report on the level of compliance with the defined objectives

Risk Management

- Lead the analysis of climate change and nature risks
- Lead the annual update of the Company's climate change and nature risk matrix in line with the guidelines of the Integrated Risk Management System

Audit Management

- Coordinate the management of Internal Audit and Fraud Prevention and Response processes, in order to provide objective analysis, evaluation and recommendations to the organization's Senior Management in the establishment of strategies, development and coordination of the structures of the organization's Internal Control and Risk Management Systems, orienting this work to the fulfillment of the business objectives

Legal Management

- Define the legal guidelines for the development of all the organization's activities, ensuring regulatory compliance, legal risk management and the integration of ESG criteria in decision-making and in the relationship with stakeholders

02

STRATEGIC FRAMEWORK

STRATEGY

The building materials industry is facing a transformational landscape due to climate change, accelerated urbanization, a growing need for sustainable solutions and the way interaction with nature has changed.

Nature is recognized as a strategic asset that underpins environmental, social, and economic systems. This recognition is embedded in Argos' corporate strategy. Therefore, we prioritize the development of low carbon products and solutions and actively work on the adoption of technologies that reduce emissions. We also focus on solutions that promote the circular economy, efficiency in the use of inputs, recycling and seek to protect nature.

We address the demand for infrastructure and housing with products designed to improve energy efficiency and reduce costs, enabling more affordable solutions for an expanding urban environment. We also adapt our products to new demographic needs, ensuring a focus on materials that provide comfort, efficiency and sustainability for end users.

Finally, we remain at the forefront of international regulatory standards, integrating sustainable practices that guarantee our position as a responsible market leader.

OUR PURPOSE

We understand that climate change and nature conservation are interconnected challenges that require decisive and urgent action. As part of the building materials industry, our purpose is to lead the transition to a low-carbon future by providing solutions that integrate sustainability, innovation and resilience.

As a member of the Global Cement and Concrete Association (GCCA), we are committed to achieving a climate ambition for 2050, including the production of carbon-neutral concrete and the reduction of CO_2 emissions in alignment with interim decarbonization targets for 2030. Also, we actively manage the impacts of our operations on biodiversity and water resources, seeking to generate a net positive impact on the environment and ensure the sustainability of our processes and communities.

Commitments to Climate Change and Nature

We are moving forward with determination towards a more sustainable, resilient operation, thus aligning our actions with global commitments on climate change and nature. To this end, we have established 2030 targets for CO_2 emission reduction, water management, biodiversity and circular economy, guided by best practices and international frameworks such as the Science-Based Targets initiative (SBTi), the Task Force on Nature-related Financial Disclosures (TNFD) and the Task Force on Climate-related Financial Disclosures (TCFD), and a commitment to produce carbon-neutral concrete by 2050.

In 2022, we achieved the validation of our Scope 1 and 2 emissions reductions goals by SBTi, aligned to their criteria on the trajectory of temperature ambition well below 2 °C. Due to the combination of Argos USA operations with Summit Materials, we will revise our targets to align with the 1.5 °C trajectory, in accordance with SBTi's most ambitious criteria.

Climate Change and Nature Goals

CLIMATE CHANGE

2030 Goals for Cement Business

- Reduce to **514 kg CO_2/t cementitious material** our specific net CO_2 emissions in the cement business for Scope 1.
- Reduce to **7 kg CO_2/t cementitious material** our specific CO_2 emissions in the cement business for Scope 2 (market approach).

2050 Target for Concrete Business

- Include in our portfolio carbon neutral concrete mixes.

NATURE

2030 Goals

Water

- Reduce the specific freshwater withdrawal in cements to **396 L/t cementitious material.**
- Reduce the specific freshwater withdrawal in concrete to **227 L/m³.**
- Reduce the specific freshwater withdrawal in aggregates to **63 L/t aggregate.**

Biodiversity

- Rehabilitate **90% of the released areas intervened.**
- Have management plans for **100% of the quarries** located in areas of high biodiversity value.

In line with the above, we focus our actions on the following objectives:

CLIMATE CHANGE

Mitigation: Reduce our direct and indirect CO_2 emissions.

Innovation: Develop products with lower emissions and sustainable construction solutions from a life cycle approach.

Adaptation: Identify the risks to which our operations are exposed and propose adaptation measures.

In order to achieve these objectives, we rely on two lines of work

1 **Decarbonization of our production processes and value chain:**

Scope 1 emissions

- Improved thermal efficiency
- Increased use of alternative fuels
- Reduction of clinker content in our cements
- Use of conventional fuels with lower CO_2

Scope 2 emissions

- Optimization of electrical efficiency
- Adoption of renewable power purchase agreements (PPAs)
- Development of renewable energy projects

2 **Actions focused on ensuring the resilience and competitiveness of our Company and our value chain:**

Fostering research through strategic alliances to accelerate and scale solutions.

Developing a portfolio of sustainable products that respond to customer needs.

Participating in trade and industry associations that promote the transition to a low-carbon economy.

NATURE

Preservation and Restoration: Manage the natural resources of the ecosystems where we operate, implementing management plans based on the mitigation hierarchy.

Nature Risks: Mitigate risks related to the dependence on natural capital for cement, concrete and aggregates production.

In order to achieve these objectives, we rely on five lines of work

Application of the mitigation hierarchy, focusing on avoiding, mitigating, correcting and, when necessary, compensating for residual impacts.

Prioritization of biodiversity management actions in high value areas, by establishing and executing specific management plans.

Development and execution of closure and rehabilitation plans for our operations, guaranteeing the recovery of the affected eco-systems.

Integral water management, promoting the responsible use and conservation of this vital resource for our operations and the surrounding communities.

Integration of our suppliers and customers in this commitment, working together to strengthen sustainability throughout our value chain.

For more information about progress on these climate change and nature commitments, please visit the “Mitigation Actions Related to Climate Change” section **here.**

Innovation to Achieve, Scale and Accelerate Transition

Innovation has been a key pillar of our environmental strategy. During 2024, we consolidated advances in the development and application of alternative materials, optimization of the clinker-cement factor, and digitalization of environmental assessment processes, contributing to the improved performance of our products and operations.

- **SuperClinker:** We continue to develop clinker mineralization technology, achieving increases in cementitious material addition levels of 2 to 4 percentage points at the Cartagena cement plant. This innovation will reduce the clinker-cement factor in the long term.
- **Low-clinker cements:** In our Future Tech Laboratory, we developed a cement with a clinker content of 40%, complying with ASTM 595. During 2024, we advanced in the technical validation for industrial scale-up.
- **3D printing inks with calcined clays:** We developed and tested two 3D printing inks with additions of calcined clays, achieving optimal fresh and hardened properties.
- **Automation of Life Cycle Assessment (LCA):** We implemented a digital tool to streamline the LCA of our products, reducing by 60% the preparation time and improving the responsiveness to the market.

Collaborative work with strategic partners has been fundamental to accelerate the adoption of new technologies. Through alliances with academia, the public sector, and international organizations, we have fostered the development of innovative solutions, promoted the adoption of regulations that encourage the transition to a low-carbon economy, which has allowed us to align with international standards and contribute to the development of more ambitious public policies on industrial sustainability, and generated applied knowledge for the decarbonization of the cement industry.


Rioclaro Cement Plant in Colombia

WE ARE PART OF THE ECEM PROJECT *(ELECTRIC CALCINER TECHNOLOGIES FOR CEMENT PLANTS OF THE FUTURE)*

This project, financed by the Danish government through the Innovation Fund, aims to advance the development of technologies to electrify cement production to reduce CO_2 emissions through the use of renewable energies. It has a duration of 3.5 years and involves the participation of European universities and research institutions. Our role, as a potential technology user, is to provide industry information to conduct trials and conclude on the feasibility of this technology in the sector.

WE ACTIVELY PARTICIPATE IN INNOVANDI'S INITIATIVES

The GCCA, through its Innovandi program, is developing two initiatives focused on reducing CO_2 emissions from the cement industry:

1. **The Global Research Network:** Focused on working with universities. We are part of the network's Steering Committee and are industrial mentors for PhD students developing projects.

2. ***OpenChallenge:*** Focused on working with startups and aims to help them accelerate the development of their technologies through joint projects. During 2024, we supported three projects.

ACKNOWLEDGEMENTS

REGIONAL ENVIRONMENTAL LEADERSHIP FOR SUSTAINABLE ENTERPRISE PROGRAM

In 2024, our Rioclaro cement plant in Colombia was awarded a **score of 89.8% in the category Líder Progresa** in the framework of the Regional Environmental Leadership Program for Sustainable Business "Progresa" led by the Corporación Autónoma Regional Rionegro Nare (Cornare).

This recognition allowed us to demonstrate the implementation of actions and proposals for technological innovation to achieve cleaner production, rational use of resources, reduction of greenhouse gases, and climate change management.

SUSTAINABILITY SEAL

In 2024, our Nare cement plant in Colombia was awarded **in category A (with a score between 68% and 89%)** for its good performance and compliance with its obligations.

This initiative is led by the Corporación Autónoma Regional del Centro de Antioquia (Corantioquia) and seeks to recognize organizations, producers, ethnic groups, guilds, and trade associations located in Corantioquia's jurisdiction that, in their productive processes and initiatives, present differentiating elements in terms of environmental protection.

We will continue to work on strengthening sustainable innovation, relationships with different stakeholders on sustainability issues and transparency, with the purpose of advancing to the AAA recognition category.

INTEGRATION WITH OUR FINANCIAL PLANNING

Our climate strategy considers a financial environment that facilitates the necessary investments to decarbonize our processes and manage the associated risks and opportunities. Thus, our financial planning and capital allocation is closely linked to decarbonization, the development of low-carbon products and the creation of new technologies.

Investment Planning - Green CAPEX

We understand the imperative need for operations, sustainability and finance teams to work together to identify, structure, make feasible and execute the investments required to decarbonize our production processes and thus contribute to the planet's 2050 temperature reduction trajectory.

In 2024, as a result of the closing of the transaction between Argos USA and Summit Materials, we redefined our climate change commitments and those related to the technical and financial roadmap that had initially been drawn up in 2020, considering only the regions of Colombia, Central America and the Caribbean. This update resulted in structuring a decarbonization roadmap that involves a USD 73,9 million investment package to achieve the 2030 commitments in the cement business.

USD 73.9

MILLION is the 2030 projected CAPEX to realize the updated emissions reduction roadmap Scope 1

Decarbonization Capex Investment Categories

Clinker/Cement Factor	Optimizing the clinker-cement factor reduces the amount of clinker, which is the component with the largest carbon footprint used in cement manufacturing, while maintaining product performance and quality. By partially replacing clinker with supplementary cementitious materials, such as slag, fly ash and natural and artificial pozzolans, a significant reduction in CO_2 emissions associated with decarbonation and energy consumption in the clinkering process is achieved. This practice not only contributes to the decarbonization of the industry, but also improves resource efficiency by adding value to industrial by-products, aligning with the principles of the circular economy.
Caloric Consumption	Thermal efficiency maximizes the use of heat and minimizes energy losses by deploying advanced technologies, equipment modernization and continuous improvement in operational management. This not only reduces the consumption of fossil fuels, but also contributes to the reduction of direct CO_2 emissions and the costs associated with energy consumption, thus boosting competitiveness and compliance with the Company's decarbonization commitments.
Alternative Fuels	The co-processing of waste in clinkerization kilns reduces greenhouse gas emissions by substituting conventional fossil fuels such as coal and petcoke. It also makes it possible to use and recover materials, minimizing the final disposal of waste in landfills and promoting the circular economy and more sustainable and efficient models.

Puerto Nare Plant in Colombia

Internal Carbon Pricing

We have a Internal Carbon Pricing, which was most recently updated in 2023. This instrument allows us to financially internalize CO_2 emissions, determine the ideal profitability of the projects we intend to implement, influence capital allocation decisions, encourage low-carbon investments and technological transformation, and prepare to navigate new carbon regulations.

Methodology: Implicit Cost

Type of internal carbon price: Shadow Price

Application: All business decision-making processes

Value: USD 15.8/ton of CO_2

Scope:
- All Argos geographies
- Scope 1, 2, and 3 emissions (future)

Objective:
- Influence capital allocation decisions
- Promote low-carbon investments and technological transformation
- Prepare Argos for carbon regulation
- Promote changes in practices and sourcing
- Conduct cost-benefit analysis
- Drive energy efficiency
- Incentivize consideration of climate-related issues in decision making
- Incentivize consideration of climate-related issues in risk assessment
- Identify and seize low-carbon opportunities
- Influence strategy and/or financial planning
- Setting and/or achieving of climate-related policies and targets
- Stress test investments

03

RISKS, DEPENDENCIES, IMPACTS AND OPPORTUNITIES

RISKS, DEPENDENCIES, IMPACTS AND OPPORTUNITIES

COMPREHENSIVE RISK MANAGEMENT SYSTEM (CRMS) AND CLIMATIC AND NATURAL HAZARDS

At Cementos Argos, we have a team specialized in integral risk management, dedicated to identify, evaluate and mitigate strategic, tactical and operational risks that may affect the fulfillment of our objectives. We anticipate possible adverse situations by implementing reduction and control measures.

To this end, we work closely with leaders from various areas, including operations, processes and projects, forming interdisciplinary teams under the direction of the risk team. All this is developed following the guidelines established in our Corporate Risk Management Manual and methodology.

The CRMS enables the successful execution of the strategy through the following processes:

- **Identification** of possible risk scenarios taking account of materiality, global environment trends and connections, and the Company's strategic framework
- **Evaluation** of the level of exposure to all risks and quantification of impacts
- **Treatment** through action plans including adaptation plans, continuity plans and the corporate insurance program
- **Monitoring** the effectiveness of action plans and reporting to Senior Management and the Board of Directors

We have integrated climate change and nature into our Comprehensive Risk Management System (CRMS), ensuring its implementation in our own operations, as well as upstream and downstream value chain and alignment with international management standards. This vision allows us to address the risks and opportunities associated with all levels of the Company (strategic, tactical and operational) by incorporating them transversally into our processes and decisions.

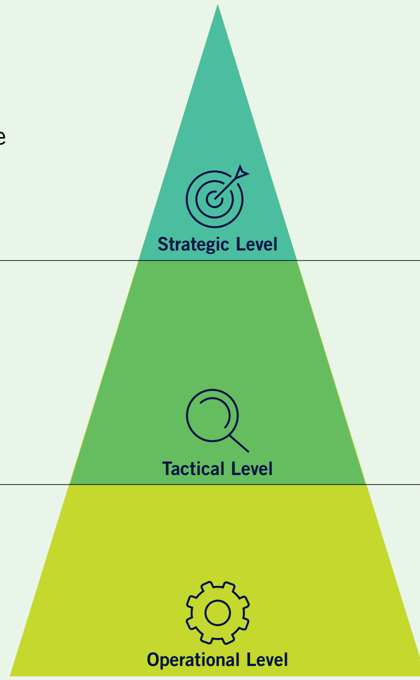
Employee in Honduras

CLIMATE RISKS, IMPACTS AND OPPORTUNITIES MANAGEMENT

Climate change risk management in our organization is a comprehensive process that combines both top-down and bottom-up approaches.

We align ourselves with global reporting standards, such as **TCFD, TNFD and GNR,** adopting best practices and new developments that allow us to meet our commitments and strengthen the organization's resilience to climate challenges.

Climate Change Risks are identified and assessed at the strategic level and reported at least annually to the Audit, Finance and Risk Committee of the Board of Directors.



PROCEDURE	MANAGERS
Assessments of the Financial Impact of Climate Change Risks on the Company's most relevant metrics, in order to estimate the potential deviation from strategic objectives.	**Senior Management** leads actions to prevent the Company's main physical and transitional risks. Climate change OKRs are set at the corporate level.
Guidelines, Objectives and Goals of the climate change mitigation and adaptation plan and standard methodologies for risk assessment and monitoring at facilities.	**Vice Presidents,** regional managers and corporate technical teams lead actions to prevent major physical and transitional risks in countries or regions.
Supporting facilities in assessing exposure to climate change risks and designing action plans to improve their resilience.	**Facility Managers and Staff** lead physical risk prevention actions and apply the guidelines of the climate change strategy.

Financial impacts, both current (2024) and short, medium and long term (i.e. 2030, 2040, 2050), are part of the reports presented to the Board of Directors Committee and are accompanied by response actions for decision-making.

At the tactical level, guidelines for both carbon footprint mitigation and climate change adaptation are established and monitored. This process is carried out through the vice-precidencies and technical teams. **At the operational level,** facilities receive the necessary support and tools to implement and monitor the mitigation actions defined in the technical and financial roadmap for the definition of Scope 1 and 2 emissions reduction targets. In addition, climate change adaptation measures are established based on physical risk assessment.

Short-, Medium-, and Long-Term Climate Risk Assessment

At Argos we update the physical and transition climate risks using the most recent scenarios and variables developed by IEA, IPCC and NGFS. These analyses include time horizons aligned with the TCFD and TNFD reference frameworks.

TIME HORIZONS

Through stochastic models, we quantify the expected impacts of the materialization of risks and opportunities on potential deviations from EBITDA for all time horizons. Risk materializations are modeled based on the definition of climate scenarios, random variables and key assumptions either by expert judgment or by the analysis of historical and prospective patterns.

Time Horizons for our quantifications are 2030 in the short-term, 2040 in the medium-term, and 2050 in the long-term. These are aligned with our global commitments, strategic frameworks and the business plans that support them.

SHORT TERM

From the present time until year 2030, the horizon for which we have established our climate goals.

2030

We have actions set out in our decarbonization roadmap for the mitigation of our Scope 1 emissions, establishing the premises and technical considerations that drive the levers to reduce CO_2 emissions, guiding the near-term capex approval process.

MEDIUM TERM

Medium-term timeframe to assess progress in climate change mitigation and adaptation.

2040

This period can be a milestone for the integration of important changes in the industry in terms of processes, projects, products and services, including but not limited to a greater integration of alternative energy sources, a significant reduction in the dependence on fossil fuels, deployment of carbon capture, utilization, and storage technologies.

LONG TERM

In line with our commitment to deliver carbon-neutral concrete by 2050, aligned with the Global Cement and Concrete Association's (GCCA) roadmap for net zero Concrete.

2050

This will be achieved through actions such as:
- Increased supply of sustainable products and solutions.
- The reduction of the clinker/cement factor.
- Increased use of energy from renewable sources.
- Waste coprocessing.
- Use of alternative fuels.
- Advances in technological developments associated with CO_2 capture and utilization.

STRATEGIC, EMERGENT, TACTICAL AND OPERATIONAL FOCUS

We recognize climate change as a reality that impacts the Company at all levels, either through forms that are visible today or through determinants that are still unknown. This is why the established risk taxonomy is considered applicable to all geographies, businesses and facilities.

Strategic Risks
Risks whose materialization might have a **significant impact on the strategy, its objectives, shareholder value or financial viability.** These risks can originate from both environmental trends and organizational factors, and it is imperative that senior management make them a priority in their knowledge and management.

Tactical Risks
Those whose materialization **could compromise operational continuity and financial performance of key projects, the proper functioning of transversal processes, as well as the continuity or profitability of businesses, areas, countries or regions.** They can derive from both external and internal factors, and the responsibility lies with the vice presidencies, corporate teams, and country, business and project directorates.

Operational Risks
Risks whose materialization **could compromise the resilience and continuity of operational activities or the proper development of transactional** processes, requiring robust and standardized controls. Responsibility lies with the managing teams of facilities, geographic areas, business, and process leads.

Emerging Risks
Events with high uncertainty as to their nature and consequences, occurring on a large scale and arising from global trends.

STRATEGIC RISKS ARISING FROM CLIMATE CHANGE

Strategic risks associated with climate change are identified through workshops with business areas, where an interdisciplinary team participates. This team brings a variety of approaches to evaluate the factors that might generate significant impacts on the Company. In addition, utilization of climate scenario analysis tools to assess current exposures and future climate-related risks.

As a result of these workshops, in 2024 we managed and administered 11 strategic risks derived from climate change. These are directly linked to the Company's main strategic and emerging risks, distributed into six transitional and five physical risks, as detailed below:

Climate Change Risks with Strategic Scope

TRANSITION RISKS

- **R01** Implementation of Emissions Trading Systems in the Countries Where the Company Operates
- **R02** Increase in Raw Material Costs Attributable to Climate Change
- **R03** Uncertainty in Energy Markets
- **R04** Increase in the Cost of Risk Transfer and Retention Mechanisms
- **R05** Depreciation or Early Replacement of Existing Assets due to Technological Obsolescence
- **R06** Restrictions on Access to Capital, Credit and Similar Resources due to a Intensive Production Process in CO_2 Emissions

PHYSICAL RISKS - ACUTE

- **R07** Extreme Precipitation
- **R08** Hurricanes
- **R09** Landslides Resulting from Extreme Weather Events
- **R10** Tornadoes

PHYSICAL RISKS - CHRONIC

- **R11** Depletion of Water Resources for Business Continuity Due to Climate Change and Degradation of Ecosystems

Employees at Arroyohondo Plant in Colombia

TRANSITION RISKS

R01

Implementation of Emissions Trading Systems in the Countries Where the Company Operates

This risk arises from a potential increase in emissions costs due to the introduction of Emissions Trading Systems (ETS) in the countries where we operate. CO_2 market schemes will most likely be implemented in the coming years in the territories where we operate.

Impacts

The implementation of an ETS implies a cost in our cement production, which is the most representative business in terms of CO_2 emissions.

Argos operates in regions where an ETS has not been implemented to date. Currently, we consider the ETS to be the most feasible carbon pricing scheme to be deployed for the achievement of each country's Nationally Determined Contribution (NDC), that is, the targets that each country set and committed to in order to achieve the Paris Agreement goals.

TRANSITION RISKS

R02

Increase in the Cost of Raw Materials

Beyond the current situation, climatic events, new regulations or market changes generated by climate change may cause an increase in the selling price to consumers or affect the product profitability:

- **Coal:** The price of coal is normally seasonal. However, there will be climate-related events and transition measures that will influence domestic coal supply. For example, the bank's commitment to stop financing new mining projects may increase the coal shortage
- **Natural Gas:** Reductions in coal supply could increase demand for natural gas permanently, putting its viability as a substitute for coal at risk.
- **Petcoke:** The demand for labor for coal and petcoke extraction activities causes indirect cost impacts, which mainly affect our operations in Honduras
- **Other Raw Materials:** Diesel, iron, steel and paper (for packaging) may be subject to supply shocks and environmental regulations
- **Alternative Fuels:** The scarcity of fossil fuels and their impact on clinker production may increase the demand for alternative fuels. It is important to strengthen their reliability and availability through the development of supply chains

Impacts

- Coal costs affect not only clinker production in Colombia and Honduras, but also imports, which may reduce the viability of our mills in Panama and the Dominican Republic
- Colombian regulations prioritize the availability of gas for domestic use during periods of scarcity, affecting the supply of gas for industrial uses and therefore its costs
- It is expected that aggregate mining may be affected, as water scarcity may strengthen river conservation actions

R03

Uncertainty in Energy Markets

Risk derived from the uncertainty associated with climate change that may exist in both the demand and supply of electricity. The availability of sources for power generation (mainly hydro and thermal), the integration of our self- generation facilities, the regulatory framework and the pricing schemes available in the different countries, among others, are the complexities underlying the determination of our energy consumption costs.

Impacts

All of these factors may be affected by physical and transitional climate risks, as well as the feasibility of integrating alternative sources into the grid.

- **Colombia:** Due to some extent to climate change commitments, the liquefied natural gas market is migrating to Europe and Asia, generating shortages in Central American markets. As a result, domestic generators have reduced imports of natural gas from Central America and are turning to secondary market gas in Colombia. A percentage of our self-generation supply comes from these markets, so we anticipate that competition for secondary gas will significantly increase its price. Therefore, not only will energy prices rise, but also negotiations through long-term contracts will fall in 2030 and onwards. In addition, extreme weather events, such as more severe ENSO (El Niño - Southern Oscillation), can significantly affect hydroelectric generation. Colombian energy regulations establishes penalties for excess energy consumption during a period of scarcity
- **Central America and the Caribbean:** The energy matrices of the countries in the regional are highly concentrated in petroleum-based fuels, with the exception of Panama, which has a large supply of hydroelectric energy. Honduras and Puerto Rico have high exposure to thermal energy (coal and/or gas)

TRANSITION RISKS

R04

Increased Cost of Risk Retention and Rrisk Transfer

Risks derived from cost overruns in insurance programs due to increased exposure to physical and transition risks. Weather events can increase the frequency and severity of natural catastrophe losses, encouraging changes in property catastrophe insurance conditions. In addition, reinsurance companies have made global commitments to contribute to climate change mitigation, such as the United Nations Principles for Sustainable Insurance, the Net-Zero Insurance Alliance, and the Net-Zero Asset Owners Alliance convened by the United Nations.

Impacts

The reduction in underwriting capacity for our cement and self-generation businesses could increase risk transfer costs, and therefore, insurance premiums in our industry. Hence, climate change and ESG management can become a determining factor in the allocation of investment portfolios and insurance and reinsurance underwriting.

R05

Depreciation or Early Replacement of Existing Assets due to Technological Obsolescence

Risk derived from the delay in the renewal of technological equipment. Consequently, early obsolescence can reduce the value of assets.

Impacts

In view of the growing need to transform our production processes, our businesses face the following challenges:

- **Cement:** Wet lines in Colombia are the most likely to become obsolete because this technology is less efficient in the use of resources. The closure of wet processes involves changes in the business model or changes in the product portfolio.
  In the cement production process, there is a growing need to implement additional technologies (e.g., carbon capture and alternative fuels).
  Currently, the Piedras Azules Plant in Honduras has state-of-the-art technology for the incorporation of supplementary cementitious materials. This could become an opportunity in this market, as it could be a mechanism that local producers can use to increase their competitiveness towards importers.
- **Concrete and Logistics:** These lines of business face the need to renew the fleet to comply with emissions standards. Although much of the fleet meets these conditions, other substantial changes are required for conversion to feasible gas and electric options. This is nowadays considered a challenge rather than an opportunity. For example, to transition to an electric vehicle fleet, the countries where we operate must have adequate infrastructure (e.g., multiple charging points) to support a fleet shift to cleaner technologies. The gradual transition to migrate to these technologies would take 5 to 10 years. In addition, for electric or gas fleets to operate, truck loads would need to be reduced. This, in turn, reduces equipment profitability and increases loading times. As Argos does not directly own its vehicles in some segments and regulation is strongly influenced by the transportation sector, we cannot have a direct influence on the implementation of these changes.

TRANSITION RISKS

R06

Restrictions on Access to Capital, Credit and Similar Resources due to the Intensive Production Process in CO_2 Emissions

The Company may be increasingly exposed to risks related to investment capital and indebtedness as ESG (environmental, social and governance) metrics disclosure standards are adopted, financial products aligned with long-term commitments to reduce CO_2 emissions are developed, and more investors require greater transparency from companies regarding their climate change commitments. Investors not only refer to disclosure, but also compare our indicators and targets with those of industry peers, and this could become a criterion for the allocation of capital to the sector in the future.

Impacts

The impacts derived from this risk include:

- Changes in credit ratings due to ESG criteria
- Impossibility of acquiring credit instruments to finance projects that contribute to climate change mitigation
- Lack of access to credit lines with competitive rates associated with ESG performance
- Withdrawal of capital and incidence of investors seeking to change their portfolios to sectors with a lower carbon footprint, carbon neutral or whose actions are aimed at mitigating the impacts of climate change

PHYSICAL RISKS - ACUTE

R07

Extreme Precipitation

Periods of extreme rainfall are one of the most significant physical risks affecting not only our footprint but also our business strategy, more specifically in the U.S. and Colombian operations, thus affecting cement and ready-mix production, supply chain and product delivery.

Extreme rainfall is a major threat, as it occurs unexpectedly and affects the entire value chain (i.e. customers, construction sites, suppliers), making it difficult for the Company to take individual actions in addition to logistics management. We must increase our awareness of the budgetary effects derived from the increase in the frequency and severity of this phenomenon, as they substantially affect the fulfillment of business plans.

Impacts

In Colombia, rainy seasons cause flooding in the coal mines, affecting exploitation, and therefore, the supply of fuel for clinker kilns. In addition, rainy seasons can affect power supply, as river sedimentation levels increase, impacting hydroelectric generation.

Extreme rainfall causes construction projects to come to a standstill, affecting ready-mix concrete logistical planning.

R08

Hurricanes

Hurricanes are one of the most significant physical risks affecting not only our operations but also our overall business strategy, more specifically in the U.S. and the Central America and Caribbean Regionals. Argos operates in areas highly vulnerable to extreme weather events, including hurricanes, floods and storm surges.

Impacts

These risks foster the need to frequently monitor the potential impacts of extreme weather events on our operations and supply chain, and to design mitigation and adaptation strategies for all our facilities depending on their specific degree of vulnerability. Hurricanes can cause increases in logistics costs, decreased revenues, higher insurance premiums, property damage costs, among others.

PHYSICAL RISKS - ACUTE

R09

Landslides Resulting from Extreme Weather Events

Landslides are one of the most important physical risks affecting our businesses, more specifically in Colombia, where the geographic characteristics and relief surrounding our facilities and value chain, coupled with the current vulnerability of roads, can cause severe blockages that affect the supply chain, product delivery and business continuity. The Company anticipates that the country's road infrastructure will improve in the future through the development of better conditions and the construction of alternative routes that reduce the infrastructure vulnerability.

Impacts

The occurrence of landslides may affect the logistics chain of the business, due to potential landslides that may block roads and/or limit business operations.

R10

Tornadoes

Tornadoes are one of the most significant physical risks affecting not only our operations but our overall business strategy, more specifically in the U.S. and the Central America and Caribbean Regionals.

Impacts

Tornadoes can cause increases in logistics costs, decreased revenues, higher insurance premiums, property damage costs, among others.

PHYSICAL RISKS - CHRONIC

R11

Depletion of Water Resources for Business Continuity Due to Climate Change and Degradation of Ecosystems

Due to climate change, exposure to changes in water availability (droughts or floods) and quality (contamination) increases. This restricts access to water for both the community and the Company.

Impacts

The potential impacts derived from the materialization of this risk include: business stoppage, opposition to operations and projects by the communities in areas of influence, increased operating costs, denial of permits for new operations and facilities, reduction of investment attractiveness due to non-compliance with environmental commitments, among others. Our facilities most vulnerable to water stress are located in Toluviejo and Haiti, which increases our need to implement adaptation measures to ensure business continuity in the future.

CLIMATE CHANGE ADAPTATION PLAN AND PHYSICAL RISKS

We conduct periodic reviews of our facilities' exposure to weather events and analyze the supply chain to mitigate threats. This allows us to quantify financial losses from insured damages and assess operational continuity, optimizing risk transfer and retention management within our corporate insurance program. In addition, each facility has contingency and business continuity plans in place to respond effectively to any eventuality.

Since climate change may intensify the frequency and severity of these events, we have implemented tools that allow us to analyze exposure to future climate conditions under different scenarios. In this context, our facilities develop adaptation plans, starting with the identification, analysis and evaluation of specific physical risks. This process is key to defining and prioritizing appropriate adaptation actions for each operation.

We also periodically review and evaluate the effectiveness of these measures to ensure continuous improvement and reinforce our ability to respond to climate change. We encourage shared learning and the dissemination of best practices among all stakeholders involved in this process.

Model for the Definition of Adaptation Plans to Climate Change

CLIMATE CHANGE ADAPTATION PLANS

1 Identification and Evaluation of Physical Risks

- **Swiss Re RDS Tool:** Shows the intensity of current threats at each location
- **WRF and Aqueduct:** Platforms for assessing current and future exposure to water stress

2 Identification and Prioritization of Adaptation Measures

- Physical Risk Assessment Tool for Cement, Concrete and Aggregates Facilities
- Physical Variables Assessment Tool 2030-2050
- NatCat Modeling (AIR, RMS)

3 Planning and Implementation of Measures

- Grupo Argos' Climate Change Adaptation Objectives and Targets
- Argos Guidelines for Climate Change Adaptation Plans
- Water Management Plans

4 Monitoring and Evaluation

- Self-assessment tool to evaluate the maturity of the environmental management system (including lessons learned and best practices)
- Continuous monitoring of climate regulation in the geographies where we operate
- Monitoring of regulation related to restrictions on carbon pricing mechanisms, changes in customer behavior, volatility of electricity prices, etc.)

1

Identification and Evaluation of Physical Risks

At the corporate level, we identify physical risks through:

- **Physical Risk Assessment Tool:** Enables evaluation of asset-level exposure to physical climate hazards, considering specific threats and vulnerabilities.The tool has information available for NatCat risk exposure analysis for key hazards and scenarios, NatCat risk maps and models, as well as alerting of threats that potentially impact locations and allow for tracking.
- **2030-2050 Climate Variables Tool:** Allows us to evaluate the evolution of climate variables over time to estimate the exposure to physical risks of our facilities in the established time horizons 2030, 2040, 2050, according to globally accepted climate scenarios
- **Aqueduct and Water Risk Filter:** To assess current and future exposure to water stress through the water risk calculator
- **AIR, RMS and Supply Chain Modeling:** To annually assess our exposure to natural hazards to make optimal risk retention and risk transfer decisions as part of our corporate insurance program

2

Identification and Prioritization of Adaptation Measures

In 2024, we identified measures to reduce the effects of climate variability and change. Prioritizing these measures involves identifying the most appropriate and effective measures, according to the following criteria: urgency of action, flexibility, additional positive impacts, co-benefits of secondary effects, cost-benefit ratio, balance of experience and capabilities, and compatibility with regulatory frameworks.

3

Planning and Implementation of Measures

Planning priority measures implies the combination of actions with similar purposes and a logical order for their execution. This requires defining aspects such as scope, schedule, cost-benefit analysis, and funding sources for each facility.

The measures in our adaptation plans include different time horizons: short term (i.e. measures to be implemented in less than 5 years), medium term and long term. During implementation, it is crucial that each facility identify lessons learned, document the process, identify current and potential barriers, and share progress with others involved.

4

Monitoring and Evaluation

Robust monitoring protocols are applied to assess the effectiveness and maturity of facility-level adaptation strategies. We assess the maturity of the environmental management system to qualify and follow up the implementation of the necessary control measures in each facility to mitigate its exposure to risk. This tool also includes a climate change adaptation component, which shows the expected maturity in the implementation of the adaptation plan.

5

Lessons Learned and Best Practices

The purpose of this stage is to determine whether the measures implemented have improved climate resilience. This makes it easier to make the necessary adjustments to optimize available resources and overcome identified barriers. Lessons learned and best practices can be recorded in the self-assessment tool.

6

Adaptation Milestones

Each year we have updated quantified risk scenarios (AIR and RMS), physical risk assessments for all facilities and self-assessment tools to monitor the degree of implementation of adaptation plans.

In addition, we have physical risk assessments for the 2030-2050 period, based on climate scenarios, which we expect to share with operations through risk culture strengthening activities during the coming year.

Impact of climate change risks and opportunities on the Company's business, strategy and financial planning

Climate change directly impacts the Company's business, strategy and financial planning, generating both risks and opportunities. Risks can lead to higher operating costs and restrict access to financing, while opportunities can boost competitiveness.

Below, we show how the financial implications of climate change are defined in our organization:

METHODOLOGY

Quantitative analysis for physical and transition risks based on short, medium and long-term physical and transition scenarios.

Estimates of impacts of climate change risk materializations on the value of the Company during the analyzed horizon.

Quantified impacts of potential materializations of the climate change risk map and opportunities on the Company's EBITDA.

10-30 YEARS

2-10 YEARS

0-2 YEARS

PRESENT

SOURCES OF INFORMATION

- Relevant information from climate scenarios for strategic decision-making.

- Technical and financial roadmap for the achievement of Scope 1 and 2 goals.
- Climate Change Adaptation Plan.
- Goals for green solutions portfolio.

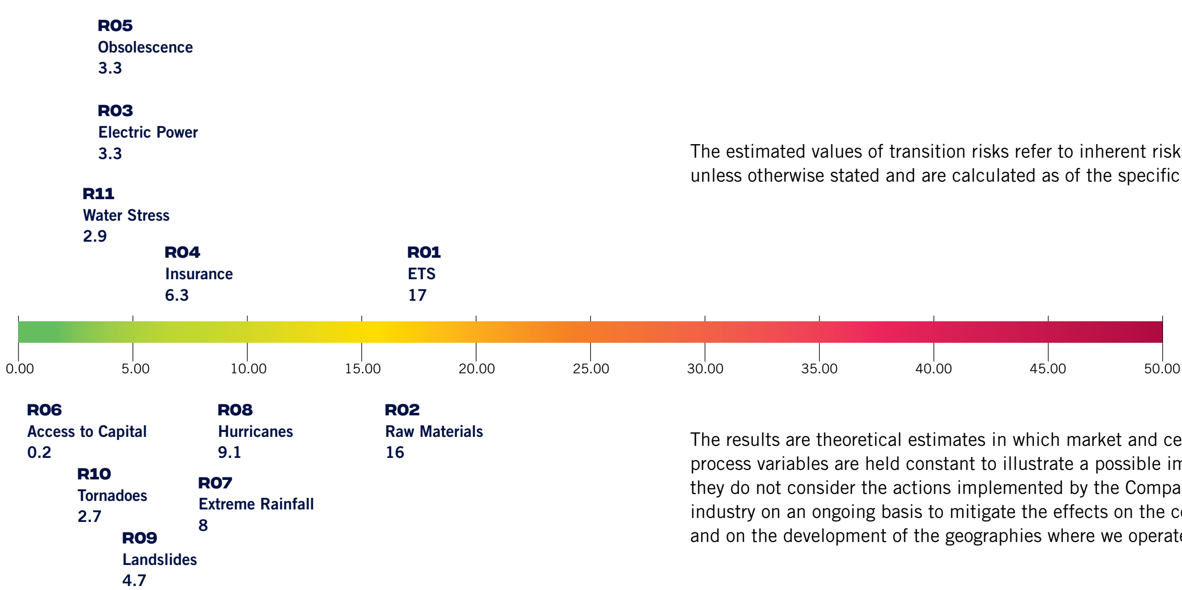
- Annual Goals.
- Operational action plans and budgets.

CURRENT IMPACTS

Climate Change Risk Map

The quantitative impacts that make up the Climate Change Risk Map (2023) are carried out under the Value at Risk (VaR) approach, which estimates potential deviations from EBITDA based on the materialization of risk scenarios that impact business profitability. These are established under the Delphi method and are based on key random variables, including but not limited to volumes, prices, costs, and expenses, with their respective quantitative probability assumptions.

Maximum Losses, Impacts on Operating Results. Figures in million dollars

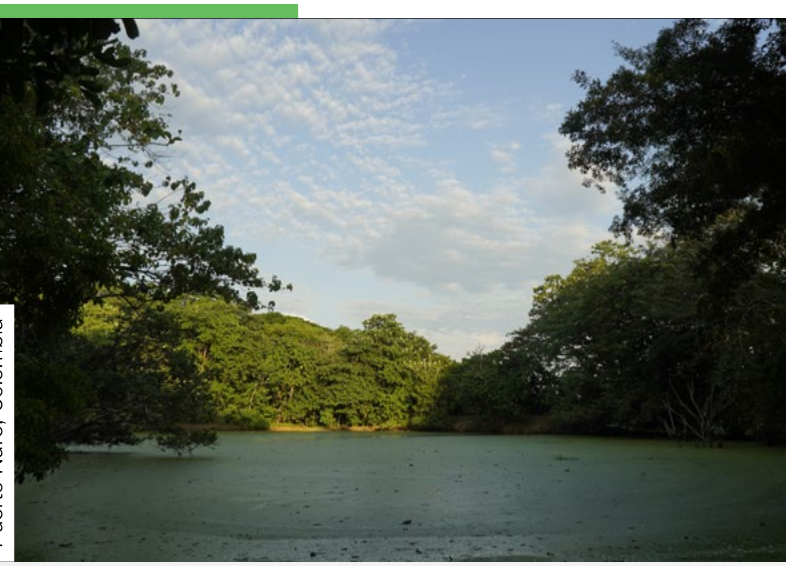


The estimated values of transition risks refer to inherent risks in all cases unless otherwise stated and are calculated as of the specific year.

The results are theoretical estimates in which market and cement production process variables are held constant to illustrate a possible impact. In addition, they do not consider the actions implemented by the Company and the industry on an ongoing basis to mitigate the effects on the construction sector and on the development of the geographies where we operate.

2030-2050 SCENARIO ANALYSIS

To analyze our short, medium and long-term risks, we update the scenarios in line with increased global efforts to reduce greenhouse gases. These three scenarios incorporate climate models and projections from the IPCC (Intergovernmental Panel on Climate Change) in the SSP (Shared Socioeconomic Pathways) and NGFS (Network for Greening the Financial System), as well as transition narratives from the IEA (International Energy Agency). They include two scenarios where the global temperature increase does not exceed 2 °C by 2100, following the recommendation of TCFD and the Paris Agreement.



Puerto Nare, Colombia

Scenarios

SSP1 - 1.9 + NZE +1.5 °C			SSP1 - 2.6 + APS +1.8 °C			SSP2 - 4.5 + STEPS +2.7 °C		
ipcc	iea	NGFS	ipcc	iea	NGFS	ipcc	iea	NGFS
SSP1 - 1.9	NZE	Net zero 2050	SSP1 - 2.6	APS	Below 2 °C	SSP2 - 4.5	STEPS	Contributions Determined
Sustainability	Net zero emissions by 2050		Halfway	Announced Commitments		Regional Rivalry	Declared Policies	

SOCIAL

SCENARIO 1:
SSP1 - 1.9 + NZE

- Rapid economic growth thanks to the creation of thousands of jobs related to the energy transition to renewable energies
- Greater environmental commitment and better quality of life
- The SDGs are achieved, highlighting global energy access and improved air quality
- Change in people's behavior, oriented towards more sustainable practices
- There would be at least a 50% chance of limiting global warming to below 1.5 °C by the end of the century

SCENARIO 2:
SSP1 - 2.6 + APS

- Improved engagement in society, supporting the achievement of the SDGs, but it is assumed that only economies that have the current target of achieving net zero emissions by 2050 will achieve it, while those that do not are expected to reach carbon neutrality beyond 2070
- Major investment in health, education, and various programs to provide access to clean energy in low-income countries, job creation to implement renewable energy and increase energy efficiency

SCENARIO 3:
SSP2 - 4.5 + STEPS

- Governments are not fully achieving their stated climate targets
- Rapid growth of the world's population, generating new challenges for governments in energy and economic aspects. Therefore, plans are being made to achieve access to energy in the short term and the pricing regimes for sustainable and non-sustainable products are being reformed
- In this scenario, a temperature increase of 2.7 °C is expected by 2100

	SCENARIO 1: SSP1 - 1.9 + NZE	SCENARIO 2: SSP1 - 2.6 + APS	SCENARIO 3: SSP2 - 4.5 + STEPS
POLITICAL AND REGULATORY	▪ The Paris Agreement and the goal of zero net emissions by 2050 at the global level are met, and international cooperation is important to achieve this ▪ Advanced economies reach the zero emissions target earlier than others ▪ A regulatory framework that encourages the reduction of the sale and consumption of fossil fuels throughout the world, the aggressive costing of CO_2 emissions and the development of clean technologies in order to achieve decarbonization at a slower pace	▪ Countries fully implement their national targets for 2030 and 2050, and the outlook for fossil fuel and low-emission fuel exporters is determined ▪ Carbon neutrality can be achieved through lower emissions from the energy sector in conjunction with the implementation of carbon sequestration measures ▪ Emissions decline, but still lead to 1.8 °C temperature increase by 2100	▪ Governments are not meeting all announced climate targets ▪ The type of announcements made by governments include some far-reaching goals, including aspirations to achieve full energy access within a few years, reforming pricing regimes, and more recently, achieving net zero emissions in some countries and sectors ▪ The achievement of the climate objectives will depend on the efforts made by each country
ECONOMIC	▪ Reduction of regional differences in per capita income. Average GDP growth of approximately 3% per year ▪ Investments in the energy sector and in technologies for clean energy production ▪ The physical risks are relatively low, but the transition risks are high, implying that any economic impact that industries may suffer from climate change will be caused by changes in market regulation	▪ Average annual world GDP growth of 3% ▪ Governments and Companies around the world are making better environmental practices and investments in clean energy ▪ To achieve universal access and transformation of energy production, significant investment is required by 2030 ▪ The physical and transitional risks are relatively moderate ▪ By 2030 interest rates and greater uncertainties regarding the global macroeconomy compared to the Net Zero scenario ▪ Exports of fossil fuels and low-emission fuels will depend on the pace at which the economy decarbonizes	▪ Average annual world GDP growth of 3.6% until 2030 ▪ Constant demand for fossil fuels compared to current consumption. ▪ Execution of programs to try to increase the use of renewable energies worldwide ▪ Transition risks are relatively low, while physical risks are moderate to severe ▪ By 2030, higher interest rates, greater uncertainty in investment decisions and a macroeconomic outlook with inflationary risks and wage-price spirals are expected

TECHNOLOGY

SCENARIO 1: SSP1 - 1.9 + NZE	SCENARIO 2: SSP1 - 2.6 + APS	SCENARIO 3: SSP2 - 4.5 + STEPS
▪ Accelerated technological change, aimed at decarbonizing the global energy matrix and industries ▪ Orderly transition in the energy sector, which guarantees the supply of electricity to the majority of the population ▪ In 2050, 70% of the world's energy will be produced from solar and wind power, with the remainder being produced from bioenergy as an energy source used to electrify industries with high heat requirements ▪ In addition, carbon dioxide extraction will be used to accelerate decarbonization ▪ Bioenergy production increases exponentially through the use of CCUS	▪ Moderate technological change. Even with this, there is dependence on solar and wind energy in the energy sector and there is an increase in carbon capture, utilization and storage (CUUS) and nuclear energy ▪ Investment in sustainable technologies in services such as transportation is increased and country-level targets for access to electricity and clean cookstoves are achieved on time and in full ▪ Achievement of technological development to reduce carbon emissions in the economy. However, this development will not be as aggressive as in the green scenario	▪ The energy system will not have an approach different from the current one. ▪ A commodities market is being sought where a greater supply of suppliers can be found, with a dependence on fossil fuel imports and the risk with respect to oil security ▪ Investments in efficient technologies and renewable energies will be made in a conservative manner, meaning a slow technological change ▪ CO_2 removal processes will not usually be used and carbon emissions are expected to continue to grow until 2080, implying greater physical risks

The 2030-2050 Climate Change Risk Analysis is part of our CRMS and has the following characteristics:

- **For Physical Risks,** we analyze the changes in the associated variables for each relevant asset in each scenario and time horizon, using the most up-to-date climatological databases and models
- **The 2030-2050 Climate Change Risk Analysis** adjusts climate scenarios, estimates financial risks and impacts, and evaluates relevant physical variables for each asset with updated models and baselines
- **The Climate Models** used in the quantification are part of *Coupled Model Intercomparison Projects* (CMIP6), which analyze how climate will vary around the world incorporating a specific spatial resolution and being developed by large climate change study organizations. Based on all the defined information, we estimate at a high level the expected and maximum profit and loss for each risk and opportunity, respectively.It is worth mentioning that these estimates combined elements such as: analysis of real cases, actuarial estimates, assumptions on the behavior of the business and the industry, among others.
- **The Results** reflect both the qualitative and quantitative view of what can be envisioned today, while being aware that these may change as uncertainty about the future outlook is reduced. Likewise, correlations between risks, opportunities and the different geographies were defined
- **For the Last Calculation Phase**, the expected and maximum losses or gains were modeled to generate the distribution of losses and potential gains aggregated by geography, type of risk, time horizon and climate scenario

2030-2050 IMPACTS

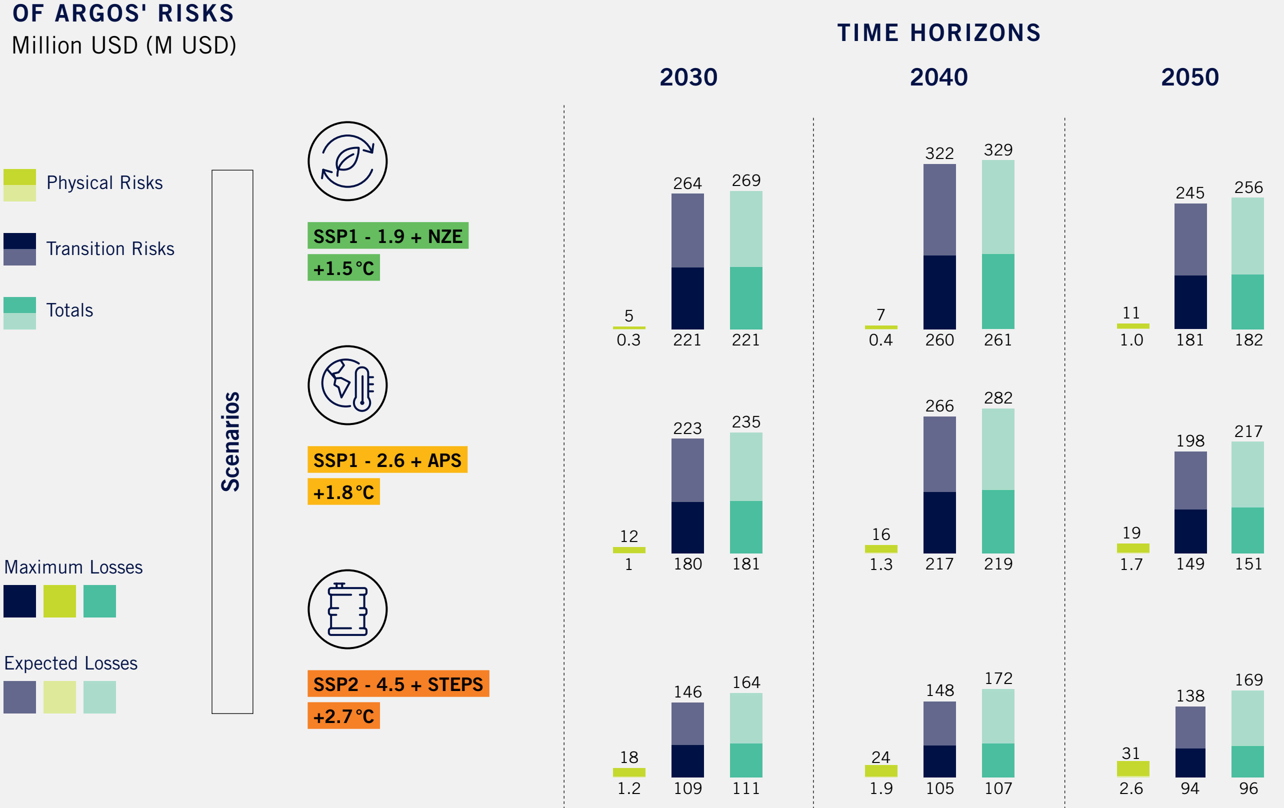
We performed this analysis under the assumption of a constant business and asset portfolio, that is, no major investments or divestments during the time horizon analyzed, and no major transformations of our processes. This allows us to measure the consequences of not taking in-depth actions to adapt to each of the realities established by the climate scenarios, and to identify the main areas on which we should concentrate our future planning.

Risks

In general, the scenarios are consistent with realities in which greater global efforts to reduce greenhouse gas emissions translate, to some extent, into mitigation of the impacts of intensified weather events on assets and business continuity. However, in most cases, transition risks are highly relevant even in scenarios closer to today's reality, as the high dependence of our industry on fossil fuel extraction exposes businesses to market circumstances inherent to the availability and cost of these inputs.

LOSSES BY CATEGORY OF ARGOS' RISKS

Million USD (M USD)



The main conclusions of this risk analysis are as follows:

Potential losses would be greater in scenarios where the global economy decarbonizes at an accelerated rate, because in such scenarios more severe transition risks are expected, to which the business would be more exposed.

Transition risks represent greater losses to the business than physical risks over time. Consequently, in scenarios characterized by accelerated decarbonization, total expected losses are more representative and increasing. Carbon pricing mechanisms represent the most significant risk to the business.

Physical risk losses would be greater in the red scenario in which the effects of climate change will be more severe in the face of a slow decarbonization of the economy resulting in a greater severity of physical climate events.

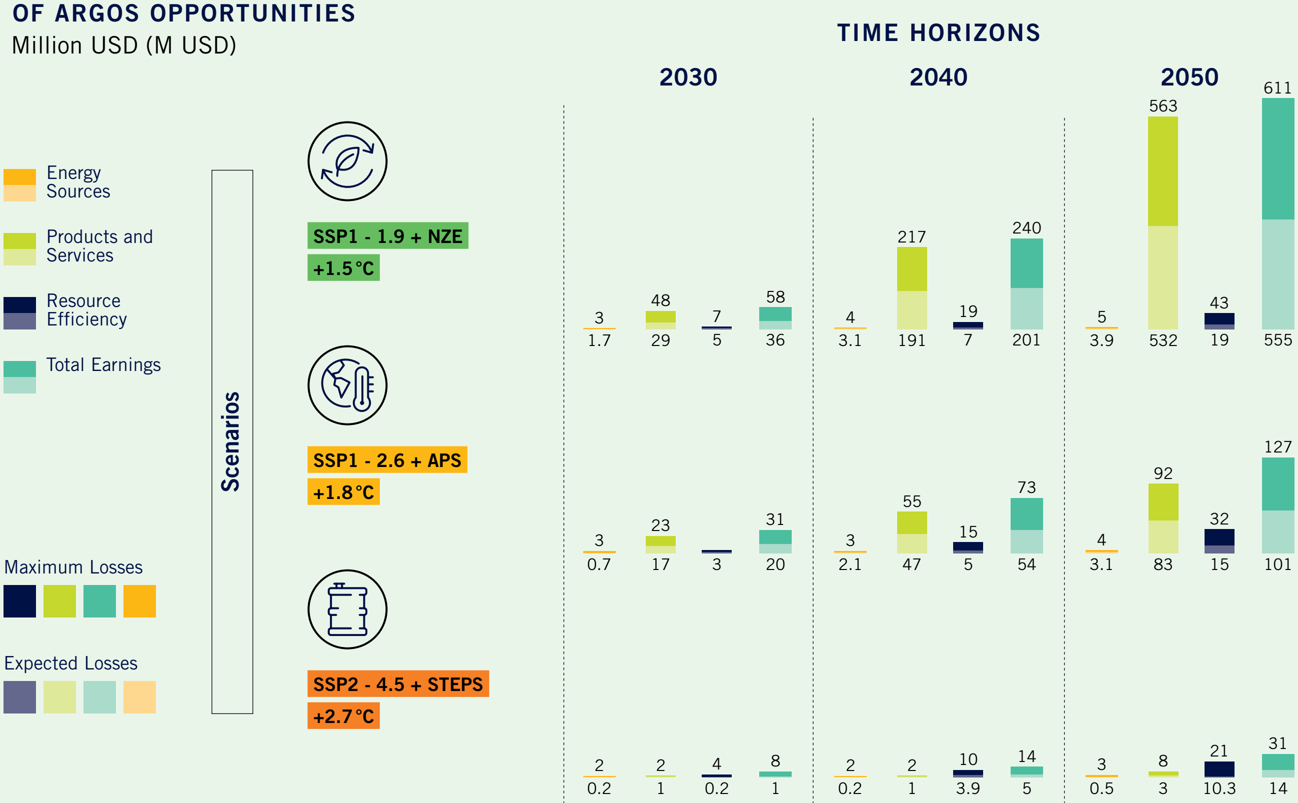
Opportunities

The scenarios outlined here and their potential impacts are consistent with the trends occurring worldwide and that are mobilizing both consumers and sectors to much greener, more efficient and durable products and solutions. Accordingly, our climate change mitigation and adaptation efforts, to which we are committed, allow us to capitalize on relevant opportunities in the market through our portfolio of green solutions, more efficient production processes and access to climate-conscious capital markets that complement the efforts being made in different sectors.

Argos Soluble Bag

EARNINGS BY CATEGORY OF ARGOS OPPORTUNITIES

Million USD (M USD)



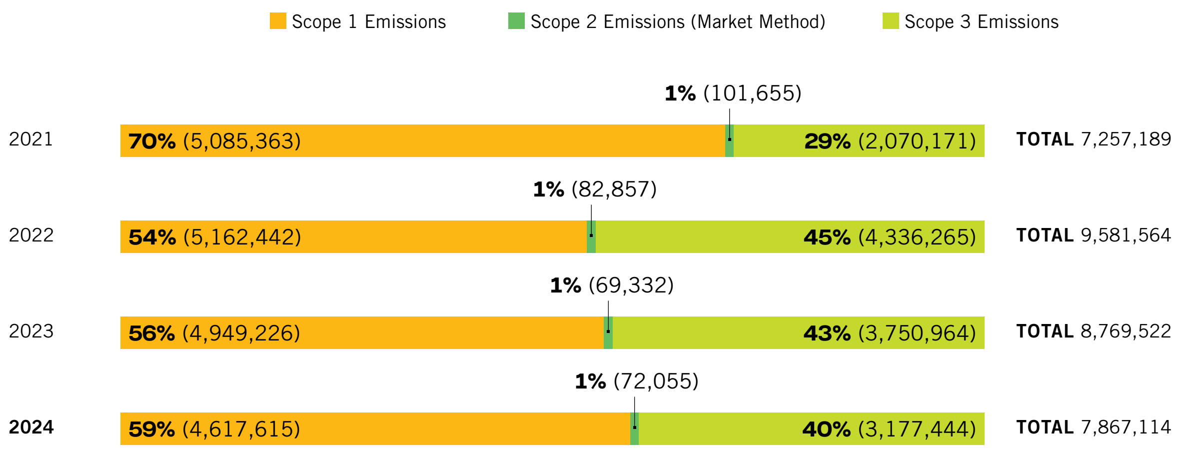
The opportunities are characterized by being greater as the time horizon increases and in accelerated decarbonization scenarios. The products and services category stands out as the most significant for the business, followed by the resource efficiency and energy sources categories.

MITIGATION ACTIONS IN RELATION TO CLIMATE CHANGE

We understand that climate change mitigation involves not only a reduction in our direct emissions, but also the adoption of innovative solutions that transform industry and contribute to a low-carbon economy. To this end, we have developed a work plan based on optimizing energy efficiency, transitioning to renewable energy sources, reducing the clinker content of our cements, and increasing the use of alternative fuels.

In addition, we reinforced our innovation capacity by implementing advanced technologies and strengthening strategic alliances with key players in the sustainability field. Our commitment to climate change mitigation translates into concrete actions that not only reduce our emissions, but also strengthen the resilience of our operations in the face of emerging climate risks.

Direct and Indirect Emissions (tCO_2/year)



The main mitigation actions implemented in 2024 are presented below.

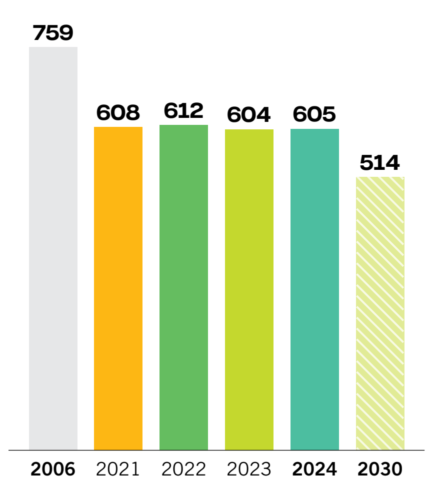
More information on our Climate Change Management can be found in our **Integrated Report 2024,** p. 101.

For direct CO_2 emissions reduction, cement business, until 2030

Our direct emissions, scope 1, correspond to 59% of the total CO_2 emissions emitted throughout the value chain, and we have therefore defined a technical and financial roadmap to reduce emissions, especially in the cement business.

Emissions in this scope correspond to all CO_2 emissions generated directly by our production operations in the Colombia, Central America and Caribbean regionals, 94% of which are due to the cement production process. In this process, approximately 60% of emissions result from the decarbonation of raw materials during clinker production, around 35% from fuel combustion, and the remaining 5% from concrete and aggregate operations, as well as certain on-site electricity generation plants.

Cement - Specific net emissions of CO_2 (kgCO_2/t cementitious material)



Calcined Clay Kiln at Rioclaro Plant in Colombia

In 2024, Scope 1 net specific emissions remained stable, with a slight increase of 0.2% compared to 2023. This result was mainly due to:

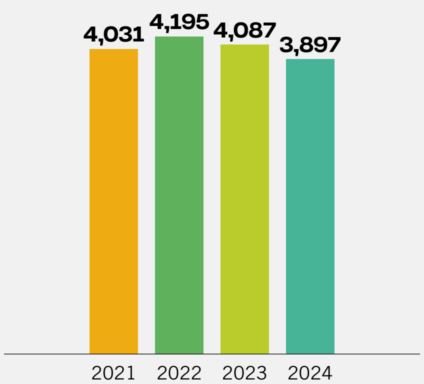
- A decrease in absolute net emissions and cementitious material production by almost the same proportion. The reduction in cementitious material production was impacted by the market contraction in the Colombia Regional, which contributed 87% of the Company's total clinker production
- A 5% reduction in caloric consumption, thanks in large part to the operational transformation of the Cartagena Plant's wet clinkerization line
- An increase in the caloric substitution of conventional fuels (especially coal) with alternatives, from 3.6% in 2023 to 4.10% in 2024

In addition, the low availability of natural gas in the Colombian market affected the weighted fuel mix used in the kilns, which was reduced from 12% to 3%, increasing coal consumption, and therefore, CO_2 emissions. Moreover, the low availability of supplementary cementitious materials (such as slag) led to higher clinker consumption, and therefore, to an increase in the clinker/cement ratio by one percentage point.

Thermal Efficiency

Thermal Efficiency improvements refer to the optimization of energy consumption in cement production processes, with the aim of reducing CO_2 emissions and improving operating performance. These improvements include the modernization of equipment, the optimization of fuel use and the implementation of advanced technologies that maximize the use of heat in the clinkerization kilns.

Caloric Consumption in Clinker Production (MJ/t clinker)



At Cementos Argos, these initiatives have resulted in a reduction of caloric consumption and greater stability in the combustion processes, contributing directly to the Company's decarbonization goals with initiatives such as:

Calorie Reduction at Rioclaro and Cartagena Plants, Colombia

Reduction in caloric consumption in clinker production of approximately 8.5% compared to 2023. This was due to the replacement of the main burner of one of our kilns and the recovery of the ventilation capacity.

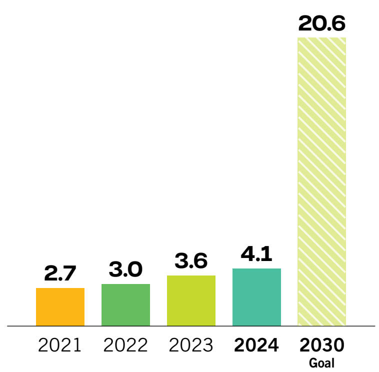
Productivity and Efficiency at Piedras Azules Plant (PIA), Honduras

We reduced caloric consumption by 4% compared to 2023, while achieving a historical productivity of 1,783 tons of clinker per day and 584,686 tons in the year. This was achieved,among other goals, through efficient kiln control, stable crude oil quality and the use of digital twins.

Thermal Substitution with Alternative Fuels

In 2024, Cementos Argos reinforced its waste coprocessing strategy as a key lever in reducing CO_2 emissions and promoting a circular economy.

Substitution of Conventional Fossil Fuel Caloric Consumption by Alternative Fuels (%)



Coprocessing in Honduras

The following are the main initiatives implemented in our operations:

Strengthening the Coprocessing Network in Colombia

We strengthened our alternative fuels supply chain, bringing in more than 27,900 tons of waste (e.g. tires, RDF, and biomass, among others) at the Rioclaro, and Cartagena plants, to achieve a caloric substitution rate for Colombia Regional of 3.7%.

Revenues and Savings from Coprocessing in Honduras

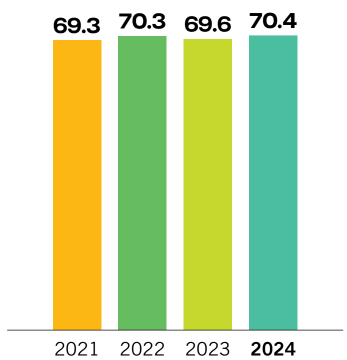
We achieved a caloric substitution of 6.9% and savings of approximately USD 156,000. as a result of the consumption of 4,745 tons of waste (e.g. tires, RDF, used oils, expired medicines, paper, and cardboard) in the clinkerization kiln at the plant's Piedras Azules, in Honduras. In addition, we obtained revenues of more than USD 120,000 due to the offer of waste coprocessing services.

Ecofuel in Panama: A source of savings and CO_2 reduction

At our Panama cement plant and Ready-Mix operation, we replaced 35% of bunker fuel with ecofuel, a lower-cost alternative fuel with lower CO_2 emissions. We plan to gradually replace bunker fuels with eco-fuels

Reduction of Clinker Content in Cements
Optimization of the clinker-cement factor consists of replacing part of the clinker with supplementary cementitious materials, including slag, fly ash and natural or artificial pozzolans. This not only reduces the direct emissions associated with the clinkerization process, but also improves resource efficiency and promotes the circular economy by valorizing industrial by-products. At Cementos Argos, this strategy has been fundamental to advancing our decarbonization goal without compromising performance and cement quality.

Clinker-Cement Factor (%)



The following are the main initiatives implemented in our operations:

Increase in the Use of Cementitious Materials in Colombia
At the Rioclaro plant, we increased the addition of calcined clays in the Structural Max cement, which reduced the clinker-cement factor by 1.5% compared to the previous year, to reach the best historical value for this cement in the operation. This was achieved by optimizing the reactivity of the artificial pozzolan with new proportions and dosages. By 2025, we plan to advance in the implementation of a quality activator dosing system and the application of the same methodology for general-purpose cement.

SUCCESS CASE

Use of Activators in Cement Milling

As of January 2023, the Yumbo plant began using a solid additive to improve initial strengths in cement grinding. This additive allows certain cement components to react faster when the cement comes in contact with water, which accelerates the strength development process. By achieving better cement performance, the amount of clinker needed to manufacture cement can be reduced, maintaining the quality of the product and reducing its carbon footprint.

This initiative **has reduced the clinker-cement factor at the Yumbo plant by 2 percentage points, representing savings of approximately COP 800 million for the year.** This project has also reduced the carbon footprint of the cement produced at this plant and increased the useful life of the limestone quarry by requiring less clinker.

The next challenge is to improve the solubility of some of the cement components to further decrease the clinker-cement factor while maintaining ultimate strengths.

SUCCESS CASE

Concrete Additives: A source of cost and CO_2 reduction

In 2024, at the Colombia Regional, we worked on a project that aimed, through the **use of liquid activating additives that enhance the reactivity of cementitious materials in the concrete mix, to increase the addition levels of ashes, calcined clays and general-purpose cement** in the final formulation of some concretes with the same standard strength, guaranteeing their quality and excellent performance.

As a result of this initiative, significant economic and environmental benefits were obtained:

- **Savings in excess of COP 5.5 billion** due to optimization of raw material costs
- **Reduction of more than 40,000 tons of CO_2 equivalent, compared to 2023**

In 2025, we expect to achieve an additional reduction of 13,000 tons of CO_2 equivalent versus 2024.

"This initiative reflects our commitment to offer customers superior service through a portfolio of products, solutions and services that facilitate climate change adaptation and the circular economy by reducing the use of non-renewable resources, increasing the useful life of structures and enabling the management of water as a resource."

Carlos Horacio Yusty
Vice President, Colombia Regional

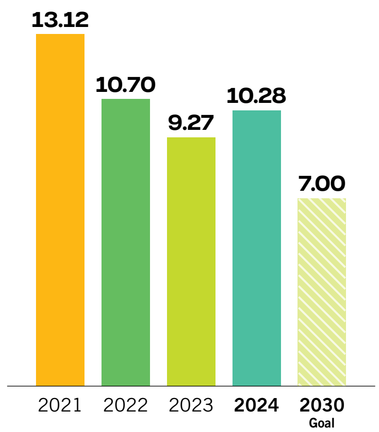
Employee at the Rio Blanquito Plant in Honduras

Pozzolans, Ashes and Additives: Advances in our Central America and Caribbean Regional

- **At the Piedras Azules plant** in Honduras, with an investment of USD 7 million, we began installing a pozzolan dryer to improve cement formulation. After stabilization of the process, an overall clinker-cement factor of 49.8% is expected to be achieved
- **At the Rioblanquito plant** in Honduras, we implemented the use of ash and an activating additive (ACTAR) in cement production, which reduced the clinker-cement factor by 1 percentage point from 54% to 53%. In 2025, the goal is to increase the ash level, overcoming challenges such as the change in cement color
- **At the Puerto Rico plant,** we implemented an initiative to maximize the use of basalt in general-purpose and Eco-Masonry cements
- At our **Suriname cement plant**, we introduced the use of Montserrat pozzolana in general-purpose and structural cement formulations, achieving a reduction in the clinker-cement factor by 5 percentage points and 3 percentage points, respectively

For reduction of indirect CO_2 emissions associated with purchased power consumption
Scope 2 emissions represent 1% of total CO_2 emissions. The reduction of indirect CO_2 emissions (Scope 2) is a priority within our decarbonization strategy. In 2024, we implemented key initiatives to optimize electricity efficiency in our operations, increase the supply of energy from renewable sources, and improve energy management in our cement plants.

Specific CO_2 emissions (kg CO_2/t cementitious material) - Market method



In 2024, specific emissions of CO_2 Scope 2 increased by 11% compared to 2023, driven mainly by two factors:

- Increase in the CO_2 emission factor of the national electricity grid, which went from 191 kgCO_2/MWh to 271 kgCO_2/MWh, an increase of 42%
- Higher percentage of purchased energy, which grew by 3%

Thanks to the entry of new power purchase agreements and the increase in the purchase of renewable energy backed by IREC certificates, 52% of the electricity purchased came from renewable sources. This allowed mitigating the increase in specific emissions by the market method.

Below are the main initiatives implemented in our operations:

Electrical Efficiency
At our Rioclaro and Cartagena plants, we carried out interventions in some of the mills, which allowed us to achieve increases in production, and therefore, to achieve reductions in energy consumption of 1.3 kWh/t compared to 2023.

Energy Efficiency in our Operations

- At our **plants in Rioclaro and Cartagena (Colombia)**, we carried out interventions in some of the mills, which allowed us to achieve increases in production and thus achieve reductions in energy consumption of 1.3 kWh/t compared to 2023
- At the **Piedras Azules plant (Honduras),** cement mill 2 reached an all-time production record in October with 28,748 tons and a specific consumption of 39.3 kWh/t, the lowest for the year. This achievement is attributed to operational optimization, use of digital twins and discipline in the execution of action plans
- At the **Panama cement plant,** the implementation of best practices in energy management allowed for a reduction in emissions Scope 2. In addition, through carbon offsetting, we were able to obtain certification from the 'Reduce Your Corporate Carbon Footprint' Program of the Ministry of the Environment of Panama, making it the first carbon-neutral cement plant in the country
- At our **Puerto Rico plant,** we invested USD 1.19 million in upgrading the cement mill to achieve an increase in throughput from 34 to 44 t/h and a reduction in energy consumption from 90 to 73 kWh/t
- At the **Dominican Republic cement plant,** we began the installation of a clinker pre-grinding system, with an investment of USD 7.6 million. With this, we expect to increase mill throughput by 25% and reduce electricity consumption by 3 kWh/ton by the first quarter of 2025

Solar Farm in Honduras

Power Purchase Agreements (PPAs) and Renewable Energy Projects
In 2024, we advanced our transition to renewable energy through power purchase agreements (PPAs) and self-generation projects, aligned with our decarbonization goal.

Certified Renewable Energy in our Colombian Operations
By 2024, a volume of approximately 200 GWh of renewable energy certified with IREC will be consumed in the operation of the Colombia Regional plants, based on contracts signed with Isagen and EPM. We also maintain our focus on the energy transition by structuring two 19.9 MW projects, which will replace 40% of the energy supply at the Toluviejo plant and 60% at Zona Franca Argos by 2026; the latter will include a 50 MW accumulator.

Boosting renewable energies in our Central American and Caribbean operation
In 2024, the solar farm at the Rioblanquito plant in Honduras supplied 847 MWh and covered 14% of electricity demand, generating savings of USD 67,000. This percentage is expected to reach 19% by 2025.

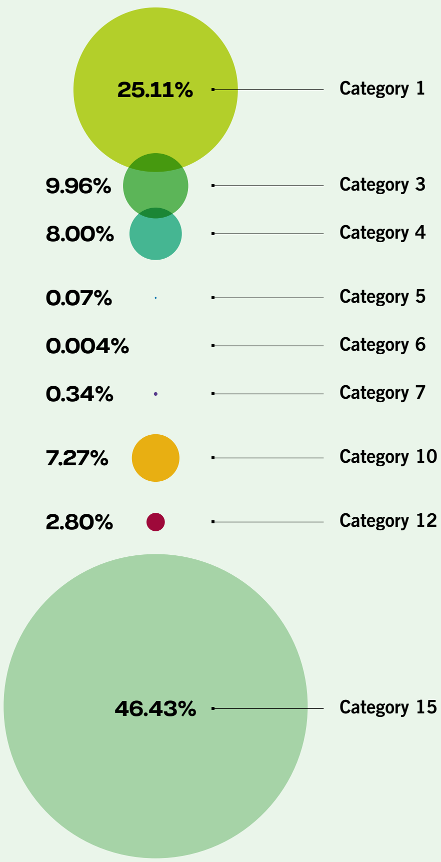
In Panama, 21,500 MWh of 100% renewable energy was supplied, and in the Dominican Republic, 10.5% of the 23,571 MWh came from renewable sources, with a projected increase to 50% by 2025.

A bidding process is currently underway for the supply of electricity from renewable sources, mainly solar, for the Puerto Rico plant. Also, the bidding process to expand the solar farm of the Piedras Azules plant in Honduras from a current capacity of 10 MWp to 12 MWp was opened, and it is expected to reach a total solar supply of 32%.

Other Actions to Mitigate CO_2 Emissions in Our Value Chain

Finally, Scope 3 emissions correspond to 40% of total CO_2 emissions. These emissions include all emissions generated upstream and downstream in our business supply chain, including emissions from the purchase of products and services, transportation and distribution, and fuel use.

SCOPE 3 EMISSIONS



In 2024, the categories **15** Investments, **1** Purchase of Goods and Services, **3** Activities Related to Fuel and Power Consumption, and **4** Upstream Transportation and Distribution were the most representative.

- **1 Purchase of Goods and Services**
- **2** Purchase of Equipment: Not Available
- **3 Activities Related to Fuel and Power Consumption**
- **4 Upstream Transportation and Distribution**
- **5** Waste Generated in Operations
- **6** Business Travel
- **7** Displacement of Employees
- **8** Upstream Leased Asets: Not Available
- **9** Downstream Transport and Distribution: Not Available
- **10** Processing of Products Sold
- **11** Use of Products Sold: Not Available
- **12** End-of-Life Treatment of Sold Products
- **13** Downstream Leased Assets: Not Available
- **14** Franchises: Not Available
- **15 Investments**

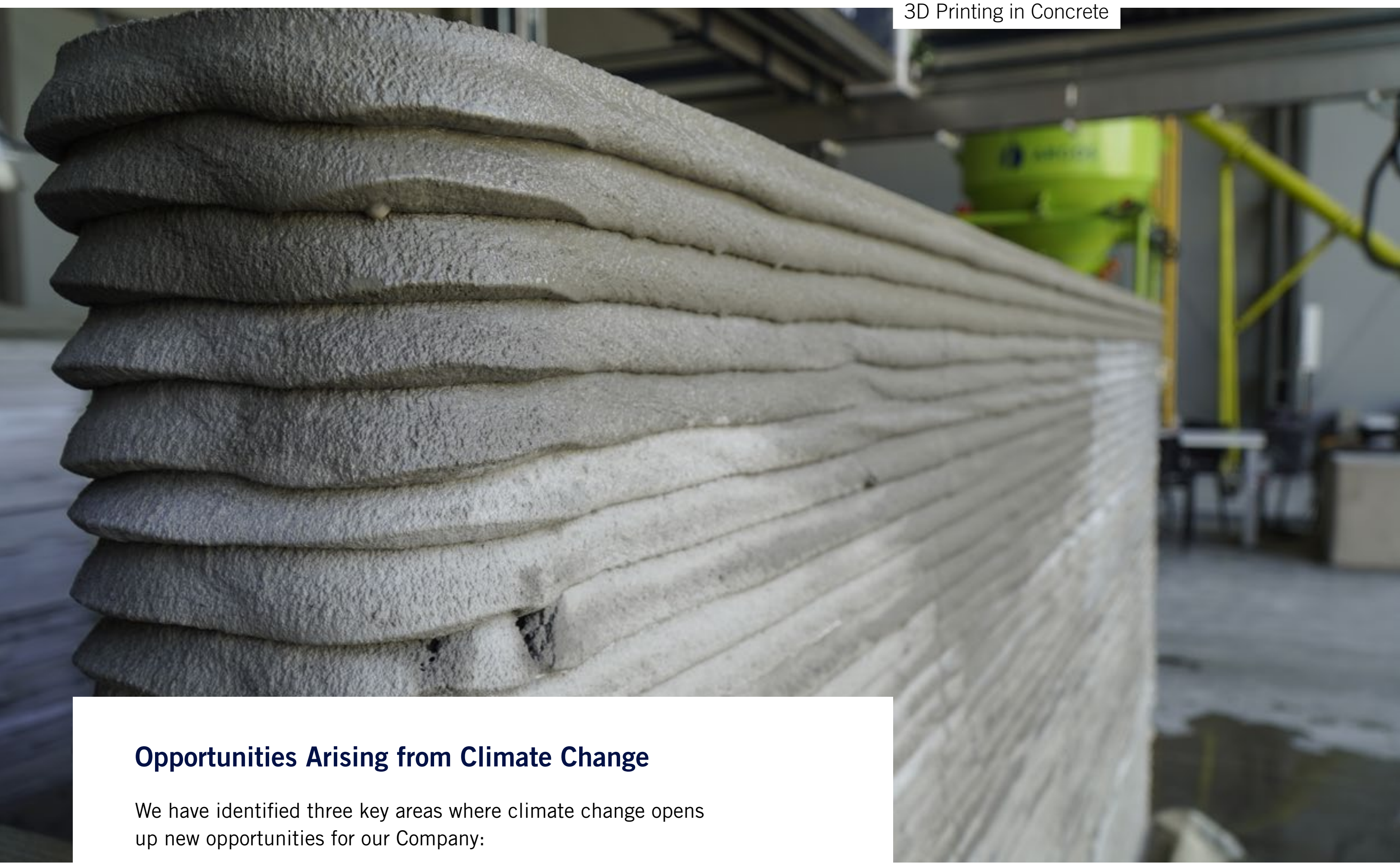
Of the 15 Scope 3 categories, we quantified 9 according to the guidelines of the GHG Protocol methodology "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (WBCSD and WRI, 2011) and the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" (WBCSD - CSI, 2016).

Transportation Efficiency: Fuel savings and emission reductions in Colombia

We developed a work plan with bulk cement transport operators under contract to improve fuel efficiency and reduce the risk of road incidents through GPS telemetry.

In line with the above, we implemented an efficient transportation plan with our allies, which increased fuel efficiency by 6%, from an average of 7.16 km/gallon to 7.85 km/gallon, thus reducing CO_2 emissions by 4%. This initiative generated savings of COP 300 million per year for suppliers. A 14% increase in fuel efficiency is expected by 2025.

3D Printing in Concrete



Opportunities Arising from Climate Change

We have identified three key areas where climate change opens up new opportunities for our Company:

1 Operational Efficiency

Operational Efficiency is fundamental to optimizing our resources and reducing operating costs. Through the circular economy and energy efficiency, we are implementing more efficient production processes, maximizing the use of recycled materials and promoting the use of alternative fuels. These initiatives not only allow us to mitigate direct and indirect CO_2 emissions, but also to generate significant savings and strengthen our competitiveness in the global marketplace.

2 Sustainable Products and Solutions

Climate change has also driven a growing demand for **sustainable products and solutions,** which represents an opportunity to diversify and strengthen our portfolio. The transition to a low-carbon economy has generated an expanding market for innovative building materials with reduced environmental impact. For this reason, we are developing and marketing products and solutions aligned with the Company's sustainability principles that respond to the needs of our customers and society.

3 Process Innovation

Finally, **innovation in our production processes** is key to transforming our industry and achieving our sustainability goals. Investment in new technologies and the development of advanced production methods enable us to reduce our CO_2 emissions and improve resource efficiency.

OPERATIONAL EFFICIENCY

We are convinced that it is possible to have a positive impact on our profitability through operational efficiency aimed at reducing Scope 1 and 2 CO_2 emissions. This can be achieved through **circular economy** actions and the development of initiatives aimed at **optimizing thermal and electrical energy consumption.**

Circular Economy

One of the opportunities we have capitalized on is the substitution of conventional fossil fuels (including coal and petcoke) with alternative fuels from municipal waste and/or other industries. This thermal substitution has not only contributed to reducing CO_2 emissions and contributing to the financial result due to the lower cost per unit of energy, but has also become a viable and efficient solution for waste disposal.

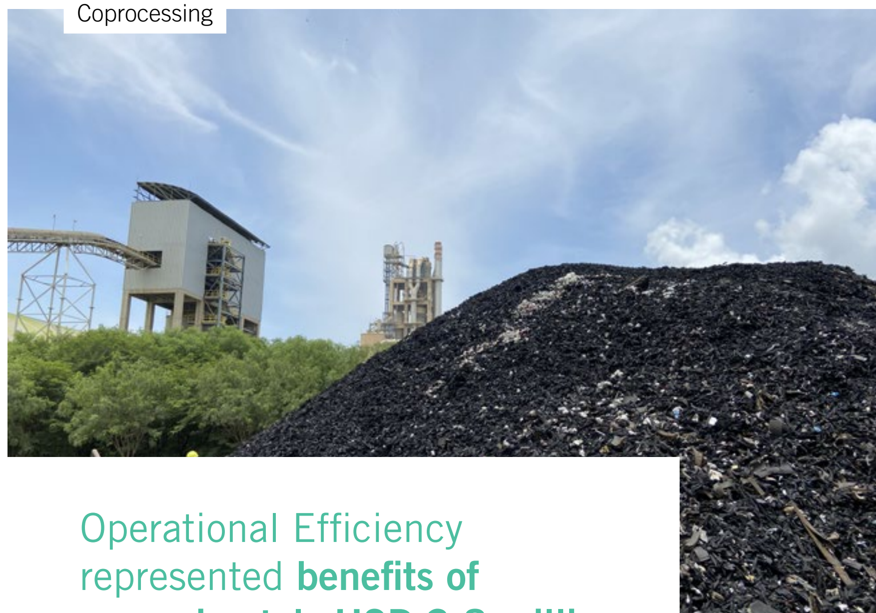
4.10%

WAS THE CALORIC SUBSTITUTION PERCENTAGE
achieved in 2024

Initiatives such as recycled aggregates (i.e. materials that are derived from the processing of construction and demolition waste, or other materials that have been previously used in construction, and then crushed or processed to create a new product) are how we capitalize on opportunities in this area. These aggregates can be used in a wide range of construction applications, including road construction, building foundations and drainage systems. Recycled aggregates can be a sustainable and cost-effective alternative to traditional virgin aggregates. They can also help reduce the amount of construction and demolition waste going to landfills, which can have a positive impact on the environment.

We have a recycled aggregates plant located in Bello, Antioquia, Colombia, and a joint venture in Bogotá, Colombia, to process this type of material.

Coprocessing



Operational Efficiency represented **benefits of approximately USD 3.8 million** in 2024, due to savings from the use of alternative fuels, caloric and electrical energy reduction initiatives, and income from coprocessing services.

Energy Efficiency

Maximizing the use of heat energy and minimizing losses not only reduces fossil fuel consumption, but also contributes to reducing CO_2 emissions and energy costs. Another lever to reduce indirect Scope 2 emissions is to optimize and reduce the consumption of purchased electricity.

5% **WAS THE REDUCTION**
in specific heat consumption of clinker production in 2024 versus 2023

Read more details about our circular economy initiatives in this document.

SUSTAINABLE PRODUCTS AND SOLUTIONS

Climate change represents an opportunity to redefine our relationship with nature and generate value for the organization. In recent years, we have strengthened our offering of sustainable products and solutions, responding to our clients' needs and offering products with lower carbon emissions, reduced consumption of natural resources and energy savings.

An example of this is our commitment to the circular economy, where we have identified significant opportunities in areas such as the coprocessing of materials, the production of aggregates in Bello and participation in GRECO. These initiatives not only generate revenue and potential savings, but also allow us to reduce our environmental footprint and contribute to a more sustainable development model.

In addition, our green solutions portfolio includes products and services such as paper sacks and modular solutions, which have accounted for a significant percentage of our total revenues. We continue to work on the life cycle analysis of our products and the development of solutions that drive efficiency, strength and durability, contributing to sustainable construction certifications such as EDGE, LEED and CASA Colombia.

43%

IS THE PROPORTION OF COMPANY REVENUES resulting from the sale of sustainable products and solutions

The Transforming Power of Our Portfolio

Low-carbon products
- Cements and concretes

Products that optimize materials, extend service life, promote adaptability to climate change and are 100% recyclable
- High resistance concrete
- Concrete for pavements
- Durable low permeability concrete
- Advanced concrete (UHPC)
- Steel framing

Solutions that reduce the consumption of other materials
- Modular solutions

Product that allows the management of water resources, promotes adaptability to climate change and is 100% recyclable
- Permeable concrete

Products that contribute to well-being and comfort, promote human health, reduce the heat island effect and energy consumption in buildings
- Architectural concrete
- Colored concrete
- White cement

Solutions that promote the circular economy
- Green Sacks Program
- Soluble bags

Solutions that reduce the use of natural resources
- Road solutions
- Road cement

Digital building solutions that enable automation and modeling in the industry
- Automation of Life Cycle Analysis (LCA)
- BIM portfolio and 3D printing

The portfolio of sustainable products and solutions, together with the knowledge, experience and advice that Argos makes available to its clients, translates into specialized support in the development of projects and makes us an ally in the materialization of dreams, the construction of the future and the multiplication of growth opportunities in the different territories where we are present.

RECOGNITION

2024 E EMBLEM - EXPOCAMACOL

In 2024 we obtained the E Emblem for the low-carbon general-purpose cements produced at our cement plants in Cartagena, Sogamoso, and Rioclaro (Colombia), which are part of our sustainable value portfolio, as they achieve a significant reduction in carbon emissions during the production process.

Main Opportunities Identified and Their Potential Impact on the Company

Use of supplementary cementitious materials	▪ Reduction of environmental impact ▪ Cost reduction
Innovation in sustainable products and solutions that enable market differentiation	▪ Increased revenues from this type of products
Training and consultancy in sustainable design and construction for the sector	▪ Strengthen the relationship with our customers ▪ Increased sales of sustainable products and solutions
Leveraging technology and digital innovation	▪ Integration of construction technologies such as BIM ▪ Automation of Life Cycle Analysis (LCA) to facilitate obtaining sustainability certificates for products

More information on our Sustainable Products and Solutions Management can be found in our **Integrated Report 2024,** p. 118

PROCESS INNOVATION

Through process innovation, we can achieve operational efficiencies, reduce costs, and reduce Scope 1 and 2 CO_2 emissions.

We highlight that in 2024 we continue with the digital twins project, which we use for real-time data and advanced analytics through the creation of virtual replicas of physical assets, processes, systems or even people. A digital twin uses sensors and other data sources to create a virtual model that can be used to simulate and monitor the behavior of the physical asset or process.

Thanks to this type of initiatives and to the joint construction with the teams of our operations, we have obtained the following results:

- Reduction of **2 percentage points**, on average, in the clinker/cement factor
- Average increase in cement and raw mill throughput of **4.5%**
- Reduction in specific electrical energy consumption (kWh/t) of **7%** in cement and crude oil mills
- Reduction of up to **11 kcal/kg** in specific caloric consumption in the clinkering process

This opportunity represented benefits of approximately USD 6 million for Argos in 2024, thanks to the savings obtained from the reduction of the clinker-cement factor, reductions in electricity and heat consumption and the increase in the performance of the raw mills and cement mills.

More information on our Climate Change Management can be found in our **Integrated Report 2024,** p. 101

MANAGEMENT OF RISKS, IMPACTS AND DEPENDENCIES OF NATURE

Risk Assessment of the Nature of Our Operations

At Argos, we recognize that managing nature-related risks is fundamental to the sustainability of our business and the preservation of ecosystems. We have strengthened our risk analysis of nature, adopting a comprehensive approach based on best practices.

METHODOLOGY

CRMS Framework and LEAP Approach

Our analysis is based on the CRMS (corporate risk management) framework and the LEAP (Locate, Evaluate, Assess and Prepare) approach proposed by TNFD. This combination allows us to identify, assess and manage both risks and opportunities related to nature in a systematic and rigorous manner.

TOOLS

Swiss Re RDS Platform

We use Swiss Re's Risk Data & Services (RDS) platform, which includes the BES (Biodiversity and Ecosystem Services) tool, to obtain detailed and accurate information on our dependencies and impacts on ecosystems.

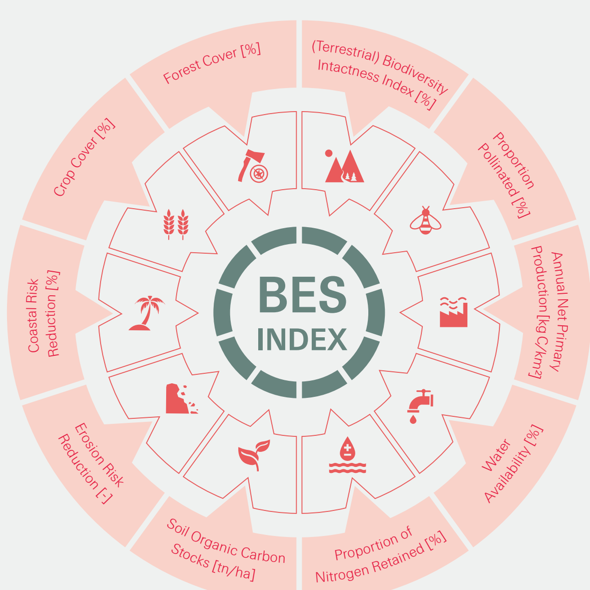
Analysis of 10 Ecosystem Services

The BES tool allows us to analyze 10 priority ecosystem services at a resolution of 1 km², providing a granular view of our relationship with nature.

Complementary Sources

We contextualize and validate the data obtained through RDS with supplementary sources, such as scientific studies, NGO reports and local knowledge, to ensure a comprehensive and accurate analysis.

Ecosystem Services Evaluated by the BES Index



- Habitat Intactness
- Pollination
- Air Quality & Local Climate
- Water Security
- Water Quality
- Soil Fertility
- Erosion Control
- Coastal Protection
- Food Provision
- Timber Provision

LEAP Approach (Locate, Evaluate, Assess and Prepare**)**

L **E** **A** **P**

Locate
Identify and prioritize key nature-related issues based on location and industry type.

Evaluate
Evaluate dependencies and impacts on nature.

Assess
Understand and value the main risks and opportunities of nature.

Prepare
Define the action plan to respond to identified risks and opportunities, and disclose related information.

Scope: The analysis of nature-related risks covers the Company's direct operations in all regionals where it has a presence, considering its contribution to total revenues. In addition, a mapping of the value chain, including key suppliers and customers, is incorporated in order to obtain a more complete view of nature risk exposure.

LOCATE

The scope of the nature risk assessment includes the operations of **Cementos Argos S.A., our subsidiaries, some key suppliers and clients** with projects in areas of biodiversity importance.

We collect georeferenced information on facilities, suppliers and prioritized customers. In addition, a biodiversity vulnerability analysis (HVBA) was conducted using the IBAT (Integrated Biodeiversity Assessment Tool) and the Company's own environmental impact studies to identify critical areas within a 3 km radius. These data allow us to guide management strategies in the Biodiversity Management Plans (BMPs), aligned with environmental, mining and closure plans.

EVALUATE

We use Swiss Re's RDS tool to assess nature-related risks. This tool makes it possible **to evaluate the ecosystem services of the sites where the Company operates and to analyze the dependence-impact relationship with nature.** This dual materiality approach identifies the key natural resources for the business and the impacts derived from our activities, especially mining. It also allows quantifying physical and reputational risks in financial, environmental and social terms, facilitating the planning of strategies to mitigate their materialization.

In this tool we create the georeferenced polygons of each of the Company's facilities taking account of the following criteria:

- **Location of the Company's** operating sites, georeferenced polygon of the mining title or perimeter of the facility
- **Industry classification** by site based on similar production processes or similar products or services, using the GICS® global industry classification standard
- **Importance to the Company** of each site high, medium or low depending on the revenue level of each plant and its associated quarries

Once the above information was loaded, the tool calculated the state of nature (Biodiversity and Ecosystem Services, BES), consolidating the BES index into seven ranges:

1. Very Low (<15)
2. Low (15 - 30)
3. Moderate (30 - 45)
4. Moderate (45 - 60)
5. Moderate (60 - 75)
6. High (75 - 90)
7. Very High (>90)

Areas with a "Very Low" BES index (located in the lowest 15th percentile globally) have limited capacity to provide ecosystem benefits and services to people. Conversely, those with a "Very High" BES index (highest 15th percentile) have a high capacity in this regard. Both types of ecosystems are considered sensitive and vulnerable to the risks associated with BES.

In addition, the tool used in this assessment incorporates impact and dependency prioritization specific to the "Building Materials" sector, developed by the ENCORE platform in collaboration with the Natural Capital Finance Alliance and UNEP-WCMC. This prioritization allows companies to identify their degree of exposure to accelerated environmental changes, highlighting at a global level the possible dependencies and direct impacts of their production processes on ecosystems and natural capital.

Assessment of Physical Risks (Dependence) Related to Nature

As an evaluation of nature-related physical risk, we analyzed the status of biodiversity and ecosystem services in locations with a comparatively lower BES Index, indicating a lower capacity to provide essential services. In turn, a high dependence on biodiversity and ecosystem services represents a greater physical risk associated with nature.

Based on the ENCORE (2024) tool, we identified the ecosystem goods and services on which we depend due to their activity in the construction materials sector:

Business Dependencies on Nature

		Materiality Rating
Direct Physical Input	Groundwater	**Very High**
	Surface water	**Very High**
Enable the Production Process	Water quality	**Low**
Mitigate Direct Impacts	Atmosphere and ecosystem dilution (provided by: atmosphere, ocean geomorphology and water)	**Low**
	Mediation of sensory impacts (provided by: habitat, species, water and atmosphere)	**Low**

According to the materiality rating provided by ENCORE, the surface and groundwater resource, understood for this context as water security, has a very high materiality index for the building materials sector, given that "the production process is extremely vulnerable to interruptions. The degree of protection offered by the ecosystem service is critical and irreplaceable for the productive process."

Nature-related Reputational Risk Assessment (Impact)

Similarly, nature-related reputational risk is assessed by considering the status of biodiversity and ecosystem services (BES) at our asset locations, as well as the impact they generate on BES due to our operations. Assets located in areas with a higher BES index, which represent more pristine ecosystems (more natural and intact), and which also generate a significant impact on BES, present a higher reputational risk.

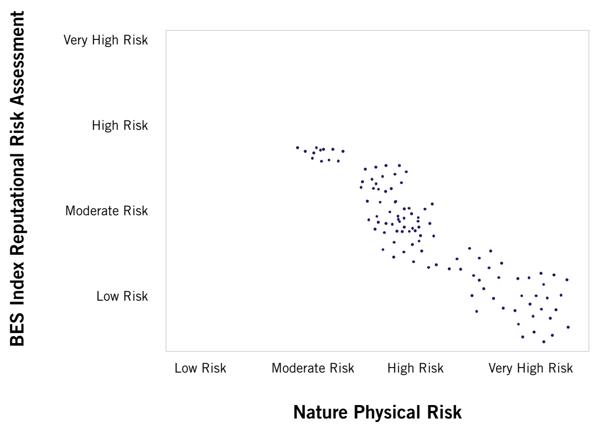
To determine the materiality of the ecosystem goods and services affected by our operations and their relationship with reputational risk, we used the ENCORE (2024) tool as a reference, identifying that:

Business Impact on Nature

Impact Drivers	Materiality Rating	Ecosystem Asset Involved							
		Atmosphere	Habitats	Landscape Geomorphology	Minerals	Soils and Sediments	Species	Water	Oceanic Geomorphology
Terrestrial Ecosystem Use The removal of vegetation and soil excavation modifies the habitat. Operations may generate loss of wildlife populations in a localized area. Aggregate extraction also causes soil erosion and land degradation.	Very High	X	X	X	X	X	X	X	X
Water Use Consumption for production.	High	X	X	X	X	X	X	X	
Freshwater Ecosystem Use Wells and quarries disrupt the existing movement of surface water and groundwater. They disrupt natural water recharge and can lead to a reduction in water quantity and quality.	High	X	X	X	X	X	X	X	X
Use of the Marine Ecosystem Sedimentation resulting from marine dredging can lead to altered species and population composition in benthic communities. Operations may result in the loss of wildlife populations in a localized area.	High	X	X	X	X	X	X	X	X
Greenhouse Gases The production of building materials generates significant greenhouse gas emissions. The most important pollutant is carbon dioxide (CO_2), 40% of the emissions come from the use of fuel to reach high temperatures (2,700°F) in processing and 60% is released from the thermal reaction of calcium carbonate to produce lime and carbon dioxide.	High	X	X	X	X	X	X	X	
Solid Waste Manufacturing production processes (including cement production) lead to the creation of large volumes of solid waste. The exact types of solid waste produced will vary, but may include non-product related products such as glass, metal, plastic, paper and cardboard, wood, rubber and leather.	High	X	X	X	X	X	X	X	
Disturbances Adjacent areas are affected by the noise emitted during the production of construction materials.	High	X	X	X	X	X	X	X	
Non-Greenhouse Gases Non-Greenhouse Gases emissions from cement production consist of water vapor and microcomponents, that is, CO_2 and NOx formation.	Medium	X	X	X	X	X	X	X	
Water Pollutants Cement production generates water pollution.	Medium	X	X	X	X	X	X	X	

Physical Risk (Dependency) vs. Reputational Risk (Impact) on Our Operations

With the above results, we performed an analysis of dependencies (physical risk) and impacts (reputational risk) to identify which of our operations are at a high and very high level, as shown in the following graph:



After this, we added a third variable to the analysis, which is the importance to the business based on how each operation participates in the Company's revenues. As a result of this analysis, we concluded that **the facility prioritized when evaluating these three variables was the Rioclaro cement plant and its associated quarries, located in Colombia.**

Based on the results obtained, we can conclude that **the dependence of our business on nature** is "High" and "Very High" for most of the facilities.

This reflects the coherence with the prioritization of dependencies and impacts for ENCORE's construction materials sector, where the dependence of the business mainly on the ecosystem service "Water Security" is high, since the production process incorporates water as the main and auxiliary raw material.

In terms of **reputational risk,** there is a direct relationship between those facilities with high reputational risk scores and a "High" status of the ecosystem service "habitat integrity".

EVALUATE

According to the 2024 TNFD, "all financial risks and opportunities for the organization as a result of nature's impacts or dependencies must be assessed."

Physical Risks

Accordingly, nature-related physical risks and opportunities are event-driven (acute) risks or long-term (chronic) changes in the way natural ecosystems function or cease to function. These risks are:

TRANSITION RISKS

- **R01** Implementation of Emissions Trading Systems in the Countries Where the Company Operates
- **R02** Increase in Raw Material Costs Attributable to Climate Change
- **R03** Uncertainty in Energy Markets
- **R04** Increase in the Cost of Risk Transfer and Retention Mechanisms
- **R05** Depreciation or Early Replacement of Existing Assets due to Technological Obsolescence
- **R06** Restrictions on Access to Capital, Credit and Similar Resources due to a Intensive Production Process in CO_2 Emissions

PHYSICAL RISKS - ACUTE

- **R07** Extreme Precipitation
- **R08** Hurricanes
- **R09** Landslides Resulting from Extreme Weather Events
- **R10** Tornadoes

PHYSICAL RISKS - CHRONIC

- **R11** Depletion of Water Resources for Business Continuity due to Climate Change and Degradation of Ecosystems

Assessments for Physical Risks are available **here.**

Reputational Risks

Transition risks, including reputational risks, are framed by the effects that the transition to a positive economy for nature will imply in terms of political, legal, technological and market changes. These risks can occur when companies suffer financially due to changes that penalize the negative impact they have on nature, including reputational, compliance and liability or litigation risks.

Consequently, we made an approximate monetary valuation of the possible impacts of events that would generate temporary cessation of operations in facilities with high ratings for reputational risk that have coincided with Company facilities located near areas of importance for biodiversity or protected areas and with a high rating in the ecosystem service "habitat integrity" evaluated by the RDS-SwissRe tool.

We analyzed the operation of our assets in each of the regionals: Colombia, Central America and the Caribbean, with the objective of identifying the greatest possible impacts in these areas. **This is assuming a scenario where the supply options of finished product for delivery to customers in distribution centers, terminals and nearby plants are exhausted, stressing our operations.**

Two stress horizons were defined: A 10-day horizon and a 45-day horizon. Based on business continuity exercises, developed with the help of an interdisciplinary group of risk and insurance experts, **we estimate what the economic impact could be for the Company due to non-operation during these periods, provided that all supply options have been exhausted.**

R01 Transition Risk

Nature-Related Reputational Risk

The nature-related reputational risk considers the state of biodiversity and ecosystem services, for our case we take for the quantification of this risk, the result of the evaluation of the reputational risk of the BES Index in our locations and the importance for the business.

Thus, assets in locations with a "High" reputational risk rating reflect areas with more pristine ecosystems and high impacts generated by the asset, which would indicate a higher nature-related reputational risk.

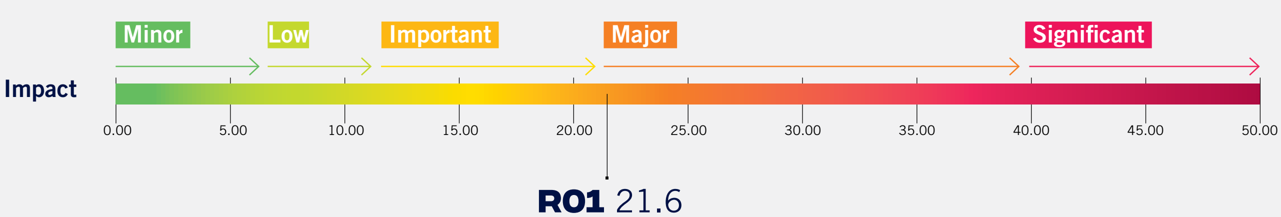
Probability of Occurrence: Remote

Impacts:
The occurrence of events of temporary cessation of operations associated, for example, with temporary declarations of natural reserves by governmental entities, mobilization of interest groups due to significant impacts on biodiversity and ecosystem services and preventive measures implemented by environmental authorities may prevent the continuity of the business, resulting in significant negative impacts for the business.

Economic Impact:
BETWEEN USD 4,804,426 AND USD 21,619,921

The following shows the impact this could have on our risk appetite:

Maximum Losses, Impact on Operating Results
Figures in million dollars



Employee in Cartagena, Colombia

On the other hand, digitalization has also accelerated the participation of citizens in financial decision-making by providing them with both access to the impact of their investments and a platform to voice their demands.
If this trend continues, the responses of citizens, and therefore consumers and employees, to an organization's impact on nature may be more pronounced and immediate, becoming an important driver of transition risk and opportunity.

Nature-Related Opportunities

The transition to a nature-positive economy presents physical and transitional opportunities with potential financial benefits for organizations.

In physical terms, this can strengthen the resilience of production processes and long-term demand, while, in transition terms, changes in market preferences can generate economic advantages by valuing products with a positive impact on nature. We have therefore adopted an innovative and proactive approach to environmental conservation, restoration and rehabilitation, capitalizing on the opportunities arising from these global phenomena associated with nature and climate change.

Premises Accompanying the Assessment of Medium-Term Nature-Related Opportunities

Social
Society is improving its commitment by supporting the achievement of the SDGs, but it is assumed that only economies that have the current target of achieving a positive nature and net zero emissions by 2050 will achieve it, while those that do not are expected to achieve it beyond 2070.

Political and Regulatory
Countries implement their national targets for 2030, and the outlook for fossil fuel and low-emission fuel exporters is determined. International cooperation is achieved to favor economic growth and the transition to sustainability in the various sectors of the economy by promoting the use of clean fuels and alternative technologies.

Economic
Average annual world GDP growth of 3%. Governments and Companies around the world are implementing best practices in sustainability. Higher interest rates and greater uncertainties regarding the global macro-economy are expected by 2030.

Technology
In this scenario, moderate technological change is envisaged, with investments in sustainable technologies being also moderate.

Within this strategy, **the circular economy is key,** promoting the reduction, recycling and reuse of materials to minimize the use of virgin resources. In particular, priority is given to the coprocessing of residues in clinkerization kilns as an alternative to traditional fossil fuels. **Improving operational efficiency** is also seen as an opportunity to strengthen eco-efficiency and ensure the sustainability of the business. **These initiatives represent the starting point of a broader portfolio of opportunities that will continue to be identified and quantified to strengthen competitiveness and customer preference.**

The information presented in the following table provides figures on the impact of our actions. These actions not only generate environmental benefits, but also represent significant savings and strengthen the sustainability of the business in the short and medium term.

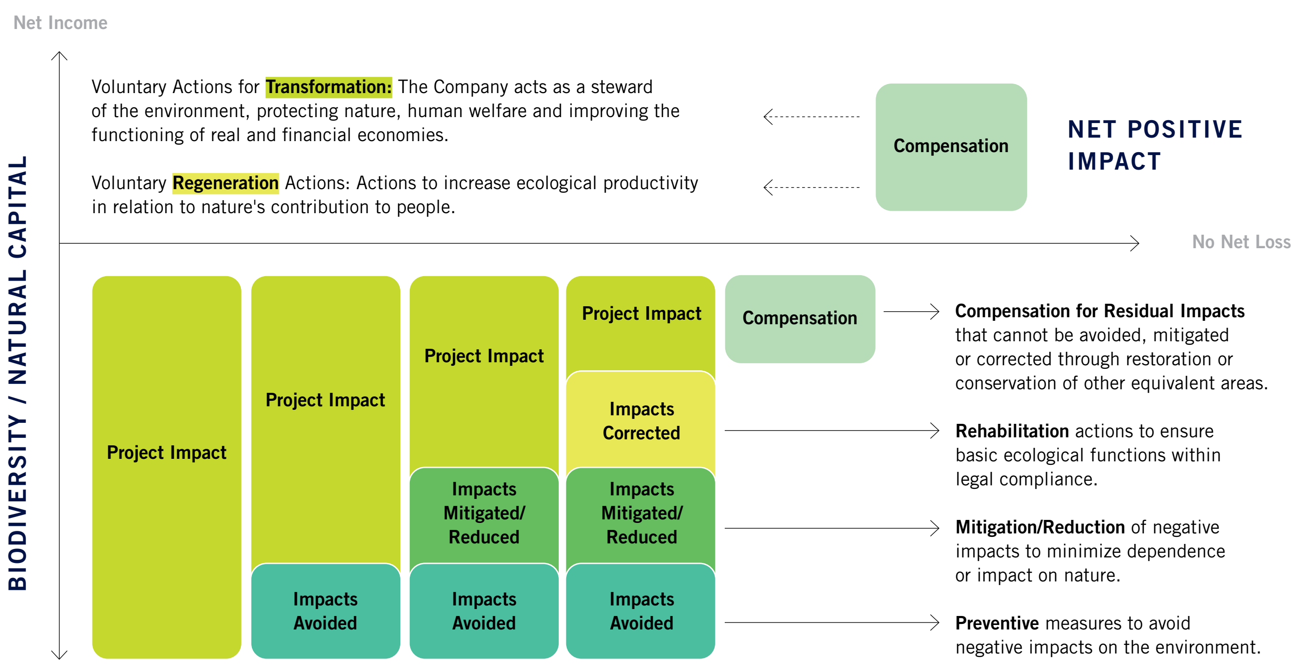
Opportunity		Narrative for Quantification	Quantification	
			Short Term	Medium Term
Circular Economy and Co-processing	**Recycled Aggregates**	Use of materials from construction and demolition waste to replace virgin aggregates in the production of concrete.	Annual savings from virgin aggregates replacement at Bello Plant, Colombia. In 2024 use of 13,903 tons of construction and demolition.	Potential development of a waste management plant in Cartagena, Colombia, for waste valorization.
	Use of Alternative Fuels (Co-processing)	Substitution of fossil fuels for municipal and industrial waste such as tires, CDR, biomass and used oils, reducing costs and CO_2 emissions.	In Colombia, 3.7% of thermal substitution (i.e. 27,900 tons of waste in Cartagena and Rioclaro Plants). In Honduras, 6.9% of thermal substitution (i.e. 4,745 tons of waste at the Piedras Azules Plant).	Development of a new waste management plant in Cartagena with a potential economic benefit projected between USD 28.5 million and USD 264 million by 2030.
	Use of Alternative Raw Materials	Substitution of virgin materials for industrial wastes such as slag and ash in cement production, reducing environmental impact and optimizing costs.	Use of more than 255,000 tons of waste (e.g. slag, ash) to replace virgin materials.	Incorporation of new industrial waste in the production of cement and concrete, increasing the substitution of virgin raw materials and reducing the consumption of natural resources.
Improved Efficiency of the Facilities and Production Processes		Process optimization using machine learning tools, including digital twins, to improve energy efficiency and raw material mix.	Implementation of digital twins to optimize the cement manufacturing process, with **a potential financial impact of USD 6 million in annual savings.**	Expansion of digital twins in different facilities with an estimated economic benefit between USD 3,098 and USD 4,453 by 2030.

See here for detailed quantifications of the potential financial impact for short-term opportunities.

PREPARE

We are committed to having a net positive impact on nature and to making efficient use of water. To this end, we apply the mitigation hierarchy: Avoid, Minimize, Restore and Compensate for our Impacts. As a Company, we monitor these effects and develop voluntary and mandatory initiatives in the different projects and operations in the places where we are present.

More information about our Environmental Management can be found in our **Integrated Report 2024,** p. 112



Conceptual framework leading to the development of more appropriate management actions based on avoiding, mitigating, correcting, and ultimately compensating for residual impacts.

Avoid or Prevent the Impact

At Argos we prevent environmental impacts by implementing actions that eliminate the possibility of generating them. For example, we have chosen to renounce quarrying in areas with high biodiversity value, prioritizing the preservation and conservation of areas that, although not legally protected, we recognize as being of great importance to society due to their natural attributes.

Voluntary Renounces

In Colombia, for example, since 2010 we have made voluntary renounces in cases such as:

- New delimitations of paramo zones made by the Colombian environmental authority that caused our mining titles to be partially within paramo complexes in Boyacá. In this case, a definitive closure of the operations was decided. This was the first outstanding example of mine closure for subway operations and has been a reference and model at national level
- During the evaluation process of the environmental determinants established in Argos' environmental evaluation guidelines, a very high proximity to areas of tourist interest was identified, where the project could generate a high landscape impact
- During the initial mine planning phase, it was identified that part of the areas that made up the mining title overlapped peripheral strips of watercourses, aquifer recharge zones and areas in a subparamo climate.

Development of sustainable products and solutions with initiatives such as Soluble Bags

In 2024, we launched the innovative structural cement in a Soluble Bag.

This paper packing dissolves completely in the concrete mixing drum, thanks to its specially manufactured cellulose. The Soluble Bag, in addition to being resistant and maintaining the technical specifications of the cement, offers multiple benefits such as:

To learn more about this product **click here.**

Economic: Reduces waste management costs and makes the best use of cement.

Time: Saves valuable time by eliminating the need to tear and shake bags.

Environmental: Avoids improper disposal of bags and minimizes particulate matter emissions.

Safety and health: Reduces exposure to dust and reduces physi-cal strain on workers.

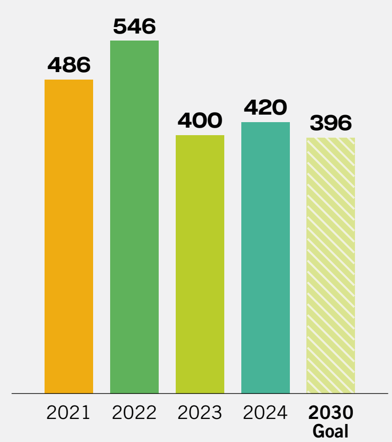
Mitigate or Reduce Impact

We focus on reducing the environmental impacts generated by our operations, implementing actions to minimize their negative effect. Through our climate change, nature and circular economy pillars, integrated in our environmental strategy, we work to reduce pressure on virgin natural resources, make efficient use of them, and take advantage of waste and by-products from other industries as raw materials or alternative fuels with initiatives such as:

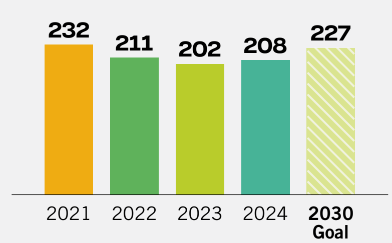
Water Recirculation in Panama

Since 2017, we have been implementing a water recirculation project at our cement plant. Through the Integrated Water Management Plan, we have carried out diagnostics, water balances and efficiency programs, as well as investments in infrastructure such as automated irrigation and ecological toilets. As a result, water withdrawal decreased by 87%, from 626,574 m³ in 2015 to 80,465 m³ in 2024. Likewise, water consumption per ton of cement decreased from 711 to 116 liters, becoming a model replicated in other operations.

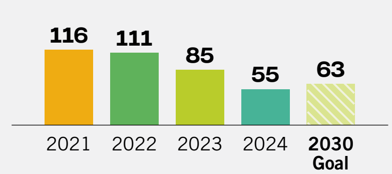
Specific Freshwater Withdrawal



Cement (L/t cementitious material)



Concrete (L/m³)



Aggregates (L/t)

Alternative Fuels

The use of alternative fuels is key to reducing CO_2 emissions in clinker production, by replacing fossil fuels with non-recyclable waste and biomass. In 2024, Cementos Argos prevented 32,732 tons of waste from reaching landfills, thus contributing to the circular economy and waste management in local communities.

In Colombia, the substitution of fossil fuels reached 3.7% with 27,900 tons of co-processed waste, including tires and refuse-derived fuels (RDF). At the Rioclaro plant, alternative fuel consumption increased by more than 50% over the previous year.

In Honduras, the Piedras Azules plant achieved a caloric substitution of 6.9%, processing 4,745 tons of waste such as tires, RDF, expired medicines and used oils.

Refuse Derived Fuel (RDF), a New Alternative Fuel

In Honduras, we have developed a waste coprocessing system at the Comayagua cement plant, transforming it into Refuse-Derived Fuel (RDF). This is due to the lack of management of more than 45% of the waste generated in the country, which usually ends up in landfills or in uncontrolled burning.

As of 2019, we identified a potential of 5,600 tons per year of recoverable waste, such as agricultural plastics, cardboard and textiles. With a total investment of more than USD 500,000, in 2023 we implemented a crushing, dosing and conveying system capable of injecting up to 1 ton per hour of RDF into the clinker kiln.

In 2024, we co-processed 414.3 tons of RDF and aim to replace 8% of petcoke in the coming years. This will reduce CO_2 emissions and generate annual fuel savings of up to USD 300,000.

Refuse Derived Fuel (RDF)

Green Sacks Program

Green Sacks

In Colombia, we have been leading this circular economy program for 11 years, promoting the collection and reuse of empty cement sacks. Through reverse logistics, the packaging is collected at our customers' facilities and sent to processing companies that reuse it as raw material for paper, cardboard, fiber cement or alternative fuel.

This program operates in 10 Colombian departments and has achieved the collection of more than 19 million sacks, avoiding the felling of approximately 25,000 trees and recycling more than 3,100 tons of paper. It has the participation of more than 500 clients and alliances with certified processing companies.
In 2024, we collected more than 711 tons of paper, which is equivalent to avoiding the felling of approximately 7,110 trees and avoiding the emission of 190,000 kg of CO_2.

Correcting the Impact

At Argos, we implement rehabilitation actions in intervened areas to correct negative environmental impacts and guarantee the basic ecological functions of ecosystems, going beyond compliance with environmental regulations.

Mining and Environmental Closure of "Los Charcos" Quarry in Toluviejo, Colombia

We carried out the definitive closure of the mining title known as "Los Charcos" after the exhaustion of the reserves. Since 2021, we have been implementing rehabilitation measures on 2 hectares, including land reshaping, water management and revegetation.

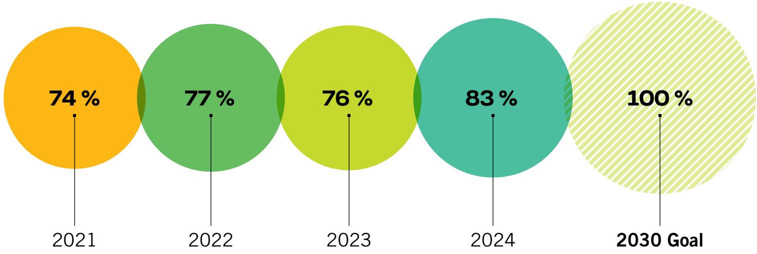
With the revegetation process, to be concluded in 2025, we have successfully adapted native plant species to the tropical dry forest environment. We collected seeds of local species such as Guayacán, Matarratón, Roble and Ceiba Blanca, which were germinated in nurseries and then planted.

We are currently monitoring to ensure healthy plant growth and assessing potential threats. The plants are in good condition thanks to forestry practices that promote their development and adaptation.

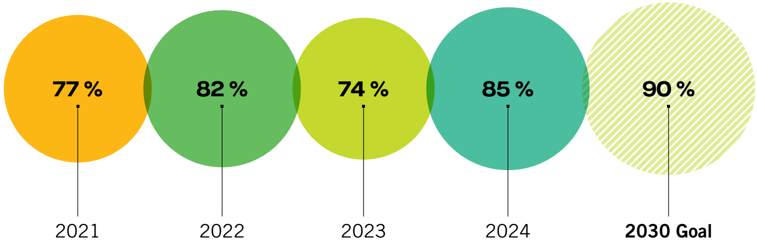
With this rehabilitation project, we aim to recover the ecological balance in the area and provide food resources for the local fauna.

Revegetation in "Los Charcos" Quarry

Quarries in high value areas with management plan



Rehabilitation of intervened areas



Compensating for the Impact

We compensate for our impacts through restoration and conservation actions in equivalent areas, addressing residual impacts that cannot be mitigated or corrected. We also carry out voluntary regeneration initiatives to improve ecological productivity and human well-being.

These actions are executed both by our operational team and by Fundación Grupo Argos, a benchmark in social investment in Colombia. Through the Foundation, we strengthen our sustainability strategies with a focus on water protection, biodiversity and territorial transformation in the areas of influence of our operations. Some initiatives highlighted in 2024 are:


Saldaña River in Colombia

Huella Viva

The Huella Viva program, led by Fundación Grupo Argos and allies, has been protecting the Claro River watershed in Antioquia since 2018. Through conservation, restoration, sustainable production and participatory science strategies, we seek to improve the quality of life of communities and preserve biodiversity. In 2024, we achieved important milestones:

- Significant increase in conserved forest areas, from 144.7 ha in 2020 to **1,027 ha** in 2024
- Signing conservation agreements in **50 properties**
- Establishing management plans on **4,985 hectares**
- Planting **more than 47,940 trees**
- Monitoring participatory biodiversity with the support of **244 community leaders**

Carbon Offsets with Credit Carbons in the Colombia Regional

In 2024, we acquired carbon credits from Forestry to offset more than 21,000 tons of CO_2 from the use of diesel in our cement, concrete and aggregates production facilities. With these credits, we not only offset fossil fuel emissions, but we also avoid incurring the National Carbon Tax (INC) in Colombia.

Although we were only able to avoid 50% of the INC due to limitations of the 2022 tax reform, we negotiated long-term with the supplier and acquired credits equivalent to 70% of the INC by 2024. In addition, with this compensation we achieved savings of more than COP 160 million.

Our challenge for 2025 is to acquire credits for a value of less than 85% of the INC sufficient for the non-taxation of this tax in 2025, where coal will start to be taxed in Colombia.

"Saldaña River: A Basin for Life"

This project is a collaborative initiative between the Parques Nacionales Naturales de Colombia, Fundación Grupo Argos, Concretos Argos S.A.S, the Corporación Autónoma Regional del Tolima, and Wildlife Conservation Society (WCS). Its main purpose is to conserve the biodiversity and ecosystem services of the Saldaña River, an important tributary of the Magdalena River in Tolima.

Since 2016, this project has worked on the protection of native forests, wetlands and water sources, promoting sustainable production alternatives and encouraging the participation of local communities in conservation.

In 2024, we are focused on recovering biodiversity and improving the quality of life of the inhabitants of the impact zones. To make this possible, we planted more than 1,248 seedlings of native species, rehabilitated 12.7 hectares, and made progress in sustainable production systems in 73 farms. Four conservation agreements and an expected impact on more than 121 hectares were entered into, too.

In addition, we have improved drinking water quality through biosand filters and continuous monitoring, and we have conducted local fauna studies, environmental education activities and participatory workshops with the community.

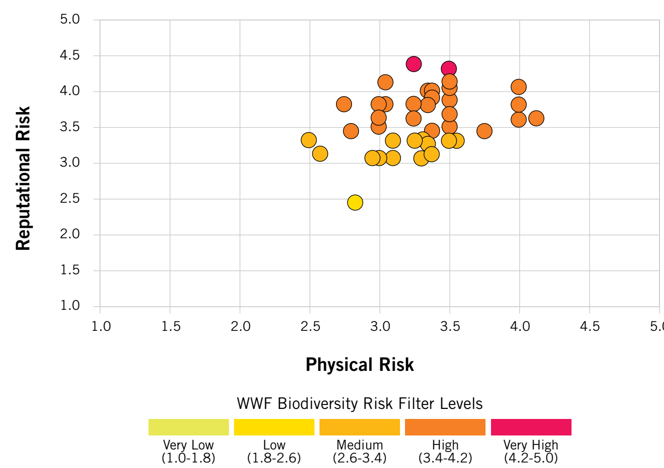
After seven years, the project has reached 80% completion, achieving significant improvements in the quality of life of the communities and the preservation of the biodiversity and sustainability of the Saldaña River.

Assessment of Nature-Related Risks and Dependencies for the Value Chain

In order to better understand our exposure to nature-related risks along the value chain, a comprehensive assessment was conducted using the Biodiversity Risk Filter (BRF) tool.

This analysis considered the geographic location, industrial classification and economic relevance of some suppliers and customers, allowing the identification and evaluation of physical (dependence) and reputational (impact) risks associated with biodiversity. The resulting scores, on a scale of 1 to 5, reflect the level of exposure to risk, determined by the interaction between dependence and impact on nature, as well as the environmental status of each location analyzed.

Physical Results vs. Reputational Risk for Suppliers and Customers Assessed

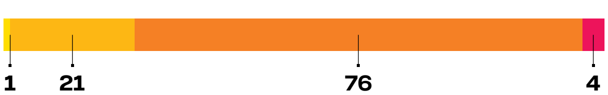


SUPPLIERS

Of the **102 suppliers analyzed,** the results show the following risk level distribution:

- **Physical Risk:** 21 locations present high risk (3.4 - 4.2), 79 medium risk (2.6 - 3.4), and 2 low risk (1.8 - 2.6).

- **Reputational Risk:** 4 suppliers are at a very high level (4.5 - 5.0), 76 at a high level (3.4 - 4.2), 21 at a medium level (2.6 - 3.4), and 1 at a low level (1.8 - 2.6).



These results, visualized in the graphs, show a high exposure to physical and reputational risks in suppliers of the mining sector, crucial for Argos' supply chain.

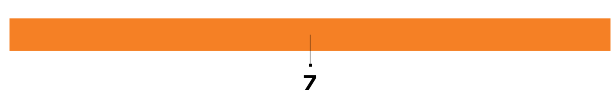
This underscores the need to influence and mobilize these suppliers towards sustainable practices, ensuring business continuity and competitiveness.

CLIENTS

The evaluation of **7 client projects** with direct interaction with nature revealed the following results:

- **Physical Risk:** 5 projects present high risk (3.4 - 4.2), 1 medium risk (2.6 - 3.4), and 1 low risk (1.8 - 2.6).

- **Reputational Risk:** All projects are at a high level (3.4 - 4.2).



These findings, as shown in the graphs, highlight the importance of managing environmental risks in the locations where our products are used, ensuring the sustainability and permanence of the business.

04

INDICATORS AND GOALS

CLIMATE CHANGE

In 2024, the environmental goals were redefined and the historical data of the most important environmental indicators were recalculated to facilitate comparability in performance taking into account the exit of the Argos USA operation. In general, the historical figures presented in these annexes are recalculated by deleting the information corresponding to U.S. operations.

Where the recalculations of information have not been made, the respective clarification will be made to clarify the information presented

Indicator	Name
305-1	Direct (scope 1) GHG emissions
305-2	Energy indirect (scope 2) GHG emissions

Standards, methodologies and assumptions that were used in the calculation, the source of the factors used, and the link from where the information was taken	▪ **Greenhouse gases included in calculation:** this indicator includes only CO_2 emissions, since emissions of other greenhouse gases are not significant in the cement production process. In addition, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry is limited only to the CO_2 inventory (see:"The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry. World Business Council for Sustainable Development (WBCSD) - Cement Sustainability Initiative (CSI), 2011. Available at: https://www.cement-co2-protocol.org/en/index.htm). ▪ **Approach for the consolidation of emissions:** an operational control approach was considered to calculate these emissions. ▪ **Standards, methodologies and assumptions used for the calculation:** › The methodology used to calculate direct (scope 1) and indirect (scope 2 by location based method) emissions is the one developed by the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) and European Cement Research Academy (ECRA): “The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry” (2011). › The methodology used to calculate indirect emissions (scope 2 by market based method) is the one determined by the World Resources Institute (WRI): “GHG Protocol Scope 2 Guidance” (2015). Available at: https://ghgprotocol.org/scope_2_guidance ▪ **Direct emissions (scope 1):** are those that come from sources that are owned or controlled by the reporting entity. In cement plants, direct CO_2 emissions are generated by the following sources: 1. Calcination of carbonates and combustion of organic carbon contained in raw materials; 2. Consumption of fuels in the clinkerization kiln; 3. Consumption of fuels in equipment other than the clinkerization kiln; 4. Consumption of fuels for the generation of energy in situ. ▪ **Indirect emissions (scope 2):** are those caused by the consumption of external production of electricity. **Gross direct emissions** are reported for cement operations and correspond to the total direct emissions generated by raw materials, fuels for the clinkerization kiln and fuels for equipment other than the kiln; CO_2 is excluded from the generation of energy in situ. **Biogenic CO_2 emissions** are excluded (those of biomass combustion) since they are considered neutral. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol". WBCSD - CSI (2011). Available at: https://www.cement-co2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors due to electric power generation in each country:** › Colombia: XM (Company specialized in real-time systems management, wholesale energy market administration, and the development of energy and information solutions and services.) updated the emission factor of the National Interconnected System for the year 2024 for inventories of emissions of greenhouse gases (GHG) and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/7493-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; bit.ly/4k5RdtE › Guyana: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; https://bit.ly/41g7uTj › Panamá: Republic of Panama, Secretariat of Energy - Ministry of the Presidency (2024). Calculation of the CO_2 emission factor of the national interconnected system 2023. › Suriname: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; https://bit.ly/3IWvPxm › Honduras: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; https://bit.ly/3uR8Ng2 › Puerto Rico: EPA (Environmental Protection Agency) (2023). Emissions & Generation Resource Integrated Database (eGRID). Available at: https://www.epa.gov/egrid/summary-data ▪ **Source of CO_2 emission factors for scope 2 (market based method):** for cement, concrete and aggregates plants (Colombia) the CO_2 emission factor was supplied by Empresas Públicas de Medellin (EPM) ESP and ISAGEN in its I-REC 2024 certificates. For Piedras Azules and Rioblanquito cement plants (Honduras) the CO_2 emission factor was supplied by Celsia Honduras, for Panama and Dominican Republic cement plant the CO_2 emission factor was supplied by EISA and EGE Haina respectively in the PPAs contracs. ▪ **Selection of the base year:** The base year for measurement is 2006 given that the integration of the different cement companies was completed in that year, thus giving rise to Cementos Argos. Therefore, consolidated information on the production and flow of materials and energy to calculate emissions is available from that year.

Measurement baseline year	2006			
Direct and Indirect GHG Emissions from Cement	**2021**	**2022**	**2023**	**2024**
305-1 Direct GHG emissions tCO_2	4,636,145	4,669,090	4,483,538	4,209,505
305-2 Indirect GHG Emissions tCO_2 (location based method)	121,476	98,848	86,722	126,845
305-2 Indirect GHG Emissions tCO_2 (market based method)	99,431	81,083	68,173	70,743
Direct and Indirect GHG Emissions from Cement tCO_2 (location based method)	**4,757,621**	**4,767,938**	**4,570,259**	**4,336,350**
Direct and Indirect GHG Emissions from Cement tCO_2 (market based method)	**4,735,576**	**4,750,174**	**4,551,710**	**4,280,248**

Explain what standards, methodologies and assumptions were used in the calculation, the source of the factors used, and the link from where the information was taken	▪ **Greenhouse gases included in the calculation:** only CO_2 emissions were included in this indicator. ▪ **Approach for the consolidation of emissions:** An operational control approach was considered to calculate these emissions. ▪ **Standards, methodologies and assumptions used for the calculation:** the methodology used to calculate direct and indirect emissions is the one determined by the Corporate Accounting and Reporting Standard - The Greenhouse Gas Protocol, of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) (2004). ▪ **The following equation** was considered for calculating direct emissions of concrete operations: Direct concrete emissions = Fuel consumption * Lower heating value of fuel * CO_2 emission factor associated with each fuel. ▪ **The following equation** was considered for calculating indirect emissions of concrete operations (scope 2): Scope 2 (location method) = Consumption of electric power purchased * CO_2 emission factor of the national electricity grid of each country. Scope 2 (Market method) = Consumption of electric power purchased to each power supplier * CO_2 emission factor from the power supplier Indirect emissions (scope 2) are those caused by the consumption of electric power purchased to third parties. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol". WBCSD - CSI (2011). Available at: https://www.cement-co2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors due to electric power generation in each country:** › Colombia: XM (Company specialized in real-time systems management, wholesale energy market administration, and the development of energy and information solutions and services.) updated the emission factor of the National Interconnected System for the year 2024 for inventories of emissions of greenhouse gases (GHG) and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/7493-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; bit.ly/4k5RdtE › Suriname: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; https://bit.ly/3IWvPxm ▪ **Source of CO_2 emission factors for scope 2 (market based method):** for cement, concrete and aggregates plants (Colombia) the CO_2 emission factor was supplied by Empresas Públicas de Medellin (EPM) ESP and ISAGEN in its I-REC 2024 certificates. For Dominican Republic plants the CO_2 emission factor was supplied by EGE Haina respectively in the PPA contrac.

Direct and Indirect GHG Emissions from Concrete	**2021**	**2022**	**2023**	**2024**
305-1 Direct GHG emissions tCO_2	29,643	34,009	30,917	27,673
305-2 Indirect GHG Emissions tCO_2 (location based method)	1,477	1,218	923	1,460
305-2 Indirect GHG Emissions tCO_2 (market based method)	1,477	1,218	872	1,167
Direct and Indirect GHG Emissions from Concrete tCO_2 (location based method)	**31,120**	**35,227**	**31,840**	**29,133**
Direct and Indirect GHG Emissions from Concrete tCO_2 (market based method)			**31,789**	**28,840**

Explain what standards, methodologies and assumptions were used in the calculation, the source of the factors used, and the link from where the information was taken	▪ **Greenhouse gases included in calculation:** only CO_2 emissions were included in this indicator. ▪ **Approach to the consolidation of emissions:** an operational control approach to calculate emissions was considered. ▪ **Standards, methodologies and assumptions used for the calculation:** The methodology used to calculate direct emissions is determined by the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD): "The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry "(2011). Available at: https://www.cement-co2-protocol.org/en/index.htm ▪ **The following equation was considered for calculating direct emissions of on-site power generation operations:** Direct emissions from on-site power generation operations = Fuel consumption * Lower heating value of fuel * CO_2 emission factor associated with each fuel. ▪ **Source of CO_2 emission factors for each fuel:** "Accounting and Reporting Standard for CO_2 and Energy for the Cement Industry - Energy and CO_2 Protocol in the Cement Industry". WBCSD - CSI (2011). Available at: https://www.cement-co2-protocol.org/en/index.htm

Direct GHG Emissions from Electricity	**2021**	**2022**	**2023**	**2024**
305-1 Direct GHG emissions t CO_2 - Electricity	415,300	454,134	429,567	373,683

Explain what standards, methodologies and assumptions were used in the calculation, the source of the factors used, and the link from where the information was taken	▪ **Greenhouse gases included in the calculation:** only CO_2 emissions were included in this indicator. ▪ **Approach for the consolidation of emissions:** An operational control approach was considered to calculate these emissions. ▪ **Standards, methodologies and assumptions used for the calculation:** The methodology used to calculate direct and indirect emissions is the one determined by the Corporate Accounting and Reporting Standard - The Greenhouse Gas Protocol, of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) (2004). ▪ **The following equation** was considered for calculating direct emissions of aggregates operations: Direct aggregates emissions = Fuel consumption * Lower heating value of fuel * CO_2 emission factor associated with each fuel. ▪ **The following equation** was considered for calculating indirect emissions of aggregates operations (scope 2): Scope 2 (location method) = Consumption of electric power purchased * CO_2 emission factor of the national electricity grid of each country Scope 2 (Market method) = Consumption of electric power purchased to each power supplier * CO_2 emission factor from the power supplier Indirect emissions (scope 2) are those caused by the consumption of electric power purchased to third parties. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol". WBCSD - CSI (2011). Available at: https://www.cement-co2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors due to electric power generation in each country:** › Colombia: XM (Company specialized in real-time systems management, wholesale energy market administration, and the development of energy and information solutions and services.) updated the emission factor of the National Interconnected System for the year 2024 for inventories of emissions of greenhouse gases (GHG) and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/7493-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2024). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/Data/Energy-Profiles ; bit.ly/4k5RdtE › Panamá: Republic of Panama, Secretariat of Energy - Ministry of the Presidency (2024). Calculation of the CO_2 emission factor of the national interconnected system 2023.

Direct and Indirect GHG Emissions from Aggregates	**2021**	**2022**	**2023**	**2024**
305-1 Direct GHG emissions tCO_2- Agregados	4,275	5,209	5,204	6,755
305-2 Indirect GHG Emissions tCO_2 (location based method)	747	555	365	536
305-2 Indirect GHG Emissions tCO_2 (market based method)	747	555	287	145
Direct and Indirect GHG Emissions from Aggregates tCO_2 (location based method)	**5,022**	**5,764**	**5,570**	**7,291**
Direct and Indirect GHG Emissions from Aggregates tCO_2 (market based method)			**5,491**	**6,900**

	2021	**2022**	**2023**	**2024**
(305-1) Total direct emissions tCO_2 TOTAL COMPANY	**5,085,363**	**5,162,442**	**4,949,226**	**4,617,615**
(305-2) Total Indirect emissions tCO_2 (location based method) TOTAL COMPANY	**123,700**	**100,621**	**88,010**	**128,842**
(305-2) Total Indirect emissions tCO_2 (market based method) TOTAL COMPANY	**101,655**	**82,857**	**69,332**	**72,055**
Total Emissions tCO_2 (Scope 1 + Scope 2 location based method) TOTAL COMPANY	**5,209,063**	**5,263,063**	**5,037,236**	**4,746,457**
Total Emissions tCO_2 - CEMENTOS ARGOS (Scope 1 + Scope 2 market based method)	**5,187,018**	**5,245,299**	**5,018,558**	**4,689,670**
Total Emissions tCO_2 (Scope 1 + Scope 2 location based method) + Scope 3) TOTAL COMPANY	**7,279,234**	**9,599,328**	**8,788,200**	**7,923,901**
Total Emissions tCO_2 (Scope 1 + Scope 2 market based method) + Scope 3)	**7,257,189**	**9,581,564**	**8,769,522**	**7,867,114**

Indicator	Name
305-3	Other indirect (Scope 3) GHG emissions

Note on the information in the following table:
With the closing of the transaction between Argos USA and Summit Materials, as of 2024, Cementos Argos does not consolidate the U.S. operation. This is why the total scope 3 greenhouse gas emissions from 2021 to 2023 were recalculated. The figures for each of the categories were not recalculated individually

Total "Upstream" Scope 3 emissions tCO_2e

Sources of Scope 3 emissions	Category	Evaluation status	2021	2022	2023	2024	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Standards, methodologies and assumptions in the calculation, gases included in the calculation, as well as the source of emission factors and GWP	Comments
Purchased goods and services	1	Relevant, calculated	2,934,945	2,827,251	2,325,894	797,951	0%	Argos calculated this category using a customized tool that was developed by Quantis for Argos under the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) (2011), and under the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Coverage:** Cement, concrete and aggregates operations of the Colombia, Caribbean and Central America regions.	Argos prioritized 5 categories as "Relevant" of the 15 categories that comprise the Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, entitled "Calculation of Cementos Argos' GHG Emissions from priority Sources of Scope 3 Emissions", in addition to the guidelines provided by the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance", developed by the WBCSD - CSI (2016). Category 1, Purchased Goods and Services, was one of the 5 relevant categories. In 2024 this category represented 25% of the company's total scope 3 CO_2 emissions.
Capital goods/	2	Not relevant, not calculated	Not available	55,108	20,120	Not available	N.A.	This category could not be calculated in 2024 because the necessary information was not available at the time of calculation.	
Fuel and energy related activities	3	Relevant, calculated	523,334	514,883	508,896	316,421	0%	Argos calculated this category using a customized tool that was developed by Quantis for Argos under the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) (2011), and under the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Coverage:** Cement, concrete and aggregates operations of the Colombia, Caribbean and Central America regions.	The company prioritized 5 categories as "Relevant" of the 15 categories that comprise the Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, entitled "Calculation of Cementos Argos' GHG Emissions from Priority Sources of Scope 3 Emissions", in addition to the guidelines provided by the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance", developed by the WBCSD - CSI (2016). Category 3, Fuel and Energy-Related Activities, was one of the 5 relevant categories. In 2024 this category represented 10% of the company's total scope 3 CO_2 emissions.
Upstream transportation and distribution	4	Relevant, calculated	404,253	666,884	664,971	254,353	48%	The carbon footprint for Colombia region was gathered from these companies: Logitrans, Transportes LAFE, Imbocar, TGN, Transportes de la Sierra, Trasnportes Condor Andino, Transportes CI, Teca Transportes, Transer, Cargando and other freight transport companies, which correspond to land transport suppliers of raw materials, products in process and finish products (packed in bulk and in bags). Also, this category includes the carbon footprint calculated by Geodis which is an important supplier of cargo transportation by sea and air. For calculation of the emissions from the other two regions (Caribbean and Central America) the tool developed for Argos by Quantis was used, which works under the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), 2011), and under the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Coverage:** Cement, concrete and aggregates operations of Colombia, Caribbean and Central America regions.	Argos prioritized 5 categories as "Relevant" of the 15 categories that comprise the Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, entitled "Calculation of Cementos Argos' GHG Emissions from Priority Sources of Scope 3 Emissions", in addition to the guidelines provided by the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance", developed by the WBCSD - CSI (2016). Category 4 (upstream transportation and distribution) is among the 5 relevant categories. In 2024 this category represented 8% of the company's total scope 3 CO_2 emissions.

Total "Upstream" Scope 3 emissions tCO_2e

Sources of Scope 3 emissions	Category	Evaluation status	2021	2022	2023	2024	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Standards, methodologies and assumptions in the calculation, gases included in the calculation, as well as the source of emission factors and GWP	Comments
Waste generated in operation	5	No Relevant, calculated	Not available	22,791	11,918	2,316	0%	To calculate this category, a free tool developed by the Brazilian GHG Protocol Program was used (version 2022.1.0). This tool was developed under the guidelines of the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), 2011). The input data for the calculation in this tool are the waste generated by Argos in the year 2024 and that was taken to sanitary landfills. **Coverage:** Cement, concrete and aggregates operations of Colombia, Caribbean and Central America regions.	In 2024 this category represented 0.1% of the company's total scope 3 CO_2 emissions.
Business travels	6	Relevant, calculated	383	715	320	138	82%	The carbon footprint for Colombia region was collected from the travel agency that operate the logistics of corporate travel (Aviatur). For calculation of the emissions of the Caribbean and Central America region the Scope 3 Tool developed by Quantis for Argos was used, which works under the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (WBCSD and WRI, 2011), and under the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Coverage:** Cement, concrete and aggregates operations of Colombia, Caribbean and Central America regions.	Argos prioritized 5 categories as "Relevant" of the 15 categories that comprise the Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, entitled "Calculation of Cementos Argos' GHG Emissions from Priority Sources of Scope 3 Emissions", in addition to the guidelines provided by the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance", developed by the WBCSD - CSI (2016). Category 6, Business Travel, was one of the 5 relevant categories. In 2024 this category represented 0.004% of the company's total scope 3 CO_2 emissions
Employee commuting	7	Relevant, calculated	Not available	30,807	30,428	10,922	0%	The calculation was made considering the following variables: the number of employees in each regional, average distance between residence and work, and number of working days in the year. It was assumed that all employees travel by their own car (to make a conservative calculation). The emissions of this category are then the result of multiplying the input information with the CO_2e emission factor for the passenger car (this factor is from Ecoinvent 3.8, which is the database included in the Scope 3 Evaluator Tool - Quantis GHG Protocol). **Coverage:** Cement, concrete and aggregates operations of Colombia, Caribbean and Central America regions.	In 2024 this category represented 0.34% of the company's total scope 3 CO_2 emissions.
Upstream leassed assets	8	Not relevant	Not available	Not available	Not available	Not available	N.A.	N.A.	This category is not relevant to cement companies according to what is established in the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016).
Total "Upstream" Scope 3 Emissions tCO_2e			**3,862,916**	**4,118,438**	**3,562,546**	**1,382,101**			

Total "Downstream" Scope 3 emissions tCO_2e

Sources of Scope 3 emissions	Category	Evaluation status	2021	2022	2023	2024	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Standards, methodologies and assumptions in the calculation, gases included in the calculation, as well as the source of emission factors and GWP	Comments
Downstream transportation and distribution	9	Relevant, calculated	264,790	Not available	Not available	Not available	N.A.	Since 2022, the emissions in this category were included in category 4 since it was identified that Argos hires a supplier (through outsourcing) to carry the product sold to its customers. Therefore, the emissions of Category 9 are 0 tonne CO_2e/year as of 2024. Coverage: Cement, concrete and aggregates operations of Colombia, Caribbean and Central America regions.	In 2024 this category represented 0% of the company's total scope 3 CO_2 emissions.

Total "Downstream" Scope 3 emissions tCO_2e

Sources of Scope 3 emissions	Category	Evaluation status	2021	2022	2023	2024	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Standards, methodologies and assumptions in the calculation, gases included in the calculation, as well as the source of emission factors and GWP	Comments
Processing of sold products	10	Not relevant, calculated	Not available	400,283	412,970	231,150	0%	This category is calculated considering the emissions generated in third-party concrete plants that use Argos cement to produce concrete. It is assumed that: **1.** Cement sold to third parties is equal to that produced minus the cement used in Argos concrete plants. **2.** The concrete produced by third parties with Argos cement is calculated with the average mix of Argos concretes (tonne cement/m3 concrete). **3.** The CO_2 emission intensity indicator ($kgCO_2/m3$) from Argos concrete operations in 2024 was used as an emission factor for concrete production. **Coverage:** Cement and concrete operations of Colombia, Caribbean and Central America regions.	In 2024 this category represented 7,3% of the company's total scope 3 CO_2 emissions.
Use of sold product	11	Not relevant	Not available	Not available	Not available	Not available	N.A.	N.A.	This category is not relevant to cement companies according to the prioritization process developed by Quantis for Argos in 2013 entitled "Calculation of Cementos Argos' GHG Emissions from priority Sources of Scope 3 Emissions", in addition to the guidelines provided by the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance", developed by the WBCSD - CSI (2016).
End of life treatment of sold products	12	Not relevant, calculated	Not available	269,336	211,642	89,037	0%	To calculate this category, a free tool developed by the Brazilian GHG Protocol Program was used (version 2022.1.0). This tool was developed under the guidelines of the GHG Protocol methodology “Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)” (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), 2011). Emissions in this category correspond to the sum of the following activities: **1.** Emissions from sending the bags of cement that were sold in 2023 to the landfill. The bags of cement that were recovered by Green Bags program are discounted from this amount. Green Bags program is a reverse logistics program that Argos offers to its customers in a free way, to pickup the bags used in the construction work and give them a correct disposal. **2.** Emissions from transporting the sold product when it is taken to a landfill. The product sold was calculated as follows: tons of cement sold plus tons of concrete sold (considering a concrete density of 2.4 g/cm^3)	In 2024 this category represented 2,8% of the company's total scope 3 CO_2 emissions.
Downstream leased assets	13	Not relevant	Not available	Not available	Not available	Not available	N.A.	N.A.	This category is not relevant to cement companies according to what is established in the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016).
Franchises	14	Not relevant	Not available	Not available	Not available	Not available	N.A.	N.A.	This category is not relevant to cement companies according to what is established in the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016).
Investments	15	Not relevant, calculated	Not available	24,733	24,689	1,475,156	0%	This category was calculated by multiplying the investments made by Argos in other companies and the CO_2e emission factor of the type of activity of each of them. The CO_2e emission factors are included in the Scope 3 Evaluator Tool - Quantis GHG Protocol. **Coverage:** Cement, concrete and aggregates operations of the Colombia, Caribbean and Central America regions.	In 2024 this category represented 46,4% of the company's total scope 3 CO_2 emissions. This category became in 2024 the most representative of the company's total Scope 3 CO_2 emissions, since this year Cementos Argos' investment in Summit Materials was included in the calculation, after the combination of these two companies occurred that led to the exit of Argos USA's operation.
Total Downstream Scope 3 emissions tCO_2e			**264,790**	**694,352**	**649,301**	**1,795,343**			
Total Emissions of Scope 3 Greenhouse Gases tCO_2e			**2,070,171**	**4,336,265**	**3,750,964**	**3,177,444**	With the closing of the transaction between Argos USA and Summit Materials, as of 2024, Cementos Argos does not consolidate the U.S. operation. This is why the total scope 3 greenhouse gas emissions from 2021 to 2023 were recalculated. The figures for each of the categories were not recalculated individually.		

Indicator	Name
305-4	GHG emissions intensity
A-EC1	Net specific CO2 emissions (kgCO2/t cementitious material)

Carbon intensity	2021	2022	2023	2024	Comments
Intensity of the CO_2 emissions in cement production (kg CO_2/t cementitious products)	604	616	610	612	**Numerator:** Direct gross emissions (corresponding to GRI 305-1) **Denominator:** Cementitious material production. **Coverage:** Cement operations of the COL and CCA regions.
Intensity of the CO_2 emissions in the production of concrete (kg CO_2/m³ concrete)	11.81	11.49	10.23	11.31	**Numerator:** Direct emissions GRI 305-1 **Denominator:** Concrete production. **Coverage:** Concrete operations of the COL and CCA regions.
Intensity of the CO_2 emissions in the production of aggregates (kgCO_2/t product)	2.64	2.45	2.56	4.21	**Numerator:** Direct emissions GRI 305-1 **Denominator:** Aggregates production. **Coverage:** Concrete operations of the COL and CCA regions.
Intensity of the CO_2 emissions in electricity generation (kg CO_2/MWh)	924	988	984	1,018	**Numerator:** Direct emissions GRI 305-1. **Denominator:** Electric power production. **Coverage:** Electric power operations in situ of the Colombia region.

Environmental Policy Indicator	2021	2022	2023	2024	Comments
Specific Net CO_2 Emissions (kg CO_2/t cementitious products)	759	608	612	604	Specific net CO_2 per tonne of cementitious material remained almost constant, generating a slight increase of 0.2% compared to 2023. This occurred because both net absolute emissions and cementitious material production decreased, and did so in almost the same proportion. The reduction in cementitious material production was driven by the contraction of the market in Colombia, a region that contributed 87% of the company's total clinker production. Net absolute emissions decreased not only due to the reduction in clinker production but also due to a good performance in some of the direct CO_2 emissions mitigation levers: there was a 5% reduction in caloric consumption in the clinkerization process, thanks in large part to the operational transformation that occurred in the Cartagena plant's wet clinkerization line, and a slight increase was obtained in the caloric substitution of conventional fuels (especially coal) with alternatives, going from 3.6% to 4.10%. It is also worth noting that some conditions of the Colombian market influenced the fact that a greater reduction in CO_2 emissions did not occur. On the one hand, the low availability of natural gas (a fuel with a lower CO_2 emission factor compared to coal) affected the weighting of the fuel mix used in the kilns (it was reduced from 12% to 3% of the total mix), thus favoring the prevalence of coal and the generation of more CO_2 emissions. On the other hand, the low availability of supplementary cementitious materials (such as slag) that replace clinker in the cement recipe, led to a higher consumption of clinker and therefore, to an increase in the clinker/cement ratio by one percentage point. This indicator is calculated according to the methodology determined by the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD): "The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry" (2011). This indicator corresponds to the variable 74 calculated by the methodology described. **Numerator:** Net direct CO_2 emissions (Total CO_2 emissions, excluding CO_2 emissions from in situ power generation and CO_2 emissions generated by the consumption of alternative fuels). It corresponds to the variable 71 of the calculation of the "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol." **Denominator:** Cementitious material production. It corresponds to variable 21a of the calculation of the "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol." **Coverage:** Cement operations of the Colombia, Caribbean and Central America regions.
Baseline year				**2006**	
Year for which the goal is set				**2030**	
Reduction goal of cement GHG emissions				**514**	

Reduction compared to baseline year 2006:	**20%**

Indicator	Name
305-5	Reduction of GHG emissions

Iniciativa	Baseline year to calculate the reduction	Emissions reduction (tCO_2)	Indication as to whether the reduced emissions belong to the Scope 1, 2 and/ or 3	Gases included in the calculation	Description of the initiative
Caribe y Centro América - Piedras Azules Cement Plant: increase in alternative fuels and reduction of specific heat consumption in clinker production.	2023	9,868	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a 4% reduction in specific heat consumption of clinker production and an increase in the use of alternative fuels and biomass, which replaced conventional fuels such as petcoke and bunker. › For this calculation, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry – Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used.
Colombia - Cartagena Cement Plant (wet line): reduction of specific heat consumption in clinker production	2023	1,053	Scope 1	CO_2	A reduction in specific heat consumption of clinker production in kiln 3 (wet line) was obtained due to clinkerization kiln was shutdown in august 2024. › For this calculation, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry – Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used.
Colombia - Sogamoso Cement Plant: reduction of specific heat consumption in clinker production	2023	1,633	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a 1% reduction in specific heat consumption of clinker production › For this calculation, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry – Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used.
Colombia - Cartagena cement Plant (wet line): reduction of the clinker/cement factor.	2023	6,570	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a decrease in the plant's weighted clinker cement factor, which went from 90.3% in 2023 to 89.7% in 2024. › For this calculation, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry – Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used.
Colombia - Nare cement Plant: reduction of the clinker/cement factor.	2023	1,020	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a decrease in the plant's weighted clinker cement factor, which went from 69,7% in 2023 to 62,4% in 2024. › For this calculation, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry – Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used.
Colombia - Rioclaro cement Plant: Increased performance of cement mill	2023	532	Scope 2	CO_2	The objective of the project was to increase the performance of cement mill 5 of the Rioclaro Plant by improving the reliability of this equipment, adjusting the specific operating procedures, making some investments and implementing the reliability-based maintenance model.
Colombia - Rioclaro Cement Plant: reduction of specific heat consumption in clinker production	2023	27,041	Scope 1	CO_2	The objective of the project was to increase the reliability of the clinkerization kilns at the Rioclaro Plant by adjusting the specific operating procedures, making some investments and implementing the reliability-based maintenance model.
Caribe y Centro América - Piedras Azules Cement Plant: increase in kiln production	2023	9,723	Scope 1	CO_2	An extraordinary performance of the kiln was achieved in terms of productivity and heat consumption thanks to strict control of the kiln operation, efforts to achieve stability in raw meal quality, control and stability in the alkali/sulfate balance, greater monitoring of combustion with optimal O2 levels, greater limits and stability of free lime and use of digital twins, among others, all of this favoring the reduction in sulfur volatilization and reducing the formation of sticking in the kiln.
Caribe y Centro América - Piedras Azules Cement Plant: increase in kiln production	2023	145	Scope 2	CO_2	An extraordinary performance of the kiln was achieved in terms of productivity and heat consumption thanks to strict control of the kiln operation, efforts to achieve stability in raw meal quality, control and stability in the alkali/sulfate balance, greater monitoring of combustion with optimal O2 levels, greater limits and stability of free lime and use of digital twins, among others, all of this favoring the reduction in sulfur volatilization and reducing the formation of sticking in the kiln.
Caribe y Centro América (Panama, Dominican Republic, Rioblanquito) - cement and aggregates plants: increase in the purchase of renewable power	2023	6,019	Scope 2	CO_2	**Rioblanquito:** reduction in Scope 2 CO_2 emissions (using the market method) due to the increase in the percentage of renewable energy purchase during 2024. **Panamá and Dominican Republic:** reduction in CO_2 emissions scope 2 (market method) due to the entry into force in 2024 of new PPAs, in which supplies of electricity from renewable sources were established; in the case of Panama it was 100% and in the Dominican Republic was 10,5%.
Colombia - cement, concrete and aggregates plamts: increase in the purchase of renewable power	2023	17,101	Scope 2	CO_2	Reduction in CO_2 emissions scope 2 (market method) due to increase in the purchase of renewable power in 25%, which represented an increase of 78,654 MWh of renewable energy.

Total emissions reduction during 2024 (tCO_2)	80.704

Indicator	Name
201-2	Financial implications and other risks and opportunities due to climate change

Climate-related risks – Risk 1: Implementation of Emissions Trading Systems (ETS) in the countries where the company operates:

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Emerging regulation	Carbon pricing mechanisms	Increased direct costs	Risk derived from a possible increase in the cost of emissions due to changes in the current regulation that enable implementing an Emissions Trading Systems. Argos operates in regions where ETS have not been implemented to date, however CO_2 market schemes will most likely be implemented over the next few years in the locations where Argos operates. More specifically, Colombia is the country where most of our carbon-intensive activities take place, and agendas on ETS are being currently carried out. In Colombia, with Law 1931 of 2018, the National Program for Tradable Emission Quotas was created, but the Ministry of the Environment has not designed the regulatory mechanisms to implement it yet. However, this institution affirms that in 2025 the emissions trading system will come into operation. An ETS implemented implies a cost on our cement production, which is the most representative business in terms of CO_2 emissions. Currently we consider the ETS the most feasible carbon pricing scheme to be implemented towards the achievement of each Country's Nationally Determined Contribution (NDC), i.e., the targets each country set and committed for achieving the goals of Paris Agreement. In 2020, countries were requested to submit the next round of NDCs and every five years thereafter (e.g. by 2020, 2025, 2030), regardless of their respective implementation time frames. For instance, by year 2030 Colombia committed to decrease absolute emissions by 51% (previously 20%) under a Business-As-Usual (trend) scenario. Similarly, several countries in the Caribbean and Central America committed to reducing their CO_2 emissions, such as Honduras, which set a 16% target under the BAU by 2030. Therefore, all countries comprising our geographical scope may keep increasing their NDCs in the future and hence their demands to carbon-intensive industries to reduce their emissions.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Very likely	High	NA	NA	$ 35,072,342,051	$ 8,609,342	$ 69,199,063,770	$ 16,986,559	Impacts correspond to the Value-at-Risk from production cost increases in the annual budget, setting assumptions for the current (2024), and short (2030) variations of common parameters comprising ETS. We performed Monte Carlo simulations for cost overruns considering ETS schemes depending on each time horizon. Random variables for each ETS in all cases are carbon prices, carbon intensity allowances and free allocation of permits. Emissions traded are defined by our scope 1 CO_2 reduction Roadmap (2024-2030). For 2024, the valuation of this risk estimates potential impacts of having an already existing ETS in the world, considering three likely schemes to be implemented: the RGGI, the California cap-and-trade, and the European Union ETS. We consider their characteristic prices and allowances and include each country's NDC among the assumptions regarding subsidies, considering the case that each country may guarantee free allocations to 100% minus the NDC it has established.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 40,782,853,759	$ 10,011,123	In 2024 Argos continued implementing initiatives related to the company's climate change strategy, specifically with the lines of action that promote the mitigation of CO_2 emissions. These actions involved investments and expenses of approximately USD $ 10.01 million (40,783 million COP). Some of these initiatives were: › We updated the Technical and Financial Roadmap to reduce scope 1 CO_2 emissions and reach the goal set for 2030. › In 2022, we achieved validation of our Scope 1 and 2 emissions reduction targets by SBTi, aligned with their criteria in the well-below 2°C temperature ambition trajectory. However, due to the combination of Argos USA operations with Summit Materials, these reduction targets will need to be recalculated and we will seek to align ourselves with the 1.5°C climate ambition. › We continued with our commitment to increase the substitution of conventional fuels (coal and petcoke) with alternative fuels (tires, mixed industrial waste, RDF, used oils, biomass, etc.), achieving a 4,1% rate at company level. › Regarding low carbon products, the company dedicated 48% of its total R&D projects' budget, for researching and developing of these products in 2024. › Implementation of initiatives to reduce the consumption of electrical and thermal energy: we achieved a 5% reduction compared to 2023 in the specific heat consumption of clinker production. Likewise, 52% of the electricity purchased in operations came from renewable sources.	Monitoring and mitigation of this risk are integrated into the company's risk management system. Likewise, within the framework of the Environmental Strategy, Argos monitors and implements actions to reduce CO_2 emissions, such as: CO_2 inventory (scope 1, scope 2 and scope 3), CO_2 reduction objectives, and mitigation levers (energy efficiency, use of alternative fuels, reduction of the clinker/cement ratio, as well as the increase in the efficiency of the value chain, among others). Argos considers that through the operational efficiency, the implementation of better and cleaner technologies, co-processing programs and new technologies such (as the usage of calcined clay to reduce clinker content in cement), is possible to mitigate its CO_2 direct emissions and therefore its transition risks associated. The company monitors its transitions risks through the participation in several sectorial programs: FICEM (American Federation of Cement), PROCEMCO (Colombian Chamber of Cement and Concrete), GCCA (Global Cement and Concrete Association) and ANDI (National Business Association of Colombia). In addition, the Risk Management and the Environmental Management teams constantly monitor emerging changes in the countries where we operate, through platforms such as the International Carbon Action Partnership (ICAP) and the World Bank's carbon pricing dashboard.

Climate-related risks – Risk 2: Increased cost of raw materials

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Upstream	Market	Market-Increased cost of raw materials	Increased direct costs	Risk derived from the increase in the cost of raw materials (e.g. due to climatic events or new regulations) that may cause an increase in the sale price to consumers or affect the product's profitability. This may be one of the most important risk affecting cement production. Beyond the current situation affecting the global supply chain and the fossil fuel supply and market price, climate change commitments could influence market dynamics in the future. This is an urgent call to action for us to keep following our climate change strategy goals, but moreover, to keep seeking as industry deep transformations of our processes through R&D. › **Coal:** in a business-as-usual scenario the price of coal is seasonal. However, there will be climate-related events influencing domestic coal supply. For instance, banks are not investing in new mining projects, which may increase coal scarcity. Coal costs affect not only clinker production but also clinker imports, which may decrease the feasibility of our grinding centers (like in Panama and the Dominican Republic). › **Natural gas:** Reductions in coal supply might increase natural gas demand permanently, putting at risk its feasibility as coal substitute. For instance, Colombian regulations prioritize the availability of gas for domestic uses during scarcity periods, affecting gas supply for industrial uses and its costs. › **Petcoke:** labor demand among coal and petcoke extraction activities cause indirect impacts on coal costs. Our operations in Honduras are vulnerable to increases in petcoke costs. › **Other raw materials:** diesel, iron, steel and paper (for packaging) may be subject to supply shocks and environmental regulations. Aggregates are one raw materials affected by market dynamics, as potential water scarcity may strengthen river conservation actions. › **Alternative fuels:** the potential scarcity of conventional fossil fuels and their impact on clinker production may increase the demand in alternative fuels. It is important to strengthen the reliability and availability of these resources through a better development of supply chains. In 2024 our total fuel composition used in clinkerization was composed by 82% coal, 11% petcoke, 3% natural gas, 3.3% alternative fuels and 0,8% biomass.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Medium-term	Virtually certain	Medium-low	NA	NA	$ 66,277,911,972	$ 15,306,182	$ 69,644,486,390	$ 16,083,657	Impacts correspond to the Value-at-Risk from raw materials' cost increases in the annual budget, setting assumptions for the short (2030) term variations of key inputs, mainly coal, and supported by the IEA SDS, IEA STEPS and business-as-usual assumptions and narratives. The expected and maximum gains or losses were modeled in a risk engine that provides the distribution of losses and potential gains aggregated by geography, type of risk, time horizon and climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon. We foresee this risk to be materialized in 2030 and/or beyond.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 20,321,447,155	$ 4,988,383	Co-processing continues to be one of the primary levers to reduce the intensity of net specific CO_2 emissions and one of the fundamental factors for energy and cost efficiency in the cement operations in the three Regionals. In 2024 Argos continued implementing initiatives related to the company's climate change strategy, specifically with the lines of action for mitigation of CO_2 emissions. These actions involved investments & expenses around USD $10.0 million, of which USD $4.99 million (20,321 million COP) were allocated to initiatives related to the reduction of heat consumption and the increase in the rate of use of alternative fuels. Some of these initiatives, regarding heat consumption optimization and increase of alternative fuels were: › We increased the substitution of conventional fuels (coal and petcoke) with alternative fuels (tires, mixed industrial waste, RDF, used oils, biomass, etc.) achieving a 4,1% rate at company level. › Implementation of initiatives to reduce the consumption of thermal energy. We achieved a 5% reduction compared to 2023 in the specific heat consumption of clinker production. In 2024, we invested USD $3,8 million in projects that belong to the decarbonization roadmap for 2030.	Monitoring and mitigation of this risk are integrated into the company's risk management system. Likewise, within the framework of the Environmental Strategy, Argos monitors and implements actions to reduce CO_2 emissions, such as: CO_2 inventory (scope 1, scope 2 and scope 3), CO_2 reduction objectives, and mitigation levers (energy efficiency, use of alternative fuels, reduction of the clinker/cement ratio, as well as the increase in the efficiency of the value chain, among others). Argos considers that through the operational efficiency, the implementation of better and cleaner technologies, co-processing programs and new technologies such (as the usage of calcined clay to reduce clinker content in cement), is possible to mitigate its CO_2 direct emissions and therefore its transition risks associated. The company monitors its transitions risks through the participation in several sectorial programs: FICEM (American Federation of Cement), PROCEMCO (Colombian Chamber of Cement and Concrete), GCCA (Global Cement and Concrete Association) and ANDI (National Business Association of Colombia).

Climate-related risks – Risk 3: Uncertainty in energy markets

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Upstream	Market	Market-Uncertainty in market signals	Increased indirect (operating) costs	Risk derived from the uncertainty associated with climate change that may exist in both the demand and the supply of electricity. Therefore, we may be vulnerable to sudden and unexpected changes in the costs of electricity consumption. The availability of sources for energy generation (mainly hydro and thermal), the integration of our self-generation facilities, the regulatory framework and pricing schemes available in different countries, among others, are the complexities underlying the determination of our energy consumption costs. All these factors may be affected by climate physical and transition risks, as well as by the feasibility of integrating alternative sources to the grid. The following are some factors affecting each country's context: › **Colombia:** there has been a natural gas shortage crisis since 2024 due to a combination of factors, such as financial issues in the energy sector, government decisions and the consequences of climate change and weather phenomena such as ENSO. Experts predict that this crisis may extend in the short term. Therefore, not only energy prices will rise, but also negotiations via long-term contracts will fall as of 2030. In addition, extreme weather events such as more severe ENSOs may affect hydroelectric generations significantly. Energy regulation in Colombia establishes penalties for excess electricity consumption during a scarcity period, i.e., a period in which energy sources are affected to the extent that market asymmetries must be corrected by a trading scheme. Despite counting on long-term contracts to reduce the volatility of electricity prices and the exposure during scarcity periods up to 2025, the regulation establishes that any consumption beyond our baseline is exposed to high and volatile energy market prices. The exposure increases if any damage occurs to our self-generation facilities, or if there is no gas to supply our self-generating capacity. › **Caribbean and Central America:** The energy matrices in the countries that make up the region are highly concentrated in oil-derived fuels, except for Panama, which has a large supply of hydraulic energy. Honduras and Puerto Rico have high exposure to thermal energy (coal and/or gas). The other islands are also dependent on liquid fuels or the like.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Medium-term	Virtually certain	Medium-high	NA	NA	$ 10,767,491,863	$ 2,643,137	$ 13,588,863,397	$ 3,335,710	Impacts correspond to the Value-at-Risk from raw materials' cost increases in the annual budget, setting assumptions for the short (2030) term variations of energy prices. › **Colombia:** Estimated cost overruns derived under scarcity conditions with our current energy consumption levels. Energy market price assumptions (i.e., the ones traded outside long-term contracts) were defined by business experts considering the defined time horizons. › **Caribbean and Central America:** Estimated cost overruns in the Ebitda of Honduras (representative country) due to variations in the cost of kWh. The expected and maximum gains or losses were aggregated in a risk engine that provides the distribution of losses and potential gains aggregated by geography, type of risk, time horizon and climate scenario.

Cost of response to risk		Description of response and explanation of cost calculation
COP	USD	
$ 17,026,542,217	$ 4,179,571	We materialize our Corporate Strategy through actions aimed at the efficient use of resources, the improvement of our financial flexibility, and the maximization of income generation and business profitability. For those reasons, we focus in the application of efficient and safe production processes, the diversification of energy-management models and the efficient management of the supply chain. Regarding electric efficiency, we are aware of the need to work on reducing energy consumption as one of the fundamental pillars in the climate-change mitigation process. This goes hand in hand with our corporate strategies and policies and with the commitment that our managers have with sustainability. However, the purchase of renewable energy is on our climate agenda. In 2024, 52% of the electricity purchased in operations came from renewable sources. The reported figure for cost of response to risk corresponds the investments for reducing power consumption in 2024, such as: › At our Rioclaro and Cartagena plants, we carried out interventions in some of the mills, which allowed us to achieve increases in production and therefore achieve reductions in energy consumption of 0.9 kWh/t compared to 2023. › The cement mill at the Piedras Azules plant (Honduras) had an extraordinary performance in 2024 with zero investment. It reached a production record, and also reached a consumption of 39.3 kWh/t in one of months, being the lowest specific consumption of electrical energy of the year for this mill. This achievement was reached thanks to the commitment to continuous improvement, discipline in action plans, greater use of digital twins, among others. › At our Puerto Rico plant, we invested USD 1.19 million in the adaptation of the cement mill, achieving an increase in performance from 34 to 44 t/h and a reduction in energy consumption from 90 to 73 kWh/t. › At the Dominican Republic cement plant, we began the installation of a clinker pre-grinding system with an investment of USD 7.6 million. With this investment, we hope to increase mill performance by 25% and reduce electricity consumption by 3 kWh/ton by the first quarter of 2025. › Power Purchase Agreements (PPAS): In 2024, we established new electricity supply contracts with suppliers that use renewable energy sources, backed by international certifications. 66% of the electricity purchased in Colombia comes from renewable sources. In the Caribbean and Central America, 27% of the electricity purchased comes from renewable sources.

Climate-related risks – Risk 4: Rise in risk-based pricing of risk transfer and retention mechanisms

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Market	Rise in risk-based pricing of insurance policies (beyond demand elasticity)	Increased indirect (operating) costs	Risks derived from cost overruns in insurance programs due to increased exposure to physical and transition climate change risks. Climate events may increase the frequency and severity of natural catastrophe losses, fostering changes in commercial property insurance conditions. In addition, major reinsurance companies have acquired global commitments for contributing to climate change mitigation, such as the UN Principles for Sustainable Insurance, UN Net-Zero Insurance Alliance and the UN-convened Net-Zero Asset Owner Alliance, all of which promote goals in terms of emissions reporting, investments and businesses of their subscription (NZIA) and investment (NZAOA) portfolios. The NZAOA counts on guidelines about the reporting of emissions, goals, businesses (including cement) and mitigation activities, so we can expect that in the future additional specifications will be adapted for underwriting risks in our industry. Under these frameworks, reinsures have adhered or will adhere to the “Thermal Coal Position”, which establishes the following: › Other than coal plants currently under active construction, no further thermal coal power plants should be financed, insured, built, developed or planned. › There should be an immediate cancellation of all new thermal coal projects, including thermal coal plants, coal mines and related infrastructure (i.e. supplying products or services to thermal coal-based projects or business models) that are in pre-construction phase. › There should be a phase-out of all unabated existing coal-fed electricity generation in accordance with 1.5°C pathways, as provided by the IPCC and referenced by the International Energy Agency (IEA) and Powering Past Coal Alliance (PPCA). The most recent energy system models require an accelerated transition in developed economies including phase outs in most thermal coal assets by 2030 for industrialized countries and a full phase out globally by 2040. Reduction in underwriting capacity for our cement and self-generation businesses could increase risk transfer costs and hence insurance premiums in our industry. Therefore, Climate change and ESG management may become a determinant in the allocation of insurance and reinsurance investment and underwriting portfolios. We must move forward to meet the ambitions set by reinsures in terms of reporting, goals and processes, for maintaining our current risk financing capacity.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Medium-term	Very likely	Medium			$ 15,493,144,373	$ 3,803,162	$ 25,821,907,289	$ 6,338,603	Based on all the defined information, the business areas made high-level estimates of the expected and maximum losses for each risk and opportunity. These estimates combined elements such as: real-case analyses, actuarial estimates, assumptions about the behavior of the business and the industry, among others. The results collect both the qualitative and quantitative vision of what can be seen today, being aware that these may change as the uncertainty about the future panorama is reduced. In parallel, correlations between risks, opportunities and the different geographies were defined. Finally, the expected and maximum gains or losses were modeled in a risk engine that provides the distribution of losses and potential gains aggregated by geography, type of risk, time horizon and climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon. We foresee this risk to be materialized in 2030 and/ or beyond.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 3,971,910,150	$ 975,000	Our corporate insurance program aims to transfer insurable risks under recognized statistical models in the reinsurance market, seizing our competitive advantages such as our geographic footprint, our risk management maturity, and the information available for risk-based decision-making. Through reinsurance, we seek an adequate, optimal transfer of risks, to avoid significant deviations of our objectives in the event of possible materializations and we pursue adequate compensation of possible losses. Our insurance strategy is defined annually, in which we define the most efficient traditional and alternative mechanisms and structures to guarantee an adequate risk transfer. We also maintain a fluid communication with our reinsurers either directly or via our insurance and reinsurance brokers, showing our progress in achieving our climate strategy, our climate change risk management, and the most relevant updates on ESG management. The reported cost of response corresponds to the additional risk premium for the retention of our recently funded captive company BMR Ltd - Building materials Reinsurance Ltd –, which was created from the maturation in risk management and a strong commitment of the Board of Directors to operational excellence. It will function as a separate company, with sufficient capacity to retain and control losses due to frequent events associated with material damage and lost profits. Initially, BMR will participate with a retention in excess of deductibles, a scheme that is supported by actuarial loss models, which seeks to reduce the frequency of these and their transfer to the market. It responds to compliance with the liquidity, solvency, and capital requirements by the regulator. This model will be under continuous review so that the company is generates enough financial traction that determines a greater risk participation in the medium term. With the creation of BMR, we sent a message to the reinsurance market about our commitment with operational excellence and sustainable management, strengthening the relationship between risk transfer and best practices in risk management. In addition, alternative risks mechanisms such as captives mitigate potential risks derived from the reduction of underwriting capacity in our industry caused by, among others, increasing demands for reducing fossil fuel dependency in our processes or a potential increase in property and liability claims derived from climate change physical and transition risks.	Our Corporate Insurance strategy (property, liability and benefits) comprises the definition of the optimal risk transfer structure through, among others, the following mechanisms: direct and constant communication with our reinsurers via roadshows, meetings and reports, annual review of limits and deductibles, implementation of valuation methodologies to insure the accurate update of insurable values, analysis of traditional and non-traditional risk transfer mechanisms that may guarantee an adequate risk transfer in our company and communicating extensively our efforts in managing our climate change and sustainability risks.

Climate-related risks – Risk 5: Depreciation or early replacement of existing assets due to technological obsolescence

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Technology	Technology-Transitioning to lower emissions technology	Increased capital expenditures	Risk derived from the delay in renewing technological equipment. Consequently, an earlier obsolescence can reduce the assets' value. Given the increasing need to transform our production processes, our businesses face sebveral challenges, one of them is in the Cement operation. Wet lines in Colombia are the most likely to become obsolete either from climate change regulations and standards, increasing operational costs, or decreasing limestone reserves in quarries. Closing wet processes imply changes in the business model in the Colombian Southwest zone or changes in the product portfolio.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Medium-term	Virtually certain	Medium	NA	NA	$ 4,042,683,326	$ 992,373	$ 13,255,594,773	$ 3,253,902	Based on all the defined information, the business areas made high-level estimates of the expected and maximum losses for each risk and opportunity. These estimates combined elements such as: real-case analyses, actuarial estimates, assumptions about the behavior of the business and the industry, among others. The expected and maximum gains or losses were modeled in a risk engine that provides the distribution of losses and potential gains aggregated by geography, type of risk, time horizon and climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon. Further increases in costs depend on innovations to be made at an industry scale.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 9,842,933,619	$ 2,416,183	This figure corresponds to the Capex invested at the Yumbo cement plant (wet plant) located in the Colombia region, in projects to reduce heat consumption in the clinker production.	In 2024 we updated the Technical and Financial Roadmap to reduce scope 1 CO_2 emissions and reach the goal set for 2030. We have defined the levers to reduce CO_2 emissions: › The evaluation of operational continuity of those processes with a lower performance in terms of CO_2 emissions, due to the nature of their technology (e.g. progressively shut down wet kilns since they are more inefficient clinker production technologies). › The optimization of heat consumption that depends on the operational and infrastructure adjustments. › The diversification of the fuel portfolio, promoting heat substitution with alternatives fuels. › The optimization of the clinker/cement factor through the diversification and expansion of the company's portfolio with low-carbon products. In 2024, we invested USD $3,8 million in projects that belong to the decarbonization roadmap for 2030.

Climate-related risks – Risk 6: Restrictions on access to capital, credits and the like, as it is a production process that is intensive in CO_2 emissions

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Downstream	Reputation	Reputation-Stigmatization of sector	Decreased access to capital	The company may be increasingly exposed to different risks related to investment capital and indebtedness, as ESG metric disclosure standards are widely adopted, financial products aligned with long-term commitments to reduce CO_2 emissions are developed, and more investors require greater transparency from company managers regarding climate change commitments. There would be a potential increase in the cost of borrowing or the inability to access credits granted by the banking system, plus a greater preference of investors and asset managers for sectors with lower carbon footprints or trends towards carbon neutrality. This may begin to materialize strongly in the Americas, which may follow emerging trends in other regions. › **Investment:** this is considered to carry the greatest potential impact. At this time, the effects of an investor withdrawal is difficult to estimate, since the company is undertaking strategic projects to match its real value with share prices. The impacts of investor movements will largely depend on the success of these projects. › **Credit:** impacts are manifested through the differentials in interest rates of the green credits acquired. Penalties for non-compliance with commitments are manifested quickly and are subject to credit conditions. However, it should be noted that since 2021 we have been responding to deeper concerns regarding our commitments to reduce emissions in the short term (2030). It should be noted that investors not only refer to the disclosure of information, but also compare our indicators and goals with those of industry peers, and this could become a criterion for allocating capital to the sector in the future.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Medium-term	Very likely	Medium-low	$ 968,889,430	$ 237,837					This figure is an estimation of the the impacts that could be derived from this risk, among others: › Withdrawal of capital and advocacy from investors who are seeking to change their portfolios to sectors with a lower carbon footprint, carbon neutral or whose actions are aimed at mitigating the impacts of climate change. › Changes in credit ratings motivated by ESG criteria (environmental, social and governance) that impact investment opportunities. › Cost overruns of credit placed by financial institutions. › Impossibility of acquiring credit instruments that allow the financing of projects that contribute to climate change mitigation. › Lack of access to credit lines with competitive rates attached to ESG performance. We are convinced that our focus on sustainable management has opened the possibility of accessing financial products in a more reliable way with financial institutions and has allowed us to obtain better conditions and benefits, such as 1) financial flexibility through access to new funds; 2) lower interest rates by meeting defined performance and 3) improved reputation by demonstrating a commitment to sustainability.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 40,782,853,759	$ 10,011,123	In 2024 Argos continued implementing initiatives related to the company's climate change strategy, specifically with the lines of action that promote the mitigation of CO_2 emissions. These actions involved investments and expenses of approximately USD $ 10.01 million (40,783 million COP). Some of these initiatives were: › We updated the Technical and Financial Roadmap to reduce scope 1 CO_2 emissions and reach the goal set for 2030. › In 2022, we achieved validation of our Scope 1 and 2 emissions reduction targets by SBTi, aligned with their criteria in the well-below 2°C temperature ambition trajectory. However, due to the combination of Argos USA operations with Summit Materials, these reduction targets will need to be recalculated and we will seek to align ourselves with the 1.5°C climate ambition. › We continued with our commitment to increase the substitution of conventional fuels (coal and petcoke) with alternative fuels (tires, mixed industrial waste, RDF, used oils, biomass, etc.), achieving a 4,1% rate at company level. › Regarding low carbon products, the company dedicated 48% of its total R&D projects' budget, for researching and developing of these products in 2024. › Implementation of initiatives to reduce the consumption of electrical and thermal energy: we achieved a 5% reduction compared to 2023 in the specific heat consumption of clinker production. Likewise, 52% of the electricity purchased in operations came from renewable sources.	Monitoring and mitigation of this risk are integrated into the company's risk management system. Likewise, within the framework of the Environmental Strategy, Argos monitors and implements actions to reduce CO_2 emissions, such as: CO_2 inventory (scope 1, scope 2 and scope 3), CO_2 reduction objectives, and mitigation levers (energy efficiency, use of alternative fuels, reduction of the clinker/cement ratio, as well as the increase in the efficiency of the value chain, among others). Argos considers that through the operational efficiency, the implementation of better and cleaner technologies, co-processing programs and new technologies such (as the usage of calcined clay to reduce clinker content in cement), is possible to mitigate its CO_2 direct emissions and therefore its transition risks associated. The company monitors its transitions risks through the participation in several sectorial programs: FICEM (American Federation of Cement), PROCEMCO (Colombian Chamber of Cement and Concrete), GCCA (Global Cement and Concrete Association) and ANDI (National Business Association of Colombia).

Climate-related risks – Risk 7: Extreme rainfall

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Acute physical	Extreme rainfall	Decreased revenues due to reduced production capacity	Periods of extreme rainfall are one of the most significant physical risks affecting not only our footprint but our business strategy, more specifically in Colombia, affecting cement and concrete production, the supply chain and product dispatchment: › **In Colombia,** rainy seasons cause floods in coal mines affecting exploitation and hence fuel supply for the cement kilns. In addition, rainy seasons can affect the energy supply, since the sedimentation levels of the rivers rise, impacting hydroelectric generation. We have a reference case in Colombia in which excess rainfall caused a limestone mine to lose a year of exploitation, causing significant cost overruns from the lack of the required aggregates for ready-mix production . Moreover, extreme rainfalls cause stoppages in construction projects, affecting the ready-mix logistics planning.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Virtually certain	Medium-high			$ 28,512,754,203	$ 6,999,135	$ 33,264,879,903	$ 8,165,658	Based on these definitions, business experts made high-level estimates of the expected and maximum losses for each risk and opportunity. These estimates combined elements such as: real-case analyses, actuarial estimates, assumptions about the behavior of the business and the industry, among others. The results collect both the qualitative and quantitative vision of what can be seen today, being aware that these may change as the uncertainty about the future panorama is reduced. The resulting estimates were projected for 2030 based on the climate scenarios analyzed and the variations in climate variables from our climate variables tool. In parallel, correlations between risks, opportunities and the different geographies were defined. The expected and maximum physical and transition losses and gains were modeled in a risk engine that provides their aggregated distribution by geography, type of risk, time horizon & climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon (2024).

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 26,479,401,000	$ 6,500,000	Reported management costs comprise the global corporate property policy premium for 2024. The policy covers global losses from property damage and business interruption for natural catastrophe events. The potential impacts enable Argos implementing early actions aimed at optimizing the logistics chain to reduce the magnitude of potential impacts as well as to reduce our exposure to increased insurance premium costs. In addition, all facilities are currently designing climate change adaptation plans, according to Argos' Climate Change Adaptation Guidelines (CCAG), which must be applied to all our existing facilities and new operations acquired by the company in the future. Argos' CCAG comprises five steps, namely: **1. Identifying & assessing physical risks** For assessing these threats in each facility, we rely on our Physical Risk Assessment Tool , which displays the intensity of natural hazards in each location, combined with vulnerability assessments to obtain a facility score of physical risk exposure. Results of the physical risk assessment combined with quantitative modelling provide inputs for designing climate change adaptation measures in each facility. **2. Identifying and prioritizing adaptation measures** Identifying measures aimed at reducing the effects of climate variability & change. Prioritizing these measures implies identifying which ones are most appropriate and effective. **3. Planning & implementing selected measures** Planning the prioritized measures implies considering aspects such as scope, timeframe, cost-benefit analyses and funding sources, which must be defined for each facility. **4. Monitoring & evaluation** The measures adopted must be monitored & evaluated to guarantee continuous improvement. Argos counts on a self-assessment tool (SSA) for evaluating the environmental management system's maturity which allows grading & following-up the implementation of control measures to mitigate risk exposure. **5. Lessons learned & best practices** This stage aims to determine whether the implemented measures increased climate resilience.	Until 2024, we have assessed and quantified physical risks at all our facilities, focusing on natural threats , through the Physical Risk Assessment Tool, which combines hazard exposure levels from the Geosura platform for each facility's location, and the vulnerability assessment that each environmental analyst made according to their context specific. This tool evaluates through a questionnaire, the vulnerability of both the own Argos' facilities and the nearby logistics network that surrounds the facility and on which each plant depends for the entry and distribution to customers, through different means of transport. Geosura is a platform that enables the interconnection of climatic databases and the interactive analysis in a geographic environment. The tool evaluates 10 threats, namely floods, landslides, hurricanes, lightnings, wildfires, frosts, wildfires, rainstorms, heat waves, droughts, winds, and temperature increase. Geosura's natural hazard analyses contemplate optimistic & pessimistic scenarios, and facilities are able to know the variation (in °C) of the average temperature of each location for the next 30 years. These assessments covered 97% of our assets.

Climate-related risks – Risk 8: Hurricanes

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Acute physical	Hurricanes	Decreased revenues due to reduced production capacity	Hurricanes are one of the most significant physical risks affecting not only our footprint but our business strategy in general, more specifically in Caribbean and Central America regional divisions. Argos operates in areas which are highly vulnerable to extreme weather events, such as hurricanes, floods and storm surges. These risks foster the need to frequently monitor potential impacts from extreme weather events on our operations and supply chain, and design mitigation and adaptation strategies for all our facilities depending on their specific degree of vulnerability.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Likely	Medium			$ 3,975,568,381	$ 975,898	$ 36,889,867,126	$ 9,055,497	Argos estimates financial impacts of hurricanes as costs of interrupting operations in key facilities (e.g., logistical, loss of profits), and potential property damage losses affecting insurance premiums. Losses for all locations are estimated and updated annually using the AIR Touchstone and Risk Management Solutions (RMS) models for hurricane, floods and storm surge, which enable us to make better informed risk transfer and retention decisions, as well as to better identify critical operations in order to prioritize climate change adaptation plans. The resulting estimates were projected for 2030 based on the climate scenarios analyzed and the variations in climate variables from our climate variables tool. In parallel, correlations between risks, opportunities and the different geographies were defined. The expected and maximum physical and transition losses and gains were modeled in a risk engine that provides their aggregated distribution by geography, type of risk, time horizon and climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon (2023) according to the updated RMS modelling applied to our footprint.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 26,479,401,000	$ 6,500,000	Reported management costs comprise the global corporate property policy premium for 2024. The policy covers global losses from property damage and business interruption for natural catastrophe events. The potential impacts enable Argos implementing early actions aimed at optimizing the logistics chain to reduce the magnitude of potential impacts as well as to reduce our exposure to increased insurance premium costs. In addition, all facilities are currently designing climate change adaptation plans, according to Argos' Climate Change Adaptation Guidelines (CCAG), which must be applied to all our existing facilities and new operations acquired by the company in the future. Argos' CCAG comprises five steps, namely: **1. Identifying & assessing physical risks** For assessing these threats in each facility, we rely on our Physical Risk Assessment Tool , which displays the intensity of natural hazards in each location, combined with vulnerability assessments to obtain a facility score of physical risk exposure. Results of the physical risk assessment combined with quantitative modelling provide inputs for designing climate change adaptation measures in each facility. **2. Identifying and prioritizing adaptation measures** Identifying measures aimed at reducing the effects of climate variability & change. Prioritizing these measures implies identifying which ones are most appropriate and effective. **3. Planning & implementing selected measures** Planning the prioritized measures implies considering aspects such as scope, timeframe, cost-benefit analyses and funding sources, which must be defined for each facility. **4. Monitoring & evaluation** The measures adopted must be monitored & evaluated to guarantee continuous improvement. Argos counts on a self-assessment tool (SSA) for evaluating the environmental management system's maturity which allows grading & following-up the implementation of control measures to mitigate risk exposure. **5. Lessons learned & best practices** This stage aims to determine whether the implemented measures increased climate resilience.	Until 2024, we have assessed and quantified physical risks at all our facilities, focusing on natural threats , through the Physical Risk Assessment Tool, which combines hazard exposure levels from the Geosura platform for each facility's location, and the vulnerability assessment that each environmental analyst made according to their context specific. This tool evaluates through a questionnaire, the vulnerability of both the own Argos' facilities and the nearby logistics network that surrounds the facility and on which each plant depends for the entry and distribution to customers, through different means of transport. Geosura is a platform that enables the interconnection of climatic databases and the interactive analysis in a geographic environment. The tool evaluates 10 threats, namely floods, landslides, hurricanes, lightnings, wildfires, frosts, wildfires, rainstorms, heat waves, droughts, winds, and temperature increase. Geosura's natural hazard analyses contemplate optimistic & pessimistic scenarios, and facilities are able to know the variation (in °C) of the average temperature of each location for the next 30 years. These assessments covered 97% of our assets.

Climate-related risks – Risk 9: Landslides derived from extreme weather events

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Acute physical	Landslides derived from extreme weather events	Decreased revenues due to reduced production capacity	Landslides is one of the most significant physical risks affecting our businesses, more specifically in Colombia, where the geographic features and relief surrounding our facilities and value chain, plus the current vulnerability of roads may cause severe blockages affecting the supply chain, product delivery and business continuity. The most material and vulnerable plants are Río Claro, Nare, and Cartagena. A worst-case scenario may create disruptions of at least 30 days for Cartagena (an additional band would have to be enabled). For Rioclaro, the main impact would be generated by dispatch issues. The company foresees that the country's road infrastructure will improve in the future by developing better conditions and building alternative routes that reduce the infrastructure's vulnerability.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Virtually certain	Medium-low			$ 4,371,005,219	$ 1,072,967	$ 19,008,502,802	$ 4,666,090	Based on these definitions, business experts made high-level estimates of the expected and maximum losses for each risk and opportunity. These estimates combined elements such as: real-case analyses, actuarial estimates, assumptions about the behavior of the business and the industry, among others. Estimates in 2024 were projected for 2030 based on the climate scenarios analyzed. In parallel, correlations between risks, opportunities and the different geographies were defined. The expected and maximum physical and transition losses and gains were modeled in a risk engine that provides their aggregated distribution by geography, type of risk, time horizon & climate scenario. As a general guideline, reported figures correspond to annualized financial impacts in the most immediate time horizon (2023) and the most vulnerable business line, i.e., cement and concrete in Colombia. According to the estimations under climate scenarios, climate change could increase

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 26,479,401,000	$ 6,500,000	Reported management costs comprise the global corporate property policy premium for 2024. The policy covers global losses from property damage and business interruption for natural catastrophe events. The potential impacts enable Argos implementing early actions aimed at optimizing the logistics chain to reduce the magnitude of potential impacts as well as to reduce our exposure to increased insurance premium costs. In addition, all facilities are currently designing climate change adaptation plans, according to Argos' Climate Change Adaptation Guidelines (CCAG), which must be applied to all our existing facilities and new operations acquired by the company in the future. Argos' CCAG comprises five steps, namely: **1. Identifying & assessing physical risks** For assessing these threats in each facility, we rely on our Physical Risk Assessment Tool , which displays the intensity of natural hazards in each location, combined with vulnerability assessments to obtain a facility score of physical risk exposure. Results of the physical risk assessment combined with quantitative modelling provide inputs for designing climate change adaptation measures in each facility. **2. Identifying and prioritizing adaptation measures** Identifying measures aimed at reducing the effects of climate variability & change. Prioritizing these measures implies identifying which ones are most appropriate and effective. **3. Planning & implementing selected measures** Planning the prioritized measures implies considering aspects such as scope, timeframe, cost-benefit analyses and funding sources, which must be defined for each facility. **4. Monitoring & evaluation** The measures adopted must be monitored & evaluated to guarantee continuous improvement. Argos counts on a self-assessment tool (SSA) for evaluating the environmental management system's maturity which allows grading & following-up the implementation of control measures to mitigate risk exposure. **5. Lessons learned & best practices** This stage aims to determine whether the implemented measures increased climate resilience.	Until 2024, we have assessed and quantified physical risks at all our facilities, focusing on natural threats , through the Physical Risk Assessment Tool, which combines hazard exposure levels from the Geosura platform for each facility's location, and the vulnerability assessment that each environmental analyst made according to their context specific. This tool evaluates through a questionnaire, the vulnerability of both the own Argos' facilities and the nearby logistics network that surrounds the facility and on which each plant depends for the entry and distribution to customers, through different means of transport. Geosura is a platform that enables the interconnection of climatic databases and the interactive analysis in a geographic environment. The tool evaluates 10 threats, namely floods, landslides, hurricanes, lightnings, wildfires, frosts, wildfires, rainstorms, heat waves, droughts, winds, and temperature increase. Geosura's natural hazard analyses contemplate optimistic & pessimistic scenarios, and facilities are able to know the variation (in °C) of the average temperature of each location for the next 30 years. These assessments covered 97% of our assets.

Climate-related risks – Risk 10: Tornadoes

Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company specific description
Direct operations	Acute physical	Tornadoes	Decreased revenues due to reduced production capacity	In 2023 we update a taxonomy of climate change risks and opportunities at the strategic (either current or emerging), tactical and operational levels. According to the company's climate risk assessment update in 2023, tornadoes are one of the most significant physical risks affecting not only our footprint but our business strategy in general, more specifically in the Caribbean and Central America regional divisions. Tornadoes may cause increases in logistical costs, decrease in revenues, higher insurance premiums, property damage costs, among others.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Likely	Low	$ 10,970,313,990	$ 2,692,925					Argos estimates financial impacts of tornadoes as costs of interrupting operations in key facilities (e.g., logistical, loss of profits), and potential property damage losses affecting insurance premiums. Losses for all locations are estimated and updated annually using the AIR Touchstone and Risk Management Solutions (RMS) models for tornadoes (severe storms), which enabled us to make better informed risk transfer and retention decisions, as well as to better identify critical operations in order to prioritize climate change adaptation plans. The resulting estimates were projected for 2030 based on the climate scenarios analyzed. In parallel, correlations between risks, opportunities and the different geographies were defined. The expected and maximum physical and transition losses and gains were modeled in a risk engine that provides their aggregated distribution by geography, type of risk, time horizon & climate scenario. As a general guideline, reported figures correspond to financial impacts in the most immediate time horizon.

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 26,479,401,000	$ 6,500,000	Reported management costs comprise the global corporate property policy premium for 2024. The policy covers global losses from property damage and business interruption for natural catastrophe events. The potential impacts enable Argos implementing early actions aimed at optimizing the logistics chain to reduce the magnitude of potential impacts as well as to reduce our exposure to increased insurance premium costs. In addition, all facilities are currently designing climate change adaptation plans, according to Argos' Climate Change Adaptation Guidelines (CCAG), which must be applied to all our existing facilities and new operations acquired by the company in the future. Argos' CCAG comprises five steps, namely: **1. Identifying & assessing physical risks** For assessing these threats in each facility, we rely on our Physical Risk Assessment Tool , which displays the intensity of natural hazards in each location, combined with vulnerability assessments to obtain a facility score of physical risk exposure. Results of the physical risk assessment combined with quantitative modelling provide inputs for designing climate change adaptation measures in each facility. **2. Identifying and prioritizing adaptation measures** Identifying measures aimed at reducing the effects of climate variability & change. Prioritizing these measures implies identifying which ones are most appropriate and effective. **3. Planning & implementing selected measures** Planning the prioritized measures implies considering aspects such as scope, timeframe, cost-benefit analyses and funding sources, which must be defined for each facility. **4. Monitoring & evaluation** The measures adopted must be monitored & evaluated to guarantee continuous improvement. Argos counts on a self-assessment tool (SSA) for evaluating the environmental management system's maturity which allows grading & following-up the implementation of control measures to mitigate risk exposure. **5. Lessons learned & best practices** This stage aims to determine whether the implemented measures increased climate resilience.	Until 2024, we have assessed and quantified physical risks at all our facilities, focusing on natural threats , through the Physical Risk Assessment Tool, which combines hazard exposure levels from the Geosura platform for each facility's location, and the vulnerability assessment that each environmental analyst made according to their context specific. This tool evaluates through a questionnaire, the vulnerability of both the own Argos' facilities and the nearby logistics network that surrounds the facility and on which each plant depends for the entry and distribution to customers, through different means of transport. Geosura is a platform that enables the interconnection of climatic databases and the interactive analysis in a geographic environment. The tool evaluates 10 threats, namely floods, landslides, hurricanes, lightnings, wildfires, frosts, wildfires, rainstorms, heat waves, droughts, winds, and temperature increase. Geosura's natural hazard analyses contemplate optimistic & pessimistic scenarios, and facilities are able to know the variation (in °C) of the average temperature of each location for the next 30 years. These assessments covered 97% of our assets.

Climate-related risks – Risk 11: Depletion of water resources for the continuity of the operation due to climate change and ecosystem degradation (emerging risk ER2)				
Where in the value chain does the risk driver occur?	**Risk type**	**Primary climate-related risk driver**	**Primary potential financial impact**	**Company specific description**
Upstream	Chronic physical	Water scarcity	Increased indirect (operating) costs	Because of climate change, exposure to changes in water availability (droughts or floods) and quality (contamination) increases, which restricts water access for both the community and the company. The potential impacts derived from this risk's materialization are: business interruptions, opposition to operations and projects by communities in the areas of influence, increased operational costs, denials of permits for new operations and facilities, reduced investment attractiveness due to non-compliance to environmental commitments, among others. Our most vulnerable facility regarding water stress is located in Toluviejo, increasing our need to implement adaptation measures that guarantee business continuity in the future.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Long-term	More likely than not	Low			$ 9,684,041,558	$ 2,377,179	$ 11,867,418,306	$ 2,913,141	Risk exposure to chronic physical risk is assessed through the WRI's Aqueduct and the Water Risk Filter (WRF), which enable to prioritize and implement water management plans and targets defined by the Environmental Strategy. We developed a water risk assessment tool for forecasting annual costs associated to water consumption, considering the facilities' current stress levels (Aqueduct), potential variations of water stress (WRF), and future social costs of water consumption according to the Value Added Statement, i.e., Argos' model for monetizing externalities. Reported financial impact corresponds to the difference between the annual water consumption costs under a business-as-usual scenario and the one resulting when projected increases in water stress are considered. Random variables for this scenario are: water consumption levels, water costs per cubic meter and water stress levels for locations that may present significant water stress levels increases in a 10-year span. Aggregated cost overruns for all cement plants amount between USD 2.4 (percentile 5) and 2.9 million USD (percentile 95).

Cost of response to risk		Description of response and explanation of cost calculation	Comment
COP	USD		
$ 4,205,364,664	$ 1,032,307	Reported figures comprise actions implemented in 2023 in all facilities, related to improvements of measurements, water recirculation processes, wastewater treatment and environmental culture activities around water. The company has implemented the following responses facing the materialization of this risk: › Environmental strategy with emphasis on water risk management, which includes prospective analysis through tools such as Aqueduct and the Water Risk Filter, as a basis for future investments. › Technological renovation to reduce water consumption. › Operational efficiency projects. › Quantification of water flows to the operations. › Water measurement and efficient use plans in all facilities.	We continuein 2024 to assess water risk at all of our active facilities using the WRI Aqueduct and WWF Water Risk Filter tools. This has allowed us to develop management plans, quantify potential impacts, and design mitigation strategies to reduce our exposure to water risk. In 2024, following the shift in the USA operation, we conducted a new assessment of water stress levels, resulting in none of our facilities being located in areas with medium-high levels of water stress. Percentage of facilities located in water-stressed basins: **Low stress:** 81% **Medium stress:** 17% **Medium-high stress:** 2% **High stress:** 0% **Extreme stress:** 0% This important information allows the Company to be aware of water demand and possible changes in water supply, water availability at local level and developing strategies, such as the Water Measurement & Efficient Use Plans to prevent potential stakeholder conflicts that might impact its direct operations, supply chain, costs increase, penalties and potential loss of social license to operate.

Climate-related opportunities – Opportunity 1: Lower operational costs through more efficient processes

Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact	Company specific description
Direct operations	Resource efficiency	Use of more efficient production and distribution processes	Reduced direct costs	It is possible to have a positive impact on profits through operational efficiency directed to reduce scope 1 and scope 2 CO_2 emissions. This can be achieved through the development of projects complying to Argos' climate strategy drivers, e.g., optimize thermal and electric energy consumption, and implement circular economy actions. This can be achieved through the development of projects complying to Argos' climate strategy drivers, such as: › **Use of alternative fuels (coprocessing):** One of the opportunities that we have capitalized on is the substitution of conventional fossil fuels with alternative fuels from municipal waste and/or from other industries. This thermal replacement has not only contributed to reducing CO_2 emissions and contributing to the financial result due to the lower cost per energy unit, but it has also become a viable and efficient solution for waste disposal. › **Recycled aggregates:** are materials that are derived from the processing of construction and demolition waste, or other materials that have previously been used in construction, and then crushed or processed to create a new product. These aggregates can be used in a wide range of construction applications, including road construction, building foundations, and drainage systems. Recycled aggregates can be a sustainable and cost-effective alternative to traditional virgin aggregates. They can also help reduce the amount of construction and demolition waste that goes to landfills, which can have a positive impact on the environment. Argos has one plant located in Bello, Antioquia (Colombia), and has a Join Venture in Bogotá Colombia to process this kind of materials. › **Thermal efficiency:** is another key lever in our company's strategy to reduce CO_2 emissions. Maximizing the use of heat and minimizing energy losses not only allows us to reduce fossil fuel consumption, but also contributes to reducing direct CO_2 emissions and the costs associated with energy consumption. We achieved a 5% reduction compared to 2023 in the specific heat consumption of clinker production. › **Electrical efficiency:** another lever for reducing indirect Scope 2 CO_2 emissions is the consumption of purchased electrical energy. Therefore, to the extent that its consumption is optimized and reduced, Scope 2 emissions can also be reduced.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Virtually certain	High	$ 15,277,878,447	$ 3,750,319					The registered impact corresponds to the annual savings that in 2024 was obtained from the implementation of initiatives related to use of alternative fuels at cement kilns and energy efficiency projects, annual saving from replacement of virgin aggregates for the production of concrete in Planta Bello, Colombia, and the income received by Argos from the GRECO company of which it is a partner through a Join Venture. Also, it represents the coprocessing waste services incomes.

Cost to realize opportunity		Strategy to realize opportunity and explanation of cost calculation	Comment
COP	USD		
$ 37,347,989,371	$ 9,167,954	Reported figure corresponds to: › Initiatives implemented by Argos during 2024 related to the company's climate change strategy, specifically with the line of action that promote the mitigation of CO_2 emissions through heat substitution with alternative fuels and energy efficiency. These actions involved investments and expenses of approximately USD $1,5 million (6201 million COP) for alternative fuels actions, and USD $7,6 million (31146 million COP) for energy efficiency initiatives. Argos' Climate Change Strategy is focused on minimizing climate change-related risks and maximizing opportunities through innovation in processes and products to ensure the sustainability of the Company and its value chain. It defines the company's actions to mitigate to climate change through different CO_2 reduction levers such as using alternative fuels to substitute conventional fuels used at clinkerization kilns. Through the Circular Economy pillar of our Environmental Strategy, we contribute to the closing of life cycles of resources by harnessing waste or by-products from other industries, such as raw materials or alternative fuels, providing a sustainable solution to the problem of their disposal. Likewise, we focus on the prevention, reduction, reuse, and recycling of our waste. To this end, we establish collaborative links with authorities, companies, and communities. Likewise, lower operational costs could be achieved through the implementation of the Operational Excellence program, which seeks to optimize resources consumption and maximize benefits to achieve organizational excellence and competitiveness, focus on operational efficiency especially on energy efficiency, the optimization of production, the optimization of logistics and transport processes, and the application of circular economy models.	Our corporate strategy is materialized through actions aimed at the efficient use of resources, improving our flexibility and maximizing income generation and the profitability of the businesses. To manage the efficiency and productivity of our businesses, we define key objectives and goals that seek agility, flexibility and profitability through the following lines: Circular economy, Operational excellence, Energy efficiency, and Logistics and transport. Regarding Circular Economy line of action of Argos efficiency strategy, we take advantage of waste and by-products – such as raw materials or alternative fuels – from other industries to mitigate the environmental impacts generated by using non-renewable natural resources in our production processes. Also, we establish collaborative relationships with authorities, companies, and communities to provide a sustainable solution to the problem of the inadequate disposal of waste in our areas of influence.

Climate-related opportunities – Opportunity 2: Increased market opportunities via the Green Solutions portfolio "Green solutions, conscious innovation"

Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact	Company specific description
Downstream	Products and services	Development and/ or expansion of low emission goods and services	Increased revenues resulting from increased demand for products and services	In the coming years we will be the actors in a profound transformation of the construction industry which will allow us to offer our clients a portfolio of carbon neutral solutions by 2050 at the latest. To achieve this goal, we want to be the best allies of our clients in the construction of their sustainable housing and infrastructure dreams in all the territories where we operate. This opens new business opportunities and the possibility of increasing revenues from sales of solutions with clear benefits for sustainable construction. Our goal by 2030 is achieve that the income from the sale of products with sustainability characteristics is 53% of the company's total income. This portfolio includes materials, products and services with lower CO_2 emissions as a result of innovative production processes in which energy consumption has been reduced, traditional fossil fuels have been substituted or alternative raw materials with a lower carbon content have been used. Likewise, they promote the optimization and reuse of non-renewable resources in different phases of construction projects to reduce their environmental impact. We highlight in this portfolio the following categories of products that contribute to the mitigation and adaptation of climate change: 1. Low carbon products and services, 2. Products and services that promote conscious construction. **1. Low Carbon Products:** cement and concrete with lower carbon content embedded and lower energy consumption in its production stage, according to life cycle analyses. **2. Products and services that promote conscious construction:** › These products and services have the following benefits: adaptation promote to climate change and the circular economy; reduce the use of non-renewable resources in the manufacturing stage and/or in the construction stage; increase the useful life of the infrastructure; allow the management of water as a resource; and contribute to well-being, comfort and health. In addition, we aim to keep accessing market opportunities via products with resilience characteristics. With the increasing likelihood of more intense extreme weather events that may cause natural disasters, Argos sees the importance in developing products that help to build infrastructures that better adapt to the changing conditions. For example, Argos offers a special concrete with higher solar reflectance, which minimizes heat absorption. In addition, the company offers products that allow greater infiltration rate, so it reduces the intensity of damage caused by floods. › Within the services from consciuos construction Argos has program called Green Bags: Argos offer an alternative to clients to adequately manage the empty packages of cement, aggregates and ready mixes that are generated in the works, via reverse logistics, so that they can be used for the manufacture of fiber cement, paper pulp or fuels derived from waste and thus contribute to the economic development of other sectors of the value chain. › Since 2020, Argos offers a new modular construction system for buildings and infrastructure at the service of the market, modular solutions, which aims to maximize the productivity and resources of our clients, reducing their time, cost overruns and waste on site. Additionally, these solutions optimize the use of non-renewable resources and ensure less final waste.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Virtually certain	High	$ 2,225,418,326,500	$ 546,281,962					The financial implications resulting from increased demand for products and services are related to the revenues from sales of products that contribute to the mitigation and adaptation of climate change: **1. Low Carbon Products:** cement and concrete with lower carbon content embedded and lower energy consumption in its production stage, according to life cycle analyses. For Argos a Low Carbon Product must have a Life Cycle Analysis (LCA) and its Global Warming Potential (GWP) result must be lower than the industry average and or 20% substitution of raw materials. Argos perceived incomes by USD $ 545,429,154,65. **2. Products and services that promote conscious construction:** These products and services have the following benefits: adaptation promote to climate change and the circular economy; reduce the use of non-renewable resources in the manufacturing stage and/or in the construction stage; increase the useful life of the infrastructure; allow the management of water as a resource; and contribute to well-being, comfort and health. **3. Green Bags Program:** With the implementation of the program, 714 tonne of bags were recovered in 2024. During the last 10 years, this program have avoided the felling of nearly 31,100 trees for the manufacture of pulp and paper fiber, thanks to the participation of more than 500 clients linked to the program and the support from 6 paper management and processing companies. Argos received during 2024 USD $ 79,468 (324 million COP) for paper recovery sales. **4. Modular Solutions:** With the modular system in particular, productivity in the construction of housing spaces increases exponentially, construction time is saved, guaranteeing the safety and quality of the structures, and it contributes to mitigating climate change by being more efficient and reducing waste. Argos perceived incomes in2024 by USD $ 773,339 (3,150 million COP).

Climate-related opportunities – Opportunity 2: Increased market opportunities via the Green Solutions portfolio "Green solutions, conscious innovation"

Cost to realize opportunity		Strategy to realize opportunity and explanation of cost calculation	Comment
COP	USD		
$ 8,684,304,775	$ 2,131,770	Reported annual costs correspond to: › **R&D projects for developing products with sustainability characteristics, such as:** low-carbon products, adaptation and circular economy, among others: USD $ 291,781. Our Research and Development team (R&D) develops innovative and low carbon processes, products and solutions that allow reduce CO_2 emissions at various stages of our value chain. › **Operating costs of the Green Bags Program:** USD $ 98454 (401 million COP) › **Operating costs of Modular Solutions:** USD $ 1741535 (7095 million COP) Argos works to create sustainable value, effectively responding to new market dynamics and positioning itself as industry leader through innovation. Thus, product portfolio and customized solutions is the value proposition that Argos offers to its customers, and which differentiates it in the marketplace (i.e. cement, concrete, aggregates, as well as differential services such as technical assistance, integrated logistics, and customized solution design). In addition, under the "Sustainable construction" pillar of the Environmental Strategy, Company leverage life cycle management and develop products focused on solving constructive challenges with extraordinary solutions through innovation. Regarding low carbon products, the company dedicated 48% of its total R&D projects' budget, for researching and developing of these products in 2024.	As a result of Argos commitment to sustainability, the Company is providing the Green Solutions portfolio to its clients, a set of products, solutions and services aimed at strengthening the value chain and responding to the current challenges of achieving sustainable and resilient territories. through continuous improvement and innovation of our business model and production processes. In 2020 the Green Solutions Cell (i.e. company-wide task force) was created; This group seeks to promote products, solutions and services with sustainability characteristics, promoting innovative proposals that allow us to be active agents in the construction of a future, among our proposals are the delivery of low carbon products as well as products, solutions and services focused on in a conscious construction such as soluble packaging, recycling programs, hybrid fleet, among other initiatives. During 2024 at Argos we continue to promote research and development in our cement and concrete products and modular solutions, which we validate through life cycle assessment (LCA) using the GCCA, EPD Tool - Quantis, which complies with the Category Rules of Product (PCR) for cement (NSF, 2020) and concrete (NSF, 2019).

Climate-related opportunities – Opportunity 3: Innovation in processes

Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact	Company specific description
Direct operations	Resource efficiency	Use of more efficient production and distribution processes	Reduced direct costs	It is possible to have a positive impact on results through operational efficiency aimed at reducing scope 1 and scope 2 CO_2 emissions. This can be achieved through the development of projects complying to Argos to be efficient in it operations and development new technologies. We highlight the continuation of Digital Twins project during 2024 to contribute to the mitigation of climate change. Digital Twins are virtual replicas of physical assets, processes, systems, or even people that are created using real-time data and advanced analytics. A digital twin uses sensors and other data sources to create a virtual model that can be used to simulate and monitor the behavior of the physical asset or process. This technology allows Argos to optimize the mix of raw materials and energy consumption in the cement manufacturing process.

Time horizon	Likelihood	Magnitude of impact	Potential financial impact figure (currency)		Potential financial impact figure – minimum (currency)		Potential financial impact figure – maximum (currency)		Explanation of financial impact figure
			COP	USD	COP	USD	COP	USD	
Short-term	Virtually certain	High	$ 24,481,513,900	$ 6,009,571					The registered impact corresponds to the annual savings that in 2024 was obtained from the implementation of initiatives related to use of alternative fuels at cement kilns and energy efficiency projects, annual saving from replacement of virgin aggregates for the production of concrete in Planta Bello, Colombia, and the income received by Argos from the GRECO company of which it is a partner through a Join Venture. Also, it represents the coprocessing waste services incomes.

Cost to realize opportunity		Strategy to realize opportunity and explanation of cost calculation
COP	USD	
$ 106,162,029	$ 26,060	Reported figure corresponds to the Capex invested for Digital Twins development in 2022. In 2024 no additional investments were made. Argos' Climate Change Strategy is focused on minimizing climate change-related risks and maximizing opportunities through innovation in processes and products to ensure the sustainability of the Company and its value chain. It defines the company's actions to mitigate and adapt to climate change through initiatives such as increasing operational efficiency, reducing clinker content in cement and developing new products and services with sustainability characteristics along the value chain.

Indicators	ARGOS	GCCA	GRI	CSA	2021	2022	2023	2024	META 2030
CO_2 EMISSIONS									
CEMENT									
Direct GHG emissions (scope 1) (t CO_2)			305-1	2,3,1	4,636,145	4,669,090	4,483,538	4,209,505	
Indirect GHG emissions (scope 2 by "location" method) (t CO_2)			305-2	2,3,2	121,476	98,848	86,722	126,845	
Indirect GHG emissions (scope 2 by "market" method) (t CO_2)			305-2	2,3,2	99,431	81,083	68,173	70,743	
Total CO_2 emissions - gross (t CO_2/year)		GCCA			4,636,145	4,669,090	4,483,538	4,209,505	
Total CO_2 emissions - net (t CO_2/year)		GCCA			4,607,204	4,633,647	4,438,094	4,161,739	
Specific CO_2 emissions - gross (kg CO_2/t cementitious material)		GCCA	305-4		604	616	610	612	
Net Specific CO_2 Emissions (kg/t cementitious material)	A-EC1	GCCA			608	612	604	605	514
Specific indirect GHG emissions (scope 2 by "Market" method) (kgCO_2/t cementitious material)					13.12	10.70	9.27	10.28	7.00
Reduction of specific CO_2 emissions scope 1 + 2 ("market" method) (%) - SBTi						1.2%	-1.4%	*See comment	-21%
CONCRETE									
Direct GHG emissions (scope 1) (t CO_2)			305-1		29,643	34,009	30,917	27,673	
Indirect GHG emissions (scope 2 by "location" method) (t CO_2)			305-2		1,477	1,218	923	1,460	
Indirect GHG emissions (scope 2 by "market" method) (t CO_2)			305-2		1,477	1,218	872	1,167	
GHG emissions intensity (kg CO_2/m³ concrete)			305-4		11.81	11.5	10.2	11.3	
AGGREGATES									
Direct GHG emissions (scope 1) (t CO_2)			305-1		4,275	5,209	5,204	6,755	
Indirect GHG emissions (scope 2 by "location" method) (t CO_2)			305-2		747	555	365	536	
Indirect GHG emissions (scope 2 by "market" method) (t CO_2)			305-2		747	555	287	145	
GHG emissions intensity (kgCO_2/t product)			305-4		2.6	2.4	2.6	4.2	
GENERACIÓN ELECTRICIDAD									
Direct GHG emissions (scope 1) (t CO_2)			305-1		415,300	454,134	429,567	373,683	
Indirect GHG emissions (scope 2) (t CO_2)			305-2		-	-	-	-	
GHG emissions intensity (kg CO_2/MWh)			305-4		924	988	984	1,018	
COMPANY									
Total direct emissions (Scope 1) (t CO_2)			305-1	2,3,1	5,085,363	5,162,442	4,949,226	4,617,615	
Total indirect emissions (Scope 2 by "location" method) (tCO_2)			305-2	2,3,2	123,700	100,621	88,010	128,842	
Total direct and indirect emissions (by "location" method) (tCO_2)					5,209,063	5,263,063	5,037,236	4,746,457	
Total indirect emissions (Scope 2 by "market" method) (tCO_2)			305-2	2,3,2	101,655	82,857	69,332	72,055	
Total direct and indirect emissions (by "market" method) (tCO_2)					5,187,018	5,245,299	5,018,558	4,689,670	
Other total indirect GHG emissions (Scope 3) (tCO_2e)			305-3	2,6,10	2,070,171	4,336,265	3,750,964	3,177,444	
ENERGY AND FUELS									
Specific caloric intake of clinker production (MJ/t clinker)		GCCA			4,031	4,195	4,087	3,897	
Replacing caloric consumption of fossil fuels with alternative fuels (%)	A-ENE1			2,5,1	2.74%	3.00%	3.60%	4.10%	20.6%
Alternative fuels rate (%)		GCCA			1.73%	2.03%	2.77%	3.28%	
Biomass as fuel rate (%)		GCCA			1.01%	0.97%	0.83%	0.82%	
MATERIALS									
Clinker/Cement Factor		GCCA		2,5,1	69.26%	70.26%	69.61%	70.36%	

In 2022, we achieved the validation of our scope 1 and 2 emission reduction targets by the SBTi, aligned with its criteria on the trajectory of temperature ambition well below 2 °C. Due to the combination of Argos USA's operations with Summit Materials, these reduction targets will need to be recalculated and we will seek to align with the climate ambition of 1.5 °C.

NATURE

As part of the environmental strategy, we have defined a series of key indicators within the **Nature Pillar,** to measure and manage its impact on biodiversity and water resources.

In **Biodiversity,** we closely monitor the management of quarries located in ecologically important areas, the implementation of rehabilitation and closure plans, as well as the presence of species at risk in our areas of influence. This monitoring allows us to assess and mitigate the risks associated with our operations, ensuring the conservation of ecosystems and the protection of biodiversity.

In the water field **(Water Resources)**, the indicators defined allow us to evaluate water withdrawal by source, use in water-stressed areas, the percentage of reuse and recirculation, and the efficiency of specific freshwater withdrawal in our cement, ready-mix and aggregates operations. This information is crucial to optimize water use, reduce our dependence on non-renewable sources (physical risk) and minimize our impact on watersheds (reputational risk).

The results of the performance of these indicators in 2024, as well as the goals established for the year 2030, are presented below:

BIODIVERSITY

Indicator	2024	2030 Targets
Active and Inactive Quarries that are located in areas of biodiversity importance and have Biodiversity Management Plans (BMP)	83%	100%
Rehabilitation of intervened released areas	85%	90%
Quarries with closure plans	89%	

Indicator	2024
Species on the International Union for Conservation of Nature (IUCN) red list and species on national conservation lists that inhabit areas of influence of operations	
Critically endangered	13
Endangered	20
Vulnerable	57
Near threatened	9
Least concern	63
Total Species	**162**

WATER

Indicator	2024	2030 Targets
Water withdrawal by type of source	4,926,676 m³	
Water withdrawal in water-stressed areas by source type	0 m³	
Percentage of water recirculated or reused at the Company (without self-generation)	86%	
Specific freshwater withdrawal - Cement	420 L/t cementitious material)	396 L/t cementitious material)
Specific fresh water withdrawal - Concrete	208 (L/m³)	227(L/m³)
Specific fresh water withdrawal - Aggregates	55 (L/t)	63 (L/t)

05

ANNEXES

ANNEXES

GLOSSARY

A

- **Adaptation Plan:** Strategies implemented to reduce the vulnerability of operations to the adverse effects of climate change.

B

- **Biodiversity:** Variety of living organisms in terrestrial, aquatic and aerial ecosystems. Biodiversity protection is key to ensuring ecosystem stability.

C

- **Carbon Neutral:** A state in which an organization balances its carbon emissions with reduction and offset measures to achieve a net zero impact.
- **Circular Economy:** An economic model that seeks to reduce waste and make the most of resources through the reuse, recycling and regeneration of products and materials.
- **Climate Adaptation:** The process of adjusting natural and human systems in response to current or projected climate impacts in order to reduce vulnerability and enhance resilience.
- **Climate Change:** Alteration in the planet's average climatic conditions due to natural factors and human activities, mainly due to increased GHG emissions.
- **Climate Change Risks:** Potential negative impacts arising from climate change that may affect a company's operations, including physical and transition risks.
- **Climate Resilience:** An organization's ability to anticipate, prepare for, and respond to extreme weather events and changes in environmental conditions.
- **Climate Risk Assessment:** Identification and analysis of physical and transitional risks related to climate change, including extreme events and regulatory changes.
- **Co-processing:** A method in which waste is used as a substitute for raw materials or fuels in the cement industry, thus contributing to the reduction of CO_2 emissions and the circular economy.

D

- **Decarbonization:** Process of progressive reduction of greenhouse gas (GHG) emissions through the use of clean technologies, renewable energies and energy efficiency.
- **Dependency/Impact:** The relationship between an organization and nature in terms of the resources and ecosystem services used and the effects that its activities generate on the environment.

E

- **Ecosystem Services:** Benefits provided by nature to society, including water purification, climate regulation, and pollination.
- **Energy Transition:** Process of change towards an energy model based on renewable sources and clean technologies to reduce dependence on fossil fuels.

G

- **GCCA (Global Cement and Concrete Association):** Global association representing the cement and concrete industry, promoting sustainability and emissions reduction.
- **GHG (Greenhouse Gases):** Gases such as CO_2, CH_4 and N_2O that contribute to global warming and climate change.
- **GHG Protocol:** Global standard for measuring and managing greenhouse gas emissions in companies and organizations.

H

- **High-Value Biodiversity Area:** Areas identified for their ecological importance and high level of biodiversity, where conservation and sustainable management measures are implemented to minimize negative impacts.

I

- **IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services):** Intergovernmental platform that provides scientific assessments on biodiversity and ecosystem services.
- **IPCC (Intergovernmental Panel on Climate Change):** UN Body in charge of assessing climate change based on global scientific research.
- **ISSB (International Sustainability Standards Board):** Entity that develops global standards for financial disclosure in sustainability.
- **I-REC:** The Renewable Energy Certificate, also known as I-REC, is a global certificate that certifies the generation of energy through renewable sources. Each I-REC certificate guarantees that 1 MWh of energy was generated from renewable sources.

L

- **LEAP (Locate, Evaluate, Assess, Prepare):** TNFD's framework for identifying, assessing and managing nature-related risks in businesses and organizations.
- **Life Cycle Assessment (LCA):** Comprehensive assessment of the environmental impact of a product or process throughout its life cycle, from the extraction of raw materials to its final disposal.

GLOSSARY

M

- **Mitigation:** Measures taken to reduce the severity of a negative impact.
- **Mitigation Hierarchy:** A tiered approach to minimize environmental impacts, prioritizing prevention, mitigation, restoration and compensation of residual damages.

N

- **Nature-Based Solutions (NbS):** Actions that use ecosystems and natural processes to address environmental challenges, including climate change mitigation and water protection.
- **Natural Capital:** A set of natural resources, including soils, water, air and biodiversity, that provide essential ecosystem services for human well-being and the economy.
- **Natural Risks:** Factors that affect ecological stability and ecosystem services, impacting business operations and sustainability.
- **Nature-Based Targets (SBTn):** Science-based corporate goals to protect and restore biodiversity and ecosystems.
- **Net Positive Impact:** An approach that seeks not only to minimize the negative impacts of an organization on nature, but also to generate net positive effects on ecosystems and biodiversity.
- **Net Zero:** A state in which an organization reduces its greenhouse gas emissions as much as possible and offsets the residual emissions with carbon sequestration solutions, achieving a zero balance.

P

- **Physical Risks:** Risks arising from extreme weather events or long-term changes in weather patterns, including hurricanes, floods, and droughts.
- **Positive Nature:** A concept that seeks the regeneration of biodiversity and ecosystems through actions that reduce environmental impact and increase ecological resilience.

R

- **RCP (Representative Concentration Pathways):** Greenhouse gas concentration pathways used in climate scenarios developed by the IPCC.
- **Rehabilitation (Quarries):** A process of ecological restoration of areas affected by mining, promoting the recovery of the ecosystem and biodiversity.

S

- **Science-Based Goals (SBTi):** Emission reduction targets aligned with Climate Science and the Paris Agreement, in order to limit global warming to safe levels.
- **Scope 1, 2 and 3:** Greenhouse gas emissions categories according to the Greenhouse Gas Protocol (GHG Protocol). Scope 1 includes direct emissions from Company-owned or controlled sources. Scope 2 covers indirect emissions from purchased electricity generation. And Scope 3 covers indirect emissions from the value chain.
- **SSP (Shared Socioeconomic Pathways):** Socioeconomic scenarios used in climate change studies to assess possible future development and emissions trajectories.

T

- **Task Force on Climate-related Financial Disclosures (TCFD):** Financial disclosure framework for assessing and reporting risks and opportunities related to climate change.
- **Task Force on Nature-related Financial Disclosures (TNFD):** Disclosure framework for identifying and managing risks and opportunities related to nature and biodiversity.
- **Transition Risks:** Challenges associated with the transition to a low-carbon economy, including regulatory, technological and market changes.

W

- **Water Stress:** Capacity, or lack of capacity, to meet human and ecological demand for water.

TCFD / TNFD TABLE OF CONTENTS

This table of contents ensures alignment of the report with the TNFD and TCFD frameworks, thus facilitating comparability and access to key information for investors and other stakeholders.

TNFD			
Pillars of Disclosure	**Elements of Disclosure**	**Chapters in the Report**	**Pages**

Government	**A.** Description of the Board's oversight of nature-related dependencies, impacts, risks, and opportunities
	B. Description of management's role in the assessment and management of nature-related dependencies, impacts, risks and opportunities
		▪ Corporate Governance
		  ▪ Supervision by the Board of Directors
		  ▪ Senior Management Role
			8-14

	C. Describes the organization's human rights policies and engagement activities, as well as board and management oversight, with respect to Indigenous Peoples, Local Communities, affected parties, and other stakeholders, in the organization's assessment of and response to nature-related dependencies, impacts, risks, and opportunities	▪ Our governance scheme is supported by commitments and policies of responsible business conduct, including economic, social and environmental issues Find our main Policies and Codes **here** Learn more about our Human Rights Policy **here**	9-14
Strategy	**A.** Description of the dependencies, impacts, risks and opportunities related to the nature that the organization has identified in the short, medium and long term	▪ Risk Management, Impacts and Dependencies of Nature ▪ Risk Assessment of the Nature of Our Operations	51-63
	B. Description of the effect that the dependencies, impacts, risks and opportunities related to the nature they have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plan or analysis underway	▪ Risk Assessment of the Nature of Our Operations ▪ Assessment of nature-related risks and dependencies for the value chain	51-64
	C. Description of the resilience of the organization's strategy to nature-related risks and opportunities, taking different scenarios into account	▪ Risk Assessment of the Nature of Our Operations	51-63
	D. Disclosure of locations of assets and/or activities in the organization's direct operations and, where possible, in the upstream and downstream value chain(s) that meet the criteria for priority locations	▪ Risk Assessment of the Nature of Our Operations ▪ Assessment of Nature-Related Risks and Dependencies for the Value Chain	51-64
Risk Management	**A1.** Description of the organization's processes for identifying, assessing and prioritizing the dependencies, impacts, risks and opportunities related to nature in its direct operations **A2.** Description of the organization's processes for identifying, assessing and prioritizing dependencies, impacts, risks and opportunities related to nature in its upstream and downstream value chain(s)	▪ Integrated Risk Management System (IRMS) and Climatic and Natural Risks	23-25
	B. Description of the organization's processes for monitoring dependencies, impacts, risks, and opportunities related to nature	▪ Risk Assessment of the Nature of Our Operations	51-63
	C. Description of how the processes for identifying, assessing, prioritizing and monitoring risks related to nature are integrated into and inform the organization's overall risk management processes	▪ Risk Assessment of the Nature of Our Operations ▪ Assessment of Nature-Related Risks and Dependencies for the Value Chain	51-64
Metrics	**A.** Disclosure of metrics used by the organization to assess and manage material risks and opportunities related to nature, in line with its risk management strategy and process	▪ Indicators and Goals: Nature	89
	B. Disclosure of metrics used by the organization to assess and manage dependencies and impacts on nature	▪ Indicators and Goals: Nature	89
	C. Description of objectives used by the organization to manage climate-related risks and opportunities and performance against those objectives	▪ Indicators and Goals: Nature ▪ Climate Change and Nature Commitments	89
	D. Description of the objectives and targets used by the organization to manage dependencies, impacts, risks and opportunities related to the nature and its performance in relation to these	▪ Indicators and Goals: Nature ▪ Climate Change and Nature Commitments	89

The GRUPO ARGOS Cement Company