

W0. Introduction

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W0.1

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**(W0.1) Give a general description of and introduction to your organization.**

Cementos Argos is a growing multinational company with an established presence in 16 countries and territories with emerging and developed economies. The company has been building history for over eighty years, and today it is the number one cement and concrete manufacturer in Colombia and one of the most relevant companies in The United States and the Caribbean and Central America.

The Company has 6,937 employees, 53% in Colombia, 33% in United States and 14% in the Caribbean and Central America. The business model is focused on the customer and on creating added value for its stakeholders and the strategic priorities are:

1. Smart growth
2. Road to net zero
3. Customer centricity
4. People revolution
5. Social value creation

Cementos Argos has 11 cement plants, 197 ready mix plants, 9 grinding mills, 7 aggregates plants, 29 ports and terminals, almost 1,700 mixer trucks, more than railway wagons, and 4 our boats and one leased long-term. Total installed capacity comes to 24 million tons of cement per year. In 2022, Cementos Argos exported to 25 destinations.

At Argos, all its actions are aimed at creating value for society and for the company, making it possible to build dreams that enable a more sustainable, prosperous and inclusive society.

Regarding water, Argos is committed to making adequate water management focused mainly on two lines of action that aim to ensure the availability of the resource for the company and its stakeholders:

- Efficient use of water: by correctly quantifying the use of water to make better informed decisions; implementation of water reduction plans; proper data report concerning water use, to reflect the environmental performance and the economic valuation of water as an important way to achieve an efficient and equitable use and to promote the conservation and protection of water resources.
- Water risk management: through the identification, evaluation and management of water related risks in direct operations, supply chain, basin management and collective action.

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

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**(W0.3) Select the countries/areas in which you operate.**

- Colombia
- Dominican Republic
- French Guiana
- Haiti
- Honduras
- Panama
- Puerto Rico
- Suriname
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

COP

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
No	<Not Applicable>

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Neutral	For cement, concrete and aggregates production water is required in various steps of production such as: extraction processes and benefit of raw materials, grinding, crude (wet process), kiln system, cement milling, storage, packaging, dispatching/shipment, as well as maintenance workshops, general services, laboratories, offices, restaurant/cafe/tertia, health services, irrigation of roads and green areas, crushing, screening, aggregate washing, storage, dispatching/shipment, mix preparation (for concrete), cleaning and washing of equipment and mixers, among others. These uses here described do not require high quality standards, therefore, the importance of water to produce cement, concrete and aggregates lies more in the quantity than in the quality and it is expected that it will continue like this in the long term since no significant changes are foreseen in the processes that involve the use of water. The Company has suppliers from several industrial sectors which depends on water in very different ways. Due to that, currently it is not feasible to state an indirect use importance rating, that is why we rated as "neutral". Nevertheless, future changes in the water supply and demand are expected and might cause insufficient availability of good quality freshwater and production disruptions for our suppliers that would impact our operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	Argos understands water management as the equitable, sustainable and economically viable use of water resources. Consequently, in 2022 a total of 11.100.040 m3 were recycled in cement, concrete & aggregates business meaning a total water recycled percentage of 93.5%. On the other hand, The Company has suppliers from several industrial sectors which depend on water in very different ways. Due to that, currently it is not feasible to state an indirect water recycled importance rating. Nevertheless, future changes in the water supply and demand are expected and might cause insufficient availability of good quality freshwater and production disruptions for our suppliers that might increase the importance of using recycled water.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	The water sources are known and recorded for all the sites. Most sites measure water withdrawal volumes in real time through "in-place" flow meters. For a few of the sites, water withdrawal volumes and sources data are obtained from water utility providers and the rest the data is from calculation based on measurement or estimation according the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing.	Withdrawals volumes, through the KPI GRI 303-3 (Water Withdrawal by Source). These KPIs are consolidated at Corporate level by the Environmental Strategy Management team with 100% of coverage for the Company's cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water withdrawal volumes are measured in a monthly basis and discussed in the management periodic round tables. In this way each plant can detect deviations in registered water volumes early and take improvement measures.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – volumes by source	100%	Monthly	The water sources are known and recorded for all the sites. Most sites measure water withdrawal volumes in real time through “in-place” flow meters. For a few of the sites, water withdrawal volumes and sources data are obtained from water utility providers and the rest the data is from calculation based on measurement or estimation according the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing.	According with its Environmental strategy and its Water programs, water accounting is the basis of a proper water management and efficiency enhancement. Thus, Argos tracks and map water performance indicators for Water withdrawals volumes, through the KPI GRI 303-3 (Water Withdrawal by Source).  These KPIs are consolidated at Corporate level by the Environmental Strategy Management team with 100% of coverage for the Company’s cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water withdrawal volumes are measured in a monthly basis and discussed in the management periodic round tables. In this way each plant can detect deviations in registered water volumes early and take improvement measures.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Yearly	The most used method to test the water quality is sampling and lab analysis	Water withdrawals quality is measured and monitored in our operations, in compliance with the water legislation in all regions where we operate. For cement and aggregates business, water is used mainly for cooling of equipment and control of dust emissions, these activities do not meet high water quality standards. On the other hand, for the concrete business, water is used as a raw material and although a minimum quality of water is required to be used, there have been no problems with water quality in the water sources used.
Water discharges – total volumes	100%	Monthly	The water discharges volumes are measured, calculated, or estimated according the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing	Argos tracks and maps water specifically for water discharges volumes through the KPI GRI 303-4 (Water discharge by destination). These KPIs are consolidated at corporate level by the Environmental Strategy Management team with 100% of coverage for the Company’s cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water discharges volumes are measured, calculated, or estimated in a monthly basis and discussed in the management periodic round tables. In this way each plant can detect deviations in registered water volumes early and take improvement measures.
Water discharges – volumes by destination	100%	Monthly	The water discharges volumes are measured, calculated, or estimated according the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing	According with its Environmental strategy and its Water program, water accounting is the basis of a proper water management and efficiency enhancement. Thus, Argos tracks and maps water specifically for water discharges volumes through the KPI GRI 303-4 (Water discharge by destination). These KPIs are consolidated at corporate level by the Environmental Strategy Management team with 100% of coverage for the Company’s cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water discharges volumes are measured, calculated or estimated in a monthly basis and discussed in the management periodic round tables. In this way each plant can detect deviations in registered water volumes early and take improvement measures
Water discharges – volumes by treatment method	100%	Monthly	Water discharges volumes are measured, calculated, or estimated according the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing	Argos tracks and maps water specifically for water discharges by treatment the KPI GRI 303-4 (Water discharge by destination and treatment method). These KPIs are consolidated at Corporate level by the Environmental Strategy Management team with 100% of coverage for the Company’s cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water discharges volumes are measured, calculated, or estimated in a monthly basis and discussed in the management periodic round tables. In this way each plant can detect deviations in registered water volumes early and take improvement measures
Water discharge quality – by standard effluent parameters	100%	Yearly	Water discharges quality is monitored at the site level using automatic water samplers and lab testing. Parameters measured include TSS and pH.	According with its Environmental strategy and its Water program, water accounting is the basis of a proper water management and efficiency enhancement. Thus, Argos tracks and maps water specifically for water discharges quality through the KPI GRI 303-4 (Water discharge by destination and treatment method); relevant quality parameters used are pH and TSS. These KPIs are consolidated at Corporate level by the Environmental Strategy Management team with 100% of coverage for the Company’s cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association ) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing. Likewise, at plant level, water discharges volumes are measured, calculated or estimated in a monthly basis and discussed in the management periodic round tables. In this way each plant is able to detect deviations in registered water volumes early and take improvement measures.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	Argos uses the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing ( <a href="https://bit.ly/2LJDe0t">https://bit.ly/2LJDe0t</a> ), in which it is suggested that water discharge volumes could be accompanied by water quality parameters specific to the businesses covered. Total suspended solid (TSS) and pH are recommended quality parameters for cement, TSS for aggregate, and pH for ready-mix concrete. Emissions to water (nitrates, phosphates, pesticides, and/or other priority substances) is not tracked for Argos operation since it is not relevant for the business
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	Argos uses the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing ( <a href="https://bit.ly/2LJDe0t">https://bit.ly/2LJDe0t</a> ), in which it is suggested that water discharge volumes could be accompanied by water quality parameters specific to the businesses covered. Total suspended solid (TSS) and pH are recommended quality parameters for cement, TSS for aggregate, and pH for ready-mix concrete. Temperature is not tracked for Argos operation since it is not relevant for the business.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water consumption – total volume	100%	Monthly	We measure our water consumption monthly using a water balance which considers water withdrawals and water discharges. the company calculates this KPI using the following formula: Water consumption = Total water withdrawal - Total water discharge	According with its Environmental strategy and its Water program, water accounting is the basis of a proper water management and efficiency enhancement. Thus, Argos tracks and maps water specifically for water consumptions volumes through the KPI GRI 303-5 (Water consumption). These KPIs are consolidated at corporate level by the Environmental Strategy Management team with 100% of coverage for the Company's cement, concrete & aggregates operations, following the GCCA (Global Cement and Concrete Association) Sustainability Guidelines for the Monitoring and Reporting of Water in Cement Manufacturing.
Water recycled/reused	100%	Monthly	The method of measurement will vary depending on the site. Some sites use flow meters and others estimate the amount reused based on the reduction of water withdrawals.	Argos continued quantifying, tracking & reporting this KPI at a corporate level in its annual integrated report, in which the total volume and % of water recycled is reported. This KPI has 100% of coverage for the Company's cement, concrete, aggregate & power facilities.
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored	<Not Applicable>	<Not Applicable>	Argos does not quantify & track this KPI.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	11885.09	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	<p>Description for "comparison with previous reporting year" and "five year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower.</p> <p>Water withdrawals remained about the same compared to the previous year despite an increase in production thanks to water efficiency measures. Total water withdrawals were reduced by 2% compared to the previous year.</p> <p>Going forward, Argos expects water withdrawals to remain about the same compared to this year, even though production will increase over the next 5 years. This will be achieved with investments in cooling tower optimization, leak correction, and operational controls, as well as improvements in water quantification such as the installation of meters and correct flow reporting.</p>
Total discharges	5707.1	Lower	Increase/decrease in efficiency	About the same	Increase/decrease in business activity	<p>Description for "comparison with previous reporting year" and "five year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower.</p> <p>Water discharges were reduced by 7% compared to the previous year. It is due to improved water efficiency.</p> <p>Going forward, Argos expects water discharges to remain about the same compared to this year, although production is projected to increase over the next 5 years. This will be achieved with investments in water technologies, efficiency measures and water circularity</p>
Total consumption	6178	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in business activity	<p>Description for "comparison with previous reporting year" and "five year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower.</p> <p>Total water consumption figures are based on measured primary data on water withdrawal and water discharge at all operations (C= W - D).</p> <p>Water consumption remained about the same compared to the previous year despite an increase in production thanks to water efficiency measures. Total water consumption was increased by 4% compared to the previous year.</p> <p>Going forward, Argos expects water consumption remained about the same compared with this year, despite increased production in next 5 years. This will be achieved thanks to investments in activities such as cooling tower optimization, leak correction and operational controls, as well as improvements in water quantification such as the installation of meters and correct flow reporting.</p>

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	Lower	Divestment from water intensive technology/process	Lower	Increase/decrease in efficiency	WRI Aqueduct	<p>Description for "comparison with previous reporting year" and "five year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower.</p> <p>Water Risk Assessment for 100% of Argos' active facilities was carried out using WRI Aqueduct.</p> <p>Ready Mix business at the USA region are the operations with more facilities in high stress basins. In 2022 the % of facilities in high water stressed areas, according with its baseline water stress is 18%, which corresponds to 38 facilities and 3% of water withdrawal from areas with water stress. Compared to 2021, this percentage was reduced due to the execution of the business profitability strategy and optimization of the company's asset base, within the framework of the divestment plan for assets located in suburban markets or not integrated into its own logistics and production chain. Argos USA signed an agreement with Smyrna Ready Mix Concrete to sell it 23 ready-mix concrete plants (18 in eastern North Carolina and five in southwestern Florida). Some of these plants were in areas with water stress.</p> <p>Argos expects the water withdrawal from areas with water stress to continue decreasing with the implementation of Environmental strategy 2030, through the Measurement and Efficient Water Use Plans and the water circularity.</p>

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	4532.7	Much higher	Increase/decrease in business activity	<p>Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower</p> <p>Fresh surface water withdrawal in 2021: 3847.6 megaliters/year. The total increase in surface freshwater extraction compared to 2021 was 18%, due to the increase in production.</p>
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Argos does not withdraw brackish surface water nor seawater.
Groundwater – renewable	Relevant	5175.9	Much lower	Divestment from water intensive technology/process	<p>Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower.</p> <p>Compared to 2021, Renewable groundwater withdrawal was reduced due to sell it 23 ready-mix concrete plants (18 in eastern North Carolina and five in southwestern Florida). These plants withdrawn water from Renewable groundwater.</p>
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Argos does not withdraw non-renewable groundwater
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Argos does not use produced/process water.
Third party sources	Relevant	2176.4	Much higher	Other, please specify (The previous year the volume of water withdrawn from third parties was not reported. However, the volume captured in 2021 was 1137 megaliters/year.)	<p>Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation &gt; +/- 15% = much higher / lower</p> <p>91% higher compared with 2021. Increases due to increased production and change of source in some US Concrete plants.</p>

## W1.2i

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	5518.8	Lower	Change in accounting methodology	Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation > +/- 15% = much higher / lower  6% lower compared with 2021. Decreases due to improvements in estimations or calculations for water discharges those efforts mainly in cement business has led to a reduction in the water discharged to Fresh surface water
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	There were no discharges to brackish surface water/seawater in 2022
Groundwater	Relevant	52.3	About the same	Change in accounting methodology	Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation > +/- 15% = much higher / lower  3% lower compared with 2021. Decreases due to improvements in estimations or calculations for water discharges those efforts mainly in cement business has led to a reduction in the water discharged to groundwater bodies.
Third-party destinations	Relevant	136.7	Much lower	Change in accounting methodology	Description for "comparison with previous reporting year" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-15% = higher / lower; Deviation > +/- 15% = much higher / lower  39% lower compared with 2021. Decreases due to improvements in estimations or calculations for water discharges those efforts mainly in cement business has led to a reduction in the water discharged to Third-party destinations

**W1.2j**

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharges in our production processes are managed on site mainly by primary on-site treatment (sedimentation ponds and oil traps for reduction of suspended particles and oil contaminations) . Furthermore, according with local regulations some water samples are analyzed in order to meet certain water quality parameters. For domestic water discharges we use municipal wastewater systems or third party systems, this wastewater is treated at the discharge destination not by us. TSS this is the most relevant quality parameter affected by the cement industry so tertiary treatment is not relevant for our water discharges.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharges in our production processes are managed on site mainly by primary on-site treatment (sedimentation ponds and oil traps for reduction of suspended particles and oil contaminations) . Furthermore, according with local regulations some water samples are analyzed in order to meet certain water quality parameters. For domestic water discharges we use municipal wastewater systems or third party systems, this wastewater is treated at the discharge destination not by us. TSS this is the most relevant quality parameter affected by the cement industry so secondary treatment is not relevant for our water discharges.
Primary treatment only	Relevant	5570.4	Lower	Increase/decrease in efficiency	91-99	Relevant: More than 90% of Water discharges in our production processes are managed on site mainly by primary on-site treatment (sedimentation ponds and oil traps for reduction of suspended particles and oil contaminations) . Furthermore, according with local regulations some water samples are analyzed in order to meet certain water quality parameters. For domestic water discharges we use municipal wastewater systems or third-party systems, this wastewater is treated at the discharge destination not by us.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not relevant: In all our plants, discharge is not released to the natural environment without treatment. Water volumes are discharged either after on-site treatment or after treatment by a third party.
Discharge to a third party without treatment	Relevant	136.7	Much lower	Increase/decrease in business activity	1-10	39% reduction with respect 2021.  For domestic water discharges we use municipal wastewater systems or third-party systems, this wastewater is treated at the discharge destination not by us. In the future, we expect this will continue with no significant increase or even decrease as a response of water efficiency improvement.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharges in our production processes are managed on site mainly by primary on-site treatment (sedimentation ponds and oil traps for reduction of suspended particles and oil contaminations) . Furthermore, according with local regulations some water samples are analyzed in order to meet certain water quality parameters. For domestic water discharges we use municipal wastewater systems or third-party systems, this wastewater is treated at the discharge destination not by us. Those are the two main treatments methods at Argos and we do not use other treatments.

**W1.3**

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	11684055000000	11885.09	983085109.157777	To measure efficiency, Argos uses the specific water consumption, this KPI refers to the water that is removed from the system and is not available for later use, per unit of product. In 2022 Argos accomplished its water consumption target in Cement business by actions such as the improvement of the quantification, reporting & reduction of water consumption. This performance is already close to the best performances among the industry and consumption is expected to remain low in the future.

**W1.4**

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
Row 1	No	Argos publishes for its clients and stakeholders the safety data sheets of its products to publicize the composition of the products, identification of hazards, toxicological information, transport and storage measures, among others to ensure good handling of the same. The principals components are limestone, Calcium sulfate dihydrate, Calcium oxide, Magnesium oxide and quartz. For example, the company has safety data sheets available on its web pages in case some of its clients need it. ( see <a href="https://argos-us.com/cement/cement-technical-data-specifications/safety-data-sheets/">https://argos-us.com/cement/cement-technical-data-specifications/safety-data-sheets/</a> )

**W1.5**

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	No	Important but not an immediate business priority	For Argos and its environmental strategy, it is important to transcend operational limits, which is why Argos currently focuses its efforts and supply chain management on ensuring that its suppliers are aware of the risks and opportunities related to water. Once significant progress is made with suppliers, it will continue with other partners in the value chain, such as customers.

**W1.5a**

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

**Row 1**

**Assessment of supplier impact**

Yes, we assess the impact of our suppliers

**Considered in assessment**

- Basin status (e.g., water stress or access to WASH services)
- Supplier impacts on water availability
- Supplier impacts on water quality

**Number of suppliers identified as having a substantive impact**

92

**% of total suppliers identified as having a substantive impact**

1-25

**Please explain**

We identify key suppliers to develop tailored risk management and mitigation tools. These are suppliers that could result in negative reputational or ESG impacts if contractual requirements are not met. We have identified 11 risks that could impact us if manifested in our supply chain, including inefficient use of natural resources. For suppliers with potential ESG risks, we develop strategies to manage and mitigate the inherent and residual risks associated with their activities. (raw materials, mining services, fuels, logistics, packaging)  
We assess supplier water risk (181 sites from 158 in 22) using WRI's Aqueduct tool. As a result, approximately 9% of our suppliers' operations are in areas where water stress is high or extremely high. We use this to prioritize and share best practices and strategies, such as good practice on water management, water accounting, water risk assessment. The goal is to share lessons learned and create collective action on proper water management.

**W1.5b**

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts	<Not Applicable>

## W1.5c

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**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

**Water-related requirement**

Complying with going beyond water-related regulatory requirements

**% of suppliers with a substantive impact required to comply with this water-related requirement**

Unknown

**% of suppliers with a substantive impact in compliance with this water-related requirement**

Unknown

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

Supplier self-assessment

Supplier scorecard or rating

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Argos has adopted the Suppliers' Code of Conduct, which contains the responsible business practices and values that Argos expects all its suppliers to adopt in contractual negotiations and relationships.

That's why our suppliers agree to comply with our Suppliers' Code of Conduct when signing a contract with the company or accepting a purchase order.

Also, the control and mitigation of our supply chain sustainability risk is extended throughout the supplier management cycle, starting with the pre-selection stage, where certain ESG aspects established as the minimum standard for contracting are analyzed.

According to each purchase category and its associated risk, third-party certifications are requested before contracting, thereby guaranteeing proper management in the framework of national regulation and company policies. These certifications include environmental and mining licenses and permits.

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## W1.5d

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**(W1.5d) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Information collection

**Details of engagement**

Collect water management information at least annually from suppliers

**% of suppliers by number**

1-25

**% of suppliers with a substantive impact**

76-99

**Rationale for your engagement**

Aligned with the Argos' Sustainability Strategy and seeking to evaluate performance in the three sustainability dimensions, suppliers identified with a potential risk in sustainability are evaluated with the Supplier's Sustainability Index, a self-assessment tool which was jointly developed with the Massachusetts Institute of Technology (MIT). The index allows us to identify main gaps and opportunities of our suppliers, and to agree on action plans.

We also carry out water risk assessment for some of our suppliers, especially those in categories such as raw materials, packaging and MRO

**Impact of the engagement and measures of success**

During 2022, 1692 suppliers were evaluated in terms of quality, service levels, social, environmental, and economic performance ensuring constant feedback and identifying key factors for development.

Based on best practices that Argos seeks in its suppliers and with the aim of knowing the status of sustainability specific-related issues of our suppliers, in 2022 we applied the Suppliers' Sustainability Index (SSI) to 486 suppliers in the three regions; based on the results, we promote lines of action that lead to a supply chain that is socially and environmentally responsible.

**Comment**

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**Type of engagement**

Innovation & collaboration

**Details of engagement**

Educate suppliers about water stewardship and collaboration

**% of suppliers by number**

Less than 1%

**% of suppliers with a substantive impact**

1-25

**Rationale for your engagement**

We implement different methods of engagement with our stakeholders and suppliers due to our continue compromise with responsible practices. We carry out the following mechanisms: "Sustainability Dialogues", the Integrated Report, "Sustainability week", the suppliers' newsletter, web page and webinars, which are spaces that promote the sustainable culture and best practices and help us close gaps identified in our suppliers' assessments.

Likewise, we build skills through collaborative business strengthening schemes with government organizations and training with internal and external experts that contribute to improve their management capacity and the industrial and social fabric of the country.

**Impact of the engagement and measures of success**

We held three virtual spaces with more than 60 suppliers from Colombia and the Central America and the Caribbean region, to close the gaps identified in our sustainability assessments. In these spaces we talked about risk management with an emphasis in climate change risks and water risk.

**Comment**

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**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	Argos tracks and manages, through its Environmental and Legal Departments, all possible sanctions for regulatory violations related to water. This department supervises compliance with environmental laws and regulations related to water resources, represents the company in cases of infractions or fines related to water resources, and carries out the negotiation and resolution of possible sanctions or fines imposed by the competent authorities. However, in 2022 Argos was not subject to fines, writs of enforcement and/or other sanctions for water-related regulatory violations.

### W3. Procedures

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#### W3.1

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**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	The environmental and health attributes of construction materials are being constantly monitored and disclosed by Argos. These are published through the safety data sheets for each product, where their composition and components, toxicological information and ecological information are presented, among others.	<Not Applicable>

#### W3.1a

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**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**

Other physical pollutants

**Description of water pollutant and potential impacts**

When sediments from cement come into contact with water, they can have several negative impacts on its quality and on aquatic ecosystems, such as water turbidity where suspended sediment in the water from the cement can make the water cloudy and opaque. This reduces the penetration of sunlight into the water, which affects the photosynthesis of aquatic plants and limits the availability of light for other aquatic organisms. Additionally, turbidity can make it difficult for aquatic organisms that depend on dissolved oxygen in the water to breathe. Argos implements primary treatment of discharged water to eliminate suspended solids and floating materials present in the water. It is a basic process, it is essential to improve the quality of the water and reduce the load of contaminants before it is discharged.

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

Provision of best practice instructions on product use

Water recycling

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

**Please explain**

En 2022, the concrete operations recycled 99% of the water withdrawal at its facilities, that is, only 1% of what was total water collected, corresponding to 16,227 m3 of water, was discharged. This volume was discharged with good water quality conditions in compliance with local regulations where the plants operate.

The environmental and health attributes of construction materials are being constantly monitored and disclosed by Argos. These are published through the safety data sheets for each product, where their composition and components, toxicological information, ecological information and accidental release measures are presented, among others.

With respect to accidental release measures, in the safety data sheets a description is presented of personal precautions, Environmental precautions and containment and clean-up methods

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#### W3.3

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

#### W3.3a

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**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

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#### Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

Other, please specify ( models and projections of the Intergovernmental Panel on Climate Change (IPCC) in the Shared Socioeconomic Pathways (SSP) and Representative Concentration Pathways (RCP). )

#### Contextual issues considered

Water availability at a basin/catchment level

Water regulatory frameworks

#### Stakeholders considered

Employees

Regulators

#### Comment

In 2022, Argos redesigned its Climate Change Risk and Opportunity Analysis Framework. A broader taxonomy was included that covers the scopes of a strategic, tactical and operational nature and emerging risks. This taxonomy of climate change risks at the strategic level comprises 13 risks (CR) that are directly related to the company's main risks, strategic (SR) and emerging (ER), depending on the time horizon in which they would materialize. The risk related to water is R13: Depletion of water resources for the continuity of the operation, due to climate change and degradation of ecosystems.

At a tactical level, the Environmental process risks are used to manage water related risks, by means of an iterative process composed of a series of steps executed in sequence, including risk quantification exercises at the country level and analysis and evaluation of risks in projects, to guarantee continuous improvement in decisionmaking and ensure the achievement of Argos' Environmental Strategy targets.

Furthermore, water risk assessment in all its active facilities was carried out using WRI Aqueduct 3.0 in a basin & sub-basin scale, in which water stress levels are defined by the total annual water withdrawals (municipal, industrial, & agricultural) expressed as a % of the total annual available flow known as the baseline water stress. In 2022 the complete results are the following: 17,5 % in basins with high level, 31,3% in medium to high level, 16,1% in low to medium level and 31,8% in low level. Additionally, a more detailed water risk assessment was conducted using WWF Water Risk Filter, for the plants located in high or extremely high water-stressed areas (18%) (to establish action plans for water risk management, quantification, design scenarios of possible operation disruptions at strategic & tactical levels & suggest mitigating actions to reduce risk exposure to reasonable levels. Likewise, Argos built and uses the Water Risk Calculator to quantify risks exposure level in monetary terms and aiming to evaluate future benefits of an environmental strategy for the cement operations.

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#### Value chain stage

Supply chain

#### Coverage

Partial

#### Risk assessment procedure

Water risks are assessed in an environmental risk assessment

#### Frequency of assessment

Annually

#### How far into the future are risks considered?

More than 6 years

#### Type of tools and methods used

Tools on the market

#### Tools and methods used

WRI Aqueduct

#### Contextual issues considered

Water availability at a basin/catchment level

#### Stakeholders considered

Suppliers

#### Comment

suppliers (217 locations from 160 suppliers) with WRI Aqueduct tool. From that assessment it was concluded that about 1.8% of the operations of the evaluated suppliers are in zones of extremely high water stress level, 7.4 %of high-water stress level, 17.5% with medium to high stress, 23.5% in zones with medium to low level stress, while the remaining 49,8% is in zones of low stress level. Likewise, Argos uses Aqueduct to project future water stress at local level. Thus, potential stakeholder conflicts are foreseen and strategies to prevent them are developed.

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### W3.3b

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**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Argos identifies, values and manages strategic risks (those whose materialization can affect the strategic objectives, strategy, shareholder’s value or company’s viability) throughout the evaluation and monitoring mechanisms provided by the Comprehensive Risk Management System methodology (SGIR) at three main levels strategic, tactical and operational.	Argos identifies, values and manages strategic risks (those whose materialization can affect the strategic objectives, strategy, shareholder’s value or company’s viability) throughout the evaluation and monitoring mechanisms provided by the Comprehensive Risk Management System methodology (SGIR) at three main levels strategic, tactical and operational.	Direct operations and Supply chain	Argos identifies, values and manages strategic risks (those whose materialization can affect the strategic objectives, strategy, shareholder’s value or company’s viability) throughout the evaluation and monitoring mechanisms provided by the Comprehensive Risk Management System methodology (SGIR) at three main levels strategic, tactical and operational.  For example, at a tactical level, the Environmental process risks are used to manage water related risks, by means of an iterative process composed of a series of steps executed in sequence, including risk quantification exercises at the country level and analysis and evaluation of risks in projects, to guarantee continuous improvement in decision-making and ensure the achievement of Argos’ Environmental Strategy targets. Additionally, Argos built and uses the Water Risk Calculator to quantify risks exposure level in monetary terms and aiming to evaluate future benefits of an environmental strategy for the cement operations, and at At operational level, Argos by means of the Measurement and Efficient Water Use Plans, mitigate the water risk identified in previous steps in a local level. Likewise, The Company carries out a water risk assessment using WRI Aqueduct to obtain a total risk exposure by plant and by type of water risk (physical, regulatory and reputational) (e.g. 17.5% of the facilities are in high baseline water stress river basins and 27% in high or extremely high risk Regulatory & Reputational Risk).

**W4. Risks and opportunities**

**W4.1**

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

**W4.1a**

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

In 2022, Argos redesigned our Climate Change Risk and Opportunity Analysis Framework. A broader taxonomy was included that covers the scopes of a strategic, tactical and operational nature and emerging risks. This taxonomy of climate change risks at the strategic level comprises 13 risks (CR) that are directly related to the company’s main risks, strategic (SR) and emerging (ER), depending on the time horizon in which they would materialize.

**R13. Depletion of water resources for the continuity of the operation, due to climate change and degradation of ecosystems:** Due to climate change, exposure to changes in the availability (droughts or floods) and quality (contamination) of water increases, which restricts access to water for both the community and the Company. The potential impacts derived from the materialization of this risk are stoppage of businesses, opposition to operations and projects by the communities in the areas of influence, increase in operating costs, denial of permits for new operations and facilities, reduction of attractiveness of investment due to non-compliance with environmental commitments, among others. Its facilities most vulnerable to water stress are located in Toluviéjo and Haiti, regions where the average temperature increase in 2050 will be around 3.2°C under normal conditions (Climate Scenario SSP5/RCP8.5), which increases its need to implement adaptation measures that guarantee the continuity of the business in the future.

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	38	1-25	Argos continued carrying out the water risk assessment in all its active facilities using WRI Aqueduct 3.0 in a basin & sub-basin scale, in which water stress levels are defined by the total annual water withdrawals (municipal, industrial, & agricultural) expressed as a % of the total annual available flow known as the baseline water stress. The complete results in 2022 are the following: - 35% (76 sites) in low water-stress basins (baseline water stress <10%) - 16.1% (35 sites) in low to medium water-stress basins (baseline water stress 10–20%) - 31.3% (68 sites) in medium to high stress basins (baseline water stress 20-40%) - 17.5% (38 sites) in high stress basins (baseline water stress 40-80%) - 0% (0 sites) in extremely high stress basins (>80%)

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

Colombia	Magdalena
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**Number of facilities exposed to water risk**

3

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Yumbo, Rioclaro and Cartagena cement plants represents more than 10% of the total revenues of Argos and more than 31% of water consumption; therefore, they are exposed to risk materialization that could generate a substantive impact. Argos is constantly vigilant of the water supply of the basins where the facilities are located, which enables to establish action plans to address water issues such as the Water Consumption Measurement & Reduction Plan to minimize physical water risk exposure among others.

**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

Colombia	Magdalena
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**Type of risk & Primary risk driver**

Chronic physical	Water scarcity
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**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Throughout the evaluation and monitoring mechanisms provided by the Comprehensive Risk Management System methodology (SGIR) Argos identifies, assess, and manages strategic risks (those whose materialization can affect the strategic objectives, strategy, shareholder's value or company's viability) at three main levels strategic, tactical and operational. At a strategic level, water-related risks are directly linked with two of Argos' strategic risks and one emerging risk"; R6 "Inability to comply with the company's CO2 emission reduction objectives due to the nonimplementation of alternative fuels, technologies, and cementitious materials" and R7: "Occurrence of natural events that significantly affect the operation and continuity of businesses, market participation and the company's equity". Likewise, water risks constitute the Emerging risk (ER) 2: Depletion of water resources for the continuity of operation due to climate change and ecosystem degradation. Water-related risks create alerts about deviations in the company's goals, prioritize mitigation plans, and suggest actions to reduce exposure.

At an operational level, Argos by means of the Measurement and Efficient Water Use Plans, mitigate the water risk identified in previous steps at a local level. Likewise, The Company carries out a water risk assessment using WRI Aqueduct to obtain a total risk exposure by plant and by type of water risk (physical, regulatory and reputational) (e.g. 17,5% of the facilities are in high baseline water stress river basins and 27% in high or extremely high risk Regulatory & Reputational Risk)

In 2022, Argos redesigned our Climate Change Risk and Opportunity Analysis Framework. A broader taxonomy was included that covers the scopes of a strategic, tactical and operational nature and emerging risks. This taxonomy of climate change risks at the strategic level comprises 13 risks (CR) that are directly related to the company's main risks, strategic (SR) and emerging (ER), depending on the time horizon in which they would materialize. The risk R13. Depletion of water resources for the continuity of the operation, due to climate change and degradation of ecosystems: Due to climate change, exposure to changes in the availability (droughts or floods) and quality (contamination) of water increases, which restricts access to water for both the community and the Company.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

High

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

4247547861

**Potential financial impact figure - maximum (currency)**

4852599397

**Explanation of financial impact**

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 1,3 (percentile 5) and 1,6 million USD (percentile 95).

**Primary response to risk**

Increase geographic diversity of facilities

**Description of response**

Reported figures comprise actions implemented in 2022 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.

**Cost of response**

7787607993

**Explanation of cost of response**

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.

Also, in 2022 Argos continued carrying out the water risk assessment in all its active facilities using WRI Aqueduct 3.0 in a basin & subbasin scale, in which water stress levels are defined by the total annual water withdrawals (municipal, industrial, & agricultural) expressed as a % of the total annual available flow known as the baseline water stress. The complete results are the following:

- 35% (76 sites) in low water-stress basins (baseline water stress <10%)
- 16.1% (35 sites) in low to medium water-stress basins (baseline water stress 10–20%)
- 31,3% (68 sites) in medium to high stress basins (baseline water stress 20-40%)
- 17,5% (38 sites) in high stress basins (baseline water stress 40-80%)
- 0% (0 sites) in extremely high stress basins (>80%)

In addition, Argos uses water supply and stress projections for 2030 and 2040; in "business-as-usual" and "optimistic" climate scenarios; as well as two future socioeconomic pathways (water demand increasing) provided by WRI Aqueduct (business as usual and pessimistic). 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.

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Argos on an annual basis carries out a water risk analysis using WRI Aqueduct for its critical suppliers, as well as develops communication channels to share good practices in water management. Nevertheless, Argos do not consider water-related supply chain risks to have a substantive impact on its operations, likewise its critical suppliers are not anticipating substantive detrimental impacts due to water risk.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

#### Primary water-related opportunity

Cost savings

#### Company-specific description & strategy to realize opportunity

Argos developed a model to quantify risks exposure level in monetary terms & to evaluate the future benefits of an environmental strategy. This model was built considering physical risk of scarcity, water withdrawal & its projection to 2030, as well as an adjusted water cost index based on the scarcity level defined by WRI Aqueduct & WWF Water Risk Filter. Through this tool the company is able to estimate the economic benefits of implementing an environmental strategy with clear and defined activities related to the efficient use of water.

#### Estimated timeframe for realization

4 to 6 years

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

8777841415

#### Potential financial impact figure – maximum (currency)

10358427804

#### Explanation of financial impact

The financial impact was calculated as the difference between the estimated cost of water of the cement plants in a business as usual scenario in 2030 and the cost of water in a scenario of environmental strategy compliance. Efficiency in water consumption, reducing specific water consumption and valuing the costs associated with water use, can help to make visible the risks and opportunities of proper water management. In the near future, when more accurate data required for water costs estimations is available, all cement operations will be included in the calculations, in order to have a better and accurate number regarding the financial impacts.

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#### Type of opportunity

Products and services

#### Primary water-related opportunity

Reduced impact of product use on water resources

#### Company-specific description & strategy to realize opportunity

Due to the impacts generated by climate change, the need for resilient environments and adaptation structures to climate change is more necessary. Therefore, Argos has developed a PORTFOLIO OF PRODUCTS AND SERVICES WITH SUSTAINABILITY CHARACTERISTICS. This constitutes the offer of value to our clients, which differentiates us in the market, through the offer of a portfolio of green solutions that included products with sustainability characteristics. Regarding water, in the Adaptation and circular economy category, the pervious concrete is a great example, since it is a technological innovation focused on the application of concrete for proper water management in urban constructions, which allow its natural flow and contribute to more sustainable building methods. This concrete has significant advantages related with: •Allowing self- management of water filtration, increasing reuse, and erosion control. • Life span up to 20 years • Lower cost compared to traditional systems • Reduction in energy consumption up to 18%, reduction of environment temperature of 3 ° C (heat island effect) and reduction of surface temperature of 6-12 ° C • Points for LEED certification].

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Medium-high

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

1694615289

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Through its sustainable construction strategy Argos responds to a changing world by innovation, opening new business opportunities and increasing revenues related to products with sustainability characteristics. This, added to the communication of how the product portfolio contributes to sustainable construction certification systems, such as LEED®, has opened up new market opportunities. Argos target by 2030 is to obtain revenues of US \$ 800 million for our products with sustainability characteristics as those described.

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#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Cost savings

#### Company-specific description & strategy to realize opportunity

Together with a local Colombian bank, we signed a financing agreement for 135,000 million of colombian pesos over three years, in which the interest rate is linked to the performance of ESG indicators, including the specific consumption of water in the cement business and the number of suppliers evaluated in sustainability in the last three years

#### Estimated timeframe for realization

1 to 3 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

675000000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact**

In 2022 Argos once again met its water consumption target by actions such as the improvement of the quantification, reporting & reduction of water consumption, focused in improvements of measurements, water recirculation processes, wastewater treatment and environmental culture activities around water. Thus, Argos has kept its water consumption low for cement and expand its measurement capacity in the concrete and aggregates businesses; likewise, the goal associated with financial agreement linked to the performance of water consumption KPI for the cement business was achieved which means savings around 675 million colombian pesos.

**W5. Facility-level water accounting****W5.1****(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.****Facility reference number**

Facility 1

**Facility name (optional)**

Yumbo Plant

**Country/Area & River basin**

Colombia	Magdalena
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**Latitude**

3.559999

**Longitude**

-76.489999

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

&lt;Not Applicable&gt;

**Oil & gas sector business division**

&lt;Not Applicable&gt;

**Total water withdrawals at this facility (megaliters/year)**

2083

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

2053

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

29

**Total water discharges at this facility (megaliters/year)**

1232

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**



1232

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

850

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

water withdrawals in 2021: 1908 Ml/year increases 9% according to the reduction of production.

water discharges in 2021: 936 Ml/year increases 30% due to the fact that an effluent monitoring system was implemented by means of a flow record, which represents significant improvements in the quantification of effluents with respect to previous years.

Therefore, a reduction of 11% of water consumptions is reported compared to the previous year.

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**Facility reference number**

Facility 2

**Facility name (optional)**

Rioclaro plant

**Country/Area & River basin**

Colombia	Magdalena
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**Latitude**

5.859999

**Longitude**

-74.849999

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

476

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

476

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

55

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

55

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

421

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

The facility presented an increase of 38% in the total water consumption compared to the previous year, as a result of increase in the production of 37% compared with the previous year

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**Facility reference number**

Facility 3

**Facility name (optional)**

Zona Franca plant

**Country/Area & River basin**

Colombia	Magdalena
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**Latitude**

10.329999

**Longitude**

-75.499999

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

336

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

31

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

**Withdrawals from third party sources**

304

**Total water discharges at this facility (megaliters/year)**

42

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

42

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

294

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

The facility presented a report on water consumption similar to the previous year, no significant variations were presented.

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**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water withdrawals – volume by source**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water withdrawals – quality by standard water quality parameters**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

**Water discharges – total volumes**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water discharges – volume by destination**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water discharges – volume by final treatment level**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water discharges – quality by standard water quality parameters**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDO as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**Water consumption – total volume**

**% verified**

76-100

**Verification standard used**

The information presented was verified by BDOs as part of the Company’s Integrated Report assurance process according to ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by The International Auditing & Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

**Please explain**

<Not Applicable>

**W6. Governance**

**W6.1**

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

**W6.1a**

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

Row	Scope	Content	Please explain
1	Company-wide	Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance	Argos committed to making responsible use of vital services, such as water and biodiversity; this, through the identification and management of significant impacts and risk management in its operations, for this reason Argos constantly monitor its indicators related to water resources and biodiversity. Cementos Argos commit to having a net positive impact on biodiversity and making efficient use of water to help maintain the flow of ecosystem services for our direct operations, supply chain, communities and ecosystems that depend on them. See the full commitment at, please go to the corporate website ( <a href="https://acortar.link/CZvY5W">https://acortar.link/CZvY5W</a> ) locate the sustainability section, strategies, environmental strategy, and look for the ecosystems pillar (water and biodiversity). The actions are the following: - Establishing Rehabilitation Plans for all its operations where progressive and definitive closures are carried out in areas released from our active and inactive operations. Encouraging natural regeneration processes through enrichment with native and endemic species and those that increase the value of biodiversity. - Making efficient use of water, measuring consumption in its operations, promoting the use of reuse systems, and developing consumption reduction plans. - Managing the reduction of risks and the enhancement of opportunities associated with water and biodiversity by identifying, evaluating, and establishing improvement actions in its facilities and our supply chain. - Developing, with its critical suppliers, management strategies for their environmental impacts in order to align our supply chain towards the purpose of achieving a net positive impact on biodiversity and making efficient use of water. - Involving its employees, communities, suppliers, customers, and other interest groups in the responsible management of nature through communication and training. Thus, Argos has set clear targets regarding Water and Biodiversity - By 2030 we will have 100% of our quarries with an established rehabilitation plan - By 2030 we will have 85% of quarries located in areas with high value for biodiversity with a Biodiversity Management Plan - By 2030 we will rehabilitate 90% of the released areas in active and inactive quarries. - By 2030 reduce specific water consumption to 245 L/t, 216 L/m3 and 94 L/t for cement, concrete and aggregates business respectively

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Director on board	The highest level of direct responsibility for water within Argos is the Sustainability & Corporate Governance Committee. This Committee is formed by two members of the Board of Directors. Functions of this Committee, that meets quarterly, include advising to the Board systems for the adoption, monitoring and improvement of sustainability practices and Corporate Governance. the guidance, monitoring & tracking of best practices in sustainability issues including water strategy and targets as well as ensuring compliance with the strategies set in the sustainability & environmental strategies. Noteworthy Activities include: -Monitoring the Sustainability Strategy, including water. -Review of environmental metrics and approval of the Climate-Change Strategy. - Monitor Occupational Health and Safety indicators and plans defined by the Company. - Discussion and trend analysis of international sustainability and Corporate Governance. - Monitor the Ethics and Compliance Program

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Providing employee incentives Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	<p>The Sustainability &amp; Corporate Governance Committee has as one of its functions the guidance, monitoring &amp; tracking of best practices in sustainability as well as ensuring compliance with the strategies set in the sustainability &amp; environmental policies, including the company's water strategy. These guidelines are transmitted to the corporate sustainability management, which in turn is responsible for defining clear water management strategy guidelines for the three Argos regions (Colombia, the Caribbean and Central America and the USA). In each regional Business sustainability partners are responsible for applying these guidelines at the operational level considering characteristics and difficulties of each country operation.</p> <p>The Sustainability &amp; Corporate Governance Committee is held every 3 months, that is, 4 times a year. For example, in the first committee of the year, the environmental performance results of the previous year and the progress towards the proposed objectives are reviewed. In the case of water, in 2022, the target of reduction specific water consumption for the cement business was met, for which reason it is requested to adjust it.</p>

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	The sustainability committee of the board of directors is made up of two independent members with vast experience in matters such as: Sustainability and Corporate Governance Committee, strategy, metrics, Climate-Change Strategy, Health and Safety; Ethics and Compliance among others. Sustainability and Corporate Governance Committee members have stood out in their careers for their knowledge of environmental issues including water, there is even a former minister of environment of Colombia. Likewise, the CFO of Argos participates in this committee ensuring that water are considered within the implementation of the company strategy.	<Not Applicable>	<Not Applicable>

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Water-related responsibilities of this position**

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Within the Sustainability and Corporate Governance Committee, all environmental issues including those related with water are tracked and monitored. The Legal & Sustainability Vice President participates in these committees ensuring that water are considered within the implementation of the company strategy; furthermore, is responsible for ensuring that the guidelines of the Board permeate the Company. Additionally, the governance structure includes regional sustainability links who are responsible for implementing corporate policies and decisions related to sustainability, including water issues, across Argos' operations.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Argos has a Variable Compensation System (monetary incentives) that promotes the achievement of the strategic targets. Through this system extra salary bonuses are paid to employees when the goals are achieved. Depending on the organizational level within the company, there are two types of incentives that could apply: short-& long-term incentives. In recent years, some of the long-term incentives implemented in the company were related to achieving outstanding performances validated by international benchmarks such as the Dow Jones Sustainability Index. In 2022 Argos continued with its recognition program named Green Plant award as a system of non-monetary incentive, which is an annual recognition process that is delivered to the best integrated plant, grinding plant, and division or zone of concrete, with the best practices in operational efficiency, care of life, environmental sustainability (focused on water & CO2 emissions) and building relationships of trust with communities.

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Operating Officer (COO) Chief Sustainability Officer (CSO)	Reduction in water consumption volumes – direct operations Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)	Argos has a Variable Compensation System (monetary incentives) that promotes the achievement of the strategic targets. Through this system, extra salary bonuses are paid to employees when the targets are achieved. Depending on the organizational level within the company, there are two types of incentives that could apply: short term incentives and long-term incentives. The long-term monetary establishes follow-up, measurement and compliance with the goals for periods of 3 years; however, the planning, measurement and tracking of these indicators are carried out every year and the next three- year period is planned. This monetary incentive for the CEO is a long-term sustainability incentive, which focuses its management on commitments related to compliance with the sustainability strategy, emissions reduction and water consumption and achieving outstanding performances validated by international benchmarks such as the Dow Jones Sustainability Index.	Compliance of the goals defined, gives rise to the payment of monetary incentives, represented in shares of company. This incentive aims to generate awareness and management in favor of the company's sustainability by defining actions and initiatives on a day-to-day basis.
Non-monetary reward	Chief Operating Officer (COO) Chief Sustainability Officer (CSO) Other, please specify (Operational leaders, teams in charge of local operations)	Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations Implementation of employee awareness campaign or training program on water-related issues	Green Plant is a recognition that is given to the best integrated plant, division or concrete and grinding plant with the best practices in operational efficiency, care for lives and that of others, environmental sustainability and building relationships of trust with communities, as a way to highlight the work done during the year and invite employees to continue teaming up to become a benchmark within the organization. The winning plant or plants are chosen based on the evaluation of four transversal indicators designed by the teams of the three regions. These are the Environmental (CO2 and water), Social, Health and Safety and Production components.	Argos believes that awareness among its employees about the importance of water in its operations, local water scarcity issues, and how to reduce the impact on resources is a key indicator for advancing water security. The sustainability management carries out the "Green Plant" recognition each year, which has managed to boost the performance and knowledge of employees, increasing their commitment to the company's water issues.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, trade associations

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

The main instruments that Argos has to comply with the guidelines established in its environmental strategy regarding water are the plans for the measurement and efficient use of water and the evaluation of water risks (risks and opportunities). These plans include activities aimed at continuous improvement in the quantification of water flows in all operations in order to establish baselines and projects aimed at reducing water consumption. Likewise, the water risk assessment is useful for supporting the Copmpany to be aware and prioritize efforts towards water efficient use, minimize risk exposure, enhance opporunities as well as to project different risk future scenarios.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

TCFDRreport-2022.pdf

In 2022, Argos redesigned our Climate Change Risk and Opportunity Analysis Framework. A broader taxonomy was included that covers the scopes of a strategic, tactical and operational nature and emerging risks. This taxonomy of climate change risks at the strategic level comprises 13 risks (CR) that are directly related to the company's main risks, strategic (SR) and emerging (ER), depending on the time horizon in which they would materialize. R13. Depletion of water resources for the continuity of the operation, due to climate change and degradation of ecosystems: Due to climate change, exposure to changes in the availability (droughts or floods) and quality (contamination) of water increases, which restricts access to water for both the community and the Company. The potential impacts derived from the materialization of this risk are stoppage of businesses, opposition to operations and projects by the communities in the areas of influence, increase in operating costs, among others.

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	<p>For Argos, the generation of sustainable value is defined as a strategic objective and as the vehicle to achieve its superior purpose "To make possible the construction of housing dreams that enable a more sustainable, thriving and inclusive society."</p> <p>Proper water management is a material issue for Argos and its stakeholders, that is why water related issues are within the environmental strategy in "water and biodiversity" pillar with specific programs, activities and targets:</p> <ol style="list-style-type: none"> <li>1. Formulation and implementation of rehabilitation plans (QRP) for intervened areas for all quarries that allow us to achieve the Net Positive Impact</li> <li>2. Efficient use of water by measuring the consumption and developing reduction plans</li> <li>3. Water risk management through the identification, evaluation and management of water related risks.</li> </ol> <p>Thus, Argos has set clear targets by 2030</p> <ul style="list-style-type: none"> <li>- 100% of our quarries with an established rehabilitation plan</li> <li>- 85% of quarries located in areas with high value for biodiversity with a BMP</li> <li>- Rehabilitate 90% of the released areas in active and inactive quarries.</li> <li>- Reduce specific water consumption to 245 L/t, 216 L/m3 and 94 L/t for cement, concrete and aggregates business respectively.</li> </ul> <p>Likewise, they are integrated into Argos' sustainability, which seeks to be profitable, continue growing and generating value to society in the economic, environmental and social aspects.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>Argos is aware of the impacts generated by the nature of our activities as well as the importance of Natural Capital as a critical asset for economic growth, human health, and social well-being. Therefore, we publicly commit to perform an appropriate management of natural resources so that in the long term the flow of ecosystem services is maintained for our direct operations, supply chain and the people and ecosystems that depend on them, (e.g. water, biodiversity, clean air, climate regulation, energy). Through the mitigation hierarchy, the management of water and biodiversity risks and opportunities and the commitment to not operate in areas that are protected or declared of high value for biodiversity, towards the achievement of the Net Positive Impact in cement, concrete and aggregates operations, incorporating the principles of the GCCA and global trend guidelines to halt loss of biodiversity, with 4 specific action lines:</p> <ol style="list-style-type: none"> <li>1. Development of Biodiversity Management Plans (BMP) for those facilities located in areas defined as of high biodiversity value.</li> <li>2. Formulation and implementation of rehabilitation plans (QRP) for intervened areas for all our quarries with specific and detailed activities that allow us to achieve the Net Positive Impact</li> <li>3. Efficient use of water by measuring the consumption in our operations and developing reduction plans</li> <li>4. Water risk management through the identification, evaluation and management of water related risks in our facilities.</li> </ol>
Financial planning	Yes, water-related issues are integrated	5-10	<p>In order to meet these goals Argos made progress in the formulation &amp; implementation of the Measurement &amp; Efficient Water Use Plans in place of each of its facilities. Each of these plans contains the planning, objectives, programs, activities, financial planning (budget) regarding water efficient usage for cement, concrete and aggregates facilities for a period of 3 years.</p> <p>In 2022 Argos accomplished its water consumption target by implementing actions such as improving the quantification, reporting &amp; reduction of water consumption, investments of approximately USD 1,4 million focused on improvements of measurements, water recirculation processes, wastewater treatment, and environmental culture activities about water use. Thus, Argos has kept its water consumption low for cement and expanded its measurement capacity in the concrete and aggregates businesses; likewise, the goal associated with the financial agreement linked to the performance of water consumption KPI for the cement business was achieved.</p>

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

37

**Anticipated forward trend for CAPEX (+/- % change)**

0

**Water-related OPEX (+/- % change)**

-54

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

In 2022, Argos invested around USD 1.4 million in CAPEX (measurement systems and efficient water use plans), due to discipline in the management of working capital, reduction on some capital expenditures occurred, while maintaining priorities regarding water management established across operations. According to the planning and CAPEX projects in 2023 related with water management, no significant changes are expected.

Concerning OPEX in 2022, Argos had expenses for USD 0.4 million, mainly in quality monitoring of water, acquisition and maintenance of measurement equipment, adequacy of pumping systems, monitoring of wells and implementation of efficient water use plans. No variations greater than +/- 5% are foreseen for OPEX according to the activities planned for 2023

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	Argos uses WRI Aqueduct Water Stress Projections (2030 and 2040) under climate and socioeconomic growth change conditions in water supply, water demand & water stress, in an optimistic, pessimistic and business as usual scenario, to estimate future changes in water availability on a local level. In this way The Company complements the water risk assessment since it gives additional and relevant information for decadal-scale planning, adaptation, and investment. This information is also used to quantify water risks in monetary terms as well as to assess possible future benefits of a clear water management strategy

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Water stress; water economic valuation, environmental strategy; future demand	Argos developed a water risk quantification model, which is able to estimate the financial impact of the materialization of a water risk in financial terms by 2030 in 3 different scenarios, optimistic, business as usual and pessimistic. The results show that the cost related with water shortage and demand in that facility could increase between 89-102% by 2030. Furthermore, those increments could be less impacting if the goals set in the Environmental Strategy are accomplished ( 11-19% for 2030).	Argos has a clear environmental strategy as strategic framework toward a proper water stewardship, with specific water consumption reduction goals of 245 L/t & 216 L/m3 for cement & concrete businesses by 2030, respectively. This strategy is our main response to the water related risks that might arise, specifically, actions among others: • Measurement & Efficient Water Use Plans in place for each facility • Argos Guide of Good Practices for Water Management • improvement, reporting & reduction of water consumption • Water economic valuation at cement plants to promote efficient use and water conservation • Collective actions in a basin level

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

Argos has developed a model to quantify based on, a water economic valuation & facility stress level, the potential future financial impacts of water related risks at local level including regulatory risks under future & socio-economic scenarios. The implicit value of water was calculated by relating the costs such as energy, human resources, maintenance, treatment, environmental studies & taxes with the water cost. This tool enables The Company to quantify water related, efficiencies, savings and promote water conservation. This model has been applied in all cement plants across Argos and water prices varies from 1 to 3.4 USD per m3.

We are also using internally (and publish externally) the tool of the Valued Added Statement were we have being able to determine a price for the water usage we have as a company, with it we are reinforcing internal commitment in maximizing the value we create to society each year while minimizing water, and other, impacts.

**W7.5**



**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	Products and services with sustainability characteristics	<Not Applicable>	Argos has in its portfolio products like the pervious concrete, since it is a technological innovation focused on the application of concrete for proper water management in urban constructions, which allow its natural flow and contribute to more sustainable building methods. This concrete has significant advantages related with: allowing self- management of water filtration, increasing reuse, and erosion control. life span up to 20 years; lower cost compared to traditional systems; reduction in energy consumption up to 18%, reduction of environment temperature of 3 ° C (heat island effect) and reduction of surface temperature of 6-12 ° C and points for LEED certification

**W8. Targets**

**W8.1**

**(W8.1) Do you have any water-related targets?**

Yes

**W8.1a**

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	Targets related to water pollution are not relevant to the business based on the GCCA Sustainability Guidelines for monitoring and reporting water in cement manufacturing. This guide recommends setting goals for water consumption. Argos has an environmental strategy as strategic framework toward a proper water stewardship, with specific water consumption reduction goals of 245 L/t & 216 L/m <sup>3</sup> and 94 L/t for cement , concrete & aggregates businesses by 2030, respectively.
Water withdrawals	No, and we do not plan to within the next two years	Argos has an environmental strategy as strategic framework toward a proper water stewardship, with specific water consumption reduction goals of 245 L/t & 216 L/m <sup>3</sup> and 94 L/t for cement , concrete & aggregates businesses by 2030, respectively. Argos measure its water consumption using a water balance which considers water withdrawals and water discharges, using the following formula: Water consumption = Total water withdrawal - Total water discharge. To achieve this target, Argos focuses on actions that contribute to reducing the volume of water withdrawn, such as: water care campaigns at the facilities, implementation of water recycling systems, water meters, among others.
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	Argos does not quantify & track this KPI. Argos is aware that access to water, sanitation & hygiene are key elements for a sustainable business. Nevertheless, the Company has not yet considered this topic in its water risk analysis.
Other	Yes	<Not Applicable>

**W8.1b**

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**

Target 1

**Category of target**

Product water intensity

**Target coverage**

Business division

**Quantitative metric**

Reduction per business unit

**Year target was set**

2012

**Base year**

2015

**Base year figure**

350

**Target year**

2030

**Target year figure**

245

**Reporting year figure**

240

**% of target achieved relative to base year**

104.761904761905

**Target status in reporting year**

Achieved

**Please explain**

Cement business has a target of specific water consumption of 245 l/t. This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/t. It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges) divided by unit of product, following the Global Cement and Concrete Association Protocol for Water Reporting & the GRI Standards.

Following its Environmental Strategy, Argos is committed to making adequate & efficient water management focused mainly on 2 action lines: efficient water use & water risk management. Cement reduction target by 2030 is 245 L/t and the baseline year is 2015 (350 L/t). Compared with the baseline year in 2022 Argos has achieved a reduction of 31% of specific water consumption for cement business. In 2022 Argos accomplished its water consumption target by actions such as the improvement of the quantification, reporting & reduction of water consumption, investments of approximately USD 1.4 million focused in improvements of measurements, water recirculation processes, wastewater treatment and environmental culture activities around water. Thus, Argos has kept its water consumption low for cement and expand its measurement capacity in the concrete and aggregates businesses.

**Target reference number**

Target 2

**Category of target**

Product water intensity

**Target coverage**

Business division

**Quantitative metric**

Reduction per business unit

**Year target was set**

2012

**Base year**

2015

**Base year figure**

249

**Target year**

2030

**Target year figure**

216

**Reporting year figure**

239

**% of target achieved relative to base year**

30.3030303030303

**Target status in reporting year**

Underway

**Please explain**

Concrete business has a target of specific water consumption of 216 l/m<sup>3</sup>. This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/t for the cement and aggregate sectors and L/ m<sup>3</sup> for the concrete sector. It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges) divided by unit of product, following the Global Cement and Concrete Association & the GRI Standards.

Following its Environmental Strategy, Argos is committed to making adequate & efficient water management focused mainly on 2 action lines: efficient water use & water risk management. In 2022 the Company had a specific water consumption for concrete business of 239 L/m<sup>3</sup>. Compared with the baseline year (249 L/m<sup>3</sup> by 2015) Argos has achieved a reduction of 4% of specific water consumption for concrete business. In addition, as a result of the measurement and efficient water use plans, each concrete installation has defined specific consumption targets that contribute to the fulfillment of the business goals.

**Target reference number**

Target 3

**Category of target**

Product water intensity

**Target coverage**

Business division

**Quantitative metric**

Reduction per business unit

**Year target was set**

2020

**Base year**

2020

**Base year figure**

109

**Target year**

2030

**Target year figure**

94

**Reporting year figure**

112

**% of target achieved relative to base year**

-20

**Target status in reporting year**

Underway

**Please explain**

Aggregates business has a target of specific water consumption of 94 l/t. This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/t for the cement and aggregate sectors and L/ m3 for the concrete sector. It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges ) divided by unit of product, following the Global Cement and Concrete Association & the GRI Standards.

Argos in 2021 has included the aggregates business within its water performance metrics with 94L/t as a target for the year 2030. In 2022, the performance for the aggregates business was 112 L/t. Argos has a slight increase due to some measurement efforts made specifically in Colombia region .

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**W9. Verification**

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**W9.1**

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**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

**W9.1a**

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**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water indicators, according to the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing, including total water withdrawal by source (GRI 303-3), total water discharge by quality and destination (GRI 303-4), total water consumption (GRI 303-5), Specific water consumption for Cement, concrete and aggregates; and Water recycled and reused	ISAE 3000	<p>BDO as an independent third party, carries out an audit of the indicators that are part of Argos' Integrated Report. This audit is conducted in accordance to the International Standard ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the scope is a review of the adaptation of the contents of the Integrated Report to the Guide for the Preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).</p> <p>Likewise, BDO, as part of the verification process of the environmental indicators, conducts interviews with Argos' operations to ensure the accuracy of water data, based on the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing: The water indicators verified in 2022 were:</p> <ul style="list-style-type: none"> <li>- Water withdrawal by source (303-3)</li> <li>- Water discharge by quality &amp; destination (303-4)</li> <li>- Water consumption (303-5)</li> <li>- Specific water consumption (A-A1)</li> <li>- Water recycled and reused (A-A2)</li> </ul>
W3 Procedures	Specific water consumption	ISAE 3000	<p>BDO as an independent third party, carries out an audit of the indicators that are part of Argos' Integrated Report. This audit is conducted in accordance to the International Standard ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the scope is a review of the adaptation of the contents of the Integrated Report to the Guide for the Preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).</p> <p>Likewise, BDO, as part of the verification process of the environmental indicators, conducts interviews with Argos' operations to ensure the accuracy of water data, based on the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing: The water indicators verified in 2022 were:</p> <ul style="list-style-type: none"> <li>- Water withdrawal by source (303-3)</li> <li>- Water discharge by quality &amp; destination (303-4)</li> <li>- Water consumption (303-5)</li> <li>- Specific water consumption (A-A1)</li> <li>- Water recycled and reused (A-A2)</li> </ul>
W8 Targets	Specific water consumption	ISAE 3000	<p>BDO as an independent third party, carries out an audit of the indicators that are part of Argos' Integrated Report. This audit is conducted in accordance to the International Standard ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the scope is a review of the adaptation of the contents of the Integrated Report to the Guide for the Preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).</p> <p>Likewise, BDO, as part of the verification process of the environmental indicators, conducts interviews with Argos' operations to ensure the accuracy of water data, based on the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing: The water indicators verified in 2022 were:</p> <ul style="list-style-type: none"> <li>- Water withdrawal by source (303-3)</li> <li>- Water discharge by quality &amp; destination (303-4)</li> <li>- Water consumption (303-5)</li> <li>- Specific water consumption (A-A1)</li> <li>- Water recycled and reused (A-A2)</li> </ul>

**W10. Plastics**

**W10.1**

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	<Not Applicable>	<p>Argos is currently not mapping plastics in its value chain. However, the company carries out an adequate management of its waste, promoting that plastic waste is used or recycled, preventing it from being disposed of in landfills.</p> <p>Argos must carry out in the coming years a mapping of plastics throughout its value chain, identifying and understanding where and how they are used, produced and/or marketed. This will allow the company to define actions that allow the reduction of plastic pollution in the environment.</p>

**W10.2**

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	<p>Argos must carry out in the coming years a mapping of plastics throughout its value chain, identifying and understanding where and how they are used, produced and/or marketed. This will allow the company to define actions that allow the reduction of plastic pollution in the environment.</p>

### W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	Argos must carry out in the coming years a mapping of plastics throughout its value chain, identifying and understanding where and how they are used, produced and/or marketed. This will allow the company to define actions that allow the reduction of plastic pollution in the environment.

### W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	Argos must carry out in the coming years a mapping of plastics throughout its value chain, identifying and understanding where and how they are used, produced and/or marketed. This will allow the company to define actions that allow the reduction of plastic pollution in the environment.

### W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.
Production of durable plastic components	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.
Production / commercialization of durable plastic goods (including mixed materials)	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.
Production / commercialization of plastic packaging	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.
Production of goods packaged in plastics	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	Argos is a company that specializes in producing and distributing cement, concrete, and aggregates.

### W11. Sign off

### W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Sustainability Senior Director	Other, please specify (Sustainability Senior Director)

### SW. Supply chain module

### SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	11684055000000

SW1.1

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(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

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(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	Argos is able to provide geolocation data for its facilities to all its customers that ask this information

SW2.1

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(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

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(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

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(SW3.1) Provide any available water intensity values for your organization's products or services.

**Product name**

Cement

**Water intensity value**

240

**Numerator: Water aspect**

Water consumed

**Denominator**

Tonnes of cement

**Comment**

This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/t . It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges) divided by unit of product, following the Global Cement and Concrete Association Protocol for Water Reporting & the GRI Standards. This value corresponds to the result of 2022

**Product name**

Concret

**Water intensity value**

239

**Numerator: Water aspect**

Water consumed

**Denominator**

m3 for the concrete

**Comment**

This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/ m3 for the concrete sector. It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges ) divided by unit of product, following the Global Cement and Concrete Association & the GRI Standards. This value corresponds to the result of 2022

**Product name**

Aggregates

**Water intensity value**

112

**Numerator: Water aspect**

Water consumed

**Denominator**

Tonnes of cement

**Comment**

This indicator refers to the water that is removed from the system and thus is not available for later use, per unit of product. It is also known as the blue direct water footprint and is given in units of L/t for the aggregates sector. It is calculated as the "Total Water Consumption" (total water withdrawal minus total water discharges ) divided by unit of product, following the Global Cement and Concrete Association & the GRI Standards. This value corresponds to the result of 2022

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

No

**Please confirm below**

I have read and accept the applicable Terms