Biodiversity n Puerto Nare

ARGOS

2025 CLIMATE AND NATURE REPORT

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MESSAGE FROM SENIOR MANAGEMENT

At Cementos Argos, we understand that the continuity of our industry depends on our ability to balance business growth with the responsible use and stewardship of natural resources. In a context of climate volatility and increasing pressure on these resources, we reiterate our commitment to sustainability as a strategic cornerstone and a primary source of long-term value. It is therefore my pleasure to present the second **Climate and Nature Report 2025,** a transparent exercise prepared in accordance with international TNFD and TCFD standards.

Climate change and nature are strategic variables that directly impact the competitiveness and operational efficiency of our industry. We have a governance structure in place that ensures a technical and rigorous approach to these challenges: the Board of Directors and the Sustainability and Corporate Governance Committee actively oversee the implementation of the CO_2 roadmap in a comprehensive manner. This cross-functional perspective ensures that risk, impact, and opportunity management, as well as financial control, are fully aligned with our sustainability ambitions. This is not about isolated goals, but rather an integrated strategy that translates into innovation, operational optimization, and cutting-edge projects.

Our decarbonization roadmap reflects a strong long-term commitment and a key enabler of the evolution of the portfolio of products and solutions with sustainability attributes. Under this approach, we have set a target to reduce Scope 1 CO_2 emissions intensity by more than 30% per ton of cementitious material by 2030, using 2006 as the baseline. To achieve this, we have planned a strategic investment of USD 73.9 million by 2030, focused on high-efficiency initiatives such as optimizing the clinker-to-cement ratio, incorporating alternative materials and fuels, and modernizing our plants technologically, thereby strengthening both environmental and operational performance.

In 2025, we exceeded our interim targets, reducing Scope 1 specific emissions to 583 kg CO_2/ton. We also highlight that revenues from our portfolio of sustainable products and solutions reached 44% of consolidated revenues. This demonstrates that market demand has shifted toward low-carbon materials, and we are already **translating this momentum** into tangible results. As Early Adopters of the TNFD framework, in this second reporting year we have strengthened our analysis and deepened our understanding of the interdependence between our business and nature. We conducted a comprehensive exercise to identify dependencies, risks, and opportunities across 48 key assets, applying the LEAP methodology. In addition, we updated our Nature Strategy with new impact metrics and action plans through 2030.

In 2025, we took a relevant step by assessing the biodiversity index at the Santana quarry in Cartagena, Colombia. This enabled us to obtain valuable insights on the state of the ecosystem and strengthen environmental management at this operation. This milestone marks the beginning of a phased process that, through 2030, will encompass the assessment of all prioritized quarries (active and inactive operations that have already been intervened, strategic reserves for the company, and quarries approaching the start of their closure plans), establishing biodiversity baselines for each. This allows us to more precisely guide conservation and restoration actions, advancing toward the goal of generating a net positive impact and contributing in a tangible way to the protection of nature and the provision of ecosystem services in the territories where we operate.

From the Future Vice Presidency, we reaffirm to our shareholders, investors, and other stakeholders that Cementos Argos is advancing in the development of housing and infrastructure solutions that address current and future challenges: a financially solid company, operationally resilient, and fully aware of its interdependence with climate and nature responsibly integrated into the territories where it operates and committed to sustainable long-term value creation.

TOMÁS RESTREPO
Future Vice President

ABOUT THE REPORT

This 2025 Climate and Nature Report consolidates our commitment to transparency and the strategic management of global environmental challenges and incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

It covers performance for the period between January 1 and December 31, 2025. It includes the activities of the companies whose figures are consolidated in the financial statements of the cement, concrete, and aggregates businesses of the Regionals:

- **Colombia.**
- **Central America:** Panama, Honduras and Guatemala.
- **Caribbean:** Dominican Republic, Puerto Rico, Suriname, French Guiana, Antigua, Curaçao, Dominica, Haiti, Sint Maarten, Saint Thomas.

In 2025, we updated and quantified our risks and opportunities associated with climate change and nature, the latter understood as the strategic management of biodiversity and water resources. This exercise strengthens the resilience of our strategy under different future scenarios and guides efficient capital allocation for decarbonization and ecosystem protection.

We applied the principles of the TCFD in assessing risks related to the energy transition and external climate events, complementing them with the TNFD's LEAP (Locate, Evaluate, Assess, Prepare) methodology. In doing so, we identified, assessed, and prioritized strategic dependencies, impacts, risks, and opportunities, mapping our interaction with ecosystems and the services they provide to the value chain.

This process is intended to provide investors, shareholders, and other stakeholders with **clear, consistent, and comparable information.** We expect it to support decision-making and demonstrate the integration of sustainability into Cementos Argos' long-term value creation.

THE BUSINESS CONTEXT

With a legacy of more than 90 years, Cementos Argos has consolidated a leading business model in the production and commercialization of cement, concrete, and aggregates. Our trajectory has been marked by continuous evolution, where sustainability, innovation, and operational excellence serve as the fundamental pillars to fulfill our purpose of enabling the construction of housing and infrastructure dreams in approximately 16 countries across the Americas.

Our responsiveness and logistics efficiency are supported by a network of assets that include:

- 7 integrated cement plants and 7 clinker grinding plants.
- 49 concrete plants and 9 aggregates quarries.
- 11 ports and terminals that facilitate regional connectivity.

We are part of Grupo Argos, an infrastructure investment asset manager with COP 51.9 trillion in consolidated assets and a presence in 18 countries. With its support, we implement active management that drives profitable growth, capital discipline, and a long-term vision focused on value maximization for our shareholders.

In 2025, we reached significant milestones:

- We shipped 9.3 million metric tons of cement and 2.6 cubic meters of ready-mix concrete
- We consolidated operating EBITDA of COP 1.3 trillion, driven by a positive performance in our key markets

These results reflect our financial strategy, the implementation of operational optimization initiatives, and a focus on sustainability as a core pillar of our business model.

Looking ahead, we aim to remain a sustainability leader in the building materials industry. In addition to our commitments on climate change and nature, we have established targets in other areas such as occupational health and safety, supplier management, and community engagement.

More information here regarding our performance and progress in material social, environmental, and corporate governance matters.

OUR RELATIONSHIP WITH CLIMATE AND NATURE

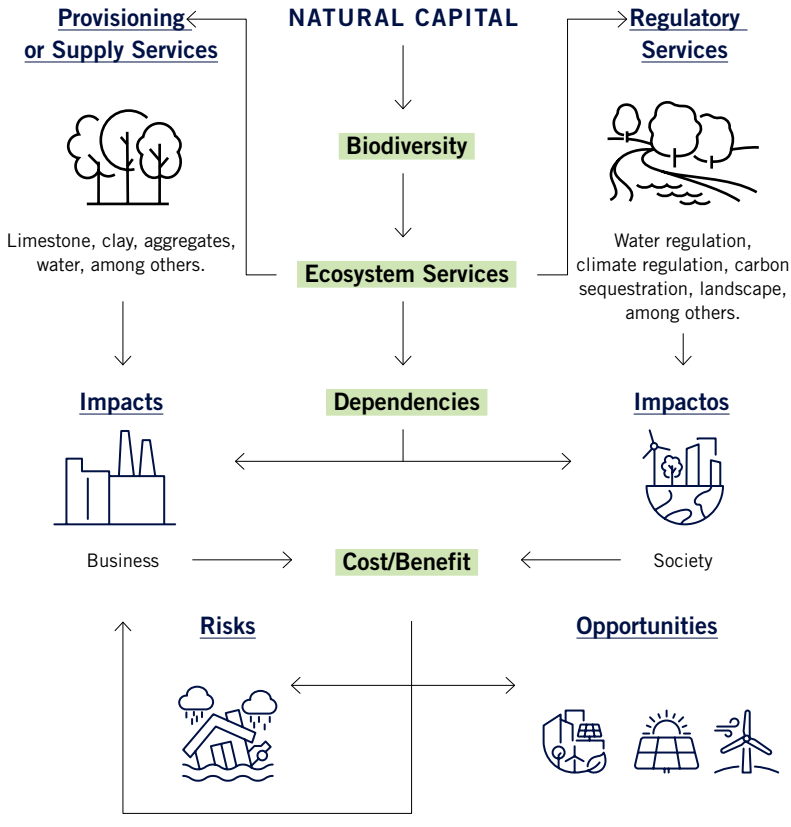
As a leading company in the production of cement, concrete, and aggregates, we recognize that climate change and nature degradation are structural challenges that influence the sustainability, resilience, and financial performance of our business. Cement is the most consumed material in the world after water and is essential for the development of infrastructure and housing; however, its production generates significant greenhouse gas (GHG) emissions.

In response, we address climate change as a strategic pillar, driving the decarbonization of our operations and promoting low-emission solutions. At the same time, our activities continuously interact with natural systems, as we depend on them to ensure operational continuity while also generating impacts that require responsible management.

From a dual materiality perspective, we manage both the effects that the climate and natural environment may have on our financial performance, as well as the impacts our activities generate on climate and ecosystems in the territories where we operate.

At Cementos Argos, **we understand nature as the set of elements, processes, and living and non-living systems that make up ecosystems and sustain life on the planet.** This definition comprehensively encompasses biodiversity, water, soil, air, habitats, and ecological cycles that develop in an interconnected manner.

Natural Capital Impacts and Dependencies



DEPENDENCE ON CLIMATE AND NATURE

Our operations depend on both non-renewable and renewable resources. Among the former are mineral raw materials such as limestone, clays, and aggregates, essential to the production of cement and concrete. This dependency goes beyond physical extraction, as the integrity of quarries and assets relies on ecosystem services such as water regulation, soil stability, and natural erosion control.

We also depend on renewable resources such as water, which is an essential input for cooling processes, production, and emissions control. The availability and quality of water resources are closely linked to the health of watersheds and local ecosystems, factors that are critical for operational continuity.

From a climate perspective, **our operations are sensitive to variability and extreme weather events.** Changes in rainfall patterns or prolonged droughts may affect plant energy efficiency, quarry stability, transportation logistics, and supply chain safety. These conditions reinforce the need for specific strategies tailored to each operational context.

IMPACTS ON CLIMATE AND NATURE

Our greenhouse gas (GHG) emissions come mainly from calcination during clinker production and the use of fossil fuels. These emissions contribute to climate change, one of the main drivers of ecosystem transformation and a systemic risk for the sector. Therefore, reducing the carbon intensity of our products is a central pillar of the Company's strategy.

We operate in biodiverse regions across Colombia, Central America, and the Caribbean, which host strategic ecosystems such as tropical forests, mangroves, and water-rich areas. Extractive activities inherent to the sector involve interventions in the territory that may lead to land-use changes, removal of vegetation cover, habitat alteration, and pressure on water resources.

In addition, water use and withdrawal, non-GHG emissions, and waste generation constitute impact drivers that may affect the quality of local ecosystems if not properly managed.

To address these effects, we implement environmental and biodiversity management plans aligned with the mitigation hierarchy (avoid, minimize, restore, and offset), prioritizing prevention, the progressive recovery of intervened areas, and the compensation of residual impacts. This strategy is aligned with our firm commitment to advancing toward a **net positive impact.**

We do not have operations in areas with high to extreme water stress. **1%** is in medium-high, **15%** in medium, and **84%** in low water stress levels.

Learn more here about our commitment to nature.

CLIMATIC AND NATURAL RISKS

We have a Comprehensive Risk Management System (CRMS) that complements the governance, audit and compliance models. This system is based on international standards such as ISO 31000 and COSO-WBCSD Enterprise Risk Management, in alignment with our corporate governance framework, and includes clearly defined roles and responsibilities.

Climate Change

In 2025, we updated the identification and quantification of climate risks, incorporating the most recent reports from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS). This analysis considers short-, medium- and long-term horizons (2030, 2040 and 2050), in line with TCFD recommendations.

The assessment was conducted through scenario analysis integrating projections of climate variables, transition narratives, and macroeconomic assumptions, enabling the estimation of potential impacts on the Company's financial performance.

Nature

In line with TNFD recommendations, during 2025 we conducted our first structured quantification of nature-related risks, considering our dependencies and impacts on ecosystem services, environmental assets, and relevant impact drivers for the sector.

This analysis incorporates exposure and vulnerability criteria for prioritized assets across the geographies where we operate, strengthening the integration of natural capital into business management.

PHYSICAL RISKS

Associated with extreme events and long-term changes in weather patterns (chronic and acute).

Associated with natural disasters aggravated by the loss of ecosystems and the gradual degradation of the environment.

TRANSITIONAL RISKS

Arising from regulatory, technological, market and reputational changes in the context of decarbonization.

Linked to regulatory changes, increased environmental requirements, restrictions on the use of natural resources, and evolving market expectations.

↑ Conecta Volunteering Program, tree planting in Colombia.

OPPORTUNITIES

The transition towards a low-carbon economy and greater resilience to nature loss also represents a significant source of opportunities for Cementos Argos. In 2025, we identified and updated climate- and nature-related opportunities, assessed under the same methodological framework applied to risks, enabling us to estimate their potential contribution to cash flow and the Company's future competitiveness.

In the climate domain, these opportunities arise from the sector's progressive transformation toward lower-emission production models, greater operational efficiency, and new market demands associated with more sustainable products and solutions.

In the nature domain, opportunities are related to more efficient management of natural capital, innovation in processes and products, and the integration of environmental criteria into planning.

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↑ Cartagena Plant in Colombia

CORPORATE GOVERNANCE

During 2025, Argos continued with the process of building valuable relationships with its stakeholders, based on transparency and mutual trust. As part of this process, the company has remained committed to the continuous update of good corporate governance practices, which has enabled the ongoing adoption of national and international standards of excellence that ensure responsible and ethical management.

The Company's governance scheme is based on a solid, clear, ethical, and structured framework of action to ensure sound and responsible management. This framework guides strategic and operational decision-making and contributes to strengthening the Company's ability to achieve its corporate objectives, effectively manage risks and opportunities, and generate sustainable value for its shareholders, employees, and other stakeholders.

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

Our corporate governance scheme

OUR ESG GOVERNANCE

To promote the sustainable growth of Cementos Argos, we have defined a governance structure for environmental, social, economic, and corporate governance matters that helps us maximize value creation in the regions where we operate.

Board of Directors

The Sustainability and Corporate Governance Committee, on behalf of the Board of Directors, is the highest body with direct responsibility for sustainability matters. It is responsible for continuously monitoring global trends to adjust the strategy and to guide and oversee the company's objectives in these areas.

President

Defines the company's competitive strategy to ensure profitable, sustained growth aligned with our higher purpose. In addition, it acts as the organization's representative, together with its subsidiaries, before public and private entities to build relationships that support positioning, business sustainability, and reputation management.

Executive Committee

The management of the company is entrusted to the President and his direct team, who follow the guidelines set by the Shareholders' meeting and the Board of Directors. This includes the analysis, formulation of guidelines, and monitoring of the company's performance across economic, social, and environmental dimensions.

Finance Vice Presidency

RISK MANAGEMENT

We have a Comprehensive Risk Management System (CRMS) managed by this department and overseen by the Audit, Finance, and Risk Committee. It is also responsible for leading the analysis of the company's risks, impacts, and opportunities, including those related to sustainability.

Future Vice Presidency

SUSTAINABILITY MANAGEMENT

Responsible, at the corporate level, for formulating, supporting, and overseeing sustainability strategies within the economic, social, and environmental dimensions. This includes leading the development of work plans and targets in line with best practices and local and international standards and regulations.

Corporate Affairs Vice Presidency

LEGAL MANAGEMENT AND COMPLIANCE DEPARTMENT

This vice presidency leads corporate governance and compliance matters at Argos. These teams formulate, implement, and oversee policies, guidelines, and practices that promote ethical, transparent conduct aligned with applicable regulations, as well as with internal standards and national and international best practices in corporate governance.

Vice Presidencies, Regional General Managements, and Business Units

These vice presidencies and general managements report to the President and oversee the implementation of strategies and action plans in their respective countries. These leaders determine the actions required to implement the strategy, with support from the local sustainability team, to achieve the company's objectives.

Here you can find our main policies and codes

ROLE OF THE BOARD OF DIRECTORS

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

Our Board of Directors is the governing body primarily responsible for decision-making regarding corporate strategic objectives and for monitoring all decisions made to achieve them, always seeking the best interest of the company and its shareholders. Additionally, it is the body responsible for guiding and supporting management in the oversight of the company's business and the risks it faces.

For this reason, the Board, through its supporting committees and the company's senior management, prioritizes, discusses, and approves strategies, and formulates recommendations, actions, and investments for the management of climate change and nature, which encompasses biodiversity, ecosystems, and water resources. This is carried out with the aim of aligning with the global and sectoral sustainability agenda and the company's corporate ambition. These actions are ultimately executed by the operational teams in our countries.

Board of Directors Support Committees

Audit, Finance and Risk Committee

Meetings ■■■■■

Responsibilities in Climate Change and Nature

Oversee the effectiveness of the Comprehensive Risk Management System (CRMS) and review the Company's financial information and performance, including monitoring strategic risks and following up on the annual audit plan.

Key Topics Addressed in 2025

- Supervision of strategic risks including environmental, political and social issues.
- Monitoring of the actions implemented by Management to mitigate them in accordance with the risk appetite.
- Follow-up on the annual plan of the Internal Audit and the Statutory Auditor, including the most relevant results, and the implementation of the action plans defined to strengthen internal control.

Sustainability and Corporate Governance Committee

Meetings ■■■

Responsibilities in Climate Change and Nature

Continually monitor social, environmental, economic and governance issues not only within the company but also global trends, in order to adjust the strategy, and guide and monitor Argos' objectives.

Key Topics Addressed in 2025

- Continuous alignment of the sustainability strategy with the corporate vision and organizational transformation.
- Approval of the update of sustainability goals in accordance with best practices, international standards and industry benchmarking.
- Advisory and monitoring of sustainability performance, including environmental, social, and economic matters.
- Analysis of trends, best practices, and international regulations related to ESG.
- Monitoring and updating the Climate Change Roadmap.

Appointments and Compensation Committee

Meetings ■■■■

Responsibilities in Climate Change and Nature

Determine policies and standards for the recruitment, compensation and development of members of the Board of Directors and Senior Management. This includes proposing to the Board of Directors the objectives for the Organizational Performance Bonus (PRO, for its acronym in Spanish), an essential component of senior management's variable compensation. This program considers financial and non-financial aspects, such as external perception, operational performance, climate change, environmental management, and occupational health and safety performance, among others.

Key Topics Addressed in 2025

- Definition of policies for attracting and retaining key talent, especially in strategic positions.
- Definition of goals and review of the results of the PRO variable compensation system, including non-financial aspects such as climate.
- Review of the Senior Management compensation model.

SENIOR MANAGEMENT ROLE

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

Additionally, it conducts continuous reviews of both global and local trends to identify potential risks and opportunities, market conditions, industry dynamics, and other relevant factors in the environments where we operate. Based on these analyses, and in coordination with the Risk area, it develops action plans that may serve as sources of value creation and generate benefits or competitive advantages for the organization.

Regarding senior management compensation schemes, we highlight the Organizational Performance Bonus (PRO) as a central component of variable compensation, representing between 30 % and 40 % of total compensation. This scheme integrates a system of short- and long-term incentives, in which key indicators that support the corporate strategy and reinforce our commitment to sustainability are evaluated.

These criteria include sustainability indicators, including metrics associated with CO_2 emissions management, along with financial and non-financial variables related to operational performance, environmental management, climate change, and occupational health and safety, among others.

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

JUAN ESTEBAN CALLE
President

TOMÁS RESTREPO
Future Vice President

MARÍA ISABEL ECHEVERRI
Corporate Affairs Vice President

FELIPE ARISTIZÁBAL
Financial Vice President

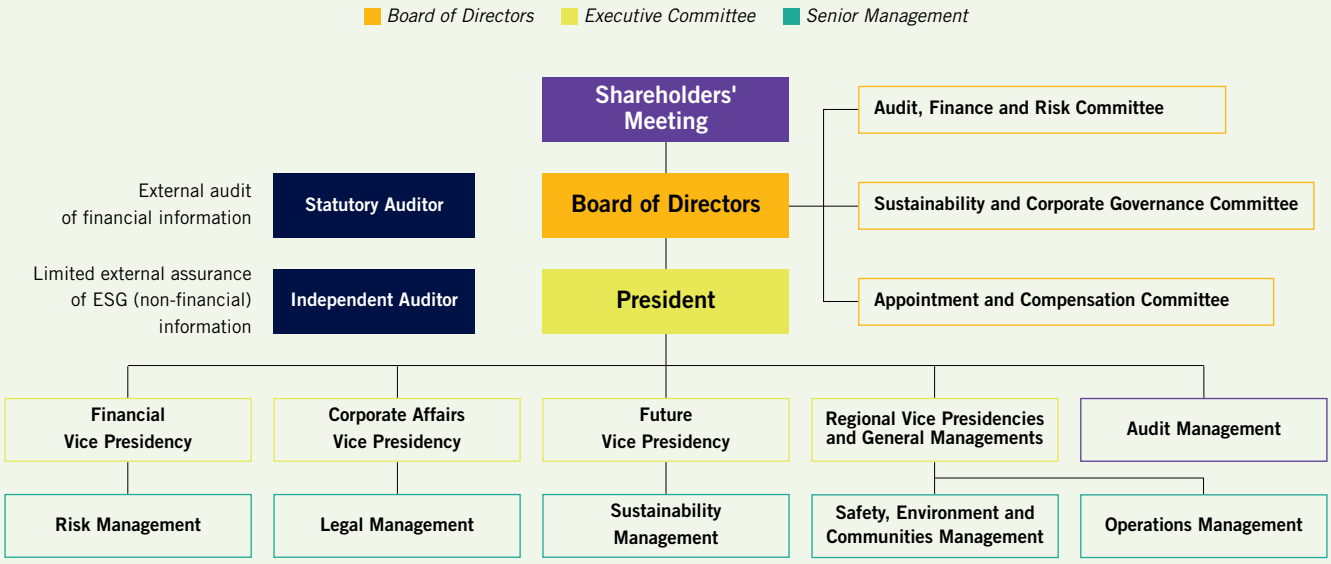
CARLOS HORACIO YUSTY
Colombia Regional Vice President

GUSTAVO URIBE
Central America General Manager

GARY DE LA ROSA
Caribbean General Manager

GABRIEL BALLESTAS
Trading General Manager

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



RESPONSIBILITIES IN CLIMATE CHANGE AND NATURE

President

- Define the organization's competitive strategy and its activities to ensure growing and profitable business participation aligned with the corporate mission and vision, focused on value creation for stakeholders.
- Represent the organization and its subsidiaries before public and private entities, building relationships that support positioning, organizational sustainability, and reputation management.

Future Vice Presidency

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

Corporate Affairs Vice Presidency

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

RESPONSIBILITIES IN CLIMATE CHANGE AND NATURE

Financial Vice Presidency

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

Regional Vice Presidencies and General Managements

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

Sustainability Management

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

Safety, Environment and Community Management and Operations Management

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

Risk Management

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

Audit Management

- Coordinate the management of internal audit processes and fraud prevention and response, in order to provide objective analyses, evaluations, and recommendations to senior management in the establishment of strategies, and the development and coordination of the Internal Control and Risk Management Systems, guiding these efforts toward achieving business objectives.

Legal Management

- Define legal guidelines for the development of all organizational activities, ensuring regulatory compliance, legal risk management, and the integration of ESG criteria into decision-making and stakeholder engagement.

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→
Employee with soluble bag

STRATEGIC FRAMEWORK

The construction materials industry is undergoing a transformation driven by climate change, accelerated urbanization, evolving social and regulatory expectations, and a growing integration of the relationship between infrastructure and nature. These factors are redefining the sector's competitive conditions and expanding the role of companies in generating economic, social, and environmental value.

In this context, we understand that housing, infrastructure, and social development aspirations are deeply interconnected, and that building the future requires integrating competitiveness, social well-being, and ecosystem health into a single business model. Under this premise, we articulate our portfolio, territorial presence, and higher purpose to enable the construction of the future.

This strategy prioritizes the development of products and solutions with a lower carbon footprint, the adoption of technologies for emissions reduction, and the promotion of circular economy practices and resource efficiency. Likewise, we adapt our portfolio to new demographic and urban dynamics, ensuring a focus on materials that provide comfort, efficiency, and sustainability for end users.

OUR PURPOSE

We integrate climate change and nature as strategic pillars to ensure the competitiveness and continuity of the business in a transition context, while contributing to the sustainable development of the territories where we operate.

In climate matters, we guide our management toward the progressive decarbonization of the business and the development of construction solutions with a lower carbon footprint, aligned with the long-term sector ambition of the Global Cement and Concrete Association (GCCA).

In relation to nature, we seek not only to manage the impacts of our operations but also to strengthen the natural capital of the territories, promoting conservation and restoration as a condition for operational continuity and long-term sustainable value creation.

Climate Change and Nature Commitments

We have defined commitments and targets for 2030 that guide the execution of our climate change and nature strategy, with a long-term vision toward 2050.

These commitments focus on reducing CO_2 emissions, water management, and biodiversity, guided by best practices and international frameworks such as the Science-Based Targets initiative (SBTi), the Task Force on Nature-related Financial Disclosures (TNFD), and the Task Force on Climate-related Financial Disclosures (TCFD).

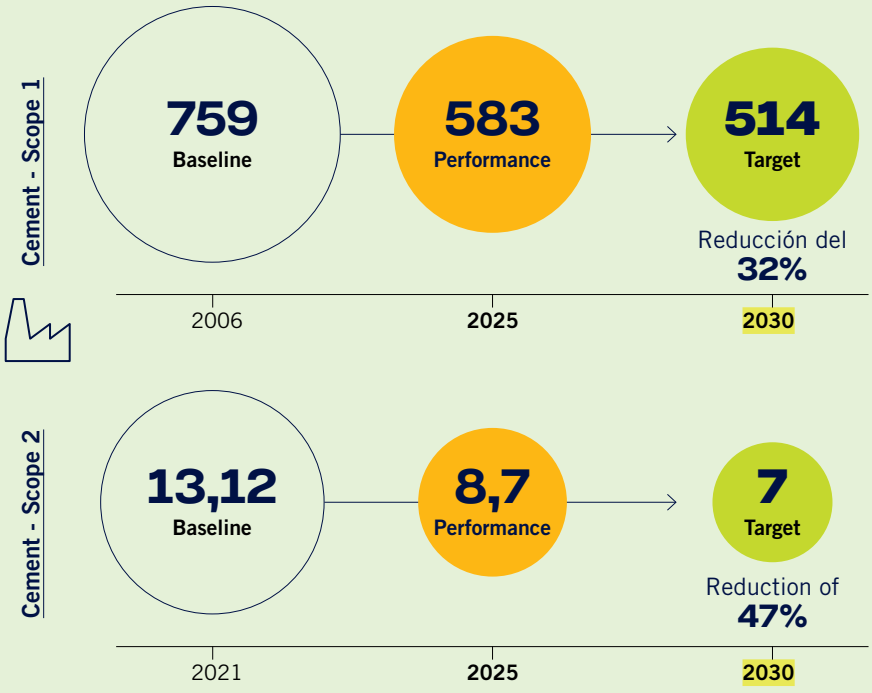
CLIMATE CHANGE AND NATURE GOALS

Climate Change

We focus our actions on these three objectives:

1 **Mitigation:** Reduce our direct and indirect CO_2 emissions.

Specific CO_2 emissions (kg CO_2/t cementitious material)



The Scope 2 specific emissions target is projected under the market method.

Concrete

2050

TARGET

Have **carbon-neutral concrete** mixes in our portfolio.

Aligned with:

In 2022, we achieved validation of our Scope 1 and 2 emissions reduction targets by SBTi, aligned with their criteria in the well-below 2° C temperature ambition pathway. We face the challenge of recalculating these reduction targets in accordance with our new portfolio.

2 **Innovation:** Develop lower-emission products and sustainable construction solutions from a life cycle approach.

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

↑ Quarry of Puerto Nare in Colombia

To achieve the above objectives, we rely on two lines of work:

1 Decarbonization of our production processes and our value chain

Scope 1 Emissions

- Reduction of the clinker-to-cement factor
- Alternative fuels
- Thermal efficiency and use of cleaner fuels

Scope 2 Emissions

- Electrical efficiency
- Adoption of renewable power purchase agreements (PPAs)
- Renewable energy projects

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

Promotion of research through strategic partnerships that enable us to accelerate and scale innovative solutions, integrating emerging technologies, collaborative models, and scientific knowledge to anticipate climate challenges and transform our operations and products.

Development of a sustainable product portfolio that responds to our customers' needs, incorporating environmental performance criteria, resource efficiency, and a life cycle approach to advance toward lower-carbon construction.

Collaboration in the development of public policies, through participation in trade and industry associations, in order to promote regulatory frameworks that facilitate the transition to a low-carbon economy and promote enabling conditions for sustainable innovation.

Nature

We have four lines of work that guide the action across all our operations:

Mitigation hierarchy: Avoid, minimize, restore and compensate to guide our actions and strengthen positive contributions to nature

1 Advance Toward Net Positive Impact

Assess the state of ecosystems and measure progress towards a net positive impact, using a biodiversity index.

2 Managing Biodiversity in Our Territory

- Identify areas of high ecological value and design biodiversity management plans (BMPs).
- Establish closure plans that contemplate ecological recovery.
- Measure and report progress in rehabilitation, making positive contributions to nature and the well-being of neighboring communities.

3 Manage Water Comprehensively

Promote the efficient and responsible use of water resources in all our operations.

4 Promote a Sustainable Value Chain

We promote responsible practices throughout the entire value chain through sustainable procurement, enabling us to manage biodiversity, water, and other natural resources beyond our direct operations.

Identification of Impacts and Dependencies
Financial Valuation of Risks and Opportunities

Knowledge Management for Nature-Based Decision-Making

Leverage information on impacts, risks, dependencies, and opportunities related to nature to make evidence- based strategic decisions.

Nature Targets to 2030

Moving Towards Net Positive Impact

100%

prioritized quarries* evaluated with the biodiversity index

** Based on business relevance*

Biodiversity Management in the Territory

100%

active and inactive quarries located in areas with high biodiversityvalue with management plans.

100%

active quarries with a closure plan.

90%

rehabilitation of released areas.

Comprehensive Water Management

Specific Freshwater Withdrawal

396 **For cement** (L/t cementitious material)

227 **For concrete** (L/m³)

63 **For aggregates** (L/t)

INNOVATION AND BUSINESS MODEL ADAPTATION

Innovation and technology are strategic levers to strengthen our competitiveness. **We integrate science, digital tools, automation and artificial intelligence to optimize processes and strengthen data-driven decision making. I**n this way, we anticipate risks, improve operational resilience and develop higher-value solutions for our customers, contributing to sustainable economic performance and a lower-carbon industry.

We have consolidated internal capabilities that accelerate this evolution. Through our research and development laboratory, **Future Tech,** we drive the generation and adoption of new technologies with business impact, improving the performance of our products, optimizing production processes, reducing CO_2 emissions, and increasing the productivity of construction processes. These capabilities enable us to adapt our portfolio in a timely manner to new regulatory requirements and to growing demand for lower environmental impact solutions.

Digital transformation complements this approach by driving reliable and scalable technological solutions that generate sustainable value for customers and the business. We operate under a collaborative and integrated model that prioritizes discipline, focus, and scalability, ensuring consistent execution across the organization.

Working with strategic partners has been key to accelerating the adoption of new technologies. Through partnerships with academia, the public sector, and international organizations, we promote innovative solutions and contribute to the development of regulatory frameworks that support the decarbonization of the sector.

We actively participate in GCCA initiatives:
The Global Cement and Concrete Association (GCCA), through its Innovandi program, promotes the reduction of CO_2 emissions in the cement industry through:

- **The global research network:** It is focused on developing projects with universities. We are part of the Steering Committee.
- **OpenChallenge:** It is focused on working with startups and aims to accelerate the development of their technologies through joint projects.

SUCCESS CASE

ADVANCES IN INNOVATION FOR THE ELECTRIFICATION AND DECARBONIZATION OF CEMENT

We continue to participate in the ECEM project (Electric Calciner Technologies for Cement Plants of the Future), an initiative funded by the Danish government through the Innovation Fund, which brings together universities and European research institutions with the aim of **developing electric calcination technologies for cement production.**

This project advances in the technical evaluation of solutions to replace fossil fuels with renewable energy in cement production, with the dual purpose of reducing direct CO_2 emissions and generating a concentrated CO_2 stream compatible with capture, use and storage (CCUS) technologies. Our participation, as a potential user of the technology, has consisted of providing operational and technical information to assess its feasibility, scalability, and applicability in the cement sector.

Likewise, we continue to be involved in the ECoClay®, project funded by the Danish Energy Agency, which aims to develop a process for activating calcined clays using renewable electric energy. This technology seeks to produce a supplementary cementitious material with very low emissions, contributing to the reduction of the clinker-to-cement ratio and the decarbonization of the production process. Within the framework of the project, the same clay source from our Rioclaro Plant has been used.

INTEGRATION WITH OUR FINANCIAL PLANNING

The management of climate change and nature is integrated into our financial planning and capital allocation processes. Our strategy aims to ensure the necessary resources to decarbonize our processes, mitigate impacts on natural capital, and proactively manage associated risks and opportunities.

Investment Planning

In 2024, **we updated the technical and financial decarbonization roadmap for Colombia, Central America, and the Caribbean,** defining an investment plan with an estimated CAPEX of USD 73.9 million by 2030 for the reduction of Scope 1 emissions in the cement business.

In nature-related matters, we incorporated specific resources for biodiversity management, progressive quarry rehabilitation, and water resource management.

In 2025, we allocated **more than USD 1.6 million** to initiatives focused on ecosystem protection and restoration, the implementation of management plans, and the strengthening of natural capital in the territories where we operate.

The structuring and prioritization of these investments are carried out in coordination between operational, sustainability, and financial areas, ensuring alignment with our 2030 commitments and the long-term resilience of the business.

Decarbonization CAPEX Investment Categories

Reduction of the clinker-to-cement factor

Progressive reduction of clinker content, the component with the highest carbon footprint in cement production, through increased use of supplementary cementitious materials such as slag, fly ash, and natural and artificial pozzolans. This practice reduces CO_2 emissions associated with decarbonation and the energy consumption of the clinkerization process, maintains product technical performance, and strengthens circular economy schemes through the valorization of industrial by-products.

Alternative fuels

Co-processing of waste in clinker kilns reduces greenhouse gas emissions by replacing conventional fossil fuels such as coal and petcoke with industrial and municipal waste. This strategy strengthens circular economy models, reduces landfill disposal, and decreases exposure to volatility in traditional fuel prices.

Thermal efficiency and use of cleaner fuels

Thermal efficiency maximizes heat utilization and minimizes energy losses through the implementation of advanced technologies, equipment modernization, and continuous improvement in operational management. This contributes to reducing fossil fuel consumption, lowering direct CO_2 emissions and energy-related costs, and improving the structural competitiveness of the business in the face of more demanding regulatory scenarios. At the same time, the use of cleaner fuels reduces air pollutants, contributing to the reduction of CO_2 emissions.

← Solar farm in Comayagua, Honduras.

↑ Plant in French Guiana.

Internal Carbon Pricing

Internal carbon pricing is our central financial instrument for managing climate risk. This mechanism allows us to internalize the potential cost of CO_2 emissions in the economic evaluation of projects, strengthen discipline in capital allocation, and anticipate regulatory and market scenarios associated with the transition to a low-carbon economy

Methodology: Implicit Cost

Type of internal carbon price: Shadow Price

Application: All decision-making processes

Value: USD 15.8 / ton of CO_2

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

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

03

RISKS, IMPACTS, DEPENDENCIES AND OPPORTUNITIES

24 Comprehensive Risk Management System

25 Management of Climate-Related Risks, Impacts, and Opportunities

49 Management of Nature-related Risks, Impacts, Dependencies, and Opportunities

RISKS, IMPACTS, DEPENDENCIES AND OPPORTUNITIES

COMPREHENSIVE RISK MANAGEMENT SYSTEM

At Cementos Argos, risk management is an essential component of corporate management and is supported by a specialized team that coordinates the identification, analysis, and management of the main risks that may affect performance and the achievement of corporate objectives across strategic, tactical, and operational levels.

This approach incorporates the factors associated with climate change and nature, ensuring that the risks and opportunities arising from these issues are assessed and managed transversally at all levels of the organization.

Comprehensive Risk Management System

The Comprehensive Risk Management System (CRMS) contributes to the effective implementation of the corporate strategy through a comprehensive management cycle comprising:

- **The anticipation of relevant risk scenarios,** considering materiality criteria, environmental trends, and their relationship with strategic objectives.
- **The analysis of exposure to different risks,** including the estimation and measurement of their potential impacts.
- **The definition and execution of risk responses,** supported by action plans that incorporate adaptation measures, business continuity plans, and the corporate insurance scheme.
- **The continuous monitoring** of the performance of implemented plans and the periodic communication of results to Senior Management and the Board of Directors.

↑ Cartagena Plant in Colombia

Integration of climate and nature into our risk and opportunity management

The management of risks associated with climate change and nature is structured within the organization through three levels of action, strategic, tactical, and operational, ensuring a comprehensive approach aligned with decision-making. These risks are identified and assessed at all levels and are reported, at a minimum, once a year to the Audit, Finance and Risk Committee of the Board of Directors.

MANAGEMENT OF CLIMATE-RELATED RISKS, IMPACTS, AND OPPORTUNITIES

The quantification of climate-related risks and opportunities is carried out through a structured process that translates climate scenarios into measurable impacts on the organization. This methodology includes the following stages:

Update of Climate Scenarios
Update of climate scenarios based on the most recent scenarios developed by IEA, IPPC and NGFS (including time horizons aligned with TCFD).

Review and Update of the Taxonomy of Risks and Opportunities (R&O)
Update of R&O associated with climate change, based on the taxonomy developed by TCFD and pre-identified R&O.

Identificatio of Variables Associated with Climate Scenarios
Estimation of the main variables (physical, market, etc.) for each scenario.

Estimation of Risk Parameters
Estimation of risk parameters by climate scenario and time horizon. Quantitative analysis of physical and transition risks based on short, medium, and long-term scenarios.

Aggregation of Results
Aggregation of results and calculation of risk measures.

↑ Bulk truck in Puerto Rico

Climate-related risks in the short, medium, and long term

The analysis of risks and opportunities associated with climate change is conducted by evaluating their behavior across different time horizons (2030, 2040, and 2050) and their relationship with the corporate strategy. This analysis enables the identification of key strategic risks arising from climate change, as well as the definition and prioritization of necessary adaptation actions for the management of physical risks.

We assess the potential impact of these risks and opportunities on the company's business, strategy, and financial planning.

TIME HORIZONS

Time horizons were defined in accordance with TCFD recommendations, establishing short term-2030, medium term–2040, and long term–2050.

2030
Short Term

- Essential for assessing immediate risks and opportunities that may affect operations in the short term.
- This horizon aligns with the review and update of mitigation and adaptation targets set by the countries where we operate and their Determined Contributions.

2040
Medium Term

- Intermediate baseline timepoint for the assessment of climate-related R&O.
- Medium term to measure progress in mitigation and adaptation, incorporation of relevant changes in the industry, including the energy transition, the reduction in the use of fossil fuels and the adoption of technologies such as carbon capture.

2050
Long Term

- Goal to produce and commercialize carbon-neutral concrete aligned with the objectives of GCCA.
- The achievement of the objectives set by the Paris Agreement and carbon neutrality is expected in the countries in which Argos operates and that have this objective established in their Determined Contributions.

These horizons are aligned with the Company's global commitments, as well as with the strategic planning and the business plans that support them.

RISKS ARISING FROM CLIMATE CHANGE

The risks associated with climate change are identified through workshops with the participation of multidisciplinary teams that provide different perspectives on the factors with the greatest potential impact on the company, supported by tools to identify current and emerging risks.

In 2025, the Company managed and quantified 14 climate risks, of which 8 correspond to physical risks and 6 to transitional risks, assessed across the short, medium, and long-term horizons in the geographies: Colombia, Central America, and the Caribbean.

Risks

Physical Risks

Chronic Risks

- Water Stress

Acute Risks

- Extreme temperatures- Heat
- Extreme events- Hurricanes
- Extreme events- Tornadoes
- Extreme events- Extreme rainfall
- Extreme events- Floods
- Landslides
- Droughts

Transitional Risks

Political-legal Risks

- Carbon pricing mechanisms

Market Risks

- Increase in costs of fossil fuels
- Change in customer behavior
- Uncertainty in energy markets
- Increase in retention costs due to risk transfer

Technology risks

- Technological obsolescence

			Impacts
Chronic Physical Risks	**R01** Water Stress	Operations in Colombia, Central America, and the Caribbean face increasing pressure to secure the water resources required in key production processes, especially in arid areas or with high climate variability where cement, aggregates, and concrete activities are carried out.	Limitations in water availability may generate operational disruptions and higher costs of procurement, treatment, and transportation. The increase in droughts and the reduction of water sources increase the risk of disruptions to business continuity and affect the ability to maintain efficient production levels.
Acute Physical Risks	**R02** Extreme temperatures - Heat	High temperatures may significantly affect operations in Colombia and the Caribbean, especially in concrete production, where excessive heat requires the use of ice to control the temperature of mixtures and equipment, increasing operating costs and logistical complexity.	These extreme heat events may reduce machinery efficiency, generate higher maintenance requirements, and increase the risk of operational disruptions.
	R03 Hurricanes	Hurricanes are one of the most important physical risks in Central America and the Caribbean, especially due to the location of assets in areas vulnerable and exposed to this meteorological phenomenon.	The occurrence of hurricanes may generate increases in logistics costs, decrease in revenues, higher insurance premiums, and property damage costs.
	R04 Tornadoes	Tornadoes are one of the most important physical risks in Central America and the Caribbean, affecting everything from operations to business strategies.	Tornadoes may cause increases in logistics costs, decreases in revenues, higher insurance premiums, property damage costs, among others.
	R05 Extreme rainfall	Relevant risk in Colombia due to its unpredictable nature and its cross-cutting impact across the value chain, which limits the capacity for individual response beyond logistics management. The increase in its frequency and intensity may generate significant budgetary impacts and compromise the fulfillment of business plans, requiring more robust preventive and financial management.	This risk is amplified by the unexpected occurrence of these events, which limit planning and immediate response capacity, and may generate additional costs due to contingencies, repairs, and preventive measures to protect operational continuity.
	R06 Floods	This risk applies to Colombia, where some facilities are in areas susceptible to high levels of precipitation and extreme events such as 'La Niña' phenomenon.	Floods may affect infrastructure, limit access to plants and quarries, damage equipment or inventories, and generate temporary disruptions in cement, aggregates, and concrete operations. Additionally, the projected increase in the frequency and intensity of extreme rainfall under climate change scenarios raises the probability of operational impacts and additional costs for repairs and contingencies.

			Impacts
Acute Physical Risks	**R07** Landslides triggered by extreme climate events	Landslides are one of the most important physical risks affecting our businesses, specifically in Colombia, where the geographical characteristics and the terrain surrounding our facilities and value chain, together with the current vulnerability of road infrastructure, may cause severe blockages that affect the supply chain, product delivery, and business continuity.	The occurrence of landslides may cause impacts on the business logistics chain, due to potential collapses that may block roads and/or limit even the business's own operations.
Acute Physical Risks	**R08** Droughts	Droughts represent a physical risk for operations in Colombia, Central America, and the Caribbean, as prolonged water scarcity may affect critical production processes, especially in cement, aggregates, and concrete plants located in arid areas or with low water availability.	The decrease in water availability may generate operational disruptions, higher procurement and treatment costs, and limit the ability to maintain optimal production levels. Under climate change scenarios, the increase in the frequency and severity of droughts (including the El Niño phenomenon) increases pressure on the sustainable management of water resources and raises the risk to operational continuity.
Transitional Risks	**R09** Carbon pricing mechanisms	The implementation of Emissions Trading Systems and other regulatory mechanisms in Colombia, Central America, and the Caribbean may generate relevant increases in operating costs. Financial exposure was quantified under three schemes: (i) non-causation mechanisms, (ii) the Carbon Border Adjustment Mechanism (CBAM), and (iii) a Cap and Trade framework. This analysis responds to regulatory progress and the increasing adoption of market-based instruments for emissions mitigation.	Overall, carbon pricing mechanisms generate a growing financial impact over time, driven by higher carbon prices, stricter emission limits and increased regulatory requirements under accelerated transition and Net Zero scenarios. The effect is mainly materialized in higher operating and compliance costs, including taxes, purchase of certificates or acquisition of emission permits. No relevant direct impacts on revenues or production volumes are expected, but there is a progressive pressure on the cost structure and margins.
Transitional Risks	**R10** Increase in cost of fossil fuels	Risk associated with dependence on fossil fuels such as coal, petcoke, fuel oil and natural gas in production processes. The volatility of their prices, influenced by emerging regulations and the global energy transition, may generate relevant increases in production costs and affect the competitiveness of operations in Colombia, Central America, and the Caribbean.	Losses increase over time; although gradual reductions in consumption intensity are expected, climate scenarios project sustained increases in international fossil fuel prices, especially under accelerated transition scenarios where regulatory and fiscal pressure on these energy sources is higher.

Transitional Risks

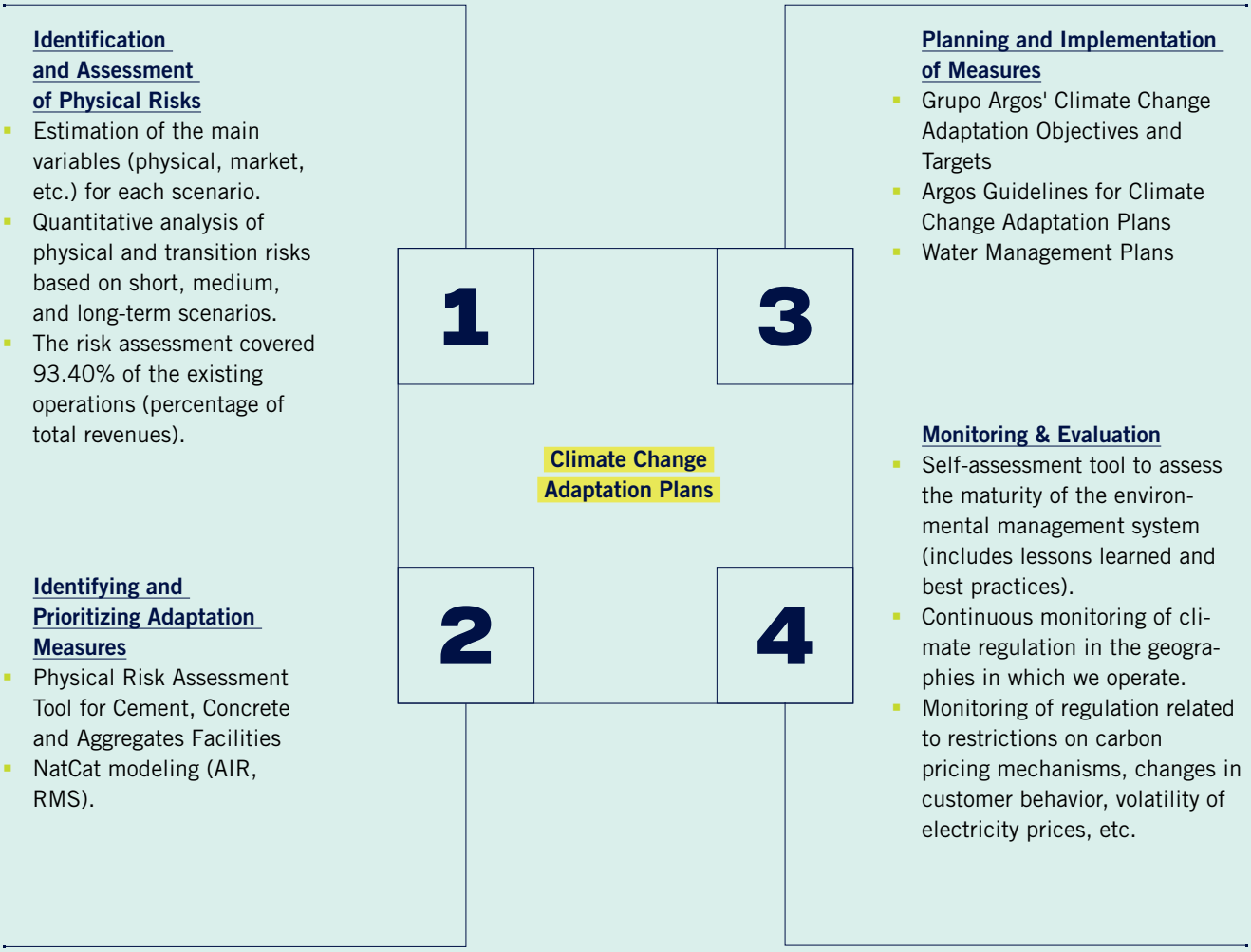
		Impacts
R11 Change in Customer Behavior	Risk arising from changes in customer preferences toward lower-carbon materials may reduce demand for traditional cement, particularly in markets where climate policies and environmental awareness are advancing more rapidly. This risk applies to Colombia, Central America, and the Caribbean.	The materialization of this risk may generate pressures on demand and the sales mix of conventional products, affecting revenues. This may require accelerating the development and positioning of more sustainable solutions, as well as making commercial and portfolio adjustments to maintain competitiveness in markets with higher environmental requirements.
R12 Uncertainty in Energy Markets	Risk associated with uncertainty in the supply and demand of electricity under climate change scenarios. Factors such as the availability of hydro and thermal generation, self-generation, the regulatory framework, and pricing schemes in Colombia, Central America, and the Caribbean influence the determination and volatility of energy costs.	Volatility in future energy costs may generate higher operating expenses, especially in countries with accelerated transitions toward cleaner energy matrices. Increases in levelized energy costs compared to current prices would affect profitability, margin stability, and medium- and long-term financial planning.
R13 Increase in Cost of Retention and Risk Transfer	Risk applicable to Colombia, Central America, and the Caribbean, derived from the increase in insurance costs due to greater exposure to physical and climate risks. The increasing frequency and intensity of extreme events may raise premiums and restrict coverage. In addition, insurers and reinsurers adjust their policies in line with global climate mitigation commitments, which has an impact on retention costs.	The reduction in underwriting capacity for our cement and self-generation businesses could increase risk transfer costs, and therefore, insurance premiums in our industry.
R14 Technological Obsolescence	Some plants in Colombia operate with less efficient technologies, mainly wet line processes, which require higher water consumption and generate higher levels of emissions. The persistence of these technologies may limit the Company's ability to adapt in a timely manner to more stringent environmental standards and new regulations regarding emissions and the use of water resources.	This risk materializes in higher operating costs derived from intensive water use, as well as in an increase in environmental compliance costs and regulatory burdens associated with emissions. In addition, it may affect operational efficiency and generate additional pressure on profitability in the medium and long term.

CLIMATE CHANGE ADAPTATION PLAN AND PHYSICAL RISKS

In order to strengthen the Company's capacity for adaptation to climate change, periodic assessments are conducted on the exposure of facilities to climate events and on the vulnerability of the supply chain. These assessments make it possible to estimate financial losses associated with insured damages, analyze operational continuity, and optimize decisions on risk transfer and retention within the framework of the corporate insurance program. As a complementary measure, **all facilities have contingency and business continuity plans** to respond to disruptive events.

The Company has incorporated tools to analyze the exposure of its operations under different future climate conditions. Based on these analyses, facilities develop adaptation plans supported by the identification, analysis, and assessment of specific physical risks, which allows defining and prioritizing adaptation actions in accordance with the characteristics of each operation.

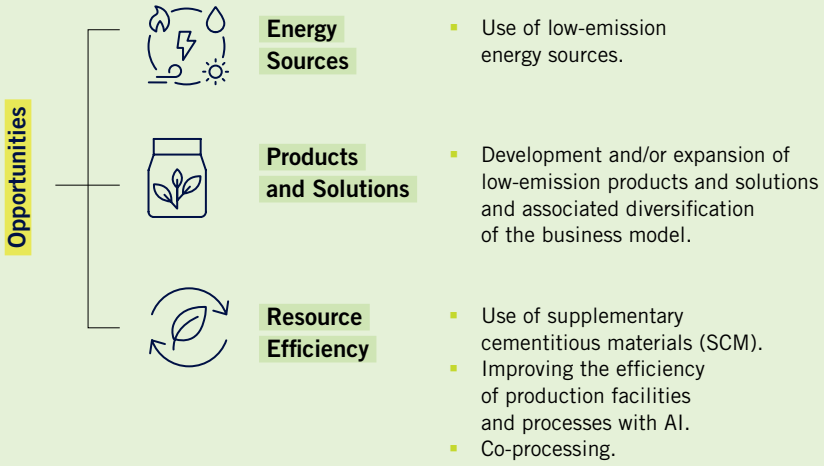
The effectiveness of the implemented adaptation measures is assessed periodically in order to strengthen operational resilience and consolidate a continuous improvement process. This monitoring is supported by the systematic exchange of learnings and best practices across the Company's different areas and operations, and is carried out through:



Opportunities Related to Climate Change

The strategic update carried out in 2025 made it possible to identify and assess opportunities derived from climate change, under the premise that the shift toward a low-carbon economy acts as a catalyst for innovation and operational efficiency.

The company identified and quantified five climate opportunities, evaluated in the short-, medium- and long-term horizons in the following geographies: Colombia, Central America and the Caribbean.



			Impact
Energy Sources	01	Use of Low-Emission Energy Sources	Increasing the proportion of renewable energy in total consumption through the purchase of renewable energy, without direct investment in generation assets.	It reduces costs associated with conventional energy, reduces CO_2 emissions (scope 2) and strengthens environmental performance. In addition, it provides stability in energy prices and improves operating cash flow by accessing competitive renewable sources.
Products and Solutions	02	Development of Low-Emission Products and Solutions	Development of low-emission products and solutions that expand the sustainable offering and strengthen competitiveness in emerging markets.	Drives revenue growth by responding to customer demand for solutions with a lower carbon footprint, strengthens brand positioning, and may improve profitability and cash flow through the valorization of sustainable products.
Resource Efficiency	03	Use of Supplementary Cementitious Materials (SCMs)	Partial substitution of clinker through the use of supplementary cementitious materials (SCMs), such as industrial ashes, to reduce the clinker-to-cement factor.	Reduces production costs by lowering clinker consumption (which is more energy- and cost-intensive), improves operating cash flow, and strengthens supply chain efficiency by diversifying raw materials.

Resource Efficiency	04 Improvement in the Efficiency of Facilities and Production Processes	Implementation of operational efficiency projects and adoption of new technologies to optimize facility performance.	Impact: Reduces the consumption of energy, water, and inputs, decreases production losses, and improves the operating cost structure, strengthening profitability and operational resilience.
	05 Co-processing	Substitution of conventional fossil fuels with alternative fuels from industrial or municipal waste.	Reduce direct CO_2 emissions (Scope 1) and lower energy costs per thermal unit used. Additionally, it enables more efficient waste management and generates financial benefits by reducing operating costs.

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

The analysis of risks and opportunities associated with climate change for the 2030 to 2050 horizons is carried out within the framework of the Comprehensive Risk Management System (CRMS) and combines qualitative and quantitative approaches, with the objective of assessing their implications for the Company's businesses, corporate strategy, and financial planning.

QUANTIFICATION OF PHYSICAL RISKS

It is based on climatological projections from Copernicus, which make it possible to estimate future variation in the frequency and intensity of climate phenomena under different global warming scenarios (baseline and maximum) and for the 2030, 2040, and 2050 horizons.

Based on physical threshold variables, estimated annual losses are adjusted using actuarial studies, historical operating cost overruns, or specific realization factors.

QUANTIFICATION OF TRANSITIONAL RISKS

It is supported by projections from the International Energy Agency (IEA) and internal technical inputs, aligned with the optimistic, realistic, and pessimistic scenarios defined for the years 2030, 2040, and 2050.

For each risk, key economic variables such as carbon price, fuels, insurance premiums, and taxes are identified. These variables are applied to business operating parameters to estimate their potential financial impact.

Finally, expected and maximum losses and gains are integrated, considering correlations between risks, opportunities, and geographies, in order to obtain aggregated impact distributions that inform strategic and financial decision-making by type of risk, time horizon, and climate scenario. Results are progressively updated as the climate and regulatory environment evolves.

2030-2050 SCENARIO ANALYSIS

Based on the most recent reports from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS), the following reference climate scenarios were defined to update the quantification exercise.

This analysis was updated, replacing SSP1-2.6 with SSP2-4.5, considering **the evolution of the political, geopolitical and market context.** The lower likelihood of more ambitious mitigation pathways in the short and medium term, as well as more gradual and heterogeneous progress in climate ambition, make SSP2-4.5 more consistently reflect current trends and allow for a more realistic assessment of physical and transition risks.

Scenarios

SSP 1 – 1.9 + NZE

IPCC + IEA + NGFS

SSP1 – 1.9	NZE	Net Zero 2050
Sustainability	Net Zero Emissions by 2050	

OPTIMISTIC

A scenario of accelerated energy transition and high international cooperation, which allows achieving carbon neutrality by 2050 through the massive deployment of low-carbon technologies and the rapid expansion of renewable energy.

SSP 2 – 4.5 + STEPS

IPCC + IEA + NGFS

SSP 2 – 4.5	STEPS	Determined Contributions
Halfway	Announced Commitments	

REALISTIC

Context in which the energy transition is considered, but is not a central priority, which prevents the achievement of carbon neutrality by 2050.

SSP 5 – 8.5 + STEPS

IPCC + IEA + NGFS

SSP 5 – 8.5	STEPS	Current Policies
On the highway	Declared Policies	

PESSIMISTIC

The energy transition will develop in a conservative manner, not achieving global carbon neutrality by 2050 and delaying the transition toward the use of sustainable energy sources.

SOCIAL

Scenario 1
SSP 1 – 1.9 + NZE

Scenario with strong economic growth driven by energy transition and massive generation of green jobs. Society shows high environmental commitment, progress is made toward achieving the SDGs, especially in universal access to energy and air quality. Changes in consumption and production patterns favor sustainable practices. There is at least a 50% probability of limiting warming to 1.5°C.

Scenario 2:
SSP 2 – 4.5 + STEPS

Current socioeconomic trends continue, with moderate population growth and gradual improvements in well-being, education, and health. Progress toward sustainable development is heterogeneous, with advances in some indicators and delays in others. No deep sociocultural transformations are observed, resulting in an intermediate transition with

Scenario 3:
SSP 5 – 8.5 + STEPS

Scenario of high dependence on fossil fuels and limited energy transition. Rapid population growth and increased pressures on energy and economic systems are projected. Climate objectives are not fully met and the approach prioritizes access to energy in the short term.
An increase in temperature of approximately 2.7 °C by 2100 is estimated, with significant impacts on well-being and social resilience.

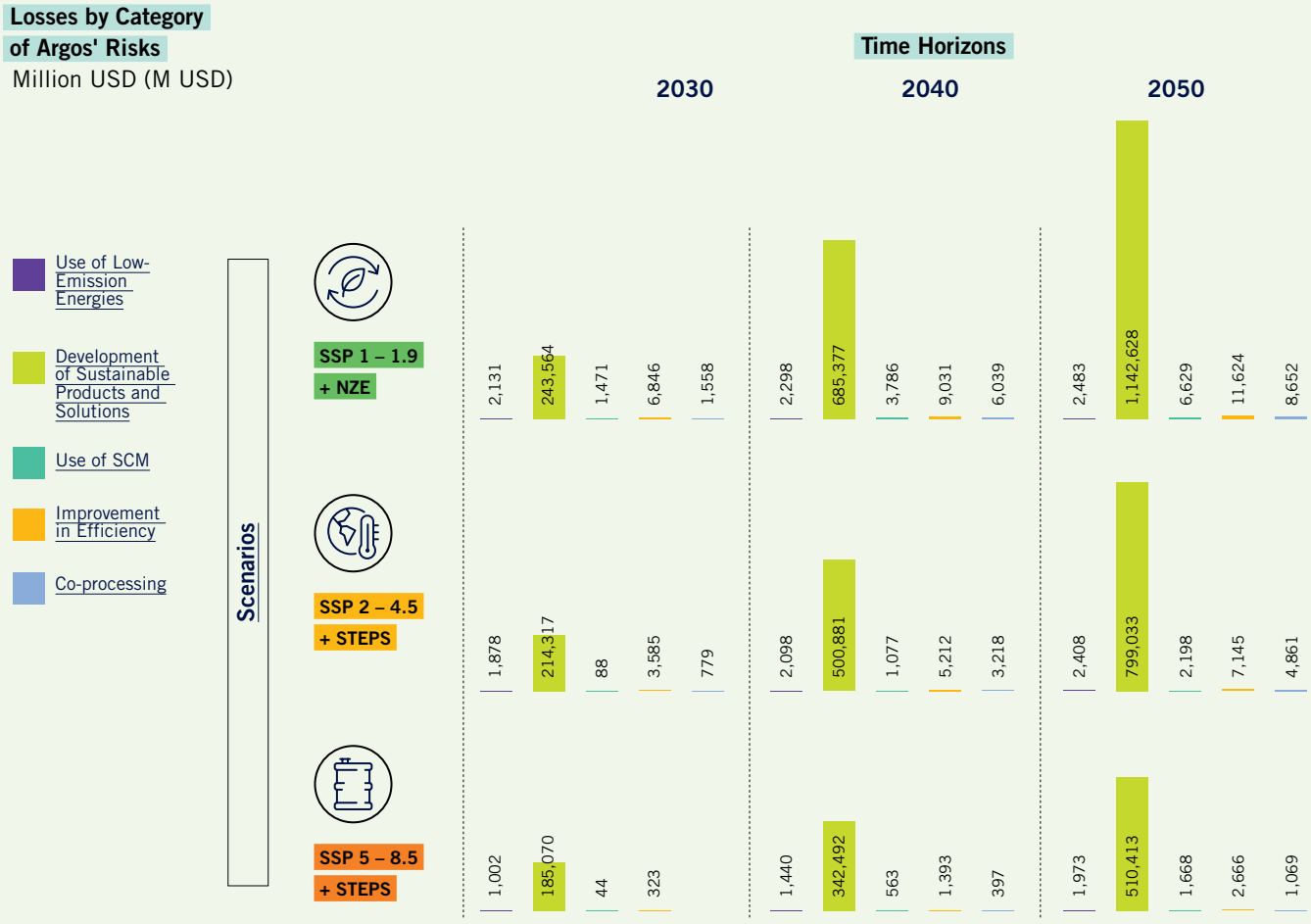
	Scenario 1 SSP 1 – 1.9 + NZE	Scenario 2: SSP 2 – 4.5 + STEPS	Scenario 3: SSP 5 – 8.5 + STEPS
POLITICAL AND REGULATORY	High international cooperation and compliance with the Paris Agreement, with a global target of zero net emissions by 2050. Advanced economies reach neutrality earlier than others. Strict regulatory frameworks are implemented, including high carbon pricing, progressive restrictions on fossil fuels, and incentives for the development and adoption of clean technologies, promoting an orderly and accelerated energy transition.	Climate policies evolve gradually and unevenly across regions, without strong international coordination or highly ambitious mitigation targets. Global cooperation is maintained, but with moderate commitments, leading to intermediate emissions reductions and less stringent regulator frameworks than in accelerated decarbonization scenarios.	Compliance with climate targets is partial and heterogeneous. Policies are implemented on a sectoral basis and respond to national priorities rather than binding global commitments. There are long-term announcements including neutrality targets in some countries, but no robust enforcement mechanisms. Climate ambition is limited and depends on individual efforts.
ECONOMIC	Average global growth of approximately 3% per year and reduction of regional income gaps. Significant investments are recorded in renewable energy, transport electrification, hydrogen, biogas, and other low-carbon technologies. Physical risks are relatively low, while transition risks are high, mainly driven by regulatory, technological, and market changes associated with decarbonization.	Economic growth is stable but uneven across countries. Investment combines conventional energy and clean technologies, reflecting a partial commitment to the energy transition. Markets respond both to climate signals and to traditional economic priorities, generating an intermediate transition pathway without deep structural changes.	Average global growth close to 3.6% until 2030, with sustained demand for fossil fuels and delay in the energy transition. Investments in renewables are progressing gradually. Transitional risks are low, while physical risks are moderate to high. Higher macroeconomic volatility, inflationary pressures, and greater uncertainty in investment decisions are projected.
TECHNOLOGY	Accelerated deployment of low-carbon technologies and transformation of the global energy matrix. By 2050, nearly 70% of generation comes from solar and wind sources, complemented by bioenergy, hydrogen, and storage. Carbon capture, utilization and storage (CCUS) solutions are expanding to support neutrality. Technological innovation ensures energy security and deep decarbonization of energy-intensive industries	Technological advances are incremental and follow existing trends. Renewable energy, energy efficiency, and low-carbon solutions expand, although not at the pace or scale of deep mitigation scenarios. The energy matrix evolves gradually, maintaining a relevant share of fossil fuels.	The energy matrix maintains a strong dependence on fossil fuels. Technological progress is slow and investments in efficiency and renewable energy are conservative. Carbon capture and removal has limited adoption. Emissions continue to increase for several decades, increasing physical risks and exposure to severe climate impacts.

2030-2050 IMPACTS

Climate change-related opportunities tend to increase over long-term horizons, particularly under more accelerated decarbonization scenarios. Among the different categories evaluated, **sustainable products and solutions are consolidated as the main driver of value creation for the business,** followed by initiatives aimed at resource efficiency and the transition in energy sources. Potential earnings are mainly associated with the development and commercialization of green and low-emission solutions, whose performance is estimated based on revenue projections for these types of products.

OPPORTUNITIES 2030-2050

The analyzed scenarios and their potential impacts are consistent with global trends that are driving a transition toward more sustainable, efficient, and durable products and solutions, both from consumer demand and from different productive sectors. In this context, the commitments and actions on climate change mitigation and adaptation undertaken by the Company strengthen its ability to capture relevant opportunities in the market, through the development and/or expansion of low-emission products and services and diversification, use of low-emission energy sources, use of supplementary cementitious materials, improvement in the efficiency of facilities and production processes, and co-processing; in complement with the efforts carried out at the sectoral and global levels.



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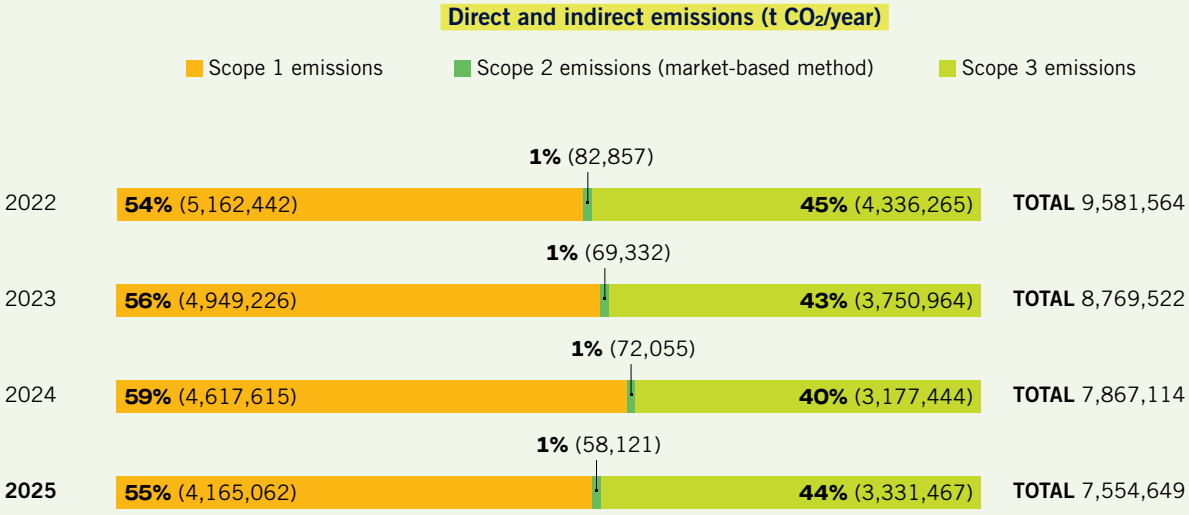
Climate Change Mitigation Actions



Climate change mitigation is a central pillar of our strategy and of the transformation of the business model. It is not limited to the reduction of direct emissions but also involves the adoption of innovative solutions that contribute to a more efficient industry and a low-carbon economy.

Our scope 1 roadmap is based on three fronts: **reduction of the clinker-to-cement factor, increase in the use of alternative fuels, optimization of energy efficiency, and incorporation of cleaner energy sources.** In the case of scope 2, our areas of focus are concentrated on: **electric energy efficiency, power purchase agreements (PPAs), and renewable energy projects.** These actions are complemented by the implementation of advanced technologies and the consolidation of strategic partnerships with key stakeholders to accelerate the sector's transition.

With this comprehensive approach, we reduce our carbon footprint while strengthening the resilience of operations to climate risks.

Learn more about our climate change management.

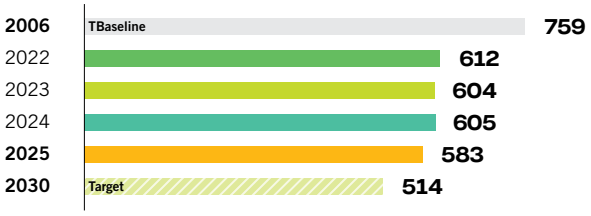
The main mitigation actions implemented in 2025 are presented below.

SCOPE 1: REDUCTION OF DIRECT CO_2 EMISSIONS IN THE CEMENT BUSINESS BY 2030

Our direct emissions (Scope 1) correspond to 55% of the total CO_2 emissions generated across the value chain and therefore constitute the main focus of our technical and financial decarbonization roadmap in the cement business.

These emissions are generated directly by our operations in the Regional Colombia, Central America, and the Caribbean, of which 94% are concentrated in cement production. In this process, approximately 60% of emissions are generated from the decarbonation of raw materials during clinker production, around 35% from fuel consumption, and the remaining 5% from concrete, aggregates, and some self-generation operation plants.

Cement - Net specific direct CO_2 emissions (kg CO_2/t cementitious material)



In 2025, we reached 583 kg CO_2/t of cementitious material, which represents a reduction of 22 kg CO_2/t compared to 2024 and consolidates a cumulative decrease of 176 kg CO_2/t compared to the 2006 baseline.

This 4% reduction compared to 2024 was associated with the following factors:

1. Reduction in absolute net emissions, exceeding the variation observed in cementitious material production. This is due to operational efficiencies in the Colombia Regional, which contributed 88% of total clinker production.

2. Decrease in calorific consumption by 5.5% at the Company level, as a result of calorific reduction initiatives and operational controls implemented in our kilns. At the Cartagena Plant, in the Colombia Regional, we achieved a 6% reduction, while at the Piedras Azules Plant, in the Regional Central America, we achieved a 2% reduction.

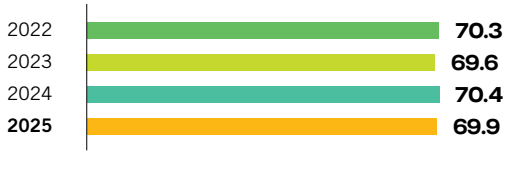
3. The balance achieved between thermal efficiency and operational control in Colombia allowed maintaining stable direct CO_2 emissions despite the low availability of natural gas, which reduced its share in the energy matrix from 3.2% to 2%, and the one percentage point increase in coal use. Regarding the calorific substitution rate with alternative fuels, it remained at levels similar to 2024, with a slight variation from 4.1% to 3.9%.

We advanced in the execution of projects that are part of the technical and financial roadmap to reduce our Scope 1 CO_2 emissions to 514 kg CO_2/t cementitious material by 2030. In 2025, **we invested more than USD 451,000 in projects to reduce caloric consumption and adapt for co-processing.**

Reduction of the clinker-to-cement factor

The reduction of the clinker factor constitutes the decarbonization lever with the greatest immediate impact on the CO_2 intensity of cement. This strategy focuses on the partial substitution of clinker with supplementary cementitious materials (SCMs), such as slag, fly ash, pozzolans, and calcined clays, which maintain the technical performance and quality of the final product. In this context, we have developed several initiatives aimed at progressively advancing in this strategic line.

Clinker-to-cement factor (%)



We reached a clinker-to-cement factor of 69.9%, representing a decrease of 0.5 percentage points compared to 2024. This result was influenced by the low availability of supplementary cementitious materials in some markets and by a portfolio composition similar to that of the previous year, which limited a greater reduction of the indicator.

↑ Nare Plant in Colombia

Pozzolan dryer in Honduras
In 2025, the pozzolan drying section came into operation, with a nominal capacity of 50 tons per hour, lowering the moisture from 10 to 4, a capacity that has increased the cement mill's throughput in rainy seasons from 85 to 115 tons per hour due to the dry pozzolan. Additionally, the clinker-to-cement factor in the General Use type was reduced from 55% to 49%, and higher reactivity of the cement components was achieved.

We made progress in the reduction of the clinker factor with operational improvements in Colombia
The Regional advanced in optimizing the use of additives and cementitious materials, promoting the reduction of the clinker-to-cement factor and improving operational efficiency.

At the Nare Plant, we implemented a chemical activator that allowed reducing up to two clinker points in structural white cement without affecting early strengths. The initiative included a new dosing system with an investment of COP 60 million and generated estimated savings of COP 2,400 per ton.

SUCCESS CASE

SUPERCLINKER

In 2025, we advanced the industrial validation of superclinker technology, an innovation developed to increase clinker reactivity and reduce the clinker-to-cement factor.

We carried out an industrial test at the Cartagena Plant in which we incorporated a fluxing and mineralizing compound during the production process. This pilot made it possible to produce, in the latest industrial test, 13,880 tons of clinker and 10,533 tons of cement distributed as follows: Emax (4,190 t), I/II (2,656 t), and IL (3,687 t).

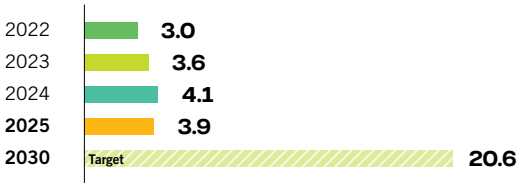
The test confirmed an increase of between five and eight percentage points in C3S content, which translates into significantly more reactive clinker. This technical performance demonstrates the potential of the technology to **reduce the clinker-to-cement ratio by two to four percentage points,** depending on the product type, and **to improve mill productivity** thanks to clinker with enhanced grindability, enabling increased mill output. Less moisture, greater efficiency in Colombia

The result represents a relevant milestone in **our commitment to energy efficiency, resource optimization, and climate change mitigation,** by enabling a practical pathway to reduce emissions.

Alternative Fuels

Through the co-processing of waste in clinker kilns, we partially substitute traditional fossil fuels such as coal and petcoke, reducing the CO_2 emission intensity of the thermal process and valorizing materials that would otherwise be disposed of in landfills.

Substitution of calorific consumption of conventional fossil fuels with alternative fuels (%)

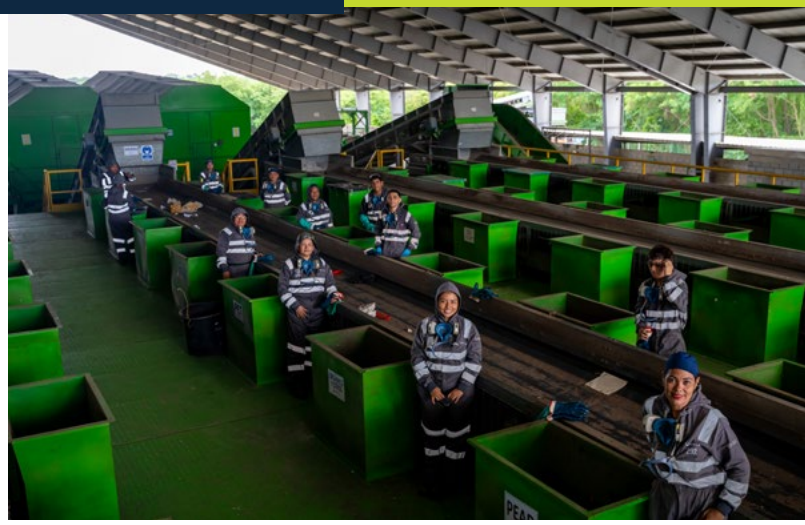


In 2025, we increased co-processing to more than 32,000 tons, 18% more than in 2024. However, the caloric substitution rate decreased from 4.1% to 3.9%. Although we exceeded the levels recorded in 2022 and 2023, we still face structural challenges associated with the availability of alternative inputs, as well as market conditions in the geographies where we operate.

We promoted co-processing to advance decarbonization in Colombia

Together with Veolia Colombia, we launched a pilot test to produce refuse-derived fuel (RDF) from municipal solid waste generated in Barranquilla. This initiative made it possible to assess the substitution of fossil fuels with waste with energy potential and strengthen our emissions reduction approach.

Learn more about this project in the waste and circular economy chapter of our Integrated Report, page 144.



↑ Production of refuse derived fuel (RDF) with Veolia

We lead waste management and value generation in Honduras:

During the year, we co-processed more than 200 tons of refrigerant foam from the cold chain and refrigeration equipment sector at the Piedras Azules Plant, avoiding harmful emissions and generating USD 200,425 in revenue.

This management positions Cementos Argos as an environmental benchmark in the region and led to receiving official recognition from the Ministry of Natural Resources and Environment, which highlighted our method as professional, safe, and effective.

Thermal Efficiency and Use of Cleaner Fuels

Calorific consumption in clinker production (MJ/t clinker)

We reduced specific energy consumption through equipment modernization, continuous improvement in process management, and the incorporation of technologies that maximize heat utilization in kilns.

We reached a calorific consumption of 3,683 MJ/t of clinker, representing a reduction of 214 MJ/t compared to 2024 (3,897 MJ/t), equivalent to 5.5%. This result consolidates a sustained improvement trend since 2022 and strengthens thermal efficiency as a key lever to reduce scope 1 CO_2 emissions.

Thermal efficiency in Cartagena, Colombia

At the Cartagena Plant, actions were implemented to improve the thermal efficiency of the process, resulting in a reduction in calorific consumption of more than 106,000 GJ. This performance generated an approximate reduction of 10,000 tons of CO_2. With an investment of approximately USD 640,000, the initiative generated estimated savings of USD 530,000 through energy optimization, strengthening competitiveness and the environmental profile of the operation.

Less moisture, more efficiency in Colombia

At the Yumbo Plant, we were able to improve thermal efficiency, reducing the moisture of the material by two percentage points. This improvement impacted heat consumption and emissions by 2,784 kg CO_2/year.

Cement plant in Panama drives a low-carbon operation

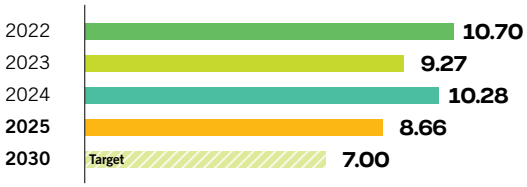
During 2025, our grinding plant in Panama consolidated a comprehensive management approach focused on emissions reduction and efficient resource use. This approach included full measurement of its carbon footprint, implementation of energy efficiency initiatives, increased use of cleaner fuels, adoption of 100% clean energy, and certified offsetting of residual emissions.

As a result of these actions, 6,968 tons of CO_2 corresponding to Scope 1 and 2 were neutralized, and an investment of USD 22,678 was allocated to clean energy projects. Consequently, the external audit by Versa Expertos en Certificación S.A.S. and the Reduce Your Corporate Footprint voluntary program of the Ministry of Environment of Panama reaffirmed the recognition of the plant as a carbon-neutral operation for three consecutive years.

SCOPE 2: FOR REDUCTION OF INDIRECT CO_2 EMISSIONS ASSOCIATED WITH PURCHASED POWER CONSUMPTION

Indirect emissions, mainly those associated with electricity consumption (Scope 2), represent 1% of our carbon footprint and reflect the energy intensity of our operations. Although they are not generated directly in our processes, they are an integral part of our responsibility.

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



Scope 2 specific CO_2 emissions were reduced by 16% vs. 2024, mainly due to two factors:

1. **Reduction in the emission factor of Colombia's electricity grid,** which decreased from 217 to 97 kg CO_2/MWh, equivalent to a 55% reduction, leading to lower emissions intensity associated with purchased electricity.

2. A significant **reduction was recorded in the emission factors of the electricity grid in several countries in the Caribbean and Central America,** reflecting a higher share of lower-carbon energy sources in the electricity matrix. As a result, Panama recorded a decrease of 24%, Suriname 34%, and Honduras 15%, contributing positively to the reduction of indirect emissions associated with electricity consumption.

Electric Energy Efficiency

We advanced in energy efficiency at the Rioclaro Plant, Colombia

At the Rioclaro Plant, we implemented a comprehensive cement mill optimization project that strengthened the performance of structural max cement (Emax). Based on a detailed analysis of equipment behavior, parameter adjustments according to clinker granulometry, the incorporation of cameras, and an algorithm to optimize water control, we achieved stable, safe, and efficient operation.

The initiative made it possible to achieve sustained outputs between 110 and 120 tons per hour, above the defined target, and a specific consumption of approximately 40 kWh per ton. With an investment of USD 4,250, the project increased the availability of Emax cement by 44,000 tons, generated energy savings of approximately 665,000 kWh, equivalent to 120 tCO_2 avoided (Scope 2 emissions), and savings of USD 79,798.

Electric efficiency and emissions reduction in Puerto Rico

In 2025, we are working on energy efficiency initiatives in the silo and packaging processes, aimed at reducing electricity consumption. Some of the most outstanding achievements of this initiative include:

Silo Process:

- Energy savings of 14 kWh/t.
- Monthly reduction in electricity consumption
- between 56,000 and 63,000 kWh, resulting in a reduction of more than 500 t CO_2/year.
- **Estimated savings:** USD 175,000

Packaging Process:

- Energy savings of 1.96 kWh/t.
- Monthly reduction of electricity consumption of 13,383 kWh and consequently we reduce
- about 113 t CO_2/year.
- 6% increase in process reliability.
- **Estimated savings:** USD 39,000

↑ Project in the Dominican Republic

Innovation that Boosts Production and Saves Energy in the Dominican Republic

Thanks to the incorporation of a pre-grinding stage, we achieved a 95% reduction in clinker size.

This increased mill capacity by 20% and production by 7%, while reducing energy consumption by 1.5 kWh per ton of cement. This efficiency translates into an estimated reduction of 352 tons of CO_2 per year. In addition, the project generated economic benefits in excess of USD 2 million.

Power purchase agreements (PPAs) and renewable energy projects

Certified Renewable Energy in Our Colombian Operations

During the year, approximately 166,000 MWh of renewable energy certified with I-RECs were consumed in the operations of the plants of the Regional Colombia, based on contracts signed with Isagen and EPM.

Promotion of Renewable Energy in our Central America and Caribbean Operations

- **Honduras:** We negotiated the expansion of the Piedras Azules solar farm, which will have 26 MWh of installed capacity, allowing the substitution of 46% of energy taken from the grid and reaching a solar supply close to 62%, with estimated savings of USD 1.1 million annually
- **Panama:** We executed a project aimed at optimizing the design of the cement mill. This intervention strengthened electrical efficiency and operational reliability. It is projected that during 2026, a mean time between failures of more than 150 hours will be achieved; a reliability factor greater than 93%; a reduction in electricity consumption of 3 kWh/t; a decrease in the clinker-to-cement factor of up to 2%; and annual savings exceeding USD 1 million
- **Dominican Republic:** We increased the supply of renewable energy at the Najayo Plant thanks to the contract signed with EGE HAINA. In 2025, we increased from 10% to 32% of annual consumption generated through solar energy. This progress made it possible to supply 7,674 MWh and reduce approximately 3,870 t CO_2 for scope 2.

SCOPE 3: OTHER ACTIONS TO MITIGATE CO_2 EMISSIONS IN OUR VALUE CHAIN

Scope 3 emissions represent 44% of our emissions and are those generated upstream and downstream of the value chain, including the purchase of goods and services, transport and distribution, and fuel use. Although they are not under our direct operational control, they constitute a significant proportion of our total footprint and reflect the interdependence of the business with suppliers, customers, and other ecosystem stakeholders.

Scope 3

In 2025, categories **15** investments, **1** purchase of goods and services, **3** activities related to fuel and electricity consumption, and **10** processing of sold products were the most representative.

The breakdown by category is presented below:

- **1 Purchase of goods and services: 28.38%**
- **2** Purchase of equipment: **3.60%**
- **3 Activities related to the consumption of fuels and electric energy: 8.54%**
  4 Upstream transport and distribution: **5.88%**
- **5** Waste generated in the operations: **0.11%**
- **6** Business travel: **0.006%**
- **7** Employee commuting: **0.32%**
- **8** Upstream leased assets: Not available
- **9** Transportation and downstream distribution: Not available
- **10 Processing of sold products: 6.78%**
- **11** Use of sold products: Not available
- **12** End-of-life treatment of sold products: **2.09%**
- **13** Downstream leased assets: Not available
- **14** Franchises: Not available
- **15 Investments: 44.30%**

Transport Efficiency: Fuel Savings and Emissions Reduction in Colombia

Together with our logistics partners, we implemented an efficient transport plan aimed at optimizing fuel consumption and reducing emissions associated with distribution. As a result, average performance improved by 28%, increasing from 7.85 km/gallon to 9.89 km/gallon. This improvement allowed reducing CO_2 emissions by 17%, exceeding the 2025 target of 14%.

** Of the fifteen scope 3 categories, ten were quantified in 2025 in accordance with the guidelines of the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (WBCSD and WRI, 2011) and the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" (WBCSD- CSI, 2016).*

↑ Solar Park Comayagua, Honduras

Opportunities Arising from Climate Change

We have identified three key areas where climate change opens new opportunities for our Company. Through these, we seek to generate economic value, reduce structural costs, capture new sources of revenue, and consolidate a more efficient operating model aligned with regulatory and market expectations.

Energy sources: The transition to a less CO_2-intensive energy matrix through the progressive incorporation of renewable energy represents one of the most efficient levers for reducing costs and mitigating regulatory risks.

Sustainable products and solutions: Climate change requires a redefinition of our value proposition. The evolution of the market toward sustainable construction makes it possible to capture new revenue streams and strengthen customer loyalty.

Resource efficiency: Optimization in the use of raw materials, energy, and fuels not only reduces the environmental footprint but also protects operating margins against increases in the cost of traditional inputs.

ENERGY SOURCES

Use of Low-Emission Energy Sources

The transition toward low-carbon energy sources represents a strategic opportunity to decouple operating costs from fossil fuel volatility and uncertainty in electricity grid prices. This management focuses on increasing the share of renewable energy in total consumption through **power purchase agreements (PPAs),** an action that strengthens operating cash flow by capturing more competitive prices without requiring direct investments in generation assets.

In 2025, we advanced in the incorporation of certified renewable energy and in structuring long-term supply agreements across different geographies; an example of this is the investment of USD 1.7 million in Central America in the purchase of renewable energy. The combination of a cleaner electricity matrix and more efficient consumption management made it possible to reduce the emissions intensity associated with purchased electricity, even in a context of higher energy demand.

- **In Colombia,** we consume approximately 166,000 GWh of renewable energy certified with IREC'S, based on contracts signed with Isagen and EPM.
- **In Central America,** we negotiated the expansion of the Piedras Azules solar farm, which will have an installed capacity of 26 MWh and will achieve a solar energy supply of close to 62%.
- **In the Caribbean,** we increased the supply of solar energy in the Dominican Republic, which already covers 32% of annual consumption at the Najayo plant.

43 %

OF THE ENERGY CONSUMED came from renewable sources.

SUSTAINABLE PRODUCTS AND SOLUTIONS

Development of Low-Emission Goods and Services

Climate change represents an opportunity to transform the business model and strengthen our value proposition. The evolution of customer needs toward materials with lower carbon emissions, lower resource consumption, and higher energy efficiency has driven the consolidation of a portfolio of sustainable solutions that today constitutes a fundamental pillar of our consolidated revenues.

In this context, our strategy integrates investment in R&D, portfolio optimization, and the development of new businesses. During 2025, we allocated more than USD 1.3 million to the development of low-carbon products, solutions based on supplementary cementitious materials (SCMs), and circular economy initiatives.

44 %

OF THE COMPANY'S REVENUES

come from the sale of sustainable solutions and products.

Our portfolio of green solutions acts as an **enabler for customers to achieve internationally recognized certifications** such as LEED, EDGE, and CASA Colombia.

Our portfolio of sustainable products and solutions

Low-carbon products
- Cement and concrete

Products that optimize materials, extend service life, promote climate adaptability, and are 100% recyclable
- High-Strength Concrete
- Pavement Concrete
- Durable Low-Permeability Concrete
- Steel framing (Home for Me)

Solutions that reduce the consumption of other materials
- Modular Solutions

A product that enables water resource management, promotes climate adaptability, and is 100% recyclable
- Permeable Concrete

Products that contribute to well-being and comfort, promote people's health, and reduce the urban heat island effect and the energy consumption of buildings
- Architectural Concrete
- Colored Concrete
- White Cement

Solutions that promote the circular economy
- Green Bags Program
- Soluble Bags

Solutions that reduce the use of natural resources
- Road Solutions
- Road Cement

Digital construction solutions that enable automation and modeling in the industry
- Automation of Life Cycle Assessment (LCA)

Here are some of the most outstanding products and solutions for 2025:

- **Antilles-Soluble Bags and Circular Economy:** The implementation of soluble cement sacks has transformed on-site productivity in the markets of Antigua, Dominica and Sint Maarten. Following technical validations with more than 124 key stakeholders, we initiated the transition to 100% soluble bags in these territories, representing an annual volume of 168,000 tons of cement. This solution eliminates packaging waste, improves safety and optimizes operational efficiency, strengthening customer experience.
- **Panama | ECO Cement: Going further with less impact:** The development of ECO Cement (under ASTM C1157 Type LH) responds to the need for a practical, manageable, and reliable cement for low-strength applications Its low clinker-to-cement factor not only contributes to the reduction of CO_2 emissions but also improves competitiveness in remote geographic areas by optimizing logistics and expanding the reach of the Company's value proposition.
- **Concretos Argos Colombia: Efficiency, innovation and sustainability:** We were able to reduce the global warming potential (GWP) of concrete mixes from 364 to 353 kg of CO_2 equivalent per cubic meter, which meant an accumulated reduction of 23,200 tons of CO_2 during 2025. In addition, we reinforced our focus on customized solutions and developed 333 new concrete products, which represented 23.3% of the references sold during the year.

Learn more about our portfolio of sustainable products and solutions on page 118 of the Integrated Report.

RESOURCE EFFICIENCY:

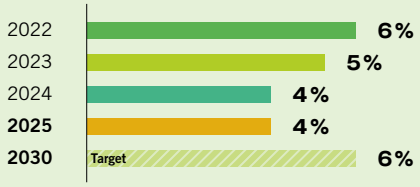
Use of Supplementary Cementitious Materials (SCMs)

The use of supplementary cementitious materials (SCMs), such as ashes and industrial slags, enables the systematic reduction of the clinker-to-cement factor. Given that clinker is the component with the highest energy demand and production cost, its partial substitution generates significant savings, reduces scope 1 emissions, and decreases our exposure to regulatory and carbon price risks.

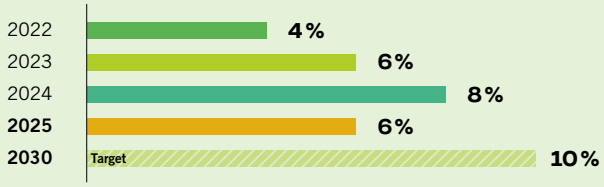
During 2025:

- We achieved a **4.2% substitution of traditional raw materials** for alternative inputs in the production process.
- We achieved **5.6% use of supplementary cementitious materials** in the concrete business.
- We took advantage of **452,000 tons of waste and industrial** by-products, avoiding their disposal in landfills and consolidating a circular economy model with positive impacts on the value chain.

Alternative Raw Materials in Cement Production



Supplementary Cementitious Material in Concrete



We have used about **2100 tons in our pilot test to produce (RDF)** from Municipal Solid Waste-in our Cartagena Plant.

Learn more about this initiative in the chapter on waste and circular economy of our Integrated Report, page 144.

← Digital Twins Project.

In addition, we continue strengthening our innovation capabilities through research and development projects focused on:

- Increasing clinker substitution levels through improvements in reactivity.
- Optimizing particle size distributions and grinding efficiency to increase the use of additions.
- Developing next-generation cements with lower clinker-to-cement factors.
- Evaluating production technologies for activated materials with lower emissions intensity.

Improvement in the Efficiency of Facilities and Production Processes

Optimizing production processes, minimizing losses, and reducing the consumption of energy and raw materials not only positively impact the environmental footprint but also improves operating margins and resilience in the face of more demanding energy price and regulatory scenarios.

Being more efficient implies developing new projects and technologies, which is why we integrate science, digital tools, automation, and artificial intelligence to optimize processes and strengthen data-driven decision-making.

Digital manufacturing: Efficient and sustainable cement production

Our digital manufacturing strategy integrates advanced technologies such as AI-enabled Digital Twins, which make it possible to virtually replicate critical assets and processes based on real-time data and predictive analytics. These tools enable the simulation of operational scenarios, anticipation of deviations, and capture of efficiency opportunities before losses materialize in the production process.

During 2025, we expanded the Digital Twins platform to more than 90% of our cement plants, covering equipment throughout the value chain: crushing, primary grinding, clinkerization, and cement grinding. This large-scale implementation is aimed at maximizing productivity and reducing CO_2 emissions.

- **Colombia:** We strengthened predictive models through the incorporation of advanced algorithms capable of anticipating, up to one hour in advance, the behavior of critical process and quality variables
- **Central America and the Caribbean:** We expanded their adoption in the grinding plants in Suriname and French Guiana and initiated the first digital terminal model for Antilles operations, implementing advanced measurement systems and online monitoring of raw materials and process conditions, including artificial vision technologies and granulometric interpretation.

The results obtained demonstrate the tangible impact of this digital transformation:

- **Reduction** of the clinker factor by up to 5%.
- **Reduction** in specific energy consumption by up to 6%.
- **Increase** in production between 2% and 10%.
- **Implementation** of 38 automated control loops across 6 integrated plants and 5 grinding stations.

BEST ENVIRONMENTAL MANAGEMENT PRACTICE – INDUSTRIAL SECTOR:

We received the Camacol Antioquia Corporate Social Responsibility award in the category of Best Environmental Management Practice – Industrial Sector, for **our project on the transformation and utilization of construction and demolition waste,** an initiative that strengthens the circular economy through the production of recycled aggregates and the consolidation of environmental best practices in our operations.

← Co-processing

Co-processing
The partial substitution of conventional fuels with alternative sources derived from industrial and urban waste makes it possible to harness the energy value of materials that would otherwise be disposed of in landfills, transforming them into useful inputs for the clinkerization process.

Beyond its contribution to the reduction of direct emissions, co-processing generates operational efficiencies by reducing the cost per thermal unit used, diversifying the energy matrix, and offering third parties a technically safe and environmentally responsible solution for waste management.

3,9 %
SUBSTITUTION
of conventional fossil fuels with alternative fuels.

In 2025, we will make progress in consolidating this strategy in our Colombia and Central America regions:

- **In Colombia,** we manage more than 32,000 tons of waste through co-processing at the Cartagena and Rioclaro plants.
- **En Honduras,** we used more than 4,200 tons of alternative fuels in the clinker kiln at the Piedras Azules plant, achieving a substitution rate of 6.4 % and reducing dependence on traditional fuels.

Additionally, as members of the Global Cement and Concrete Association (GCCA), we supported the launch of the global campaign Transforming Waste into Purpose, aimed at strengthening the technical and regulatory understanding of alternative fuels and accelerating their adoption in the region.

↑ Biodiversity index assessment

MANAGEMENT OF NATURE-RELATED RISKS, IMPACTS, DEPENDENCIES, AND OPPORTUNITIES

In line with the approach adopted for climate risk management, in 2025 we identified and assessed risks, impacts, dependencies, and opportunities related to nature, progressively integrating this analysis into our Comprehensive Risk Management System (CRMS).

This exercise was developed by applying the LEAP methodological approach proposed by the TNFD, which guides organizations in identifying their interactions with nature, assessing risks and opportunities, and integrating them into strategic and financial decision-making.

LEAP approach (Locate, Evaluate, Assess, and Prepare)

L

Locate
We identified and prioritized key assets and nature-related topics based on their location, operational characteristics, and environmental sensitivity.

E

Evaluate
We evaluate the main dependencies and impacts on ecosystem services associated with prioritized assets.

A

Assess
We assess the main dependencies and impacts on ecosystem services associated with prioritized assets.

P

Prepare
We integrate the results into risk management and strategic planning, defining actions and disclosure mechanisms.

Identification and assessment of nature-related impacts, dependencies, risks, and opportunities

The quantitative assessment of forward-looking nature-related scenarios is still evolving globally Unlike climate change, where well-developed pathways and models exist, the analysis of nature-related risks presents methodological challenges associated with data availability, scenario standardization, and the characterization of complex ecosystem dynamics.

In this context, we developed an exercise that combined a high-level qualitative assessment with a short-term quantitative measurement, under a static approach aimed at estimating the Company's current financial exposure to risks and opportunities related to ecosystem degradation and the loss of ecosystem services. The methodology was structured in four phases:

Asset Prioritization
Assess ecosystems near each asset currently in operation.
Identify and prioritize assets based on their revenues and impact on biodiversity

Identification of Impacts and Dependencies
Identify impacts and dependencies by asset through the collection of information from sources such as ENCORE and benchmarking against recent nature-related reports.

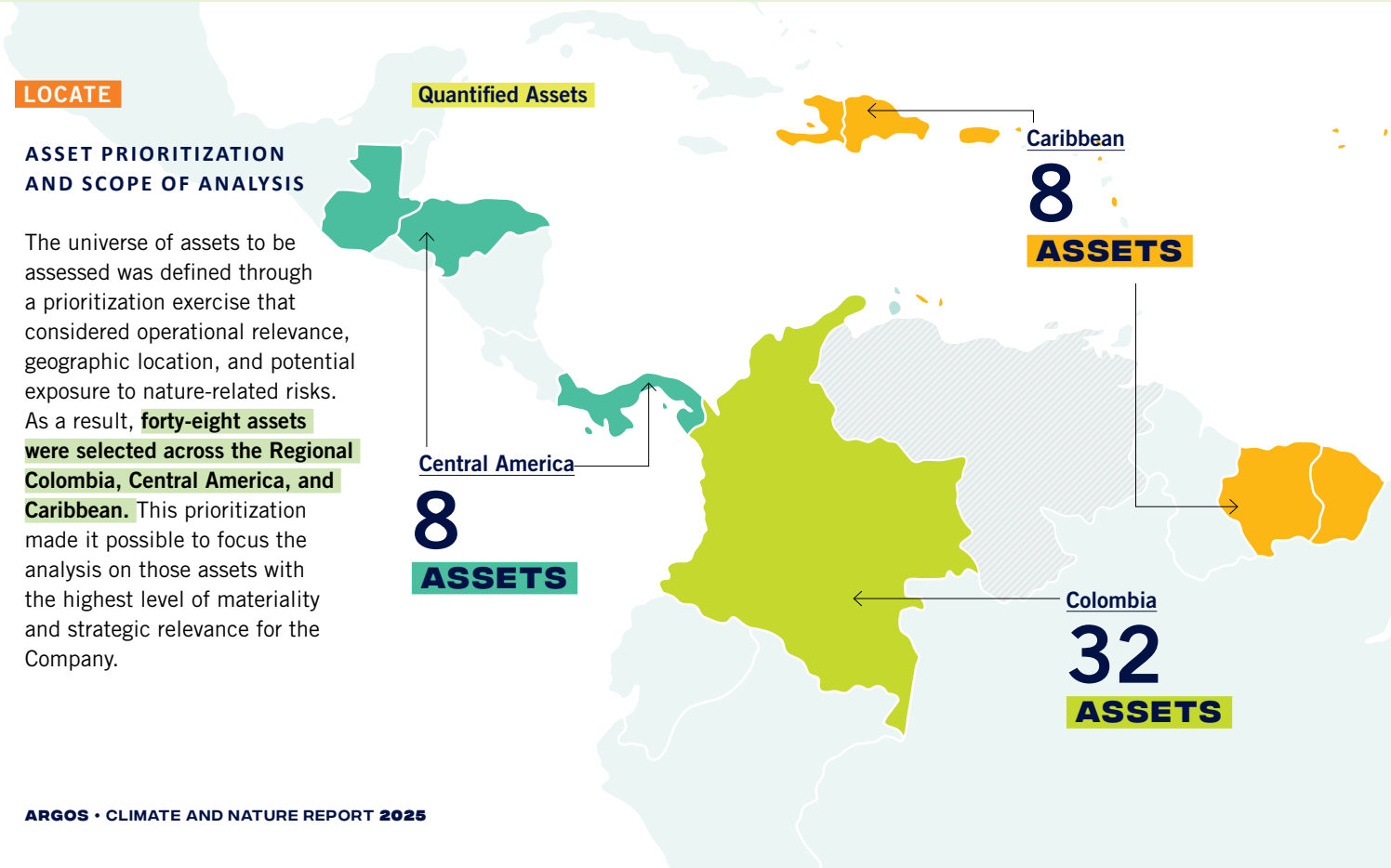
Establishment of risks and opportunities (R&O)
Map nature- related R&O and associate them with a specific exposure level.
Link each R&O to the World Wildlife Fund (WWF) risk taxonomy and assess its vulnerability.

Financial Impact Assessment
Obtain estimates of financial impact by R&O based on business information.
Estimate financial impact using the loss potential per R&O, the level of exposure, and the vulnerability score by asset.

LOCATE

ASSET PRIORITIZATION AND SCOPE OF ANALYSIS

The universe of assets to be assessed was defined through a prioritization exercise that considered operational relevance, geographic location, and potential exposure to nature-related risks. As a result, **forty-eight assets were selected across the Regional Colombia, Central America, and Caribbean.** This prioritization made it possible to focus the analysis on those assets with the highest level of materiality and strategic relevance for the Company.



EVALUATE

IDENTIFICATION OF IMPACTS, DEPENDENCIES AND ECOSYSTEM SERVICES

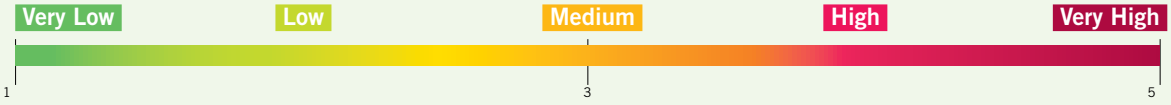
For the prioritized assets, the main ecosystem services, environmental assets and impact drivers associated with the operation were identified, based on the ENCORE methodology and the sectoral guidelines of the TNFD framework.

This analysis included aspects related to water resources, terrestrial and freshwater ecosystems, climate regulation and soil management, making it possible to determine the main operational dependencies and factors that could amplify exposure to nature-related risks.

Identification of ecosystem services, impact drivers and environmental assets of greatest materiality

Ecosystem Services		Impact Drivers		Environmental Assets	
Water purification		Extraction of other abiotic resources		Mineral and energy resources	
Precipitation pattern regulation		Use of freshwater areas		Terrestrial ecosystems	
Water flow		Disturbances		Water resources	
Flood mitigation		GHG emissions		Freshwater ecosystems	
Soil and sediment retention		Emissions of pollutants ther than GHG		Groundwater freshwater ecosystems	
Water supply		Emissions of toxic pollutants into water and soil			
Global climate regulation		Use of land areas			
		Volume of water use			
		Generation of solid waste			
		Electricity consumption			

Materiality Index



Ecosystem services / environmental assets additional to the TNFD framework

Ecosystem services / environmental assets of the TNFD framework

ASSESS

IDENTIFICATION AND ASSESSMENT OF RISKS AND OPPORTUNITIES

Based on the ecosystem services, impact drivers, and environmental assets identified as material, physical and transition risks were determined, as well as nature-related opportunities, associating them with levels of exposure and vulnerability by asset.

In total, six physical risks, two transitional risks and five opportunities were identified. Some of these had already been considered in the climate change exercise; however, in this analysis, assumptions were adjusted to reflect their specific relationship with ecosystem services and environmental assets, and nature-exclusive risks and opportunities were also incorporated.

	Physical Risks	Transitional Risks	Opportunities
Considered in the Climate Change Quantification Exercise	▪ Water Stress ▪ Floods ▪ Droughts ▪ Landslides	▪ Technological obsolescence	▪ Development of Products with Low Impact on Ecosystems ▪ Use of Supplementary Cementitious Materials (SCM) ▪ Use of Alternative Fuels
Exclusive to Nature Quantification	▪ Increased water treatment cost ▪ Deforestation	▪ Changes in regulation due to water withdrawal	▪ Water Efficiency ▪ Energy Efficiency

Physical Risks

		Impacts
R01 Water Stress	Associated with the dependence of operations on the ecosystem service of freshwater supply and flow, whose availability may be reduced due to pressure on water resources.	Potential increases in supply and treatment costs, as well as operational restrictions that affect productive capacity in assets located in water-stressed areas.
R02 Floods	Alterations in ecosystem services of water regulation and flood mitigation, which may generate water surpluses and impacts on assets located in exposed areas.	Potential damage to infrastructure, equipment, and inventories, as well as operational disruptions and higher costs related to contingency management and remediation.

			Impacts
Physical Risks	**R03** Droughts	Prolonged alteration of ecosystem services of precipitation regulation and water flow, reducing the availability of this resource in territories where assets operate.	Potential operational restrictions, increases in supply and treatment costs, and additional investments in efficiency or alternative sources of supply.
	R04 Landslides	Alteration of ecosystem services related to soil retention and water regulation, which may generate ground instability in areas where assets and access roads are located.	Potential logistical and operational disruptions, impacts on quarries and infrastructure, and higher costs for stabilization, material removal, and contingency management.
	RN05 Increase in the cost of water treatment	The deterioration in water quality, associated with ecosystem pressures and stricter regulatory requirements, may increase the costs of treating water used in production processes, due to the need for additional technologies, higher investments, or operational adjustments to comply with environmental standards.	It may result in higher capital investments and operating expenses in infrastructure, inputs, and energy; affect operational efficiency in water-dependent assets; and increase unit production costs, putting pressure on business margins.
	RN06 Deforestation	The loss of forest cover in areas of influence, derived from land-use changes and anthropogenic pressures, may increase exposure to environmental, regulatory, and social risks by affecting key ecosystem services and increasing operational vulnerability.	It may affect the social license to operate and increase the risk of conflicts with communities and authorities, as well as generate operational restrictions or delays in permits that impact the continuity of operations and projects.
Transitional Risks	**R07** Technological Obsolescence	Associated with the use of lower-efficiency technologies in water consumption and emissions management, which increase pressure on natural resources and exposure to more stringent environmental standards.	Potential higher operating and regulatory compliance costs, as well as additional investments for technological modernization that may affect competitiveness and profitability.
	RN08 Changes in the Regulation of Water Withdrawal	The strengthening of environmental policies and increased pressure on water resources may impose stricter restrictions or higher regulatory costs on the withdrawal of water used in production processes.	This could lead to increases in fees and monitoring costs, as well as higher investments in efficiency, treatment, or alternative water sources. Potential limitations on authorized abstraction volumes could affect operational continuity, production capacity, and revenues.

Opportunities

		Impacts
001 Development of Products with Low Impact on Ecosystems	Associated with the design and commercialization of products that exert lower pressure on natural resources and generate fewer impacts on ecosystems, through improvements in formulation, material efficiency, and waste management.	Possible competitive differentiation, access to markets with higher sustainability requirements and strengthening of income through the growing demand for more sustainable building materials.
002 Use of Supplementary Cementitious Materials (SCM)	Partial substitution of clinker with supplementary cementitious materials, reducing pressure on mineral resources and optimizing the use of raw materials.	Potential production cost savings, lower dependence on resource-intensive inputs, and improved operational efficiency and cash flow.
003 Use of Alternative Fuels	Substitution of fossil fuels with alternative sources derived from waste, reducing the extraction of abiotic resources and promoting circular economy practices.	Potential energy cost savings, lower dependence on conventional inputs, and improved operational efficiency through more sustainable material and waste management.
ON04 Water Efficiency	Opportunity associated with technologies and practices that reduce water consumption and increase water reuse in production processes, decreasing pressure on water sources and strengthening operational resilience under scarcity scenarios.	Reduces supply, treatment, and discharge costs, lowers exposure to regulatory restrictions, and optimizes investments in alternative sources. It also strengthens operational continuity and cash flow stability in water-stressed areas.
ON05 Energy Efficiency	Opportunity linked to the optimization of energy consumption in production processes, reducing pressure on natural resources and aligning the operation with environmental standards and growing sustainability goals.	It structurally reduces operating costs, improves margins and reduces exposure to energy price volatility. In addition, it strengthens environmental performance and competitive positioning with customers and investors with higher sustainability requirements.

FINANCIAL IMPACT ASSESSMENT

To estimate the potential economic materiality of identified risks and opportunities, a quantification exercise was conducted to assess their short-term financial impact.

For those risks and opportunities already quantified in the climate change assessment, the same financial methodology was applied, adjusting assumptions and variables to reflect their specific relationship with ecosystem services and environmental assets. Unlike the climate analysis, which incorporates multiple time horizons and scenarios, this exercise focused on estimating current or short-term inherent risk.

For risks and opportunities exclusive to the nature-related assessment, financial magnitude was estimated based on three main parameters:

1. Level of Exposure of the Sector and the Asset
2. Associated Territorial Vulnerability
3. Potential Loss or Benefit Derived from the Event

This approach made it possible to structure a consistent evaluation across assets and regions.

PREPARE

Impact of nature-related risks and opportunities on business, strategy, and financial planning

The quantification made it possible to assess the current financial exposure associated with physical and transition risks related to nature, as well as the economic opportunities derived from more efficient resource management and the development of sustainable products.

Risks

The results show a high geographic concentration of exposure in Colombia, representing 79.8% of the estimated potential losses. This concentration reflects the country's operational scale, the number of assets involved, and their direct interaction with strategic ecosystems.

	Considered in Climate	Exclusive to Nature
Physical Risks	USD 564,711	USD 2,564,457
Transitional Risks	USD 73,426	USD 999,770

In terms of materiality, **physical risks account for the largest financial magnitude,** with deforestation being the most significant risk, with estimated losses of USD 2,471,170, mainly associated with environmental compensation obligations and expansion of intervened areas. This is followed by water-related risks, such as regulatory changes in water abstraction (USD 999,770), increased treatment costs (USD 128,871), and water stress (USD 109,215), highlighting the business's critical dependence on this resource.

Events such as floods (USD 345,820) and droughts (USD 102,597) further reinforce operational exposure to climate variability and changing precipitation patterns, while risks such as landslides show lower short-term magnitude.

The results indicate that, unlike the climate analysis, where transitional risks dominate in future horizons, nature-related exposure is currently concentrated in physical risks associated with land use, biodiversity, and water availability.

Opportunities

Regarding the opportunities, the analysis shows an even higher concentration of opportunities in Colombia, accounting for 87.3% of estimated potential gains. **The development of products with low impact on ecosystems represents the main economic opportunity** (USD 46,976,041), driving between 66% and 99% of profits in the regions analyzed and aligning with the corporate goal of growth in sustainable products.

Opportunities

Considered in Climate

USD 47,570,882

Exclusive to Nature

USD 446,122

Additionally, opportunities associated with caloric energy efficiency (USD 2,351,319), use of supplementary cementitious materials (SCMs), alternative fuels, and water efficiency reinforce the possibility of generating financial value while reducing pressure on critical natural resources.

The information obtained constitutes a strategic input for **investment prioritization, capital allocation and the integration of nature criteria in financial planning,** strengthening the operational resilience and sustainability of the business model in the short and medium term.

↑ Employee in Honduras

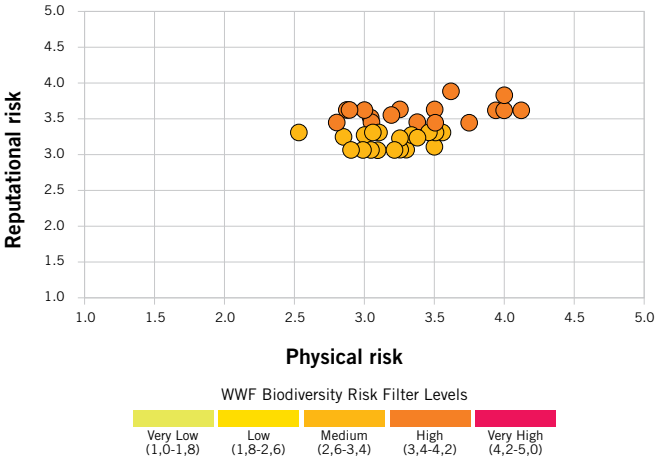
Assessment of nature-related impacts across the value chain

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

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

Suppliers

Physical Results vs. Reputational Risk for Suppliers Assessed



Of the **106 suppliers analyzed,** the results show the following risk level distribution:

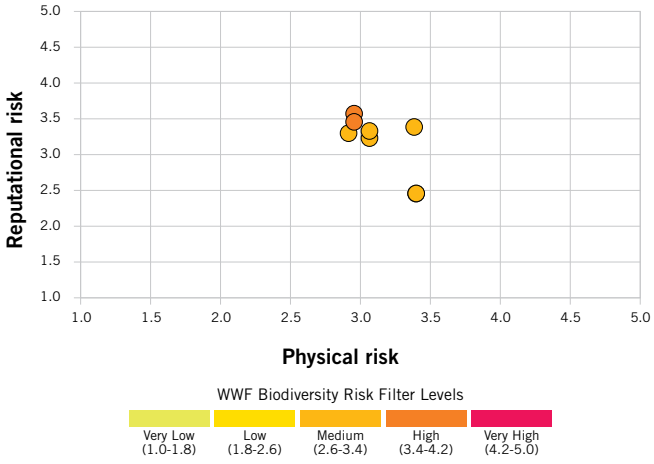
- **Physical risk: 28** locations present high risk (3.4 - 4.2), **77** medium risk (2.6 - 3.4), and **1** low risk (1.8-2.6).

- **Reputational risk: 33** suppliers are at a high level (3.4 - 4.2) and **73** at a medium level (2.6- 3.4).

These results, visualized in the graphs, show a high exposure to physical and reputational risks in suppliers of the mining sector, crucial for Argos' supply chain. This underscores the need to influence and mobilize these suppliers towards sustainable practices, ensuring business continuity and competitiveness.

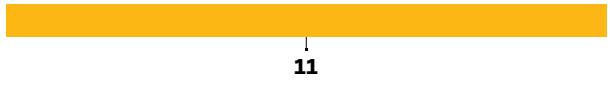
Customers

Physical Results vs. Reputational Risk for Customers Assessed



The assessment of **11 customer projects** with direct interaction with nature revealed the following results:

- **Physical risk:** All projects are at a medium level (2.6- 3.4).

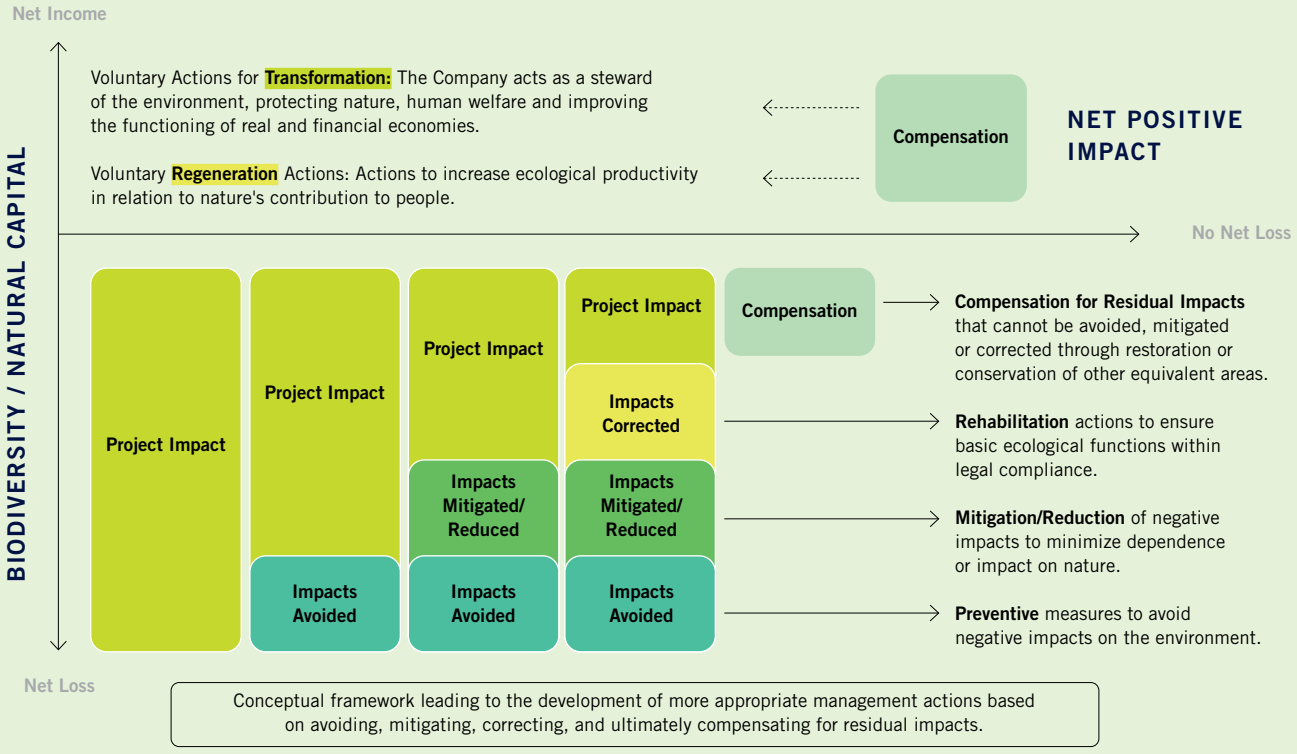


- **Reputational risk: 7** projects are at medium level (2.6- 3.4) and **4** at high level (3.4- 4.2).

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

Nature-related Mitigation Measures

Our commitment to the preservation of natural capital is materialized through the application of the mitigation hierarchy. This methodological framework guides operational decision making to ensure the protection of biodiversity and the maintenance of ecosystem services at all stages of the project life cycle.



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

During 2025, several initiatives designed to address the Company's interaction with the biotic environment were implemented. The following is a description of the year's most relevant milestones and programs, which constitute tangible steps towards the strategic objective of moving towards a net positive impact on nature.

Learn more about our initiatives in waste, circular economy and nature in the **Integrated Report 2025,** pp. 144 y 138.

← Co-processing in Honduras

↑ Soluble bag

AVOIDING OR PREVENTING THE IMPACT

At Argos we prioritize prevention as a fundamental principle of our environmental management. To achieve this, we adopt decisions that avoid the generation of negative impacts from the outset, even when current regulations allow the development of certain activities. An example of this approach is the decision not to move forward with quarry exploitation in areas with high biodiversity value. Beyond their legal status, we recognize the ecological and social relevance of these territories and act in coherence with our commitment to the conservation of natural capital.

For more than 15 years, the company has been materializing this commitment by **voluntarily relinquishing mining titles, prioritizing environmental protection.** Key decisions include discontinuing projects in areas with high landscape sensitivity and near tourist zones, as well as excluding from mining planning those areas overlapping with protective buffers of water bodies, aquifer recharge zones, and sub-páramo ecosystems, identified from early environmental assessment stages.

Soluble bags: Less waste on site

In 2025, we continue to make decisive progress on the Soluble Bags initiative, designed to dissolve during the mixing process and eliminate on-site waste. As a result, we were able to ensure that **100% of the structural cement produced at the Colombia Regional** is bagged in these sacks, which reinforces our commitment to the circular economy by avoiding environmental impact and optimizing the management of materials throughout the life cycle of our products.

Find more information **here.**

ADVANCING TOWARD A NET POSITIVE IMPACT:

In 2025, we took a significant step by evaluating the biodiversity index at the Santana quarry in Cartagena, Colombia, enabling us to gain relevant insights into ecosystem conditions and strengthen environmental management at this operation. This milestone marks the beginning of a phased process that, through 2030, will encompass the assessment of all prioritized quarries (active and inactive operations that have already been intervened, strategic reserves for the company, and quarries approaching the start of their closure plans), establishing biodiversity baselines for each. This allows us to better guide conservation and restoration actions, advancing toward the goal of generating a net positive impact.

MITIGATE OR REDUCE IMPACT

In 2025, we continued working to mitigate the negative environmental impacts associated with our operations. Through our environmental strategy, integrating climate change, nature, and circular economy pillars, we implemented actions aimed at reducing pressure on natural resources. This approach enables simultaneous progress in:

Reducing CO_2 emissions
through process optimization and the use of lower-carbon fuels and materials

Efficient water resource management,
prioritizing optimized freshwater withdrawal and responsible use.

Reducing the consumption of raw materials and conventional fuels
using waste and industrial by-products

Efficient Water Resource Management

In response to identified exposure to risks such as water stress, regulatory changes in water withdrawal, and rising treatment costs, in 2025 we continued implementing our water efficiency strategy, prioritizing the progressive reduction of freshwater withdrawal and increased recirculation.

Water recirculation became a strategic lever to reduce pressure on water sources and strengthen operational resilience. In 2025, more than 3.4 million m³ of water were recirculated, equivalent to 88% of total water withdrawn across operations. As a result, specific freshwater withdrawal decreased to 377 L/t in the cement business, 191 L/t in concrete, and 24 L/t[1] in aggregates, demonstrating significant improvements in water efficiency.

1 This result was influenced by the non-operation of the San Marcos plant in the Colombia Regional during the reporting year.

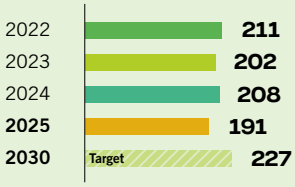
+3.4

MILLION M³ OF WATER
was recirculated, which corresponds to 88% of the total water withdrawn.

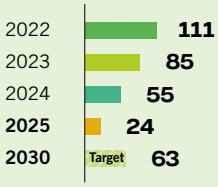
Specific Freshwater Withdrawal

Cement (L/t cementitious material)

Concrete (L/m³)



Aggregates (L/t)



↑ Green Sacks

Additionally, rainwater harvesting systems were implemented across multiple facilities, incorporating more than 137,000 m³ of collected water into production processes. **In Central Zone - Colombia**, these initiatives enabled the use of an additional 27,000 m³ of water, reducing reliance on conventional sources and optimizing the water balance in operations.

Another notable case is **the Jacobo Majluta plant in the Dominican Republic,** where 20% of water consumption came from recirculation processes, and 59% of water used in concrete batching was recirculated water. These improvements were made possible through the installation of water scales and continuous improvement initiatives, with an investment of USD 18,000, demonstrating that water efficiency not only reduces environmental impacts but also strengthens operational performance.

These actions contribute to minimizing impacts on local ecosystems and reducing financial exposure to water-related risks.

In 2025, the **cement plant in Panama received recognition** from the Reduce Tu Huella Corporativo – Water Program

Toward more efficient and circular packaging management

We remain committed to the circular economy and consistently apply the waste hierarchy, prioritizing prevention, reduction, reuse and recycling before considering disposal options.

Green Sacks: Regional leadership in circular economy

We continue to strengthen the Green Sacks program, a pioneering initiative in Colombia that promotes our circular economy strategy by recovering and reintegrating empty cement bags as raw material for new industries. Over twelve years of operation, we have collected and recovered more than **20 million sacks, equivalent to 3,300 tons of recycled paper**, helping reduce waste disposal and pressure on natural resources.

In 2025, we strengthened its operational sustainability by optimizing reverse logistics and consolidating alliances with more than 500 customers and transforming companies, which allowed us to reduce costs and strengthen a collaborative ecosystem with environmental, social and economic benefits.

The program was recognized with the **Circular Excellence Award from the Federation of Industries of the State of São Paulo (FIESP),** highlighting its regional contribution to circularity

Find more information **here.**

Co-processing as a driver of our circular transition

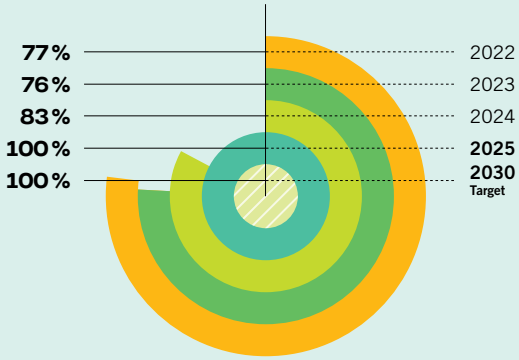
At Argos, we continue advancing in the substitution of conventional fossil fuels with alternative sources derived from waste, consolidating coprocessing as a strategic lever for decarbonization and circular economy.

Learn more about our management of this lever in the climate change mitigation actions section on p. 37 and in our Integrated Report on p. 127.

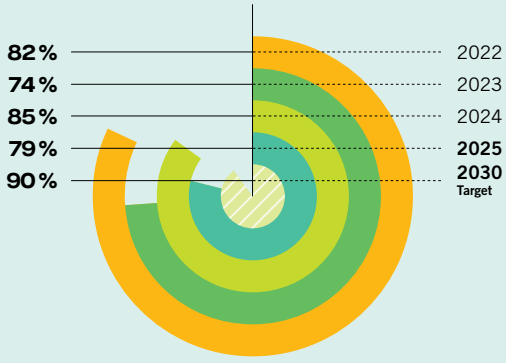
CORRECTING AND OFFSETTING THE IMPACT

integrating technical and environmental criteria that allow us to go beyond regulatory requirements and strengthen the sustainability of the territories where we operate. Within this framework, Argos develops restoration and environmental management initiatives in intervened areas, aimed at recovering ecosystem functionality and reducing operational impacts.

Active and inactive quarries located in areas of high biodiversity value with management plans



Rehabilitation of Intervened Areas



100%

OF OUR ACTIVE AND INACTIVE QUARRIES

located in areas of high biodiversity value have consolidated management plans.

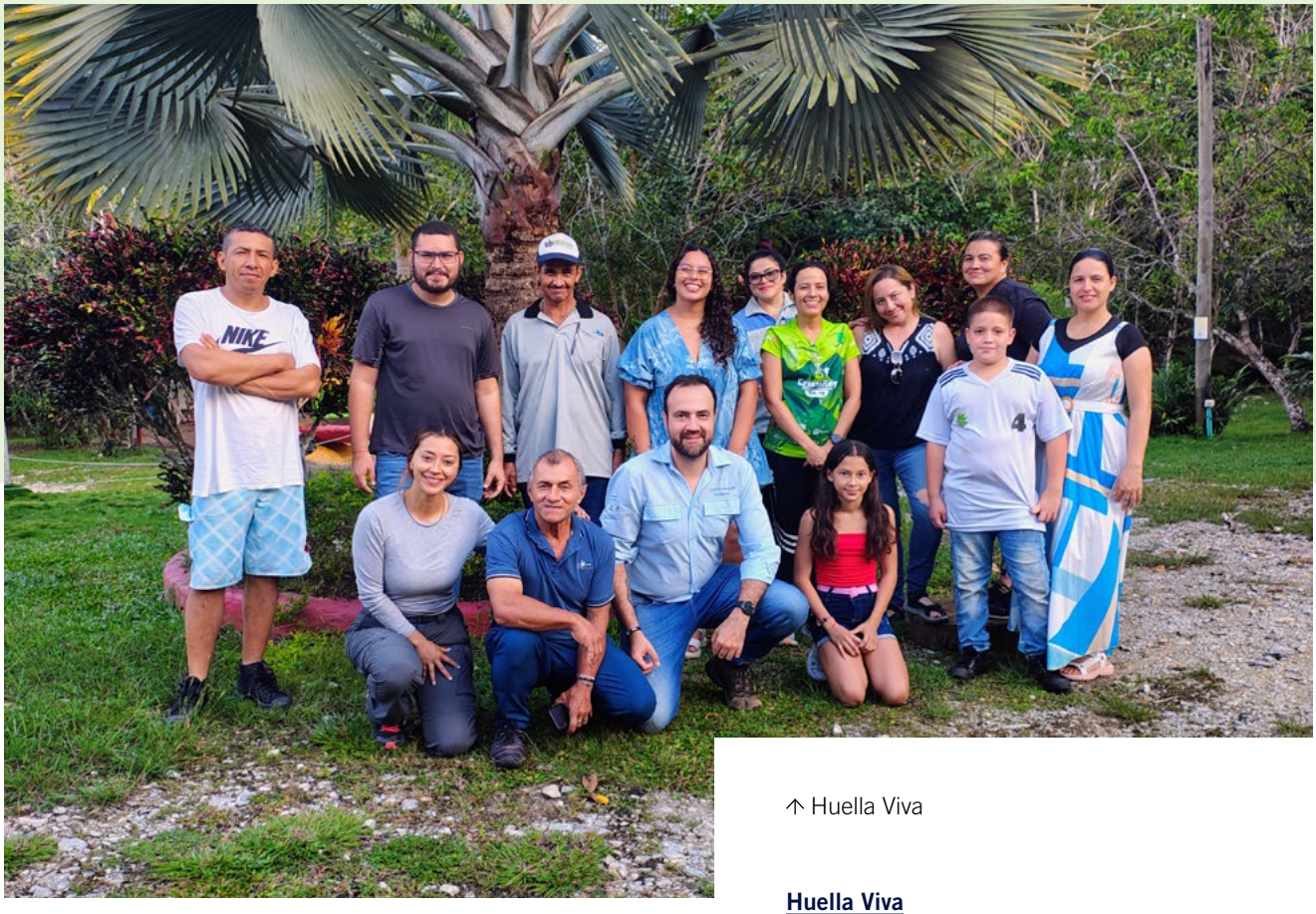
↑ Quarry rehabilitation in Toluviejo, Colombia.

We are making progress in the rehabilitation of our released intervened areas

In 2025, we achieved rehabilitation of 79% of intervened areas, equivalent to approximately 524 hectares restored. This progress reflects the systematic implementation of rehabilitation plans focused on soil recovery, revegetation with appropriate species, and the restoration of basic ecological functions.

Rehabilitation of Los Charcos Quarry (Colombia)

At Los Charcos quarry, a former two-hectare mining front located in the Gulf of Morrosquillo ecoregion, we implemented an ecological restoration model based on nature-based solutions. Since 2022, we have rehabilitated 90% of the intervened area by planting more than 4,500 seedlings of 40 native species, selected to improve soil conditions and promote local biodiversity. The incorporation of herbaceous, shrub, and tree species native to the region has supported the return of insects, amphibians, mammals, and birds, strengthening ecosystem balance. This initiative involved an investment of more than COP 520 million.



↑ Huella Viva

Rehabilitation in Najayo: A Milestone for Sustainability

We began rehabilitation at the Najayo quarry in the Dominican Republic, focusing on reclaiming areas where mining will not continue. We planted 300 native trees and 1.1 hectares were restored, covering 100% of the released area. The initiative, with an investment of USD 25,000, established monitoring indicators such as seedling survival rate. The next step will be to maintain and ensure the growth of the trees to guarantee the sustainability of the rehabilitation process.

Our environmental compensation initiatives **increased by 6% compared to the previous year,** reaching a total of 754 compensated hectares

Huella Viva

Since 2018, Huella Viva has become a key initiative for protecting the Río Claro watershed in Antioquia, bringing together efforts from Fundación Grupo Argos and local partners to integrate biodiversity conservation, ecological restoration, and sustainable development.

In 2025, the program expanded its territorial impact by increasing conserved forest areas to 1,040 hectares (up from 144.7 hectares in 2020) and advancing integrated landscape management through conservation agreements across 50 properties and management plans covering 6,643 hectares.

Additionally, we strengthened ecological connectivity by planting more than 47,940 trees and expanded participatory biodiversity monitoring processes, involving 260 community leaders, reinforcing climate resilience and the protection of natural capital in the region.

04

INDICATORS & TARGETS

65 Climate Change

93 Nature

CLIMATE CHANGE

Indicator	Name
305-1	Direct GHG emissions (Scope 1)
305-2	Indirect GHG emissions (Scope 2)

Standards, methodologies and assumptions that were used in the calculation, the source of the emission factors used and the link *from* which the information was taken.	▪ **Greenhouse gases included in the calculation:** This indicator includes only CO_2 emissions, as emissions of other greenhouse gases are not significant in the cement production process In addition, the CO_2 and Energy Accounting and Reporting Standard for the Cement Industry is limited only to the CO_2 inventory (see: "The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry. World Business Council for Sustainable Development (WBCSD) - Cement Sustainability Initiative (CSI), 2011. Available at: https://www.cement-CO_2-protocol.org/en/index.htm). ▪ **Approach to emissions consolidation:** An operational control approach was considered to calculate these emissions. ▪ **Standards, methodologies and assumptions used for the calculation:** › The methodology used to calculate direct (Scope 1) and indirect emissions (Scope 2, location-based method) is the one developed by the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) and the European Cement Research Academy (ECRA): "The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry" (2011). › The methodology used to calculate indirect emissions (Scope 2, market-based method) is the one determined by the World Resources Institute (WRI): "GHG Protocol Scope 2 Guidance" (2015). Available at: https://ghgprotocol.org/scope_2_guidance ▪ **Direct emissions (Scope 1):** Emissions from sources owned or controlled by the reporting entity. In cement plants, direct CO_2 emissions are generated from the following sources: 1. Calcination of carbonates and combustion of organic carbon contained in raw materials; Fuel consumption in the clinker kiln; 2. Fuel consumption in equipment other than the clinker kiln; 3. Fuel consumption for on-site power generation. ▪ **Indirect emissions (Scope 2):** These are caused by the consumption of electricity generated by external sources. **Gross direct emissions** are reported for cement operations and correspond to total direct emissions generated by raw materials, fuels for the clinker kiln and fuels for equipment other than the kiln. CO_2 from on-site power generation is excluded. **Biogenic CO_2 emissions** are excluded (those from biomass combustion) as they are considered neutral. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol." WBCSD - CSI (2011). Available at: https://www.cement-CO_2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors from electricity generation in each country:** › Colombia: XM (a company specialized in real-time systems management, wholesale energy market administration and the development of energy and information solutions and services) updated the emission factor of the National Interconnected System for the year 2025 for greenhouse gas (GHG) emission inventories and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/8688-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Central-America-and-the-Caribbean/Dominican-Republic_Central-America-and-the-Caribbean_RE_SP.pdf › French Guiana: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/South-America/French-Guiana_South-America_RE_SP.pdf › Panama: Republic of Panama, Secretariat of Energy - Ministry of the Presidency (2025). Calculation of the CO_2 emission factor of the national interconnected system 2025. Available at:https://s3-legispan.asamblea.gob.pa/legispan/GACETAS/2020/2025/30348_2025.pdf › Suriname: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/South-America/Suriname_South-America_RE_SP.pdf › Honduras: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Central-America-and-the-Caribbean/Honduras_Central-America-and-the-Caribbean_RE_SP.pdf › Puerto Rico: EPA (Environmental Protection Agency) (2025). Emissions & Generation Resource Integrated Database (eGRID). Available at: https://www.epa.gov/egrid/summary-data ▪ **Source of CO_2 emission factors for the market-based method (Scope 2):** For cement, concrete, and aggregates plants (Colombia), the CO_2 emission factor was provided by Empresas Públicas de Medellín (EPM) ESP and ISAGEN in their 2025 I-REC certificates. For the Piedras Azules and Rioblanquito cement plants (Honduras) the CO_2 emission factor was supplied by Celsia Honduras, for the Panama and Dominican Republic cement plant the CO_2 emission factor was supplied by EISA and EGE Haina respectively in the PPA contracts. ▪ **Selection of the baseline year:** The baseline year for the measurement is 2006 since the integration of the different cement companies was completed in that year, giving rise to Cementos Argos. Therefore, consolidated information on production and material and energy flows is available to calculate emissions from that year onward.

Baseline Year for Measurement	2006			
Direct and indirect GHG emissions from CEMENT	**2022**	**2023**	**2024**	**2025**
305-1 Direct GHG tCO_2 emissions	4,669,090	4,483,538	4,209,505	3,903,743
305-2 Indirect GHG tCO_2 emissions (location-based method)	98,848	86,722	126,845	85,849
305-2 Indirect GHG tCO_2 emissions (market-based method)	81,083	68,173	70,743	57,308
Direct and indirect GHG emissions from cement tCO_2 (location-based method)	**4,767,938**	**4,570,259**	**4,336,350**	**3,989,592**
Direct and indirect GHG emissions from cement tCO_2 (market-based	**4,750,174**	**4,551,710**	**4,280,248**	**3,961,051**

Standards, methodologies and assumptions that were used in the calculation, the source of the emission factors used and the link from which the information was taken.	▪ **Greenhouse gases included in the calculation:** Only CO_2 emissions were included in this indicator. ▪ **Approach for emissions consolidation:** An operational control approach was considered to calculate these emissions ▪ **Standards, methodologies and assumptions used for the calculation:** The methodology used to calculate direct and indirect emissions is that determined by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) (2004) ▪ **The following equation** was used to calculate direct emissions from concrete operations: Direct emissions in concrete = Fuel consumption × Lower heating value of the fuel × CO_2 emission factor associated with each fuel. ▪ **The following equation** was used to calculate indirect emissions from concrete operations (Scope 2): Scope 2 (Location-based method) = Purchased electricity consumption * CO_2 emission factor of each country's national electricity grid. Scope 2 (Market-based method) = Purchased electricity consumption from each energy supplier × CO_2 emission factor of the energy supplier. Indirect emissions (Scope 2) are those caused by the consumption of electricity purchased from third parties. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol." WBCSD - CSI (2011). Available at: https://www.cement-CO_2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors due to electricity generation in each country:** › Colombia: XM (a company specialized in real-time systems management, wholesale energy market administration and the development of energy and information solutions and services) updated the emission factor of the National Interconnected System for the year 2025 for greenhouse gas (GHG) emission inventories and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/8688-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Central-America-and-the-Caribbean/Dominican-Republic_Central-America-and-the-Caribbean_RE_SP.pdf › Suriname: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/South-America/Suriname_South-America_RE_SP.pdf ▪ **Source of CO_2 emission factors for the market-based method (Scope 2):** For cement, concrete, and aggregate plants (Colombia), the CO_2 emission factor was provided by Empresas Públicas de Medellín (EPM) ESP and ISAGEN in their I-REC 2025 certificates. For the plants in the Dominican Republic, the CO_2 emission factor was provided by EGE Haina respectively in the PPA contracts.

Direct and indirect GHG emissions from CONCRETE	**2022**	**2023**	**2024**	**2025**
305-1 Direct GHG tCO_2 emissions	34,009	30,917	27,673	21,792
305-2 Indirect GHG tCO_2 emissions (location-based method)	1,218	923	1,460	745
305-2 Indirect GHG tCO_2 emissions (market-based approach)	1218	872	1,167	679
Direct and indirect GHG emissions from concrete tCO_2 (location-based method)	**35,227**	**31,840**	**29,133**	**22,537**
Direct and indirect GHG emissions from concrete tCO_2 (market-based method)		**31,789**	**28,840**	**22,471**

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

Direct GHG emissions from ELECTRICITY	**2022**	**2023**	**2024**	**2025**
305-1 Direct GHG and tCO_2 Emissions - Electricity	454,134	429,567	373,683	237,693

Standards, methodologies and assumptions that were used in the calculation, the source of the emission factors used and the link from which the information was taken.	▪ **Greenhouse gases included in the calculation:** only CO_2 emissions were included in this indicator. ▪ **Approach to emissions consolidation:** An operational control approach was considered for the calculation of these emissions. ▪ **Standards, methodologies and assumptions used for the calculation:** The methodology used for the calculation of direct and indirect emissions is determined by the Corporate Accounting and Reporting Standard - The Greenhouse Gas Protocol, of the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) (2004). ▪ **The following equation was used to calculate direct emissions from aggregates operations:** Direct aggregate emissions = Fuel consumption * Lower calorific value of fuel *CO_2 emission factor associated with each fuel. ▪ **The following equation was used to calculate indirect emissions from aggregates operations (Scope 2):** Scope 2 (location method) = Purchased electricity consumption *CO_2 emission factor of the national electricity grid of each country. Scope 2 (market method) = Consumption of electricity purchased from each energy supplier *CO_2 emission factor of energy supplier Indirect emissions (Scope 2) are those caused by the consumption of electricity purchased from third parties. ▪ **Source of CO_2 emission factors for each fuel:** "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol." WBCSD-CSI (2011). Available at: https://www.cement-CO_2-protocol.org/en/index.htm ▪ **Source of CO_2 emission factors for electricity generation in each country:** › Colombia: XM (a company specialized in real-time systems management, wholesale energy market administration and the development of energy and information solutions and services) updated the emission factor of the National Interconnected System for the year 2025 for greenhouse gas (GHG) emission inventories and GHG mitigation projects. Available at: https://www.xm.com.co/noticias/8688-resultado-preliminar-del-calculo-de-factor-de-emision-del-sistema-interconectado › Dominican Republic: International Renewable Energy Agency (Irena) (2025). Statistical Profiles - Energy Profile. Available at: https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Central-America-and-the-Caribbean/Dominican-Republic_Central-America-and-the-Caribbean_RE_SP.pdf › Panama: Republic of Panama, Secretariat of Energy - Ministry of the Presidency (2025). Calculation of the CO_2 emission factor of the national interconnected system 2025. Available at: https://s3-legispan.asamblea.gob.pa/legispan/GACETAS/2020/2025/30348_2025.pdf

Direct and indirect GHG emissions from AGGREGATES	**2022**	**2023**	**2024**	**2025**
305-1 Direct GHG tCO_2 emissions	5,209	5,204	6,755	1,835
305-2 Indirect GHG tCO_2 emissions (location-based method)	555	365	536	233
305-2 Indirect GHG tCO_2 emissions (market-based approach)	555	287	145	134
Direct and indirect GHG from aggregates tCO_2 emissions (location-based method)	**5,764**	**5,570**	**7,291**	**2,068**
Direct and indirect GHG emissions from aggregates tCO_2 (market-based method)		**5,491**	**6,900**	**1,969**

	2022	**2023**	**2024**	**2025**
(305-1) Total direct tCO_2 emissions COMPANY TOTAL	**5,162,442**	**4,949,226**	**4,617,615**	**4,165,062**
(305-2) Total indirect tCO_2 emissions (location-based method) COMPANY TOTAL	**100,621**	**88,010**	**128,842**	**86,827**
(305-2) Total indirect tCO_2 emissions (market-based method) COMPANY TOTAL	**82,857**	**69,332**	**72,055**	**58,121**
Total tCO_2 Emissions (location-based method Scope 1 + Scope 2) COMPANY TOTAL	**5,263,063**	**5,037,236**	**4,746,457**	**4,251,889**
Emisiones Totales tCO_2 (método basado en el mercado Scope 1 + Scope 2) COMPANY TOTAL	**5,245,299**	**5,018,558**	**4,689,670**	**4,223,183**
Total tCO_2 Emissions(Scope 1 + Scope 2 location-based method) + Scope 3) COMPANY TOTAL	**10,075,854**	**9,249,083**	**7,923,901**	**7,583,356**
Total tCO_2 Emissions (Scope 1 + Scope 2 market-based method) + Scope 3) COMPANY TOTAL	**10,058,090**	**9,230,405**	**7,867,114**	**7,554,650**

Indicator	Name
305-3	Other Indirect GHG Emissions (Scope 3)

Total "Upstream" emissions Scope 3 tCO_2e*									
Sources of Scope 3 Emissions	**Category**	**Assessment status**	**2022**	**2023**	**2024**	**2025**	**Percentage of emissions calculated using data obtained from suppliers or value chain partners**	**Standards, methodologies, and assumptions used in the calculation; gases included in the calculation; and the source of the emission factors and GWP.**	**Comments**
Purchased Goods and Services	1	Relevant, calculated	2,827,251	2,325,894	797,951	945,488	0%	Argos calculated this category using a customized tool developed by Quantis for Argos based on the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) (2011), and in accordance with the "Scope 3 GHG Accounting and Reporting Guide for the Cement Sector" developed by the WBCSD (2016). **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	Argos prioritized 5 categories as "Relevant" out of the 15 categories that make up Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, titled "Calculation of GHG Emissions of Cementos Argos from Priority Scope 3 Emission Sources," as well as the guidelines provided by the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector", developed by the WBCSD – CSI (2016). Category 1, purchased goods and services, was one of the 5 relevant categories. In 2025, this category accounted for 28.38% of the company's total Scope 3 CO_2 emissions.
Capital Goods	2	Not relevant, calculated	55,108	20,120	Not available	119,860	0%	This category was calculated using the Scope 3 Assessment Tool, a free Scope 3 assessment tool developed by the GHG Protocol in collaboration with Quantis, in accordance with the "Corporate Value Chain Accounting and Reporting Standard (Scope 3)" (WBCSD and IRG, 2011). This tool is available at https://quantis-suite.com/Scope-3-Evaluator/ The company's CAPEX 2025 information was used as input information for the calculation of this category. The CAPEX classifications considered in the calculation were as follows: › Mines and quarries › Machinery (not classified anywhere else) › Electrical and optical equipment › Transportation equipment › Construction › Sale, maintenance, and repair of motor vehicles and motorcycles; retail sale of fuel GHG emissions for this category were calculated using the CO_2e emission factors included in the Scope 3 assessment tool. **Scope:** Cement, concrete, and aggregates operations in the COL and CCA regions.	In 2025, this category accounted for 3.60% of the company's total Scope 3 CO_2 emissions. This category could not be calculated in 2024 because the necessary information was not available at the time of calculation.
Fuel and Energy Related Activities	3	Relevant, calculated	514,883	508,896	316,421	284,346	0%	Argos calculated this category using a customized tool developed by Quantis for Argos based on the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) (2011), and in accordance with the "Scope 3 GHG Accounting and Reporting Guide for the Cement Sector" developed by the WBCSD (2016). **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	The company prioritized 5 categories as "Relevant" out of the 15 categories that make up Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, titled "Calculation of GHG Emissions of Cementos Argos from Priority Scope 3 Emission Sources," as well as the guidelines provided by the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector", developed by the WBCSD – CSI (2016). Category 3, fuel- and energy-related activities, was one of the 5 relevant categories. In 2025, this category accounted for 8.54% of the company's total Scope 3 CO_2 emissions.

** With the closing of the transaction between Argos USA and Summit Materials, as of 2024, Cementos Argos does not consolidate the U.S. operation. This is why the total scope 3 greenhouse gas emissions, at company level, from 2022 to 2023 were recalculated. The figures for each of the categories were not recalculated individually*

Total "Upstream" emissions Scope 3 tCO_2e*									
Sources of Scope 3 Emissions	**Category**	**Assessment status**	**2022**	**2023**	**2024**	**2025**	**Percentage of emissions calculated using data obtained from suppliers or value chain partners**	**Standards, methodologies, and assumptions used in the calculation; gases included in the calculation; and the source of the emission factors and GWP.**	**Comments**
"Upstream" Transportation and Distribution	4	Relevant, calculated	666,884	664,971	254,353	196,042	48%	The carbon footprint for the Colombia region was calculated based on data from the following companies: Logitrans, Transportes LAFE, Imbocar, TGN, Transportes de la Sierra, Transportes Cóndor Andino, Transportes CI, Teca Transportes, Transer, Cargando, and other freight transport companies, which serve as ground transport providers for raw materials, work-in-progress, and finished products (packaged in bulk and in bags). In addition, this category includes the carbon footprint calculated by Geodis, a major provider of sea and air freight services. For the calculation of emissions in the other two regions (Caribbean and Central America), the tool developed for Argos by Quantis was used. This tool is based on the methodology established in the GHG Protocol "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (World Business Council for Sustainable Development [WBCSD] and World Resources Institute [WRI], 2011), as well as the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	Argos prioritized 5 categories as "Relevant" out of the 15 categories that make up Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, titled "Calculation of GHG Emissions of Cementos Argos from Priority Scope 3 Emission Sources," as well as the guidelines provided by the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector", developed by the WBCSD – CSI (2016). Category 4 (upstream transportation and distribution) is among the 5 relevant categories. In 2025, this category accounted for 5.88% of the company's total Scope 3 CO_2 emissions.
Waste Generated in Operation	5	Not relevant, calculated	22,791	11,918	2,316	3,582	0%	For the calculation of this category, a free tool developed by the Brazilian GHG Protocol Program (version 2022.1.0) was used. This tool was developed in accordance with the guidelines of the GHG Protocol methodology "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), 2011). The input data for the calculation in this tool is the waste generated by Argos in the year 2025 and that was taken to landfills. Scope: Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	In 2025, this category accounted for 0.11% of the company's total Scope 3 CO_2 emissions.
Business Travels	6	Relevant, calculated	715	320	138	186	82%	The carbon footprint for the Colombia region was obtained from the travel agency that operates corporate travel logistics (Aviatur). For the calculation of emissions in the Caribbean and Central America region, the Scope 3 Tool developed by Quantis for Argos was used. The tool is based on the methodology of the GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (WBCSD and WRI, 2011), as well as the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance" developed by WBCSD (2016). **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	Argos prioritized 5 categories as "Relevant" out of the 15 categories that make up Scope 3. The prioritization process was based on the results of the study developed by Quantis for Argos, titled "Calculation of GHG Emissions of Cementos Argos from Priority Scope 3 Emission Sources," as well as the guidelines provided by the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector", developed by the WBCSD – CSI (2016). Category 6, Business Travel, was one of the 5 relevant categories. In 2025, this category accounted for 0.006% of the company's total Scope 3 CO_2 emissions.
Employee Commuting	7	Relevant, calculated	30,807	30,428	10,922	10,624	0%	The calculation was made considering the following variables: the number of employees in each region, the average distance between residence and work, and the number of working days in the year. It was assumed that all employees travel in their own car (to err on the side of caution). Emissions in this category are therefore calculated by multiplying the input data by the CO_2e emission factor for tourism (this factor is from Ecoinvent 3.8, which is the database included in the Scope 3 Assessment Tool - Quantis GHG Protocol). **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	In 2025, this category accounted for 0.32% of the company's total Scope 3 CO_2 emissions.
"Upstream" Leased Assets	8	Not relevant	Not available	Not available	Not available	Not available	Not available	Not available	This category is not relevant for cement companies in accordance with the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector" developed by WBCSD (2016).
Total "Upstream" emissions Scope 3 tCO_2e			**3,862,916**	**4,118,438**	**3,562,546**	**1,382,101**			

Total emissions "Downstream" Scope 3 tCO_2e									
Sources of Scope 3 Emissions	**Category**	**Assessment status**	**2022**	**2023**	**2024**	**2025**	**Percentage of emissions calculated using data obtained from suppliers or value chain partners**	**Standards, methodologies, and assumptions used in the calculation; gases included in the calculation; and the source of the emission factors and GWP.**	**Comments**
"Downstream" Transportation and Distribution	9	Relevant, calculated	Not available	Not available	Not available	Not available	Not available	Since 2022, emissions in this category have been included in Category 4, as it was determined that Argos contracts a supplier (through outsourcing) to deliver the product sold to its customers. Therefore, Category 9 emissions are 0 tons CO_2e/year from 2025. **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	In 2025, this category accounted for 0% of the company's total Scope 3 CO_2 emissions.
Processing of Sold Products	10	Not relevant, calculated	400,283	412,970	231,150	225,861	0%	This category is calculated based on emissions generated at third-party concrete plants that use Argos cement to produce concrete. It is assumed that: **1.** The amount of cement sold to third parties equals the amount produced minus the cement used at Argos's concrete plants. **2.** Concrete produced by third parties using Argos cement is calculated based on the average mix ratio for Argos concrete (tons of cement/m^3 of concrete). **3.** The CO_2 emission intensity indicator ($kgCO_2/m^3$) for Argos's concrete operations in 2024 was used as the emission factor for concrete production. Coverage: Cement and concrete operations in Colombia, the Caribbean and Central America.	In 2025, this category accounted for 6.78% of the company's total Scope 3 CO_2 emissions.
Use of Sold Product	11	Not relevant	Not available	Not available	Not available	Not available	Not available	Not available	This category is not relevant for cement companies according to the prioritization process developed by Quantis for Argos in 2013, titled "Calculation of Cementos Argos' GHG Emissions from Priority Scope 3 Emission Sources," in addition to the guidelines provided by the "Scope 3 GHG Accounting and Reporting Guide for the Cement Sector," developed by the WBCSD - CSI (2016).
End of Life Treatment of Sold Products	12	Not relevant, calculated	269,336	211,642	89,037	69,563	0%	For the calculation of this category, a free tool developed by the Brazilian GHG Protocol Program (version 2022.1.0) was used. This tool was developed in accordance with the guidelines of the GHG Protocol methodology "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), 2011). Emissions in this category correspond to the sum of the following activities: **1.** Emissions from the disposal in landfills of cement bags sold in 2025. From this amount, the cement bags recovered through the Green Sacks program are deducted. The Green Sacks program is a reverse logistics program offered by Argos to its customers free of charge to collect bags used at construction sites and ensure their proper disposal. **2.** Emissions from the transportation of the sold product when taken to landfill. The sold product was calculated as follows: tons of cement sold plus tons of concrete sold (assuming a concrete density of 2.4 g/cm^3).	In 2025, this category accounted for 2.09% of the company's total Scope 3 CO_2 emissions.
"Downstream" Leased Assets	13	Not relevant	Not available	Not available	Not available	Not available	Not available	Not available	This category is not relevant for cement companies in accordance with the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector" developed by WBCSD (2016).
Franchises	14	Not relevant	Not available	Not available	Not available	Not available	Not available	Not available	This category is not relevant for cement companies in accordance with the "Scope 3 GHG Accounting and Reporting Guidance for the Cement Sector" developed by WBCSD (2016).
Investments	15	Not relevant, calculated	24,733	24,689	1,475,156	1,475,913	0%	This category was calculated by multiplying the investments made by Argos in other companies and the CO_2e emission factor of the type of activity of each company. The CO_2e emission factors are included in the Scope 3 Assessment Tool - Quantis GHG Protocol. **Scope:** Cement, concrete, and aggregates operations across the regions of Colombia, the Caribbean, and Central America.	In 2025, this category accounted for 44.3% of the company's total Scope 3 CO_2 emissions. This category became in 2024 the most representative of the company's total Scope 3 CO2 emissions, since this year Cementos Argos' investment in Summit Materials was included in the calculation, after the combination of these two companies occurred that led to the exit of Argos USA's operation.
Total emissions "Downstream" Scope 3 tCO_2e			**694,352**	**649,301**	**1,795,343**	**1,771,337**			
Total Scope 3 Greenhouse gas tCO_2e Emissions*			**4,336,265**	**3,750,964**	**3,177,444**	**3,331,467**			

** With the closing of the transaction between Argos USA and Summit Materials, as of 2024, Cementos Argos does not consolidate the U.S. operation. This is why the total scope 3 greenhouse gas emissions from 2022 to 2023, at company level, were recalculated. The figures for each of the categories were not recalculated individually.*

Indicator	Name
305-4	GHG Emissions Intensity
A-EC1	Net specific CO_2 emissions (kg CO_2/t cementitious material)

Carbon intensity	2022	2023	2024	2025	Comments
CO_2 emissions intensity in cement production (kg CO_2/t cementitious material)	616	610	612	590	**Numerator:** Gross direct emissions (corresponding to GRI 305-1) **Denominator:** Production of cementitious material **Coverage:** Cement operations in the COL and CCA regions
CO_2 emissions intensity in concrete production (kg CO_2/m^3 concrete)	11.49	10.23	11.31	11.11	**Numerator**: Direct emissions GRI 305 - 1 **Denominator:** Concrete production **Coverage:** Specific operations in the COL and CCA regions.
CO_2 emissions intensity in aggregates production (kg CO_2/t aggregates)	2.45	2.56	4.21	1.49	**Numerator:** Direct emissions GRI 305 - 1 **Denominator:** Aggregates production **Coverage:** Specific operations in the COL and CCA regions.
CO_2 emissions intensity in electricity generation (kg CO_2/MWh)	988	984	1.018	873	**Numerator:** Direct emissions GRI 305 - 1 **Denominator:** Electricity production **Coverage:** On-site power operations in the Colombia region

Environmental Policy Indicator	2022	2023	2024	2025	Comments
Net specific CO_2 emissions (kg CO_2/t cementitious material)	759	608	612	604	Net specific emissions for Scope 1 decreased by 4% compared to 2024. This behavior was associated with the following factors: There was a reduction in absolute net emissions, higher than the variation in the production of cementitious materials. This result is mainly explained by the operating efficiencies achieved in the Colombia Regional, which contributed 88% of total clinker production during 2025. We reduced caloric consumption by 5.5% company-wide as a result of caloric reduction initiatives and operational controls implemented in our kilns. At the Cartagena Plant, in the Colombia Regional, we achieved a reduction of 6%, while at the Piedras Azules Plant, in the Central America Region, we achieved a reduction of 2%. Lower availability of natural gas in Colombia reduced its share in the energy mix from 3.2% to 2.0%, which increased coal use by 1 percentage point. This adjustment did not generate a significant impact on direct CO_2 emissions, given the balance in thermal efficiency and operational control. Regarding the caloric substitution rate with alternative fuels, it remained at levels similar to 2024, with a slight variation from 4.1% to 3.9%. This indicator is calculated according to the methodology defined by the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD): "The Cement CO_2 and Energy Protocol - CO_2 and Energy Accounting and Reporting Standard for the Cement Industry" (2011). This indicator corresponds to variable 74 calculated by the methodology described above. Numerator: Net direct CO_2 emissions (total CO_2emissions excluding CO_2 emissions from on-site power generation and CO_2emissions generated from the consumption of alternative fuels). Corresponds to variable 71 of the calculation of the "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol." Denominator: Production of cementitious material. Corresponds to variable 21a of the calculation of the "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - The Cement CO_2 and Energy Protocol". **Coverage:** Cement operations in Colombia, the Caribbean and Central America.
Baseline Year	**2006**				
Year for which the target is set	**2030**				
Cement GHG emission reduction target	**514**				
Reduction compared to baseline year 2006:	**-23%**				

Indicator	Name
305-5	Reducción de emisiones de GEI

Iniciative	Baseline year for calculating the reduction	Emission reductions (tCO_2)	Indication of whether the reduced emissions belong to Scope 1, 2 and/or 3	Gases included in the calculation	Description of the initiative
Caribbean and Central America - Piedras Azules cement plant: Reduction of specific heat consumption in clinker production	2024	2,235	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a 2% reduction in the specific heat consumption of clinker production. The CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used for this calculation.
Colombia - Cartagena cement plant (dry process): Reduction in specific heat consumption in clinker production.	2024	25,298	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a 6% reduction in specific heat consumption for clinker production. The CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used for this calculation.
Colombia - Nare cement plant: Reduction of specific heat consumption in clinker production	2024	439	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a 1% reduction in the specific heat consumption of clinker production. The CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used for this calculation.
Colombia - Sogamoso cement plant: Reduction of clinker-to-cement factor	2024	27,028	Scope 1	CO_2	There was a reduction in net specific CO_2 emissions due to a decrease in the plant's weighted clinker-to-cement factor, which fell from 70.1% in 2024 to 63.1% in 2025. The CO_2 and Energy Accounting and Reporting Standard for the Cement Industry - Cement CO_2 and Energy Protocol (WBCSD - CSI, 2011) was used for this calculation.
Colombia - Rioclaro cement plant: Increased cement mill performance	2024	235	Scope 2	CO_2	The objective of the project was to increase the performance of Cement Mill 5 at the Rioclaro plant by improving equipment reliability, adjusting specific operating procedures, making targeted investments, and implementing a reliability-based maintenance model.
Colombia - Rioclaro cement plant: Increased cement mill performance	2024	501	Scope 2	CO_2	An increase in the number of retaining rings on cement mill tables, modification of water spray systems and additive dosing in cement mills, and adjustments to the operational control strategy were implemented.
Caribbean and Central America - Dorado Cement Plant: Reduction in electricity consumption in packaging and improvement of the cement transfer system	2024	380	Scope 2	CO_2	Improvements in the reliability of the packaging system enabled a reduction of 0.73 kWh/ton in energy consumption and a decrease in operating times. Pipes were installed in the cement silo to allow direct material discharge. This modification reduced electricity consumption in the operation, establishing itself as a high-impact measure in operational efficiency.
Caribbean and Central America - Rioblanquito Cement Plant: Reduction in Electricity Consumption	2024	72	Scope 2	CO_2	A hot gas generation system was installed at the mill, which made it possible to manage fluctuations in the moisture content of the raw material, maintain controlled temperatures during production, and improve the efficiency of the milling process.
Caribbean and Central America (Dominican Republic) - Cement and Aggregate Plants: Increased Purchase of Renewable Energy	2024	3,870	Scope 2	CO_2	Dominican Republic: reduction of Scope 2 CO_2 emissions (market-based method) due to the entry into force in 2025 of new PPAs, which established electricity supply from renewable sources; the Dominican Republic share was 32.2%.

Total emissions reduction during 2025 (tCO_2)	**60,058**

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

Climate-related risks – Risk 1: "Water stress"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia, Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Chronic	Water stress	Increase in direct costs	Our operations face increasing pressure to secure the water resources needed for key production processes, particularly in arid regions or areas with high climate variability where our cement, aggregates, and concrete operations are located. This limitation can generate interruptions in the operation, increases in the costs associated with the supply, treatment or transportation of water. In addition, climate change scenarios, which intensify droughts and reduce the availability of water sources, increase the risk of disruptions in operational continuity and compromise the company's ability to sustain efficient production levels.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
77%	Short, medium and long term	Unlikely (0-33%)	Medium-low	N/A	Going forward, water stress is expected to generate higher operating costs and additional investments to secure water supply and maintain operational continuity. These impacts show an increasing trend over time, affecting cash flows mainly through rising costs rather than direct revenue loss. By 2030, projected losses range from USD 143,593 in the net zero scenario (SSP1-1.9) and USD 145,697 in the business-as-usual (SSP2-4.5), up to USD 164,938 in the most pessimistic scenario (SSP5-8.5). By 2040, these losses could increase to USD 173,908 (SSP1-1.9), USD 191,082 (SSP2-4.5), and USD 216,238 (SSP5-8.5), reflecting greater pressure on water consumption and the need for additional infrastructure. By 2050, water stress intensifies, with estimated losses between USD 210,507 (SSP1-1.9), USD 249,847 (SSP2-4.5) and USD 282,648 (SSP5-8.5), driven by increasing water supply and source treatment costs.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 590,496,328.36	$ 145,697.44	$ 1,180,992,656.73	$ 291,394.88	$ 774,436,664.10	$ 191,082.37	$ 1,548,873,328.20	$ 382,164.75

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 1,012,605,428.90	$ 249,847.48	$ 2,025,210,857.81	$ 499,694.96	The expected losses due to the risk of water stress are due to restrictions in the water withdrawn needed for operations. Based on the risk factors estimated by Aqueduct and the defined percentages of loss materialization, the amount of water that the company would have to replace through external purchase in case of limitations in the current sources is calculated. The estimated financial impacts for the most likely scenario (Business-as-usual) would be USD 145,297 (2030), USD 191,082 (2040) and USD 249,847 (2050).	$ 4,228,134,259	$ 1,043,238	The reported figures include actions implemented in 2025 across all facilities, related to improvements in measurement systems, water recirculation processes, wastewater treatment, and environmental management activities related to water. The company has implemented the following responses to this risk: › An environmental strategy focused on water risk management, which includes forward-looking analyses using tools such as Aqueduct and Water Risk Filter, as a basis for future investments › Technological renovation to reduce water consumption › Operational efficiency projects › Quantification of water flows to operations › Water metering and efficient water use plans for all facilities

Climate-related risks – Risk 2: "Extreme Temperatures - Heat"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Dominican Republic	Direct operations	Acute	Heatwave	Increase in indirect [operational] costs	High temperatures can significantly affect operations, especially in concrete production, where excessive heat forces the use of ice to control the temperature of mixes and equipment, increasing operating costs and logistical complexity. These extreme heat events can also reduce machinery efficiency, generate higher maintenance requirements and increase the risk of operational disruptions. Under climate change scenarios, a higher frequency and intensity of these episodes is expected, which amplifies the potential impact on production continuity and efficiency. This risk is not quantified for Central America, since there are no concrete plants in this region that require the use of ice in their operations.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
69%	Short, medium and long term	Most likely not (50-100%)	Low	N/A	Heatwaves are expected to progressively increase the need to use ice, raising concrete production costs. For quantification, the frequency of days with temperatures above 35 °C is considered, and it is estimated that by 2030, estimated losses will range from USD 6,344 (SSP1-1.9) and USD 13,075 (SSP2-4.5) to USD 19,806 in the pessimistic scenario (SSP5-8.5). By 2040, losses increase to USD 12,064 (SSP1-1.9), USD 18,656 (SSP2-4.5) and USD 26,735 (SSP5-8.5), reflecting increased reliance on thermal control systems. By 2050, the impact rises to USD 17,784 (SSP1-1.9), USD 26,571 (SSP2-4.5) and USD 34,423 (SSP5-8.5), driven by a warmer climate and higher event recurrence. These effects are mainly related to higher operating costs, but do not represent a direct threat to revenues for the time being.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 52,990,817.99	$ 13,074.81	$ 75,601,292.75	$ 18,653.66	$ 75,609,678.85	$ 18,655.72	$ 107,947,653.01	$ 26,634.71

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 107,690,678.40	$ 26,571.30	$ 157,696,690.72	$ 38,909.65	The projected increase in the frequency of days with temperatures above 32 °C generates a direct financial impact due to the increased use of ice in concrete production, which is required to maintain optimal mixing conditions. Using Copernicus projections on the variation of days exceeding 32°C per climate scenario and time horizon, the cost overruns associated with the use of ice for machine cooling in Argos' assets are estimated. The estimated financial impacts are calculated by multiplying the projected number of extreme heat days by the additional daily cost of ice, differentiating between a base case (expected impact) and a maximum case (most severe impact). The estimated financial impact in the most likely scenario (Business-as-usual) amounts to USD 13,075 (2030), USD 18,656 (2040) and USD 26,571 (2050).	$ 25,225,589,815.00	$ 6,224,092.72	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. In addition, the purchase of ice is quantified in operations where this risk occurs. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 3: "Hurricanes"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Acute	Cyclone, hurricane, typhoon	Interruption of production capacity	Hurricanes are one of the most significant natural hazards in Central America and the Caribbean, particularly because their assets are located in areas that are vulnerable and exposed to this weather phenomenon. Hurricanes can lead to increased logistics costs, reduced revenue, higher insurance premiums, and property damage costs.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
15%	Short, medium and long term	Moderately likely (33-66%)	Medium-high	N/A	The intensity and frequency of hurricanes in Central America and the Caribbean are expected to generate more significant effects due to potential infrastructure damage and operational disruptions. By 2030, annual losses range from USD 132,865 in SSP1-1.9, to USD 196,095 in SSP2.4-5 and USD 305,137 in SSP5-8.5. By 2040, losses increase to USD 171,686 (SSP1-1.9), USD 258,027 (SSP2-4.5) and USD 401,471 (SSP5-8.5). By 2050, the impact rises to USD 347,750 (SSP1-1.9), USD 423,836 (SSP2-4.5) and USD 481,872 (SSP5-8.5), driven by more severe storms and increasing recovery costs.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 794,754,126.76	$ 196,095.45	$ 7,095,391,391.98	$ 1,750,697.38	$ 1,045,754,701.25	$ 258,026.64	$ 9,230,922,094.10	$ 2,277,612.35

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 1,717,762,502.48	$ 423,836.00	$ 13,392,902,411.78	$ 3,304,527.94	The financial impact associated with hurricane risk was estimated using Copernicus projections of the variation in the frequency of these extreme events which are defined as days with winds above 120 km/h and cumulative rainfall above 30 mm, for each climate scenario and time horizon. These variations were combined with the base and maximum annual losses obtained from actuarial studies by Marsh. The results show that the financial impact increases significantly under the most adverse climate scenario, driven by the projected increase in the intensity and frequency of hurricanes due to global warming. The financial impact in the most likely scenario(Business-as-usual) would be USD 196,095 (2030), USD 258,027 (2040) and USD 423,836 (2050).	$ 24,114,721,000.00	$ 5,950,000.00	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 4: "Tornadoes"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Acute	Tornado	Increase in insurance premiums	Tornadoes are one of the most important physical risks in Central America and the Caribbean, affecting everything from operations to business strategies. This risk can cause everything from increased logistics costs and decreased revenues to higher insurance premiums.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
15%	Corto, Mediano y Largo Plazo	Improbable (0-33%)	Medio	N/A	In the coming years, a gradual increase in losses associated with tornadoes is expected, considering higher frequency and greater severity in some regions. The calculations combine projected costs per event with their probability of occurrence. By 2030, annual losses range from USD 70,967 in SSP1-1.9, to USD 150,060 in SSP2.4-5 and USD 267,864 in SSP5-8.5. By 2040, losses increase to USD 98,407 (SSP1-1.9), USD 251,038 (SSP2-4.5) and USD 360,836 (SSP5-8.5), reflecting greater exposure to ports and coastal operations. By 2050, the impact rises to USD 161,468 (SSP1-1.9), USD 387,284 (SSP2-4.5) and USD 573,192 (SSP5-8.5), driven by a warmer climate and higher event recurrence.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 608,178,981.02	$ 150,060.41	$ 3,904,277,128.48	$ 963,330.61	$ 1,017,429,541.46	$ 251,037.77	$ 6,240,887,671.46	$ 1,539,859.48

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 1,569,620,083.31	$ 387,283.75	$ 9,619,387,134.78	$ 2,373,461.15	The financial impact corresponds to the estimated losses due to the increase in the frequency of days with winds exceeding 80 km/h, projected for each climate scenario and time horizon. Based on Copernicus climatological models, for estimating the variation of such events, and on the base and maximum losses defined by actuarial studies by Marsh, it is quantified how the intensification of extreme wind could translate into higher operating costs and potential damage to exposed assets. The projected losses reflect the progressive increase in risk towards 2050 and its greater severity under the most adverse climate scenario. The estimated losses in the most likely scenario (Business-as-usual) would be USD 150,060 (2030), USD 251,038 (2040) and USD 387,284 (2050).	$ 24,114,721,000.00	$ 5,950,000.00	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 5: "Extreme Rainfall"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia	Direct operations	Acute	Heavy precipitation (rain, hail, snow/ice)	Disruption in the upstream value chain	Extreme rainfall represents a significant risk, especially for the Colombia Regional operations, where it can affect cement and ready-mix concrete production, interrupt the supply chain, and hinder product distribution. This risk is amplified by the unexpected occurrence of these events, which limits the capacity for planning and immediate response, and may generate additional costs for contingencies, repairs and preventive measures to protect operational continuity.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
62 %	Short, medium and long term	Likely (66-100%)	Medium-high	N/A	The quantification of extreme rainfall was only considered for the Colombia Regional, where intensity is expected to increase. The trend of these losses is increasing and impacts mainly affect operating costs, although minor interruptions could temporarily affect revenues. By 2030, projected losses range from USD 208,198 in the net zero scenario (SSP1-1.9) and USD 252,479 in the business-as-usual (SSP2-4.5), to USD 495,635 in the most pessimistic (SSP5-8.5). By 2040, these losses could increase to USD 386,098 in SSP1-1.9, USD 784,626 in SSP2-4.5 and USD 1,059,634 in SSP5-8.5. By 2050, losses are estimated to rise to USD 699,172 (SSP1-1.9), USD 1,469,814 (SSP2-4.5) and USD 1,741,715 (SSP5-8.5).

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N.A.	$ 1,023,269,429.83	$ 252,478.69	$ 1,193,814,400.67	$ 294,558.49	$ 3,180,006,535.79	$ 784,626.08	$ 3,710,007,829.76	$ 915,397.14

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 5,957,002,342.29	$ 1,469,814.39	$ 6,949,836,449.41	$ 1,714,783.55	The financial impact of extreme rainfall is estimated by projecting the increase in days with rainfall in excess of 30 mm per year, using Copernicus climatological models and the base and maximum losses defined by Marsh's actuarial studies. These variations allow quantifying how the increase in the intensity and frequency of rainfall could translate into higher operating costs, infrastructure impacts, and disruptions in operational continuity in the evaluated regions. The results show a progressive broadening of the impact towards 2050 and a greater severity under the most adverse scenario. The projected financial impacts in the most likely scenario (Business-as-usual) would be USD 252,479 (2030), USD 784,626 (2040) and USD 1,469,814 (2050).	$ 2,114,721,000.00	$ 5,950,000.00	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 6: "Floods"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia	Direct operations	Acute	Floods (coastal, fluvial, pluvial, subterranean)	Decrease in asset value or asset useful life	This risk applies to operations in the Colombia Regional, where some facilities are located in areas susceptible to high levels of precipitation and extreme events such as the La Niña phenomenon. Flooding can affect infrastructure, limit access to plants and quarries, damage equipment or inventory, and cause temporary disruptions to cement, aggregates, and concrete operations. Additionally, the projected increase in the frequency and intensity of extreme rainfall under climate change scenarios raises the probability of operational impacts and additional costs due to repairs and contingencies.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
62%	Short, medium and long term	Likely (66-100%)	High	N/A	Floods represent an increasing risk, with significant and high projected insurance losses. By 2030, annual losses range from USD 585,368 in SSP1-1.9, to USD 766,050 in SSP2.4-5 and USD 1,237,303 in SSP5-8.5. By 2040, losses increase to USD 1,069,300 (SSP1-1.9), USD 1,696,933 (SSP2-4.5) and USD 2,446,077 (SSP5-8.5). And by 2050, the impact rises to USD 1,494,062 (SSP1-1.9), USD 2,269,621 (SSP2-4.5) and USD 3,217,410 (SSP5-8.5), driven by a warmer climate and higher event recurrence. These effects are primarily reflected in higher operating costs, with the impacts stemming mainly from rising costs for repairs, insurance, and preventive measures, as well as potential temporary disruptions that could affect revenue at some plants.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N.A.	$ 3,104,719,702.76	$ 766,050.01	$ 7,006,575,803.54	$ 1,728,783.26	$ 6,877,489,438.12	$ 1,696,932.85	$ 15,520,773,435.16	$ 3,829,552.99

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 9,198,535,064.19	$ 2,269,621.27	$ 20,758,792,863.47	$ 5,121,967.51	The financial impact is estimated based on the projected increase in consecutive days with rainfall above 30 mm, using Copernicus climatological projections as input and the base and maximum annual losses defined by Marsh actuarial studies. These variations allow quantifying how an increase in the recurrence and severity of flood events may translate into higher operating costs, infrastructure damage, and disruptions in operational continuity. The results show a progressive intensification of the impact towards 2050 and greater severity under the most adverse scenario. The estimated financial impact in the most likely scenario (Business-as-usual) amounts to USD 766,050 (2030), USD 1,696,933 (2040) and USD 2,269,621 (2050).	$ 24,114,721,000.00	$ 5,950,000.00	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 7: "Landslides"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia	Direct operations	Acute	Landslide	Sales interruption	Landslides represent a relevant risk for our operations in Colombia, where geographic and geomorphological conditions can cause blockages that disrupt the supply chain or the delivery of products. This risk is not quantified in other geographies, as there is no significant exposure to this type of event. The occurrence of landslides can lead to operational delays, additional contingency costs, and the need to implement preventive measures to ensure the continuity of production and distribution.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position, financial performance and cash flows across selected future time horizons.
62%	Short, medium and long term	Unlikely (0-33%)	Medium-high	N/A	Looking ahead, a gradual increase in landslide frequency and intensity is expected, driven by heavier rainfall and soil that is more saturated with moisture. By 2030, projected losses range from USD 5,078 (SSP1-1.9), USD 7,289 (SSP2-4.5) and USD 9,191 (SSP5-8.5). By 2040, the range increases to USD 7,690, USD 7,505 and USD 9,866 respectively, reflecting greater exposure and need for preventive infrastructure. By 2050, losses rise to USD 9,558, USD 10,163 and USD 11,666, due to more intense rainfall, more degraded soils and the accumulation of risk factors. The effects mainly impact operating costs, with very limited disruptions that could partially affect revenues.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N.A.	$ 29,540,849.53	$ 7,288.83	$ 34,315,286.02	$ 8,466.86	$ 30,416,834.34	$ 7,504.97	$ 39,318,569.19	$ 9,701.36

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 41,190,723.30	$ 10,163.29	$ 56,717,249.47	$ 13,994.26	The financial impact is quantified based on the projected variation in the frequency of days with heavy rainfall and high atmospheric saturation, taking as reference the Copernicus climatological models and the additional costs registered for this type of events in Colombia. Based on these physical conditions and the assessed climate scenarios, we estimate how an increase in the occurrence of landslides could lead to higher operating costs, logistical disruptions, and damage to infrastructure. The expected financial impact in the most likely scenario (Business-as-usual) would be USD 7,289 (2030), USD 7,505 (2040) and USD 10,163 (2050).	$ 24,114,721,000.00	$ 5,950,000.00	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs.

Climate-related risks – Risk 8: "Droughts"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Acute	Drought	Decrease in production capacity	Droughts represent a physical risk for our operations, as prolonged water scarcity can affect critical production processes, especially in cement, aggregates, and concrete plants located in arid areas or regions with low water availability. Reduced water availability can lead to operational disruptions, increase costs related to water sourcing and treatment, and limit the ability to maintain optimal production levels. This risk intensifies under climate change scenarios, where the frequency and severity of droughts are expected to increase (such as during the El Niño phenomenon), placing additional pressure on the sustainable management of water in the company's operations.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77 %	Short, medium and long term	Moderately likely (33-66%)	High	N/A	Droughts are expected to progressively intensify with longer dry periods due to reduced rainfall and a higher frequency of high-temperature days. By 2030, the projected losses are USD 57,885 (SSP1-1.9), USD 64,675 (SSP2-4.5) and USD 71,486 (SSP5-8.5). By 2040, they increase to USD 62,388 (SSP1-1.9), USD 74,159 (SSP2-4.5) and USD 87,093 (SSP5-8.5), reflecting greater pressure on those operations that require greater water withdrawal. By 2050, losses rises to USD 67,722 (SSP1-1.9), USD 83,362(SSP2-4.5) and USD 99,504 (SSP5-8.5), driven by extended dry periods and water dependence in production. The impacts are mainly reflected in increasing operating costs.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 262,119,946.85	$ 64,674.76	$ 321,217,854.85	$ 79,256.41	$ 300,558,440.24	$ 74,158.96	$ 368,322,741.53	$ 90,878.94

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 337,857,558.67	$ 83,362.05	$ 414,031,368.26	$ 102,156.96	The financial impact is estimated based on the projected increase in the annual frequency of days with rainfall less than 2 mm and temperatures above 35 °C, using as input the Copernicus climatological models and the currently observed daily operating losses. As extreme dry conditions intensify under more adverse climate scenarios, higher additional costs are projected related to decreased operational efficiency, water constraints, impacts on production, and possible logistical disruptions. The expected financial impact in the most likely scenario (Business-as-usual) would be USD 64,675 (2030), USD 74,159 (2040) and USD 83,362 (2050).	$ 28,342,855,259.38	$ 6,993,238.23	The reported management costs reported include the overall corporate property policy premium for 2025. The policy covers global losses due to material damage and business interruption due to natural disasters. Additionally, these figures include the actions implemented in 2025 across all facilities, related to improvements in measurement, water recirculation processes, wastewater treatment, and environmental management activities focused on water. The potential impacts allow Argos to implement early actions aimed at optimizing the logistics chain to reduce the magnitude of possible impacts, as well as to reduce our exposure to rising insurance premium costs. Other responses to the materialization of this risk that the company has implemented include: › An environmental strategy focused on water risk management, which includes forward-looking analyses using tools such as Aqueduct and Water Risk Filter, as a basis for future investments › Technological renovation to reduce water consumption › Operational efficiency projects › Quantification of water flows to operations › Water metering and efficient water use plans for all facilities

Climate-related risks – Risk 9: "Mecanismos de carbono"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Caribbean Central America	Direct operations	Political/legal	Carbon pricing mechanisms	Higher direct and indirect costs	The company is exposed to increased operating costs due to the tightening and expansion of carbon pricing mechanisms in Colombia and other markets where we operate. This risk includes: (i) Modifications to the national carbon tax established by Law 1819 of 2016 and adjusted by the 2022 Tax Reform, which limited to 50% the ability to access non-taxation through offsetting with carbon credits. This restriction increases the tax burden on fossil fuels such as coal and petcoke, whose values are updated based on inflation and emission factors, reducing financial flexibility under stricter regulatory scenarios. (ii) International mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) imply the internalization of carbon costs in exports to the European Union, requiring detailed reporting of emissions intensity and potential payments for differences relative to the European carbon price. This could increase commercial costs, affect margins, and create competitive disadvantages compared to producers with lower carbon intensity. (iii) The potential implementation of a national emissions trading system (Cap & Trade) in line with the National Emissions Trading Program could establish decreasing emission limits for the cement sector. If initial allocations are insufficient relative to operational emissions, the company would need to acquire additional allowances in the market, assuming increasing costs and greater volatility associated with carbon pricing. Overall, these instruments reflect a trend toward stricter and less flexible regulatory frameworks, increasing financial, operational, and strategic exposure in the transition to low-carbon economies.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77%	Short, medium and long term	Very likely (90-100 %)	Medium-high	N/A	The strengthening of national and international carbon pricing mechanisms would have an increasing impact on the company's financial position over all time horizons, primarily through sustained increases in operating and regulatory compliance costs. In the short term, the effect relates to higher outflows associated with the national carbon tax, whose value per ton is projected to increase in line with inflation and stricter regulatory trajectories. Although the non-taxation mechanism allows for partial mitigation of this impact through compensation with carbon credits (historically cheaper than direct payment of the tax), more restrictive scenarios could limit or eliminate this option, significantly increasing the cost. In the medium and long term, the possible implementation of an emissions trading system would require acquiring additional permits due to progressively tightening sectoral caps and expected increases in carbon prices, generating greater cost volatility. Aditionally, the CBAM could result in extra payments due to the emissions of exported clinker, especially under accelerated transition or Net Zero scenarios. By 2030, annual losses range from USD 40,550,843 in SSP1-1.9, to USD 16,202,587 in SSP2.4-5 and USD 4,586,143 in SSP5-8.5. By 2040, losses increase to USD 76,392,966 (SSP1-1.9), USD 27,321,423 (SSP2-4.5) and USD 6,329,460 (SSP5-8.5). By 2050, the impact rises to USD 69,763,654 (SSP1-1.9), USD 30,222,653 (SSP2-4.5) and USD 8,586,265 (SSP5-8.5). The financial impact is mainly expressed as higher operating costs associated with tax payments or compensation, and operating and regulatory compliance costs.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 65,667,370,935.53	$ 16,202,586.67	$ 65,667,370,935.53	$ 16,202,586.67	$ 110,730,840,718.63	$ 27,321,423.39	$ 110,730,840,718.63	$ 27,321,423.39

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 122,489,219,274.16	$ 30,222,653.40	$ 122,489,219,274.16	$ 30,222,653.40	The estimation of the financial impact is based on the projection of fossil fuel consumption, clinker production and imports, and the expected evolution of carbon prices in each climate scenario. For the national carbon tax, the projected rate per ton of CO_2 is applied to future coal consumption in Colombia and petcoke in Central America, without considering cost pass-through to the final customer, thus capturing the direct effect on operating costs under stricter regulatory scenarios. For CBAM, the emissions embedded in imported clinker are estimated (using a factor of 0.865 tCO_2 per ton) and a reference carbon price is applied, assuming that 100% of the cost is passed on to the importer. Finally, under a potential Cap & Trade system (taking as reference experiences such as the EU ETS and PNCTE guidelines), initial allocations are projected based on estimated clinker production and their progressive reduction according to decarbonization pathways. The difference between projected emissions and allocated allowances, valued at a price equivalent to the national carbon tax, determines the expected additional cost. The expected financial impact in the most likely scenario (Business-as-usual) would be USD 16,202,587 (2030), USD 27,321,423 (2040) and USD 50,222,653 (2050).	$ 81,885,145,964.14	$ 20,204,115.92	In 2025, Argos continued implementing initiatives related to its climate change strategy, specifically focused on CO_2 emissions mitigation. These actions involved investments and expenditures of around USD 20.2 million for initiatives related to the reduction of caloric and electrical consumption, the use of alternative fuels, the development of new products with a lower clinker-to-cement factor, and the implementation of the CO_2 roadmap. Some of these initiatives included: › In 2024 we updated the Technical and Financial Roadmap to reduce Scope 1 CO_2 emissions and achieve the target set for 2030 › We continued with our commitment to increase the substitution of conventional fuels (coal and petcoke) for alternative fuels (tires, mixed industrial waste, RDF, used oils, biomass, etc.), achieving a rate of 3.9 % at the company level. › Regarding low-carbon products, the company allocated 67% of its total R&D project budget to this type of product in 2025

Climate-related risks – Risk 10: "Increase in fossil fuels costs"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Market	Another market risk	Increased production costs	The risk arises from the potential escalation in prices of coal, petcoke, and other fossil fuels used in clinker kilns, particularly in countries such as Colombia, where environmental regulation is advancing toward discouraging high-carbon fuels. Energy transition policies, carbon taxes, and international market volatility may increase production costs and affect cement competitiveness. Additionally, regulatory and economic incentives aimed at reducing the use of fossil fuels could restrict the available supply, creating additional price pressures and increasing financial and operational risk associated with energy supply for clinker and concrete production.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77%	Short, medium and long term	Moderately likely (33-66%)	Medium-high	N/A	The increase in fossil fuel prices represents a significant risk for the company, given that their projected consumption (coal, natural gas and fuel oil in Colombia, and petcoke in Central America) remains relevant even under the decarbonization roadmap. Losses increase over time because, although gradual reductions in consumption intensity are expected, climate scenarios project sustained increases in international fossil fuel prices, especially under accelerated transition scenarios where regulatory and fiscal pressure on these energies is higher. By 2030, annual losses range from USD 5,130,017 in SSP1-1.9, to USD 2,776,231 in SSP2.4-5 and USD 422,444 in SSP5-8.5. By 2040, losses increase to USD 24,620,678 (SSP1-1.9), USD 16,421,333 (SSP2-4.5) and USD 8,765,816 (SSP5-8.5). By 2050, the impact rises to USD 57,296,514 (SSP1-1.9), USD 40,414,548 (SSP2-4.5) and USD 23,892,279 (SSP5-8.5).

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 11,251,770,095.19	$ 2,776,230.84	$ 13,664,055,949.42	$ 3,371,431.62	$ 66,553,928,227.47	$ 16,421,333.38	$ 72,166,460,070.61	$ 17,806,154.07

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$163,795,891,642.93	$40,414,548.25	$170,995,877,846.72	$42,191,053.06	The financial impact was estimated by applying the IEA price projections for each climate scenario and time horizon to the planned consumption quantities, considering only the fuels used in each region (coal, natural gas and fuel oil in Colombia, and petcoke in Central America). Under these assumptions, a significant increase in potential losses is observed in the Net Zero scenario, where stricter policies make fossil fuels more expensive in order to discourage their use. Losses in the most likely scenario (Business-as-usual) would be USD 2,776,231 (2030), USD 16,421,333 (2040) and USD 40,414,548 (2050).	$ 31,254,644,114.29	$ 7,711,685.01	Co-processing remains one of the main levers to reduce the intensity of net specific CO_2 emissions and a key factor for energy and cost efficiency in cement operations across the three regions. In 2025, Argos continued implementing initiatives related to its climate change strategy, specifically focused on CO_2 emissions mitigation. These actions involved investments and expenditures of approximately USD 7.7 million, mainly aimed at reducing caloric consumption and increasing the use of alternative fuels. Some of these initiatives, related to the optimization of heat consumption and the increase of alternative fuels, were: › We increased co-processing to more than 32,000 tons, 18 % more than in 2024 › We reached a caloric consumption of 3,683 MJ/t of clinker, which represents a reduction of 214 MJ/t compared to 2024 (3,897 MJ/t), equivalent to 5.5 % Additionally, in 2025, USD 451,000 was invested in projects aligned with the 2030 decarbonization roadmap.

Climate-related risks – Risk 11: "Change in Customer Behavior"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Downstream	Market	Changes in customer behavior	Decrease in revenues due to lower demand for products and services	Changes in customer preferences toward lower-carbon materials may affect demand for traditional cement, especially in markets where climate policies and environmental awareness are advancing rapidly. This risk is particularly relevant for non-structural cement lines, which are more susceptible to substitution by "green" alternatives. The Colombia Regional will be primarily affected due to its environmental targets and climate commitments, which may create additional pressure on demand for conventional products and the need to offer more sustainable solutions.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77%	Short, medium and long term	Moderately likely (33-66 %)	Medium	N/A	This risk arises from the growing preference for materials with a lower carbon footprint and the advancement of the global "green" cement market. Although conventional cement continues to dominate, its share is projected to decline due to this trend, supported by the faster growth of the sustainable market in recent years. The projected reduction in sales is higher in stringent climate scenarios, where carbon prices and regulatory pressure strongly incentivize demand for lower-emission alternatives. As a result, expected losses from lower non-structural cement sales reach USD 5,888,884 in 2030 (SSP1-1.9), USD 5,678,566 in SSP2.4-5 and USD 2,981,247 in SSP5-8.5. By 2040, losses increase to USD 8,623,008 (SSP1-1.9), USD 7,361,104 (SSP2-4.5) and USD 3,974,996 (SSP5-8.5), reflecting a more pronounced market shift toward sustainable products. By 2050, the impact rises to USD 10,515,863 (SSP1-1.9), USD 8,412,691 (SSP2-4.5) and USD 3,974,996 (SSP5-8.5). This risk is mainly expressed as a decrease in revenues in the non-structural cement segment, without affecting the demand for structural cements (which would not be influenced by such trend).

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 23,014,628,734.48	$ 5,678,566.26	$ 23,014,628,734.48	$ 5,678,566.26	$ 29,833,777,989.15	$ 7,361,104.41	$ 63,290,229,019.83	$ 15,616,057.21

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 34,095,746,273.31	$ 8,412,690.75	$ 77,256,950,655.67	$ 19,062,167.73	The financial impact was estimated by projecting the evolution of the global sustainable cement market based on its current size and the growth rates observed in recent years, also incorporating the expected reduction in sales of non-sustainable cement under different climate scenarios and IEA carbon price projections. Under these assumptions, and calculating losses only on non-structural cement revenues, losses in the most likely scenario (Business-as-usual) are estimated at USD 5,678,566 (2030), USD 7,361,104 (2040) and USD 8,412,691 (2050).	$ 703,638,313.16	$ 173,613.78	Reported figures include actions implemented for brand positioning, marketing strategies, reputation management, and specifically the promotion of the company's portfolio of sustainable products and solutions across several countries of operation. Costs associated with the implementation of customer-facing technological tools were also considered. As this was a newly identified and quantified risk during the reporting year, response-related data was only available for the Caribbean Regional. Some of the initiatives developed in 2025 were: › Implementation of soluble bags in the Antilles market: Demonstration events were held with customers in these geographies › Renewal of the Dominican Republic's technological infrastructure under Argos One 2.0 to streamline the product ordering process and optimize product delivery › Initiatives to strengthen the company's positioning, reputation and customer relationship with its customers

Climate-related risks – Risk 12: "Uncertainty in Energy Markets"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Upstream	Market	Uncertainty in market signals	Increase in indirect [operational] costs	Volatility and uncertainty in future energy costs represent a risk to our operations, especially in countries where environmental targets (such as Colombia) are driving an accelerated transition towards cleaner energy grids. If the levelized cost of energy (LCOE) exceeds current prices, operating expenses could increase, affecting profitability and financial planning. Additionally, changes in energy regulation or incentives for renewable energy could lead to further adjustments in supply costs, increasing the company's exposure to electricity price fluctuations.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77%	Short, medium and long term	Likely (66-100%)	Medium-high	N/A	Uncertainty in the energy market arises from the possibility of levelized cost of energy (LCOE) exceeding current prices. This occurs particularly in scenarios where renewable energy requires high upfront investments or where there are insufficient incentives to accelerate adoption. In SSP1-1.9 and SSP2-4.5 scenarios, the IEA projects that LCOE will decrease in the long term due to economies of scale; however, in the short and medium term, costs remain above current prices, generating losses. In an SSP5-8.5 scenario, where there is no pressure for energy transition, LCOE increases over time due to the lack of incentives to expand renewable technologies, preventing cost reductions. Under these dynamics, projected losses by 2030 reach USD 35,546,878 in SSP1-1.9, to USD 28,464,922 in SSP2.4-5 and USD 13,097,587 in SSP5-8.5. By 2040, losses increase to USD 31,249,707 (SSP1-1.9), USD 24,926,125 (SSP2-4.5) and USD 16,757,576 (SSP5-8.5). By 2050, the impact rises to USD 25,489,975 (SSP1-1.9), USD 23,159,489 (SSP2-4.5) and USD 21,116,023 (SSP5-8.5).

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$115,365,320,395.56	$28,464,922.17	$115,365,320,395.56	$28,464,922.17	$101,022,948,720.70	$24,926,124.79	$101,022,948,720.70	$24,926,124.79

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 93,862,961,812.33	$ 23,159,489.29	$ 93,862,961,812.33	$ 23,159,489.29	The financial impact was estimated by comparing LCOE projections - taken from the IEA for an energy mix that includes solar, wind, natural gas and hydroelectric - against current prices, under the assumption that risk only exists when these future costs exceed 2024 values. Applying the price differential to the planned energy quantities by region and climate horizon, it can be seen that the greatest losses are concentrated in the Net Zero scenario. Losses in the most likely scenario (Business-as-Usual) would be USD 28,464,922 (2030), USD 24,926,125 (2040) and USD 23,159,489 (2050).	$ 42,925,593,798.41	$10,591,343.07	The figure reported for the risk response cost corresponds to investments to reduce energy consumption in 2025, such as: › At the Rioclaro Plant, we implemented a comprehensive cement mill optimization project that strengthened the performance of the Structural Max cement (Emax). With an investment of USD 4,250, the project generated energy savings of approximately 665,000 kWh, equivalent to 120 tCO_2 avoided (Scope 2 emissions) and savings of USD 79,798. › In Puerto Rico, energy efficiency initiatives were implemented in silo and packing processes. In the silo process we achieved energy savings of 14 kWh/t, reducing monthly electricity consumption by 56,000 and 63,000 kWh and an estimated savings of USD 175,000. In the packaging process we achieved energy savings of 1.96 kWh/t, reducing monthly electricity consumption by 13,383 kWh and an estimated savings of USD 39,000. › Power purchase agreements (PPAS) and renewable energy projects: During the year, approximately 166,000 GWh of renewable energy certified with IRECs were consumed in the operation of the Colombia Regional plants, based on contracts signed with Isagen and EPM. In Honduras, we negotiated the expansion of the Piedras Azules solar farm, adding 26 MWh of installed capacity allowing us to replace 46% of the energy taken from the grid.

Climate-related risks – Risk 13: "Increased cost of retaining risk transfers"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Market	Another market risk	Increase in insurance premiums	This risk arises from increasing costs of insurance programs due to greater exposure to physical and climate-related risks. The higher frequency and intensity of extreme events may raise premiums and reduce coverage capacity. Additionally, many insurers and reinsurers are adjusting their policies to align with global climate mitigation commitments, impacting the retention costs that the company must assume.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
77%	Short, medium and long term	Likely (66-100%)	Medium-high	N/A	The cost of risk retention and transfer increases due to the projected rise in the frequency and severity of physical phenomena such as floods, extreme rainfall, tornadoes and hurricanes. Based on the analysis of the current insurance program, industry trends and actuarial estimates, increasing losses are projected under both intermediate and higher warming climate scenarios. This is because, as physical risks intensify, insurers raise premiums, deductibles and retention conditions, which increases the costs borne directly by the company. As a result, by 2030 annual losses are estimated to be USD 2,992,500 in SSP1-1.9, to USD 4,727,466 in SSP2.4-5 and USD 8,104,973 in SSP5-8.5. By 2040, losses increase to USD 4,987,500 (SSP1-1.9), USD 9,644,075 (SSP2-4.5) and USD 14,249,859 (SSP5-8.5), reflecting the progressive increase in the occurrence of severe events. And by 2050, the impact rises to USD 9,975,000 (SSP1-1.9), USD 17,674,677 (SSP2-4.5) and USD 25,998,869 (SSP5-8.5). This risk is assessed as higher operating costs for premiums and retention.

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 19,159,919,937.31	$ 4,727,466.00	$ 41,267,520,520.02	$ 10,182,234.62	$ 39,086,416,982.02	$ 9,644,075.13	$ 91,201,639,624.70	$ 22,502,841.97

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 71,633,597,580.98	$ 17,674,677.04	$ 161,175,594,557.21	$ 39,768,023.34	The financial impact was estimated based on the analysis of the current insurance program by region, complemented by insurance industry trends, actuarial estimates and the projected variation of physical risks (floods, extreme rains, tornadoes and hurricanes). For each weather scenario and time horizon, we evaluated how the expected increase in the frequency and severity of these events increases the premiums, deductibles and retention amounts that the company must assume. Based on these assumptions, there is an increasing trend in the potential financial impact, especially in scenarios of greater warming, where insurers adjust their coverage conditions more aggressively for greater exposure. The estimated financial impact under an intermediate scenario (SSP2-4.5) increases from USD 4,727,466 in 2030 to USD 9,644,075 in 2040, reaching USD 17,674,677 in 2050, reflecting the progressive increase in operating costs associated with risk transfer and retention.	$ 42,925,593,798.41	$ 10,591,343.07	The reported response cost corresponds to the additional risk premium for the retention of our newly funded captive company BMR Ltd (Building Materials Reinsurance Ltd). This entity was established based on the company's maturity in risk management and the Board's strong commitment to operational excellence. It will operate as an independent entity with sufficient capacity to retain and manage losses related to frequent events involving material damage and business interruption. Initially, BMR will assume a retention amount exceeding the deductibles, a structure supported by actuarial loss models designed to reduce the frequency of losses and their transfer to the market. This ensures compliance with the regulator's liquidity, solvency, and capital requirements. This model will be subject to ongoing review to ensure that the company generates sufficient financial traction to justify a greater share of the risk in the medium term. With the creation of BMR, we are sending a message to the reinsurance market about our commitment to operational excellence and sustainable management, thereby strengthening the link between risk transfer and best practices in risk management. In addition, alternative risk management mechanisms, such as captives, mitigate potential risks arising from reduced underwriting capacity in our sector, caused, among other factors, by growing demand to reduce reliance on fossil fuels in our processes or by a potential increase in property and liability claims stemming from physical and transition risks associated with climate change.

Climate-related risks – Risk 14: "Technological Obsolescence"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of risk	Main climate-related risk factor	Primary potential financial impacts	Company specific description
Colombia	Direct operations	Technology	Another technology risk	Initial costs associated with adopting or implementing new practices and processes	Some of our plants in Colombia operate with technology that could be considered obsolete, particularly wet-process lines, which require higher water consumption and generate higher emissions. This situation results in higher operating costs due to intensive water use and increased payments of taxes or regulatory charges associated with emissions. The persistence of this technology may affect operational efficiency, increase environmental compliance costs, and limit our ability to adapt to more sustainable standards or future regulatory requirements.

% of portfolio value vulnerable to this risk	Time horizon	Probability	Magnitude of impact	Effect of risk on the organization's financial position in the reporting year	Anticipated effect of risk on the organization's financial position. financial performance and cash flows across selected future time horizons,
62%	Short, medium and long term	Virtually likely (99-100%)	Medium-high	N/A	Technological obsolescence in cement production, derived from the permanence of wet lines in Colombia compared to more efficient technologies in terms of water consumption and CO_2 emissions, could generate significant financial impacts in the short, medium and long term. This risk translates into higher operating costs due to higher water consumption and higher carbon tax expense, as well as higher technology maintenance expenses. By 2030, aggregate losses of USD 127,000 (SSP1-1.9), USD 26,697 (SSP2-4.5) and USD 0 (SSP5-8.5) are expected. By 2040 they are expected to increase to USD 333,637 (SSP1-1.9), USD 212,637 (SSP2-4.5) and USD 14,198 (SSP5-8.5) and in 2050 to USD 444,892 (SSP1-1.9), USD 345,204 (SSP2-4.5) and USD 16,221 (SSP5-8.5).

Are you able to quantify the financial effect of risk?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 108,201,394.78	$ 26,697.31	$ 880,750,288.44	$ 217,313.91	$ 861,795,721.56	$ 212,637.11	$ 1,499,314,581.99	$ 369,936.76

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 1,399,064,350.79	$ 345,201.29	$ 1,803,101,025.97	$ 444,892.19	The financial impact was estimated by comparing the performance of the wet production lines currently in operation in Colombia with technologies that are more efficient in terms of energy consumption, water use, and CO_2 emissions. For each climate scenario and time horizon, we evaluated how the associated costs would increase compared to more modern alternatives with a smaller environmental footprint. The methodology applied these efficiency differentials to current and projected production volumes. Under these assumptions, the estimated financial impact in an intermediate scenario (SSP2-4.5) amounts to USD 26,697 in 2030, USD 212,637 in 2040 and USD 345,201 in 2050, reflecting how risk intensifies over time as the gap between existing technology increases.	$ 349,940,527.00	$ 86,343.36	In 2024 we updated the Technical and Financial Roadmap to reduce Scope 1 CO_2 emissions and achieve the target set for 2030. We have identified the key measures for reducing CO_2 emissions: › An assessment of the operational continuity of those processes that perform poorly in terms of CO_2 emissions due to the nature of their technology (for example, the gradual shutdown of wet kilns, as they are less efficient clinker production technologies). › Optimization of heat consumption depending on operational and infrastructure settings. › Diversifying the fuel portfolio by promoting the replacement of heat with alternative fuels. › Optimizing the clinker-to-cement factor by diversifying and expanding the company's portfolio with low-carbon products. Additionally, in 2025, USD 451,000 was invested in projects aligned with the 2030 decarbonization roadmap.

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

Climate-related opportunities – Opportunity 1: "Use of low-emission energy sources"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of opportunity	Main climate-related opportunity factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Energy sources	Use of low-carbon energy sources	Reduction of direct costs	The adoption of low-emission energy sources consists of increasing the proportion of renewable energy in the company's total consumption through the purchase of clean energy, without requiring direct investment in generation. This action reduces costs associated with non-renewable energy consumption, lowers CO_2 emissions (Scope 2), and strengthens compliance with the company's environmental indicators. Additionally, it contributes to energy cost stability, improves operational efficiency, and generates a positive impact on operating cash flow by leveraging competitively priced renewable energy.

Time horizon	Probability	Magnitude of impact	Effect of the opportunity on the organization's financial position in the reporting year	Anticipated effect of the opportunity on the organization's financial position, financial performance, and cash flows across the selected future time horizons
Short, medium and long term	Likely (66-100%)	Medium-low	N/A	In an optimistic scenario, the expansion of low-emission energy use is expected to have a significantly positive effect on the company's financial position by reducing its exposure to energy price volatility and stricter environmental regulations. The progressive increase in purchased renewable energy is expected to generate ongoing savings in electricity costs, reduce risks associated with potential carbon taxes, and improve operational efficiency across all stages of the cement process. These benefits would then translate into lower cash outflows related to high carbon-intensive energy, greater cash flow predictability and enhanced financial resilience in the medium and long term. In an adverse future scenario, where sustainability policies and stricter climate regulations are not implemented, the financial impact of adopting low-emission energy sources for the cement company would be positive but more limited. Although the transition to renewable energy would still generate some savings due to reduced dependence on fossil fuels with volatile prices, the absence of regulatory incentives, elimination of carbon taxes and lack of regulatory pressure would reduce the economic benefits associated with this opportunity. In this context, the cost differential between renewable energy and conventional energy could decrease, which would moderate the improvement in operating cash flow. Considering the time horizons and climate scenarios analyzed, short-term savings for this opportunity are expected to be USD 3,041,201 (SSP1-1.9), USD 2,679,694 (SSP2-4.5) and USD 1,429,410 (SSP5-8.5). In the medium term, savings are estimated at USD 3,279,363 (SSP1-1.9), USD 2,994,313 (SSP2-4.5) and USD 2,055,925 (SSP5-8.5). Finally, in the long term, the savings would be USD 3,543,209 (SSP1-1.9), USD 3,436,502 (SSP2-4.5) and USD 2,815,356 (SSP5-8.5).

Are you able to quantify the financial effect of the opportunity?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$10,860,515,595.25	$2,679,693.78			$12,135,633,862.67	$2,994,312.95		

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$13,927,780,554.11	$3,436,502.30			The reported impact corresponds to the annual savings obtained across the three time horizons (2030, 2040, 2050) and the three climate scenarios due to the use of low-emission energy sources and new technologies in self-consumption and favoring decentralized generation in Colombia, Central America and the Caribbean. Current energy consumption and the share of renewable energy used in 2024 were used as a baseline, projecting future costs based on price trends estimated by the IEA for both renewable and non-renewable energy sources Savings under the most likely scenario (Business-as-usual) are projected at: USD 2,679,694 (2030), USD 2,994,313 (2040) and USD 3,436,502 (2050).	$6,892,074,642.20	$1,700,531.56	In 2025 we made progress incorporating certified renewable energy and structuring of long-term supply agreements across different geographies. An example of which is the investment of more than USD 1.7 million in Central America for the purchase of renewable energy. The combination of a cleaner electricity matrix and more efficient consumption management made it possible to reduce the emissions' intensity associated with purchased electricity, even in a context of increased energy demand. › In Colombia, we consume approximately 166,000 GWh of certified renewable energy certified with IREC, based on contracts signed with Isagen and EPM. › In Central America, we negotiated the expansion of the Piedras Azules solar farm, which will have an installed capacity of 26 MWh and will achieve a solar energy supply of close to 62%. › In the Caribbean, we increased the supply of solar energy in the Dominican Republic, which already covers 32% of annual consumption at the Najayo plant.

Climate-related opportunities – Opportunity 2: "Development of low-emission goods and services"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of opportunity	Main climate-related opportunity factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Downstream	Products and services	Development of new products or services through R&D	Increased revenues resulting from higher demand for products and services	The development of sustainable products and services enables the expansion of market share for low-emission solutions aligned with environmental criteria. This initiative generates potential revenue growth due to increased demand from customers who value lower environmental impact products and enhanced brand recognition as a sustainable company. It also contributes to reducing the carbon footprint of the company's offering and strengthens competitiveness in emerging markets. The strategy may also improve operating profitability and cash flow by generating additional sales and potential benefits associated with the valorization of sustainable products. The goal is for revenues from the sale of products with sustainability characteristics to represent 50% of the company's total revenues, 70% in Colombia and 30% in Central America and the Caribbean. This portfolio highlights the following categories of products that contribute to climate change mitigation and adaptation: 1 Low-carbon products and services, 2 Products and services that promote sustainable construction **1.** Low-carbon products: Cement and concrete with lower embodied carbon content and lower energy consumption in their production stage, according to life cycle analysis **2.** Products and services that promote conscious construction: These products and services have the following benefits: they promote adaptation to climate change and the circular economy; reduce the use of non-renewable resources in the manufacturing stage and/or in the construction stage; increase the useful life of infrastructure; enable the management of water as a resource; and contribute to well-being, comfort and health.

Time horizon	Probability	Magnitude of impact	Effect of the opportunity on the organization's financial position in the reporting year	Anticipated effect of the opportunity on the organization's financial position, financial performance, and cash flows across the selected future time horizons
Short, medium and long term	Very likely (90-100%)	High	N/A	Going forward, in an optimistic scenario with strict sustainability policies and strong demand for low-emission solutions, the company is expected to experience significant revenue growth, a sustained improvement in operating margins and a steady increase in operating cash flow, driven by participation in green projects and sustainable tenders. The corporate target of having sustainable products represent 50% of total sales (70% in Colombia, 30% in Central America and the Caribbean) will diversify the portfolio, increase profitability and position the company as a regional leader in sustainable solutions. In contrast, in a pessimistic scenario characterized by lax policies and low climate pressure, revenue from sustainable products would be more limited, operating margins would improve only moderately, and operating cash flow would show lower profits, although portfolio diversification would continue to provide some stability in the face of volatility in the conventional market. Taking into account the time horizons and climate scenarios analyzed, short-term revenues for this opportunity are estimated at USD 243,563,609 (SSP1-1.9), USD 214,316,788 (SSP2-4.5) and USD 185,069,967 (SSP5-8.5). In the medium term, revenues are estimated at USD 685,377,045 (SSP1-1.9), USD 500,880,788 (SSP2-4.5) and USD 342,491,641 (SSP5-8.5). Lastly, in the long term, revenues are estimated at USD 1,142,627,854 (SSP1-1.9), USD 799,032,808 (SSP2-4.5), and USD 510,412,969 (SSP5-8.5).

Are you able to quantify the financial effect of the opportunity?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$868,603,286,494.73	$214,316,788.27	$2,092,267,459,109.50	$516,240,323.98	$2,030,016,883,660.57	$500,880,788.04	$2,955,709,005,903.66	$729,283,518.77

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 3,238,395,500,553.78	$ 799,032,807.73	$ 4,011,062,041,146.64	$ 984,611,731.49	The financial impacts associated with the increase in demand for products and services are mainly reflected in the revenues generated by the commercialization of solutions that support climate change mitigation and adaptation: **1)** Low carbon products **2)** Products and services that promote conscious building **3)** Green Sack program **4)** Modular solutions Future sales of sustainable products and services were projected based on historical revenues and regional targets defined by Argos. Based on these sales levels, and considering sustainable portfolio expansion scenarios, carbon price variation projections were applied to estimate potential additional revenues under different climate scenarios. Revenues under the most likely scenario (Business-as-usual) would be USD 214,316,788 (2030), USD 500,880,788 (2040) and USD 799,032,808 (2050).	$ 5,694,889,483.03	$ 1,399,750.23	The reported annual costs correspond to: › R&D projects to develop products with sustainability features, such as: low carbon products, adaptation and circular economy, among others. Our Research and Development (R&D) team develops innovative, low-carbon processes, products and solutions that reduce CO_2 emissions at various stages of our value chain. › Operating costs of the Green Sacks program. › Operating costs of Modular Solutions. We work to create sustainable value, effectively responding to new market dynamics and positioning ourselves as a sector leader through innovation. Thus, the product portfolio and customized solutions are the value proposition we offer to our customers, and what differentiates us in the market (i.e., cement, concrete, aggregates, as well as differentiated services such as technical assistance, integrated logistics, and customized solution design). Regarding low-carbon products, the company allocated 67% of the total budget of our R&D projects to this type of product in 2025.

Climate-related opportunities – Opportunity 3: "Use of supplementary cementitious materials (SCM)"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of opportunity	Main climate-related opportunity factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Upstream	Resource efficiency	Increased efficiency of production and/or distribution processes	Reduction of direct costs	The use of supplementary cementitious materials (SCM), such as industrial ashes, reduces the clinker-to-cement factor by substituting part of the clinker in cement production. This substitution generates savings in production costs by reducing the consumption of clinker, which is more costly and energy intensive, and by using cheaper alternative materials. Additionally, the use of SCMs contributes to reducing CO_2 emissions (Scope 1), improves the sustainability of the production process, and promotes the circular economy by valorizing industrial by-products. This initiative positively impacts operating costs, operating cash flow, and may strengthen supply chain efficiency by reducing dependence on clinker.

Time horizon	Probability	Magnitude of impact	Effect of the opportunity on the organization's financial position in the reporting year	Anticipated effect of the opportunity on the organization's financial position, financial performance, and cash flows across the selected future time horizons
Short, medium and long term	Very likely (90-100%)	Medium-low	N/A	Going forward, in an optimistic scenario with strict climate policies and a strong push for sustainability, the use of SCM is expected to continue to generate significant savings in production costs, improve operating margins and increase operating cash flow efficiency, while strengthening the company's reputation and competitiveness in markets that value sustainable products. In a pessimistic scenario, with lax policies and low regulatory pressure on emissions, the financial benefits would be more limited: cost reduction and margin improvements would exist, but with less impact on the overall financial position and a moderate effect on operating cash flow, although the diversified use of SCMs would still provide some stability in the face of price volatility and clinker availability. Taking into account the time horizons and climate scenarios analyzed, short-term savings for this opportunity are expected to be USD 1,471,062 (SSP1-1.9), USD 87,603 (SSP2-4.5) and USD 43,801 (SSP5-8.5). In the medium term, savings amount to USD 3,786,214 (SSP1-1.9), USD 1,076,936 (SSP2-4.5) and USD 563,267 (SSP5-8.5). Finally, in the long term, the savings would be USD 6,629,499 (SSP1-1.9), USD 2,198,498 (SSP2-4.5) and USD 1,668,369 (SSP5-8.5).

Are you able to quantify the financial effect of the opportunity?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 355,044,335.4516	$ 87,602.6638			$ 4,364,708,265.5672	$1,076,936.1246		

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 8,910,280,900.72	$ 2,198,498.23			The recorded impact corresponds to the annual savings obtained from substituting clinker with ash for cement production at the Sogamoso, Yumbo, Toluviejo, Rioblanquito, and Dominican plants. A reduction in the clinker-to-cement factor was projected, and potential savings from increased SCM use in each region were estimated. Regional ash prices were compared with clinker costs and the savings derived from substitution were assessed, assuming that each ton of reduced clinker is replaced by 1.15 tons of SCM. Savings under the most likely scenario (Business-as-usual) would be USD 87,603 (2030), USD 1,076,936 (2040) and USD 2,198,498 (2050).	$6,892,074,642.20	$1,700,531.56	Annual costs correspond to R&D projects focused on: › Increasing clinker substitution levels through improvements in reactivity. › Optimizing particle size distributions and grinding efficiency to increase the use of additions. › Developing next-generation cements with a lower clinker-to-cement factor. › Evaluating production technologies for activated materials with lower emissions intensity. During 2025: › We achieved a 4.2% substitution of traditional raw materials with alternative inputs in the production process. › We reached 5.6% use of supplementary cementitious materials in the concrete business. › We utilized 452,000 tons of waste and industrial by-products, avoiding their disposal in landfills and consolidating a circular economy model with positive impacts across the value chain.

Climate-related opportunities – Opportunity 4: "Improved efficiency in production facilities and processes"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of opportunity	Main climate-related opportunity factor	Primary potential financial impacts	Company specific description
Colombia Honduras and Panama Dominican Republic, Puerto Rico, Suriname and French Guiana	Direct operations	Resource efficiency	Increased efficiency of production and/or distribution processes	Reduction of direct costs	Improving operational efficiency involves optimizing production processes, reducing the consumption of energy, water, and other inputs, and minimizing production losses. This can be achieved through the development of projects that enable Argos to operate efficiently and through the development of new technologies. Of particular note is the continuation of the Digital Twins project to contribute to climate change mitigation. Digital twins are virtual replicas of physical assets, processes, systems, or even people, created using real-time data and advanced analytics. A digital twin uses sensors and other data sources to create a virtual model that can be used to simulate and monitor the behavior of the physical asset or process. This technology enables Argos to optimize the mix of raw materials and energy consumption in the cement manufacturing process. In particular, it allows to: › Reduce the clinker-to-cement factor › Increase the average productivity of cement and raw mills › Reduce electricity consumption in cement and crude oil mills › Reduce caloric consumption in the clinkerization process

Time horizon	Probability	Magnitude of impact	Effect of the opportunity on the organization's financial position in the reporting year	Anticipated effect of the opportunity on the organization's financial position, financial performance, and cash flows across the selected future time horizons
Short, medium and long term	Very likely (90-100%)	High	N/A	Going forward, in an optimistic scenario, the continuous improvement in production processes is expected to generate significant savings in operating costs, increase profit margins and strengthen the company's financial position. Operating cash flow is projected to be more stable and increase over time, driven by the continuous reduction of energy and clinker consumption, as well as by the optimization of productivity throughout the value chain. In a pessimistic scenario, financial benefits would remain but in a more limited way. Although costs would be partially reduced and margins would improve, the impact on the financial position and cash flow would be smaller. However, the efficiency gains would still contribute to a more resilient operation against volatile energy and commodity prices. Taking into account the time horizons and climate scenarios analyzed, short-term savings for this opportunity are expected to be USD 6,845,928 (SSP1-1.9), USD 3,584,505 (SSP2-4.5) and USD 323,082 (SSP5-8.5). In the medium term, savings amount to USD 9,030,702 (SSP1-1.9), USD 5,211,723 (SSP2-4.5) and USD 1,392,744 (SSP5-8.5). Finally, in the long term, the savings would be USD 11,623,977 (SSP1-1.9), USD 7,144,812 (SSP2-4.5) and USD 2,665,647 (SSP5-8.5).

Are you able to quantify the financial effect of the opportunity?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$ 14,527,618,502.10	$ 3,584,504.67			$ 21,122,563,100.29	$ 5,211,723.18		

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$ 28,957,168,126.99	$ 7,144,812.10			The figure shown represents the estimated annual monetary savings associated with the digital twins initiative implemented by Argos. This initiative is linked to reducing production costs in the cement manufacturing process, thanks to the implementation of this technology, which optimizes the mix of raw materials and energy consumption in the production process. The current benefits obtained from the improvements in operational efficiency through the use of Digital Twins were projected. To do this, the current annual profits in each region were taken and scaled up based on the cost of sales and conditions of each climate scenario, thus estimating the additional potential gains. Savings under the most likely scenario (Business-as-usual) would be USD 3,584,505 (2030), USD 5,211,723 (2040) and USD 7,144,812 (2050).	$ 106,162,029.24	$ 26,060.00	The reported figure corresponds to the Capex invested for the development of Digital Twins in 2022. No additional investments were made in 2025. During 2025, we expanded the Digital Twins platform to more than 90% of our cement plants, covering equipment throughout the entire value chain: crushing, primary grinding, clinkerization, and cement grinding. This large-scale implementation is aimed at maximizing productivity and reducing CO_2 emissions. Argos' Climate Change Strategy focuses on minimizing risks related to climate change and maximizing opportunities through innovation in processes and products to ensure the sustainability of the Company and its value chain. It defines the company's actions to mitigate and adapt to climate change through initiatives such as increasing operational efficiency, reducing clinker content in cement, and developing new products and services with sustainable characteristics across the value chain.

Climate-related opportunities – Opportunity5: "Co-processing"

Country/area where the risk occurs	Where in the value chain does the risk factor occur?	Type of opportunity	Main climate-related opportunity factor	Primary potential financial impacts	Company specific description
Colombia, Honduras	Direct operations	Resource efficiency	Use of recycling	Reduction of direct costs	Co-processing involves replacing conventional fossil fuels with alternative fuels derived from industrial or municipal waste or other non-conventional sources. This approach reduces direct CO_2 emissions (Scope 1) and lowers energy costs per unit of heat used. In addition, it contributes to more efficient waste management, supports the circular economy, and generates financial benefits by reducing operating costs. The implementation of this initiative enhances the sustainability of the operation, improves energy efficiency, and contributes to the achievement of the company's climate goals.

Time horizon	Probability	Magnitude of impact	Effect of the opportunity on the organization's financial position in the reporting year	Anticipated effect of the opportunity on the organization's financial position, financial performance, and cash flows across the selected future time horizons
Short, medium and long term	Very likely (90-100%)	Medium-high	N/A	In the future, under an optimistic scenario with strict climate policies and strong momentum toward a circular economy, co-processing is expected to generate sustained savings in energy costs, improve operating margins, and strengthen the company's financial position. Operating cash flow is projected to become more stable and increase over time, driven by the continuous reduction in fossil fuel consumption and the valorization of industrial waste as alternative energy source. In a pessimistic scenario, with lax policies and low sustainability pressure, the financial benefits would be more limited: although partial savings in operating costs and improvements in energy efficiency would be maintained, the impact on financial position and cash flow would be lower. However fuel diversification and reduced dependence on fossil fuels would still provide some resilience to energy market volatility. Considering the time horizons and climate scenarios analyzed, short-term savings for this opportunity are expected to be USD 1,557,917 (SSP1-1.9), USD 778,959 (SSP2-4.5) and USD 0 (SSP5-8.5). In the medium term, savings amount to USD 6,039,224 (SSP1-1.9), USD 3,218,013 (SSP2-4.5) and USD 396,803 (SSP5-8.5). Finally, in the long term, the savings would be USD 8,652,005 (SSP1-1.9), USD 4,860,534 (SSP2-4.5) and USD 1,069,063 (SSP5-8.5).

Are you able to quantify the financial effect of the opportunity?	Financial impact figure for the reporting year (currency)	Estimated short-term financial impact				Estimated medium-term financial impact			
		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)		Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)	
		COP	USD	COP	USD	COP	USD	COP	USD
Yes	N/A	$3,157,036,453.46	$778,958.50	$13,042,267,651.07	$3,218,013.28	$13,042,267,651.07	$3,218,013.28	$19,699,230,213.12	$4,860,533.94

Estimated long-term financial impact				Explanation of the financial impact figure	Cost of risk response		Description of response and explanation of cost calculation
Potential financial impact figure - minimum (currency)		Potential financial impact figure - maximum (currency)					
COP	USD	COP	USD		COP	USD	
$19,699,230,213.12	$4,860,533.94	$28,793,038,264.74	$7,067,944.34	The recorded impact corresponds to the projected savings from the implementation of initiatives related to the use of alternative fuels. The current benefits of using alternative fuels were projected, applying annual increments defined based on the expected growth in the consumption of these fuels and the associated savings. The savings in the most likely scenario (Business-as-usual) would be USD 778,959 (2030), USD 3,218,013 (2040) and USD 4,860,534 (2050).	$5,461,109,257.44	$1,347,459.09	The reported figure corresponds to capital investments and operating expenses for co-processing projects in Colombia and Honduras. In 2025, we made progress in consolidating this strategy in our Colombia and Central America Regionals: › In Colombia, we managed more than 32,000 tons of waste through co-processing at the Cartagena and Rioclaro plants. › In Honduras, we used more than 4,200 tons of alternative fuels in the clinker kiln at the Piedras Azules plant, achieving a substitution rate of 6.4% and reducing dependence on traditional fuels.

Indicadores	ARGOS	GCCA	GRI	CSA	2022	2023	2024	2025	TARGET 2030	BASE LINE (YEAR)
CO_2 EMISSIONS										
CEMENT										
Direct GHG emissions (Scope 1) (t CO_2)			305-1	2.3.1	4,669,090	4,483,538	4,209,505	3,903,743		
Indirect GHG emissions (Scope 2 by "location" method) (t CO_2)			305-2	2.3.2	98,848	86,722	126,845	85,849		
Indirect GHG emissions (Scope 2 by "market" method) (t CO_2)			305-2	2.3.2	81,083	68,173	70,743	57,308		
Total CO_2 emissions - gross (t CO_2/year)		GCCA			4,669,090	4,483,538	4,209,505	3,903,743		
Total CO_2 emissions - net(t CO_2 CO_2/year)		GCCA			4,633,647	4,438,094	4,161,739	3,860,845		
Specific CO_2 emissions - gross (kg CO_2/t cementitious material)		GCCA	305-4		616	610	612	590		
Net specific CO_2 emissions (kg CO_2/t cementitious material)	A-EC1	GCCA			612	604	605	583	514	759 (2006)
Indirect specific GHG emissions (Scope 2 by "market" method) (kg CO_2/t cementitious material)					10.70	9.27	10.28	8.66	7.00	13,12 (2021)
CONCRETE										
Direct GHG emissions (Scope 1) (t CO_2)			305-1		34,009	30,917	27,673	21,792		
Indirect GHG emissions (Scope 2 by "location" method) (t CO_2)			305-2		1,218	923	1,460	745		
Indirect GHG emissions (Scope 2 by "market" method) (t CO_2)			305-2		1,218	872	1,167	679		
Intensity of GHG emissions (kg CO_2/m^3 concrete)			305-4		11.5	10.2	11.3	8.9		
AGGREGATES										
Direct GHG emissions (Scope 1) (t CO_2)			305-1		5,209	5,204	6,755	1,835		
Indirect GHG emissions (Scope 2 by "location" method) (t CO_2)			305-2		555	365	536	233		
Indirect GHG emissions (Scope 2 by "market" method) (t CO_2)			305-2		555	287	145	134		
Intensity of GHG emissions(kg CO_2/t aggregates)			305-4		2.4	2.6	4.2	1.5		
ELECTRICITY GENERATION										
Direct GHG emissions (Scope 1) (t CO_2)			305-1		454,134	429,567	373,683	237,693		
Indirect GHG emissions (Scope 2) (t CO_2)			305-2		-	-	-	-		
Intensity of GHG emissions (kg CO_2/MWh)			305-4		988	984	1.018	873		
COMPANY TOTAL										
Total direct emissions (Scope 1) (t CO_2)			305-1	2.3.1	5,162,442	4,949,226	4,617,615	4,165,062		
Total indirect emissions (Scope 2 by "location" method) (t CO_2)			305-2	2.3.2	100,621	88,010	128,842	86,827		
Total direct and indirect emissions (by "location" method) tCO_2)					5,263,063	5,037,236	4,746,457	4,251,889		
Total indirect emissions (Scope 2 by "market" method) (t CO_2)			305-2	2.3.2	82,857	69,332	72,055	58,121		
Total direct and indirect emissions (by "market" method) (t CO_2)					5,245,299	5,018,558	4,689,670	4,223,183		
Other indirect total GHG emissions (Scope 3) (t CO_2)			305-3	2.6.10	4,336,265	3,750,964	3,177,444	3,331,467		
Specific CO2 emissions (Scope 1) (kg CO_2/t cementitious material) - SBTi*					689	661	671	629	550	684 (2021)
Specific CO_2 emissions (Scope 2 by "market" method) (kg CO_2/t cementitious material) - SBTi*					30	29	10	9	18	31 (2021)
Scope 1 + 2 specific CO_2 emission reduction ("market" method) (kg CO2/t cementitious material) - SBTi*					719*	690*	682	638	568*	715 (2021)*
Scope 1 + 2 specific CO_2 emission reduction ("market" method) (%) - SBTi*					1.2%	-1.4%	* see comment	* see comment	-21%	
ENERGY AND FUELS										
Specific caloric consumption of clinker production (MJ/t clinker)		GCCA			4,195	4,087	3,897	3,668		
Substitution of caloric consumption of fossil fuels with alternative fuels (%)	A-ENE1			2.5.1	3.00	3.60	4.10	4.10	20.6	
Alternative fuels rate (%)		GCCA			2.03	2.77	3.28	3.28		
Rate of biomass as fuel (%)		GCCA			0.97	0.83	0.82	0.82		
MATERIALS										
Clinker-to-cement factor		GCCA		2.5.1	70.26	69.61	70.36	69.88		

** In 2022, the company obtained validation from the Science-Based Targets initiative (SBTi) for its Scope 1 and 2 emission reduction targets, aligned with a trajectory well below 2°C.*
Since 2024, the company has been in the process of strategically restructuring its portfolio. This included the combination of Argos USA's operations with Summit Materials in 2024, the subsequent divestment of its stake in this company in 2025, and the potential addition of new assets in the near term. This ongoing restructuring has led the company to temporarily pause the recalculation of its emissions reduction target under SBTi. Once the restructuring process is consolidated, the company will recalculate its target and baseline under this initiative considering alignment with a climate trajectory of 1.5°C.

NATURE

We have defined a series of key indicators aimed at measuring and managing our impact on **biodiversity and water resources.**

In biodiversity, we conduct detailed monitoring of quarry management in areas of ecological importance, the implementation of rehabilitation and closure plans, as well as the presence of at-risk species within our areas of influence. This monitoring enables us to assess and mitigate risks associated with our operations, ensuring ecosystem conservation and biodiversity protection.

Regarding water resources, the defined indicators allow us to assess water withdrawal by source, usage in water-stressed areas, the percentage of reuse and recirculation, and the efficiency of specific freshwater withdrawal across our cement, concrete and aggregates operations. This information is crucial to optimize water use, reducing our dependence on non-renewable sources and minimize our impact on watersheds.

The performance results of these indicators for 2025, as well as the goals established for the year 2030, are presented below:

BIODIVERSITY

Indicator	2022	2023	2024	2025	2030 Target
Active and inactive quarries located within. adjacent to or containing protected areas or areas of high biodiversity value with a biodiversity management plan	67	76	83	100	100
Active quarries with an established closure plan	93	100	100	100	100
Rehabilitated released areas in active and inactive quarries	87	73	85	79	90
Compensated areas	N/A	N/A	N/A	753.9 ha	
Area affected by quarries	N/A	N/A	N/A	2.304.91 ha	
High-risk natural products (tons) obtained from land/ ocean/ freshwater	N/A	N/A	N/A	13.896.307.2	
IUCN Red List species and species from national conservation list species inhabiting areas affected by operations:					
Critically endangered	1	13	13	13	
Endangered	11	20	20	20	
Vulnerable	16	57	57	57	
Almost threatened	0	0	9	9	
Least concern	97	62	63	63	
Total number of species	**125**	**161**	**162**	**162**	

WATER

Indicator	2022	2023	2024	2025	2030 Target
Water withdrawal from surface sources (m^3/year)	4,206,636.34	3,264,462.78	3,472,407.01	2,694,260.54	
Groundwater collection (m^3/year)	423,551.7548	366,152.02	332,309.83	293,755.19	
Rainwater collection (m^3/year)	134,455.4607	155,830.70	128,678.11	137,120.28	
Municipal or third-party water supply (m^3/year)	1168,594.6781	1,257,231.37	992,306.75	760,733.19	
Total water withdrawal (Company) (m^3/year)	**5,933,238.23**	**5,043,676.86**	**4,926,675.81**	**3,885,869.20**	
Total water withdrawn in water-stressed areas (m^3/year)	**0**	**0**	**0**	**0**	
Specific water consumption in cement (L/t)	306.6	291.04	215.6	278.8	396
Specific water consumption in concrete (L/m^3)	222.1	201.9	212.6	202.1	227
Specific water consumption in aggregates (L/t)	111.9	84.9	54.7	23.9	63
Recycled or reused water (Company) (m^3/year)	29,385,673.01	28,741,633	26,146,956.9	3,428,272.6	
Recycled or reused water (Company) (%)	100.74	108.35	86.26	88.22	

05

ANNEXES

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ANNEXES

GLOSSARY

A

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

B

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

C

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

D

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

E

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

G

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

H

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

I

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

L

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

GLOSSARY

M

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

N

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

P

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

R

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

S

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

T

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

W

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

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

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Strategy	**A.** Description of the nature-related dependencies, impacts, risks, and opportunities that the organization has identified over the short, medium, and long term.	▪ Management of Nature-Related Risks, Impacts, Dependencies and Opportunities	49-56
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The GRUPO ARGOS Cement Company