

SUSTAINABILITY ACCOUNTING STANDAR BOARD – SASB

EXTRACTIVES & MINERALS PROCESSING SECTOR - CONSTRUCTION MATERIALS

SASB is an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

This is the first time that Cementos Argos reports using SASB guidelines, nevertheless, most of the metrics included in this document have been reported by the organization for several years under the GRI standard, the GCCA guidelines or through own internal KPIs that are considered in the verification process done by the external verifier that this year has been Deloitte organization.

The following table lists the subset of environmental, social and governance (ESG) issues that are most relevant to the financial performance of construction materials companies:

TOPICS	CODE	ACCOUNTING METRIC	2017	2018	2019	2020	GRI/GCCA/ OR OWN KPI METRIC ASSOCIATED
Greenhouse gas emissions	EM-CM-110a.1	Gross global Scope 1 emissions (t CO ₂) Greenhouse gases included in the 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: http://www.cement-co2-protocol.org/v3/).	8.167.887	8.298.395	8.713.631	7.772.778	305-1
		Percentage covered under emissions-limiting regulations (%)	1,3	1,34	1,35	Currently the data is on calculating proces	N. A
	EM-CM-110a.2	Discussion of long-term and short-term strategy Analysis of performance against those targets	Integrated Report, Climate change p. 114 - 117; TCFD Table: https://bit.ly/20JVNUe				103-1; 103-2; 103-3;201-2; 305-5
Air quality	EM-CM-120a.1 These emissions were quantified with continuous monitoring systems (CMS) and isokinetic sampling	Absolute NO _x emissions (t NO _x)	12.823	12.213	11.190	11.572	305-7
		Absolute SO ₂ emissions (t SO ₂)	5.194	3.624	4.000	3.319	305-7
		Absolute Particulate matter emissions (t) The data refers to particulate material emissions under the EPA #5 method “Particulate matter emissions determination in stationary sources”	1.897	980	991	751	305-7
		PCDD/F (mg PCDD/y) Absolute emissions	76	71	149	55	GCCA - KPI 3
		VOC/THC absolute emissions (t VOC/THC)	325	275	355	214	GCCA - KPI 3
		HG (kg Hg/y) absolute emissions	243	226	283	226	GCCA - KPI 3
		HM1 (Cd + Tl) absolute emissions (kg HM1)	45	36	31	18	GCCA - KPI 3

TOPICS	CODE	ACCOUNTING METRIC	2017	2018	2019	2020	GRI/GCCA/ OR OWN KPI METRIC ASSOCIATED
Energy management	EM-CM-130a.1 Values calculated with lower heating value (LHV)	Total energy consumption within the organization (GJ)	45.368.302	45.368.302	45.368.302	45.368.302	302-1
		Percentage alternative (%)	3,8%	3,8%	4,2%	4,7%	302-1
		Percentage grid electricity (%)	5,36	8,15	7,06	6,50	
		Percentage renewable (%)	Currently, we do not have purchase agreements (PPA) that explicitly include renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier program, or other green power products that explicitly include RECs or GOs, or for which Green-e Energy Certified REC are paired with grid electricity, therefore we are not able to report the metric according to the standard guideline.				
Water management	EM-CM-140a.1.	Total fresh water withdrawn (m ₃ /y)	13.736.062	11.458.117	12.437.309	10.058.363	303-3
		Total fresh water withdrawn (1000m ₃ /y)	13.736	11.458	12.437	10.058	
		Percentage recycled (%)	74	94	99	110	A-A2
		Total withdrawal Areas of Water Stress (m ₃ /y)	-	643.993	451.674	407.310	303-3
		% Water withdrawal in Areas of Water Stress	-	5,62	3,63	4,05	303-3
		Total water consumption in All Areas (m ₃ /year)	9.196.217	7.072.756	6.519.570	5.471.151	303-5
		Percentage of water consumption in Areas of Water Stress			6,79	7,09	303-5
Waste management	EM-CM-150a.1.	Amount of waste generated (t/y)	326.489	212.226	265.068	143.816	306-2
		Hazardous waste (t/y)	789	1.585	847	418	306-2
		Reuse / Recycling / Recovery waste (t/y)	107.560	97.675	106.896	84.725	306-2
		Percentage hazardous (%)	0,2	0,7	0,3	0,3	306-2
		Percentage recycled (%)	33	46	40	59	306-2
Biodiversity impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	Integrated report: Ecosystems p. 120 – 124 Successful case: https://bit.ly/3rK86i2				103-1; 103-2; 103-3
	EM-CM-160a.2	Percentage of impacted area restored	80,2	84,8	87	81	A-BI1

TOPICS	CODE	ACCOUNTING METRIC	2017	2018	2019	2020	GRI/GCCA/ OR OWN KPI METRIC ASSOCIATED
Workforce health & safety	EM-CM-320a.1.	Lost-Time Injury Frequency Rate (LTIFR)	1,16	0,93	1,34	1,33	403-9
		Lost-Time Injury Frequency Rate (LTIFR) - Employees	1,51	1,21	1,57	1,35	A-S11
		Lost-Time Injury Frequency Rate (LTIFR) - Contractors	0,71	0,63	1,04	1,34	
	EM-CM-320a.2	Number of reported cases of silicosis	0	0	0	0	N.A
Pricing integrity & transparency	EM-CM-520a.1.	Total amount of monetary losses as a result of legal proceedings associated with cartelization activities, price fixing, and anti-trust activities (COP - Colombian Peso)	0	74.694.700.000	0	0	N.A
Product Innovation	EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	We are currently carrying out an update of our product portfolio. We will report this metrics as soon as this process is completed.				N.A
	EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	We are currently carrying out an analysis on how to integrate the new LEED standard (version 4.1) to estimate the revenues for products that reduce environmental impacts and that apply for credits in sustainable building design and construction certifications. The metric will be updated as soon as this process is complete.				N.A