

ETHICS AND COMPLIANCE

	ARGOS	GCCA	GRI	SASB	DJSI	2018	2019	2020	2021
Environmental, social and human rights complaints received									
Communities									
Impacts on water (#)						13	-	5	1
Impacts on air (#)						40	31	24	10
Noise impacts (#)						4	10	6	1
Impacts on fauna, flora, landscape and soil (#)						2	2	2	3
Vibration impacts (#)						2	2	-	2
Odor impacts (#)						4	9	13	2
Passage limitation impacts (#)						1	1	-	1
Impacts on public and private property (#)						26	29	17	33
Economic impacts (#)						1	-	-	-
Non-compliance with road regulations (#)	A-ETH1					18	15	9	8
Unfulfilled commitments with the community (#)						5	9	6	3
Open cases from previous year up to January 1st of next year (#)						7	52	2	3
Total cases received (#)						50	59	43	64
Total cases managed (#)						123	160	84	67
Cases closed with legal or administrative actions (#)						1	6	-	-
Cases closed with corrective actions (#)						58	101	68	46
Total cases closed (#)						71	158	81	65

Labor relations						
Disrespect (#)			13	20	6	14
Bad working climate (#)			2	6	4	8
Breach of labor obligations (#)			8	12	4	6
Breach of duties (#)			9	5	2	3
Retaliation (#)			2	-	2	-
Human rights breaches (#)			3	1	1	5
Undue sexual treatment (#)			1	2	1	-
Labor management disagreement (#)	A-ETH1		8	9	12	6
Other labor cases (#)			4	4	11	8
Open cases from previous year up to January 1st of next year (#)			26	9	20	8
Total cases received (#)			116	108	82	50
Total cases managed (#)			76	68	63	58
Cases closed with legal or administrative actions (#)			20	5	3	12
Cases closed with corrective actions (#)			15	8	19	10
Total cases closed (#)			64	51	55	38

Conduct						
Undue management of conflicts of interest (#)			12	7	6	4
Contract and purchase failures (#)			14	16	19	7
Embezzlement of asset (#)			14	16	18	21
Bribes (in company processes) (#)			10	16	13	12
Reports, records of fraudulent documents (#)			5	9	4	3
Identity fraud (#)			16	8	5	15
Improper use of benefits (#)			6	5	3	4
Competition (#)			1	1	2	1
Public corruption (#)	A-ETH1		-	-	-	1
Other frauds (#)			1	-	3	31
Open cases from previous year up to January 1st of next year (#)			37	23	31	30
Total cases received (#)			79	78	73	99
Total cases managed (#)			116	101	104	129
Cases closed with legal or administrative actions (#)			14	9	8	8
Cases closed with corrective actions (#)			30	20	31	32
Total cases closed (#)			93	69	75	69

Number of corruption prosecutions or investigations - FCPA violations

Number of corruption prosecutions or investigations - FCPA violations (#)	A-ETH3	-	-	-	-
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Monetary losses as a result of legal proceedings

Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities associated with cartel	EM-CM-520a.1	74.694.700	-	-	75.034.789.968
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2021 case: United States v. Argos USA LLC

This criminal case filed in January 2021 charges the company with participating in a conspiracy to fix prices, rig bids and allocate markets for sales of ready-mix concrete in Savannah, Georgia. In January 2021, the company entered into a Deferred Prosecution Agreement with the United States Department of Justice, Antitrust Division resolving the charge against the company, under which the company agreed to pay a \$20 million criminal penalty, admitted to participating in the charged conspiracy and agreed to fully cooperate with the Antitrust Division's ongoing criminal investigation and prosecution of others involved in the Savannah, Georgia ready mix concrete market. The Deferred Prosecution Agreement contains certain compliance obligations for a period of three years and, if the company complies with those obligations, the charges against the company will be dismissed at the end of the three-year period. The company fully intends to comply with all of its compliance obligations

Level - Total coverage of potential sources of conflict of interest statements

Directive committee (%)		100	100	100	100
High management (%)		100	100	100	96
Middle management (%)		100	100	99	96
Specialists (%)	102-25	89	95	98	92
Technical / Operatives (%)		49	41	25	62
Total Argos (%)		62	56	47	71

Number and percentage of operations assessed in terms of corruption and fraud related risks

Total number of operations (#)		14	14	14	14
Number of operations assessed in terms of corruption risks (#)	205-1	5	12	12	12
Percentage of operations assessed (%)		36	86	86	86

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

Training and communication on the organization's policies and procedures to fight against fraud, corruption

Presidents and Vice Presidents (#)		10	7	7	7
Employees (#)		5.621	5.134	4.400	5.375
Suppliers (#)	205-2	140	3.058	2.435	3.535
Communities (#)		-	-	-	-
Total Argos (#)		5.771	8.199	6.842	8.917

Level - Total annual conduct training coverage

Directive committee (%)		100	100	100	100
Directive committee (%)		100	100	100	99
Middle management (%)		100	100	99	98
Specialist (%)		94	96	99	94
Technical / Operatives (%)		59	50	40	63
Total Argos (%)		66	64	58	72

Members of the highest governance body that have been informed and trained on issues related to corruption, fraud, asset laundering and financing terrorism						
Total number of Board Members				7	7	7
Number of members of the highest governance body that have been informed and trained	205-2			7	7	7
Percentage of members of the highest governance body that have been informed and trained				100	100	100
Confirmed incidents of corruption						
Number of confirmed incidents of corruption (#)	205-3	1.4.6		2	10	11
Incidents		Actions taken				
Improper management of conflicts of interest with a company supplier		Formal attention call to the collaborator and termination of contractual relations with the reported supplier				
Alerts of irregularities in contracting and purchases.		Draw employees attention				
Alleged illegal collection of money by an employee in the logistic and transport process		Termination of the contractual relationship with the employee				
Request for financing from an outlaw group associated with the unauthorized retention of vehicles affiliated with the company.		Presentation of a criminal complaint and report as a suspicious operation to the competent authorities.				
Omission of controls regarding the management of fixed assets		Draw employees attention				
Alleged illegal collection of money by a contractor in the logistic and transport process		Termination of the contractual relationship with the contractor				
Inadequate recording of reports in the information systems that does not reflect the reality of the operation by some collaborators		Draw employees attention				
Impersonation of the company by a contractor for the improper receipt of payments		Removal of the position of the contractor assigned to the process and report presentation of a suspicious operation to the competent authority				

Number of legal actions pending or completed during the reporting period in which the organizations has been identified as a participant

Legal actions for anti competitive behavior, anti-trust & monopoly practices	206-1	-	3	3	4
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Legal action 1: Pro Slab Inc. et al. v. 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, bid rigging and market allocation in Savannah, Georgia and Charleston, South Carolina. Discovery in the case is currently stayed pending the disposition of a criminal case against others involved in the Savannah, Georgia ready mix concrete market.

Legal action 2: Southeast Ready Mix, LLC et al. v. 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 plaintiffs from competing in the ready-mix concrete market and to fix the prices of cement in Savannah, Georgia. This case has been administratively closed pending the disposition of a criminal case against others involved in the Savannah, Georgia ready mix concrete market.

Legal action 3: Premier Concrete LLC et al. v. Argos North America Corp. et al.

This lawsuit filed in December 2020 by a competitor alleges that the company and other defendants engaged in a conspiracy to exclude the plaintiffs from competing in the Savannah, Georgia ready mix concrete market. In April 2021, plaintiffs voluntarily dismissed all claims with prejudice.

Legal action 4: United States v. Argos USA LLC

This criminal case filed in January 2021 charges the company with participating in a conspiracy to fix prices, rig bids and allocate markets for sales of ready-mix concrete in Savannah, Georgia. In January 2021, the company entered into a Deferred Prosecution Agreement with the United States Department of Justice, Antitrust Division resolving the charge against the company, under which the company agreed to pay a \$20 million criminal penalty, admitted to participating in the charged conspiracy and agreed to fully cooperate with the Antitrust Division's ongoing criminal investigation and prosecution of others involved in the Savannah, Georgia ready mix concrete market. The Deferred Prosecution Agreement contains certain compliance obligations for a period of three years and, if the company complies with those obligations, the charges against the company will be dismissed at the end of the three-year period. The company fully intends to comply with all of its compliance obligations.

Non-compliance with environmental and social regulations

Cases brought through dispute resolution mechanisms (#)		-	-	-	-
Total monetary value of significant fines (COP)	307-1 419-1	-	-	-	-
Total number of non-monetary sanctions (#)		-	-	-	-

Political contributions and other expenditures

Lobbying, interest representation or similar (COP)		-	7.349.862	-	-
Local, regional or national political campaigns / organizations / candidates (COP)		-	98.496.300,00	27.016.405,00	37.472.400,00
Trade associations or tax-exempt groups (e.g. think tanks) (COP)		1.421.060.161	8.356.847.026	9.826.548.582	15.767.170.373
Other (e.g. spending related to ballot measures or referendums) (COP)	415-1	-	-	-	-
Data coverage (as % income) (COP)		100,00	100,00	100,00	100,00
Total contributions and other spending (COP)		1.421.060.161	8.462.693.188	9.853.564.987	15.804.642.773

LARGE EXPENDITURES IN THE REPORTING PERIOD	A-ETH2
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ISSUES AND TOPICS

ISSUE OR TOPIC	CORPORATE POSITION	DESCRIPTION OF POSITION / ENGAGEMENT	TOTAL SPEND IN FY 2021 (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	15.012.795.544
Support to regional political organizations	SUPPORT	Support to the program of regional political organizations	37.472.400

OTHER LARGE EXPENDITURES	A-ETH2
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NAME OF ORGANIZATION, CANDIDATE OR TOPIC	TYPE OF ORGANIZATION	TOTAL AMOUNT PAID IN FY 2021 (COP)
NATIONAL READY MIXED CONCRETE ASSOC		\$ 1.581.961.069
SOUTHEAST CEMENT PROMOTION ASSOC	Trade association	\$ 3.420.443.200
PORTLAND CEMENT ASSOCIATION		\$ 3.827.176.124