

COMMUNITIES	2017	2018	2019	2020
IMPACTS ON WATER	5	13	0	5
IMPACTS ON AIR	24	40	31	24
NOISE IMPACTS	2	4	10	6
IMPACTS ON FAUNA, FLORA, LANDSCAPE AND SOIL	2	2	2	2
VIBRATION IMPACTS	0	2	2	0
ODOR IMPACTS	0	4	9	13
PASSAGE LIMITATION IMPACTS	1	1	1	0
IMPACTS ON PUBLIC AND PRIVATE PROPERTY	9	26	29	17
ECONOMIC IMPACTS	2	1	0	0
NON-COMPLIANCE WITH ROAD REGULATIONS	12	18	15	9
UNFULFILLED COMMITMENTS WITH THE COMMUNITY	9	5	9	6
OPEN CASES FROM PREVIOUS YEAR UP TO JANUARY 1ST OF NEXT YEAR	13	7	52	2
TOTAL CASES RECEIVED	66	116	108	82
TOTAL CASES MANAGED	79	123	160	84
CASES CLOSED WITH LEGAL OR ADMINISTRATIVE ACTIONS	0	1	6	0
CASES CLOSED WITH CORRECTIVE ACTIONS	53	58	101	68
TOTAL CASES CLOSED	74	71	158	81

LABOR RELATIONS	2017	2018	2019	2020
DISRESPECT	15	13	20	6
BAD WORKING CLIMATE	2	2	6	4
BREACH OF LABOR OBLIGATIONS	12	8	12	4
BREACH OF DUTIES	9	9	5	2
RETALIATION	1	2	0	2
HUMAN RIGHTS BREACHER	7	3	1	1
UNDUE SEXUAL TREATMENT	5	1	2	1
LABOR MANAGEMENT DISAGREEMENT	13	8	9	12
OTHER LABOR CASES	4	4	4	11
OPEN CASES FROM PREVIOUS YEAR UP TO JANUARY 1ST OF NEXT YEAR	26	26	9	20
TOTAL CASES RECEIVED	68	50	59	43
TOTAL CASES MANAGED	94	76	68	63
CASES CLOSED WITH LEGAL OR ADMINISTRATIVE ACTIONS	16	20	5	3
CASES CLOSED WITH CORRECTIVE ACTIONS	24	15	8	19
TOTAL CASES CLOSED	71	64	51	55

CONDUCT	2017	2018	2019	2020
UNDUE MANAGEMENT OF CONFLICTS OF INTEREST	6	12	7	6
CONTRACT AND PURCHASE FAILURES	15	14	16	19
EMBEZZLEMENT OF ASSET	30	14	16	18
BRIBES (IN COMPANY PROCESSES)	18	10	16	13
REPORTS, RECORDS OF FRAUDULENT DOCUMENTS	13	5	9	4
IDENTITY FRAUD	17	16	8	5
IMPROPER USE OF BENEFITS	3	6	5	3
COMPETITION	1	1	1	2
PUBLIC CORRUPTION	3	0	0	0
OTHER FRAUDS	0	1	0	3
OPEN CASES FROM PREVIOUS YEAR UP TO JANUARY 1ST OF NEXT YEAR	38	37	23	31
TOTAL CASES RECEIVED	106	79	78	73
TOTAL CASES MANAGED	144	116	101	104
CASES CLOSED WITH LEGAL OR ADMINISTRATIVE ACTIONS	14	14	9	8
CASES CLOSED WITH CORRECTIVE ACTIONS	23	30	20	31
TOTAL CASES CLOSED	108	93	69	75

GRI [205-1] Number and percentage of operations assessed in terms of corruption and fraud related risks

OPERATIONS ASSESSED IN TERMS OF CORRUPTION AND FRAUD RELATED RISKS	2017	2018	2019	2020
Total number of operations	14	14	14	14
Number of operations assessed in terms of corruption risks	5	5	12	12
Percentage of operations assessed	35,71	35,71	85,71	85,71

10. SIGNIFICANT CORRUPTION AND FRAUD RISKS IDENTIFIED IN THE REPORTING PERIOD.

- * Irregularities in purchasing processes or contracting of suppliers
- * Request or receipt of gifts to obtain in due benefits
- * Appropriation of company assets
- * Improper management of conflicts of interest.

GRI [205-2] Training and communication on the organization's conduct policies and procedures

TRAINING AND COMMUNICATION ON THE ORGANIZATION'S CONDUCT POLICIES AND PROCEDURES	2017	2018	2019	2020
Presidents and Vice Presidents	8	10	7	7
Employees	4.879	5.621	5.134	4.400
Suppliers	71	140	3.058	2.435
Communities	-	-	-	-
Total	4.958	5.771	8.199	6.842

Training activities include the disclosure of the internal guidelines to fight against fraud, corruption, bribery, money laundering, financing of terrorism, labor or sexual harassment, discrimination or any violation of the applicable law.

MEMBERS OF THE HIGHEST GOVERNANCE BODY THAT HAVE BEEN INFORMED AND TRAINED ON ISSUES RELATED TO CORRUPTION, FRAUD, ASSET LAUNDERING AND FINANCING TERRORISM	2017	2018	2019	2020
Total number of Board Members (#)	7	7	7	7
Number of members of the highest governance body that have been informed and trained (#)	7	7	7	7
Percentage of members of the highest governance body that have been informed and trained (%)	100	100	100	100

GRI [205-3] Confirmed incidents of corruption and actions taken (#)

NUMBER OF CONFIRMED INCIDENTS OF CORRUPTION

2017	2018	2019	2020
2	4	10	11

INCIDENTS	ACTIONS TAKEN
Omission of controls regarding the management of fixed assets.	Draw employees attention
Alerts of irregularities in contracting and purchases.	Draw employees attention
Improper use of benefits and discounts in the acquisition of products.	Temporary suspension of employment contract
Disrespect and mistreatment towards their colleagues.	Draw employee attention and his/her immediate boss
Purchasing irregularities and omission of hiring guidelines	Draw employees attention
Alleged illegal collection of money by an employee for personal gain.	Draw employee attention
Misappropriation of money by a contractor.	Termination of the contractual relationship with the contractor.
Omission of control by an employee that led to the loss of product.	Draw employee attention
Improper management of conflicts of interest by an employee.	Draw employee attention and prohibition to continue carrying out the activities that generate conflict with the company.
Alleged retaliation	Feedback to the parties involved.
Identification of an asset laundering alert against a company supplier.	Termination of the contractual relationship and report presentation of a suspicious operation to the competent authority.

GRI [206-1] Legal actions for anti competitive behavior, anti trust & monopoly practices

NUMBER OF LEGAL ACTIONS PENDING OR COMPLETED DURING THE REPORTING PERIOD IN WHICH THE ORGANIZATIONS HAS BEEN IDENTIFIED AS A PARTICIPANT.

2017	2018	2019	2020
0	0	2	3

MAIN OUTCOMES OF COMPLETED LEGAL ACTIONS, INCLUDING ANY DECISIONES OR JUDGEMENTS

LEGAL ACTIONS

LEGAL ACTION 1
 Pro Slab, Inc. et al. Vs. Argos USA LLC et al.: This class action lawsuit filed in November 2017 on behalf of ready mix concrete customers alleges that the company and other defendants engaged in price fixing, market allocation and bid rigging in Savannah, Georgia and Charleston, South Carolina. Discovery in the case is currently stayed until late March 2021.

LEGAL ACTION 2
 Southeast Ready Mix, LLC et al. Vs Argos North America Corp., et al.: This lawsuit filed in July 2017 by a competitor alleges that the company and other defendants engaged in a conspiracy to exclude the plaintiff from competing in the Savannah, GA ready mix concrete market. Discovery in this case is currently stayed until late March 2021.

LEGAL ACTION 3
 Premier Concrete LLC et al. Vs Argos North America Corp. et al.: This lawsuit filed in January 2020 alleges that the company and other defendants engaged in a conspiracy to exclude the plaintiff from competing in the Savannah, GA ready mix concrete market. Discovery in this case is currently stayed until late March 2021.



GRI [419-1/307-1] Non compliance with social and environmental regulations

NON COMPLIANCE WITH SOCIAL AND ENVIRONMENTAL REGULATIONS	2017	2018	2019	2020
Cases brought through dispute resolution mechanisms (#)	0	0	0	0
Total monetary value of significant fines (COP)	0	0	0	0
Total number of non-monetary sanctions (#)	0	0	0	0

GRI [415-1] Political contributions and other expenditures (COP)

	UNIDAD DE MEDIDA	2017	2018	2019	2020
Lobbying, interest representation or similar	COP	\$ 664.030.886	\$ -	\$ 7.349.862	\$ -
Local, regional or national political campaigns / organizations / candidates	COP	\$ -	\$ -	\$ 98.496.300	\$ 27.016.405
Trade associations or tax-exempt groups (e.g. think tanks)	COP	\$ 1.209.546.755	\$ 1.421.060.161	\$ 8.356.847.026	\$ 9.826.548.582
Other (e.g. spending related to ballot measures or referendums)	COP	-	-	-	-
Data coverage (as % income)	%	100	100	100	100
Total contributions and other spending	COP	\$ 1.873.577.641	\$ 1.421.060.161	\$ 8.362.333.188	\$ 9.853.564.987

[A-ETH2] Largest expenditures in the reporting period

ISSUES AND TOPICS			
ISSUE OR TOPIC	CORPORATE POSITION	DESCRIPTION OF POSITION / ENGAGEMENT	TOTAL SPEND IN FY 2020 (COP)
Associations and unions that promote the sector	SUPPORT	All the associations share the mission for growing the market share and markets for cement-based products through effective promotion and advocacy programs	\$ 9.826.548.582
Support to regional political organizations	SUPPORT	support to the program of regional political organizations	\$ 27.016.405

OTHER LARGE EXPENDITURES		
NAME OF ORGANIZATION, CANDIDATE OR TOPIC	TYPE OF ORGANIZATION	TOTAL AMOUNT PAID IN FY 2020 (COP)
SOUTHEAST CEMENT PROMOTION ASSOC	TRADE ASSOCIATION	\$ 1.938.710.964
NATIONAL READY MIXED CONCRETE ASSOC	TRADE ASSOCIATION	\$ 1.727.868.722
CAMACOL	TAX-EXEMPT GROUP	\$ 120.664

[A-TAX1] Taxes paid by country (USD)

COUNTRY	REVENUE	OPERATING PROFITS	FEDERAL INCOME TAX	STATE TAX	SALES TAX	PROPERTY TAX	OTHER TAXES	TOTAL TAXES
COLOMBIA	\$ 705.443.190	\$ 24.081.181	\$ 4.612.350	\$ -	\$ 54.194.097	\$ 2.158.167	\$ 9.081.906	\$ 70.046.520
USA	\$ 1.480.677.418	\$ 108.415.041	\$ -	\$ 956.684	\$ 778.763	\$ 14.854.719	\$ 404.682	\$ 16.994.848
PANAMA	\$ 122.808.402	\$ 6.621.690	\$ 1.560.628	\$ -	\$ 1.904.613	\$ 64.768	\$ 774.598	\$ 4.304.607
HONDURAS	\$ 113.918.963	\$ 30.893.079	\$ 51.001	\$ -	\$ 10.771.972	\$ 86.041	\$ 358.374	\$ 11.267.388
HAITI	\$ 65.149.569	\$ 6.913.269	\$ 630.774	\$ -	\$ 2.049.930	\$ 29.350	\$ 329.048	\$ 3.039.102
DOMINICAN REPUBLIC	\$ 69.445.955	\$ 14.407.206	\$ 2.771.700	\$ -	\$ 9.510.995	\$ -	\$ 1.715.327	\$ 13.998.022
SURINAME	\$ 8.205.387	\$ 442.310	\$ -	\$ -	\$ 222.340	\$ -	\$ 136.904	\$ 359.244
FRENCH GUIANA	\$ 20.018.325	-\$ 605.755	\$ 10.880	\$ -	\$ -	\$ 489.442	\$ 60.768	\$ 561.090
PUERTO RICO	\$ 61.375.108	-\$ 5.173.844	\$ 88.336	\$ -	\$ -	\$ 1.534.139	\$ 1.832.147	\$ 3.454.622
GUATEMALA	\$ 853.324	-\$ 211.629	\$ -	\$ -	\$ -	\$ -	\$ 23.483	\$ 23.483
DOMINICA AND ANTIGUA & BARBUDA	\$ 13.218.087	\$ 214.366	\$ 133.307	\$ -	\$ 231.393	\$ 1.060	\$ -	\$ 365.760
ANTILLES	\$ 194.182.509	\$ 5.667.820	\$ 4.561.164	\$ -	\$ -	\$ -	\$ 847.875	\$ 5.409.039
TOTAL	\$ 2.855.296.237	\$ 191.664.734	\$ 14.420.140	\$ 956.684	\$ 79.664.103	\$ 19.217.686	\$ 15.565.112	\$ 129.823.725

TAX STRATEGY DESCRIPTION:

Cementos Argos' tax policy is aligned with our Corporate Governance Code, which provides the framework for the relationship among the different stakeholders and aims for transparency and proper information management and the officials' responsibility.

Argos tax strategy is also aligned with our Code of Business Conduct, which develops the principles of the Code of Good Governance for Argos' employees, implementing the disclosure of financial information and transparency policy regarding Argos and its subsidiaries financial statements. Taxes are paid in accordance with all relevant rules and regulations of the countries in which we operate.

Our fiscal strategy efficiently supports the operation and consolidation of procedures and protocols for transparency and management accountability, implementation and regulatory compliance of each country, by Cementos Argos and its subsidiaries, which in turn results in the best interest of its shareholders.

We believe that a coherent and responsible tax strategy is an essential element of sustainability. Based on this background, we have adopted the following tax principles, which are essential for the proper management of our strategy:

- **Compliance:** Taxes are paid in accordance with the rules and regulations of the countries in which we operate, seeking to comply not only with the letter but also with the spirit and of the law. Likewise, our employees must comply with the Code of Conduct. Argos has zero tolerance for tax avoiding practices.
- **Relationship with tax authorities:** We promote an open, constructive and respectful dialogue with the tax authorities, based on all relevant facts and circumstances. We do not try to avoid taxes through "artificial" structures in tax havens.
- **Rational Business:** Taxes are paid according to businesses and benefits in countries where value is created, according to national and international regulation and standards and implementing arm's length principles.
- **Transparency:** Argos tax and fiscal situation approach is handled with a philosophy of transparency. Disclosures are made in accordance with the provisions of the existing rules governing each country as well as information requirements and IFRS.
- **Transfer Pricing:** The Company and its subsidiaries comply with the application of the arm's length standards, regarding the valuation of the cross border transactions between related companies. Taxable profits are not artificially shifted out of their jurisdiction and the tax base reported by the Company in the countries reflects the economic activity undertaken therein. The tax planning execution looks toward avoiding the economic double taxation; however, taxes are paid in accordance with all relevant regulations of the countries in which Argos operate.