



INVESTMENTS THAT TRANSFORM

Appendices 2019



GRUPO ARGOS

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102-11 At Grupo Argos, we always strive to give back more to our environment than we take from it, as we are aware that we have a big responsibility as agents of transformation in society. Therefore, we increase the search for profitable growth by making decisions that consider the environmental impacts that our businesses and investments generate. This ensures the sustainability of our Company over time.

Water

At Grupo Argos, as the Parent Company, we confirm our commitment to the rational use of water by establishing a goal to reduce the Business Group's water consumption. The target aims to reduce water consumption from 2015 by 50% per million Colombian pesos of income by 2025. To establish the target for the reduction of water consumption, we took as a basis the historical data of the last three years and the income of each business and we established three scenarios (conservative, pessimistic and optimistic), considering the climate variability that

mainly affects the energy business. The three scenarios were used to assess the sensitivity of water consumption to the presence of climate phenomena of El Niño or La Niña. The scenarios were in a range of 48% to 65%. Based on these results, we established the target to reduce water consumption by 50%. This target reflects the commitment of each business to mitigate its impacts on the water resource. Below, we present the most important indicators to monitor the progress of the Business Group's water consumption target.

Total water intake (m³)

303-3

	2015	2016	2017	2018	2019
Grupo Argos	82,682	78,459	41,818	37,822	33,935
Cement	10,536,174	13,339,251	13,736,062	11,076,761	12,437,309
Energy	12,365,708,423	12,538,540,000	16,263,510,000	16,240,000,000	14,996,630,000
Concessions	1,110,988	1,132,541	1,110,737	1,236,060	1,131,320
Coal	103,559	107,202	119,546	96,635	121,470
TOTAL	12,377,596,411	12,553,338,592	16,278,518,163	16,252,447,278	15,010,354,034

Notes:

(102-48) The figure of the cement business was restated in 2018 due to an increase in the indicator's coverage.

(102-48) The total water intake data of the energy business for the years 2016, 2017 and 2018 were restated due to an improvement in the estimation method.

Water consumption (m³)

303-5

	2015	2016	2017	2018	2019
Grupo Argos	143	70,936	30,578	25,440	20,586
Cement	8,074,329	8,583,580	9,196,217	6,805,329	6,519,570
Energy	6,817,384	7,358,470	2,166,033	2,467,520	1,759,490
Concessions	273,096	235,787	272,195	426,993	249,512
Coal	103,559	107,202	119,546	96,635	121,470
TOTAL	15,268,513	16,355,975	11,784,569	9,821,917	8,670,628

(102-48) The figure of the cement business was restated in 2018 due to an increase in the indicator's coverage.

(102-48) The total water consumption data of the energy business for the years 2016, 2017 and 2018 were restated due to an improvement in the estimation method.

Note: The water consumption reported for the CSI and not the 303-5 indicator is included in the cement business.

Specific water consumption (m³ / COP million)

[GA-L01]

	2015 (baseline year)	2016	2017	2018	2019	2025 target
COP million	12,700,304	14,552,884	14,573,579	14,314,013	16,798,588	
Total water consumption (m ³)	15,268,513	16,355,975	11,784,569	9,821,917	8,670,628	
Intensity (m ³ / COP million)	1.20	1.12	0.81	0.69	0.52	0.60
Variation from the 2015 baseline		-7%	-33%	-43%	-57%	-50%

Tree planting

[303-5]

	2018	2019
Grupo Argos	4,121	3,807
Energy	2,600,000	1,382,100
Cement	229,580	0
Grupo Argos Foundation	1,218,500	464,023
TOTAL	4,052,201	1,849,930

Climate Change

In light of the threat posed by climate change, we reinforce our commitment as the Parent Company to keep directing efforts that allow us to proactively manage the CO₂ emissions in each one of our businesses. Therefore, in 2016, we established the climate change indicator and target for Grupo Empresarial Argos. This target aims to reduce from 2015 the direct CO₂ emissions (Scope 1) per million Colombian pesos of income 20% by 2025. To establish this target, we analyzed the emissions intensity of each business and subsidiary over the last three years. Following a comparative data analysis, which as-

essed the income versus the projected emissions of all the businesses, an indicator was proposed based on the direct CO₂ (tons of CO₂) emissions of the businesses divided by the income (COP million) consolidated by the Business Group. The target established is comparable with international standards, it is easy for investors and other stakeholders to understand, it is a tool for decision-making about future investments and divestments, it contributes to achievement of SDG 13 (Climate Action), and it is coordinated with the Business Group's strategy.

Direct greenhouse gas emissions (tons of CO₂eq)

[305-1]

	2015	2016	2017	2018	2019
Grupo Argos	815	585	339	313	210
Cement	9,073,027	8,186,365	8,167,887	8,298,395	8,713,631
Energy	2,857,802	2,491,512	967,008	1,159,008	988,437
Concessions	3,504	2,515	7,520	17,424	8,845
Coal	36,650	38,927	36,640	37,066	21,493
TOTAL	11,971,798	10,719,904	9,179,394	9,512,207	9,732,616

Notes:

The increase in direct emissions from the concessions business in the last three years is due to the progressive increase in the indicator's coverage. The reduction in direct GHG emissions of the coal business is due to lower coal production in 2019, which means less consumption of fossil fuels. The 2019 emissions data for Odinsa do not include airport concessions, because they are subject to a verification process within the Airport Carbon Accreditation (ACA) program, which is carried out at the end of May every year.

Indirect greenhouse gas emissions (tons of CO₂eq)

[305-2]

	2015	2016	2017	2018	2019
Grupo Argos	98	94	40	31	39
Cement	336,482	342,271	436,634	452,167	446,322
Energy	63,059	51,371	22,334	31,060	69,682
Concessions	11,169	4,341	2,854	1,689	241
Coal	118	107	105	112	104
TOTAL	410,927	398,184	461,967	485,059	516,388

Notes:

The increase in indirect emissions of the energy business is mainly due to the purchase of energy for the ancillary services of ensuring its availability and backup for the system.

The 2019 emissions data for Odinsa do not include airport concessions, because they are subject to a verification process within the Airport Carbon Accreditation (ACA) program, which is carried out at the end of May every year.

Intensity of direct emissions (tons of CO₂ / COP million)

[305-4]

	2015 (baseline year)	2016	2017	2018	2019	2025 target
Income (COP million)	12,700,304	14,552,884	14,573,579	14,314,013	16,798,588	
Total tons of CO ₂ emissions	11,971,798	10,719,904	9,179,394	9,512,207	9,732,616	
Intensity (tons of CO₂ / COP million)	0.94	0.74	0.63	0.66	0.58	0.75
Variation from the 2015 baseline		-22%	-33%	-30%	-39%	-20%

Energy consumption within the organization (GJ)

[302-1]

	2015	2016	2017	2018	2019
Grupo Argos	12,596	10,759	6,388	5,398	3,679
Cement	44,331,468	39,205,325	45,368,302	45,742,995	47,685,450
Energy	26,927,012	21,469,091	9,123,036	10,400,664	9,410,268
Concessions	294,842	310,671	449,096	769,377	513,807
Coal	187,495	211,939	214,661	194,558	128,115
TOTAL	71,753,413	61,207,785	55,161,482	57,112,992	57,741,318

Notes:

The reduction in energy consumption of Grupo Argos is due to the review of the indicator's scope, which enabled an improvement of the consolidation method.

Intensity of direct emissions (tons of CO₂ / COP million)

[305-4]

	2015	2016	2017	2018	2019
Income (COP million)	12,700,304	14,552,884	14,573,579	14,314,013	16,798,588
Total energy consumption (GJ)	71,753,412.89	61,207,784.92	55,161,482.50	57,112,991.66	57,741,318.20
Intensity (GJ / COP million)	5.65	4.21	3.79	3.99	3.44
Variation from the 2015 baseline		-26%	-33%	-29%	-39%

Human Rights

In development of the Sustainability Policy and in compliance with the publicly expressed commitment to respect for human rights, Grupo Argos has a comprehensive human rights system, which responds to the guiding principles of the United Nations Ruggie Framework. Therefore, it has a human rights policy approved by the Board of Directors and a due diligence process in human rights, which has been developed through four central lines in order to obtain a complete diagnostic that can be used to take effective measures that help to close gaps and mitigate risks.

Human rights policy: As a basic principle of its sustainability strategy, Grupo Argos is committed to the respect and promotion of human rights in all its subsidiaries and the regions where they operate in accordance with the Universal Declaration of Human Rights, the ILO Declarations, the Global Compact, and the applicable laws in each country.

With ethical integrity as a basis for its business actions, Grupo Argos assumes responsibility of the prevention, identification, and reparations of the negative consequences that its operations and businesses can have on human rights.

Due diligence process:

Central line 1: Standardization of Knowledge

The aim of this stage is to achieve that the Organization's different employees, which according to their responsibilities must lead and work on the topic, obtain an optimum level of knowledge of the benchmark principles and instruments in the field of the companies and human rights. To do this, we made an inventory of the relevant benchmarks in human rights for the Company with the aim to explore each one of them.

Central line 2: Identification of Gaps

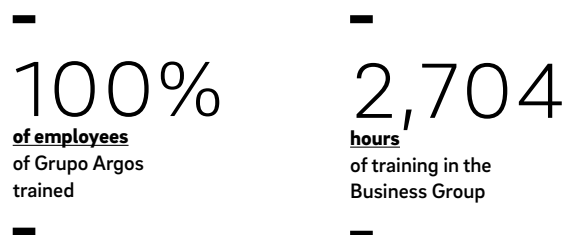
In this stage of analysis of gaps and opportunities for improvement, the aim is to integrate human rights into the Company's operations. This process served as a starting point to strengthen the management system, because the identification of actions for improvement with respect to human rights was started.

Central line 3: Risk Analysis

We made an inventory, and classified and prioritized risks in the Group's management with respect to human rights and IHL, which is essential to keep strengthening risk management in the Company.

This central line is essential to the Company due to:

- The legal obligation of companies to comply with national legislation and international treaties.
- The ethical commitment of being a "corporate citizen", going beyond the legal aspects to adapt processes so that they prevent negative impacts on the operating environments.



- The economic opportunity, because it contributes to the reputational consolidation of the services and products, it facilitates the corporate license to operate and it prevents financial penalties.

In this stage, we identify 20 risk scenarios in the operating environment of the Company and its subsidiaries, four of them applying across all the companies. Additionally, we constantly identify key topics that can translate into risks or emerging impacts for the operation of our businesses.

Central line 4: Action Plan

Our action plan for risk management and closure of gaps in human rights in the Group's operations takes the elements identified in central lines 2 and 3, and it establishes some lines of action, roles and responsibilities for correct management.

Below, we describe the four cross-cutting risk scenarios and the actions for risk mitigation:

RISK	SCENARIO	2019 MITIGATION ACTIONS	2020 MITIGATION ACTIONS
Reputational and Legal	The human rights analysis must be constantly present in the investment processes of the new Grupo Argos businesses.	<ul style="list-style-type: none"> We have improved the analysis and evaluation of the environmental, social and corporate governance matters throughout the investment life cycle, from due diligence –prior to merger or acquisition–, during management of the investment, and if it occurs, in its sale. 	Analyze the suppliers' human rights risks in the acquisitions that occurred in 2019.
Reputational, Operational and Legal	The Company has operations located in areas with the presence of illegal armed groups.	<ul style="list-style-type: none"> The procedure for reporting to the relevant authorities cases of extortion of which the Company is aware and that could affect its stakeholders was formalized and made public. This procedure was communicated to the employees, suppliers, contractors, and community members located in these areas deemed high risk. We continued our online human rights course, which applies for the whole Business Group, with the aim to raise the employees' awareness and strengthen the corporate culture of prevention and respect. 	Reinforce the communication of the Holding Company's complaints and claims mechanisms to 85% of the employees.
Reputational and Legal	The Grupo Argos businesses are demanding with respect to land, which can generate risks in loss of land, safety management and/or reputational impacts.	<ul style="list-style-type: none"> We work so the land surveillance service providers give training to staff about the undue use of force in cases of settlement or civil unrest in the region, taking into account that these regions have a significant presence of indigenous and Afro-descendant communities, and children. The human rights criteria were expressly incorporated into the due diligence process for the acquisition and use of land. 	Identify and assess the human rights violations in the cases in which the Group has been involved in land restitution processes with the aim to adopt the necessary preventive or corrective measures.
Reputational	More clarity is required on strategic and operating alignment in terms of management of the environment between the subsidiaries when they coincide in a region.	<ul style="list-style-type: none"> With the founding of Fundación Grupo Argos, the engagement strategy was strengthened for all the businesses that operate in the same region. Special emphasis is made on regions with the presence of indigenous and Afro-descendant communities. 	Assess the communities' perception of the engagement strategy, where there is the presence of more than two of the Business Group's strategic businesses.

Ecosystems

As a business group, we recognize the need to adapt to the water risks. To do this, we have established an ecosystems goal, where we map out the water supply sources in the businesses' areas of influence and we identify their risk status using the Aqueduct tool. The analysis of the supply sources was based on three kinds of risk (physical: quality and quantity; regulatory; and reputational) at three levels (medium to high, high and extremely high). In total, we identified 161 macro-basins at the analyzed levels and subsequently, each business

conducted an analysis to establish the basins and management measures to prioritize. The income, the biodiversity value, and the physical and engagement risks with the communities were the main criteria used in said prioritization. By the end, we established ten high-risk basins, which will be managed by the Business Group to contribute to their conservation. Said basins have an impact on the water supply in 15 of the operations of Grupo Empresarial Argos.

Contribution to the protection of water supply sources

[GA-L02]

	2018	2019
Number of water supply sources at high risk with management measures	4	8
Number of water supply sources at high risk	10	10
PERCENTAGE OF SUPPLY SOURCES PROTECTED	40%	80%

Strengthening of Institutions

Payments made to professional groups and associations, and political contributions

[415-1]

	CURRENCY (thousand)	2014	2015	2016	2017	2018	2019
Political contributions	COP	260,000	560,000	No political contributions were made in 2016 because it was not an election year	180,000	650,000	335,000
Payment to professional groups and associations	COP	156,953	488,918	479,585	939,664	979,867	845,412
Total political contributions and payments to professional groups and associations	COP	416,953	1,048,918	479,585	1,119,664	1,629,867	1,180,412
Coverage (as % of income)	Income	100%	100%	100%	100%	100%	100%

Main payments to professional groups and associations

ORGANIZATION	TYPE	DESCRIPTION OF THE ORGANIZATION	TOTAL AMOUNT PAID		
			2017	2018	2019
World Business Council for Sustainable Development	Non-profit organization	WBCSD is a global organization that helps the member companies to be more successful and sustainable and to focus on having the biggest positive impact for shareholders, the environment and companies.	243,045	255,568	278,007
Fundación para el Progreso de Antioquia – Proantioquia	Non-profit organization	Proantioquia is a private foundation of the business sector that promotes and leads strategic initiatives for sustainable development with equality through agreements that mobilize public, social, business and academic capacity for social transformation with equality, sustainable regional development, strengthening of institutions and corporate governance.	58,750	229,700	201,580
National Business Association of Colombia (ANDI, for the Spanish original)	Non-profit professional group	• The National Business Association of Colombia (ANDI) is a non-profit professional group whose purpose is to expand and promote the political, economic and social principles of a free enterprise system. It was founded on September 11, 1944, in Medellín and since then, it has been the most important business association in Colombia.	102,557	109,231	131,319
Private Competitiveness Council	Non-profit organization	The Private Competitiveness Council (CPC, for the Spanish original), is a non-profit organization whose purpose is to directly contribute to the coordination of strategies designed to achieve significant improvements in the level of competitiveness in Colombia. The Private Competitiveness Council serves as a coordinator and a spokesperson between the public sector, the private sector, academia and other organizations interested in the promotion of competitiveness and the related public policy.	143,680	99,200	105,000
Concordia Summit Inc.	Non-profit organization	It is a non-profit organization that enables public-private partnerships to create a more prosperous and sustainable future.	58,850	55,838	62,828
TOTAL			606,881	749,536	778,734

Social Investment

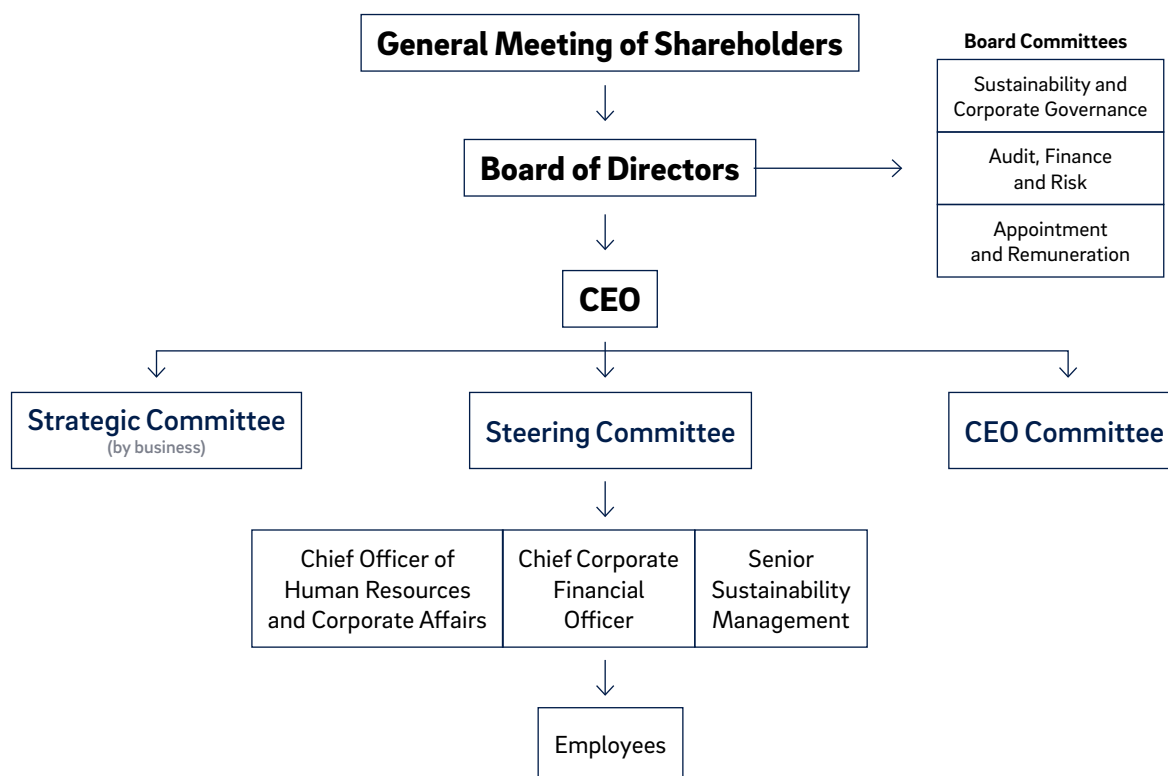
CATEGORY	THOUSANDS (COP)	PERCENTAGE
Charitable donations	810,880.00	12%
Investments in communities	4,095,173.99	60%
Commercial initiatives	1,937,524.81	28%
TOTAL	6,843,579	100%

95%

of our employees strongly agree that the company helps create value for society, according to the workplace survey.

Governability

Responsible areas and persons for management of the value levers:



VALUE LEVER	GA BOARD OF DIRECTORS	STEERING COMMITTEE	CEO COMMITTEE	STRATEGIC COMMITTEE	RESPONSIBLE AREA	POLICIES/CODES	SYNERGY NETWORKS (GRUPO ARGOS AND BUSINESSES)
Strategic Coordination	Sustainability and Corporate Governance Committee Audit, Finance and Risk Committee Appointment and Remuneration Committee	Yes	Yes	Yes	Grupo Argos CEO	Policy/process for the management of transactions with related companies	Business Board of Directors
Financial Management	Audit, Finance and Risk Committee	Yes	Yes	Yes	Chief Officer of Strategy and Corporate Finance	Business Code of Conduct, Sustainability Policy Risk Policy Corporate Compensation Policy Policy/process for the management of transactions with related companies Anti-monopoly Policy	Finance Network

VALUE LEVER	GA BOARD OF DIRECTORS	STEERING COMMITTEE	CEO COMMITTEE	STRATEGIC COMMITTEE	RESPONSIBLE AREA	POLICIES/CODES	SYNERGY NETWORKS (GRUPO ARGOS AND BUSINESSES)
Ethics and Corporate Governance	Sustainability and Corporate Governance Committee Audit, Finance and Risk Committee Appointment and Remuneration Committee	Yes	Yes	Yes	Chief Officer of Human Resources and Corporate Affairs	Corporate governance: Corporate Governance Code Business Code of Conduct Board of Directors Appointment, Remuneration and Succession Policy Engagement Policy for Related Companies Policy/process for the management of transactions with related companies	Corporate Governance Network
						Ethics: Business Code of Conduct Anti-Fraud, Bribery and Corruption Risk Management Policy Human Rights Policy Sustainability Policy Transparency Hotline Policy Policy for the management of transactions with related companies Risk Policy Gift and Courtesy Policy Anti-Monopoly Policy Self-control and Anti-Money Laundering and Counter Financing of Terrorism Policy Data Protection Policy Recruitment Handbook Third Party Relations Policy Policies of investigating reports against the Organization's ground level	Compliance Network Central Conduct Committee Business Conduct Committee
						Sustainability Policy Diversity Policy Anti-Fraud, Bribery and Corruption Risk Management Policy Gift and Courtesy Policy Transparency Hotline Policy Human Rights Policy Business Code of Conduct	Sustainability Network
						Communications Policy Sustainability Policy Human Rights Policy	Communications Network
Sustainability Vision	Sustainability and Corporate Governance Committee	Yes	Yes	Yes	Senior Director of Sustainability	Communications Policy Sustainability Policy Human Rights Policy	Communications Network
Identity and Engagement	Sustainability and Corporate Governance Committee	Yes	Yes	Yes	Chief Officer of Human Resources and Corporate Affairs	Corporate Compensation Policy Diversity Policy Training Policy Human Resources Policy Key Human Resources Attraction and Retention Policy Human Rights Policy Sustainability Policy	Talent Network

Corporate Governance

Board of Directors' experience

[GA-EG03]

	David Bojanini	Carlos Ignacio Gallego	Claudia Betancourt	Ana Cristina Arango Uribe	Rosario Córdoba	Armando Montenegro	Jorge Uribe
EXPERIENCE							
Risks	X	X	X		X	X	X
Internal control	X	X				X	
Corporate finance	X	X	X	X	X	X	X
Commercial matters	X		X				X
Materials industry (GICS 15 Materials)				X			
Crisis management	X	X	X		X	X	
Legal affairs							
Sustainability		X		X	X		X
Governance / public policy					X	X	
International	X	X					X

Attendance of Board meetings

[102-22]

100%
David Bojanini

100%
Carlos Ignacio Gallego

87%
Claudia Betancourt

100%
Ana Cristina Arango

100%
Rosario Córdoba

100%
Armando Montenegro

100%
Jorge Uribe

Board committees

[102-18, 102-2, 102-29]

AUDIT, FINANCE AND RISK COMMITTEE	SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE	APPOINTMENT AND REMUNERATION COMMITTEE
Supervise the Statutory Audit services.	Ensure that the corporate governance practices are in line with the Corporate Governance Code.	Supervise that the requirements and procedures are met for the election of members of the Board of Directors and Senior Management.
Verify that Senior Management takes into account the Statutory Auditor's recommendations.	Study the proposals for amendment of the Company Bylaws and the Corporate Governance Code.	Propose the "Board of Directors Appointment and Remuneration Policy" to the Board of Directors to be approved by the General Meeting of Shareholders, and the "Senior Management Appointment, Remuneration and Succession Policy", and monitor them.
Prior to their presentation to the Board of Directors, have seen the end-of-year financial statements with the Statutory Auditor's opinion.	Be aware of the actions related to the conduct of Board members that could violate to the Company Bylaws and Corporate Governance Code.	Propose and review the criteria that need to be followed to form the Board of Directors and assess the suitability of the member candidates proposed by the shareholders.
Supervise the efficiency of the function of regulatory compliance and anti-money laundering and counter terrorism financing.	Know and supervise the implementation of the Organization's Sustainability Policy.	Design and implement a human resources attraction and retention system that can be applied to the Company and its subsidiaries, so that said talent can be shared or transferred between the different companies that comprise the Business Group.
Ensure the independence of the internal audit function, regularly receive information on its activities and verify that Senior Management takes into account its recommendations.	Analyze and monitor the annual corporate social responsibility activity schedule.	Inform the Board of Directors of cases in which its members could have a negative effect on the operation of the Board of Directors or on the Company's reputation, particularly when they have incurred one of the allegations of incompatibility, disqualification or legal prohibition.
Propose the "Risk Policy" to the Board of Directors, and monitor it.	Promote the training of Board members and managers on topics of corporate sustainability.	Approve the Company's Human Resources Policy.

Describe the selection criteria for Board members

[102-24]

The Board members are appointed according to the proposals presented by the Grupo Argos shareholders at their General Meeting. The General Meeting of Shareholders takes into consideration the structure, obligations and responsibilities of the Board of Directors in order to establish the remuneration of its members, as well as their personal and professional qualities, the time required from them and their experience in the framework of the Board of Directors Appointment and Remuneration Policy.

The selection criteria for the Board members are established in the Appointment, Remuneration and Succession Policy and they are as follows:

1. Considering that Board members must retire at the age of 72 and that the Board term is three years, candidates on the respective lists must not be aged over 69.
2. All candidates must accredit their experience of participation in boards of directors and any professional specialty that is relevant for the activity the Company performs, defined from time to time by the Appointment and Remuneration Committee.
3. All the candidates must accredit that they have basic abilities that will enable them to perform their duties properly, such as analytical and management skills, a strategic vision of the business, global perspective, objectivity and capacity to convey their point of view, and the ability to assess senior management charts.
4. The candidates to be independent members must accredit that they have experience in one of the following topics: corporate management, corporate finance, internal control or human resources.
5. It is advisable for each one of the submitted lists to have candidates that accredit experience in environmental, social and corporate governance topics.
6. At least 50% of the candidates must meet the requirements established in the Corporate Governance Code to be considered independent members.

Description of how possible conflicts of interest are avoided and managed

[102-25]

The parameters for the identification, disclosure and prevention of potential conflicts of interest are contained in the Code of Conduct. Grupo Argos requires the completion of a Statement of Potential Sources of Conflicts of Interest every year by its Board members and all its employees.

Describe the role of the Board of Directors in setting the Organization's purpose, values and strategy

[102-26]

The Grupo Argos Board of Directors is the highest strategic governance body of the Company and consequently, it maintains a general and consolidated vision of all of the Business Group's businesses, while fostering the identification of global trends. The Grupo Argos Board of Directors mainly aims to carry out decision-making with respect to the corporate strategic goals, the supervision of Senior Management's activities, and risk monitoring, always in pursuit of the best interests of the Company and its shareholders and investors. It is the responsibility of the Board of Directors to support Senior Management in the management of the businesses and risks that the Company faces, for which it can request the information it deems relevant.

Measures taken during the reporting period to enhance the collective knowledge of the Board of Directors

[102-27]

The training and general knowledge topics that will be discussed in each meeting are established in the annual plan. Presentations with experts in each one of the sectors in which the Company has its main investments were provided to the Board of Directors in 2019, as well as visits to facilities, clients and strategic works. Additionally, sustainability and risk issues were taken to the Board of Directors, and external issues were presented on relevant topics related to human resources. A training program was also implemented for the Board members at the University of California, Berkeley, on global trends and their impacts on companies listed on the public securities markets.

Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. Report whether such evaluation is independent or not, and its frequency

[102-28]

The Board of Directors is evaluated on an annual basis, alternating external evaluations with self-assessments. The external evaluation is conducted by an independent firm selected by the Board itself based on a recommendation by the Sustainability and Corporate Governance Committee. These evaluations consider quantitative as well as qualitative aspects. An external evaluation was carried out in 2019 by the AT Kearney firm.

The highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks and opportunities

[102-29]

In its role of identifying the risks, impacts and opportunities related to economic, environmental, and social topics, the Board of Directors has a supporting committee called the Sustainability and Corporate Governance Committee, which defines the direction that needs to be given to the sustainability and corporate governance topics, and monitors their implementation. It meets at least twice a year and presents a detailed report to the Board, which includes recommendations about measures or procedures deemed relevant for adoption.

Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics

[102-30]

The Grupo Argos Board of Directors mainly aims to carry out decision-making with respect to the corporate strategic goals, the supervision of Senior Management's activities, and risk monitoring, always in pursuit of the best interests of the Company and its shareholders and investors. The Grupo Argos Board of Directors mainly aims to carry out decision-making with respect to the corporate strategic goals, the supervision of Senior Management's activities, and risk monitoring, always in pursuit of the best interests of the Company and its shareholders and investors.

Report the frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities

[102-31]

The risks, opportunities and impacts related to ESG topics are reviewed at least twice a year by the Board of Directors, or more frequently if it is deemed relevant or necessary.

Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered

[102-32]

The highest committee that reviews and approves the sustainability report is the Sustainability and Corporate Governance Committee, which is comprised of three Board members, at least one of which must be an independent member. It must know and supervise the implementation of the Organization's Sustainability Policy.

Economic, environmental and corporate governance (ESG) topics consulted with our stakeholders; Process for communicating critical concerns to the highest governance body

[102-21, 102-33]

Management carries out a consultation process with its stakeholders on social, environmental and economic topics. This is carried out as part of the materiality dialogs completed in 2019 and the recurring dialog channels that the Organization has with its environment. The results of said consultations are studied by the sustainability team, analyzed by the Steering Committee and assessed by the Sustainability and Corporate Governance Committee of the Board of Directors, which in turn, presents to the Board the measures to take for its approval.

The important concerns that need to be reported to the highest governance body are sent to the Sustainability and Corporate Governance Committee, which in turn, presents each issue and the measures to take to the Board of Directors.

Some of these issues during 2019 were: the Business Group's Work Model; corporate governance, specifically election, compensation and experience of the Board of Directors; quantification of risks; environmental conservation projects; social licenses, sustainability strategy, materiality and responsible operations targets; reputation and identity; ethics, conduct and transparency; and efficient management of capital.

Critical social, environmental, and economic concerns communicated to the Board of Directors

[102-34]

The review of critical concerns that have arisen is included in each Board meeting, if applicable. In the event that a critical concern arises that must be urgently discussed by the Board, a remote extraordinary Board meeting is convened. Some topics discussed during 2019 were:

- Proposal to amend the Corporate Governance Code, the Business Code of Conduct and the Company Bylaws.
- Presentation of the sustainability strategy aligned with the 17 Sustainable Development Goals (SDGs).
- Monitoring of the recommendations for the operation of the Board of Directors which resulted from the Board meeting without Management, the training program at the University of California, Berkeley, and the external evaluation conducted with the support of AT Kearney.
- Approval of the changes in the organizational structure and workplace survey.
- Authorization to transfer the real estate business properties for future developments.
- Approval of the issuance of Grupo Argos bonds and authorization of the credit quotas.
- Monitoring and approval of merger and acquisition projects.
- Simplification of the compliance and approval systems of the protocol for responding to reports that involve employees, including Senior Management.
- Monitoring of the strategic risks and follow-up of the quantification of the related impacts.
- Analysis of gaps and action plan for the results of the Corporate Governance chapter of the Dow Jones Sustainability Index (DJSI).

Establishment of the compensation strategy; Describe the policy and process for determining remuneration/ compensation for the Board members and/or Senior Managers
Are the stakeholders' views taken into account? Is the performance in ESG topics assessed and in what way?

[102-35/36/37]

The General Meeting of Shareholders must take into consideration the structure, obligations and responsibilities of the Board of Directors in order to establish the remuneration of its members, as well as their personal and professional qualities, time spent on their activity and their experience, as well as responding to the framework of the Board of Directors Appointment, Remuneration and Succession Policy. The Appointment, Remuneration and Succession Policy must identify all the components of remuneration, including fixed and variable components and payments in kind.

According to the policy, remuneration shall be comprised of: 1) Some fixed monthly professional fees with the value established each year by the General Meeting of Shareholders. 2) A fixed amount that the General Meeting of Shareholders establishes for participation in the Board's supporting committees and which will be generated by each session.

Additionally, when it deems it appropriate, the Appointment and Remuneration Committee shall submit for the consideration of the Board of Directors and in turn, of the General Meeting of Shareholders, a remuneration system through which the Board members receive shares in the Company or in its subsidiaries as part of the compensation for their services.

In all cases, this remuneration must be maintained by the Board members for a term of no less than three years. When opting for a remuneration system like the one described, the applicable method for its establishment must be measurable objectively and, therefore, be subject to auditing, and it must be disclosed on the Company's website.

BOARD MEMBER	2019 FIXED COMPENSATION	2019 VARIABLE COMPENSATION*
David Bojanini	COP 7,500,000	Not established
Carlos Ignacio Gallego	COP 7,500,000	Not established
Claudia Betancourt	COP 7,500,000	Not established
Ana Cristina Arango Uribe	COP 7,500,000	Not established
Rosario Córdoba	COP 7,500,000	Not established
Armando Montenegro	COP 7,500,000	Not established
Jorge Uribe	COP 7,500,000	Not established

(*) Payment based on performance, payment in shares, bonuses, deferred dividend shares or transferred shares.

Note 1: The Corporate Governance Code establishes the possibility but it has not established variable remuneration.

Note 2: The compensation is monthly and it is fixed and independent of their attendance of meetings. Similarly, for each meeting of the supporting committees for the Board of Directors, the compensation is COP 7,500,000 in addition to the fixed professional fees.

Criteria of Independence for the Board of Directors

4

members are independent according to Good Governance Code and Law 964

7

members are independent according to other standards

✓ Compliant
✗ Non-compliant

DAVID BOJANINI
CARLOS IGNACIO GALLEGO
CLAUDIA BETANCOURT
ANA CRISTINA ARANGO
ROSARIO CÓRDOBA
ARMANDO MONTENEGRO
JORGE URIBE

INDEPENDENCE CRITERIA

	DAVID BOJANINI	CARLOS IGNACIO GALLEGO	CLAUDIA BETANCOURT	ANA CRISTINA ARANGO	ROSARIO CÓRDOBA	ARMANDO MONTENEGRO	JORGE URIBE
Law 964							
Is not an employee or executive of the issuer or one of its affiliates, subsidiaries or controlling companies, including people who have had that quality for the year immediately prior to their appointment, except in the case of reelection of an independent person.	✓	✓	✗	✓	✓	✓	✓
Is not a shareholder that directly or by virtue of agreement directs, guides or controls the majority of the voting rights of the entity or that determines the majority of the administrative, management or control bodies of the entity.	✓	✓	✓	✓	✓	✓	✓
Is not a partner or employee of associations or companies that provide advisory or consulting services to the issuer or to the companies that belong to the same economic group of which it forms a part, when the income from said concept represents for them twenty percent (20%) or more of their revenue.	✓	✓	✓	✓	✓	✓	✓
Is not an employee or executive of a foundation, association or company that receives significant donations from the issuer. Significant donations are those that represent more than twenty percent (20%) of the total donations received by the respective institution.	✓	✓	✓	✓	✓	✓	✓
Is not the manager of an entity in whose Board of Directors a legal representative of the issuer participates.	✗	✗	✓	✓	✓	✓	✓
Is not a person who receives from the issuer any remuneration other than the professional fees as a member of the Board of Directors, Audit Committee or any other committee created by the Board of Directors.	✓	✓	✓	✓	✓	✓	✓
Other Indices and Standards							
Does not receive from the issuer any remuneration other than the professional fees as a member of the Board of Directors, Audit Committee or any other committee created by the Board of Directors.	✓	✓	✓	✓	✓	✓	✓
Neither the Board member nor his/her related persons have been employed by the Company as an executive within the last five years.	✓	✓	✓	✓	✓	✓	✓
Has not accepted from the Company or any subsidiary or related company any payment that exceeds USD 60,000 during the current tax year or in the last three years.	✓	✓	✓	✓	✓	✓	✓
Is not a relative of any person who is or who has been during the last three years an employee of the related company or subsidiary with an executive position.	✓	✓	✓	✓	✓	✓	✓
None of the members is an advisor or consultant of the Company or of its managers.	✓	✓	✓	✓	✓	✓	✓
Does not have a relationship with any significant client or supplier of the Company.	✓	✓	✓	✓	✓	✓	✓
Does not have a personal service provision contract with the Company or with the executives in Senior Management.	✓	✓	✓	✓	✓	✓	✓
Has not been a partner or employee of a external audit company in the last three years.	✓	✓	✓	✓	✓	✓	✓

- ✓ Compliant
✗ Non-compliant

INDEPENDENCE CRITERIA		DAVID BOJANINI	CARLOS IGNACIO GALLEGO	CLAUDIA BETANCOURT	ANA CRISTINA ARANGO	ROSARIO CÓRDOBA	ARMANDO MONTENEGRO	JORGE URIBE
Grupo Argos Corporate Governance Code	Neither he/she nor his/her personal connections are employees or executives of the Company, its Parent Company or subsidiaries, nor have they been during the five previous years, except in the case of reelection of an independent member.	✓	✓	✗	✓	✓	✓	✓
	Neither he/she nor his/her personal connections nor the companies in which he/she is the majority shareholder own more than 10% of the outstanding shares or are shareholders that directly or by virtue of of an agreement direct, guide or control the majority of the voting rights of the Company, its Parent Company or subsidiaries, or that establish the majority of the administrative, management or control bodies of the Company, its Parent Company or subsidiaries.	✓	✓	✓	✓	✓	✓	✓
	Neither he/she nor his/her personal connections nor the companies in which he/she is the majority shareholder are partners or employees of associations or companies that provide advisory or consulting services to the Company, its Parent Company or subsidiaries when the income from said concept represents for them 20% or more of their revenue at the end of the previous year.	✓	✓	✓	✓	✓	✓	✓
	Neither he/she, nor his/her personal connections are employees or executives of a foundation, association or company that receives significant donations from the Company.	✓	✓	✓	✓	✓	✓	✓
	Neither he/she nor his/her personal connections are managers of an entity in whose Board of Directors a legal representative of the Company participates.	✗	✗	✓	✓	✓	✓	✓
	Neither he/she nor his/her personal connections are people who receive from the issuer any remuneration other than the professional fees as a member of the Board of Directors, Audit Committee or any other committee created by the Board of Directors.	✓	✓	✓	✓	✓	✓	✓
	Neither he/she nor his/her personal connections nor the companies in which he/she is the majority shareholder are partners or employees of the firm that is the Statutory Auditor or Internal Auditor of the Company, the Parent Company or its subsidiaries, or has had any of these roles in the three previous years.	✓	✓	✓	✓	✓	✓	✓
	Neither he/she nor his/her personal connections are employees of a company in which any of the Company's managers is a member or has been a member in the three previous years of the Appointment and Remuneration Committee of the Company in which the Director or his/her personal connections have been employed.	✓	✓	✓	✓	✓	✓	✓

Stakeholder Engagement

We have strong engagement mechanisms in place in order to engage with our stakeholders on an ongoing basis.

STAKEHOLDER GROUP	VALUE PROMISE	RESPONSIBLE PARTY FOR THE RELATIONSHIP	ENGAGEMENT MECHANISMS	FREQUENCY OF THE MECHANISM	MATTERS OF INTEREST
Shareholders and investors	Make their investment profitable in the long term and include them in our purpose, strategy and performance as customers and owners.	Chief Corporate Financial Officer	• General Meeting of Shareholders, Integrated Report and dialog with stakeholders	Annual	<ul style="list-style-type: none"> • Strategic Coordination • Sustainability Vision • Financial Management • Ethics and Corporate Governance • Identity and Engagement • Talent and Culture
			• Conference call	Quarterly	
			<ul style="list-style-type: none"> • IE telephone line and email • Website, Twitter and LinkedIn 	Ongoing	
Subsidiaries and businesses	Increase their value individually and as part of the Business Group through the application of the key value levers.	CEO	• Board of Directors meetings	Monthly	<ul style="list-style-type: none"> • Strategic Coordination • Sustainability Vision • Financial Management • Ethics and Corporate Governance • Identity and Engagement • Talent and Culture
			<ul style="list-style-type: none"> • CEO Committee meeting • Chief Officer Committee meeting 	<ul style="list-style-type: none"> Bimonthly Monthly 	
			• Transparency Hotline	<ul style="list-style-type: none"> Ongoing As needed 	
			• Synergy roundtables	As needed	
Strategic partners	Contribute the necessary skills to make the most of joint investments in the framework of ethics, good conduct and transparency.	CEO	• Board of Directors meetings	Monthly	<ul style="list-style-type: none"> • Strategic Coordination • Sustainability Vision • Financial Management • Ethics and Corporate Governance • Identity and Engagement • Conscious Investment

STAKEHOLDER GROUP	VALUE PROMISE	RESPONSIBLE PARTY FOR THE RELATIONSHIP	ENGAGEMENT MECHANISMS	FREQUENCY OF THE MECHANISM	MATTERS OF INTEREST
Employees	Increase their level of commitment, develop their leadership, empower their inspiration and enable their results to transcend together with the Organization.	Chief Officer of Human Resources and Corporate Affairs	<ul style="list-style-type: none"> • Grupo Argos dialogs 	Bimonthly	<ul style="list-style-type: none"> • Sustainability Vision • Financial Management • Ethics and Corporate Governance • Identity and Engagement • Talent and Culture • Conscious Investment
			<ul style="list-style-type: none"> • Investments that Transform newsletter • Virtual bulletin boards • Intranet 	Weekly	
			<ul style="list-style-type: none"> • Twitter and LinkedIn • Email • Transparency Hotline 	Ongoing	
Environment*	Contribute to the preservation of life on the planet in the future, aiming to minimize our negative impacts and maximize our positive ones.	Senior Management of Sustainability	<ul style="list-style-type: none"> • Dialogs with environmental authorities • Dialogs with environmental organizations 	As needed	<ul style="list-style-type: none"> • Sustainability Vision • Ethics and Corporate Governance • Engagement with this stakeholder must take as a reference that established in the Grupo Argos Sustainability Policy and Code of Conduct (Chapter 3, paragraph 6)
			<ul style="list-style-type: none"> • Training and awareness-raising on conservation and protection of the environment 	Ongoing	
Authorities	Maintain transparent and collaborative relations with public institutions in order to contribute to the development of the countries where we operate.	Chief Officer of Human Resources and Corporate Affairs	<ul style="list-style-type: none"> • Meetings to follow up on mutual-interest agendas • Delivery of reports and answers to requests • Website 	As needed	<ul style="list-style-type: none"> • Sustainability Vision • Ethics and Corporate Governance • Identity and Engagement
Suppliers	Establish fair and sustainable business relations over time with the aim to benefit all the parties involved.	Chief Corporate Financial Officer (for capital providers)	<ul style="list-style-type: none"> • Integrated Report • Dialogs with stakeholders 	Annual	<ul style="list-style-type: none"> • Strategic Coordination • Sustainability Vision • Financial Management • Ethics and Corporate Governance • Identity and Engagement
		SUMMA	<ul style="list-style-type: none"> • Transparency Hotline • Hotline • Exclusive email • Website 	Ongoing	
Associations	Contribute to capacity building in the industry, as well as to the strengthening of the private sector as an essential agent of development.	Chief Officer of Human Resources and Corporate Affairs	<ul style="list-style-type: none"> • Meetings to follow-up on schedules • Delivery of reports and answers to requests • Website 	Ongoing	<ul style="list-style-type: none"> • Sustainability Vision • Ethics and Corporate Governance • Identity and Engagement

"The natural environment can be affected by a company's activities and, through channels such as climate change, can have an effect on the company. (Boutilier, R. 2011)."

"Human-caused environmental deterioration of the planet appears to call for all organizations to consider as stakeholders as many natural environment entities as possible. (Starik, 1995, p. 210)."

Source: Is the Environment a stakeholder? <https://www.stakeholdermap.com/is-environment-a-stakeholder.html>
<https://www.stakeholdermap.com/what-are-stakeholders-video.html>

Taxes

Taxes Paid by the Holding Company and its Subsidiaries per Country

TRM Dec-31-19: 3,283.21

2019

GRUPO ARGOS	INCOME		OPERATING PROFIT		INCOME AND OCCASIONAL GAIN TAX		PROPERTY TAX		SALES TAX		OTHER (1)		TOTAL	
	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD
Holding Company	845,609,689,294	257,555,773	598,653,336,909	182,337,815	17,454,812,000	5,316,386	26,512,365,434	8,075,135	5,790,534,356	1,763,681	2,493,895,689	759,591	52,251,607,479	15,914,793
Colombia	845,609,689,294	257,555,773	598,653,336,909	182,337,815	17,454,812,000	5,316,386	26,512,365,434	8,075,135	5,790,534,356	1,763,681	2,493,895,689	759,591	52,251,607,479	15,914,793
Cement	9,611,080,550,277	2,927,342,616	871,021,580,560	265,295,726	187,112,948,328	56,990,856	70,604,794,107	21,504,806	359,071,764,835	109,366,067	50,754,434,217	15,458,784	667,543,941,487	203,320,513
Haiti	192,184,214,193	58,535,462	26,541,955,555	8,084,148	-	-	101,582,517	30,940	8,462,939,991	2,577,642	893,571,566	272,164	9,458,094,075	2,880,746
Puerto Rico	191,467,473,034	58,317,157	18,222,278,433	5,550,141	1,907,216,689	580,900	6,446,937,422	1,963,608	22,769,061	6,935	2,960,398,226	901,678	11,337,321,398	3,453,121
Suriname	34,445,384,031	10,491,374	4,860,546,164	1,480,425	-	-	-	-	2,650,305,608	807,230	-	-	2,650,305,608	807,230
Panama	473,938,212,276	144,352,086	111,781,766,583	34,046,487	28,493,682,722	8,678,605	223,094,120	67,950	10,795,309,392	3,288,035	5,865,277,372	1,786,446	45,377,363,606	13,821,036
Antigua and Barbuda	55,315,827,419	16,848,093	1,085,705,016	330,684	1,706,044,563	519,627	3,480,203	1,060	5,485,465,789	1,670,763	7,903,284,014	2,407,182	15,098,274,569	4,598,632
Antillas	112,684,511,438	34,321,445	10,312,506,795	3,140,983	-	-	-	-	1,226,062,243	373,434	1,484,930,219	452,280	2,710,992,462	825,714
Dominican Republic	262,635,045,451	79,993,374	35,625,704,592	10,850,876	10,208,008,788	3,109,155	-	-	32,944,001,646	10,034,083	-	-	43,152,010,434	13,143,238
Guyana	58,684,551,906	17,874,139	2,514,564,574	765,886	380,789,979	115,981	784,999,095	239,095	-	-	210,273,184	64,045	1,376,062,258	419,121
Honduras	422,948,168,343	128,821,540	118,676,120,164	36,146,369	49,776,924,103	15,161,054	234,765,931	71,505	33,808,201,616	10,297,301	11,985,065,899	3,650,411	95,804,957,550	29,180,271
USA	5,360,168,412,892	1,632,599,929	386,933,029,081	117,852,050	2,261,560,411	688,826	55,003,945,451	16,753,100	3,951,165,942	1,203,446	417,535,665	127,173	61,634,207,469	18,772,545
Colombia	2,446,608,749,295	745,188,017	154,467,403,603	47,047,677	92,378,721,073	28,136,708	7,805,989,369	2,377,548	259,725,543,546	79,107,198	19,034,098,070	5,797,405	378,944,352,057	115,418,859
Energy	3,775,688,865,536	1,149,999,198	1,178,524,343,216	358,954,908	327,975,377,299	99,894,730	2,226,565,566	678,167	16,146,329,424	4,917,849	109,776,541,420	33,435,736	456,124,813,709	138,926,482
Colombia	3,100,184,000,000	944,253,947	1,072,478,433,149	326,655,448	324,251,688,562	98,760,569	2,223,000,000	677,081	10,116,491,000	3,081,281	104,429,000,000	31,806,982	441,020,179,562	134,325,913
Panama	622,188,463,759	189,506,143	90,362,672,539	27,522,660	3,723,688,737	1,134,161	-	-	2,042,432,410	622,084	4,981,187,716	1,517,170	10,747,308,863	3,273,415
Costa Rica	53,316,401,777	16,239,108	15,683,237,528	4,776,800	-	-	3,565,566	1,086	3,987,406,014	1,214,484	366,353,705	111,584	4,357,325,285	1,327,154
Concessions	1,913,760,881,353	582,893,230	866,072,519,461	263,788,341	64,002,697,242	19,493,940	14,647,844,957	4,461,440	32,104,280	9,778	20,405,597,226	6,215,136	99,088,243,705	30,180,294
Colombia	1,308,212,810,051	398,455,417	475,952,833,493	144,965,699	63,820,743,875	19,438,520	14,647,844,957	4,461,440	32,104,280	9,778	397,703,000	121,132	78,898,396,112	24,030,871
Aruba	28,713,727,348	8,745,626	-5,104,066,898	-1,554,597	-	-	-	-	-	-	1,921,496,311	585,249	1,921,496,311	585,249
Dominican Republic	6,692,835,881	2,038,504	92,449,399	28,158	181,953,367	55,419	-	-	-	-	1,023,429,219	311,716	1,205,382,586	367,135
Ecuador	570,141,508,073	173,653,683	395,131,303,467	120,349,080	-	-	-	-	-	-	17,062,968,696	5,197,038	17,062,968,696	5,197,038
Coal	68,976,000,000	21,008,708	16,439,000,000	5,006,990	245,820,000	74,872	137,251	42	95,918,644	29,215	2,489,056,369	758,117	2,830,932,264	862,245
Colombia	68,976,000,000	21,008,708	16,439,000,000	5,006,990	245,820,000	74,872	137,251	42	95,918,644	29,215	2,489,056,369	758,117	2,830,932,264	862,245
TOTAL	16,215,115,986,460	4,938,799,524	3,530,710,780,146	1,075,383,780	596,791,654,869	181,770,784	113,991,707,315	34,719,591	381,136,651,539	116,086,590	185,919,524,921	56,627,363	1,277,839,538,644	389,204,327

Taxes Paid by the Holding Company and its Subsidiaries per Country

TRM Dec-31-2018: 3,249.75

2018

GRUPO ARGOS	INCOME		OPERATING PROFIT		INCOME AND OCCASIONAL GAIN TAX		INDUSTRY AND COM-MERCE TAX		PROPERTY TAX		SALES TAX		OTHER		TOTAL	
	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD	COP	USD
Holding Company	14,314,013,000,000	4,404,650,512	2,619,049,000,000	805,923,225	44,019,053,000	13,545,366	2,079,003,600	639,743	21,542,988,714	6,629,122	6,016,895,961	1,851,495	1,527,440,271	470,018	75,185,381,546	23,135,743
Colombia	14,314,013,000,000	4,404,650,512	2,619,049,000,000	805,923,225	44,019,053,000	13,545,366	2,079,003,600	639,743	21,542,988,714	6,629,122	6,016,895,961	1,851,495	1,527,440,271	470,018	75,185,381,546	23,135,743
Cement	9,625,913,749,044	2,962,047,465	840,921,352,002	258,764,936	154,766,264,932	47,624,053	29,830,643,736	9,179,366	76,090,826,300	23,414,363	360,813,461,819	111,028,067	30,326,876,652	9,332,065	651,828,073,439	200,577,913
Colombia	2,979,279,173,311	916,771,805	81,527,113,323	25,087,195	65,528,893,367	20,164,288	27,570,535,269	8,483,894	7,265,280,293	2,235,643	240,107,122,000	73,884,798	-	-	340,471,830,929	104,768,622
USA	4,501,290,528,858	1,385,119,018	322,446,811,659	99,222,036	2,197,090,390	676,080	-	-	63,144,478,885	19,430,565	1,312,245,133	403,799	6,017,968	1,852	66,659,832,375	20,512,296
Honduras	486,804,972,679	149,797,668	183,407,808,121	56,437,513	33,509,503,469	10,311,410	1,550,721,267	477,182	226,465,028	69,687	39,286,472,895	12,089,075	1,485,044,484	456,972	76,058,207,143	23,404,326
Panama	622,940,386,118	191,688,710	212,042,422,514	65,248,841	44,583,994,683	13,719,208	709,387,200	218,290	459,156,629	141,290	13,806,981,455	4,248,629	460,927,289	141,835	60,020,447,256	18,469,251
Suriname	26,822,609,861	8,253,746	-4,137,453,552	-1,273,161	-	-	-	-	-	-	14,836,283,779	4,565,362	6,781,256,825	2,086,701	21,617,540,604	6,652,063
Curaçao	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Haiti	177,115,712,842	54,501,335	2,386,455,919	734,351	-	-	-	-	103,467,857	31,839	6,256,393,074	1,925,192	4,499,700,703	1,384,630	10,859,561,634	3,341,661
Puerto Rico	174,068,151,283	53,563,551	14,649,670,343	4,507,938	36,486,148	11,227	-	-	4,534,580,329	1,395,363	7,640,386,855	2,351,069	3,564,782,131	1,096,940	15,776,235,463	4,854,600
Dominican Republic	160,279,573,930	49,320,586	25,575,431,125	7,869,969	7,363,625,827	2,265,905	-	-	-	-	27,789,124,938	8,551,158	-	-	35,152,750,765	10,817,063
Saint Martin	25,575,309,127	7,869,931	3,060,151,548	941,658	-	-	-	-	-	-	898,143,311	276,373	1,922,347,683	591,537	2,820,490,994	867,910
Antigua and Barbuda	23,540,611,370	7,243,822	981,224,813	301,939	549,881,302	169,207	-	-	-	-	6,075,422,192	1,869,504	63,871,877	19,654	6,689,175,371	2,058,366
Saint Thomas	7,170,311,427	2,206,419	-908,782,109	-279,647	-	-	-	-	-	-	368,248,807	113,316	388,543,193	119,561	756,792,000	232,877
Guyana	62,353,348,974	19,187,122	-3,044,381,590	-936,805	162,095,209	49,879	-	-	357,397,278	109,977	794,639,520	244,523	-	-	1,314,132,007	404,379
Virgin Islands	378,673,059,264	116,523,751	2,934,879,888	903,109	834,694,537	256,849	-	-	-	-	1,641,997,861	505,269	11,154,384,500	3,432,382	13,631,076,898	4,194,500
Energy	3,424,429,830,126	1,053,751,775	1,010,839,322,195	311,051,411	183,367,492,402	56,425,107	12,715,905,055	3,912,887	2,543,662,668	782,726	-	-	77,142,504,691	23,737,981	275,769,564,816	84,858,701
Colombia	2,763,011,846,991.0	850,222,893	823,606,613,753.0	253,436,915	183,123,197,288	56,349,934	12,537,625,090	3,858,028	2,223,135,898	684,094	-	-	72,620,484,409	22,346,483	270,504,442,685	83,238,539
Panama	611,411,989,041.2	188,141,238	165,876,216,659	51,042,762	244,295,114	75,174	178,279,965	54,860	295,555,749	90,947	-	-	4,522,020,282	1,391,498	5,240,151,110	1,612,478
Costa Rica	50,005,994,093.8	15,387,643	21,356,491,783	6,571,734	-	-	-	-	24,971,021	7,684	-	-	-	-	24,971,021	7,684
Concessions	2,757,737,249,300	848,599,815	442,572,789,925	136,186,719	8,773,409,183	2,699,718	13,483,875,494	4,149,204	13,333,000	4,103	1,275,803,697	392,585	19,022,971,264	5,853,672	42,569,392,638	13,099,282
Colombia	1,906,529,179,800	586,669,491	192,328,199,600	59,182,460	114,780,000	35,320	13,483,875,494	4,149,204	13,333,000	4,103	994,578,000	306,048	1,494,175,597	459,782	16,100,742,091	4,954,456
Aruba	22,716,509,000	6,990,233	-4,729,821,400	-1,455,442	5,131,059,486	1,578,909	-	-	-	-	281,225,697	86,538	735,957,007	226,466	6,148,242,190	1,891,912
Dominican Republic	270,471,788,400	83,228,491	69,637,594,500	21,428,601	3,527,569,697	1,085,490	-	-	-	-	-	-	14,153,626,906	4,355,297	17,681,196,603	5,440,787
Ecuador	558,019,772,100	171,711,600	185,336,817,225	57,031,100	-	-	-	-	-	-	-	-	2,639,211,753	812,128	2,639,211,753	812,128
Coal	106,689,562,000	32,830,083	85,278,463,000	26,241,546	363,621,000	111,892	56,378,882	17,349	74,713	23	11,312,389	3,481	789,361,351	242,899	1,220,748,335	375,644
Colombia	106,689,562,000	32,830,083	85,278,463,000	26,241,546	363,621,000	111,892	56,378,882	17,349	74,713	23	11,312,389	3,481	789,361,351	242,899	1,220,748,335	375,644
TOTAL	30,228,783,390,470	9,301,879,649	4,998,660,927,122	1,538,167,837	391,289,840,518	120,406,136	58,165,806,767	17,898,548	100,190,885,395	30,830,336	368,117,473,866	113,275,629	128,809,154,228	39,636,635	1,046,573,160,774	322,047,284

Labor Practice Indicators

[102-7, 102-8]

Number of employees

	2017			2018			2019		
	M	F	T	M	F	T	M	F	T
Grupo Argos	60	62	122	54	59	113	36	49	85
Cement	7,397	1,150	8,547	6,974	1,083	8,057	6,614	1,033	7,647
Energy	1,177	409	1,586	1,211	436	1,647	1,370	571	1,941
Concessions	2,224	720	2,944	1,181	797	1,978	1,144	731	1,875
Coal	36	11	47	34	11	45	32	11	43
TOTAL	10,894	2,352	13,246	9,454	2,386	11,840	9,196	2,395	11,591

Note: The information on 2019 concessions covers the direct employees of Odinsa Corporativo and the following projects: El Dorado International Airport, Mariscal Sucre International Airport, Malla Bial del Meta, Autopistas del Café, Conexión Pacífico 2, Autopistas del Nordeste, Boulevard Turístico del Atlántico, and Green Corridor Aruba.

Number of employees by employee category

	2018					2019						
	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS	TOTAL	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS	TOTAL
Grupo Argos	6	13	23	54	17	113	6	15	17	41	6	85
Cement	10	118	292	2,046	5,591	8,057	7	108	276	1,921	5,335	7,647
Energy	9	46	65	908	619	1,647	9	44	71	1,206	611	1,941
Concessions	8	35	79	232	1,624	1,978	9	35	141	401	1,289	1,875
Coal	-	2	2	13	28	45	-	2	2	13	26	43
TOTAL	33	214	461	3,253	7,879	11,840	31	204	507	3,582	7,267	11,591

Percentage of employees by employee category

	2018					2019				
	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS
Grupo Argos	5%	12%	20%	48%	15%	7%	18%	20%	48%	7%
Cement	0%	1%	4%	25%	69%	0%	1%	4%	25%	70%
Energy	1%	3%	4%	55%	38%	0%	2%	4%	62%	31%
Concessions	0%	2%	4%	12%	82%	0%	2%	8%	21%	69%
Coal	0%	4%	4%	29%	62%	0%	5%	5%	30%	60%
TOTAL	0%	2%	4%	27%	67%	0%	2%	4%	31%	63%

Number of employees by age range

2018

	UNDER 30		BETWEEN 30 AND 40		BETWEEN 40 AND 50		BETWEEN 50 AND 60		OVER 60		TOTAL	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Grupo Argos	25	22%	46	41%	22	19%	17	15%	3	3%	113	100%
Cement	730	9%	2,159	27%	2,456	30%	2,115	26%	597	7%	8,057	100%
Energy	245	15%	491	30%	483	29%	372	23%	56	3%	1,647	100%
Concessions	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Coal	3	7%	18	40%	10	22%	13	29%	1	2%	45	100%

2019

	UNDER 30		BETWEEN 30 AND 40		BETWEEN 40 AND 50		BETWEEN 50 AND 60		OVER 60		TOTAL	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Grupo Argos	16	19%	42	49%	16	19%	10	12%	1	1%	85	100%
Cement	686	9%	2,041	27%	2,296	30%	2,064	27%	560	7%	7,647	100%
Energy	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Concessions	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Coal	2	5%	16	37%	11	26%	13	30%	1	2%	43	100%

Number of employees by employment contract

	2018		2019	
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY
Grupo Argos	109	4	84	1
Cement	8,057	572	7,647	518
Energy	1,603	44	1,867	74
Concessions (*)	1,873	95	1,843	15
Coal	43	2	42	1
TOTAL	11,685	717	11,483	609

Number and percentage of employees by employment category and gender

[102-7, 102-8]

2018	Grupo Argos			Cement			Energy			Concessions			Coal		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Executive	5	1	6	9	1	10	8	1	9	8	-	8	-	-	-
Manager	7	6	13	103	15	118	32	14	46	26	9	35	2	-	2
Director	6	17	23	212	80	292	53	12	65	44	35	79	-	2	2
Specialist	22	32	54	1,411	635	2,046	630	278	908	133	103	236	7	6	13
Other levels	14	3	17	5,239	352	5,591	488	131	619	970	650	1,620	25	3	28
TOTAL	54	59	113	6,974	1,083	8,057	1,211	436	1,647	1,181	797	1,978	34	11	45
Executive	9%	2%	5%	0%	0%	0%	1%	0%	1%	1%	0%	0%	0%	0%	0%
Manager	13%	10%	12%	1%	1%	1%	3%	3%	3%	2%	1%	2%	6%	0%	4%
Director	11%	29%	20%	3%	7%	4%	4%	3%	4%	4%	4%	4%	0%	18%	4%
Specialist	41%	54%	48%	20%	59%	25%	52%	64%	55%	11%	13%	12%	21%	55%	29%
Other levels	26%	5%	15%	75%	33%	69%	40%	30%	38%	82%	82%	82%	74%	27%	62%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

2019	Grupo Argos			Cement			Energy			Concessions			Coal		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Executive	5	1	6	6	1	7	8	1	9	9	-	9	-	-	-
Manager	7	8	15	93	15	108	36	8	44	27	8	35	2	-	2
Director	5	12	17	197	79	276	64	7	71	88	53	141	-	2	2
Specialist	17	24	41	1,318	603	1,921	1,041	165	1,206	225	176	401	7	6	13
Other levels	2	4	6	5,000	335	5,335	555	56	611	795	494	1,289	23	3	26
TOTAL	36	49	85	6,614	1,033	7,647	1,704	237	1,941	1,144	731	1,875	32	11	43
Executive	14%	2%	7%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Manager	19%	16%	18%	1%	1%	1%	2%	3%	2%	2%	1%	2%	6%	0%	5%
Director	14%	24%	20%	3%	8%	4%	4%	3%	4%	8%	7%	8%	0%	18%	5%
Specialist	47%	49%	48%	20%	58%	25%	61%	70%	62%	20%	24%	21%	22%	55%	30%
Other levels	6%	8%	7%	76%	32%	70%	33%	24%	31%	69%	68%	69%	72%	27%	60%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Employees covered by collective bargaining agreements

[102-41]

	2018					2019				
	GRUPO ARGOS	CEMENT	ENERGY	CON- CES- SIONS	COAL	GRUPO ARGOS	CEMENT	ENERGY	CON- CES- SIONS	COAL
Total number of employees in the Organization	113	8,057	1,647	1,978	45	85	7,647	1,941	1,875	43
Total number of employees covered by collective bargaining agreements	-	2,264	1,130	60	-	-	2,231	1,298	75	-
Percentage of employees covered by collective bargaining agreements	0%	28%	69%	3%	0%	0%	29%	67%	4%	0%

Note: The information on 2019 concessions covers the direct employees of Odinsa Corporativo and the following projects: El Dorado International Airport, Mariscal Sucre International Airport, Malla Bial del Meta, Autopistas del Café, Conexión Pacífico 2, Autopistas del Nordeste, Boulevard Turístico del Atlántico, and Green Corridor Aruba.

Social security payments for full-time employees

[401-2]

2018	Grupo Argos		Cement		Energy		Concessions		Coal	
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
Life insurance	X		X		X		X		X	
Health insurance	X		X		X			X	X	
Accident insurance	X		X		X			X	X	
Health assistance	X		X		X			X		X
Wedding assistance		X	X		X			X		X
Food assistance	X		X		X			X	X	
Vacation bonus	X		X		X			X	X	
Flextime	X		X		X			X	X	
Study sponsorship	X		X		X		X			X
Shares		X		X		X		X		X
Other	X		X		X			X	X	

	Grupo Argos		Cement		Energy		Concessions		Coal	
2019										
Life insurance	X		X		X		X		X	
Health insurance	X		X		X			X	X	
Accident insurance	X		X		X			X	X	
Health assistance	X		X		X			X		X
Wedding assistance		X	X		X			X		X
Food assistance	X		X		X			X	X	
Vacation bonus	X		X		X			X	X	
Flextime	X		X		X			X	X	
Study sponsorship	X		X		X		X			X
Shares		X		X		X		X		X
Other	X		X		X			X	X	

Note: In concessions, the benefits provided in all concessions are standardized. Some can have specific benefits for their employees.

Training Hours

[404-1, 404-2]

Number and average training hours by level

	Grupo Argos		Cement		Energy		Concessions		Coal	
NUMBER OF HOURS OF TRAINING 2018										
Level 1	10		79		207		228		-	
Level 2	935		3,743		1,636		2,835		57	
Level 3	1,966		10,783		2,374		6,293		35	
Level 4	1,747		77,461		31,645		10,079		1,482	
Level 5	30		257,053		20,062		62,236		44	
AVERAGE HOURS OF TRAINING 2018										
Level 1	1.7		7.9		23.0		28.5		-	
Level 2	71.9		31.7		35.6		81.0		28.7	
Level 3	85.5		36.9		36.5		79.7		17.5	
Level 4	32.3		37.9		34.9		43.4		114.0	
Level 5	1.7		46.0		32.4		38.3		1.6	
NUMBER OF HOURS OF TRAINING 2019										
Level 1	134		53				608		-	
Level 2	816		4,321				2,970		25.00	
Level 3	1,164		11,953		64,385		10,520		70	
Level 4	1,688		78,968				17,180		371	
Level 5	25		255,575				64,923		57	
AVERAGE HOURS OF TRAINING 2019										
Level 1	22.3		7.6				67.5		-	
Level 2	54.4		40.0				85.0		12.5	
Level 3	68.5		43.3		33.17		74.6		35.2	
Level 4	41.2		41.1				29.1		28.6	
Level 5	4.2		47.9				47.7		2.2	

Number and average training hours by gender

2018	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Number and average training hours by gender (female)	3,067	45,710	12,996	22,688	-
Number and average training hours by gender (male)	1,621	303,409	43,156	63,438	1,620
Average training hours by gender (female)	52.0	42.21	30	27	6
Average training hours by gender (male)	30.0	43.51	35.64	46	46

2019	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Number of training hours by gender (female)	2,530	47,280	17,923	30,953	314
Number of training hours by gender (male)	1,296	304,591	46,461	65,546	210
Average training hours by gender (female)	51.64	45.77	31.39	42.5	28.58
Average training hours by gender (male)	36.00	46.05	33.91	57.4	6.55

Employee performance

|404-3|

Percentage of employees who were assessed on performance

2018	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS
Grupo Argos	100%	100%	88%	91.8%	100%
Cement	ND	100%	98%	100%	94%
Energy	ND	100%	98%	94%	85%
Concessions	ND	89%	85%	52%	39%
Coal	ND	100%	100%	100%	97%

2019	EXECUTIVE	MANAGER	DIRECTOR	SPECIALIST	OTHER LEVELS
Grupo Argos	100%	100%	100%	100%	100%
Cement	100%	100%	100%	100%	94%
Energy	100%	100%	100%	100%	100%
Concessions	67%	89%	87%	85%	60%
Coal	N/A	100%	100%	100%	100%

Employee turnover

[401-1]

Turnover rate

2018	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Employee turnover rate	7.96%	19.25%	6.13%	19.0%	11.11%
Voluntary employee turnover rate	7.96%	8.86%	5.53%	6.0%	6.67%
Employees who resigned by mutual agreement	3	ND	19	68	1
Employees who retired for pension or left due to contract expiration	0	ND	33	47	2
Employees who left due to voluntary resignation	6	714	44	119	0
Employees dismissed	0	ND	3	123	2
2019	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Employee turnover rate	42.35%	18.24%	4.74%	13.06%	4.65%
Voluntary employee turnover rate	41.18%	8.21%	1.18%	5.3%	0.00%
Employees who resigned by mutual agreement	29	337	ND	50	0
Employees who retired for pension or left due to contract expiration	3	ND	ND	39	0
Employees who left due to voluntary resignation	3	628	23	100	0
Employees dismissed	1	ND	11	71	2

Employee turnover rate by age and gender

	2018					2019				
	Grupo Argos	Cement	Energy	Concessions	Coal	Grupo Argos	Cement	Energy	Concessions	Coal
AGE RANGE										
Under 30	54.55%		0.67%	51%	33%	13.89%				0%
Between 30 and 40	45.45%		1.28%	32%	33%	36.11%				0%
Between 40 and 50	0%	ND	0.79%	12%	33%	19.44%	ND	ND	ND	0%
Between 50 and 60	0%		1.21%	3%	0%	25.00%				100%
Over 60	0%		2.19%	0%	0%	5.56%				0%
GENDER										
Female	72.73%	2.22%	1.76%	44%	0%	16.47%	2.17%	1.65%	6.35%	0%
Male	27.27%	17.03%	4.37%	56%	100%	25.88%	16.07%	3.09%	6.72%	4.65%

Salary ratio between men and women

[405-2]

Ratio between the basic salary of men and women by employee category

2018	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Level 1: Executive	NA	NA	1.14	NA	NA
Level 2: Manager	1.05	0.82	1.07	0.91	0.00
Level 3: Director	0.95	0.86	0.97	1.05	0.00
Level 4: Specialist	1.04	0.97	1.04	1.12	1.14
Level 5: Other levels	0.94	1.00	1.15	0.47	0.97
2019	GRUPO ARGOS	CEMENT	ENERGY	CONCESSIONS	COAL
Level 1: Executive	NA	NA	0.85		NA
Level 2: Manager	0.75	0.85	0.92		0.00
Level 3: Director	0.97	0.93	1.05	ND	0.00
Level 4: Specialist	1.03	0.95	1.00		0.87
Level 5: Other levels	0.95	0.97	0.84		1.03

Work-related illnesses

[403-9] Work-related injuries

[403-10] Work-related ill health

[GA-SST01] Frequency rate of work-related ill health of employees

[GA-SST02] Frequency rate of work-related ill health of contractors

[GA-SST03] Frequency rate of employee injuries in time lost

[GA-SST04] Frequency rate of contractor injuries in time lost

2018	UNIT	Grupo Argos		Cement	Energy		Concessions		Coal	
		M	F	TOTAL	M	F	M	F	M	F
Employees										
Total cases of accidents	Number	-	1	34	30	2	66	44	1	-
Total cases of work-related ill health	Number	-	-	-	-	-	-	-	-	-
Lost days due to work-related accidents and illnesses	Days	-	3	829	135	6	496	372	3	-
Number of cases of leave due to ordinary illness	Cases	18	26	3,138	739	319	615	630	45	3
Days of leave due to ordinary illness	Days	55	101	17,906	5,055	1,623	2,637	2,919	429	23
TOTAL HOURS WORKED		145,152	161,608	22,390,402	3,426,527	1,143,272	2,516,973	1,761,310	96,735	32,621
Fatalities	Number	-	-	-	-	-	-	-	-	-
Contractors										
Total cases of work-related accidents and illnesses	Number	10	-	12	188	6	197	23	8	-
Lost days due to work-related accidents and illnesses	Days	76	-	330	7,349	25	1,947	194	124	-
Number of cases of leave due to ordinary illness	Cases	52	22	ND	966	131	542	314	204	5
Days of leave due to ordinary illness	Days	152	201	ND	5,369	506	1,410	1,273	1,595	10
TOTAL HOURS WORKED		755,641	91,352	19,417,783	7,723,349	797,929	5,365,930	1,917,581	625,792	43,041
Fatalities	Number	-	-	-	1	-	2	-	-	-

2019		Grupo Argos	Cement	Energy	Concessions	Coal
	UNIT	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Employees						
Total cases of accidents	Number	-	37		80	-
Total cases of work-related illnesses	Number	-	5		1	-
Lost days due to accidents	Days	-	1,076		1,123	-
Days of leave due to work-related illnesses	Days	-	6	ND	90	-
Number of cases of leave due to ordinary illness	Cases	36	2,789		ND	38
Lost days due to ordinary illness	Days	150	20,807		ND	355
TOTAL HOURS WORKED		276,007	23,506,397		3,982,000	128,859
Fatalities	Number	-	-	-	-	-
Frequency rate	-	-	1.34	3.92	20.09	-
Severity rate	-	-	32.96	20.77	282	-
Work-related illness rate	-	-	1.57	0.39	0.25	-
Contractors						
Total cases of accidents	Number	2	19		143	2
Total cases of work-related illnesses	Number	-	ND		-	-
Lost days due to accidents	Days	7	299		1,304	203
Days of leave due to work-related illnesses	Days	-	ND	ND	-	-
Number of cases of leave due to ordinary illness	Cases	56	ND		ND	187
Days of leave due to ordinary illness	Days	155	ND		ND	941
TOTAL HOURS WORKED		791,918	18,215,289		11,086,945	676,386
Fatalities	Number	-	-	-	-	-
Frequency rate	-	2.53	1.04	14.57	13	2.96
Severity rate	-	8.84	16.41	141.71	118	300.12 300.12
Work-related illness rate	-	-	1.04	ND	-	-

Sustainable Development Goals (SDGs)

SDGs

GLOBAL TARGETS

VALUE LEVER

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Target 9.B: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.



Target 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Target 11.A: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

Target 11.B: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.



Strategic Coordination:

- We actively participate in the infrastructure sector making ambitious and long-term investments as part of a powerful strategy of the Business Group, which we facilitate and support through capital and management by empowering the development of a coordinated work model that enables the sharing of knowledge and generation of synergies. This is how we contribute to global target 9.1.

Sustainability Vision:

- Through the establishment of the framework for action that our subsidiaries and businesses must follow in economic, environmental and social topics, we guarantee the responsible operations of our Business Group and in this way, contribute to targets 9.2 and 9.4.
- With our commitment to apply conscious investment criteria, we aim for more efficient capital allocation by taking into account social, environmental and corporate governance criteria to contribute to target 9.4.
- With the implementation of cutting-edge practices and the implementation of our ventures model, we contribute to global target 9.B.
- We promote the responsible operations of our subsidiaries and businesses so that they use resources with greater efficiency and adopt new technologies and models that enable us to contribute to target 9.4.
- Our value promise to society helps to reclaim the role of the private company in sustainable development and its possibility to contribute to social change, contributing to global target 9.2.

Financial Management:

- With the definition of some key growth and profitability goals in harmony with the environment we contribute to global target 9.2.

Talent and Culture:

- With the commitment to create employment, attract and develop the best talent, and the firm commitment to promote gender equality, we contribute to global target 9.2.

Sustainability Vision:

- With the alignment and monitoring of the prioritized economic, environmental and social topics in our businesses, we guarantee the adoption of guidelines and the implementation of action plans that promote the efficient use of resources and help us to prevent, mitigate and offset our CO₂ emissions, contributing to global targets 11.B and 11.3.
- Through our businesses, we have multiple initiatives that we have been developing and which contribute to targets 11.6 and 11.B, including:
 - Energy business: The development of non-conventional renewable energy projects, enhancement of energy consumption, distributed generation, customer empowerment and the creation of products for a bespoke service are defining new ways of gaining value and serving the population that help to reduce the adverse environmental impact.
 - Cement business: The integration of 100% electric trucks to transport cement in urban areas; the Energy Star certification in the United States for the Harleyville, Newberry and Roberta plants; the development of the project to capture CO₂ with microalgae; and the launch of Cemento Verde (Green Cement), which reduces CO₂ emissions up to 38% and energy consumption by 30%.
 - Concessions business: We use alternative materials that reduce the demand for conventional material, and the times and amounts of material transportation journeys. Additionally, we focus on efficient energy consumption in all our projects.
 - Urban development business: We own more than 3,000 hectares of land, which are mainly located on the Colombian Caribbean coast. More than 1,000 hectares will be developed in multiple phases, where more than half of the territory will be used for environmental conservation, transport infrastructure and public facilities. It is worth highlighting that 300 hectares will be used for the protection of mangroves and tropical dry forest.

Strategic Coordination:

- Through the empowerment of the strategy of our businesses and a clear and coordinated work model, with a clear definition of the sectors we want to participate in, we promote targets 11.3 and 11.B.

SDGs

GLOBAL TARGETS

VALUE LEVER



Target 13.2: Integrate climate change measures into national policies, strategies and planning.

Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Target 17.7: Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed.

Target 17.3: Mobilize additional financial resources for developing countries from multiple sources.

Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Sustainability Vision:

- With the Business Group's target to reduce from 2015 direct CO₂ emissions per million Colombian pesos in income 20% by 2025, we confirmed our commitment to continue direct efforts that enable us to prevent, mitigate, reduce and offset our CO₂ emissions in each one of our businesses and subsidiaries. This is our contribution to global target 13.2 and the country goal 13.2.1.C.
- With the incorporation of environmental criteria into the assessment of investments, we contribute through the movement of financial capital to global target 13.2.

Financial Management:

- With the commitment to create value for our shareholders and society in the places where we operate, we move financial resources from the private sector for sustainable development and we promote macroeconomic stability, which contributes to global targets 17.3 and 17.13.
- Ethics and Corporate Governance / Strategic Coordination:
- The definition of a corporate governance model and of clear frameworks for action inside the group and with our stakeholders enables us to promote inter-sectoral partnerships in line with target 17.17.
- The establishment of strict ethical standards on conduct and transparency enables us to participate in the creation of partnerships for development, in line with target 17.17.

Sustainability Vision:

- With the implementation of cutting-edge practices and the implementation of our Ventures Model, we contribute to global target 17.2. Our commitment to mitigate the adverse impacts of our operations, empower the positive impacts and as a result, create value for society contributes to target 17.3.

Identity and Engagement:

- The proactive and strategic management of our reputation and institutional relationships facilitates access to business networks and multiple synergies to empower our two strategic pillars: Selective and Sustainable Growth, and Maximization of Value for Everyone, in line with target 17.17.



Strategic Risks

[GA-ES01]

DESCRIPTION OF THE RISK	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	COMPANY	MITIGATION PLAN	VALUE LEVERS	
STRATEGIC RISK						
Less profitability than expected due to market dynamics or socio-environmental phenomena that hinder compliance with our companies' business plans.	Effect on the performance of the business plan of the subsidiaries due to changes in the market conditions, economic activity, regulation and/or social and environmental topics.	<ul style="list-style-type: none"> Reduction in cash flow and in dividends Effect on the value of investments 	Financial	Businesses	<ul style="list-style-type: none"> Sectoral and geographical diversification, and diversification of market cycles Regular committee meetings to monitor the strategy Monitoring of the main KPIs of operation, investment, financing and profitability Definition of Guidelines of Responsible Operations 	Strategic Coordination Financial Management Ethics and Corporate Governance Sustainability Vision
Loss of financial flexibility or impact on the relative performance of the portfolio due to the lack of an adequate debt composition and capital allocation.	Loss of flexibility in the companies' capital structure due to an inadequate debt structure, financial capacity of partners and counterparties, and/or inefficiency in investment vehicles of Grupo Argos and its subsidiaries. Errors and/or omissions in the process of capital allocation and of mergers and acquisitions, which could affect the relative performance of the portfolio.	<ul style="list-style-type: none"> Lower returns for the shareholder Effect on liquidity Greater costs of capital Limitation of access of capital market Effect on reputation Effect on the value of investments 	Financial Reputational	Cross-cutting	<ul style="list-style-type: none"> Strategic planning exercises for clarity in the focus of the sectors and regions of influence Sectoral and macroeconomic reports Preparation of quantitative models for capital allocation Exhaustive due diligence in mergers and acquisitions Monitoring of the portfolio's performance Debt structure adapted to the investment flows (terms and indexation) Treasury Committee for the approval of operations and monitoring of the capital structure Regular monitoring of cash flow and of the debt service commitments Natural and synthetic hedges for the mitigation of financial risks 	Strategic Coordination Financial Management
Reduction in the portfolio's value due to the lack of certainty and stability of the economic, political and regulatory environment.	Adverse changes in the value of the portfolio due to macroeconomic, political, regulatory, legal, tax or environmental uncertainty and/or instability in the countries where we operate. Loss of trust and credibility of the institutions of the countries and/or a deterioration of the sovereign credit rating that increases the risk premiums.	<ul style="list-style-type: none"> Greater costs of capital Reduction in cash flow Limitation or infeasibility for the operation of assets Effect on the value of investments 	Financial	Cross-cutting	<ul style="list-style-type: none"> Strategic planning exercises for clarity in the focus of the sectors and regions of influence Engagement with institutions, professional groups, authorities, etc. Monitoring of leading indicators of the countries (e.g. credit default swap, tax and current account deficit, etc.) 	Strategic Coordination Financial Management Sustainability Vision Identity and Engagement

DESCRIPTION OF THE RISK	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	COMPANY	MITIGATION PLAN	VALUE LEVERS	
STRATEGIC RISK						
Effect on the share price due to media impacts that affect reputation, which leverages investor trust.	Significant effect on the image of the companies, which compromises the trust of some stakeholders.	<ul style="list-style-type: none"> Deterioration of stakeholder relations Fines, penalties or legal actions against the Company Possible reductions in the share price and liquidity Effect on the value of investments 	Reputational	Cross-cutting	<ul style="list-style-type: none"> Implementation of Corporate Governance Code, ethics and transparency policies, risk management, among other business best practices Ongoing strengthening of the internal control system and the crisis management plans Identification of events that could affect the Business Group's reputation in order to establish and monitor mitigation plans Dialogs with stakeholders and analysis of material topics Guidelines of Responsible Operations 	<p>Strategic Coordination</p> <p>Ethics and Corporate Governance</p> <p>Sustainability Vision</p> <p>Identity and Engagement</p> <p>Talent and Culture</p>
Lack of necessary key skills due to the lack or inadequate management of good practices of attracting, retaining and developing talent.	Difficulties in the attraction, development and retention of human resources with the skills required in the companies.	<ul style="list-style-type: none"> Loss of knowledge and experience Economic loss associated with the training and development of employees High staff turnover 	Financial Reputational	Cross-cutting	<ul style="list-style-type: none"> Classification of the existing and required skills Identification of critical positions and succession plans Identification of key human resources and retention plans Strengthening of the corporate culture Maintenance of the commitment index in the "Highly Favorable" range Development of the employer brand strategy (talent attraction) Development of the diversity and inclusion strategy according to the defined responsible operations goal Training, support and exposure plans Competitive compensation schemes 	<p>Strategic Coordination</p> <p>Ethics and Corporate Governance</p> <p>Identity and Engagement</p> <p>Talent and Culture</p>

Emerging Risks

|GA-ES02|

	DESCRIPTION OF THE RISK	DESCRIPTION OF THE IMPACT	MITIGATION PLAN
EMERGING RISK			
Digital transformation	Development of new technologies and digital ecosystems that have a disruptive impact on the business models in the sectors in which Grupo Argos participates, including: Blockchain in energy sales, 3D printers in housing construction, augmented reality in manufacturing processes, and artificial intelligence in customer relations.	Changes in the sizes of the markets and competition dynamics that affect the market share, the costs and expenses structure, or additional investment requirements. For example, the launch of 3D printers in housing construction could replace the consumption of traditional materials, reducing the size of said market segment.	Assignment of resources to innovation and the development of new businesses: <ul style="list-style-type: none"> • Applied research, for example, research center in agreement with universities. • Venture Capital corporate program for investment in start-ups and companies in early stages related to the industries of interest. • Exercise of analyzing consumer and industry trends.
Changes in the traditional business models and in the industries' current portfolio	Difficulties of the companies that are currently part of the portfolio to adapt to the new infrastructure ecosystems (e.g. smart cities), to the new forms of urbanization, to changes in the construction value chain, and to new client and consumer trends, which occur due to the population's growth dynamics, changes in consumer preferences and global and local responses to climate change.	<ul style="list-style-type: none"> • Changes in consumer preferences can lead to changes in energy consumption, resulting from the widespread use of smart devices, which could result in the obsolescence or reduced use of the current electricity assets. Additionally, a massive transition could occur from the current consumers to also be producers of their energy (prosumers), through the use of self-generation batteries. • Accelerated urban development could cause an unanticipated demand for infrastructure and new forms of urban development not currently considered in the traditional business models. • The national and local policies of adaption to and mitigation of climate change could substantially increase the environmental and regulatory requirements with respect to energy efficiency, construction materials and infrastructure construction building standards. Additionally, the industry preferences could change toward construction materials with a lower intensity of greenhouse gas (GHG) emissions. 	<ul style="list-style-type: none"> • Review and update of the sectoral dynamics of the businesses and the mega trends that could affect their performance. Additionally, the strengthening of the areas of innovation and development of new businesses is promoted. • Study of client needs and experiences of examples of smart city models in the world. • Promotion of initiatives to develop new products and production techniques. Search for a range of differentiated value services based on the customer segments. • Strengthening and development of skills related to data science, particularly topics related to big data, machine learning, internet of things and artificial intelligence. • Participation in the development of a pilot project in the north of Colombia (Serena del Mar) with the aim to drive said city models. • Investment initiatives in activities related to the disposal and reuse of construction materials (e.g. rubble, steel, etc.).
Restrictions on access to capital for industries with intensive greenhouse gas emissions	Increase in the cost of capital (including bonds, bank debt, share issuances and green loans) for participating in projects or industries with intensive greenhouse gas emissions.	The credit rating agencies could make some of the assessment criteria stricter on the Holding Company or some of its businesses, having negative impacts on our risk ratings. This could cause an increase in the cost of capital in our funding rates and a possible reduction in the interest of some investors in the shares of Grupo Argos and Cementos Argos.	The responsible operations guidelines that included a reduction in GHG intensity in the Business Group by 20% per million Colombian pesos of income from the baseline (2015). <p>Other initiatives have been carried out through the Holding Company, such as conscious investment to include environmental, social, and corporate governance (ESG) criteria in the due diligence processes of the Holding Company and subsidiaries, which can help to prevent and mitigate this risk.</p>

Compliance System

Corruption

Total number and percentage of operations (centers) assessed for risks related to corruption

[205-1]

2018			2019		
TOTAL OPERATIONS	OPERATIONS ASSESSED	OPERATIONS ASSESSED (%)	TOTAL OPERATIONS	OPERATIONS ASSESSED	OPERATIONS ASSESSED (%)
5	5	100%	5	5	100%

Significant Risks related to Corruption Identified through the Risk Assessment

- R1** Embezzlement of assets / Theft, improper use of cash or other assets (stock, fixed assets, petty cash, etc.) / fraudulent transfers.
- R2** Embezzlement of assets / Manipulation or improper use in travel expenses and representation, and credit card expenses.
- R3** Embezzlement of assets / Payment of products or services not received.
- R4** Undue manipulation of information on payrolls, variable remuneration and/or indicators, preparation of budgets with activities that are not required.
- R5** Theft, disclosure and/or sale of confidential or restricted information (information on customers, intellectual property, business plans, etc.).
- R6** Undue manipulation of information in documents –financial reports–.
- R7** Undue manipulation of information in documents –NON-financial reports–.
- R8** Embezzlement of assets / Improper use of employee benefits for personal gain.
- R9** Creation of third parties that are non-existent or that do not meet the requirements.
- R10** Non-compliance with procedures for fraudulent purposes (splitting of contracts, undue changes to the payment terms of third parties, extra-contractual agreements, false stock reports).
- R11** Alteration or concealment of information from government entities and different control entities (internal and external), alteration of invoices or submission of false invoices.
- R12** Abuse of privileged information / violation of Chinese walls.
- R13** Corruption / Subornation - transnational bribery - bribery - breach of FCPA.
- R14** Corruption / Giving or receiving illegal payments or benefits.
- R15** Corruption / Manipulation of purchases/tenders.
- R16** Undeclared conflicts of interest / Hiring of third parties that do not have the adequate qualifications because of family connections or friendships, or in exchange for illegal favors or benefits.
- R17** Corruption / Undue funding of political campaigns or irregular contributions to democracy.
- R18** Corruption – ML/FT / Direct or indirect relationships with parties involved in acts of corruption, bribery or other illegal activities.
- R19** ML/FT / Concealment of the origin of illegal resources.
- R20** ML/FT / Payments to individuals or legal entities to finance terrorism.
- R21** ML/FT / Investments in real estate connected to proceedings of extinction of ownership.
- R22** Corruption – ML/FT / Breach of laws related to compliance risks.

Members of the highest governance body informed and trained on anti-corruption policies and procedures

[205-2]

	2018		2019	
	NO.	%	NO.	%
Total number of individuals that comprise the Board of Directors	7		7	
Total number and percentage of highest governance body members informed	7	100%	7	100%
Total number and percentage of highest governance body members trained	7	100%	7	100%

Employees informed and trained on anti-corruption policies and procedures

[205-2]

LEVEL	TOTAL EMPLOYEES	2018				2019				
		EMPLOYEES INFORMED		EMPLOYEES TRAINED		EMPLOYEES INFORMED		EMPLOYEES TRAINED		
		No.	%	No.	%	No.	%	No.	%	
Executive	6	6	100%	6	100%	6	6	100%	6	100%
Manager	13	13	100%	13	100%	15	15	100%	15	100%
Director	23	23	100%	23	100%	17	17	100%	17	100%
Specialist	54	54	100%	54	100%	41	41	100%	41	100%
Other levels	17	17	100%	17	100%	6	6	100%	6	100%
Total	113	113	100%	113	100%	85	85	100%	85	100%

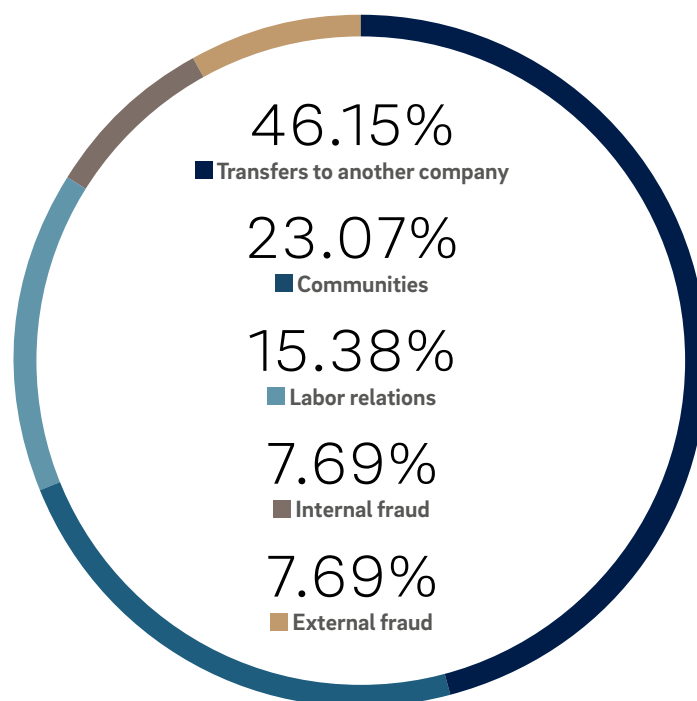
Incidents

Incidents reported through the Transparency Hotline

[205-3]

TYPE OF INCIDENT	2018	2019
Internal fraud	14	1
Not categorized	2	-
Work issues	6	2
Conflicts of interest	1	-
Communities	1	3
Transfers to another company	22	6
External fraud	-	1
Other	-	-
TOTAL	46	13

Cases reported: 13
 Cases closed: 13
 Cases pending closure: 0



Details of Transparency Hotline incidents:

During 2019, 13 reports were made through the Grupo Argos Transparency Hotline. Out of the total cases received, six were related to issues of the business operation, so they were transferred to the corresponding Transparency Hotline for their investigation and management.

There were three reports made in the communities category by people living in the area of influence of the Company's properties. Although violations of the Business Code of Conduct were not found, measures were taken to resolve the community's concerns and maintain good relations with them.

There were two reports in the labor relations category, which were investigated with the Labor Relations department, fol-

lowing the Company's work rules of procedure. No violations of the Business Code of Conduct were found. Additionally, there was a report in the internal fraud category, where investigations were carried out by the Corporate Audit. It did not find evidence to conclude that a case of fraudulent conduct had occurred, so the case was closed.

Finally, one report was made categorized as external fraud. After conducting the applicable investigation, it was concluded that no irregular action had been committed by the Company or by its employees.

Confirmed incidents of corruption

[\[205-3\]](#)

No confirmed incident of corruption occurred in 2019.

Incidents of violations of the Code of Conduct

No incident of violation of the Business Code of Conduct occurred in 2019.

Legal actions regarding anti-competitive behavior, anti-trust and/or monopoly practices

[\[206-1\]](#)

We were not involved in any legal actions regarding anti-competitive behavior, anti-trust and/or monopoly practices in 2019.

Fines or non-compliance with current social and environmental laws and regulations

[\[307-1, 419-1\]](#)

We did not receive any fine or sanction in 2019 for non-compliance with current laws and regulations in the environmental, social or economic area.