

2015 Integrated **Report**



GRUPO ARGOS





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| 01

WHO WE ARE



About the Report

This is the third time that Grupo Argos provides its stakeholders with its Integrated Report, in which it presents its financial, social, environmental and governance results, highlighting its performance in the material matters identified for the holding entity and its stakeholder, which must be managed and reported for the generation of value in the long-term.

This Integrated Report is prepared on an annual basis and covers the period from January 1 to December 31, 2015. In addition, the guidelines of the international framework of the Global Reporting Initiative G4, Essential option, and the International Integrated Report Council (IIRC) were followed. In addition, this report is a response to the Communication on Progress (CoP), intended to disseminate information on the progress of the holding entity in the fulfillment of the ten principles of the United Nations Global Compact. **(G4-28, G4-29, G4-30, G4-32)**

Throughout this document, general information on the businesses of the Company's portfolio is disclosed, maintaining the management of the parent company as a focal point. Therefore, the results of investments in cement, energy, ports, city planning, real estate and coal are provided. Information on the cement and energy businesses can be viewed in more detail on the web portals www.reporteintegradoargos2015.co and reporte2015.celsia.com. Also, it will indicate, when appropriate, what type of information can be elaborated on in the integrated reports of these two subsidiaries.

The scope of the information includes Grupo Argos and its subsidiaries: Cementos Argos, Celsia, Compas, Sator and Situm; although it is important to point out that this Integrated Report is focused on the management of Grupo Argos as the holding entity of its investments. The specific scope of the indicators (just the holding entity or consolidated with subsidiaries) is indicated throughout the document. Those of the Organization's latest acquisition are excluded from the social and environmental indicators: Grupo Odinsa. **(G4-17 and G4-23)**

The appendices on the website reporte2015.grupoargos.com and the USB flash drive accompanying the printed versions of this document include the GRI table of contents and the self-declaration of compliance with the Integrated Reporting framework, with the details of how this report follows the principles and contents of the guide. Also, throughout the report, any change in figures, coverage and limit has been indicated when necessary. **(G4-22)**

The comparative financial statements, issued for the first time according to International Financial Reporting Standards (IFRS), were audited by an independent third party, Deloitte & Touche, in its capacity as the Statutory Auditor of Grupo Argos. Senior Management reviewed and approved the Report and commissioned thereby, Deloitte & Touche provided limited assurance of a sample of the performance indicators for this publication. The independent review report is in the appendices. **(G4-32, G4-33, G4-48)**

This document and the appendices are posted on the website reporte2015.grupoargos.com. For further information, contact Piedad Monsalve, Grupo Argos' Sustainability and Communications Manager (pmonsalve@grupoargos.com) or Margarita González, Director of Sustainability (mgonzalezl@grupoargos.com). **(G4-31)**

Spanish moss that hangs
from many trees.
Tillandsia usneoides.





Andean blueberry in Santurbán. *Vaccinium floribundum*.

About Grupo Argos

Grupo Argos is a company of sustainable investments with strategic businesses in the infrastructure sector: cement, energy and highway, airport and port concessions. It is a limited company listed on the Colombian Securities Exchange, like its three most important subsidiaries: Argos (cement), Celsia (energy) and Odinsa (highway and airport concessions).

In addition to its strategic business, Grupo Argos is involved in the coal and real estate business; it has land banks for urban development; and a robust investment portfolio in the financial and food sector.

On the Colombian stock market, Grupo Argos is an issuer of equity and fixed income securities, aimed at the audience made up of strategic investors, private investment funds, pension funds, stock brokerage firms and investors in general (individuals and companies). When they invest in Grupo Argos, shareholders can participate in businesses that are not available on the Colombian securities market.

The creation of value for more than 10 thousand of the Organization's shareholders is based

on the diversification of its investments and geographies, offering a robust portfolio in different sectors that combine mature and new businesses with high potential for development in a framework of integrity, high corporate governance standards and full commitment to sustainability in the economic, environmental and social dimensions.

If you would like to learn more about stock performance, as well as the Group's shareholder structure, refer to the Share Performance section of the Management Report.

Grupo Argos' central offices are located in Medellín, Colombia. The headquarters of its subsidiary, Cementos Argos is in Barranquilla, Colombia. The central office of its energy subsidiary, Celsia is in Medellín. The main office of Odinsa, its highway and airport concessions subsidiary, is located in Bogotá, along with its port business, Compas. Its subsidiaries have operations in 17 countries: Antigua, Aruba, Colombia, Costa Rica, Curacao, Chile, Dominica, Ecuador, United States, French Guiana, Haiti, Honduras, Panama, Dominican Republic, St Martin, Surinam and Venezuela.

(G4-3, G4-5, G4-6, G4-8)

Our Investments Today

(G4-4)(G4-9)

Strategic

Cement
55.3%



Energy
52.5%



Concessions
54.7%



Ports
50%



Portfolio



Real Estate
50%



Urban Development
100%



Financial Sector
35.3%*



5.5%*



Grupo
nutresa

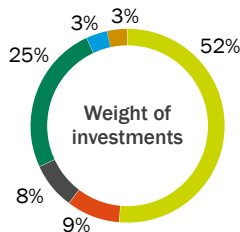
Food Sector
9.8%*

*Consolidated holding of parent company and subsidiaries in common shares.

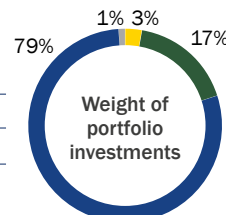
The total value of the portfolio, including portfolio and strategic investments, is greater than

COP 18.3 trillion

- Cement
- Energy
- Concessions
- Urban Development
- Ports
- Coal



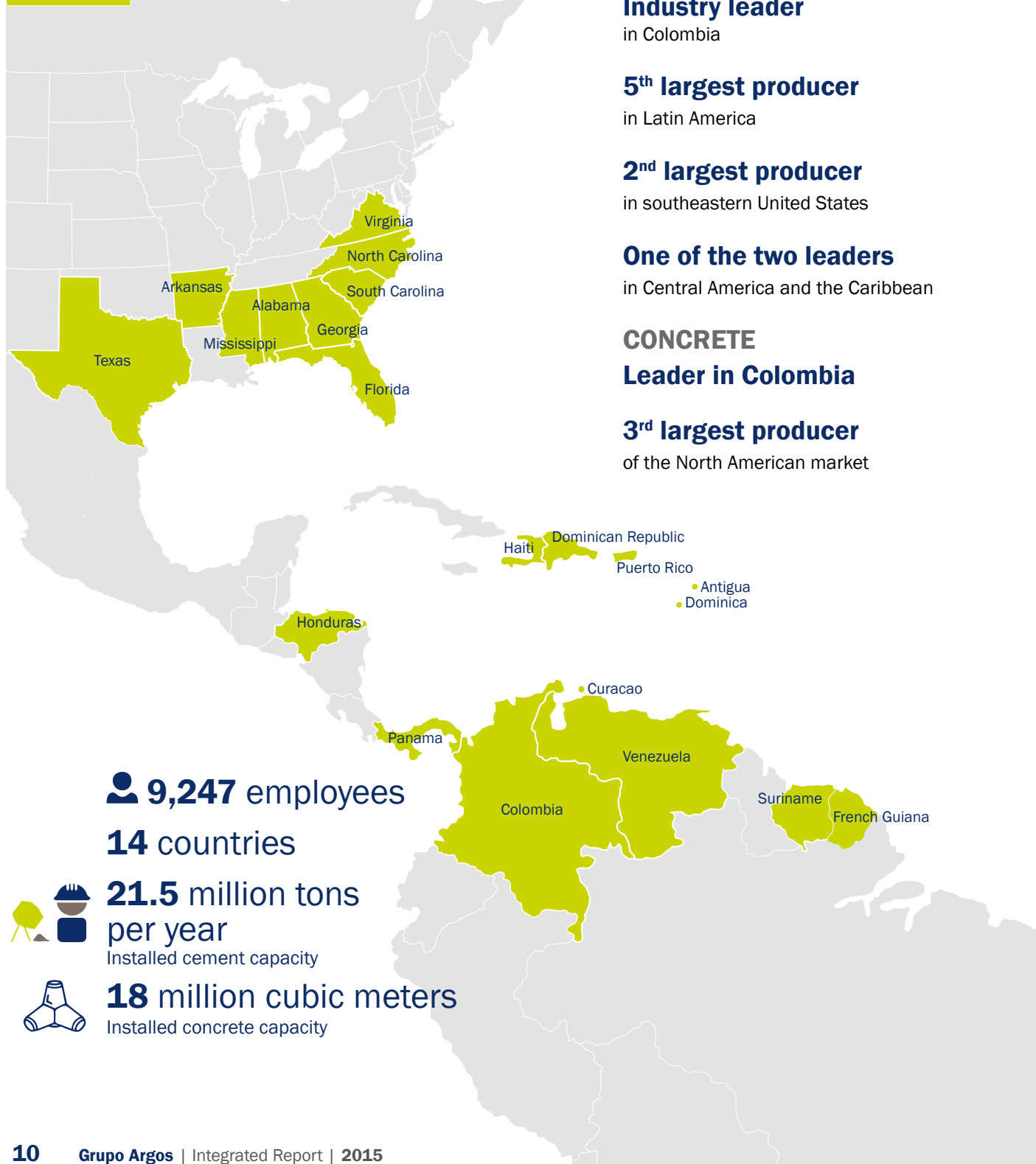
- Bancolombia
- Grupo Nutresa
- Grupo Sura
- Grupo Sura Preferencial





Cement

(G4-8)



CEMENT

Industry leader

in Colombia

5th largest producer

in Latin America

2nd largest producer

in southeastern United States

One of the two leaders

in Central America and the Caribbean

CONCRETE

Leader in Colombia

3rd largest producer

of the North American market

9,247 employees

14 countries



21.5 million tons
per year

Installed cement capacity



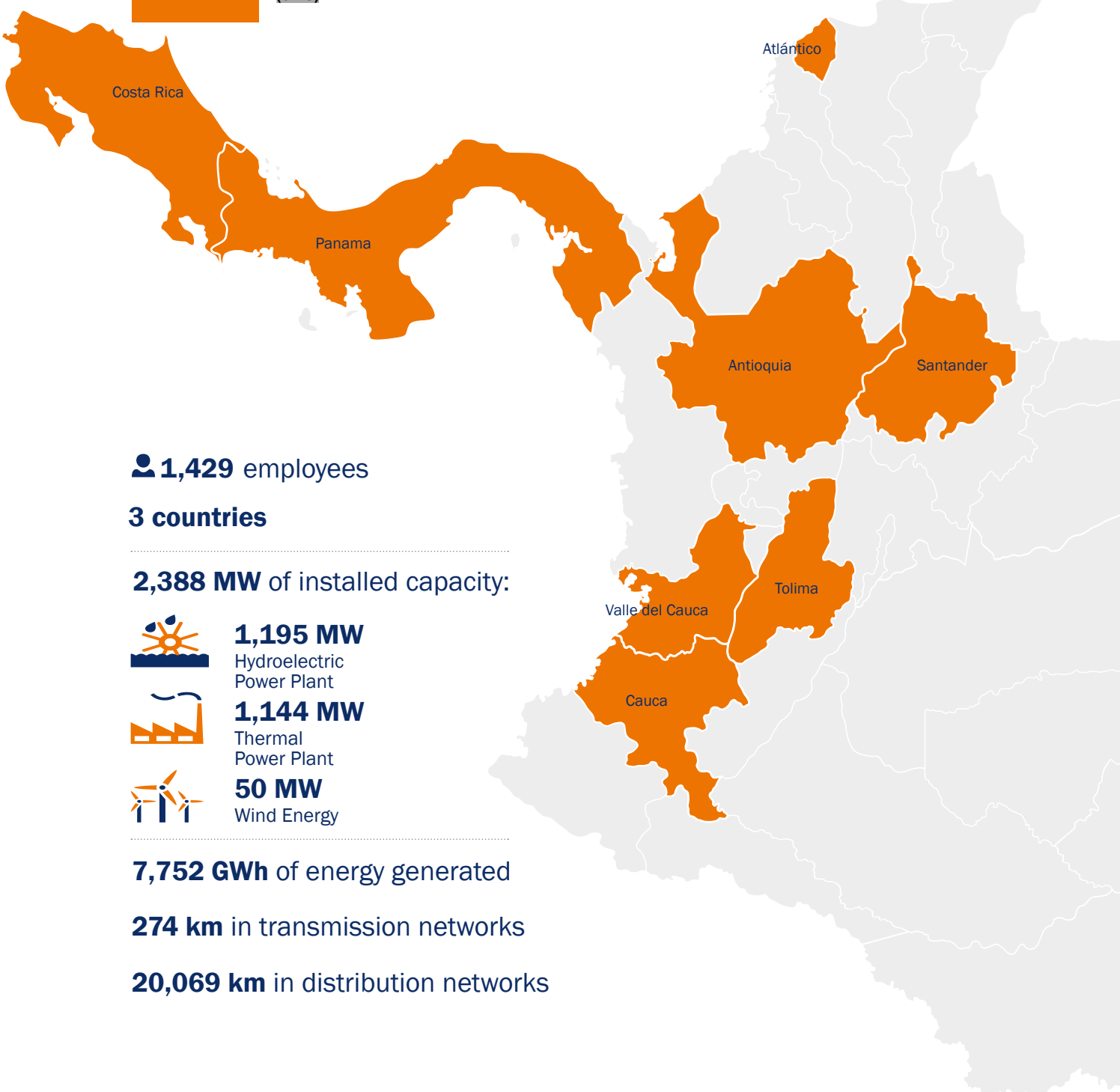
18 million cubic meters

Installed concrete capacity



Energy

(G4-8)



1,429 employees

3 countries

2,388 MW of installed capacity:



1,195 MW

Hydroelectric
Power Plant



1,144 MW

Thermal
Power Plant



50 MW

Wind Energy

7,752 GWh of energy generated

274 km in transmission networks

20,069 km in distribution networks

Highway, airport and port concessions

(G4-8)

Texas

Dominican Republic

Aruba

Panama

Colombia

Ecuador

Chile



367 employees

3 countries

7 port terminals

50 warranted access countries

14.1 million tons of capacity



6 countries

1,275 employees

Highway Concessions

- ▶ Four concessions in Colombia, two in Dominican Republic and one in Aruba.
- ▶ One 4G project: Conexión Pacífico 2.
- ▶ Two private initiative APPs: Meta Highway Network and Vías del Nus.

Airport and Port Concessions

- ▶ 35% share in Bogotá's El Dorado.
- ▶ 50% share in Quito's Mariscal Sucre.
- ▶ Sociedad Portuaria de Santa Marta.

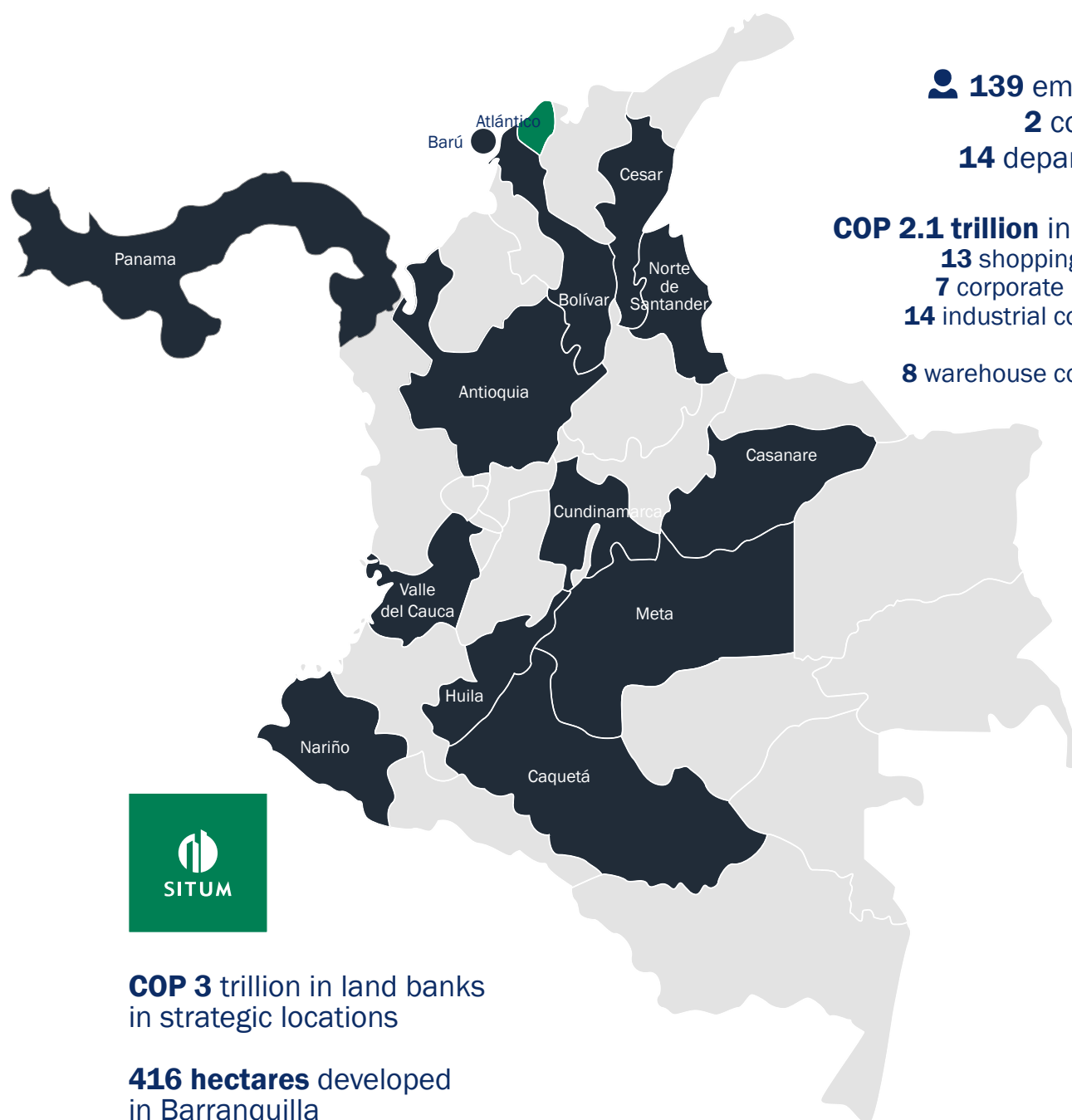
Tolls

- ▶ 44 stations in operation with 108 associated booths.

Real Estate and **Urban Development**

(G4-8)

PACTIA



139 employees
2 countries
14 departments

COP 2.1 trillion in assets:
13 shopping centers
7 corporate buildings
14 industrial complexes
4 hotels
8 warehouse complexes



COP 3 trillion in land banks
in strategic locations

416 hectares developed
in Barranquilla

59 hectares of public space

Grupo Argos in Figures

[G4-9]

Consolidated 2015

Revenues

COP 12.6 trillion

Growth:

38% compared to 2014

Ebitda

COP 2.6 trillion

Growth:

19% compared to 2014

Ebitda Margin

21%

It was 24% in 2014

Net profit

COP 301 billion

In 2014, it was COP 521 billion

Assets

COP 41.8 trillion

Increase:

22% compared to 2014

Liabilities

COP 18.9 trillion

Increase:

36% compared to 2014

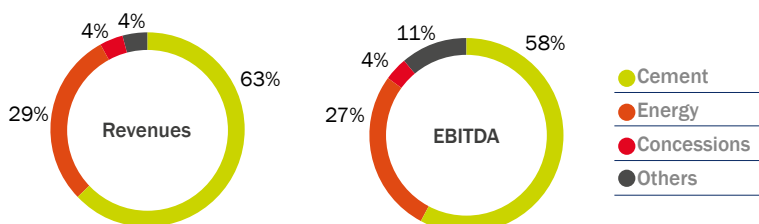
Equity

COP 22.9 trillion

Increase:

12% compared to 2014

Current Contribution by Business



Presence in **17 countries**

11,246 employees
in all businesses

COP 110 billion

in consolidated social investment

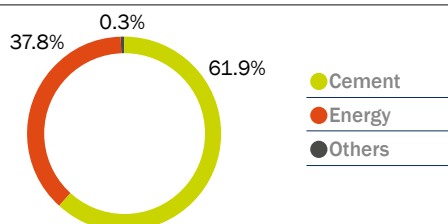
More than 600,000 hours of training

184,000 hours of training
in Human Rights

55 women in the Leadership
for Equality Program

88.5% satisfaction in working environment

Energy Consumption per Business



Awards 2015



Grupo Argos is one of the 317 companies in the world included in the Dow Jones Sustainability World Index. In addition, it received the **Silver Class** distinction for its sustainability practices.



Among the sector companies with the highest score on the index, Grupo Argos was recognized for making the most progress in its performance as regards sustainability compared to the year 2014.



The Colombian Securities Exchange awards listed companies that have the highest transparency and corporate governance standards with the IR Seal.



Grupo Argos received the AAA rating, the highest for long-term debt securities, which emphasizes its great capacity to fulfill its financial commitments.

Institutional Commitments

(G4-15)(G4-16)



The United Nations Global Compact engages companies in the Sustainable Development Objectives.



World Business Council for Sustainable Development and its Colombian chapter, Cecodes.



Companies Circle of the Latin American Corporate Governance Roundtable.

The CEO Water Mandate

Global Compact Initiative to work with companies on water-related sustainability practices.



Grupo Argos prepares its management report according to the G4 framework of Global Reporting Initiative GRI, based on the most relevant economic, social and environmental matters for its stakeholders. Grupo Argos has been a GRI organizational ally since 2014.

Letter from the Chairman of the Board of Directors

(G4-1)

We are presenting our management report for the third consecutive year at Grupo Argos, integrating the operational and financial results with the disclosure of the issues that are most relevant to our shareholders, investors and stakeholders.

We followed the GRI G4 guidelines of the Global Reporting Initiative (GRI) for the preparation of the 2015 Integrated Report, thus maintaining international parameters of disclosure and transparency. As can be seen throughout this Integrated Report, Grupo Empresarial Argos has continued to strengthen its commitment to generating value in the long term, always striving for balance between economic performance, social development and environmental responsibility, within a context of responsible action, where corporate governance, integrity and business ethics are fundamental pillars.

In an economic context affected by market volatility, strong inflationary pressure and high devaluation, in 2015, Grupo Argos consolidated positive results as a result of the combination of its different strategic lines of business. In addition, 2015 marked an important milestone in the Organization's history, with the strengthening of the company in the important sectors of infrastructure and real estate.



Thank you for the confidence
you have placed in us
to continue guiding this
Organization, contributing to its present
and future growth, based on the
principles of integrity, responsibility and
sustainability.

It was a good year for Cementos Argos as a result of the increase in volumes dispatched in the three regional units, the upturn in the US market and the effect of the exchange rate. Celsia, our energy subsidiary, was faced with complex conditions, mainly resulting from El Niño weather conditions in Colombia. The acquisition of a majority stake in Odinsa marked the Organization's incursion in the infrastructure business, with significant investments in highway and airport concessions. The consolidation of Pactia, a fund in a partnership with Concreto for real estate management, moved forward in accordance with the projected goals and the parameters established by both organizations. The indicators of Compas, the port business, showed growth as it executed investments in improvement and expansion plans.



As regards sustainability, Grupo Argos and its subsidiary Cementos Argos remained in the Dow Jones Sustainability World Index for the third consecutive year. This index recognizes companies that serve as a reference at the global level due to their good environmental, social and corporate governance practices. In addition, both companies received the Silver Class distinction in RobecoSAM's 2015 Sustainability Yearbook, and Grupo Argos was highlighted for having achieved the highest percentage of improvement in its sustainability performance compared to the preceding year in its industry category.

On behalf of the Board of Directors and the entire Grupo Empresarial Argos, I would like to express our highest appreciation to José Alberto Vélez for his transparent performance leading the Company as its CEO for more than 12 years, where his upstanding leadership forged this business organization as a diversified holding company with regional presence that stands out due to its indicators, growth perspectives and good practices. Grupo Argos' strategic consistency is the result of José Alberto's vision and his capacity to form leaders and inspire work teams. Now that he is retiring in compliance with the current principles of our Corporate Governance Code, there is so much to be said to thank him for his excellent management and to honor his far-reaching legacy. To José Alberto and his family, who allowed him to share his

time and dedication with us during these years, all our gratitude and a warm hug.

Finally, to shareholders, investors and all other stakeholders, thank you for the confidence you have placed in us to continue guiding this Organization, contributing to its present and future growth, based on the principles of integrity, responsibility and sustainability. We look to 2016 and the following years with optimism for the opportunity to continue consolidating our focus on infrastructure, diversifying mature businesses with high-potential businesses, participating in their development, projection and growth. **(G4-1)**

Sincerely,



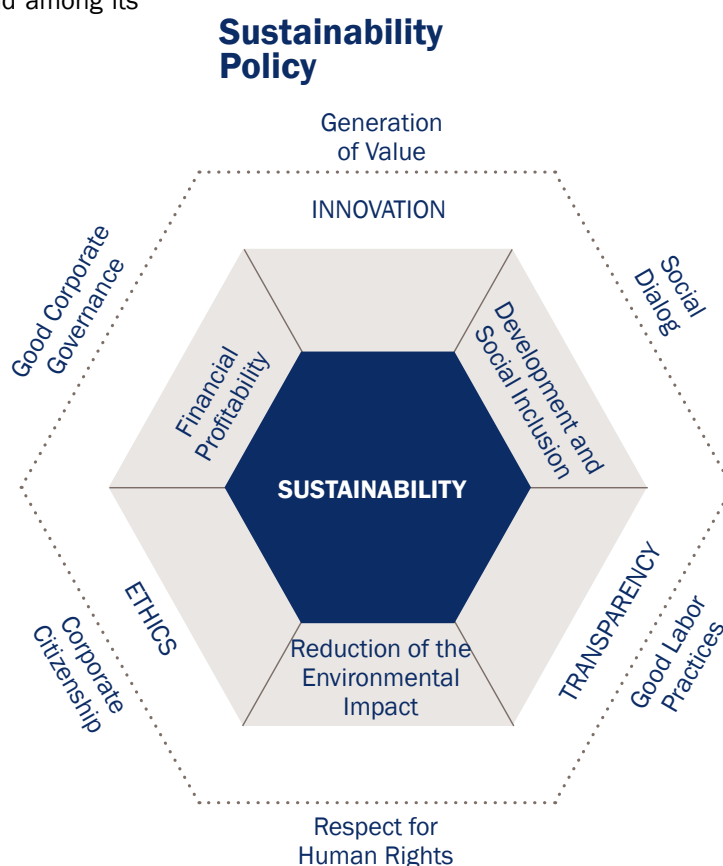
ROSARIO CÓRDOBA
Chairman of the Board of Directors

Sustainability Strategy

(G4-DMA)

Grupo Argos is a conglomerate of sustainable investments in infrastructure, committed to generating value in the long-term. Therefore, the management of its investments pursues sustainability and competitiveness, always maintaining integrity as a guiding principle. Having a sustainability strategy favors the strategic vision of the business by providing a focal point of the material issues to be managed, providing elements for decision-making and promoting strategic conversations that connect areas internally in the Group and among its subsidiaries.

The development of its businesses is conceived on the basis of clear strategic definitions and its Sustainability Policy, which reflects its commitment to the creation of responsible value in the economic, social and environmental dimensions, thus making sustainability a cross-cutting focal point of corporate action and planning. (G4-2)



In addition to the guidelines provided by the Board of Directors and the management of the different governance committees, there are synergy roundtables on different topics, made up of a representative of the parent company and each subsidiary, in the interest of facilitating the transfer of knowledge and inter-company collaboration.



For more information on subsidiary guidelines, see the "Corporate Governance" chapter
Visit the website www.grupoargos.com



Fig tree with fruits *Ficus soatensis*.

In 2015, the development of the Sustainability Policy addressed the following initiatives, among others:

- ▶ The implementation of the new social investment focus was launched, in line with the strategy and needs of its stakeholders.
- ▶ The synergy roundtables in Human Resources, Environmental, Communications, Sustainability and Foundations Management were consolidated.
- ▶ The implementation of the comprehensive Human Rights management system for Grupo Argos and its subsidiaries was launched, thus strengthening their commitment to the principles of the Global Compact.

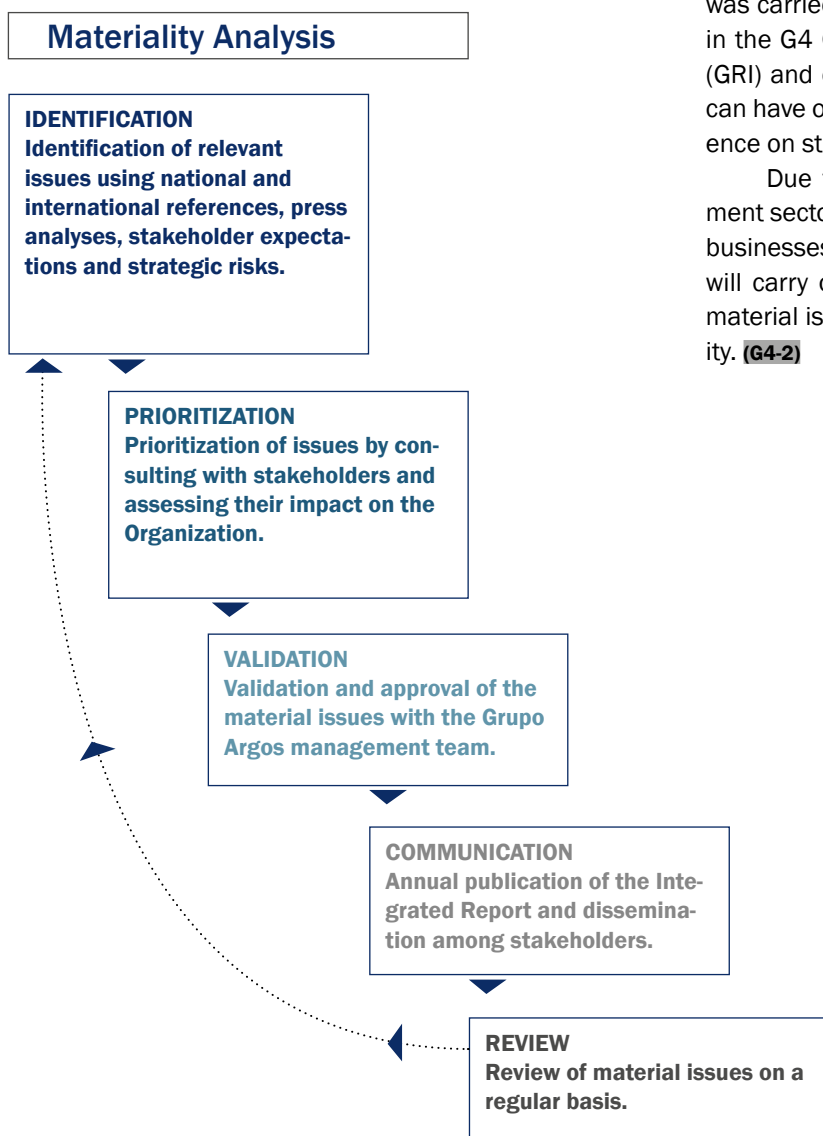
IN THE FUTURE

In 2015, a process began to transform sustainability management in a positive manner, in Grupo Argos as well as in its subsidiaries. The implementation of a cross-cutting and applied research process is intended to improve business operations, innovate in internal processes, build action plans and strategies, in order to be at the forefront of best practices in sustainability in the international arena.

Aware of the indirect impacts and the externalities of Grupo Argos and subsidiaries, that many times are not taken into account in the financial statements, methodologies and initiatives will be explored in the medium and long term to monetize social and environmental investments and, therefore, monitor the financial returns of this type of investments.

Also, initiatives will be examined to generate shared value with the communities reached by the activities of Grupo Argos and its businesses, for the construction of economic, social and environmental benefits.

How We Relate

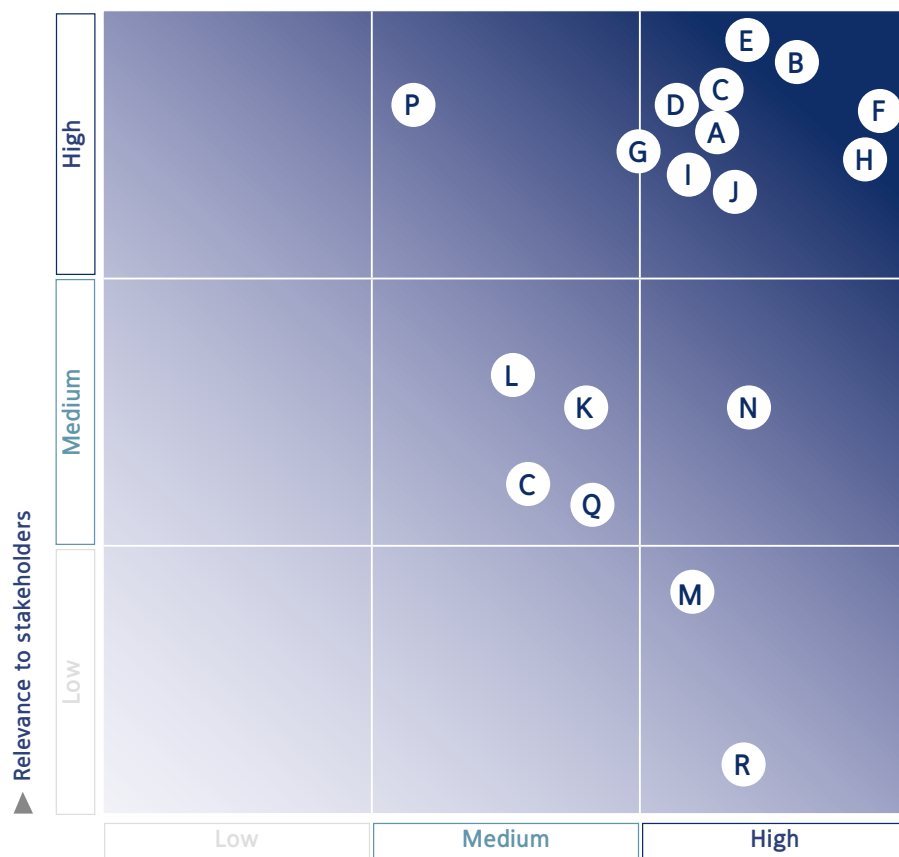


Grupo Argos conducts a materiality analysis whose objective is to identify the key sustainability issues that have an important impact to ensure the continuity of the business in the long term. This exercise was carried out using the methodology suggested in the G4 Guide of the Global Reporting Initiative (GRI) and considered the impact that said issues can have on the organization, as well as their influence on stakeholder decisions. **(G4-18)**

Due to the dynamic changes in the investment sector, changes in the strategy of some of its businesses and recent acquisitions, Grupo Argos will carry out an exercise in 2016 to update the material issues that mark its focus on sustainability. **(G4-2)**

Material Aspects


- (A) Support for Social Development**
 Value generation for communities through programs for socio-economic and environmental development.
- (B) Corporate Governance**
 Establishment of a corporate governance code, transparency and skills of the members of governing bodies.




► Economic, Social and Environmental Impacts

(G4-19)

(C) Human Resources Development and Wellbeing

 Labor practices that favor the professional development of employees in a decent environment that takes into account employee rights, with initiatives that promote motivation, skills and the attraction of qualified personnel.

(D) Economic Performance


 The Company's performance in investment in and compensation to society, related to environmental, social

and financial risk; government alliances and the payment of obligations.

(E) Sustainability Strategy


 Management of the Company's strategic framework focused on sustainability, establishing where it currently is, where it wants to go, how it is going to do so, and the medium and long-term challenges and goals involved.

(F) Ethics, Transparency and Conduct


 Behavior consistent with the ethical

principles defined by the Company.

(G) Investment Management

 Investment policies and practices considering ESG (environmental, social and government) elements.

(H) Risk Management

 Assessment and mitigation of the risks identified in the Company's activities, especially considering those with ESG (environmental, social and government) impacts.

(I) Protection of Natural Capital

 Existence of environmental programs focused on the identification, quantification, monitoring and mitigation of the environmental impacts that can be generated by the business group's operations.

(J) Investor Relations

 Carry out the activities so that investors' needs and expectations are met, ensuring the protection of sensitive information and safety in the operations.

Other Non-material Aspects

(K) Communications and Marketing

(L) Human Rights

(M) Strategy on Climate Change and Emissions

(N) Supplier Management

(O) Efficient Management of Resources

(P) Innovation Practices in Subsidiaries

(Q) Stakeholder Relations

(R) Safety and Health at Work

The analysis to identify the coverage and limit of material issues was conducted, taking Grupo Argos (as a holding entity) and its cement, energy, coal, port and real estate businesses as internal limits; and suppliers, investors and stockbrokers as external limits.

All the issues identified as material are classified as such for the Group and its businesses, except for the topic of in-

vestor relations, which is material only for Grupo Argos, Cementos Argos and Celsia.

(G4-20)

Also, externally, all issues are material for investors and stockbrokers. As for suppliers, corporate governance, economic performance, ethics, transparency and conduct, and risk management issues are material. **(G4-21)**

If you would like to learn more about the material issues of the cement and energy businesses, refer to the integrated reports www.reporteintegradoargos2015.co and reporte2015.celsia.com

Stakeholder Relations

The Organization defines stakeholders as the individuals or groups that can be affected by the activities of Grupo Argos in the effort to fulfill its objectives. Interaction with stakeholders is the key to generating trust and strengthen the institutional reputation, in the framework of the Sustainability and Communications Policies.

To do so, it has a process to identify stakeholders and prioritize them depending on their degree of influence.

After that, a methodology is defined for dialog and it has established channels of communication and interaction that have a management and monitoring protocol.

Selection of Stakeholders **(G4-25)**

Stakeholder identification was based on the AA1000 methodology (Stakeholder Engagement Standard) and it is accomplished using the answers to the following questions:

Who does Grupo Argos have responsibility and commitment to?

What individuals or groups influence its performance?

Who can be affected by its management?

When answering the questions, all the possible stakeholders were listed in each of the nine categories below:

- Property
- Investors
- Staff
- Government
- Suppliers
- Society
- Community
- Environment
- Competitors

After that, they were classified according to their interest in the Organization (low or high) and their degree of influence or power thereon (low or high), based on which they were distributed in four quadrants, each with their own management approach, either as stake-

holders to be monitored, to keep informed, to keep satisfied, or key stakeholders for proactive management.

In order to establish the priorities in direct management, the following were also determined for each group:

- 1)** Expectations or interests as regards the Company.
- 2)** The Company's expectations or interest as regards each group.
- 3)** The extent to which the group can affect the Organization's activities.

- 4)** The extent to which the Company can affect each group.

As a result of this process, a stakeholder map or matrix is established, including the category, group, description, material issues (to the group and the Company as regards said group), the Company's value promise, messages, supportive behavior expected, the managers of relations with said group in the Organization (management, areas or employees) and the spaces and channels of interaction and contact.

Stakeholders (G4-24)



In its dual role as the Organization's owners and clients, they are Grupo Argos' fundamental purpose. They can be classified into: major strategic investors, private investment funds, pension funds, stock brokerage firms and investors in general (individuals and companies).

Human resources are the Organization's most valuable asset and a key success factor in its performance and growth; with this stakeholder, the value promise is to become the best place to work.

They contribute to the Organization's management and assist it in its commitment to sustainability. The relationship between the Company and suppliers is governed by integrity, transparency and responsibility as for establishing equitable and sustainable commercial relations.

EMPLOYEES

SHAREHOLDERS



SUPPLIERS

GOVERNMENT AND AUTHORITIES

Transparent dialog with the monitoring bodies and authorities of the locations where the activities of Grupo Argos and its subsidiaries are carried out, based on the principles of integrity and responsibility.

THE MEDIA

They support the identification and monitoring of material issues and dialog with all other stakeholders, based on respectful, constructive relations, with integrity, transparency and responsibility.

SOCIETY

As an investment holding entity, Grupo Argos establishes the framework for a direct relationship with the community and generates guidelines for its subsidiaries to have good neighborly relations in the areas of influence where they operate and in order for the country to benefit from the Organization's efforts, so the communities become an ally for sustainable development with integrity, transparency and responsibility.



(G4-26) To see the mechanisms and frequency of stakeholder relations, refer to the appendix at reporte2015.grupoargos.com

Main Expectations of Stakeholders **(G4-27)**

Stakeholder	Expectation	Information Reference
Shareholders	Sustainability Strategy Brand Positioning Strategy Risk management Investment Management Economic Performance Corporate Governance Investor Relations Human Resources management Ethics, Transparency and Compliance	
Employees	Human Resources Management Innovation Practices in Subsidiaries Ethics, Transparency and Compliance Corporate Governance Economic Performance Investment Management Protection of Natural Capital	CHAPTER. Who We Are ► Material Issues of the Organization ► Stakeholder Relations ► Investor Relations ► Sustainability Strategy ► Corporate Governance CHAPTER. How We Create Value ► Investment Management
Suppliers	Supplier Relations Sustainability Strategy Corporate Governance Ethics, Transparency and Compliance Economic Performance	CHAPTER. Management Report ► Economic Performance CHAPTER. Economic Dimension ► Ethics, Transparency and Conduct ► Risk Management ► Tax Policy and Performance
Media	Support for Social Development Sustainability Strategy Economic Performance Ethics, Transparency and Compliance Protection of Natural Capital	CHAPTER. Environmental Dimension ► Protection of Natural Capital
Community	Sustainability Strategy Support for Social Development Protection of Natural Capital	CHAPTER. Social Dimension ► Support for Social Development
Government and Authorities	Corporate Governance Ethics, Transparency and Compliance Support for Social Development Risk management Economic Performance Protection of Natural Capital	



Brownea ariza flower. *Brownea ariza*.

Governance of Stakeholder Relations

The Board of Directors has provided guidelines regarding stakeholder relations based on the approval of the Sustainability Policy, the Corporate Code of Conduct and the Corporate Governance Code. To this effect, the management of the system is one of the main responsibilities of the Sustainability and Communications Manager, with the

subsequent monitoring and reporting to the Chief Legal Counselor and the Board of Directors' Sustainability and Corporate Governance Committee. All the areas of the Company, from the CEO to the Vice Presidencies and Management Units, take part in the management of stakeholder relations.

Guidelines for Stakeholder Relations in Subsidiaries

Interaction with stakeholders is essential for compliance with the Sustainability Policy, in which Guideline No. 9 instructs all the businesses to: "Identify their stakeholders, generate a value proposition and maintain permanent dialog".

The cement and energy businesses have a stakeholder relations system in line with the characteristics of each business. This information is detailed on the websites of their integrated reports: www.reporteintegradoargos2015.co and reporte2015.celsia.com.

Subsidiaries are provided with assistance through the Internal Sustainability Committee and the Synergy Roundtable for Communications, in order for them to strengthen their Stakeholder Dialog Systems with control panels to measure the progress made in implementing actions, corrective measures and improvements.

In 2015, Grupo Argos strengthened activities for stakeholder relations as follows:

- ▶ It held an annual meeting for dialogs with internal and external stakeholders to learn their opinions on the management of the Organization, as well as their needs and expectations.
- ▶ It carried out semi-annual monitoring and assessment of the Stakeholder Dialog System as part of the Committee for the Continuous Improvement of Sustainability.
- ▶ In 2015, the free press carried out by Grupo Argos to learn the opinion of its economic, environmental and social management was valued at COP 19 billion, which represents savings for the Company and the positioning of the activities it carries out regarding its stakeholders.

AS of 2016, the subsidiaries' Dialog Systems will be monitored and assessed on a yearly basis in the Synergy Roundtables for Sustainability and Communications.

Stakeholder Request Status

Grupo Argos has a Transparency Hotline that stakeholders can use to report noncompliance with the Code of Conduct as required. This can be done anonymously. The hotline is managed by an independent third party and the information received is treated with the highest standards of confidentiality.

All reports are analyzed and resolved by the Conduct Committee.

During the reporting period, there were no environmental claims or any others regarding labor practices, human rights or social impacts for the holding entity or for the coal business. The urban development business received an environmental claim during the period, which is currently being assessed. **(G4-EN34, G4-LA16, G4-HR12, G4-S011)**

In addition, subsidiaries have their own communications channels for continuous feedback, such as the case of its coal subsidiary, which has a suggestion box to maintain a bond with the community in its area of influence.

Due to its stakeholder relations, Grupo Argos is committed to being a regional and national reference in the different sectors in which it operates. To do so, it has set forth specific short, medium and long-term goals.



Tiny moor plant. *Brassicacea*.

If you would like to learn more about the stakeholder relations of the cement and energy businesses, refer to the integrated reports posted at www.reporteintegradoargos2015.co and reporte2015.celsia.com

IN THE FUTURE

For 2016, Grupo Argos and its businesses will carry out at least one dialog with their most important stakeholders every year. In addition, in 2016 and 2017, it will increase the participation and representativeness in its dialogs with external stakeholders in comparison with the participation of the preceding year.

In the next three years, efforts will be made to improve the percentage of stakeholder representatives who receive

direct information with the results of the dialogs carried out in each period, by positioning three feedback channels and offering mechanisms for participation other than attendance in person.

Grupo Argos' positioning among its stakeholders as a parent company of sustainable investments is expected to improve in the next five years, thus achieving brand differentiation with its cement subsidiary.

Investor Relations (G4-DMA)

In an effort to promote an environment of transparency and trust, the Investor Relations Area continued to strengthen the communication channels available for relations with its stakeholders in 2015.

As was the case in previous years, in 2015, Grupo Argos took part in events with investors in the United States, Latin America, Europe and Asia. During these events, around 116 individual meetings were held with analysts and investors, which led to the group's greater exposure on international markets.

Grupo Argos closed 2015 with 645,400,000 common shares and 173,052,657 preferred shares.

	2013	2014	2015
Number of International Funds	305	375	398
Common Shares	8.80%	9.30%	12.98%
Preferred Shares	12.30%	10.40%	4.59%

On another note, the Company held four teleconferences regarding results and one extraordinary teleconference regarding the acquisition of Odinsa. During these spaces of interaction, Grupo Argos management provided the market with information on financial performance, the evolution of the strategy and the progress of its projects.

Thanks to the Company's positive results and the efforts made throughout the year, the number of international funds that invested in Grupo Argos increased by 6%, thus reaching 398. At the end of 2015, these funds held 12.98% of common shares and 4.59% of preferred shares.

IN THE FUTURE

In 2016, the Investor Relations Area will provide market analysts with a portal containing the information necessary to appraise the Company. This valuation kit is intended to increase the number of analysts covering Grupo Argos shares, by expediting the information collection process. In the medium and long term, work will continue in order to increase the foreign investor base and provide the Company with greater international exposure

in order to have diversified funding sources and to develop relations with potential strategic partners.

If you would like to learn

more about client management in our cement and energy businesses, refer to the integrated reports posted at the following links
www.reporteintegradoargos2015.co and
reporte2015.celsia.com.

Corporate Governance

(G4-DMA)

The corporate governance framework at Grupo Argos consists of the Corporate Governance Code, which serves as a permanent guide for the correct management of its businesses. This governance policy is based on the following principles: equitable, fair treatment of shareholders and investors; equitable, timely and regulated provision of the relevant information they require to make decisions; transparency, fluidity and integrity of the information provided to the market; and the establishment of clear, general rules for the action of the management bodies, directors and employees. **(G4-42)**

The corporate governance practices contained in said code are subjected to constant review and updating based on the highest international standards on the matter. Therefore, the code is a dynamic instrument that provides management with a clear, defined framework for the management of the businesses.

On occasion of the issue of Public Notice 028 / 2014 by the Financial Superintendence of Colombia, through which a new Code of Best Corporate Practices (Código País) was adopted, Grupo Argos developed, together with its subsidiaries, the Policy for Relations between Companies Related to Grupo Empresarial Argos, in which it expressly declares the unified purpose that must guide the actions of all the companies that make up the Group.

The objective of this policy is to establish the rules and principles that companies included in Grupo Empresarial Argos must observe, as well as their directors, managers and employees in their economic, legal, administrative and operational relations, always seeking to contribute to strengthening the value of the businesses, preserve the company reputation, consolidate the organizational identity and unify criteria. **(G4-35)**

The Company's governance is made up of various bodies, the General Meeting of Shareholders, the Board of Directors, the CEO and Senior Management. In addition, the Board of Directors has three supporting committees, which are ap-

pointed thereby and are made up of some of its members. Several members of Senior Management attend the meetings of these committees, in which they have a say but no vote. Furthermore, as part of its governance structure, Grupo Argos has the following internal management committees: the Steering Committee, made up of the Company's CEO, the Chief Officers and the Manager of the Urban Development Business; the Chief Officers' committees, which are held by the primary group of each of the Chief Officers; the synergy roundtables, which are carried out by topics and are made up of employees of the Company and each of the subsidiaries; the Central Conduct Committee, made up of Company employees and those responsible for conduct issues in each of the subsidiaries; and the Contracting, Information Security, Procurement, Treasury and Credit committees, which are made up of employees from different areas of the Company and are focused on the topics indicated by their name.

The Board's supporting committees, the internal committees and the synergy roundtables propose strategic, relevant and urgent matters that will be taken to the Board. These matters include topics of importance to stakeholders. **(G4-49)**

(G4-37)

Critical concerns taken to the Board related to economic, environmental and social topics **(G4-50)**

- Acquisition of Odinsa
- Analysis of the real estate business perspectives
- Analysis of the coal business perspectives
- Reform of the Corporate Governance Code
- Risk Management
- Succession Process
- Election of the Chairman
- Human Resources Management
- Comprehensive Human Rights System
- Climate Change and Progress in Environmental Sustainability Goals
- Long-term Funding Strategy



Board of Directors

The Grupo Argos Board of Directors is comprised of seven principal members, five of whom are independent members as required by Colombian law and the Company's Corporate Governance

Code. None of the Board members is an employee of Grupo Argos, and its Chairman is Ms. Rosario Córdoba, an independent member of this body.

Board Members



Rosario Córdoba, Chairman

Education

- Economics, Universidad de Los Andes, Bogotá, Colombia
- Master's Degree in Economics, Universidad de los Andes, Bogotá, Colombia

Experience

- Chairman of the Private Competitiveness Counsel
- Previous Position: Director of the Dinero Magazine

DAVID BOJANINI**Education**

- Industrial Engineering, Universidad de Los Andes, Bogotá, Colombia
- MBA with emphasis on Actuarial Science, University of Michigan, USA

Experience

- Chairman of Grupo Sura
- Previous Position: CEO of Protección

CARLOS IGNACIO GALLEGO**Education**

- Civil Engineering, Universidad Eafit, Medellín, Colombia
- MBA, Universidad Eafit, Medellín, Colombia

Experience

- Chairman of Grupo Nutresa
- Previous Position: CEO of Servicios Nutresa

MARIO SCARPETTA**Education**

- Economics, Universidad San Buenaventura, Cali, Colombia
- MSc in Management, Arthur D. Little School of Management, USA
- MSc, University of Miami, USA

Experience

- CEO of Azurita

ANA CRISTINA ARANGO**Education**

- Civil Engineering, Universidad Eafit, Medellín, Colombia
- MBA, Universidad de Los Andes, Bogotá, Colombia

Experience

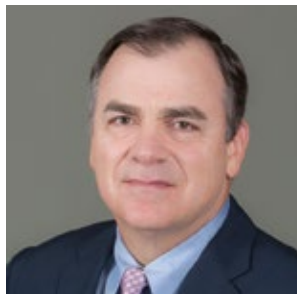
- Independent Investor
- Previous Position: Financial Management Assistant of Cementos Ríoclaro

ARMANDO MONTENEGRO**Education**

- Industrial Engineering, Universidad Javeriana, Bogotá, Colombia
- Master of Economics and Latin American Studies, University of Ohio, USA
- PhD in Economics, University of New York, USA

Experience

- Chairman of BTG Pactual
- Previous Position: Managing Director of Ágora Investment Banking

JORGE URIBE**Education**

- Administrative Engineering, Universidad Nacional, Medellín, Colombia
- MBA, Xavier University, Cincinnati, Ohio, USA

Experience

- Independent Consultant
- Previous Position: Global Director of Organizational Productivity and Transformation, P&G

Structure of the Board of Directors (G4-34) (G4-38)(G4-39)(G4-41)

► Rosario Córdoba	(Chairman of the Board, Independent Member)	CB	IM
► David Bojanini	(Shareholder Member)	SM	
► Carlos Ignacio Gallego	(Shareholder Member)		
► Mario Scarpetta	(Committee Chairman, Independent Member)	CC	IM
► Ana Cristina Arango	(Independent Member)	IM	
► Jorge Uribe	(Committee Chairman, Independent Member)	CC	IM
► Armando Montenegro	(Committee Chairman, Independent Member)	CC	IM

Sustainability and Corporate Governance Committee

This committee is made up of three Board Members, and at least one should have provided proof of his/her capacity as an independent member. The primary goal of this committee is to assist the Board of Directors in its role of recommending and supervising the Company's sustainability and corporate governance measures. (G4-36)

The members of this committee are:

- Mario Scarpetta CC IM
- Rosario Córdoba CB IM
- Carlos Ignacio Gallego SM

The Company CEO and Chief Legal Counselor are also part of the committee.

Audit, Finance and Risk Committee

This committee is made up of three Board Members who provide proof of their capacity as independent members. At least one of the members must have experience in corporate finance and/or matters related to the design and implementation of internal control systems. The committee's ultimate goal is to assess accounting procedures, manage relations with the Statutory Auditor, and supervise the effectiveness of the control and risk management system architectures. (G4-45)(G4-46)(G4-47)

The members of this committee are:

- Armando Montenegro CC IM
- Rosario Córdoba CB IM
- Ana Cristina Arango IM

The Company CEO, Chief Financial Officer and the Internal Auditor are also part of the committee.

Appointment and Remunerations Committee

This committee is made up of three Board Members, and at least one should have provided proof of his/her capacity as an independent member. The primary goal is to support the Board in the exercise of duties related to appointment and remuneration of Board Members and Senior Management.

The members of this committee are:

- Jorge Uribe CC IM
- Rosario Córdoba CB IM
- David Bojanini SM

Chief Officer of Human Resources and Administrative Management is also part of this committee.



The detailed duties of the supporting committees and the Board of Directors are posted in the Company's Corporate Governance Code on the website <https://www.grupoargos.com/Portals/0/Documentos/gobierno-corporativo/Codigo-Buen-Gobierno-Grupo-Argos-2014.pdf>



Cow Tree. *Couma macrocarpa*.

Nomination and Selection of the Board of Directors

In 2015, the Appointment and Remuneration Committee approved the Board of Directors Appointment, Succession and Remuneration Policy, which sets forth the basic principles, general and particular competencies and limitations of the candidates for the Board of Directors. In order to elect them, the General Meeting of Shareholders must take the following aspects into consideration, among others: the Board Members must not be more than 72 years old and they must have participated on other boards of directors, provide proof of specific knowledge on social and environmental topics as well as corporate governance, and have experience related to human resources management processes; in addition, they must contribute with professional expertise that is relevant to Grupo Argos' activity. **(G4-40)**

When conforming the Board of Directors, the Company will aim to have independent members with experience in corporate finance or internal control, who shall be appointed as members of the Audit Committee. All Board Members will

have basic abilities that will enable them to perform their duties properly, including: analytical and management skills, a strategic vision of the business, objectivity and capacity to convey their point of view, and the skill to evaluate senior management charts. They must also be capable of understanding and questioning financial information and business proposals, as well as performing in an international environment.

In addition to the basic competencies, board members shall have other specific competencies that will enable them to contribute in one or more dimensions because of their special knowledge of the industry, of financial aspects and risks, legal matters, business issues and crisis management. At least 50% of Members elected for a specific period must meet the requirements to be considered as independent members and they must declare themselves as such at the time of accepting their inclusion in a list of candidates. Independent members will lose their capacity as such after three consecutive 3-year terms.

Evaluation of the Board of Directors

The Board of Directors is evaluated on an annual basis, alternating external evaluations with self-evaluations. The external evaluation is conducted by an independent firm selected by the Board itself based on a recommendation by management. These evaluations consider quantitative as well as qualitative aspects. **(G4-43)(G4-44)**



Refer to this code to learn about the professional fees approved by the Meeting of Shareholders in 2015.

Board of Directors' Remuneration

The remuneration for Board Members is set by the Meeting of Shareholders in accordance with the responsibilities and time devoted by the members thereof. Members are paid every month, regardless of their presence at the Board sessions, since the Company considers that their duties go beyond their attendance: their performance and duties outside the meetings are equally important. In addition, members that participate on any of the supporting committees of the Board shall receive an additional remuneration for their participation in the respective meetings. The Corporate Governance Code considers the possibility of paying Board Members with Company shares; however, this alternative has not yet been implemented. **(G4-51)(G4-52)(G4-53)**

In addition to the advances mentioned above, in 2015, the Company conducted various activities to establish its corporate governance system and maintain compliance with the highest standards on the matter. As a result, a reform to the Corporate Governance Code was approved in 2015, in which the recommendations of the new Código País, issued by the Financial Superintendence of Colombia at the end of 2014, were implemented, and several of the suggested policies were adopted, among which it is important to mention that of the Appointment and Remuneration of the Board of Directors and Senior Management.

IN THE FUTURE

In the short term, Grupo Argos will continue to implement the different policies and practices included in the new Código País, which are still in the process of approval. It will also continue to consolidate the updates that have already been implemented, which are being disseminated throughout the Organization. In the medium and long term, it will continue to consult the various international benchmarks that enable it to be at the forefront of the best corporate governance practices, such as the Organization for Economic Cooperation and Development (OECD) and the World Bank, among others. Also, it will maintain its active local and regional participation in different forums on the matter, such as: The Companies Circle of the Latin American Corporate Governance Roundtable and the Issuers Committee of the Colombian Securities Exchange, where various corporate government matters for the issuers of securities are discussed. It is important to mention that Grupo Argos has been the Chairman of the Issuers Committee of the Colombian Securities Exchange for several years now, in which it will continue to play a role of leadership and local management on this matter.

Board of Directors' Structure

	ROSARIO CÓRDOBA	DAVID BOJANINI	CARLOS IGNACIO GALLEGÓ
Where They Work	Private Competitiveness Counsel	Grupo de Inversiones Suramericana S.A.	Grupo Nutresa S.A.
Position	Chairman	Chairman	Chairman
Executive - Non-executive	Non-executive	Non-executive	Non-executive
Independent	Yes	No	No
Seniority on the Board	Since 2011	Since 2004	Since 2014
Board Committees to which they belong	Audit, Finance and Risk Committee, Sustainability and Corporate Governance Committee and Appointment and Remunerations Committee	Appointment and Remunerations Committee	Sustainability and Corporate Governance Committee
Other Boards of Directors to which they belong	0	3	4
Name of the companies in which they are participating as Board Members		<ul style="list-style-type: none"> ▶ Grupo Nutresa S.A. ▶ Bancolombia S.A. ▶ Suramericana S.A. 	<ul style="list-style-type: none"> ▶ Suramericana de Seguros de Vida S.A. ▶ Suramericana de Seguros Generales S.A. ▶ Tresmontes Luchetti (Chile) ▶ Compañía Nacional de Chocolates (Costa Rica)
Name of non-profit organizations in which they are members of management boards	<ul style="list-style-type: none"> ▶ Universidad Jorge Tadeo Lozano ▶ Fundación Santa Fe de Bogotá ▶ Fundación Semana ▶ Steering Council Fedesarrollo ▶ Ruta N Medellín ▶ Advisory Board of Innpulsa Mipyme 	<ul style="list-style-type: none"> ▶ Fundación para el Desarrollo de Antioquia – Proantioquia ▶ Fundación Empresarios por la Educación ▶ Corporación Colombia Internacional ▶ Private Competitiveness Counsel 	<ul style="list-style-type: none"> ▶ Hospital Pablo Tobón Uribe ▶ Instituto Tecnológico Pascual Bravo ▶ Corporación Pueblo de los Niños ▶ Corporación San Pablo
Skills and experience related to economic, environmental and social impacts	Yes	Yes	Yes
Is he/she a shareholder of an important supplier or client?	No	No	No
Percentage of board meetings attended vs. meetings held	100	100	100

There are no controlling shareholders.
Members are required to attend at least 80% of the Board meetings.

MARIO SCARPETTA	ANA CRISTINA ARANGO	ARMANDO MONTENEGRO	JORGE URIBE
Azurita S.A.	Independent Investor	BTG Pactual	N/A
Chairman	Not Applicable	Chairman	Independent Consultant
Non-executive	Non-executive	Non-executive	Non-executive
Yes	Yes	Yes	Yes
Since 2006	Since 2009	Since 2015	Since 2015
Sustainability and Corporate Governance Committee	Audit, Finance and Risk Committee	Audit, Finance and Risk Committee	Appointment and Remunerations Committee
4	1	0	2
<ul style="list-style-type: none"> ► Argos USA Corp. ► Amalfi S.A. ► Gestión Fiduciaria S.A. ► Ontario Graphite Ltd. 	<ul style="list-style-type: none"> ► Distribuciones Agralba S.A. 		<ul style="list-style-type: none"> ► Carvajal S.A. ► Ingredion INC (Chicago USA)
<ul style="list-style-type: none"> ► ABC Foundation ► Initiative for Comprehensive Development - Performance and Innovation Management ► Latin America Business Council (CEAL) ► Grupo Empresarial Vallecaucano 	<ul style="list-style-type: none"> ► Key for Colombia 	<ul style="list-style-type: none"> ► Fedesarrollo 	<ul style="list-style-type: none"> ► United Way Worldwide
Yes	Yes	Yes	Yes
No	No	No	No
100	93.33	93.33	100



Steering **Committee**



JOSÉ ALBERTO VÉLEZ

Chairman

Education

- Administrative Engineering, Universidad Nacional, Medellín, Colombia
- MSc in Engineering, University of California (UCLA), USA
- Honorary Degree in Engineering, Ecole Nationale d'ingénieurs de Metz (ENIM), France

Previous Position

- CEO of Cementos Argos
- CEO of Inversura



ALEJANDRO PIEDRAHÍTA

Chief Financial Officer

Education

- ▶ Business Administration, Universidad Eafit, Medellín, Colombia
- ▶ MSc in Economic Development, London School of Economics
- ▶ General Management Program, Harvard Business School, USA
- ▶ Senior Business Management Program PADE, Inalde, Bogotá, Colombia

Previous Position

- ▶ Chief Officer of Capital Market, Bancolombia Investment Banking



CAMILO JOSÉ ABELLO

Chief Legal Counselor

Education

- ▶ Law, Pontificia Universidad Javeriana, Bogotá, Colombia
- ▶ Specialization in Commercial Law, Universidad de Los Andes, Bogotá, Colombia
- ▶ Specialization in International Business, Universidad del Norte, Barranquilla, Colombia

Previous Position

- ▶ Chief Legal Counselor of Cementos Argos



SERGIO ANDRÉS OSORIO

Chief Officer of Human Resources and Administrative Management

Education

- ▶ Business Administration, Universidad Eafit, Medellín, Colombia
- ▶ Specialization in International Business, Universidad Eafit, Medellín, Colombia
- ▶ Senior Business Management Program PADE, Inalde, Bogotá, Colombia

Previous Position

- ▶ Service Manager at Cementos Argos



MARÍA CLARA ARISTIZÁBAL

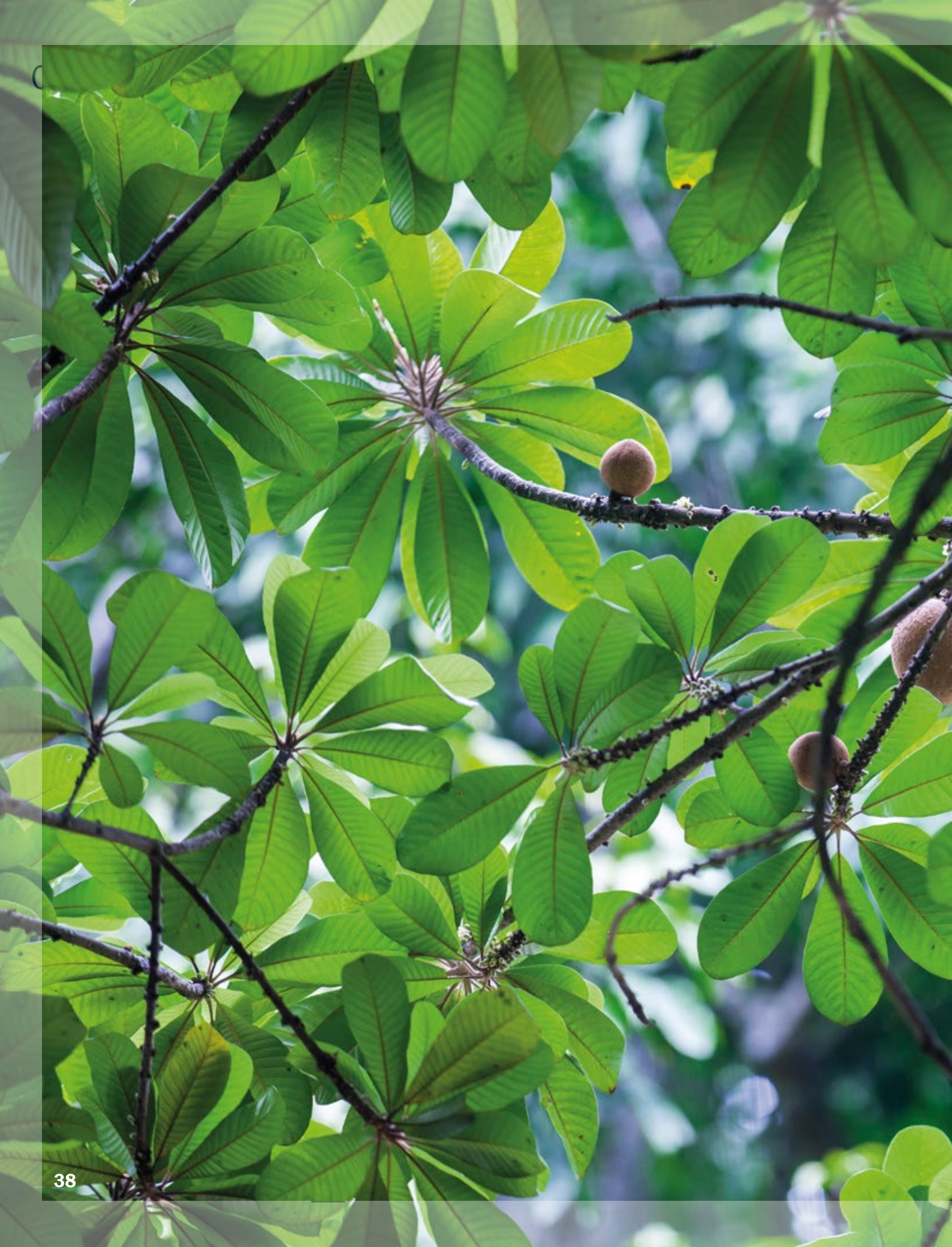
Manager of the Urban Development Business

Education

- ▶ Economics with a Major in Mathematical Economics, Eafit, Medellín, Colombia
- ▶ Specialization in Finance, Universidad Eafit, Medellín, Colombia
- ▶ Specialization in Finance and Law, University of New York, USA
- ▶ MBA, University of New York, USA

Previous Position

- ▶ Corporate Strategy Manager at Grupo Argos





| 02

HOW WE CREATE VALUE

Business Model (G4-2)

In order to understand how value is added in the long term, it is necessary to combine Grupo Argos' business model and the definition and operation of the activities in

which it participates with issues that are material to stakeholders, as well as the Organization's major risks and emerging risks.

INVESTMENT IN:



(G)



(G) (H) (I)



(D) (G) (J)



(G)

SEEKING:



(D) (G) (H) (J)

THAT WILL LEAD TO:



(G) (H)



(G) (H)



(C) (D) (F) (G) (H)

ACTING ON THE BASIS OF SUSTAINABILITY:



(C) (A) (B) (F) (E)



(H) (I)



Moor lichen.

Material Aspects

Aspects most relevant to the Company and its stakeholders.

Major risks

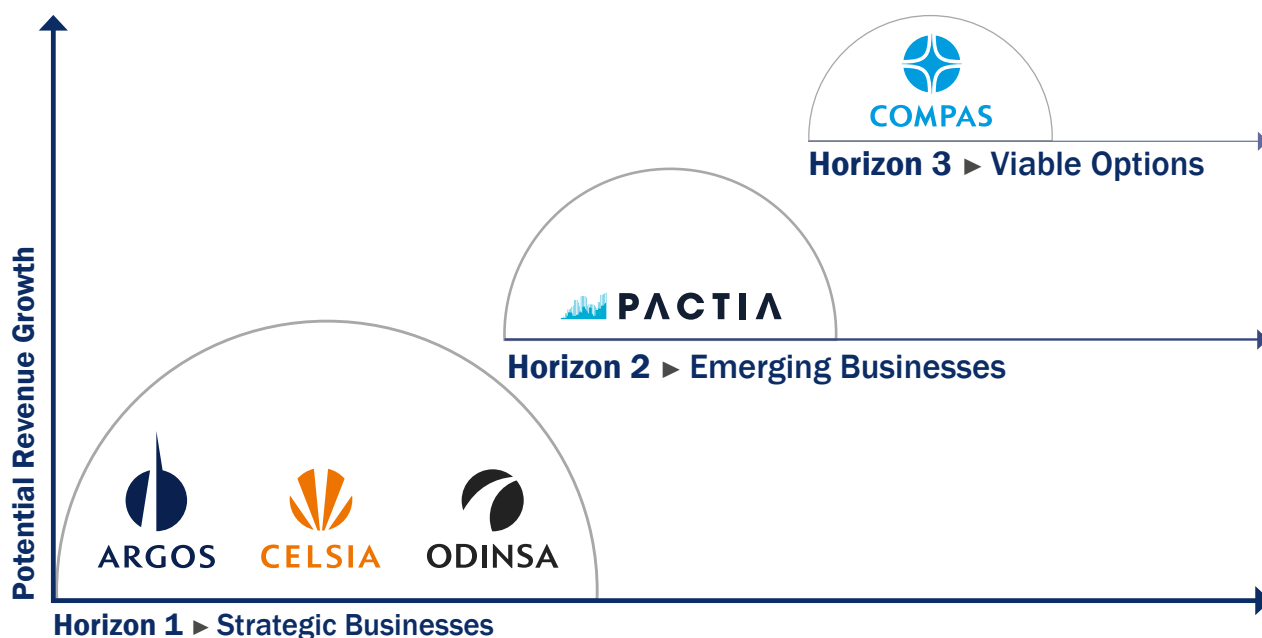
These are managed through the operation, in both the parent company and the subsidiaries.

(A) Support for Social Development	10
(B) Corporate Governance	1 3 12
(C) Human Resources Development and Wellbeing	9
(D) Economic Performance	2 6 7 8 11 12
(E) Sustainability Strategy	10 *EMERGING RISK: Climate Change
(F) Ethics, Transparency and Conduct	1
(G) Investment Management	2 3 4 5 6 7 8 11 12 *EMERGING RISKS: Climate change/Demographic and market change/ Innovation in products and services
(H) Risk Management	1 2 3 4 5 6 7 8 9 10 11 12 *EMERGING RISKS: Climate change/Demographic and market change/ Innovation in products and services
(I) Protection of Natural Capital	5 10 *EMERGING RISK: Climate Change
(J) Investor Relations	1

*Emerging risks are monitored because they can affect the business model in the long term.

Major risks

- 1 Reputational costs due to lawsuits, defamations or slander against the company or subsidiaries.
- 2 Volatility or illiquidity of capital on the market that impact growth.
- 3 Errors or omissions in partnerships, mergers, acquisitions or scaling investments.
- 4 Loyal and disloyal activity by competition.
- 5 Variations in the availability of energy resources (thermal, hydroelectric, wind and solar).
- 6 Global, regional and national economic slowdown.
- 7 Demographic changes in the markets and patterns of consumption.
- 8 Cost-effective production levels to meet demand.
- 9 Human resource management not aligned with the objectives and needs of the sector.
- 10 Environmental impacts associated with the operation (effect on biodiversity, natural resources, nearby population, etc).
- 11 Overruns in project design and construction or delays in execution.
- 12 Technical, environmental, tax, monetary or industry-related changes in regulations, which modify the structure of income and contributions in the sectors and countries of influence.



Investment Management

(G4-DMA)

As an investment holding entity, Grupo Argos adds value to the extent that it manages them actively, obtaining returns greater than their cost of capital and maintaining the balance between economic performance, social inclusion and development and the reduction of environmental impact.

Grupo Argos' strategic positioning has been focused on capital-intensive investments in basic sectors of the economy, with natural entry barriers, that will attract returns greater than their cost of capital on a permanent basis. In addition, they are aimed at sectoral as well as geographical diversification, maximizing the possibilities within the focus of investment, while mitigating any negative economic, political or regulatory effects. This is done in the constant pursuit of sustainability, respect for the environment, corporate governance and social responsibility.

Grupo Argos is now in a position to attract value in the new growth opportunities, by leveraging itself

on its management capacity and equity soundness.

It is important to mention that the cement, energy and highway and port concession businesses are also listed on the Colombian Securities Exchange. In turn the port and urban development businesses are private. Grupo Argos provides investors with a vehicle of exposure to these sectors, which will show attractive growth opportunities, leveraged by sectoral fundamentals, financial soundness and a qualified team.

Focus of Investment

Grupo Argos maintains a long-term vision, with a view to generating value in a responsible manner, based on the principles of integrity contained in its Code of Conduct. To secure the continuity and preservation of its businesses, Grupo Argos adopted a Sustainability Policy that ensures in the long run, the transformation of natural resources into products and services, thus generating value in a responsible manner, with a balance between financial profitability, social inclusion and development and the reduction of environmental impact, using the principles of the Global Compact and Corporate Governance as an action guide. In a transparent, ethical and innovative framework of action, sustainability is the strategic focus of the corporate group's companies. Grupo Argos provides the guidelines to strengthen the strategy in its intervention model. The investment management appendix provides details of the vision of the cement, energy, infrastructure, urban development and port businesses. **(G4-14)**

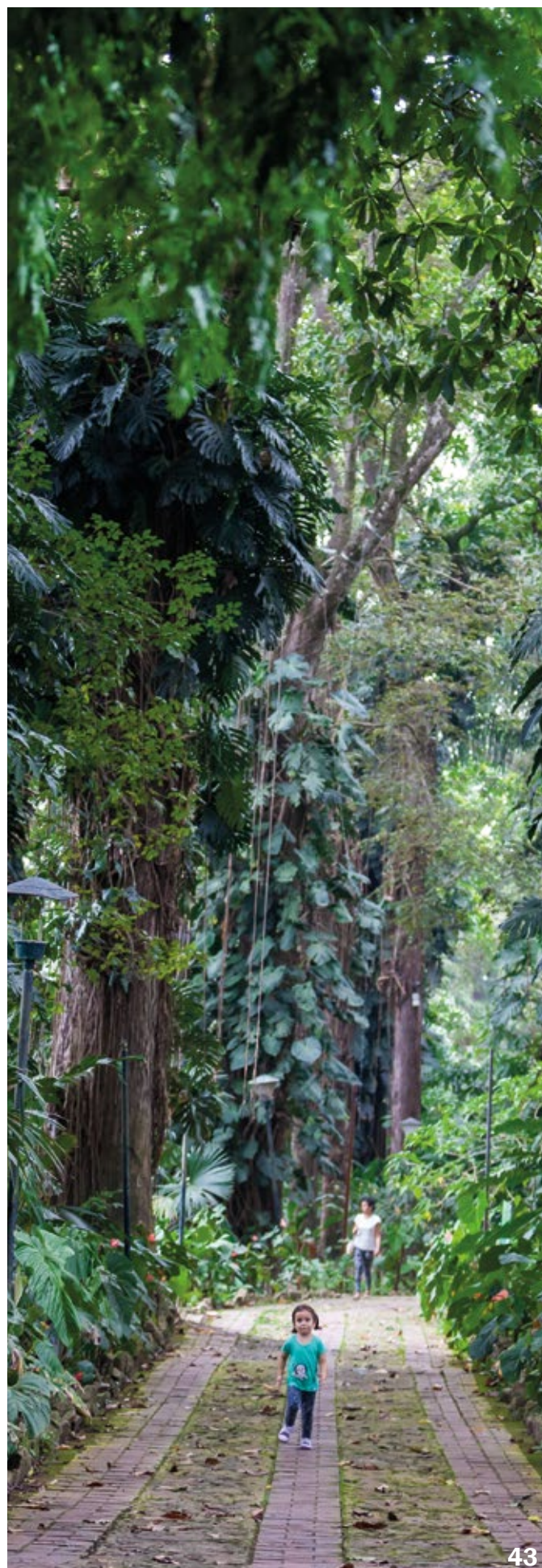


For more information, refer to the appendix of this report at reporte2015.grupoargos.com

IN THE FUTURE

In the short term, Odinsa will be adjusted to Grupo Argos' standards of corporate governance, internal control, ethics, compliance and sustainability. In the short, medium and long term, Grupo Argos will continue to generate value for its stakeholders through profitable investments that observe the best sustainability standards.

Path between wild cashew trees.





Seventh Brigade Intersection, Villavicencio Ring Road.

Odinsa Case, a new pillar of investments

In 2015, Grupo Argos added a new pillar of investments to its portfolio focused on infrastructure. By acquiring a new controlling interest in Colombian company Odinsa, Grupo Argos now has exposure to one of the most representative infrastructure sectors: highway and airport concessions. Through this acquisition, Grupo Argos reaffirmed its conviction in the infrastructure sector, which has been the Company's focus in recent years. When assessing this investment, Grupo Argos conducted several analyses of financial impact on its portfolio, thus reaffirming the improvement in the risk/return ratio that this type of assets would generate

in its investment matrix.

The opportunities of the concessions sector in the region were factors that encouraged Grupo Argos' management to make the decision to invest. In the first place, the fourth generation highway concession program currently underway in the country, expects to develop a stable economic growth pillar in the long term that will continue to drive exports, foreign investment and the migration of capital to the country. Secondly, Latin America and the Caribbean also require investments in infrastructure to increase their efficiency and competitiveness in view of the new international economic dynamics.



Hatovial, northern Valle de Aburrá, Antioquia.

After more than 20 years in operation, Odinsa has become a relevant player in the region, managing more than one thousand kilometers of highways and one airport.

Not to mention that it will participate in the fourth generation (4G) of concessions in Colombia, in public-private partnerships (PPP) of public as well as private initiatives, and that it recently acquired a 50% interest in Ecuador's main airport. This will provide Grupo Argos with an experienced platform to take part in the infrastructure developments in Colombia and the region.

It is important to point out that having participated in past concession waves in Colombia, in addition to managing airport assets in Latin America, generates high added value for Odinsa, because by nature, the infrastructure has major entry barriers.

Finally, by adding Odinsa as the concession business platform, Grupo Argos has included an asset in its portfolio that will enable it to continue strengthening its cash flow stability profile, in addition to starting out in a sector that is difficult to replicate due to the type of assets managed, as well as the capital requirements thereof.



MANAGEMENT REPORT



Management Report

(G4-1) (G4-2)

Dear Shareholders,

It is a pleasure for us to present to you the results and most relevant events of Grupo Argos in 2015, which are a reflection of the consistency of our strategic vision, business model and corporate philosophy, to generate value in the long term in our commitment to sustainability, corporate governance and ethics.

Amidst a complex scenario, it is satisfying to provide a positive balance sheet, leveraged by the diversity of strategic businesses, presence on markets with different currencies, the fulfillment of expansion plans and the equity soundness of our portfolio investments.

In 2015, Grupo Argos consolidated its position as a relevant actor in the infrastructure sector and played an active role in the management of its companies, assisting in strategic decisions and generating guidelines for consistent institutional action.

The cement business reported excellent indicators and growing operational figures in the markets where it operates. The energy business moved forward on its path of development, although its numbers were affected by market conditions. The highway concession and airport business increased its presence in the region. The real estate fund created with Concreto was formalized and its investment plan was launched. The urban development business achieved record sales of lots and ended the year with important definitions. The port business signed relevant agreements for the improvement and expansion of operations. Although the coal business is in the process of divestment, it showed favorable results. In terms of investments, our portfolio closed the year with a total of more than COP 18.3 trillion.

In addition, the execution of strategies, sustainability programs and social actions by all Grupo Argos companies exceeded COP 110 billion in 2015.

Grupo Argos consolidated its position as a relevant actor in the infrastructure sector and played an active role in the management of its companies.

Tree Morning Glory in
Chicamocha Canyon
Ipomoea pauciflora.
Subsp. *vargasiana*.





Period Results

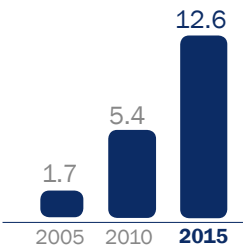
Period results will read differently due to the inclusion of the International Financial Reporting Standards (IFRS).

Under this regulation, Grupo Argos completely consolidated the revenues of Cementos Argos, Celsia, Situm and Sator. In the case of Odinsa, as a new subsidiary of Grupo Argos, revenue was consolidated as of the fourth quarter of the year. On the other hand, revenue for Compas and Pactia were presented using the equity method. Additionally, it is important to note that the investment in

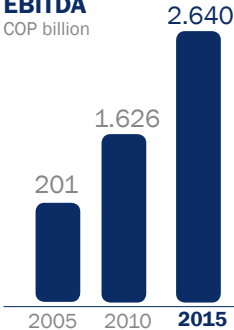
Grupo Sura was classified under the associates category, so this investment was also reported using the equity method, which had an impact on reading the financial statements.

Consolidated revenue of Grupo Argos at the close of 2015 was nearly COP 12.6 trillion, representing growth of 35% compared to the figure for 2014. In turn, consolidated EBITDA totaled COP 2.6 trillion, representing growth of 19% over the previous year, while the EBITDA margin was at 21%.

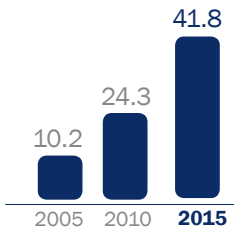
Consolidated Revenues
COP trillion



Consolidated EBITDA
COP billion



Consolidated Assets
COP trillion





Santurbán Moor lichen. *Cora sp.*

The Company's consolidated net profit was COP 301 billion, down 42% compared to 2014. This reduction was due to the impact of the equity tax; the increase in CPI, which a portion of Company debt is indexed on; and to increased financing costs associated with the acquisition by Cementos Argos of the new cement plant in the state of Florida, the purchase of energy generation assets in Costa Rica and Panama by Celsia and the acquisition of a majority share in Odinsa by Grupo Argos.

Grupo Argos's consolidated assets total COP 41.8 trillion and increased 22% over the close of 2014. Liabilities grew 36% to COP 18.9 trillion. Equity totaled COP 22.9 trillion, 12% higher than 2014.

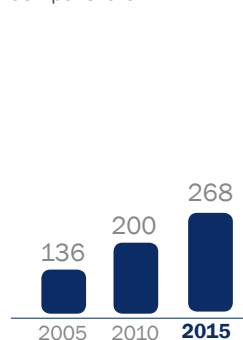
In line with IFRS, individual financial statements are now referred to as separate financial statements. Operating revenue of COP 1.1 trillion, EBITDA of COP 518 billion, and net profit of nearly COP 372 billion were reported separately, growing 85% year over year.

Assets amounted to COP 16.1 trillion, separately, while liabilities were up to COP 2.0 trillion. Equity was 2% higher than 2014, standing at COP 14.1 trillion.

Grupo Argos' financial debt closed at COP 1.65 trillion, primarily comprised of: COP 1 trillion in straight bonds issued in 2014 with a AAA rating, and COP 550 billion in long-term loans. The debt is distributed at 13% in short term and 87% in long term. The average cost of debt was 7.59% effective annual rate in 2015. It should also be noted that the mandatory convertible bonds (MCBs) were converted on November 27, 2015, for a total of COP 519,305 million. The holders of these MCBs were issued 24,407,335 preferred shares in Group Argos stock.

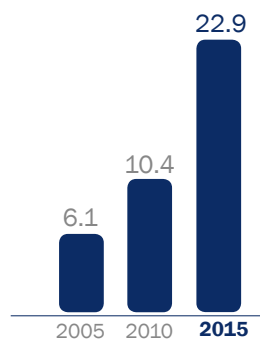
Dividends

COP per share



Equity

COP trillion





Lichen.

Stock Performance

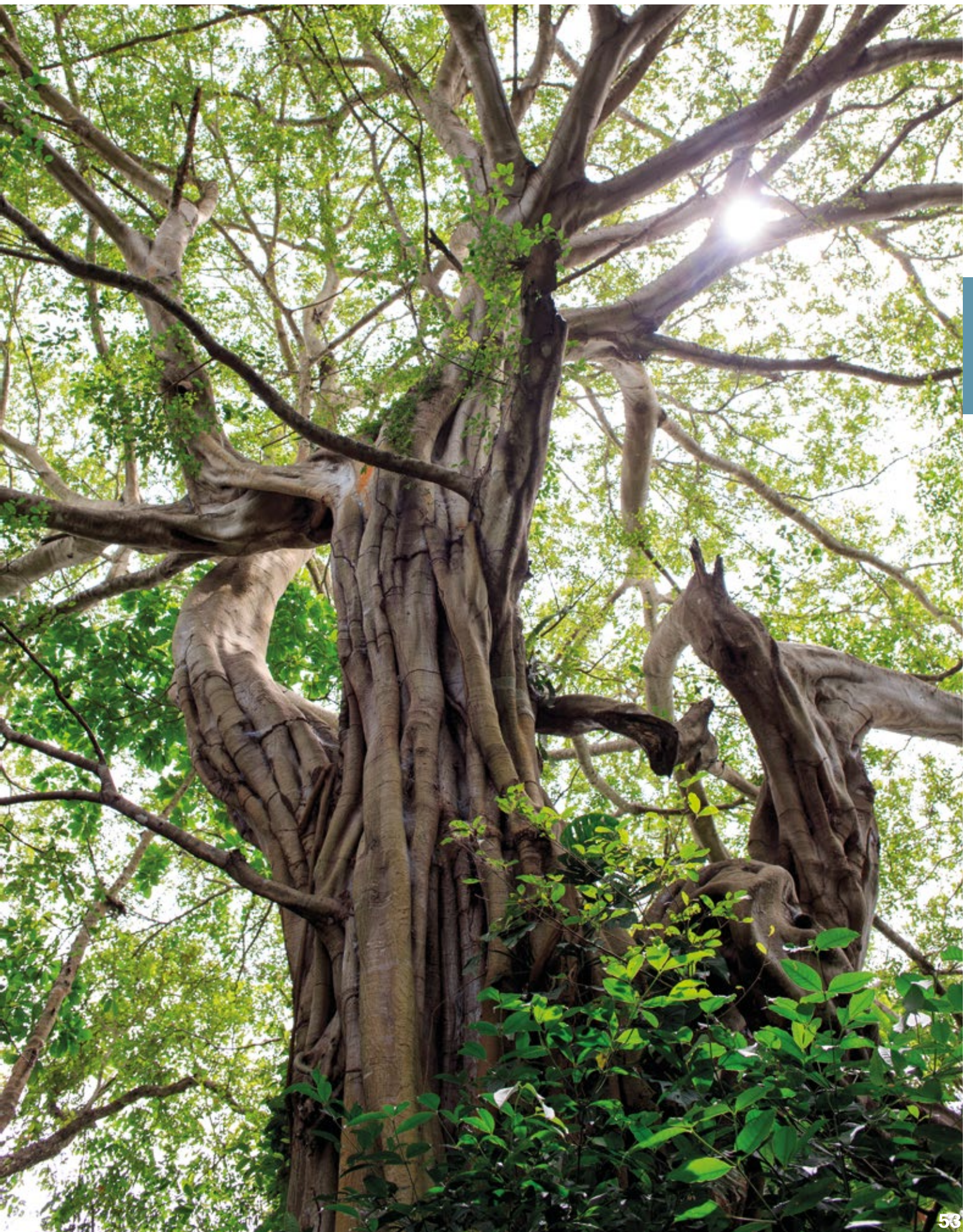
2015 was a challenging year for most securities on the Colombian market, mostly because of the effects of a drop in international oil prices and the depreciation of the Colombian peso against the US dollar. These factors caused the COLCAP, the leading index on the Colombian Securities Exchange, to report a decline of 23.8% over the year.

Despite good results reported and the consolidation of its share in the concessions business, Grupo Argos' securities were also affected by local

market volatility. Therefore, common share prices were down 18.2%, and preferred stock prices were down 28.8%.

However, in times of uncertainty in our national economy, our strategy of investing in real assets that generate stable cash flows in the long term, as well as the geographical diversification of our portfolio, enabled us to look to the future of our different lines of business with optimism.

Suan. *Ficus sp.*



Relevant Events and Achievements

In line with the strategy defined for investing in infrastructure by Grupo Argos as parent company, in 2015 the Company began to compete in the concessions business, as a result of purchasing 54.7% holdings in Organización de Ingeniería Internacional S.A. (Odinsa).

As the controlling shareholder, Grupo Argos has been providing strategic guidelines focused on Odinsa's transactions in businesses with significant potential such as road and airport concessions, while supporting the Company's expansion in the region.

With this acquisition, Grupo Argos is consolidating its three strategic pillars in the cement, energy and concessions businesses, while keeping its portfolio investments in the sectors of rental properties, urban development, ports, financial services and the food industry.

With the aim of supporting the acquisition of a controlling share in Odinsa and increasing the Company's financial flexibility, in August Grupo Argos sold a stock package equal to 5.34% of Cementos Argos' total common shares. With this transaction, Grupo Argos reported 55.34% holdings in Cementos Argos' total common shares, thereby maintaining its position as controlling shareholder.

Grupo Argos is consolidating its three strategic pillars in the cement, energy and concessions business, while keeping its portfolio investments.

In 2015, for the third consecutive year, Grupo Argos was listed on the Dow Jones Sustainability World Index, which acknowledges best practices in the areas of economic, environmental and social sustainability of world-wide companies listed on the exchange. Because of its performance, the Company received the Silver Class distinction from RobecoSAM, and was classified as a RobecoSAM Mover for being the company in the industry with the highest percentage of improvement in sustainability compared to the previous year.

In turn, Cementos Argos received the Silver Class distinction in the Sustainability Yearbook for attaining the second highest rating for its industry in the world. Meanwhile, Celsia was included for the first time as a member in this Yearbook.

In September, the Colombian Securities Exchange awarded Grupo Argos and its subsidiaries Cementos Argos, Celsia and Odinsa with IR Recognition thanks to its voluntary adoption of best practices in disclosing information to shareholders and building investor relations.

In addition, Grupo Argos made it to the Euronext Vigeo – Emerging 70 Index, which lists the top 70 companies from emerging markets that attained top performance in environmental, social and corporate governance issues.



Argos' Plant in Harleyville, United States.

Strategic Investments

Cement

The Colombia Regional Division posted outstanding performance, driven by the dynamics of the construction sector and significant government investment in housing and infrastructure programs. These factors in addition to significant commercial and brand positioning efforts, made it possible to report a 13% increase in cement volumes shipped, totaling 6.2 million tons in the year, the highest figure attained by the Company in its more than 80 years of history. In turn, concrete shipments grew 7% this year, reaching 3.7 million cubic meters.

The beginning of the construction phase of several 4G projects and multiple housing programs to be implemented by the government are signs of a good year for business in Colombia.

With regard to projects, 2015 witnessed the completion of expansion projects at the Rioclaro Plant, one of the most modern and efficient plants in the country. On the other hand, construction of

a new dry production line with a capacity of 2.3 million tons per year at the Sogamoso Plant is on schedule, and is expected to start operations in 2018.

The US Regional Division benefited from the positive construction dynamics in the country, driven primarily by the residential sector, due to economic growth, lower unemployment indicators and the demographic expansion in the states where we operate. These factors resulted in a 20% increase in the volume of cement shipments, almost five times the market growth rate, which increased 3.5%.

Moreover, other notable investment include USD 58 million for the construction of a new vertical mill with 1.8 million tons per year of milling capacity at the Harleyville plant in South Carolina, and the restart of cement imports through the ports at Houston, Texas and Mobile, Alabama,

which reinforced our presence in these markets.

And finally, the 2016 outlook for this Regional Division is positive thanks to the construction sector dynamics in residential and infrastructure sectors, the latter leveraged by legislation for infrastructure recovery and improvement in the USA, which implies an investment of USD 305 billion over the next five years.

The Caribbean and Central America Regional Division stands out for the construction sector's dynamics in Honduras, driven by an increase in the budget implementation of civil works, focused on airport and road infrastructure. A change of government in Panama led to a temporary reduction in the contracting of government works, which resulted in a market drop of almost 7%. However, at the end of 2015 major infrastructure projects were awarded in the country, which could have a positive impact on demand.

At the end of the year, cement sales in this regional division reached 3.9 million tons, achieving 21% growth, while concrete volumes dropped by 17% at 426 thousand tons.

The principal milestone of 2015 for this regional division was the acquisition of 60% of a terminal

Consolidated sales by Cementos Argos in 2015 were **14.3 million tons of cement and 11.5 million cubic meters of concrete.**

to receive, store, sell and distribute cement in Puerto Rico, which represented an investment of USD 18.3 million. This acquisition enables Cementos Argos to expand its operating capacity by 250 thousand metric tons per year, and enter a complementary market that is connected to the Company's logistics network in the Caribbean.

Consolidated sales by Cementos Argos in 2015 were 14.3 million tons of cement and 11.5 million cubic meters of concrete, translating into year over year growth of 14% and 4%, respectively.

Company revenue increased 36% in 2015, reaching COP 7.9 trillion, and the EBITDA totaled 1.5 trillion, for 57% growth. The 2015 EBITDA margin was 19%.

Sidewalks in colored concrete. Argos Innovation





Wind farm in Guanacaste, Costa Rica. Celsia.

Energy

Celsia faced a number of significant challenges in 2015. On one hand, the effects of El Niño affected the availability of hydraulic power generation plants in Colombia, while the impact of the Colombian peso's depreciation against the US dollar affected thermal power plant margins.

Amidst of these difficulties, it is important to mention that the 775 MW of the Zona Franca Celsia and Merilétrica power plants were available with enough fuel to respond to the system's requirements, which made it possible to cover the country's energy demand in a timely manner.

Despite the complex conditions of the Colombian energy sector, new operations in Panama and Costa Rica have shown positive results, which partially mitigated the adverse effects of the Colombian operation. It is important to point out that thanks to operational improvements developed by Celsia, the Colón Thermal Power Complex, the hydroelectric chain in Dos Mares, both in Panama, and the Guanacaste Wind Farm in Costa Rica, the Company set all time energy generation records.

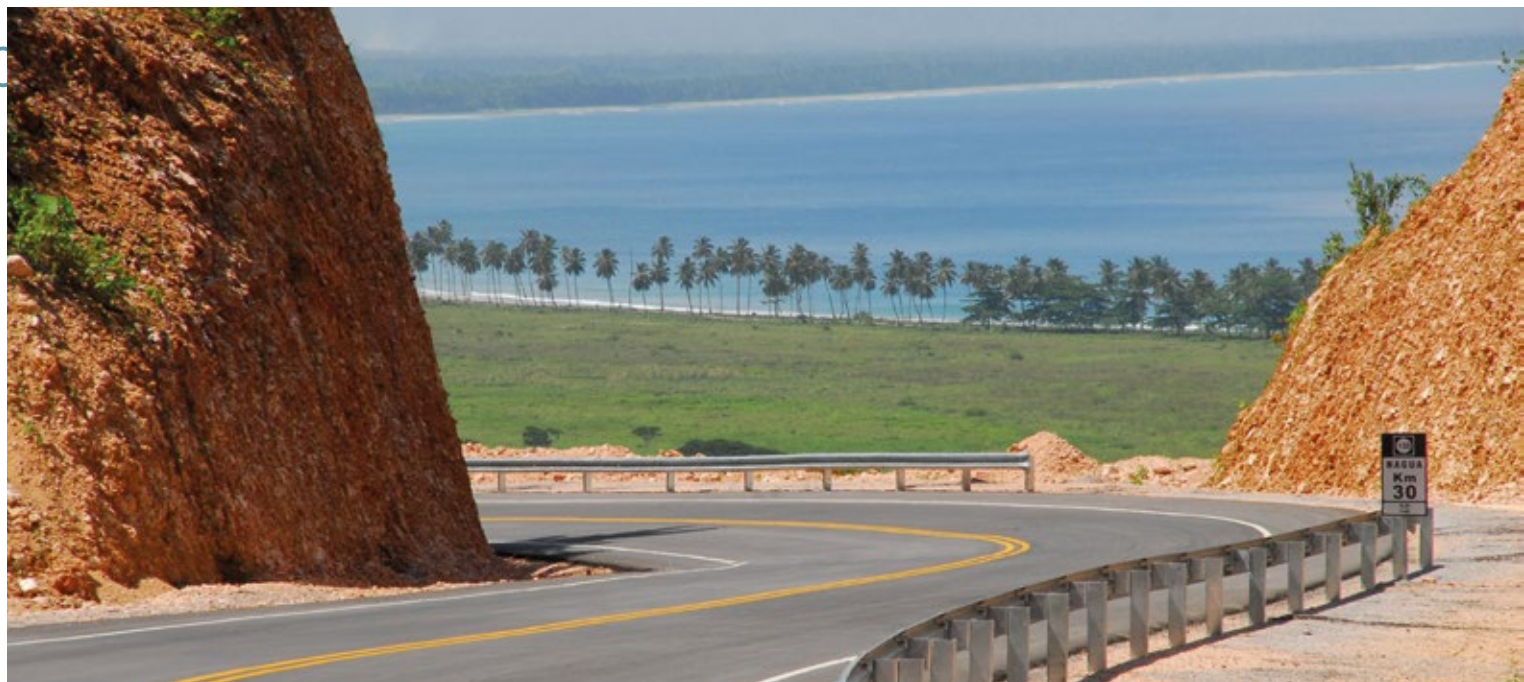
The commercial start-up of the Cucuana hy-

droelectric power plant was an important achievement last year. This new clean energy plant located in Tolima, Colombia, has a 58 MW of installed capacity and required an investment of COP 335 billion.

Moreover, Celsia's subsidiary EPSA actively participated in bids for projects included in the Plan 5 Caribe to solve the electricity problem on the Caribbean Coast. At the end of 2015, Colombia had awarded EPSA six electricity substation projects in the departments of Atlántico, Bolívar, Córdoba, La Guajira and Cesar, totaling COP 470 billion.

In 2015, the total energy generated by Celsia was 7,752 GWh, which represents a 20% increase over 2014. This increase is primarily explained by the inclusion of energy generation assets in Panama and Costa Rica. Electricity sales through energy contracts delivered in 2015 was 2,097 GWh, up 9% over 2014 figures.

Total revenue for the year was COP 3.7 trillion, or 42% growth over 2014. The EBITDA stood at COP 683 billion.



Autopistas del Nordeste, Dominican Republic.

Concessions

In April, the National Infrastructure Agency (ANI) awarded Odinsa the Meta Highway Network concession. This project has an estimated value of COP 1.3 trillion, and includes the operation and maintenance of 354 kilometers of roads in the Eastern Plains region between Granada, Acacías, Villavicencio, Puerto López, Puerto Gaitán and Puente Armina. Odinsa has a 51% share in the concession that will develop this project.

The Estructura Plural Vías del Nus consortium in which Odinsa has a 22.2% share was awarded the Magdalena 1 concession. This highway runs for 157 kilometers, and requires an investment of nearly COP 1.2 trillion, to connect Antioquia and the Caribbean Region.

As part of its expansion strategy in Latin America and the Caribbean, Odinsa reached an agreement in December to acquire 50% of Quiport, a company that owns 93% of the economic rights of the Mariscal Sucre Airport in Quito, Ecuador. The remaining 50% of Quiport is owned by CCR, a Brazilian company with extensive experience in the sector. With the goal of funding this acquisition, Odinsa took out a loan for USD 194 million.

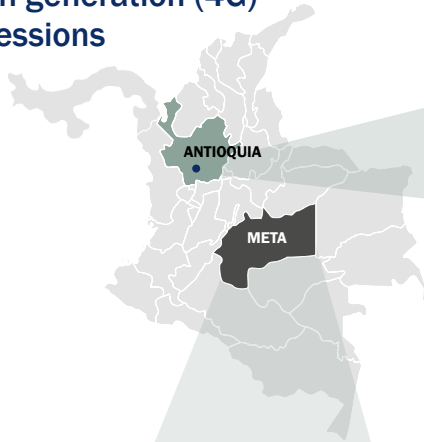
Odinsa's accumulated EBITDA was COP 293 billion and net profit stood at COP 133 billion, up 27% and 68%, respectively.

Traffic at the Mariscal Sucre Airport has grown at an annual average rate of 6.7% over the last decade, and in 2015 it mobilized 5.5 million passengers and 236 thousand tons of cargo. By 2020, this airport expects to receive more than eight million passengers and 261 thousand tons of cargo.

In addition, Odinsa owns 35% holdings in Opain, the concession holder of El Dorado Airport in Bogotá. Projects were implemented at this terminal in 2015 to expand its capacity, with investments of USD 200 million, seeking to increase the airport's capacity to serve 60 million passengers a year.

At the end of 2015, Odinsa reported revenue of COP 902 billion, representing 10% growth. Accumulated EBITDA for the year was COP 288 billion, and net profit stood at COP 133 billion, up 27% and 68%, respectively.

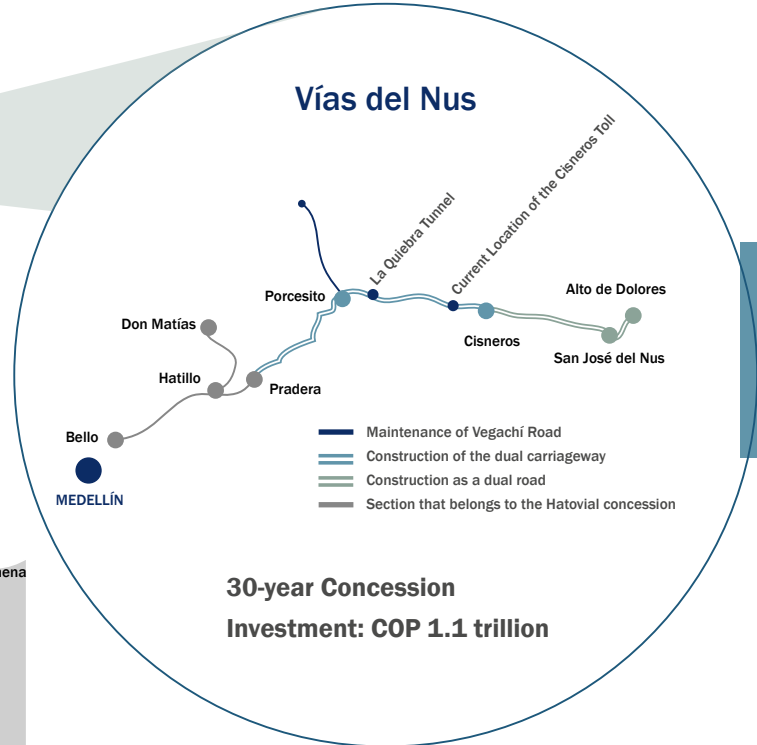
Fourth-generation (4G) Concessions



Eastern Plains Highway Concession



Vías del Nus



Fundadores Intersection, Villavicencio Ring Road



Ports

2015 was an outstanding year for Compas, marked by solid results from the bulk cargo operation, the efficiency attained, and the positive effect of the Colombian peso's devaluation against the US dollar.

Regarding projects, Compas and APM Terminals signed an agreement to operate the Cartagena terminal jointly, committing to invest over USD 200 million to triple the terminal's annual capacity, which would serve larger ships that are expected to sail through the expanded Panama canal.

APM Terminals, a subsidiary of Maersk, will hold a majority stake of 51% in the company that will operate the terminal, but Compas will continue to be the concession holder.

In turn, the works at the new Aguadulce terminal in Buenaventura continue to be on schedule. It is expected that this new port in the Colombian Pacific Coast will start operations in the last quarter of 2016.

In terms of results, in 2015, Compas moved 4.7 million tons of freight, representing 4% growth year over year. This result is due to an increase in coal and bulk cargo, however, the container freight continues to drop because of a decrease in cargo shipments to Venezuela.

Consolidated revenue totaled COP 160 billion, up 25% over 2014. Accumulated EBITDA totaled COP 60 billion, representing 65% growth over the previous year, while the EBITDA margin was 38%.

Compas and APM Terminals signed an agreement to operate the Cartagena terminal jointly, committing to invest over USD 200 million.

Compas' Port in Buenaventura.





San Francisco Warehouses. Pactia.

Real Estate

In the first semester of 2015 the due diligence process was concluded to confirm the partnership between Grupo Argos and Concreto to develop the real estate business strategy. Once the process was completed, both companies advanced in transferring assets to the new managing company called Pactia.

In this agreement, Concreto contributed 373 thousand square meters of leasable area, a project inventory of 223 thousand square meters, and lots in Medellín. In turn, Grupo Argos participated with 62 thousand square meters of leasable area, another 16 thousand square meters in development, lots in Medellín and Barranquilla, and over COP 200 billion in cash.

At year-end, Pactia reported investment in the commerce, industry, offices, hotels and automobile storage sectors. These lines of business are represented in 57 assets in operation, five under development, and two land banks representing a total of COP 2.1 trillion.

In addition, Pactia has an investment plan of over COP 800 billion, which is totally financed to be executed over the next four years, positioning it as one of the largest real estate companies in the country with the strongest projected growth.

In 2015, urban development under Argos' Situm brand reported the sale of 117 thousand square meters of lots in Barranquilla, which translated into revenue of COP 114 billion.

The start-up of Fondo Inmobiliario Pactia during the second half of 2015 drove the transfer of assets for rent, which were being managed by Situm. The transition of these properties clearly marked the separation between the strategies of properties for rent and urban development.

Revenue in 2015 was COP 131 billion, up 88% compared to results reported in 2014. Of that total, 87% came from the urban development business, and 13% from rental property business. EBITDA reached COP 46 billion, or 150% growth.

These figures are pro-forma consolidated real estate business figures, and they include all operations, so the figures are on the books of various companies.

Coal

The Bijao open pit mining operation in Puerto Libertador, Córdoba continued, with the highest standards of industrial safety, occupational health, risk management, a stake in local development, and environmental responsibility and compensation.

Revenue totaled COP 76 billion, with a 9% reduction year over year, given that underground mining operations sold the previous year were not recorded. EBITDA was COP 14 billion, with 247% growth, and an EBITDA margin of 19%.

Both Grupo Sura and Grupo Nutresa are part of the Dow Jones Sustainability World Index.

Appointments of Executive Positions

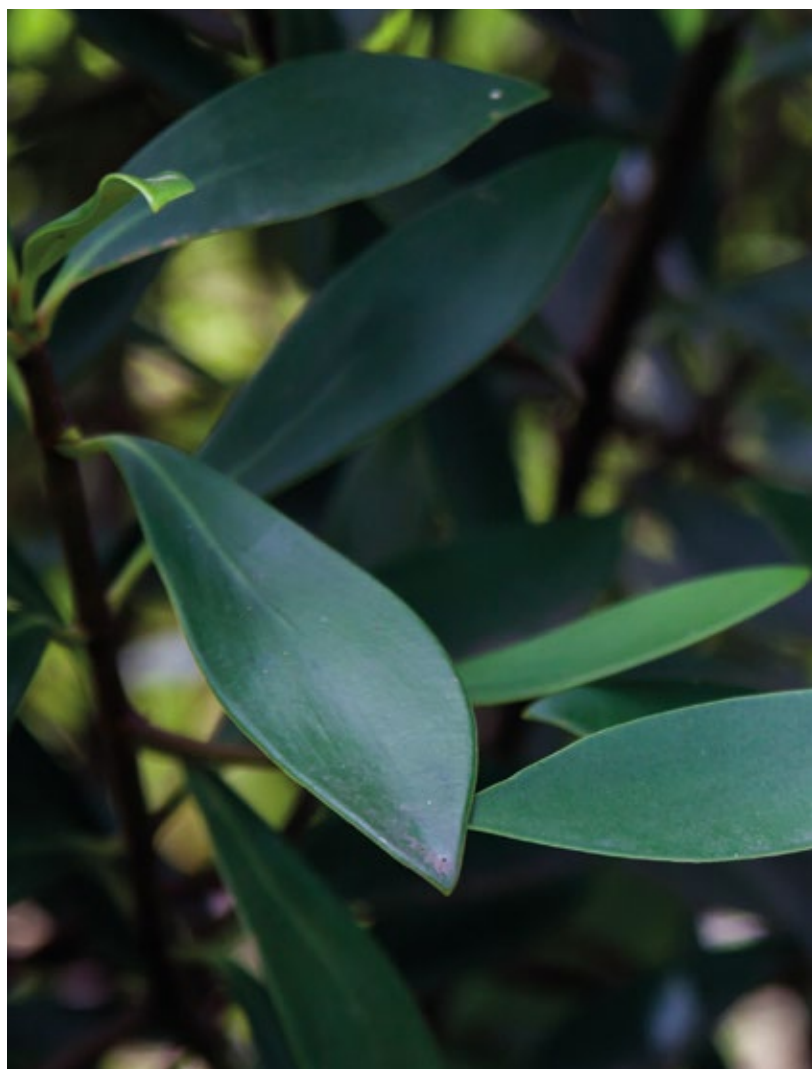
The year 2015 was also marked by succession processes in Grupo Argos and its subsidiaries.

Ricardo Sierra, former Chief Financial Officer at Grupo Argos, who had been with the company for 10 years, was appointed CEO of Celsia to replace Juan Guillermo Londoño, who retired in May 2015.

Jorge Mario Velásquez, CEO of Cementos Argos, with 30 years of experience in the Company, was appointed CEO of Grupo Argos as of April 2016. Juan Esteban Calle, previously CEO of EPM, was named to replace him as CEO of Cementos Argos. He will take office on April 1.

In December 2015, Juan David Uribe and Víctor Cruz resigned from their positions as CEOs of Situm and Odinsa, respectively, and were replaced by María Clara Aristizábal, who held the position of Manager of Corporate Strategy at Grupo Argos for 8 years, and Mauricio Ossa, former Vice-president of the Caribbean and Central American Regional Division, with 22 years of experience in the organization.

It is important to highlight that most of the posts were taken by people of renowned experience and merit within the organization.



Portfolio Investments

Grupo Sura

In September, the Company announced that its subsidiary, Suramericana S.A. signed a contract to acquire the operations of Royal Sun Alliance Insurance Company in Colombia, Mexico, Chile, Brazil, Argentina and Uruguay. These acquisition were for an approximate value of USD 614 million, and consolidated Suramericana as one of the leading insurers in the region, with over 15.6 million customers.

Meanwhile, Grupo Sura formalized the acquisition of the shares held by JP Morgan SIG Hold-



Waxflower in El Gallineral. *Clusia orthoneura*.

ings in SURA Asset Management S.A., leaving it with a total share of 71.4% in the company. The cost of the transaction was USD 267 million.

Grupo Sura closed 2015 with a consolidated revenue of COP 13.9 trillion, a 19% increase compared to the same period last year.

Grupo Nutresa

The Company concluded the process to acquire 100% of the shares held by Aldage Inc., which is the owner of the Colombian companies comprising Grupo El Corral. The total investment was almost COP 740 billion. Grupo El Corral is the largest Colombian restaurant company, with 345 points of sale. This acquisition increased Grupo Nutre-

sa's presence in the retail food segment. It also strengthened the Company's strategy to actively participate in this new business line.

Grupo Nutresa revenue in 2015 was over COP 7.9 trillion, up 23% over last year's figures. The Company's EBITDA was COP 975 billion, 17% higher than 2014, and net profit closed at COP 428 billion, a 4% increase.

Both Grupo Sura and Grupo Nutresa are part of the Dow Jones Global Sustainability Index, and they were awarded the Silver Class medal in the RobecoSAM Sustainability Yearbook, which recognized them as world leaders in good economic, environmental and social practices in their respective industries.



Legal Matters

Administrative and legal processes, and the legal position of the Company in general have developed normally with no relevant negative decisions or events.

There were no significant operations with partners or administrators in 2015. A breakdown of operations carried out with related parties is provided in the Business Group's Special Report referenced in Article 29 of Law 222 / 1995, and in the notes to the consolidated and separate financial statements. The Special Report is saved to a USB drive, which has been provided along with the print copy of this report.

The summary of operations referenced in Section 3 of Article 446 in the Code of Commerce is provided in the brochure, and details on each of these operations is provided on the USB drive submitted with the print copy of this report. This document was part of the information available to

shareholders during the legally established timeframe, to ensure shareholders can exercise their right to inspection.

The Corporate Governance Report, referenced in Appendix 1 of Public Notice 028 / 2014, was available to shareholders during the timeframe established to ensure the right to inspection, and it is also stored on the USB drive provided at the beginning of the meeting.

It should be noted that the aforementioned report describes the performance of the Board's supporting committees, which are: The Audit, Finance and Risk Committee, the Appointment and Remuneration Committee, and the Sustainability and Corporate Governance Committee. The committees feature independent members and meet on a schedule established in the action plan approved for 2015, which is once per quarter for the Audit and Finance Committee, and every six



Cactus. *Melocactus guanensis*.

months for the other two committees.

The Company strictly complies with all norms regulating intellectual property and copyright law. For that reason, it has designed, and it follows the necessary policies and control mechanisms to guarantee compliance, and it maintains support materials to demonstrate said compliance. It should also be stated that the Company did not hinder the free circulation of invoices issued by vendors or suppliers.

Additionally, it has verified functionality of the Company controls established; it has satisfactorily evaluated the systems in place to guide the disclosure and control of financial information; and it has found these to be functioning adequately. Aside from the information reported herein, the Company has no certain and conclusive information between the end of the accounting period and the preparation of this report that could compro-

mise the development of the Company or shareholder equity. **(G4-DMA)(G4-9)(G4-13)**

José Alberto Vélez, CEO

Rosario Córdoba, Chairman of the Board

David Bojanini

Carlos Ignacio Gallego

Mario Scarpetta

Ana Cristina Arango

Armando Montenegro

Jorge Uribe



ECONOMIC DIMENSION



Bucare. *Erythrina fusca*.



Ethics, Transparency and Conduct

(G4-DMA)

Grupo Argos has a Code of Conduct whose objective is to serve as a guide for behavior, based primarily on the principle of integrity, defined as responsible, honest, correct, reliable and transparent action in accordance with the law and internal policies. This code is the same for all the companies of the business group and covers all stakeholders. (G4-56)

In developing the principles contained in the Code of Conduct, Grupo Argos implemented a Fraud, Bribery and Corruption Risk Management System, based on the best national and international practices, whose purpose is to set forth various measures to minimize the occurrence of any type of fraud, bribery or corruption.

As part of the activities carried out to develop said system, the Anti-Fraud, Bribery and Corruption Risk Management Policy was issued. It contains general parameters for action and guidelines to segment, identify, measure, control, investigate and correct this type of conducts, and promote a culture of compliance throughout the organization. In addition, in order to have an effective tool to manage these risks, a specific matrix was implemented to identify situations in which such risks could materialize and define their impact, associated controls, monitoring and prevention.

In addition, the policy that regulates all matters related to giving and receiving gifts and courtesies was updated in order to adjust it to the best compliance standards.

This was supplemented by the development of a communication and training program that was carried out throughout the year, in order for all Company employees to be familiar with it and understand the importance of compliance with the Code of Conduct, the Fraud, Bribery and Corruption Risk Management System, and all other associated policies. This program included communications disseminated through internal media and virtual as well as classroom-based training.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES (G4-S04)

Governance bodies in the organization	Shareholders Meeting and Board of Directors	
Total number of individuals that make up the Board of Directors	7	
Total number and percentage of the highest governance body members to whom the organization's policies and procedures have been communicated		
Total number and percentage of the highest governance body members to whom the organization's policies and procedures have been communicated	Members Informed	
	Number	%
	7	100%
Total number and percentage of the highest governance body members who have received training on anti-corruption	Members Informed	
	Number	%
	7	100%

EMPLOYEES INFORMED OF ANTI-CORRUPTION POLICIES AND PROCEDURES

● Grupo Argos						● Energy							
		Total Employees		Employees Informed		Employees Trained		Total Employees		Employees Informed		Employees Trained	
				No	%	No	%			No	%	No	%
Executives	5	5	100%	4	80%			9	9	100%	9	100%	
Managers	9	9	100%	9	100%			27	27	100%	27	100%	
Middle Management	21	21	100%	19	90%			18	18	100%	18	100%	
Specialists	33	33	100%	33	100%			463	463	100%	463	100%	
Operational	20	20	100%	16	80%			613	613	100%	613	100%	
Total	88	88	100%	80	91%			1,130	1,130	100%	1,130	100%	

● Urban Development						● Coal							
		Total Employees		Employees Informed		Employees Trained		Total Employees		Employees Informed		Employees Trained	
				No	%	No	%			No	%	No	%
Executives	1	1	100%	1	100%			1	1	100%	1	100%	
Managers	5	5	100%	5	100%			4	4	100%	4	100%	
Middle Management	3	3	100%	3	100%			5	5	100%	5	100%	
Specialists	21	21	100%	21	100%			14	14	100%	12	86%	
Operational	16	16	100%	15	94%			45	45	100%	42	93%	
Total	46	46	100%	45	91%			67	67	100%	64	91%	

Note: The energy business only includes information of Colombia. The port business provided training on topics related to corruption in 2014, covering 100% of all job positions. In the cement business, a total of 6,596 employees were trained in 2015 in all the job positions, including 100% of the executive level staff.

Through the development of the Ethical Deliberation in the Corporate Arena program, Grupo Argos provided analysis tools for its employees in order for them to strengthen their ethical deliberation skills and reflect on corporate ethics, the Organization's values and their individual behaviors.

The Board of Directors determined that access to the variable remuneration system depends on completing the Code of Conduct course, taking the respective knowledge assessment and signing the conflict of interest declaration. This is in order to confirm the Organization's commitment to the principle of integrity and the fight against fraud, bribery and corruption.

In a context of transparent, ethical and innovative action, Grupo Argos intends to extend the reach

of the code and ethical behavior to all its stakeholders and encourage the companies with which it enters into joint ventures to adopt the codes of conduct with standards equivalent to those of the Company.

In addition, a supplier training program was launched. It is called the *Corporate Ethics Workshop* and promotes ethical practices that have a positive impact on relations with all stakeholders and provides tools in order for them to implement their own anti-corruption program.

The parameters for the identification, disclosure and prevention of potential conflicts of interest are discussed in the Code of Conduct, which states that when a conflict of interest or a situation that can eventually give rise to a conflict has been

identified, it must be disclosed in a timely and appropriate manner, by providing a complete and detailed description of the situation, documenting the event and providing all the information relevant to decision making. In disclosing conflicts of interest, Grupo Argos requires the completion of a Statement of Potential Sources of Conflicts of Interest every year. In addition, Board Members must be especially attentive and careful in handling any of these events, by describing the situation in a formal Board meeting, documenting the conflict and refraining from voting on the matter. To this effect, members must inform the Board of any direct or indirect relations between them, with the Company, suppliers, clients or any other stakeholder from which conflict of interest situations may arise or influence their opinion or vote. **(G4-41)**

In terms of competition, Grupo Argos defines the framework of action for its subsidiaries and ensures they have antitrust policies to regulate their participation on the market in which they operate. These policies cover the following: restrictive business practices (agreements and acts), abuse of a dominant position, unfair competition and unlawful mergers. As for the cement subsidiary, two investigations continued in 2015 regarding antitrust or anti-competitive practices. As for the other subsidiaries and Grupo Argos as the parent company, there were no investigations in this regard. **(G4-S07)**

Grupo Argos has a Transparency Hotline, which is a toll free channel through which incorrect acts and failures to comply with the Code of Conduct and the Company's internal regulations can be reported. This can be done anonymously. The hotline is managed by an independent third party. It has an e-mail and a toll-free line operating from Monday through Saturday from 6:00 a.m. to 10:00 p.m. The information received through the hotline is treated with the highest standards of confidentiality and the cases are referred, depending on their nature, to the corresponding Investigation Officials. **(G4-57) (G4-58)**

In 2015, a hotline dissemination campaign was carried out to promote its use and the Transparency Hotline Policy was issued to regulate the operation thereof and provide the conditions necessary for its use.

In order to adequately manage compliance with the Code of Conduct, the Fraud, Bribery and Corruption Risk Management System, and all other associated policies by all the companies of the business group, Grupo Empresarial Argos has a Central Conduct Committee, made up of Grupo Argos personnel and subsidiary representatives. The efforts of this committee are focused mainly on defining investigation standards, the unification of criteria, strengthening training programs, generating an ethical culture, and the control and examination of the most relevant cases. In addition, there is a Conduct Committee, a Business Conduct Officer and Investigation Officers at Grupo Argos, as well as in Argos and Celsia, whose main objective is to serve as internal management bodies on topics related to ethics and transparency.

To ensure that management on this matter is effective, the Internal Audit Department is responsible for the permanent evaluation of the Organization's internal control system through a work plan approved by the Audit Committee. This plan is defined based on the different risk scenarios to which the Company is exposed.

IN THE FUTURE

Grupo Argos will continue to foster ethical and transparent action, not only within the organization, but also among its stakeholders, in order to continue complying with the highest standards on the matter.



Risk Management

(G4-DMA)

The competitiveness and sustainability of a company depends largely on how they conduct their risk management process. Understanding the risks helps the organization harmonize the environment and the organizational culture, to easily and comprehensively evaluate the favorable and unfavorable effects of the decisions made and to respond diligently to the variables that cause uncertainty in the results or that open up potential business opportunities.

Risk Management is led by the Audit, Finance and Risk Committee for Grupo Argos, which is responsible for supervising the Comprehensive

Risk Management System for the holding company and its subsidiaries, reviewing and evaluating the Internal Control System's efficiency and integrity, and defining the appetite for and tolerance of risk based on the company's strategic definitions.

The Risk Department, as the articulator of the policy and methodology used to manage risk, reports to this committee. The company has a decentralized model through the assignment of Risk Managers in each subsidiary, who are responsible for implementing the risk model and reporting to the respective Audit, Finance and Risk Committees, for companies listed on the securities market

COMPREHENSIVE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL

The system comprises four areas: Controller, Auditing, Compliance and Risk Management. (G4-2)(G4-14)

Corporate Controller

It was created in June 2015 as a special mandate of the Board of Directors to guarantee the reinforcement of the organizational control system. The fundamental purpose is to guarantee that different internal control elements fall under the same unit of criteria to achieve the organization's strategic objectives. This makes it necessary for different related areas to work together: Compliance, Risk Management and Auditing for the group's companies.

Internal Auditing

It is a department delegated by the Board of Directors, the Audit, Finance and Risk Committee and Senior Management to monitor the operation of the organizational internal control system. It was created to add value and improve the efficiency of operations through a systematic and disciplined approach to assess and improve the efficacy of risk management, governance and control processes.

Compliance

This office was created to harmonize internal control, focused on prevention; its primary function is to design policies, training and different tools to prevent risks related to fraud, corruption, bribery, money laundering and financing of terrorism, and to ensure that it has the elements necessary to adequately comply with the Code of Conduct.

Risk Management

It is responsible for all things related to risk management and administration for the *holding* company and its subsidiaries. Its primary function is to identify and measure the risks that could affect the operation or the strategy for each business sector, both individually and as a group. It also defines how to handle each of those risks and periodic monitoring based on the organization's levels of tolerance to and appetite for risk.



Heliconia. *Heliconia longissima*.

(Argos, Celsia, Odinsa), or the Chairman Committees for those companies that are not listed.

Furthermore, the holding company monitors the risk maps to obtain a consolidated view of the exposure as a corporate group. For this purpose, the Grupo Argos Risk Department meets periodically with the subsidiaries' CEOs and risk managers, at different times, such as the Audit, Finance and Risk Committee meeting, the Audit and Risk Synergy Roundtable and periodic attendance of the Presidential Committee meetings.

Communication of risks and sustainability

Comprehensive Risk Management includes all types of risks, including social, environmental and financial aspects, as part of the Company's fundamental sustainability strategy and vision. This way, communicating and reporting risks is comprehensive, considering the economic, environmental and social impact of each one. On the other hand, the Compliance Departments perform an exhaustive risk evaluation for fraud, corruption, bribery, money laundering and financing of terrorism, as well as the compliance with corporate governance standards.

Risk strategy

The company has a unified risk policy for the whole corporate group. It also has a series of policies and guidelines that complement the risk policy, which seek to outline the strategy, projects and processes from among the best corporate governance and sustainability standards.

The risk strategy or model proposed for the organization has four fundamental pillars: governance, culture, methodology (best practices) and information technology.

Each element is the basis for analyzing risks and subsequently handling them.

Strategic, operational, financial and political risks



Strategic



Operational



Financial



Political

	Description	Mitigation Plan
	1 Reputational costs due to lawsuits, defamations or slander involving the company or subsidiaries.	Corporate governance practices, reinforcing the internal control system and crisis management plans.
	2 Volatility or illiquidity of capital on the market that impact growth.	Monitoring market efficiency, coverage, leverage and opportunities, financial flexibility with financial intermediaries.
	3 Errors or omissions in partnerships, mergers, acquisitions or scaling investments.	Comprehensive due diligence, evaluation of scenarios that affect the viability of the transaction and its later integration.
	4 Loyal and disloyal activity of the competition.	Monitoring the market, technical and economic optimization to compete efficiently.
	5 Variations in the availability of energy resources (thermal, hydroelectric, wind and solar).	Technological diversification, reinforcement of the generation matrix, plans for managing watersheds and for energy efficiency.
	6 Global, regional and national economic deceleration.	Geographic and sectoral diversification and differentiation in the scope of service.
	7 Demographic changes in the markets and patterns of consumption.	Monitoring prices and market trends, geographic and sectoral diversification.
	8 Cost-effective production levels to meet demand.	Monitoring prices for raw materials, long-term commercial strategies and technical reconfigurations.
	9 Human resource management not aligned with the objectives and needs of the sector.	Characterization of existing and required human resources, internal surveys on satisfaction and the organizational climate, attraction and recruitment programs, plans for training and education.
	10 Environmental impacts associated with the operation (impact on biodiversity, natural resources, nearby population, etc.).	Defining and disseminating the policy and environmental management plan, following up on legal commitments and conservation volunteers or compensation for the effects of the activity.
	11 Overruns in project design and construction or delays in execution.	Proper dimensions and provisions for the unforeseeable, transferring risks to providers and contractors, monitoring during the project's execution and designing appropriate output opportunities.
	12 Technical, environmental, fiscal, monetary or industry-related changes in regulations, which modify the structure of income and contributions in the sectors and countries of influence.	Monitoring the standards, anticipating regulatory trends, active regulatory participation and diversification.

Emerging risks

The company also performs an emerging risk analysis based on the trends of the industries where it does business. These studies identify highly uncertain events that could have a significant impact

on the performance of the Group and its subsidiaries. This is why the company has initiatives that allow it to anticipate and respond to such events.

Description	Potential impact of risk on business	Mitigation Plan
<p>Physical, regulatory risks; price, product and reputation risks due to environmental changes; market and regulatory risks that focus on the mitigation and adaptation of climate change at the local, regional and global levels.</p> <p>Correlated with strategic risk #5, operational risk #10 and political risk #12 (see risk matrix).</p>	<p>Physical risk for the <i>holding</i> company and its subsidiaries due to possible damages caused during operations by an increase in the frequency and intensity of climatic events.</p> <p>Subsidiaries' products and services may be at risk due to alterations in the availability of raw materials from natural sources.</p> <p>Regulatory changes, such as a possible tax on emissions, use of water resources or measures to update clean technology.</p> <p>Risk from the pressure of future investors as to environmental requirements that could limit investment in the company.</p> <p>All of the above implies a possible direct financial impact for the holding company.</p>	<p>Continuous tracking of compliance with environmental guidelines that the holding company sets for its subsidiaries.</p> <p>Following up on global environmental initiatives to anticipate changes in regulations, investments in sustainable technologies and trends as to the requirements by investors on matters of climate change.</p>
<p>Inability to respond proactively to innovative and revolutionary products and services by the competition in the Grupo Argos investment sectors.</p> <p>Correlated with strategic risk #4, operational risks #11 and #12 (see risk matrix).</p>	<p>The appearance of new, innovative and revolutionary products and services by the competition, which present new needs for consumers, may affect the attractiveness of the products and services offered in those sectors in which the group does business and the ability of the subsidiaries to generate value for the holding company.</p>	<p>Investments in research and development of new products and services. Constant and exhaustive research at the local, regional and global level into new market trends in areas where subsidiaries operate. Monitoring the sectors' trends and their affinity with investment policies, based on return and expected risk.</p>
<p>Inability of all sectors in Grupo Argos subsidiaries to respond to changes in the dynamic of population growth and megatrends of the markets.</p> <p>Correlated with strategic risks #2 and #7, and political risk #11 (see risk matrix).</p>	<p>The change in population growth and the specific requirements of clients may affect the economic development of subsidiaries in the cement and energy sectors because of changes in the demand patterns for products and services; for the urban development sector, the dynamic growth of families may change the demand for housing and consumption and work habits for the new generations, which may lead to changes in the need for commercial, office and warehouse spaces.</p> <p>These risks can be reflected in the holding company due to the lack of offering products and services and the possible losses of commercial opportunities to increase market share.</p>	<p>Macroeconomic research in the sectors where the subsidiaries operate, analysis of consumer tendencies and tracking demographic changes, to anticipate changes in consumption trends.</p>

Culture of risk

The culture of risk is a fundamental pillar within the risk model adopted, and is the basic premise to ensure that the risk management system works as a dynamic model in the company. Since 2013, the company has been promoting a risk culture strategy, called *Awareness means taking the right steps*, in order to promote the recognition of the risk factors that affect the strategy, projects, processes and facilities in the different levels within the organization.

This campaign is complemented with training, internal methodologies for the evaluation and delegation of risks, and through maturity surveys and risk culture surveys that allow the company to focus on strategies that reinforce risk control and prevention.

These are, among other strategies:

- ▶ Financial incentives that include risk management indicators.
Variable compensation indicators tied to action plans in the risk management for each department. This model began being implemented at Grupo Argos, and all companies have wanted to implement it. It focuses on compliance with indicators that demonstrate reductions in risk exposure (sometimes the plans form part of the department's functions).
- ▶ Employee training centered on the principles of risk management in the organization.
Various training courses have been held for different audiences, such as directors, administrators and operational personnel; by external groups and the risk departments of the company themselves.
- ▶ Inclusion of risk management criteria in the employee assessment and feedback processes.
- ▶ Indicators that allow employees to identify and report possible risks to the organization.
Currently, the company is working on expanding the base of risk indicators and formalizing them with the departments.
- ▶ Incorporation of risk criteria in the development of new products or services or in the ap-

proval processes.

Investments are managed in the holding company, so the risk analysis is incorporated into investment or divestment decisions.

Mechanisms for guaranteeing quality in risk management

The company has various monitoring mechanisms to ensure that management is appropriate and efficient:

- ▶ Information system that guards the risk matrices and management plans.
- ▶ Audits based on strategic risks, led by the Corporate Controller for Grupo Argos.
- ▶ Hiring external assessors to assess the effectiveness of the risk management and internal control systems.
- ▶ Design and risk indicators.
- ▶ Surveys of perception and maturity in risk management.

IN THE FUTURE

Over the short and medium terms, the strategies to encourage a risk culture and the diffusion of roles and responsibilities that seek to strengthen governance and risk reporting in the corporate group will continue.

Over the medium and long terms, the company intends to enhance the information systems for risk management and internal control in such a way that ensures security, traceability and opportunity thereof, aiming at a dynamic model that ensures the continuity and sustainability of operations.



Pentacalia. Panque.

Tax Policy and Performance

During 2015, Grupo Argos disclosed its Corporate Tax Policy, the scope of which covers the holding company, its affiliates and subsidiaries.

The purposes of said policy are aimed at guaranteeing strict compliance with the tax regulations within the standards of Corporate Governance Code and the Corporate Code of Conduct. It also seeks to avoid double taxation and minimize legal risks that, from the fiscal point of view, may result from the different operations or transactions the group performs.

The Grupo Argos Tax Policy is founded on pillars that are aligned with the organization's

corporate strategy, such as transparency, the unit of criteria, compliance with the law, efficiency in paying taxes, the constant implementation of best practices and the timely delivery of clear and complete information to stakeholders.

The disclosure, compliance and monitoring of the Tax Policy is fundamental to the corporate strategy and sustainability of Grupo Argos.

As a way to ensure compliance with the tax policy, the Corporate Controller, who is in charge of the Audit and Internal Control Departments, gives permanent and active assistance in the tasks that the Tax-Legal Management carries out.

Our management

In 2015, the Tax-Legal Management conducted various activities aimed at complying with the Tax Policy. The following are worth mentioning:

- **Report of the impact of deferred tax on IFRS and its impact on Grupo Argos as an investment holding company:** A report was presented to the Steering Committee on the effects of deferred tax debits and credits on the financial statements and its tax connotation over the medium and long terms in investments, identifying the primary alerts that could be presented regarding changes in business lines or models, as well as their effects on financial indicators and the consolidated financial statements.
- **Study on what is state-of-the-art and primary perspectives related to reforming environmental taxes in the international environment:** and the primary changes foreseen in the internal system, with a view of predicting the possible impacts on the operations and taxation of subsidiaries, which was presented to the Steering Committee and the environmental teams, and on taxes for the sectors.
- **Assistance and preventative and reactive management:** The **Tax-Legal Management** continued to provide assistance under corporate guidelines in the different operations with fiscal impact on the organization, and discussions were held at the administrative headquarters and dispute tribunals, both local and national, seeking to preserve the interests and legal security of the organization; there were favorable rulings in many key lawsuits for the company.



For more information on taxes paid, refer to the appendix for this report at reporte2015.grupoargos.com



Bellyache bush. *Jatropha gossypifolia*.

IN THE FUTURE

Keeping in mind that the tax themes are constantly changing, and that each time they are more relevant to the organizations, there are many challenges to tax management for Grupo Argos and its subsidiaries. The group seeks to continue ensuring compliance with the Tax Policy, each time strengthen the relationship between the holding company and its subsidiaries, in such a way that there is permanent communication, which facilitates decision-making and maintains a unit of criteria, predicting the risks and opportunities derived from different operations.

It also seeks to have an automatic information flow which allows decisions to be made in real time and to anticipate the impacts of different tax reforms.







Human Resources **Development and Wellbeing**

(G4-DMA)

Taking the principles of the Sustainability Policy as a reference framework, the corporate culture and search for outstanding development of employees, both the Human Resource Management Policy, constructed from the guidelines of the Código País, have been defined, as well as its processes, focused on attracting, developing and retaining the best human talent with competitive compensation, based on the different directives of inclusion and diversity, Human Rights and practices in Occupational Safety and Health (OSH) for employees and providers.

These actions were developed seeking to promote sustainable and responsible success, teamwork, consolidation of the leadership abilities and innovation as corporate competencies in the company.

By its very nature, the management of human talent at Grupo Argos has the challenge of assisting mergers, acquisitions and company ex-

pansion, and through qualified people, this can be effectively achieved. To this effect, the company seeks to have leaders with the skills, training and motivation to fulfill their positions with outstanding performance, but also conscious of the needs for development and able to close gaps, to assist and inspire those on their teams.

In 2015, the consolidation of the synergy roundtable among subsidiaries continued, achieving implementation of best practices, streamlining methodologies and obtaining economies of scale. In addition, the most important contribution to this roundtable is the value added in building strategic relationships among the sectors and between the holding company and its subsidiaries, allowing construction of a corporate culture and a group DNA.

Following the mandate of the Board of Directors to provide guidelines applicable to all sectors, management in the following work fronts continued:

(G4-10)(G4-9)	COMPANY EMPLOYEES		
	M	F	Total
● Grupo Argos	31	57	88
● Cement	7,968	1,279	9,247
● Energy	1,071	358	1,429
● Urban Development	29	17	46
● Ports	280	87	367
● Coal	56	13	69
TOTAL	9,435	1,811	11,246

HIRING AND TURN-OVER

(G4-LA1)

	Hiring rate		Turnover rate	
	M	F	Employees	Volunteers
● Grupo Argos	25%	75%	6.8%	1.1%
● Cement	83%	17%	10.7%	7.4%
● Energy	68%	32%	6.3%	2.4%
● Urban Development	50%	50%	4.4%	0%
● Ports	57%	43%	7.4%	5.5%
● Coal	100%	0%	5.8%	1.5%



For historical information,
refer to the appendix for this report at
reporte2015.grupoargos.com



Measuring resources for succession and mobility

The human talent at Grupo Argos is corporate, meaning that people can move between companies and departments based on the needs of these entities and the characteristics for each person's potential. In order to carry out this process adequately, there is a procedure for mobility and efforts are made every day to operate it with unhindered progress. Since 2012, the year when Grupo Argos consolidated as a holding company through a merger process of Cementos Argos, 38 employees have moved between companies and the results have been positive as to their professional development and growth.

There are critical positions in the company that should have successors ready to take over the challenges thereto and to guarantee business sus-

tainability. For this reason, Grupo Argos, in 2015, was assisted by the company Korn Ferry, which used the Lominger methodology (to build leadership) and the virtual tools *Vía Edge* (to measure potential) and *Management Assessment* (to adjust to current competencies), which allowed the group to determine the level of readiness, the orientation of employees' potential and preferences, as well as the aspects they needed to work on.

To preserve factors such as fair compensation, the assistance to achieve expected performance and the appropriate adaptation to new positions, all departments under the Human Resources and Administrative Management Chief Officer participated in cases of mobility.

The company invested over 1 billion pesos in technical and professional training at the national and international level, and in the development of its employees.

Development of leadership ability (G4 - LA10)

In 2015, Grupo Argos continued to strengthen leadership competency as a focal point of corporate culture. For this reason, four programs focused on this topic were executed:

- ▶ **Corporate Ethics:** with the guidance of Grupo Argos' Compliance department, and together with the Universidad de los Andes in Bogotá, this program was designed to confirm the integrity of day to day actions and decisions made by everyone in the *holding* company and its subsidiaries.
- ▶ **Leadership for Equality:** 55 women from Grupo Argos and its subsidiaries received training at Berkeley University in California, to start their path toward earning positions in senior management, leaving stereotypes and mental barriers of inequality as to gender by the wayside. In 2016, the goal of the program is to train 100% of all female employees at the chief officer, management and director levels.
- ▶ **Decision-making and Feedback:** as a result of the *Vía Edge* assessment, which measures the potential of leaders, the need to reinforce decision-making and feedback was identified to close the gap in accordance with the leadership model.

At Grupo Argos and its subsidiaries, average training hours provided per employee was 57.1.

Grupo Argos also encourages education abroad, with scholarships of up to 90% of financial support. Experiences abroad develop global understanding and references for good practices, which allows the company to gain understandings from the best universities in the world to apply them in the organization. The selection is made through the corporate international scholarships committee, which meets every two years, made up by external judges that have knowledge and prestige on the subject. Once the permit for education has ended, the person is reintegrated and the permanence clause begins to govern them, which applies for twice the time of the academic period.

To date, 12 employees from different subsidiaries have been sponsored to earn master's degrees in subjects relevant to business, and in 2016 four partners will travel on scholarships.



For more details about this indicator, refer to the appendix for this report at reporte2015.grupoargos.com

AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE BROKEN DOWN BY LABOR CATEGORY (G4-LA9)

	Executive	Management	Middle Management	Specialists	Operational	M	F
● Grupo Argos	23	91	104	80	68	43	102
● Cement	125	93	116	88	52	21	79
● Energy	15	65	32	74	31	108	124
● Urban Development	14	82	48	115	107	88	127
● Ports	1	7	13	19	7	8	13
● Coal	62	100	122	113	25	43	106



Measurement and improvement of the work environment and quality of life

In 2015, the second measurement of the work environment index was performed with the *Great Place to Work*, institute, in which a positive result was achieved that reaffirmed the company's rank as Highly Outstanding, 3 points away from Excellence. With this result, it could be seen that leaders carried out action plans to reinforce aspects that should be improved, with an adequate balance of the variables of credibility, respect, impartiality, camaraderie and pride, which is translated into a generation of value for the company.

Also in 2015, a memorandum of understanding was signed with the Ministry of Labor and an agreement with the United Nations (UN) was made official to continue to diagnose variables, train personnel and develop the Equipages Rural Seal for agroindustrial activity coordinated by the Grupo Argos Foundation.

Being focused on Quality of Life, one of the most important things to understand the effectiveness of the economic and social benefits program that promotes retention and wellbeing of employees, a diagnosis of the current benefits was performed to determine their level of use and contribution to partners' daily life. A referencing process with companies in the sector was also made,

and the methodology of Flexible Benefits was assessed, in which each person selects their own based on a set quota and their personal, labor and family characteristics. The goal is to validate this strategy in partnership with private sector companies in the region and the companies allied in Colombia, for everyone to speak the same language and to facilitate mobility processes.

In line with this topic, in 2015, Grupo Argos continued to put healthy life habits of its partners first, as well as the balance between work and personal life, recreation and camaraderie, through the program *Activa tu Ritmo*. This program promotes healthy nutrition, exercise and rest practices. Some of these activities are yoga classes, active breaks, participating in athletic careers, talks with outstanding athletes and healthy breakfasts.

A measurement was made of the **work environment index** maintaining a Highly Outstanding rating of **88.5%** as a result.

Grupo Argos signed the **Teletrabajo Agreement** with the Ministry of Labor and the Ministry of Information and Communication Technology, confirming the interest to have work modalities that contribute to sustainability, mobility and work-life balance.

Grupo Argos maintains strategies to foster work-place wellbeing and quality of life for its employees and their families, in order to attract, retain and motivate human talent. It is for this reason that, among its benefit plans, the group offers housing and educational loans; incentivizes healthy life habits by sponsoring a gymnasium, recreation and sports activities, and healthy nutrition; and establishes flexible and special workdays that provide the balance between work, family and personal life. **(G4-LA2)**



(G4-LA3) indexes for returning to work and retention after maternity or paternity leave. To view the table, refer to this report appendices at reporte2015.grupoargos.com

Performance management

This guideline has allowed the group to evaluate employees based on their corporate competencies (responsible and sustainable achievement, teamwork, innovation and leadership) and to measure each department's compliance with objectives, as well as that of the organization, expressed in the tables that form part of the Variable Compensation System.

In *Success Factors*, the Human Resource Management SAP platform, information for 96% of the population is recorded, a percentage that increased by 20% compared to 2014. This process is completed with the establishment of a development plan agreed upon between leader and employee, which allows concrete, day-to-day actions to be performed in regards to opportunities

The performance management conducted through *Success factors* in 2015 covered 96% of the population.

for improvement and training needs. This plan is also registered in *Success Factors*, allowing talent departments and immediate supervisors to track it constantly.

The plan established in 2014 was established to reinforce use and implement new modules that expanded technological human resource management support, facilitating report generation and information consolidation at the corporate level. The Employee Profile, Learning, Performance and Development modules have been consolidated and have allowed leaders to manage talent topics in their work teams in a friendly way and online.

In 2015, the *Employee Central* module was implemented, which consolidated all of the employees' contractual information and allowed transactions for changes and succession to be made, for nominations of internal candidates and performance summaries. This strategy in 2016 will begin to operate in the same application, unified with the subsidiary Celsia.

The unification of applications with Celsia in *Success Factors* was achieved, which allows for the consolidation of information at the corporate level and encourages human talent mobility.



Celsia Free Trade Zone

PERCENTAGE OF EMPLOYEES WHOSE PERFORMANCE AND PROFESSIONAL DEVELOPMENT IS REGULARLY ASSESSED. (G4-LA11)

	Executive			Management			Middle Management			Specialists			Operational		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
● Grupo Argos	0%	N/A	0%	100%	100%	100%	100%	100%	100%	71%	95%	89%	100%	100%	100%
● Cement	N/D	N/D	100%	N/D	N/D	100%	N/D	N/D	100%	N/D	N/D	100%	N/D	N/D	53%
● Energy	N/D	N/D	0%	N/D	N/D	45%	N/D	N/D	94%	N/D	N/D	100%	N/D	N/D	94%
● Urban Development	0%	N/A	0%	100%	100%	100%	100%	N/A	100%	100%	100%	100%	100%	100%	100%
● Ports	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
● Coal	0%	N/A	0%	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	100%	100%	100%

Equal and competitive compensation structure

In 2015, initiatives that ensure the competitiveness of compensation on the market continued. The expansion of coverage under the variable compensation system to 100% of the organization's employees is an important achievement worth mentioning. This measure is converted into an important strategy for equal salaries and the attraction and retention of the best talent.

On the other hand, and as a strategy for retaining senior directors, the retirement plan for senior management, based on good practices applied at the global level, was redefined.

The group is also structuring a plan to close the pension gap, directed specifically at middle-management level partners, with the objective of gathering additional funds to be available when they enter retirement.



(G4-LA13) Relationship between the base salary of men and women, broken down by position held. To view the table, refer to this report appendices at reporte2015.grupoargos.com

Management system for safety and health in the workplace

Founding its management on the continuous improvement of processes, Grupo Argos, in 2015, performed a diagnosis of the occupational safety and health management system, with the goal of identifying gaps that could affect employees in their operations, such that these risks can be anticipated, recognized, assessed and controlled.

As a result of this work, there arose an action plan based on the PDCA methodology, consisting of:

- **Plan:** Establish activities and work plan to obtain results in accordance with legal requirements and the organization's policies.
- **Do:** Execute the work plan.
- **Check:** Track and assess the system regarding the policy, the objectives and the requirements of the rule, and inform about the results.



Employees in Urban Development business

- **Act:** Take actions to continuously improve the system's performance.

This system combines the definition of corporate policies, the commitment of senior management and the design of a structure that supports management and conducts follow-ups.

Grupo Argos has Occupational Safety and Health Committees, which monitor the improvement plans. 100% of Grupo Argos' employees are represented in these committees. **(G4 - LA5)**



(G4-LA6) Occupational accidents and illnesses.

To view the table, refer to the appendices for this report at reporte2015.grupoargos.com. For more details about this indicator in our cement and energy sectors, go to www.reporteintegradoargos2015.co/ and reporte2015.celsia.com

IN THE FUTURE

The long-term variable compensation system for senior directors will be redefined in the short term in order to implement best market practices, with this tool aiming at organizational growth and retention of talent.

In 2016, it is expected to earn the Equipares Rural Seal, granted by the Ministry of Labor, for the forestry activities of the

Grupo Argos Foundation. The objective is to have a fair and inclusive labor market, where men and women have equal opportunities.

Over the medium term, corporate culture will be measured to identify the attributes that characterize Grupo Argos, comparing them with the strategy and closing the gaps between

the existing and ideal culture, which will be a guideline for all subsidiaries to achieve their corporate objectives.

In the medium term, the group expects to unify methodologies and types of benefits in subsidiaries, to leverage talent mobility and benefit partners' quality of life.



Forestry activity. Grupo Argos Foundation.



Casa del Pueblo. El Salado, Carmen de Bolívar.



Support for Social Development

(G4-DMA)

Grupo Argos considers its role as a creator of socio-economic development to be a primordial element in the success of its business and its good relationship with stakeholders. In accordance with its Sustainability Policy and its commitment to contribute to the development and improvement of society's quality of life, the company reinforces the creation of value for its initiatives through social capital and strategic investments in initiatives that it has experience in executing.

In 2015, the focus of social investment began its implementation, which was determined in line with stakeholders' needs and whose processing included four principal strategic definitions that were approved by the Steering Committee: (i) a high level of differentiation in social management by subsidiaries; (ii) a scope of national and international involvement; (iii) an investment mechanism independent from that of subsidiaries; and (iv) a thematic focus on social investment with a high emphasis in knowing how to do business and generating a positive economic, social and environmental impact.

In line with the above, the organization has the Grupo Argos Foundation as a vehicle for maximizing the social return on these initiatives. The foundation responds to very important world-wide and country-wide environmental changes, such as climate change, water, biodiversity and social inclusion, so it develops products and direct actions

that are aimed toward contributing to solving environmental and social problems, while at the same time implementing the Sustainable Development Objectives.

The intervention model for the foundation is based on managing public and private resources for mandatory and voluntary environmental initiatives as the most powerful way to make an impact, efficiently allocate resources and ensure sustainability.

The foundation has two major initiatives to leverage its model: Tekia, a company through which it develops forestry projects and provides environmental services and a stockbreeding program that seeks to produce animals with high genetic value to seek efficiency, accessibility and nutritional security for small ranchers.

For Grupo Argos, it is essential to have short-, medium- and long-term plans in the public, private and educational sectors, since this ensures that its involvement has greater impact and relevance.



(G4-S01) For more information on local development programs, impact assessments and participation in the local community, see the appendices to this report at reporte2015.grupoargos.com



Quiebrabarrigo or cadulo. *Acaena cylindristachya*.

Initiatives for managing the contribution to social development **(G4-EC7)**



In 2015, Grupo Argos, as a holding company, managed the contribution to social development through the following initiatives, with different corporate partners:

Inclusive business

The projects for social inclusion and environmental service provision made through the foundation seek to promote a collective impact, supported by two activities: stockbreeding and forestry services, which face innovation challenges in both generating programs for communities and in fulfilling their commitment with these sustainable production products and care for the environment.

Achievements.

- In 2015, 197 families in Tekia's area of influence, who are small reforesters, were assisted as part of the foundation's inclusive business model. Throughout the year, the company pro-

vided technical assessments, delivered seedlings and assisted with the sowing process and conducted a training program in forestry that covered its establishment and utilization.

- Between 2014 and 2015, hand-in-hand of Fundalianza and the governments of Atlántico and La Guajira, 800 families were provided with quality animals that allowed them to improve milk production and thus increase their revenue.

Crecer en Paz

As a part of the post-conflict support in Colombia, Grupo Argos donated 6,600 hectares of land to the Crecer en Paz Foundation, which it had acquired in the Carmen de Bolívar municipality, to implement a peace and territorial development initiative.

With that land, the forest cultivation and the economic resources received from Grupo Argos, the Crecer en Paz Foundation implements revenue-building programs, such as the Inclusive Business program, thanks to which more than 250 families from 29 communities in the rural area of

El Carmen de Bolívar participate in productive activities that have granted sales channels from the start of production. These families receive technical and business assistance, and are members of a producers' association that represents them before various trade and institutional entities. The program seeks to generate short-, medium- and long-term revenue by producing sesame, honey, mangoes and timber on their own land. Food crops destined for family consumption and not sales also continues and are known as subsistence crops. The group also provides continuity of studies on accessing and managing water resources, a very sensitive and crucial topic for production development in the region.

For families that do not have plots, a honey production program was recently initiated by establishing six community apiaries, where 90 families participate.

Transformation of cities

This Grupo Argos initiative seeks to take part in long-term city planning, aiming to make them more sustainable, inclusive, equal and integrated, where public space plays a central role in citizens' appropriation and enjoyment of the city.

Grupo Argos' experience in urban development allows it to inspire initiatives through private-public alliances, bound by the four principles of the UN-Habitat Urban Agenda: compact city, connected city, integrated city and inclusive city. These appropriately and intelligently bring together the processes of urban design, urban planning, financial structure and regulatory schemes.

In 2015, the group participated in structuring projects for four cities: in Medellín, the group led an initiative that advocated sustainable urbanism for a city, which was complemented by a proposal for a park called Entre Orillas. This park will be a major revitalization of urban development, seek-

ing to connect and balance the two riverbanks.

The group is also working on Ciudad Saludable, a Grupo Sura initiative that collaborates with Grupo Nutresa, Celsia, Orbis, the Medellín City Hall and the Universidad de Antioquia. The above requires agreeing upon goals, strategies, programs and projects that could impact and solve short- and medium-term problems in the city, meeting the objectives of the *World Urban Campaign*.

In Cali, the group supported the Center's Urban Renovation program, which included urban design for the Ciudad Paraíso project, whose objective is to transform a run-down area of the city with a system of sustainable mobility, including mass public transit, bicycle use, pedestrian areas and control over auto use.

In the city of Santa Marta, the group seeks to be a catalyst with different private actors to have a shared city vision and to reach an agreement on regulations that allow reinforcement of the city's competitiveness. To date, the structuring of three city project profiles has been made, which were delivered to the municipal administration to search for public-private alliances.

In Cartagena, the Barrio ConSentido Project is being developed in the Navidad - Puerto de Pescadores district, which has the highest levels of poverty. The objective is to dignify and improve living conditions for the intended population through an urban structure that includes public space, housing improvements, roads, sanitation, educational and recreational infrastructure, which could serve as a replicable sustainability model.

Other initiatives

Investment in culture, botany and education corresponds to commitments taken on long ago, so the company is in the process of scaling down these initiatives to concentrate on the new focus of social conservation and environmental preservation.

Botany: The group continues with production and publication of the Savia collection, which is free to 1,300 public libraries in Colombia. This publication pays homage to the botanical wealth of the country and contributes to the knowledge and appropriation of national heritage.



The project **Digital Women** continued, providing training to over 15,000 women and seeking to promote their rights and enhance creativity and leadership.



For more information, refer to the appendices to this report at reporte2015.grupoargos.com

	GRUPO ARGOS SOCIAL INVESTMENT BY LINE OF WORK	
	COP	USD
Social processes	\$625,448,416	\$198,588
Education	\$640,019,400	\$203,215
Natural Capital	\$2,452,647,500	\$778,749
Culture	\$1,100,800,000	\$349,519
Transformation of cities	\$203,749,633	\$64,693
Other (includes sponsorships)	\$1,334,614,305	\$423,758
TOTAL	\$6,357,279,254	\$2,018,524

Education: As a pillar for generating equality and new skills, the group participates in improving educational infrastructure, coverage and quality. In partnership with the Argos Foundation, the Ministry of National Education and the Telefónica Foundation constructed the main headquarters for the San Francisco Educational Center in the municipality of Ovejas. The work benefited 140 students, who now have four classrooms, a preschool, a computer lab, administrative offices, cafeteria, recreational area, sanitation facilities and an urban area.



To see historical social investments and for additional information, refer to the appendices at reporte2015.grupoargos.com

	CONSOLIDATED SOCIAL INVESTMENT GRUPO ARGOS AND SUBSIDIARIES	
	COP	USD
● Grupo Argos	\$6,357,279,254	\$2,018,523.51
● Cement	\$74,456,341,725	\$23,640,911.56
● Energy	\$24,295,877,220	\$7,714,275
● Urban Development	\$2,444,794,048	\$776,255.70
● Ports	\$677,955,336	\$215,260.13
● Coal	\$1,770,844,000	\$562,267.30
TOTAL	\$110,003,091,583	\$34,927,493

Culture: Supporting culture is a way to contribute to community development, with spaces that meet human needs such as relaxation and expression, while forming public organizations and better citizens.



In 2015, Argos analyzed relationship practices in each of the regions to identify the strengths that could be replicated in other areas and the opportunities for improvement, starting by recognizing and respecting local contexts. Based on that analysis, today the group is working to build an integral and inclusive policy, as well as processes and procedures that keep in mind the specificities of the regions and subregions in its areas of influence.

In the same period, they updated the risk matrices for the Colombian Regional Division, and operations in Honduras, Panama, the Dominican Republic and Haiti, the Caribbean and Central American Regions, for the cement, concrete and

aggregates businesses. The most frequent risk in both the regional divisions and the three sectors is collisions, whose primary causes are the number of freight shipping vehicles that travel on highways, and in some of the regions with deficient infrastructure and road safety culture.

SOCIAL INVESTMENT BY LINE OF WORK

	COP	USD
Education/Quality	\$3,717,265,008	\$1,180,283
Education/Infrastructure	\$8,919,680,324	\$2,832,121
Community strengthening (Social capital)	\$2,586,681,443	\$821,307
Social and cultural strengthening	\$3,611,589,484	\$1,146,729
Community infrastructure	\$14,127,742,552	\$4,485,752
Sponsorships	\$3,493,290,497	\$1,109,168
Production projects	\$305,525,000	\$97,008
Housing	\$35,304,250,686	\$11,209,585
Other	\$2,390,316,731	\$758,958
TOTAL	\$74,456,341,725	\$23,640,912



For more information, refer to the appendices to this report at reporte2015.grupoargos.com



Educational quality program led by the Celsia Foundation in Barranquilla.



In 2015, processes were implemented that allowed the group to contribute to the improvement of skills and abilities of inhabitants in the neighboring communities of either power plants in operation or projects under construction, through actions such as providing logistical support to hold the training courses offered by the National Training Service (SENA, for the Spanish original), on the subjects of agriculture and livestock, which provided training to 322 people. Similarly, 622 people received support to improve their knowledge of productive pastures, cattle and coffee crops in the rural areas of Buga, Tuluá, San Antonio and Roncesvalles, and consolidating the community forest nursery in the Unión Hatillo district of the Morales

municipality.

The economy of the areas around the power plants has been revitalized by generating employment and signing contracts for the group's operational or environmental conservation activities, which results in economic income for families. Services for nutrition, transportation, housing and unskilled labor are provided by staff in the community, stimulating income and quality of life.

SOCIAL INVESTMENT BY LINE OF WORK

	COP	USD
Access to energy	\$2,423,944,274	\$769,636
Quality of life	\$8,808,482,728	\$2,796,814
Community Development	\$7,001,192,885	\$2,222,975
Educational encouragement	\$5,048,062,578	\$1,602,829
Administrative Expenses	\$1,014,194,755	\$322,021
TOTAL	\$24,295,877,220	\$7,714,275



For more information, refer to the appendices to this report at reporte2015.grupoargos.com



In 2015, the port sector continued to implement strategies aimed at developing communities in the operations' area of influence. One of the most important actions of the year was making socio-economic characterizations of the communities located in the area of influence of all the Compas terminals in Colombia, where the primary needs were identified, including high levels of unsatisfied basic needs, difficulty generating revenue, school dropouts, absence of common spaces, etc.

Education

As it is committed to education, the port sector developed nutritional safety and academic improvement programs at the Fernando De La Vega Educational Institution (Cartagena). Also, a school in the El Palmar district in Tolú was created, a grant was given to the Universidad Tecnológica de Bolívar and the Corporate Volunteer program was initiated.



For more information, refer to the appendices to this report at reporte2015.grupoargos.com

SOCIAL INVESTMENT BY LINE OF WORK

	COP	USD
Education	\$314,953,233	\$100,002
Water	\$214,690,779	\$68,167
Other	\$148,311,324	\$47,091
TOTAL	\$677,955,336	215,260

Strategy for reducing poverty. Compas.





Germán Gómez Peláez Educational Institution in Puerto Libertador.



Education

The coal sector, in partnership with the Ministry of National Education and the Telefónica Foundation, opened the Germán Gómez Peláez Educational Institution, 7 de Septiembre Campus, in the municipality of Puerto Libertador, Córdoba, benefiting 530 students. Over 2,170 million pesos were invested in this work. The facilities include three preschool classrooms, six primary school classrooms, a computer lab, cafeteria, administrative offices, sanitation facilities and a playground.

During construction, a permanent accompaniment to the educational community was performed and different activities were held with students, teachers and parents to strengthen school coexistence and promote adequate appropriation, use and maintenance of new spaces. The project also had the active participation of the community, the church, the Puerto Libertador Municipal Hall, the army and community leaders.

Road infrastructure improvements

Around 42,000 inhabitants of the Puerto Libertador municipality and the Puente Uré community benefited from 2.4 km of pavement in the department of Córdoba. Financing for this project amounted to 6,500 million Colombian pesos and was possible thanks to the partnership of public-private entities such as the Puerto Libertador Municipal Hall, Cerro Matoso and the Cerro Matoso Foundation.

The execution of this work, whose primary interest is to generate shared value, will improve quality of life for the population, territorial integration, road interconnectivity between benefited municipalities, the movement of people and products from agricultural activities, which generate income for the families located in the project's direct area of influence. It is also a contribution that the entities make for the territorial development and peace of the Alto San Jorge region.

Indigenous communities:

Through their previous consultations held with indigenous communities in the Puerto Libertador region, Sator has generated an important development process that has allowed the communities to become stronger, being recognized as indigenous towns by the Ministry of the Interior, creating bonds of confidence and respect.

SOCIAL INVESTMENT BY LINE OF WORK

	COP	USD
Community strengthening	\$270,844,000	\$85,997
Roads	\$1,500,000,000	\$476,271
TOTAL	\$1,770,844,000	\$562,267



La Castellana Park, improvement of public space indicators in north Barranquilla.



Transformation of cities

The Urban Development business focuses its social management on the Transformation of Cities, an urban design with long-term planning that has changed the concept of city design, resulting in a new form of conceiving development and growth in Barranquilla, its primary area of influence. Actions have been implemented in various aspects such as mobility, public spaces, roads, a sewage and rainwater system, electricity, green spaces, etc. The sector intends to improve the quality of life for people and promote indirect impacts such as employment creation and economic development of local providers and contractors. Through the Nuestro Parque program, the city of Barranquilla received a remodeling of the Paseo La Castellana



For more information, refer to the appendices to this report at reporte2015.grupoargos.com

SOCIAL INVESTMENT BY LINE OF WORK

	COP	USD
Investment in parks	\$1,299,339,744	\$412,558
Maintenance of green space	\$983,954,556	\$12,419
Other	\$161,499,748	\$51,278
TOTAL	\$2,444,794,048	\$776,256

park, with an extension of 24,000 square meters and a total investment of 1,300 million Colombian pesos, including activities for the park's appropriation by the community. In addition, the sector maintained and embellished the city's green spaces with an investment of 984 million pesos.

Education

With an investment of 1,273 million Colombian pesos from among seven partners in the public-private sector, the urban development business contributed human resources for the administration and coordination of the SENA Training School for Entrepreneurship, at the Santa Ana Educational Institution in Barú, which benefits 360 young people every year in technical and middle careers focused on economic activity in the region.

IN THE FUTURE



Grupo Argos, through its foundation, will continue to promote the inclusive business model in the regions of Sucre and Córdoba, focusing its efforts on projects that allow it to care for the environment and reduce pressure on natural resources.

In addition, the group expects to create a sustainable stockbreeding fund, through which it can offer technical, social and environmental assistance to the beneficiary families. This initiative seeks to produce high quality animals with high milk productivity and less food consumption, which allows farmers to reduce the land they use for stockbreeding and use it to produce other types of crops or to protect water resources.

In the medium term, its main objective is to work on the Urban Transformation of the center of Medellín, a project led by the City Hall and backed by

Proantioquia, which intends to create an intervention plan to revitalize, arrange and modernize this important sector of the city. Furthermore, for the Entre Orillas Project, it will search for an operator and will work with the City Hall for it to be successful.

It is also extremely important to continue to lead the private sector in the UN-Hab-

itat Urban Agenda, focusing on the Habitat III conference. At the request of this entity, Grupo Argos is responsible for taking a position on the urban agenda for Latin America determined from and with the private sector. This event will define the key principles of urban development that will guide the United Nations in the processes and policies of urban transformation over the next 20 years.



Medellín.
Urban Transformation of the Medellín center.

Cali.
Urban renovation of the city center.

Santa Marta.
Contribution to public-private dialog on the proposed Master Plan.

Cartagena.
Management of public-private resources for the Barrio Con-Sentido project.

Wild cane. *Gynerium sagittatum*.





Standardize management processes and procedures with communities in each of the countries where the group operates, based on the operation's structures.



Implement a Socio-Economic Footprint index to measure its impact on the communities with which it has direct or indirect relationships.



Strengthen public-private partnerships.



It expects to continue taking strategic actions in its areas of influence, seeking to have a significant impact on the territory, as an important ally of the public, private and community sectors.



Consolidate relationships of trust with stakeholders, primarily communities, through the continuous relationships in participating spaces.



Strengthen social management for integration along the lines of wellbeing, productivity and sustainable cities, defined in the corporate strategy.



Strengthen its sustainability strategy, conducting its first integrated report, creating dialog with stakeholders and updating its materiality matrix.



Continue developing strategies to impact communities located in its areas of influence, promote hiring a local labor force, supporting the creation of business units in communities and increasing coverage of the Corporate Volunteer program.



Aligning the involvement in urban lots that are provided with the program of Citi Transformation, which seeks sustainable initiatives, actively creating relationships with the community for the appropriation of these areas and in partnership with the public and private sectors.



Generate trust among all stakeholders and improve living conditions, particularly by applying the OIT 169 Agreement on the rights of indigenous peoples, reaffirming the commitment to consultation and participation in these communities regarding topics that cover their interests and business.

Grupo Argos and its commitment to Human Rights

Applying the principles that integrate adherence to the Global Compact in the company's strategies and operations, Grupo Argos respects and promotes the protection of Human Rights, committing to not be an accomplice to abuse.

In 2015, the Board of Directors approved the Comprehensive Human Rights Management System, from which the reference framework and the structure of the governability model and strategic, technical and operational work teams were determined, advancing in the certification of skills and definition of methodologies.

The company is currently implementing the following initiatives:

- ▶ Labor inclusion
- ▶ Gender equality
- ▶ Eradication of child labor
- ▶ Right to free association and collective negotiation
- ▶ Work-life balance
- ▶ Company and post-conflict
- ▶ Fight against corruption

(G4-HR2)	HOURS SPENT TRAINING* PARTNERS
● Grupo Argos	340
● Cement	182,363
● Energy	1,584
● Urban Development	82
● Ports	44
● Coal	42
TOTAL	184,455

*On Human Rights policies and procedures

IN THE FUTURE

Over the next three years, the group expects to complete the due diligence in Human Rights, initiated in 2015, in order to have a full diagnosis, risk analysis by stakeholder and identification of possible effects. Based on the relevance of the topic and the corporate commitment to it, and the determination of findings at the same time, the guidelines, policies and processes will be defined, ensuring mechanisms for making decisions, communication and constant training.

Over the medium term, a framework action plan is expected for Grupo Argos, as well as an assistance model for each of the companies in the construction of its routing sheets, with goals, tactics, management indicators and monitoring through a corporate control panel and improvement cycle.

Over the medium term, in the agroindustrial activity of the Grupo Argos Foundation, the action plan will be executed to close the gaps as far as management standards from a gender perspective, within the program endorsed by the Ministry of Labor with the UNDP methodology.



For more information, refer to the appendices to this report at reporte2015.grupoargos.com





A close-up photograph of a plant with long, narrow, green leaves. The leaves are arranged in a fan-like pattern, with a central cluster of lighter, yellowish-green leaves. The text "ENVIRONMENTAL DIMENSION" is overlaid in white, bold, uppercase letters.

ENVIRONMENTAL DIMENSION



Mexican Logwood. *Haematoxylum brasiletto*.



Protection of Natural Capital

(G4-DMA)

The protection of natural capital is an essential part of the commitment of Grupo Argos to generate value and comply with strategic objectives. For such purpose, and based on its know-how, Grupo Argos, as a holding company, focuses its foundation on conducting actions directed at protecting the environment, gathering public and private resources to compensation and volunteer initiatives for environmental conservation, as the strongest form of creating an impact, being efficient in the allocation of resources guaranteeing the sustainability of its interventions.

To ensure the commitment at the corporate level to protect natural capital, there are planning and corporate management mechanisms, such as

the Sustainability Policy, Code of Conduct, Corporate Governance Code and the Environmental Synergy Roundtable. Subsidiaries are encouraged to rigorously comply with environmental legislation, to transform natural resources responsibly and to minimize and compensate for the impact of their activities in three areas: climate change, water and biodiversity. Efficient management requires strategic partnerships, experimentation and innovation design, and development of products and technology. **(G4-14)**

Based on the above, there have been initiatives in different areas of business that are of particular relevance to complying with the conglomerate's strategic objectives.



Climate Change

Minimize the impact of business operations, focused on the prevention, mitigation, reduction of and compensation for them, as part of the climate change adaptation process.



For more information, refer to the appendices to this report at reporte2015.grupoargos.com



Conscious of the impact made by subsidiaries' operations, the conglomerate has a goal of measuring the water and carbon footprints for all of its business sectors. Further, in 2015, these measurements were taken for Grupo Argos and for the urban development and coal businesses. The calculation was made in two stages, the first taking the year 2014 as a base, to validate the calculation models, and the second phase using 2015 data to determine the corresponding footprint for that same period of time: The cement and energy businesses have used these measurements for many years.

CARRERA VERDE:

Grupo Argos joined Carrera Verde along with the Natura Foundation and the US Embassy to sensitize the society to the conservation of forests and to generate concrete planting actions for species native to the areas marked for conservation. This initiative seeks to plant 18,000 trees for an intake of 20,000 kg of CO₂/year. The Gold Green Race certificate, which the Council for a Responsible Sport grants to certify the zero carbon race, is also expected. Collective healthy lifestyle spaces are also promoted.

(Tons of CO ₂ eq)	(G4-EN15) Direct emissions		(G4-EN16) Indirect emissions	
	2014	2015	2014	2015
● Grupo Argos	675.76	790.85	51.41	55.58
● Cement	7,305,689*	7,839,336*	657,574*	336,482*
● Energy	1,424,644	Currently under calculation***	53,898	Currently under calculation***
● Urban Development	26.63	24.25	45.07	42.76
● Ports	Undetermined	Undetermined	Undetermined	Undetermined
● Coal	24,219.44	36,650.17	103.51	117.88
TOTAL	8,755,254.83	7,876,801.11	711,671.99	336,698.50

*The G4-EN15 and G4-EN16 indicators for the cement business only include CO₂ emissions.

**The 2015 G4-EN15 and G4-EN16 indicators for the energy business are in the process of being calculated and will be made public during the first quarter of 2016.

Reforestation



Grupo Argos, through its foundation, today has 4,010 hectares planted with promising forest species, such as teak, acacia and eucalyptus, wood species that are used to build furniture, produce particle board and for the pulp industry. These forests received a Volunteer Forest Certificate from the *Forest Stewardship Council* (FSC), which guarantees responsible management of the envi-

ronment and operations. The Grupo Argos foundation has 1,279 open hectares used as corridors for fauna and conservation areas, its sown areas take in 376,000 tons of CO₂. These forests help to reduce the rate of deforestation of the country's native species, triggered by the production of furniture and other products.



Rioclaro Plant, Cementos Argos.



Argos' management, in the face of climate change, is focused on managing risks and opportunities through the implementation of a strategy for mitigation and adaptation, accompanied by continuous innovation of processes and products.

Among the results obtained, emissions at the end of 2015 were 601 kg of CO₂ per ton of cement material, corresponding to a 29% decrease from the baseline.

Since 2015, Cementos Argos has been included in the *Climate Disclosure Leadership Index* (CDLI) for Latin America, being recognized as a leader for being among the top 10% of companies with best practices, quality and transparency of the information related to climate change.



Seven solar projects were installed and are managed by the company, in Cali, Palmira, Jamundí, Medellín and Rionegro, with a capacity of 0.28 Mwp, which avoided 104 tons of CO₂ emissions in 2015 and intends to avoid approximately 2,800 tons of CO₂ emissions over the next 25 years.

The company focuses its efforts on projects to reduce energy consumption and reported a total savings of 1,126,198 kWh.



In implementing its environmental policy, the urban development business created the 2015 Environmental Management Plan-EMP. This volunteer program seeks to have a responsible instrument of environmental management for urbanization and property management activities. Its programs are aimed at the efficient use of natural, renewable and non-renewable resources, as well as the prevention, mitigation and compensation of environmental impacts susceptible of being caused by the development of works, projects and/or activities.

As an initiative to reduce the impact on climate change, the installation of alternative energy mechanisms has been initiated, so solar panels were installed in homes and guard posts in the rural areas.



Puerto Compas. Cartagena.



In 2015, the port sector kicked off a campaign for efficient use and saving energy in its four port installations in Barranquilla, Buenaventura, Cartagena and Tolú, which included changing to more efficient lighting and updating old equipment, as well as sensitization of and training for personnel.



In Cartagena, energy efficiency achieved an increase of **20%**



A reduction of **12%** in energy consumption by converting to LED lighting.



Water

We promote the reasonable use and formulation of innovative initiatives that tend toward the development of environmental conservation projects that protect water resources.



In 2015, and with the intention of determining strategies to minimize impacts on water resources, the Grupo Argos water footprint was calculated, and the same indicator was measured in the urban development and coal businesses, since they have not been assessed.

Water source: Cuenca Verde

With a contribution of 200,000 dollars over the next four years, Grupo Argos through its foundation is a partner of the Water Fund Corporation for Medellín and the Valle de Aburrá — Cuenca Verde — which will allow it to work with other partners: EPM, Grupo Nutresa, Cornare, Postobón, *The Nature Conservancy* and Coca-Cola Femsa Colombia, to improve water quality in the Rio Grande II and La Fe watersheds, which provides 95% of the potable water to the Metropolitan Area. The objective is to attain, administer, manage, invest, assign and make available financial resources allocated to protecting, maintaining and preserving environmental services, particularly for water, in the watersheds that fill the reservoirs that provide water to the municipalities of Valle de Aburrá.

The project also has initiatives intended to strengthen the water culture in the region through environmental education programs, the protection of biodiversity and the design and implementation of an applied monitoring and research system.

In 2015, the following results were achieved: 129 conservation agreements, 3,228 hectares protected, 105 water sources protected, 136 fam-



Cubic meters	(G4-EN8) TOTAL WATER INTAKE	
	2014	2015
● Grupo Argos	1,056	956
● Cement	11,504,259	10,606,830
● Energy	10,190,279,490	13,422,864,475
● Urban Development	47,322	81,726
● Ports	26,831	54,584
● Coal	105,102	2,400
TOTAL	10,201,964,060	13,433,610,971

99.96% of the value reported by the energy business in the G4-EN8 indicator corresponds to water intake to generate hydroelectric power.

ilies benefited from production arrangements to reduce environmental risk and 65 workshops held on water culture.



Ceiba in a flood zone.



In line with the goals outlined in the Environmental Policy to reduce specific water consumption by 30% in cement production by the year 2025, and 20% in concrete production, in 2015 the commitment to measure the water footprint and implement best practices continues, so the processes are less intense in the consumption of this resource. The previous year, a reduction of 46% in specific water consumption was achieved in the cement business and 8% in the concrete business, compared to 2012. Thus, the goal initially raised for cement is exceeded, leading to a further revision.

At the hydroelectric power plants and the EPSA administrative headquarters, a reduction of 3% domestic water consumption was achieved, compared to consumption in 2014, which was the result of plumbing and housing adaptations, the strengthening of the program for inspections and corrective maintenance of water facilities and repairs and replacements made in water distribution networks. There was also a new sensitization of the efficient use of water for all personnel that work in the hydroelectric power plants.

Water intake in Colombia for power generation was reduced by 27% compared to the previous year, primarily due to the lower availability of water sources because of the phenomenon of El Niño in the country. For Celsia, the amount of water reused increased by 23%, going from 1.60% in 2014 to 1.99% in 2015, primarily due to the improved use of water at the thermal power plant in the Celsia Free Trade Zone.




In the search for solutions that create value for customers and that positively contribute to the commitment of friendly and innovative urbanism, the urban development business implemented a sustainable urban drainage system (SUDS) in the park as part of the Palmas del Río Project. Designed by *Remaster®*, the *Tec Garden®* is a system that, in addition to acting as an artificial storage for rainwater in the slab, also acts as a green roof that does not limit the type of vegetation. The goal of using permeable concrete is to reduce the flow of rainwater that goes to conventional urban drains and to make use of this water to irrigate green spaces.



Puerto Barranquilla. Compas.



At the port facility in Cartagena, a wastewater treatment system is being constructed in the washing area that allows water to be reused, thus decreasing consumption and pressure on this resource. On the other hand, in Tolú, the existing fill tanks have been optimized, in order to eliminate losses when the tanks are filled. Likewise, a decrease of

A decrease of **47%** 
in water consumption at the port
facility in Barranquilla.

47% in water consumption has also been achieved at the port facility in Barranquilla through savings campaigns.



Andean or Spectacled Bear.



Biodiversity



GRUPO ARGOS

Barú Study

Grupo Argos established a baseline for biodiversity on a plot of land for its urban development business in Barú to decide on an intervention model along with consistent and sustainable development. For more information about this case study and its progress, see page 112.

Conservation of the Andean Bear

The project seeks to conserve the Andean, or Spectacled, Bear in Colombia, one of the animal species most representative of and important for the ecosystems in Colombia because of its role in conservation, particularly of forests, as the bear is an umbrella species. Today this mammal is in danger of extinction, mainly because of its reduced habitat because of agricultural and stockbreeding expansion.

The protection of the habitat of this bear and other flora and fauna species that depend on the same ecosystem is expected, as they are highly strategic for the life of Andean forests and moors. These ecosystems offer a large number of environmental goods and services vital to human life.

In 2015, the project achieved the consolidation of the public-private alliance between the Grupo Argos Foundation, Parques Nacionales Naturales de Colombia and WCS (Wildlife Conservation Society) as project managers. Cementos Argos, Celsia, EPSA and the Autonomous Regional Corporation for the Valle del Cauca also support it.

The project is currently in the diagnosis phase, identifying the species' placement within the prioritized nucleus of the Farallones, Tatamá and Munchique national natural parks, in the eastern mountain range, covering over 1.1 million hectares.



The value and importance of biodiversity and environmental services that it provides are an essential element of Argos' sustainability. Therefore, jointly with partners, it develops strategies for the prevention, mitigation, correction of and compensation for impacts on the environment and biodiversity, concentrating its efforts in two areas: rehabilitation of areas involved, and management of biodiversity.

As a result, in 2015, for the second consecutive year, the project achieved the highest score in the biodiversity component of the Dow Jones Sustainability Index.

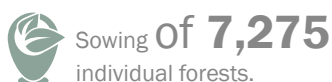
In accordance with the 2025 goal that plans for 100% of mining operations to have an established closing plan, at the end of 2015, the percentage of quarries under this plan reached 74%.

Also in 2015, 72.7% of the area released in active quarries was rehabilitated, thus exceeding for this year the goal of having 70% of the released areas permanently rehabilitated by 2025.



In 2015, the urban development sector installed a forestry nursery, reducing costs for forestry offset and volunteer planting, including the transportation of vegetation material that was acquired from the neighboring populations of Barranquilla. 7,725 trees have been planted, of which 460 were voluntarily delivered outside of that required by law, and 21,270 ornamental trees, of which 11,941 were voluntary donations and not required by law, adapting different sectors in the city of Barranquilla.

Furthermore, in a partnership with the local environmental corporation, the group developed a silviculture manual for the city of Barranquilla.



Under the Biodiversity Policy, the commitment was made to encourage knowledge, conservation, recuperation and enrichment of biodiversity in works in the areas of influence.

Therefore, strategies for joint intervention in the territory were developed, through partnerships with public and private entities and communities, based on sustainability criteria and criteria to create opportunities that contribute to the social, economic and environmental dimensions of the territories and their inhabitants.

The group achieved the restoration and isolation of degraded and/or protected areas in the different power plants' areas of influence; reforestation of 473.4 hectares with more than 380,000 native tree species planted in the middle and upper watersheds of the Alto and Bajo Tuluá, Amaime, Nima, Río Cali, Calima and Cucuana power plants; 36.2 km of isolated forest in the areas surrounding the Amaime, Nima and Cucuana power plants; livestock reconversion in 17 hectares under the PNN-ASOCANA-FEPSA Agreement; and development of the research program related to the wax palm.



Compas contributed to the recovery of the Morrosquillo Gulf ecosystem, by creating artificial reefs as a productive strategy to build rigid substrates that allow for the development of marine flora and fauna, benefiting artisanal fisheries and submarine ecotourism.



For additional information about environmental indicators, as well as other indicators related to protecting natural capital, refer to the appendices to this report at reporte2015.grupoargos.com, www.reporteintegradoargos2015.co and reporte2015.celsia.com



Immunization Day in La Viña, Celsia

IN THE FUTURE

Climate change. Once the results of the carbon footprint are known, Grupo Argos and its coal and urban development businesses will work on the analysis and action plans for establishing goals and initiatives to reduce greenhouse gas emissions and energy consumption as part of the conglomerate's large and ambitious goal.

Over the medium term, the development of a plan to save and efficiently use energy is projected, in which the diversified use of energy resources will be considered by using solar panels for small equipment within the mine in the coal business, and for public lighting in the urban development business.

An environmental analysis of the new concessions business, Odinsa, will be performed, in order to ensure that all operations meet the environmental standards required by Grupo Argos.

An inventory of fauna in the foundation's forests is expected in order to initiate activities that allow for better species protection. Over the long term, Grupo Argos, through its foundation, commits to expanding the capacity for sustainably managing its own forests and those of third parties and for providing environmental services aimed at conserving ecosystems.

Water. Over the next five years, Grupo Argos, through its foundation, expects to participate in the consolidation of three water sources in Colombia that would protect the primary watersheds, which supply the greatest percentage of the population, thus protecting, maintaining and preserving water in these regions.

In addition, once the value of the water footprint measurement is obtained, over the medium and long terms, an action plan will be initiated with activities aimed at reducing water consumption and defining the corresponding goals to measure the progress of the indicator over time and to evaluate the efficacy of the management focus that the company has adopted to this respect.

Biodiversity. The Andean Bear Conservation Project is considering an investment of approximately 5 billion pesos over the next five years, that will be used for the following activities:

- ▶ Diagnosis of the bear's habitat, project baseline.
- ▶ Communities and families that could participate in the project.
- ▶ Building a consensus with actors to reduce species-community conflict.
- ▶ Implementation of key management actions such as protecting bodies of water and hectares to reforest.
- ▶ Ecosystem restoration.
- ▶ Monitoring results of actions taken.

Over the long term, the ecological areas of interest within the area of influence of the coal and urban development businesses should be prioritized and identified, with the goal of supporting conservation projects in the region.



Barú Case Study

Since 2013, Grupo Argos, through its urban development business, has a research process in which it has achieved a characterization of ecosystems and has put into context the wealth of biodiversity in Barú, as a key part of environmental management in the intervention model that is defined for the assets it holds in the region and the design of its master development plan.

These studies had two components: on the one

hand, they generated results that were interesting to the organization, as recommendations by an independent group of experts for protecting natural capital of the asset. On the other hand, these results generated value for the entire region, as they allowed the group to confirm that the influence of the Canal del Dique in Cartagena Bay, the Barú Bay and the Islas del Rosario is transforming the quality of water in these coastal regions, affecting



Access to the Ciénaga de los Vásquez. Barú, Bolívar department.

strategic ecosystems on which the local communities and the entire region's economy depend.

Considering the transcendence of these findings, the stakeholders, who could use this information in their decision-making processes, were mapped. The main group consists of Barú's communities, and a dialog was carried out with them on the importance of biodiversity and water for the

region. One of the objectives of these dialogs was to build a narrative with some community representatives in order to facilitate the transfer and appropriation of resources by the community. This socialization will be made using a short documentary that will be presented in the different populations who are impacted by the Canal del Dique.



A close-up photograph of a plant branch, likely Coriaria ruscifolia, showing a dense cluster of small, dark, round berries and several small, light-colored flowers with yellow centers. The leaves are green, elongated, and have a serrated edge. The background is blurred, showing more green foliage.

| 07

CONSOLIDATED **FINANCIAL STATEMENTS**

Grupo Argos S.A.

Consolidated Statement of Financial Position

(In millions of Colombian pesos)

	Notes	As at December 31, 2015	As at December 31, 2014	As at January 1, 2014
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	5	1,512,505	892,198	583,587
Restricted cash	5	159,313	103,309	147,688
Financial derivatives	6	38,054	23,067	2,681
Other current financial assets	7	212,681	332,545	764,104
Trade and other accounts receivable	8	2,509,017	1,530,058	1,061,400
Inventory, net	9	902,218	650,462	457,370
Biological assets	10	-	304	-
Expenses paid in advance and other non-financial assets		229,301	196,951	152,440
CURRENT ASSETS		5,563,089	3,728,894	3,169,270
Non-current assets held for sale	11	104,882	7,725	15,097
TOTAL CURRENT ASSETS		5,667,971	3,736,619	3,184,367
NON-CURRENT ASSETS				
Trade and other accounts receivable	8	217,495	52,726	39,047
Inventory, net	9	24,146	29,508	-
Goodwill	12	3,202,793	2,100,651	1,324,759
Intangible assets, net	13	2,095,781	1,308,835	913,029
Property, plant and equipment, net	14	17,935,551	15,566,951	11,812,193
Investment properties	15	1,669,342	1,721,516	1,713,424
Investments in associates and joint ventures	16	8,348,382	6,933,098	6,272,031
Other non-current financial assets	7	1,800,702	2,357,571	2,381,396
Financial derivatives	6	324	168	2,272
Deferred income tax	18	769,633	417,462	271,714
Biological assets	10	20,243	66,970	61,767
Restricted cash	5	10,019	-	-
Other non-financial assets		12,631	7,409	8,897
TOTAL NON-CURRENT ASSETS		36,107,042	30,562,865	24,800,529
TOTAL ASSETS		41,775,013	34,299,484	27,984,896

	Notes	As at December 31, 2015	As at December 31, 2014	As at January 1, 2014
LIABILITIES				
CURRENT LIABILITIES				
Borrowings	19	3,305,497	1,594,526	766,678
Liabilities for employee benefits	22	151,948	102,639	95,859
Liabilities estimated for employee benefits	22	32,714	32,809	36,201
Provisions	23	307,137	99,531	94,012
Trade and other accounts payable	24	1,881,144	1,294,765	841,552
Tax liabilities	24	445,593	300,784	377,955
Financial derivatives	6	-	-	2,491
Bonds and compound financial instruments	25	573,120	469,157	398,522
Revenue received in advance	24	49,553	1,995	638
Other liabilities	24	241,703	156,894	129,311
CURRENT LIABILITIES		6,988,409	4,053,100	2,743,219
Liabilities associated with non-current assets held for sale	11	856	856	8,935
TOTAL CURRENT LIABILITIES		6,989,265	4,053,956	2,752,154
NON-CURRENT LIABILITIES				
Borrowings	19	4,948,257	3,077,275	1,228,841
Deferred income tax	18	1,616,905	1,233,745	1,082,682
Liabilities for employee benefits	22	2,932	7,080	4,547
Liabilities estimated for employee benefits	22	366,140	374,123	370,806
Trade and other accounts payable	24	65,391	18,579	21,862
Provisions	23	202,401	335,882	297,745
Financial derivatives	6	172,155	126,704	45,985
Bonds and compound financial instruments	25	4,419,113	4,658,796	3,171,409
Other liabilities	24	102,655	25,983	25,476
TOTAL NON-CURRENT LIABILITIES		11,895,949	9,858,167	6,249,353
TOTAL LIABILITIES		18,885,214	13,912,123	9,001,507
EQUITY				
Share Capital	26	51,510	51,510	51,510
Issue Premium	26	680,218	680,051	667,459
Retained earnings		8,936,938	8,603,944	8,906,252
Reserves	27	2,606,859	2,430,615	2,331,912
Income for the year		301,000	521,133	-
Other equity components	28	241,008	(20,227)	-
Other comprehensive income	27	1,975,078	1,959,674	1,143,369
EQUITY ATTRIBUTABLE TO THE CONTROLLING SHAREHOLDER		14,792,611	14,226,700	13,100,502
Non-controlling shareholders	30	8,097,188	6,160,661	5,882,887
TOTAL EQUITY		22,889,799	20,387,361	18,983,389
TOTAL LIABILITIES AND EQUITY		41,775,013	34,299,484	27,984,896

The accompanying notes are an integral part of the financial statements.



José Alberto Vélez C.
Legal Representative
(See attached certificate)



Luz Celia Hernández P.
Director of Accounting
Professional license no. 42092 - T
(See attached certificate)



Daniel Augusto Bernal J.
Statutory Auditor
Professional license no. 94411 - T
Appointed by Deloitte & Touche Ltda.
(See attached report)

Grupo Argos S.A.

Consolidated Statement of Income

Years ending on December 31

In millions of Colombian pesos, except earnings per share

	NOTES	2015	2014
REGULAR OPERATIONS			
Revenue from ordinary activities		12,282,022	8,871,365
Equity method		297,656	424,924
Revenue from operations	31	12,579,678	9,296,289
Cost of ordinary activities		9,631,045	6,576,237
GROSS PROFIT		2,948,633	2,720,052
Administrative expenses	33	952,819	758,413
Cost of sales	34	271,716	240,186
Structural expenses		1,224,535	998,599
Other income	35	194,605	157,058
Other expenses	35	(181,422)	(215,339)
Wealth tax	35	(106,270)	-
Financial revenue	36	55,964	121,425
Financial expenses	37	(736,518)	(524,550)
Exchange rate difference, net	35	(33,481)	41,552
Losses from winding down investments	35	(13,315)	-
PROFIT BEFORE TAXES		903,661	1,301,599
Income tax and CREE tax	18	260,506	371,546
PROFIT FROM REGULAR OPERATIONS		643,155	930,053
Net income from irregular operations	11	-	384
NET PROFIT		643,155	930,437
Attributable to:			
CONTROLLING SHAREHOLDER PROFIT		301,000	521,133
Non-controlling shareholders	30	342,155	409,304
EARNINGS PER SHARE			
	38		
Basic earnings attributable to the ordinary Company shareholders		377	658
Diluted earnings attributable to the ordinary Company shareholders		377	638
Earnings per share on regular operations			
Basic earnings from regular operations attributable to the ordinary Company shareholders		377	658
Diluted earnings from regular operations attributable to the ordinary Company shareholders		377	638

The accompanying notes are an integral part of the financial statements.

José Alberto Vélez C.
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(See attached certificate)

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(See attached report)

Grupo Argos S.A.

Consolidated Statement of Comprehensive Income

Years ending on December 31


(In millions of Colombian pesos)

	2015	2014
NET PROFIT	643,155	930,437
Entries that will not be reclassified after presenting the period results	(796,567)	526,398
New measurements of obligations for defined benefits	(10,696)	14,633
Deferred taxes for defined benefits	732	(4,594)
Gains and losses from equity investments	(703,513)	477,682
Deferred taxes on equity investments	(38)	-
Net share in associates and joint ventures	(83,052)	38,677
Entries that will be reclassified after presenting the period results	1,126,745	937,475
Net earnings from cash flow hedging instruments	(15,391)	6,487
Deferred taxes from cash flow hedging	20	2,872
Exchange rate differences when converting foreign business currencies	1,022,350	754,097
Net share in associates and joint ventures	119,766	174,019
OTHER COMPREHENSIVE INCOME FOR THE YEAR, AFTER TAXES	330,178	1,463,873
TOTAL COMPREHENSIVE INCOME	973,333	2,394,310
Attributable to:		
PARENT COMPANY	316,404	1,337,438
Non-controlling shareholders	656,929	1,056,872


The accompanying notes are an integral part of the financial statements.



José Alberto Vélez C.
Legal Representative
(See attached certificate)



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Grupo Argos S.A.

Consolidated Statement of Changes in Equity

Years ending on December 31
(In millions of Colombian pesos)

	Capital	Legal Reserve	Other Reserves	Other comprehensive income	Accumulated results	Income for the year	Other equity components	To head company shareholders	Non-controlling shareholders	Total equity
BALANCE AT JANUARY 1, 2014	718,969	29,665	2,302,247	1,143,369	8,906,252	-	-	13,100,502	5,882,887	18,983,389
Income for the period	-	-	-	-	-	521,133	-	521,133	409,304	930,437
Other comprehensive income for the period	-	-	-	816,305	-	-	-	816,305	647,568	1,463,873
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	816,305	-	521,133	-	1,337,438	1,056,872	2,394,310
Issue of capital and convertible instruments	12,592	-	-	-	-	-	-	12,592	-	12,592
Cash dividends declared	-	-	-	-	(196,151)	-	-	(196,151)	(276,313)	(472,464)
Appropriation of reserves	-	-	98,799	-	(98,799)	-	-	-	-	-
Other movements with reserves	-	-	(96)	-	(7,358)	-	-	(7,454)	-	(7,454)
Purchases from and sales to non-controlled companies	-	-	-	-	-	-	(20,227)	(20,227)	(66,815)	(87,042)
Business combinations	-	-	-	-	-	-	-	-	(262,050)	(262,050)
Movement of non-controlled interest in the period	-	-	-	-	-	-	-	-	(173,920)	(173,920)
BALANCE AT DECEMBER 31, 2014	731,561	29,665	2,400,950	1,959,674	8,603,944	521,133	(20,227)	14,226,700	6,160,661	20,387,361
Income for the period	-	-	-	-	-	301,000	-	301,000	342,155	643,155
Other comprehensive income for the period, after income taxes	-	-	-	15,404	-	-	-	15,404	314,774	330,178
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	15,404	-	301,000	-	316,404	656,929	973,333
Issue of capital and convertible instruments	167	-	-	-	-	-	-	167	-	167
Cash dividends declared	-	-	-	-	(212,565)	-	-	(212,565)	(297,432)	(509,997)
Appropriation of reserves	-	-	177,192	-	(177,192)	-	-	-	-	-
Other movements with reserves	-	-	(948)	-	1,204	-	-	256	-	256
Purchases from and sales to non-controlled companies	-	-	-	-	-	-	261,235	261,235	337,125	598,360
Business combinations	-	-	-	-	-	-	-	-	770,734	770,734
Transfers to accumulated earnings	-	-	-	-	721,547	(521,133)	-	200,414	-	200,414
Movement of non-controlled interest in the period	-	-	-	-	-	-	-	-	469,171	469,171
BALANCE AT DECEMBER 31, 2015	731,728	29,665	2,577,194	1,975,078	8,936,938	301,000	241,008	14,792,611	8,097,188	22,889,799

The accompanying notes are an integral part of the financial statements.

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Grupo Argos S.A.

Consolidated Statement of Cash Flows


Years ending on December 31


(In millions of Colombian pesos)

	2015	2014
CASH FLOW FROM OPERATIONS		
NET PROFIT	643,155	930,437
Adjustments for:		
Expenses from income taxes recognized in the statement of income for the period	260,506	371,546
Share in results of associates and joint ventures	(297,656)	(424,924)
Financial expenses recognized the statement of income for the period	667,297	432,712
Income from interest recognized in the statement of income for the period	(46,398)	(58,800)
Expenses recognized for employee benefits and provisions	71	6,793
Net (gain) loss from the sale of property, plant and equipment	(11,591)	23,975
(Gain) loss from the sale of investments	(11,723)	1,366
Net profit from investment properties	(16,232)	(23,398)
Net profit from the sale of non-current assets held for sale and other assets	(16,195)	(1,555)
Loss from valuation of financial instruments measured at fair value	44,505	33,508
Net impairment of non-current assets recognized in the statement of income for the period	20,153	70,215
Depreciation and amortization of non-current assets	902,994	561,445
Unrealized exchange rate difference, recognized with financial instruments in the statement of income	327,603	204,609
Other adjustments to reconcile the statement of income for the year	(3,804)	5,066
	2,462,685	2,132,995
CHANGES IN WORKING CAPITAL FOR:		
Trade and other accounts receivable	(692,840)	(482,337)
Inventories	(243,229)	(193,092)
Other assets	127,331	394,116
Trade and other accounts payable	512,993	575,977
Deferred income	47,558	1,357
Other liabilities	(36,074)	19,565
Cash generated from operations	2,178,424	2,448,581
Income tax paid	(263,178)	(459,045)
Dividends received	109,697	123,134
NET CASH FLOW FROM OPERATIONS	2,024,943	2,112,670
CASH FLOW FROM INVESTMENTS		
Financial interest received	46,398	58,800
Acquisition of property, plant and equipment	(935,633)	(833,057)
From the sale of property, plant and equipment	73,156	20,182
Acquisition of investment properties	(8,114)	(137,084)
From the sale of investment properties	19,473	8,903
Acquisition of intangible assets	(33,452)	(35,152)
From the sale of intangible assets	21,355	5,740
Acquisition of other non-current assets	(28)	(2,683)
From the sale of other non-current assets	1,119	24,676
Acquisition of controlling interests in subsidiaries	(861,039)	(3,200,446)
Sale of subsidiaries and loss of control	6,942	14,752
Acquisition of shares in associates and joint ventures	(886,351)	(91,044)
From the sale of shares in associates and joint ventures	364,531	20,775
Acquisition of financial assets	(1,343)	(24,702)
From the sale of financial assets	164,216	317,926
(Payments) charges for financial derivatives	(90,218)	45,192
NET CASH FLOW USED IN FINANCING ACTIVITIES	(2,118,988)	(3,807,222)
CASH FLOW FROM FINANCING ACTIVITIES		
Bond issue	-	600,000
Payment of bonds and commercial papers	(191,400)	(192,575)
Increase of other financing instruments	1,430,527	2,442,432
Purchase-sale of shares between parent company and controlled companies	598,360	(87,042)
Dividends paid	(509,997)	(472,368)
Interest paid	(683,327)	(390,281)
NET CASH FLOW FROM FINANCING ACTIVITIES	644,163	1,900,166
NET INCREASE IN CASH AND CASH EQUIVALENTS	550,118	205,614
Cash and cash equivalents at the beginning of the period	995,507	731,275
Effect of varying exchange rates on cash and cash equivalents held in foreign currency	136,212	58,618
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 5)	1,681,837	995,507

The accompanying notes are an integral part of the financial statements.


José Alberto Vélez C.
 Legal Representative
 (See attached certificate)


Luz Cenelia Hernández P.
 Director of Accounting
 Professional license no. 42092 - T
 (See attached certificate)


Daniel Augusto Bernal J.
 Statutory Auditor
 Professional license no. 94411 - T
 Appointed by Deloitte & Touche Ltda.
 (See attached report)

Certification by the Company's Legal Representative

Medellín, February 26, 2016

**To Grupo Argos S.A. shareholders
and the general public**

In my capacity as Legal Representative, I hereby attest that the consolidated financial statements as at December 31, 2015 made public contain no flaws, inaccuracies or material misstatements that could prevent Grupo Argos S.A.'s true financial position or transactions completed during the corresponding period from being known.



José Alberto Vélez C.
Legal Representative

Certification by the Company's Legal Representative and Director of Accounting

Medellín, February 26, 2016

To Grupo Argos S.A. shareholders

The undersigned Legal Representative and Director of Accounting of Grupo Argos S.A. (hereinafter the Company), do hereby attest that the Company's consolidated financial statements as at December 31, 2015 and 2014 have been faithfully taken from the books, and that before making them available to you and others, we have certified the following statements contained therein:

- a) All the assets and liabilities included in the Company's financial statements as of December 31, 2015 and 2014 exist, and all the transactions included therein were made during the years ending on those dates.
- b) All the economic actions undertaken by the Company during the years ending on December 31, 2015 and 2014 have been acknowledged in the financial statements.
- c) The assets represent probable future economic benefits (rights) and the liabilities represent future economic sacrifices (obligations) obtained by the Company or for which it is responsible as of December 31, 2015 and 2014.
- d) All the elements have been recognized at their appropriate values according to generally accepted accounting principles in Colombia.
- e) All the economic facts that affect the Company have been properly classified, described, and disclosed in the financial statements.



José Alberto Vélez C.
Legal Representative



Luz Cenia Hernández P.
Director of Accounting
Professional license no.
42092 - T



Statutory Auditor's Report

February 29, 2016.

To the shareholders of GRUPO ARGOS S.A.:


I have audited the consolidated financial statements of GRUPO ARGOS S.A. and its subsidiaries, which include the consolidated statement of financial position as at December 31, and the related consolidated statements of income and other comprehensive income, changes in shareholders' equity, the consolidated statement of cash flow for the year then ended and a summary of the main accounting policies and other explanatory notes. The consolidated financial statements as at December 31, 2014 and the opening consolidated statement of financial position as at January 1, 2014, adjusted in conformity with the Accounting and Financial Reporting Standards accepted in Colombia are included for comparative purposes.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining an adequate internal control system for the preparation and presentation of financial statements free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, as well as making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I obtained the necessary information to comply with my duties and conducted my audit in accordance with auditing standards generally accepted in Colombia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit of financial statements includes examining, on a selective basis, the evidence supporting the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including his assessment of the risk of material misstatement in the financial statements. As part of the risk assessment, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting principles used and significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that my audit provides a reasonable basis to express my opinion.

As at December 31, 2015 GRUPO ARGOS S.A. has investments, subsidiaries, joint ventures and associates audited by other statutory auditors. That represent 21% of the assets and 3% of its total income, according to the financial statements of these companies as at that date.

In my opinion, based on my audit and on the other statutory audits of the investments referenced in the previous paragraph, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of GRUPO ARGOS S.A. and its subsidiaries as at December 31, 2015, as well as the results of all its operations, the changes in equity and the cash flow for the year ended in accordance with Accounting and Financial Reporting Standard accepted in Colombia



DANIEL A. BERNAL JARAMILLO

Statutory Auditor

Professional license no. 94411-T

Appointed by Deloitte & Touche Ltda.





| 08

SEPARATE FINANCIAL STATEMENTS

Grupo Argos S.A.

Separate Statement of Financial Position

(In millions of Colombian pesos)


	Notes	As at December 31, 2015	As at December 31, 2014	As at January 1, 2014
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	5	311,454	165,978	20,409
Financial derivatives	6	15,940	-	2,681
Other current financial assets	7	-	15,165	55,478
Trade and other accounts receivable	8	231,096	210,989	208,189
Inventory, net	9	9,448	17,729	52,011
Expenses paid in advance and other non-financial assets		1,798	2,644	1,623
CURRENT ASSETS		569,736	412,505	340,391
Non-current assets held for sale	10	94,740	-	7
TOTAL CURRENT ASSETS		664,476	412,505	340,398
NON-CURRENT ASSETS				
Trade and other accounts receivable	8	3,382	6,134	5,113
Inventory, net	9	24,146	29,508	-
Intangible assets, net	11	8,489	8,788	5,116
Property, plant and equipment, net	12	82,850	19,238	12,065
Investment properties	13	1,781,868	2,122,462	2,040,643
Investments in associates and joint ventures	14	5,254,253	4,913,923	4,841,469
Investments in subsidiaries	15	7,230,280	6,149,408	5,443,663
Other non-current financial assets	7	1,119,681	1,550,470	1,654,354
Deferred tax	17	774	-	-
TOTAL NON-CURRENT ASSETS		15,505,723	14,799,931	14,002,423
TOTAL ASSETS		16,170,199	15,212,436	14,342,821

	Notes	As at December 31, 2015	As at December 31, 2014	As at January 1, 2014
LIABILITIES				
CURRENT LIABILITIES				
Borrowings	18	123,415	-	403,345
Liabilities for employee benefits	19	1,933	944	712
Liabilities estimated for employee benefits	19	517	1,000	1,000
Provisions	20	770	1,863	1,155
Trade and other accounts payable	21	185,324	143,921	125,609
Tax payables	21	14,177	470	14,212
Financial derivatives	6	-	-	1,451
Bonds and compound financial instruments	23	4,958	30,429	33,543
Other liabilities	21	17,253	27,501	29,061
TOTAL CURRENT LIABILITIES		348,347	206,128	610,088
NON-CURRENT LIABILITIES				
Borrowings	18	550,028	23	418,952
Deferred tax	17	120,205	109,859	119,193
Liabilities estimated for employee benefits	19	6,819	23,744	16,480
Trade and other accounts payable	21	8,656	8,406	8,285
Bonds and compound financial instruments	23	997,932	997,825	31,474
TOTAL NON-CURRENT LIABILITIES		1,683,640	1,139,857	594,384
TOTAL LIABILITIES		2,031,987	1,345,985	1,204,472
EQUITY				
Share Capital	24	51,510	51,510	51,510
Issue Premium	24	680,218	680,051	667,459
Retained earnings	25	8,603,670	8,649,149	8,649,149
Reserves	26	2,606,859	2,430,615	2,331,912
Income for the year		371,801	201,042	294,950
Other comprehensive income	26	1,824,154	1,854,084	1,143,369
TOTAL EQUITY		14,138,212	13,866,451	13,138,349
TOTAL LIABILITIES AND EQUITY		16,170,199	15,212,436	14,342,821

The accompanying notes are an integral part of the financial statements.


José Alberto Vélez C.
 Legal Representative
 (See attached certificate)


Luz Cenia Hernández P.
 Director of Accounting
 Professional License No. 42092 - T
 (See attached certificate)


Daniel Augusto Bernal J.
 Statutory Auditor
 Professional License No. 94411 - T
 Appointed by Deloitte & Touche Ltda.
 (See attached report)

Grupo Argos S.A.

Separate Statement of Income

Years ending on December 31

In millions of Colombian pesos, except earnings per share

	Notes	2015	2014
REGULAR OPERATIONS			
Revenue from ordinary activities		928,667	410,987
Equity method		168,114	224,925
Revenue from operations	27	1,096,781	635,912
Cost of ordinary activities	27	470,163	283,452
GROSS PROFIT		626,618	352,460
Administrative expenses	28	114,335	137,514
Cost of sales	29	3,888	966
Structural expenses		118,223	138,480
Other income	30	31,399	27,950
Other expenses	30	(24,820)	(19,831)
Wealth tax	30	(9,668)	-
Financial revenue	31	30,281	61,631
Financial expenses	32	(137,555)	(75,511)
Exchange rate difference, net	30	55	(7,990)
PROFIT BEFORE TAXES		398,087	200,229
Income tax and CREE tax	17	26,286	(813)
NET PROFIT		371,801	201,042
Earnings per share			
Basic earnings attributable to the ordinary shareholders	33	466	254
Diluted earnings attributable to the ordinary shareholders	33	466	246

The accompanying notes are an integral part of the financial statements.

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Grupo Argos S.A.


Separate Statement of Comprehensive Income

Years ending on December 31


(In millions of Colombian pesos)

	2015	2014
NET PROFIT	371,801	201,042
Entries that will not be reclassified after presenting the period results	(557,022)	318,117
New measurements of obligations for defined benefits	774	572
Deferred taxes for defined benefits	263	195
Gains and losses from equity investments	(411,085)	131,133
Deferred taxes on equity investments	(38)	-
Net share in other comprehensive income	(146,936)	186,217
Entries that will be reclassified after presenting the period results	527,092	392,598
Effect on cash flow hedging instruments and deferred taxes	(6,487)	-
Net share in other comprehensive income	533,579	392,598
OTHER COMPREHENSIVE INCOME FOR THE YEAR, AFTER TAXES	(29,930)	710,715
TOTAL COMPREHENSIVE INCOME	341,871	911,757


The accompanying notes are an integral part of the financial statements.



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(See attached report)

Grupo Argos S.A.**Separate Statement of Changes in Equity**

Years ending on December 31

(In millions of Colombian pesos)

	Capital	Legal reserve	Other reserves	Other comprehensive income	Accumulated results	Income for the year	Total equity
BALANCE AT JANUARY 1, 2014	718,969	29,665	2,302,247	1,143,369	8,944,099	-	13,138,349
Income for the period	-	-	-	-	-	201,042	201,042
Other comprehensive income for the period, after income taxes	-	-	-	710,715	-	-	710,715
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	710,715	-	201,042	911,757
Issue of capital and convertible instruments	12,592	-	-	-	-	-	12,592
Cash dividends declared	-	-	-	-	(196,151)	-	(196,151)
Appropriation of reserves	-	-	98,799	-	(98,799)	-	-
Other movements with reserves	-	-	(96)	-	-	-	(96)
BALANCE AT DECEMBER 31, 2014	731,561	29,665	2,400,950	1,854,084	8,649,149	201,042	13,866,451
Income for the period	-	-	-	-	-	371,801	371,801
Other comprehensive income for the period, after income taxes	-	-	-	(29,930)	-	-	(29,930)
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	(29,930)	-	371,801	341,871
Issue of capital and convertible instruments	167	-	-	-	-	-	167
Cash dividends declared	-	-	-	-	(212,565)	-	(212,565)
Appropriation of reserves	-	-	177,192	-	(177,192)	-	-
Other movements with reserves	-	-	(948)	-	-	-	(948)
Transfers to accumulated earnings	-	-	-	-	222,187	(201,042)	21,145
Effect of financial instruments measured at fair value through OCI	-	-	-	-	122,091	-	122,091
BALANCE AT DECEMBER 31, 2015	731,728	29,665	2,577,194	1,824,154	8,603,670	371,801	14,138,212

The accompanying notes are an integral part of the financial statements.

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Grupo Argos S.A.

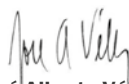
Separate Statement of Cash Flow


Years ending on December 31


(In millions of Colombian pesos)

	2015	2014
CASH FLOW FROM OPERATIONS		
NET PROFIT	371,801	201,042
Adjustments for:		
Expenses from income taxes recognized in the statement of income for the period	26,286	(813)
Share in the results of subsidiaries	(168,114)	(224,925)
Financial expenses recognized the statement of income for the period	111,480	51,738
Income from interest recognized in the statement of income for the period	20,818	13,160
Dividends recognized in the statement of income	(84,384)	(83,825)
Net loss from the sale of property, plant and equipment	16	-
Net profit from the sale of investments	(300,393)	(1,603)
Net profit from the sale of investment properties	-	(23,465)
Profit from the sale of non-current assets held for sale and other assets	(10,019)	68
Profit from contributions from investment properties	(8,401)	-
Net gain (loss) from valuation of financial instruments measured at fair value through profit and loss	10,721	(29,434)
Inefficiency of the instrument in cash flow hedging	625	-
Valuation of financial derivatives	(16,565)	-
Net (gain) loss from impairment of non-current assets recognized in the statement of income for the period	(8,334)	52,202
Depreciation and amortization of non-current assets	2,895	2,459
Unrealized exchange rate difference, recognized with financial instruments in the statement of income	(452)	1,552
	(52,020)	(41,844)
CHANGES IN WORKING CAPITAL FOR:		
Trade and other accounts receivable	(120,484)	(19,080)
Inventories	13,642	4,841
Other assets	1,098	(1,372)
Trade and other accounts payable	(69,516)	(20,849)
Deferred income	(13,201)	113
Other liabilities	(22,369)	(5,346)
Cash generated from operations	(262,850)	(83,537)
Dividends received	286,648	270,510
Income tax paid	-	(10,328)
NET CASH FLOW FROM OPERATIONS	23,798	176,645
CASH FLOW FROM INVESTMENTS		
Acquisition of property, plant and equipment	(64,573)	(7,219)
From the sale of property, plant and equipment	560	-
Acquisition of investment properties	-	(136,695)
From the sale of investment properties	18,803	1,160
Acquisition of intangible assets	(1,908)	(5,855)
Acquisition of other non-current assets	(32,401)	-
From the sale of other non-current assets	-	24,466
Acquisition of subsidiaries	(1,021,161)	(100,482)
From the sale of shares in subsidiaries	609,475	14,752
Acquisition of shares in associates and joint ventures	(73,162)	(89,290)
From the sale of shares in associates and joint ventures	95,206	20,775
Acquisition of financial assets	-	(652)
From the sale of financial assets	155,349	303,151
NET CASH FLOW (USED IN) GENERATED FROM INVESTMENT ACTIVITIES	(313,812)	24,111
CASH FLOW FOR FINANCING ACTIVITIES		
Increased (decreased) borrowings	673,419	(822,273)
(Decrease) increase from other financing instruments	(25,364)	963,237
Dividends paid to owners	(212,565)	(196,151)
NET CASH FLOW GENERATED FROM (USED IN) FINANCING ACTIVITIES	435,490	(55,187)
NET INCREASE IN CASH AND CASH EQUIVALENTS	145,476	145,569
Cash and cash equivalents at the beginning of the period	165,978	20,409
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 5)	311,454	165,978

The accompanying notes are an integral part of the financial statements.


José Alberto Vélez C.
 Legal Representative
 (See attached certificate)


Luz Cenelia Hernández P.
 Director of Accounting
 Professional License No. 42092 - T
 (See attached certificate)



Daniel Augusto Bernal J.
 Statutory Auditor
 Professional License No. 94411 - T
 Appointed by Deloitte & Touche Ltda.
 (See attached report)

Certification by the Company's Legal Representative

Medellín, Friday, February 26, 2016

To Grupo Argos S.A. shareholders and the general public

In my capacity as Legal Representative, I hereby attest that the separate financial statements as at December 31, 2015 made public contain no flaws, inaccuracies or material misstatements that could prevent Grupo Argos S.A.'s true financial position or transactions completed during the corresponding period from being known.



José Alberto Vélez C.
Legal Representative

Certification by the Company's Legal Representative and Director of Accounting

Medellín, Friday, February 26, 2016

To Grupo Argos S.A. shareholders

The undersigned Legal Representative and Director of Accounting of Grupo Argos S.A. (hereinafter the Company), do hereby attest that the Company's financial statements as at December 31, 2015 and 2014 and January 1, 2014 have been faithfully taken from the books, and that before making them available to you and others, we have certified the following statements contained therein:

- a) All the assets and liabilities included in the Company's financial statements as of December 31, 2015 and 2014 exist, and all the transactions included therein were made during the years ending on those dates.
- b) All the economic actions undertaken by the Company during the years ending on December 31, 2015 and 2014 have been acknowledged in the financial statements.
- c) The assets represent probable future economic benefits (rights) and the liabilities represent future economic sacrifices (obligations) incurred by the Company or for which it is responsible as of December 31, 2015 and 2014.
- d) All the elements have been recognized at their appropriate values according to generally accepted accounting principles in Colombia.
- e) All the economic facts that affect the Company have been properly classified, described, and disclosed in the financial statements.



José Alberto Vélez C.
Legal Representative



Luz Cenia Hernández P.
Director of Accounting
Professional License No.
42092 - T



Statutory Auditor's Report

February 29, 2016.

To the shareholders of GRUPO ARGOS S.A.:

I have audited the financial statements of GRUPO ARGOS S.A., which include the Statement of Financial Position as at December 31, 2015 and the statement of income and other comprehensive income, changes in shareholders' equity, cash flow for the year then ended and a summary of the main accounting policies and other explanatory notes. The financial statements as at December 31, 2014 and the opening statement of financial position as at January 1, 2014, adjusted in conformity with the Accounting and Financial Reporting Standards accepted in Colombia are included for comparative purposes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining an adequate internal control system for the preparation and presentation of financial statements free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, as well as making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these financial statements based on my audit. I obtained the necessary information to comply with my duties and conducted my audit in accordance with auditing standards generally accepted in Colombia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit of financial statements includes examining, on a selective basis, the evidence supporting the amounts and disclosures in the financial statements. The audit procedures selected depend on the professional judgment, including his assessment of the risk any material misstatement in the financial statements. As part of the risk assessment, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting principles used and significant accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis to express my opinion.

As at December 31, 2015, GRUPO ARGOS S.A. has investments in subsidiaries measured using the equity method and audited by other statutory auditors, which have reviewed the financial statements of these companies as at that date. Those companies represent 6% of the assets and 2% of the income.

In my opinion, based on my audit and on the other statutory audits of the subsidiaries referenced in the previous paragraph, the financial statements referred to above, taken from the accounting books, present fairly, in all material respects the financial position of GRUPO ARGOS S.A. as at December 31, 2015, as well as the results of all its operations, the financial statements referred to above, taken from the accounting books, present fairly, in all material respects in Colombia.

These separate financial statements were prepared to comply with the legal requirement of information to which the Company is subject as an independent legal entity. Therefore, they do not include the adjustments or eliminations necessary to present the consolidated financial position and consolidated income for the Company and its subsidiaries. These separate financial statements should be read together with the consolidated financial statements of GRUPO ARGOS S.A. and its subsidiaries.

Further, based on the scope of my audit, I report that the Company has maintained its accounting in accordance with legal rules and accounting technique; the transactions recorded in the accounting books and the acts by management conform to the bylaws and the decisions of the Shareholders' Meeting and the Board of Directors; the correspondence, account vouchers and books of minutes and shareholder ledger are duly kept and preserved; the management's report agrees with the basic financial statements, the Company is not in default in the payment of contributions to the Integral Social Security System, and the mechanisms for money laundering prevention and control have been implementing in accordance with External Circular No. 60 of 2008 from Superintendencia Financiera de Colombia. My assessment of the internal control, performed with the purpose of defining the scope of my audit testing, did not provide evidence that the Company has not followed proper internal control and of conservation and custody measures of its assets and those of third parties that are in its possession.

These financial statements and notes to the financial statements were translated into English, from statements originally issued in Spanish, for the convenience of readers



DANIEL A. BERNAL JARAMILLO

Statutory Auditor

Professional License No. 94411-T

Appointed by Deloitte & Touche Ltda.

GRI-G4 Table of Contents

"In accordance - Core" Option with the G4 Guidelines

GENERAL STANDARD DISCLOSURES				
GRI Reference		Location or response	External assurance	Advanced Global Compact Criteria
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing it	Who We Are / Letter from the Chairman of the Board of Directors. Page 17	✓	19
G4-2*	Provide a description of key impacts, risks, and opportunities	Who We Are / Sustainability Strategy. Page 18 Who We Are / How We Relate / Materiality Analysis. Page 20 How We Create Value / Business Model. Page 40 Management Report. Page 48 Economic Dimension / Risk Management. Page 71	✓	
ORGANIZATIONAL PROFILE				
G4-3	Report the name of the organization	Who We Are / About Grupo Argos. Page 8	✓	
G4-4	Report the primary brands, products and services	Who We Are / Our Investments Today. Page 9	✓	
G4-5	Report the location of the organization's headquarters	Who We Are / About Grupo Argos. Page 8	✓	
G4-6	Report the names of the countries where the organization operates or has significant operations	Who We Are / About Grupo Argos. Page 8	✓	
G4-7	Report the nature of ownership and legal form.	Grupo Argos S.A	✓	
G4-8	Report the markets served (including geographic breakdown, sectors served and types of customers and beneficiaries).	Who We Are / About Grupo Argos. Page 8	✓	
G4-9	Report the scale of the organization (employees, operations, sales, capitalization, products and services provided)	Who We Are / Our Investments Today. Page 9 Who We Are / Grupo Argos in Figures. Page 14 Management Report. Page 65 Social Dimension / Human Resources Development and Wellbeing. Page 80	✓	
G4-10	Report the number of employees by employment contract and gender	Social Dimension / Human Resources Development and Wellbeing. Page 80	✓	
G4-11	Report the percentage of employees covered by collective bargaining agreements	Grupo Argos: 0% Cement: 95% Energy: Colombia 76% and Central America 42% Urban Development: 32% Ports: 29,97% Coal: 0%	✓	

GENERAL STANDARD DISCLOSURES

GRI Reference	Location or response	External assurance	Advanced Global Compact Criteria
G4-12	<p>Describe the organization's supply chain</p> <p>The supply chain of Grupo Argos as a holding entity consists of providers of administrative services (office supplies), third parties for cleaning and maintenance services and the services of brokers and trustees that manage and sell the Group's shares on different stock markets. Providers are segmented by operation size, impact on processes, level of risk, and by representation and external influence.</p> <p>To learn about the supply chain of the cement and energy subsidiaries, refer to their Integrated Reports posted at: www.reporteintegradoargos2015.co/ and reporte2015.celsia.com</p> <p>The data on payments made to providers of goods, services and materials can be consulted in Indicator G4-EC1, which is in the appendix to this report at reporte2015.grupoargos.com</p>	✓	2
G4-13	<p>Report any significant changes during the reporting period in the organization's size, structure, ownership, or its supply chain</p> <p>Management Report, Page 65</p>	✓	2
COMMITMENTS TO EXTERNAL INITIATIVES			
G4-14	<p>Report whether and how the precautionary principle is addressed by the organization</p> <p>How We Create Value / Investment Management. Page 43 Economic Dimension / Risk Management. Page 71 Environmental Dimension / Protection of Natural Capital. Page 102</p>	✓	
G4-15	<p>List externally developed economic, environmental and social charters, principles and other initiatives to which the organization subscribes or has adopted</p> <p>Who We Are / Institutional Commitments. Page 15</p>	✓	
G4-16	<p>List associations and national or international advocacy organizations of which it is a member</p> <p>Who We Are / Institutional Commitments. Page 15</p>	✓	18
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	<p>List the entities included in the organization's consolidated financial statements or equivalent documents, and which are not included in the scope of this report</p> <p>Who We Are / About the Report. Page 6</p>	✓	
G4-18	<p>Explain the process for defining the report content and the Aspect Boundaries</p> <p>Who We Are / How We Relate / Materiality Analysis. Page 20</p>	✓	

GENERAL STANDARD DISCLOSURES

GRI Reference		Location or response	External assurance	Advanced Global Compact Criteria
G4-19	List the material aspects identified in the process for defining report content	Who We Are / How We Relate / Materiality Analysis. Page 21	✓	
G4-20	Report the boundary of each material aspect within the organization	Who We Are / How We Relate / Materiality Analysis. Page 22	✓	
G4-21	Report the boundary of each material aspect outside the organization	Who We Are / How We Relate / Materiality Analysis. Page 22	✓	
G4-22	Report the effect of any restatements of information in previous reports and the reasons for such restatements	Who We Are / About the Report. Page 6	✓	
G4-23	Report significant changes from previous reporting periods as far as scope and aspect boundaries	Who We Are / About the Report. Page 6	✓	
STAKEHOLDER RELATIONS				
G4-24	Provide a list of stakeholder groups engaged by the organization	Who We Are / How We Relate / Stakeholder Relations. Page 23	✓	21
G4-25	Report the basis for identification of stakeholders with whom to engage	Who We Are / How We Relate / Stakeholder Relations. Page 22	✓	21
G4-26	Report the organization's approach to stakeholder engagement	Who We Are / How We Relate / Stakeholder Relations. Page 23	✓	21
G4-27	Report key topics and concerns that have been raised through stakeholder engagement and describe how the organization has responded thereto, including through its reporting	Who We Are / How We Relate / Stakeholder Relations. Page 24	✓	21
REPORT PROFILE				
G4-28	Reporting Period	Who We Are / About the Report. Page 6	✓	
G4-29	Date of the most recent report	Who We Are / About the Report. Page 6	✓	
G4-30	Reporting cycle	Who We Are / About the Report. Page 6	✓	
G4-31	Provide the contact point for questions regarding the report or its contents.	Who We Are / About the Report. Page 6	✓	
G4-32	Report the "in accordance" option that the organization has chosen	Who We Are / About the Report. Page 6	✓	
G4-33	Report the organization's policy and current practices regarding external assurance for the report	Who We Are / About the Report. Page 6	✓	
GOVERNANCE				
G4-34	Report the governance structure of the organization, including committees of the highest governance body	Who We Are / Corporate Governance. Page 31	✓	1
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Who We Are / Corporate Governance. Page 28	✓	1 and 20

GENERAL STANDARD DISCLOSURES

GRI Reference	Location or response	External assurance	Advanced Global Compact Criteria
G4-36	Report whether the organization has appointed executive level-positions or positions with responsibility for economic, environmental and social topics Who We Are / Corporate Governance. Page 31	✓	1 and 20
G4-37	Describe the processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics Who We Are / Corporate Governance. Page 28	✓	1 and 20
G4-38	Report the composition of the highest governance body and its committees Who We Are / Corporate Governance. Page 31	✓	1
G4-39	Report whether the Chair of the highest governance body is also an executive officer Who We Are / Corporate Governance. Page 31	✓	1
G4-40	Describe the nomination and selection processes for the highest governance body and its committees Who We Are / Corporate Governance. Page 32	✓	1
G4-41	Report processes by which the highest governance body ensures conflicts of interest are avoided and managed Who We Are / Corporate Governance. Page 70	✓	1 and 2
G4-42	Describe the highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts Who We Are / Corporate Governance. Page 28	✓	1
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics Who We Are / Corporate Governance. Page 33	✓	1 and 20
G4-44	Describe the processes for evaluation of 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 Who We Are / Corporate Governance. Page 33	✓	1 and 20
G4-45	Describe the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities Who We Are / Corporate Governance. Page 31	✓	1 and 20
G4-46	Describe the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics Who We Are / Corporate Governance. Page 31	✓	1 and 20
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities Who We Are / Corporate Governance. Page 31	✓	1 and 20

GENERAL STANDARD DISCLOSURES

GRI Reference		Location or response	External assurance	Advanced Global Compact Criteria
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	Who We Are / About the Report. Page 6	✓	1 and 20
G4-49	Describe the process for communicating critical concerns to the highest governance body	Who We Are / Corporate Governance. Page 28	✓	1 and 20
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanisms used to address and resolve them	Who We Are / Corporate Governance. Page 28	✓	1 and 20
G4-51	Describe the remuneration policies for the highest governance body and senior executives	Who We Are / Corporate Governance. Page 33	✓	1
G4-52	Describe the process for determining remuneration	Who We Are / Corporate Governance. Page 33	✓	1
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Who We Are / Corporate Governance. Page 33	✓	1
ETHICS AND INTEGRITY				
G4-56	Describe the organization's values, principles, standards and norms of behavior, such as codes of conduct or codes of ethics	Economic Dimension / Ethics, Transparency and Conduct. Page 68	✓	12, 13 and 14
G4-57	Describe the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Economic Dimension / Ethics, Transparency and Conduct. Page 70	✓	12, 13 and 14
G4-58	Describe the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	Economic Dimension / Ethics, Transparency and Conduct. Page 70	✓	12, 13 and 14

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
MATERIAL ASPECT: ETHICS, TRANSPARENCY AND CONDUCT					
G4-DMA	Management Approach (DMA)	Economic Dimension / Ethics, Transparency and Conduct. Page 68		✓	12, 13 and 14
S03	Number and percentage of locations assessed for risks related to corruption and significant risks identified	These risks are in the process of assessment; a matrix was created to identify the fraud and corruption risks of Grupo Argos and 100% controlled subsidiaries.	No number or percentage of assessed risks are reported because they are still in the assessment process.	✓	12, 13 and 14
S04	Communication and training on anti-corruption policies and procedures	Economic Dimension / Ethics, Transparency and Conduct. Page 68		✓	12, 13 and 14
S05	Confirmed incidents of corruption and actions taken	In 2015, Grupo Argos had no confirmed incidents of corruption		✓	12, 13 and 14
S07	Number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcome	Economic Dimension / Ethics, Transparency and Conduct. Page 70		✓	
MATERIAL ASPECT: CORPORATE GOVERNANCE					
G4-DMA	Management Approach (DMA)	Who We Are / Corporate Governance. Page 28		✓	
Own indicator	Existence of the Corporate Governance Code in force at December 31, 2015	Who We Are / Corporate Governance. Page 28			
MATERIAL ASPECT: SUSTAINABILITY STRATEGY					
G4-DMA	Management Approach (DMA)	Who We Are / Sustainability Strategy. Page 18		✓	
Own indicator	Existence of a sustainability policy in force at December 31, 2015	Who We Are / Sustainability Strategy. Page 18		✓	
MATERIAL ASPECT: RISK MANAGEMENT					
G4-DMA	Management Approach (DMA)	Economic Dimension / Risk Management. Page 71		✓	
Own indicator	Existence of a Risk Management Policy in force at December 2015	Economic Dimension / Risk Management. Page 71		✓	
MATERIAL ASPECT: INVESTMENT MANAGEMENT					
G4-DMA	Management Approach (DMA)	How We Create Value / Investment Management. Page 42		✓	
Own indicator	Performance of Grupo Argos shares vs. COLCAP	Grupo Argos shares closed 2.77% above the COLCAP at the end of 2015		✓	

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
MATERIAL ASPECT: INVESTOR RELATIONS					
G4-DMA	Management Approach (DMA)	Who We Are / Investor Relations. Page 27		✓	
PR8	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data	As a holding entity, Grupo Argos did not receive any complaints regarding breaches of privacy or the loss of investor data			
Own indicator	Share of the funds in common and preferred shares	Who We Are / Investor Relations. Page 27			
Own indicator	Number of international funds investing in the Group	Who We Are / Investor Relations. Page 27		✓	
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	Management Approach (DMA)	Management Report. Page 48		✓	
EC1	Report the direct economic value generated and distributed, including revenues, operating costs, employee wages, donations and other community investments, economic value retained and payments to providers of capital and governments	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	15
Own indicator	EBITDA Net Profit Net Debt/EBITDA	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	
MATERIAL ASPECT: HUMAN RESOURCES DEVELOPMENT AND WELLBEING					
G4-DMA	Management Approach (DMA)	Social Dimension / Human Resources Development and Wellbeing. Page 80		✓	6, 7 and 8
LA1	Total number and rates of employee hires and employee turnover by age group, gender and region	Social Dimension / Human Resources Development and Wellbeing. Page 80 For more information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	6, 7 and 8
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Social Dimension / Human Resources Development and Wellbeing. Page 84		✓	6, 7 and 8
LA3	Return to work and retention rates after parental leave, by gender	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com	Employee return to work and retention rates are not reported	✓	6, 7 and 8

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
LA4	Minimum notice periods regarding operational changes, including whether they are specified in collective agreements.	Timely communication of organizational changes is essential to achieve the objectives; therefore, we have an internal media strategy that covers all employees and geographical locations. There is no standard notice period expressed in number of weeks before implementing organizational changes; however, there are formal communication channels with union associations, including meetings with a defined frequency			6, 7 and 8
LA5	Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Social Dimension / Human Resources Development and Wellbeing. Page 86			6, 7 and 8
LA6	Type and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities, by region and by gender	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com	The cement business does not report this aspect by gender	✓	2, 6, 7 and 8
LA9	Average hours of training per year per employee, by gender and by employee category	Social Dimension / Human Resources Development and Wellbeing. Page 82 For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	6, 7 and 8
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Social Dimension / Human Resources Development and Wellbeing. Page 82	The strategy to support employees' career endings is not reported	✓	6, 7 and 8
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Social Dimension / Human Resources Development and Wellbeing. Page 85	Information is not broken down by gender for the cement and energy businesses	✓	6, 7 and 8
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com			6, 7 and 8

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
LA13	Men to women ratio of basic salary, by significant locations of operation	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	6, 7 and 8
HR12	Number of grievances about Human Rights impacts filed, addressed and resolved	Who We Are / How We Relate / Stakeholder Relations. Page 26		✓	
LA16	Number of grievances about labor practices filed, addressed and resolved	Who We Are / How We Relate / Stakeholder Relations. Page 26		✓	
MATERIAL ASPECT: SUPPORT FOR SOCIAL DEVELOPMENT					
G4-DMA	Management Approach (DMA)	Social Development / Support for Social Development Page 87		✓	
S01	Percentage of operations with implemented local community engagement, impact assessments and development programs	<p>As a parent company, Grupo Argos has no impact on communities; however, it reports the data for its businesses:</p> <ul style="list-style-type: none"> ► Cement: 75% ► Energy: 99% ► Urban Development: 100% ► Ports: 100% ► Coal: 100% <p>For more details on this information, refer to the Integrated Reports of Cementos Argos www.reporteintegradoargos2015.co/ and Celsia reporte2015.celsia.com</p>		✓	12, 13, 14 and 16
S02	Operational locations with significant actual and potential negative impacts on local communities	<p>As an investment company, Grupo Argos has no impact on communities It reports through its subsidiaries that have direct field operations. For details, refer to the Integrated Reports of Cementos Argos www.reporteintegradoargos2015.co/ and Celsia reporte2015.celsia.com.</p>		✓	12, 13 and 14

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
EC6	Percentage of senior management hired from the local community at significant locations of operation.	<p>For purposes of consideration, "local community" has been defined for the parent company, cement, energy, urban development and coal businesses as the country. For the port business, by location of port operations:</p> <ul style="list-style-type: none"> ▶ Grupo Argos: 100% ▶ Cement: 54% (Colombia 100% ▶ Caribbean and Central America 17% USA 33%) ▶ Energy: 64,28% (Colombia 100% Panama 28,57%) ▶ Urban Development: 100% ▶ Ports: 100% ▶ Coal: 60% 		✓	17
EC7	Development and impact of infrastructure investments and services supported	Social Development / Support for Social Development Page 88			16
EC9	Percentage of spending on local suppliers at significant locations of operation	<p>For purposes of consideration, "local community" has been defined for the parent company, cement, energy, urban development and coal as the country. For the port business, by location of port operations:</p> <ul style="list-style-type: none"> ▶ Grupo Argos: 100% ▶ Cement: 95% ▶ Energy: 89% ▶ Urban Development: 97.4% ▶ Ports: 99% ▶ Coal: 100% 			2
S06	Value of political contributions by country and recipient	Grupo Argos has the philosophy of assisting in the democratic processes of Colombia through economic support for political campaigns by making moderate, balanced contributions among the different political parties and in compliance with the limits and requirements established by law. As of 2015, the Company made the decision to make these contributions through the Grupo Argos Foundation; for the reporting year, the total contributions made by the parent company amounted to COP 560 million.			
S011	Number of social grievances filed, addressed and resolved	Who We Are / How We Relate / Stakeholder Relations. Page 26		✓	

SPECIFIC STANDARD DISCLOSURES

GRI Reference		Location or response	Omission	External assurance	Advanced Global Compact Criteria
HR2	Hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to their activities, including the percentage of employees trained.	Social Dimension / Human Resources Development and Wellbeing. Page 98		✓	3, 4 and 5
Own indicator	Social Investments	Social Development / Support for Social Development Page 90		✓	
MATERIAL ASPECT: PROTECTION OF NATURAL CAPITAL					
G4-DMA	Management Approach (DMA)	Environmental Dimension / Protection of Natural Capital. Page 102		✓	
Own indicator	Number of individuals planted	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	
EN2	Percentage of materials used that are recycled materials (used to manufacture the organization's main products and services)	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com	This indicator is only reported for the cement business. For all other businesses, this indicator is not applicable due to their activities		9, 10 and 11
EN3	Energy consumption within the organization	For information on this indicator, refer to the appendices to this report at reporte2015.grupoargos.com		✓	9, 10 and 11
EN8	Total water withdrawal by source	Environmental Dimension / Protection of Natural Capital. Page 106		✓	9, 10 and 11
EN15	Direct GHG emissions (Scope 1)	Environmental Dimension / Protection of Natural Capital. Page 103		✓	9, 10 and 11
EN16	Indirect GHG emissions (Scope 2)	Environmental Dimension / Protection of Natural Capital. Page 103		✓	9, 10 and 11
EN34	Number of environmental grievances filed, addressed and resolved	Who We Are / How We Relate / Stakeholder Relations. Page 26		✓	

* In accordance with the G4 guidelines, reporting this indicator is not mandatory to comply with the option declared by Grupo Argos. However, the Company has chosen to share said information with its stakeholders voluntarily

Frequency of stakeholder relations (G4-26)

Stakeholder	Medium	Frequency of relations
Shareholders	Meeting of Shareholders *Integrated Report Dialog with stakeholders	Annual
	Results reports with conference calls	Quarterly
	E-bulletin for stakeholders	Monthly
	Hotline managed by the Stakeholder Relations Office Website Twitter	Permanent
Employees	Climate and culture dialog	Bi-monthly
	Eje Bulletin Virtual bulletin boards	Weekly
	Intranet E-mail Transparency Hotline Hotline	Permanent
	Special Bulletins	As needed
Suppliers	Integrated Sustainability Report Dialog with stakeholders	Annual
	Transparency Hotline Hotline Exclusive supplier service e-mail	Permanent
	E-bulletin for stakeholders	Monthly
Media	Integrated Sustainability Report Dialog with stakeholders	Annual
	Website Transparency Hotline	Permanent
	E-bulletin for stakeholders	Monthly
	Press Releases	As needed
	Twitter	Permanent
Community	Integrated Sustainability Report Dialog with stakeholders	Annual
	Transparency Hotline Website Twitter	Permanent
	E-bulletin for stakeholders	Monthly
	Face-to-face meetings to follow up on mutual-interest agendas Delivery of reports and responses to requests	As needed
Government and Authorities	Website	Permanent
	E-bulletin for stakeholders	Monthly

* It was advised that the word "sustainability" be removed from Integrated Report.

Investment Management

Cement Business

The cement business operates in Colombia, Central America, the Caribbean and the United States, which are regions with high growth projections in the consumption of said material. In Latin America, this is due to its development and growing population, which will rise from 635 million people in 2015 to 785 million in 2050, and in the United States due to its steady growth following the financial crisis. The US cement producers association expects the consumption of said material to increase an average of 5.5% over the next five years, supported by the housing sector, which has seen a 7.75% recovery in its prices in the last three years, and public spending, which will no longer weigh on economic growth. In Colombia, in addition to the population growth, the reduction in household size and the housing deficit, there are infrastructure delays (which places it in 110th place among 140 countries), so the Government has decided to invest COP 10 trillion per year up to 2035 for the development of the master plan. This would indicate that cement consumption per capita (250 kg) would increase and no longer be one of the lowest in Latin America. In addition, there is no evidence of any substitute products that would significantly influence the construction processes and place the traditional cement industry in a situation of imminent risk. However, aware of the evolving scientific research and environmental considerations, investment in innovation is promoted to maintain a cooperative atmosphere to learn, anticipate and benefit from the trends that arise.

Investment planned for Infrastructure in Colombia



10BL
 2035
3% GDP

Expected Population Growth for Latin America



600
 ML 2010

790
 ML 2050

Consumption per capita kg/person



660	271	245
267	229	205
227	205	278
213	135	390
105	316	248
245	225	250















Energy Business

The energy business benefits from the growth of Colombia's demand in the coming years, as the 1,100 kWh consumption per person is well below the 2,100 kWh average per capita in Latin America. In addition, Colombia hosts a highly competitive market as regards energy on the global level and the best in Latin America according to KPMG's 2012 *Global Energy Competitiveness Index*. According to the 2015-2016 *World Economic Forum*, Colombia ranks 59th place among 140 countries as for the quality of the power supply, which is one of the aspects in which the country stands out most. In fact, the other countries where Celsia is already operating have ranked 65th (Panama) and 41st (Costa Rica) place. This positions Celsia as a regional player in the electricity market with the capacity to benefit from the economic and demographic growth of the region. In addition to the growth opportunities in energy consumption, efforts are made to understand the evolution of alternate generation technologies and to benefit from the opportunities that arise as regards energy efficiency, distributed generation and interaction with the demand, among others.



Energy consumption
per person (kWh)

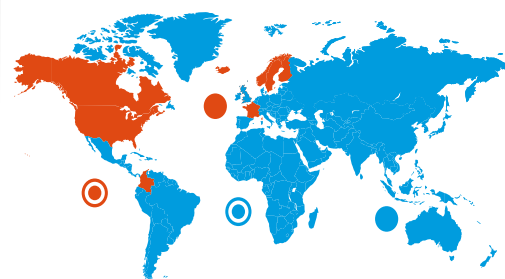
From 0 to 16,000

	2,462
	3,810
	1,150
	1,957
	1,472
	1,281
	50
	698
	1,198
	2,012
	1,974
	1,211
	3,413
	2,071
	3,064





Energy Generation Capacity by Combination

Global Energy Competitiveness Index

KPMG and Institut Choiseul






Average Rating

 Americas 44.1	 Europe 49.9
 Africa 36.0	 Asia/Oceania 42.1



Energy
Competitiveness
Ranking on

146 countries from
5 continents

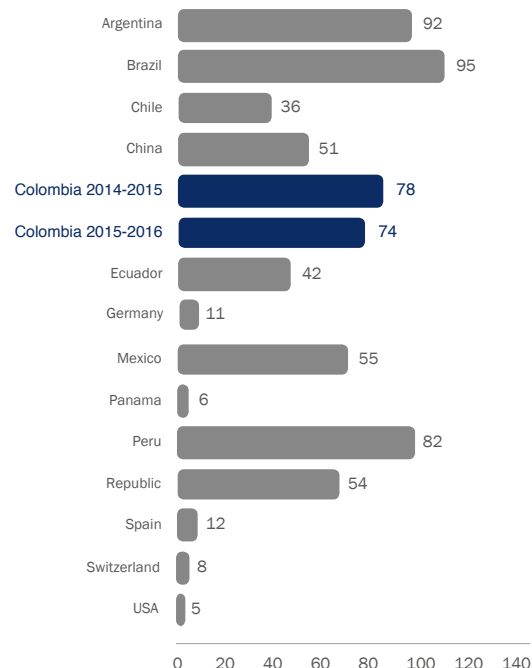
	Place	Rating
	5	63
	55	46
	107	37

Source: World Bank

Infrastructure Business

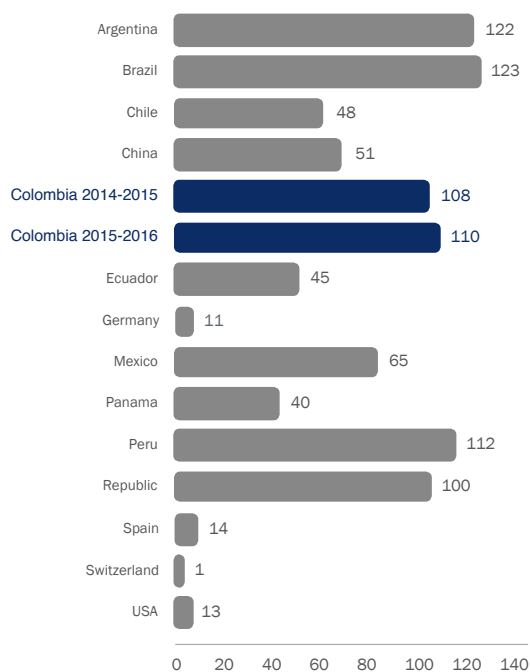
The infrastructure business in Colombia shows interesting dynamics for the coming years, based on the Colombian government's infrastructure plan, in which 4G highways went from being a project to becoming a reality. Additionally, and apart from public finance, the country has clear laws that allow public-private partnerships (PPPs) of a private initiative that do not require government contributions or public funds. This will surely lead to the development of the industry and attractive opportunities without the restriction and risks associated with the government finances. It is important to point out that Odinsa has a presence and experience in the sector, which will possibly result in the structuring of various types of projects in the coming years. Odinsa also has international presence, which allows it to diversify risks and achieve exposure to other economies with good growth prospects in the region, such as those of the Dominican Republic and Aruba.

Level of Airport Infrastructure Competitiveness



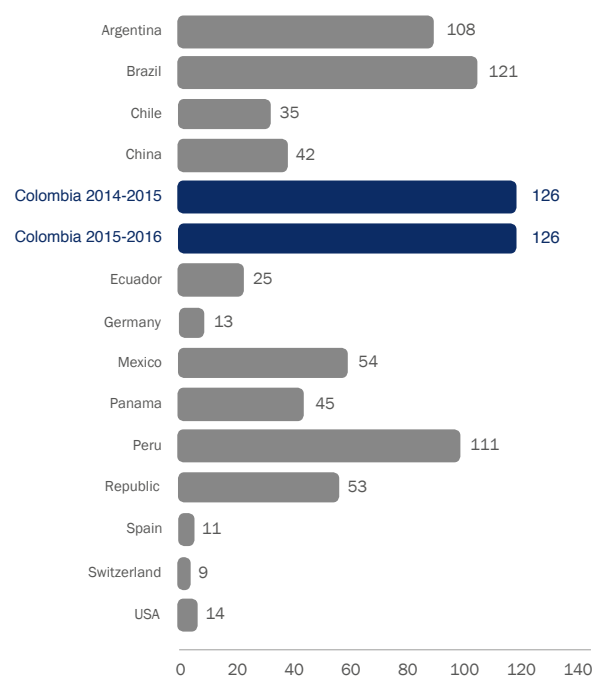
Source: 2015-2016 WEF Global Competitiveness Report (RGC).

Colombia's Position in Global Infrastructure



Source: 2015-2016 WEF Global Competitiveness Report (RGC).

Level of Highway Infrastructure Competitiveness

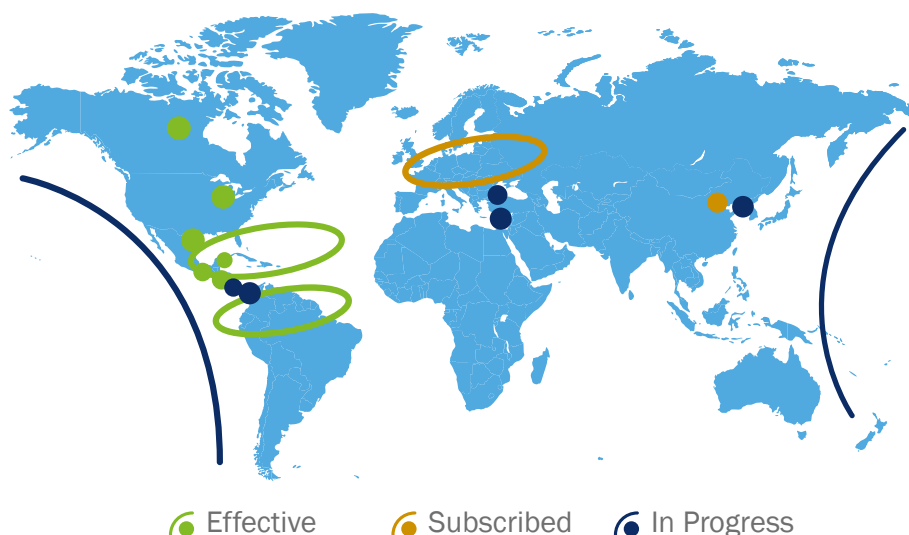


Source: 2015-2016 WEF Global Competitiveness Report (RGC).

Port Business

The port business will benefit from the free trade and commercial agreements signed with major partners such as the United States and the European Union, and those currently under negotiation or study, such as South Korea, Japan and the Pacific Alliance, among others. According to IMF projections, in the next five years, the volume of imports will increase by an annual average of 3%, while exports will do so at a rate of 4%, in continuing with the good dynamics of the past ten years in which exports by sea went from 76 to 142

million tons and imports rose from 14 to 33 million tons. The port business is positioned to capitalize on the good time that the sector is going through because of its growing platform, financial soundness and implementation capacity, and a mature operating structure, knowledge of the business and experience in the management thereof. This business has ports on both oceans, which provides the advantage of the demand from emerging countries in Asia as well as developed countries in Europe and North America.



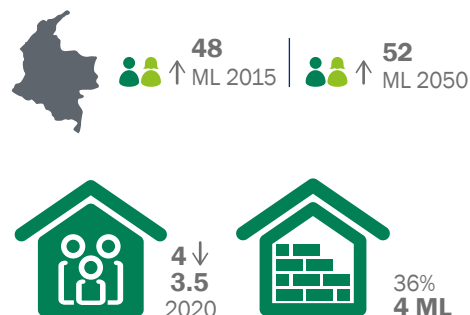
▲ 142 ML TON
2015
76 ML TON
2005



▲ 33 ML TON
2015
13 ML TON
2005

Urban Development Business

The urban development business will benefit from Colombia's demographic dynamics, since the population will increase from 48 to 51 million by 2020, and household size will reduce to less than 3.5 people, which means that not only will population increase, but that households will do so at a higher rate, thus boosting the demand for built-up areas as far as industry, utilities and housing. Moreover, in 2005, 36% of households (around 4 million) had a housing deficit. This along with the Government's willingness to close this gap, is a great opportunity for the sustainable development of land and buildings. This business has important land banks in strategic locations and more than 15 years of experience in development and urban planning. In addition, strategic alliances are being made with companies that have extensive experience in property management, and with Colombia's lag in commercial area and the entry of foreign brands in the country, this would lead to significant growth of the sector.



Commercial Development Potential

Low Commercial Density (m²/100)

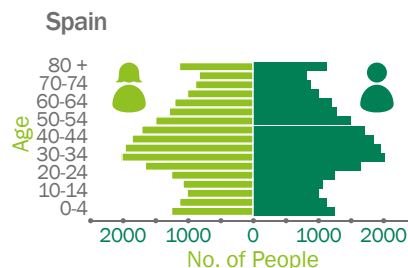
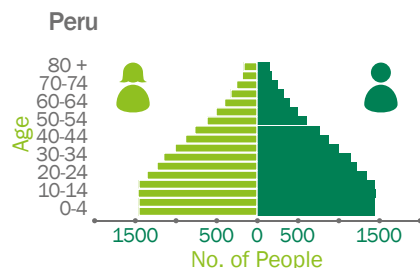
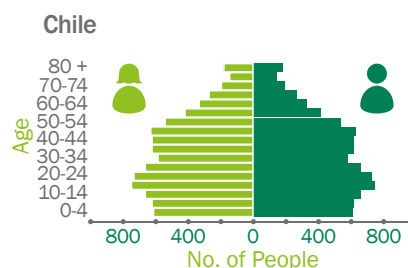
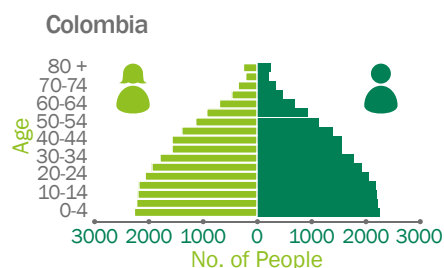
Chile	19.2
Colombia	7.2
Peru	5.5
Venezuela	12.4
Spain	32

COMMERCIAL GDP

7.5% Nominal **4.5%** Real

18.4 TL YEAR 2000 **55 TL** YEAR 2015¹ Estimated

Population Density



Source: National Administrative department of Statistics (DAVE, for the Spanish Original) and the United Nations

Economic Performance

20					
	● Grupo Argos		● Cement		
	COP	USD	COP	USD	
Economic Value Generated (EVG)	109,678,114,971,127	34,824,308,525	8,016,314,685,796	2,545,290,060	3
Operating Revenue	109,678,114,971,127	34,824,308,525	8,016,314,685,796	2,545,290,060	3
Economic Value Distributed (EVD)	261,613,452,760	83,065,866	8,183,262,994,414	2,598,298,442	2
Payments made to suppliers of goods, services and materials.	90,285,178,194	28,666,785	5,613,949,740,135	1,782,506,180	1
Wages and statutory and fringe benefits for employees	24,212,662,616	7,687,853	1,095,257,028,778	347,759,156	
Social Benefits	2,237,954,810	710,581	29,243,785,975	9,285,304	
Payments to providers of capital (short and long-term borrowings and debt. Does not include AP)	111,479,859,603	35,396,387	547,343,846,478	173,789,192	
Payments to Governments	27,040,518,283	8,585,736	822,938,939,211	261,294,421	
Investments in the Community	6,357,279,254	2,018,524	74,529,653,838	23,664,189	
Economic Value Retained (EVR)	109,416,501,518,367	34,741,242,659	(166,948,308,618)	(53,008,382)	
EBITDA	517,869,461,602	164,430,670	1,540,000,000,000	488,971,160	
NET PROFIT	371,801,296,502	118,052,020	491,357,000,000	156,012,599	
NET DEBT/EBITDA	1.99		3.16		

15

● Energy		● Ports		● Urban Development		● Coal	
COP	USD	COP	USD	COP	USD	COP	USD
3,691,698,000,000	1,172,164,840	159,994,775,060	50,800,539	600,000,000	190,508	75,721,119,702	24,042,496
3,691,698,000,000	1,172,164,840	159,994,775,060	50,800,539	600,000,000	190,508	75,721,119,702	24,042,496
2,815,687,000,000	894,019,311	264,029,566,099	83,833,015	43,280,235,344	13,742,069	74,394,519,142	23,621,282
4,486,520,000,000	471,990,525	228,235,451,375	72,467,892	29,263,567,122	9,291,585	60,832,733,255	19,315,229
272,270,000,000	86,449,466	15,171,424,707	4,817,136	8,426,726,451	2,675,601	7,510,595,357	2,384,717
-	-	3,599,375,356	1,142,851	924,100,932	293,415	1,191,216,405	378,228
680,280,000,000	215,998,247	9,719,402,325	3,086,044		-		-
328,193,000,000	104,205,787	6,625,957,000	2,103,832	2,221,046,791	705,213	3,089,130,125	980,841
48,424,000,000	15,375,285	677,955,336	215,260	2,444,794,048	776,256	1,770,844,000	562,267
876,011,000,000	278,145,529	104,034,791,039	(33,032,476)	(42,680,235,344)	(13,551,561)	1,326,600,560	421,214
683,544,000,000	217,034,612	60,248,575,490	19,129,751	(6,850,127,200)	(2,175,010)	15,322,208,742	4,865,012
(51,614,000,000)	(16,388,154)	(5,011,993,265)	(1,591,377)	(3,333,068,872)	(1,058,295)	7,281,156,082	2,311,867
5.13		3.95		N/A		N/A	

Taxes by company

● Grupo Argos	Income Tax		Equity Tax		Industry and Commerce Tax	
	COP	USD	COP	USD	COP	USD
Colombia			9,668,270,000		2,027,030,715	643,610
● Cement						
Colombia	3,531,677,000	1,121,356	291,318,386,000	92,497,590	28,756,784,483	9,130,674
USA	-	-	174,342,158,576	55,356,031	1,801,575,577	572,025
Honduras	40,787,937,742	12,950,731	46,252,809,166	14,685,902	830,373,078	263,655
Panama	47,084,239,507	14,949,893	27,598,859,151	8,763,017	-	-
Suriname	337,309,087	107,100	3,959,644,481	1,257,242	-	-
Curacao	-	-	243,346,949	77,266	-	-
Haiti	32,274,111	10,247	7,721,423,164	2,451,658	335,995,473	106,683
Puerto Rico	-	-	1,251,407,575	397,339	-	-
Dominican Republic	1,036,665,215	329,155	103,657,739,655	32,912,757	-	-
Saint Martin		-	640,299,345	203,304	-	-
Antigua and Barbuda		-	900,060,786	285,782	-	-
Saint Thomas		-	519,477,267	164,941	-	-
● Energy						
Colombia	211,573,000,000	67,177,335	41,038,000,000	13,030,129		
Panama	5,009,000,000	1,590,426				
Costa Rica	8,684,000,000	2,757,289				
● Urban Development						
Colombia	2,920,000	927	-		279,151,000.00	88,634
● Ports						
Colombia	2,096,771,000	665,753.60	1,724,733,000	547,626	1,655,938,000	525,783
● Coal						
Colombia	-	-	586,210,000	186,130	129,671,757	41,173

Property Tax		Others		Total	
COP	USD	COP	USD	COP	USD
15,345,217,568	4,872,317	-		27,040,518,283	8,585,736
6,687,408,557	2,123,344			330,294,256,040	104,872,965
32,885,324,385	10,441,542			209,029,058,537	66,369,598
238,211,892	75,636			88,109,331,878	27,975,924
-				74,683,098,658	23,712,910
-				4,296,953,569	1,364,342
-				243,346,949	77,266
126,675,864	40,221			8,216,368,611	2,608,810
-				1,251,407,575	397,339
-				104,694,404,870	33,241,912
-				640,299,345	203,304
60,875,126	568			960,935,912	305,110
-				519,477,267	164,941
1,364,000,000	433,089	60,524,000,000	19,217,202	314,499,000,000	99,857,754
				5,009,000,000	1,590,426
				8,684,000,000	2,757,289
1,938,975,791.00	615,651	-		2,221,046,791	705,213
1,148,515,000	364,669	-		6,625,957,000	2,103,832
-		-		715,881,757	227,302

Human Resources Development and Wellbeing

G4-10. General Labor Indicators

Number of employees at the Company	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
● Grupo Argos	30	49	79	37	62	99	31	57	88
● Cement	6,735	1,071	7,806	7,774	1,200	8,974	7,968	1,279	9,247
● Energy	808	270	1,078	830	286	1,116	1,071	358	1,429
● Urban Development	26	12	38	33	18	51	29	17	46
● Ports	268	80	348	277	81	358	280	87	367
● Coal	609	45	654	60	19	79	56	13	69
TOTAL	8,476	1,527	10,003	9,011	1,666	10,677	9,435	1,811	11,246

Note: in 2014, in the coal business, several mines were divested with employer substitution for 444 employees hired by the buyer.

Number of employees by employee category	Executive	Management	Directors	Specialists	Other Levels
● Grupo Argos	5	9	21	33	20
● Cement	10	129	306	2197	6605
● Energy	10	33	28	592	766
● Urban Development	1	5	3	21	16
● Ports	5	14	8	73	267
● Coal	1	4	5	14	45

Percentage of employees by employee category	Executive	Management	Directors	Specialists	Other Levels
● Grupo Argos	6%	10%	24%	38%	23%
● Cement	0%	1%	3%	24%	71%
● Energy	1%	2%	2%	41%	54%
● Urban Development	2%	11%	7%	46%	35%
● Ports	1%	4%	2%	20%	73%
● Coal	1%	6%	7%	20%	65%

Number of employees by contract type	Permanent	Fixed
● Grupo Argos	87	1
● Cement		9,247
● Energy	1421	8
● Urban Development	44	2
● Ports	366	1
● Coal	60	9

Number of employees by employee category and gender	● Grupo Argos		● Cement		● Energy		● Urban Development		● Ports		● Coal	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Level 1: Executive	5	0	9	1	9	1	1	0	4	1	1	0
Level 2: Management	4	5	110	19	20	13	3	2	13	1	4	0
Level 3: Middle Management	7	14	224	82	16	12	2	1	6	2	2	3
Level 4: Specialists	9	24	1519	678	402	190	9	12	41	32	8	6
Level 5: Operational	6	14	6106	499	624	142	14	2	216	51	41	4

Percentage of employees by employee category and gender	● Grupo Argos		● Cement		● Energy		● Urban Development		● Ports		● Coal	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Level 1: Executive	100%	0%	90%	10%	90%	10%	100%	0%	80%	20%	100%	0%
Level 2: Management	44%	56%	84%	16%	61%	39%	60%	40%	93%	7%	100%	0%
Level 3: Middle Management	33%	67%	73%	27%	57%	43%	67%	33%	75%	25%	40%	60%
Level 4: Specialists	27%	73%	69%	31%	68%	32%	43%	57%	56%	44%	57%	43%
Level 5: Operational	30%	70%	92%	8%	81%	19%	88%	13%	81%	19%	91%	9%

G4-LA1. Number and rate of employee hires and employee turnover by age group and gender

Turnover	2014					2015						
	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal
Employee turnover rate	8.1%	11.07%	3.9%	5.9%	0.0%	9.4%	6.8%	10.7%	6.30%	4.3%	7.4%	5.8%
Rate of employee turnover due to voluntary resignation	4.0%	4.1%	1.6%	0.0%	3.9%	23.0%	1.1%	7.4%	2.38%	0.0%	5.4%	1.4%
Employees retired by mutual agreement	0	121	2	1	0	23	1	N/D	16	0	0	2
Employees retired due to pension or contract expiration	4	N/D	N/D	N/D	3		2	N/D	33	2	2	0
Employees retired by voluntary resignation	4	438	28	0	14	174	1	N/D	34	0	20	1
Employees dismissed	0	0	4	0	12	0	2	N/D	7	0	4	0

The turnover rate for the energy business includes the turnover of Celsia Colombia and Central America

Total number of employee hires	2014					2015						
	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal
Total hires during the period	25	1,700	67	16	28	131	16	1264	143	4	30	3

Hires by age and gender	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal
Under 30 Years	5	469	63	2	20	2
30 to 40 Years	8	412	50	2	8	1
40 to 50 Years	3	247	24	0	2	0
50 to 60 Years	0	124	5	0	0	0
Over 60 Years	0	13	2	0	0	0
Female	12	213	46	2	13	0
Male	4	1051	97	2	17	3

Rate of employee hires, distributed by age and gender	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal
Under 30 Years	31.3%	37.1%	43.8%	50.0%	66.7%	66.7%
30 to 40 Years	50.0%	32.6%	34.7%	50.0%	26.7%	33.3%
40 to 50 Years	18.8%	19.6%	16.7%	0.0%	6.7%	0.0%
50 to 60 Years	0.0%	9.8%	3.5%	0.0%	0.0%	0.0%
Over 60 Years	0.0%	1.0%	1.4%	0.0%	0.0%	0.0%
Female	75.0%	16.8%	32.0%	50.0%	43.3%	0.0%
Male	25.0%	83.2%	68.0%	50.0%	56.7%	100.0%

G4-LA3. Parental Leave

Return to work after parental leave, by gender	● Grupo Argos		● Energy		● Urban Development		● Ports		● Coal	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Employees entitled to parental leave	0	3	32	10	0	1	5	4	1	1
Employees who enjoyed parental leave	0	3	29	10	0	1	5	4	1	1
Employees returned to work following parental leave	0	3	29	10	0	1	5	4	1	1
Employees still at the Organization 12 months after completing parental leave	1	1	25	7	1	0	1	7	2	2

Note: This indicator is not reported for the cement business

G4-LA6. Occupational accidents and illnesses

Injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities	● Grupo Argos		● Urban Development		● Ports		● Coal	
	Men	Women	Men	Women	Men	Women	Men	Women
EMPLOYEES								
Total cases of accidents and occupational diseases	0	1	1	0	18	2	2	0
Days absent due to accidents and occupational diseases	0	17	45		328	3	11	0
Number of disabilities due to ordinary disease	10	45	9	8	121	57	42	5
Disability days due to ordinary disease	39	250	41	117	1,288	209	354	21
Total hours worked	88,797	171,944	85,450	54,128	993,824	N/D	108,447	10,845
Total days worked	10,632	21,483	10,681	6,766	365	N/D	310	310
Fatalities	0	0	0	0	0	0	0	0
CONTRACTORS								
Total cases of accidents and occupational diseases	3	0	14	1	39	0	6	0
Days absent due to accidents and occupational diseases	0	0	42	2	217	0	19	0
Number of disabilities due to ordinary disease	22	31	121	6	N/D	N/D	34	33
Disability days due to ordinary disease	62	151	485	13	N/D	N/D	142	100
Total hours worked	277,710	68,907	712,131	32,335	2,768,809	N/D	379,897	37,063
Total days worked	31,577	10,818	89,016	4,042	365	N/D	330	330
Fatalities	0	0	0	0	0	0	0	0

Injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities	● Cement	● Energy	
	Total	Men	Women
EMPLOYEES			
Total cases of accidents	63	27	5
Days absent due to accidents	1320	182	21
Total cases of occupational diseases	10	2	0
Days absent due to occupational diseases	147	187	0
Number of disabilities due to ordinary disease	4720	629	352
Disability days due to ordinary disease	21339	6631	2115
Total hours worked	24,212,397	2,859,220	886,504
Total days worked	N/D	335,497	104,821
Fatalities	1	1	0
CONTRACTORS			
Total cases of accidents	42	142	3
Days absent due to accidents	500	7,233	9
Total cases of occupational diseases	N/D	0	0
Days absent due to occupational diseases	N/D	0	0
Number of disabilities due to ordinary disease	N/D	1,252	89
Disability days due to ordinary disease	N/D	6,015	593
Total hours worked	25,522,500	2,467,747	195,255
Total days worked	N/D	307,011	24,289
Fatalities	0	0	0

Note: The cement business data is not broken down by gender

G4-LA9. Hours of training

Total hours of training by job category and by gender	● Grupo Argos	● Cement	● Energy	● Urban Development	● Coal	● Ports
Level 1: Executive	117	1,246	154	14	62	7
Level 2: Management	815	12,055	2,131	408	401	97
Level 3: Middle Management	2,183	35,481	893	145	611	106
Level 4: Specialists	2,632	193,018	43,534	2,414	1,586	1,358
Level 5: Operational	1,366	310,547	23,764	1,713	1,131	1,844
Gender (female)	5,794	115,571	19,184	2,152	1,374	1,153
Gender (male)	1,318	436,777	51,292	2,542	2,415	2,259

G4-LA12. Composition of governance bodies and employees

Topic	● Grupo Argos						● Urban Development					
	Men	Wom- en	Under 30 Years	Between 30 and 40 years	Between 40 and 50 years	Over 50 years	Men	Women	Under 30 Years	Between 30 and 40 years	Between 40 and 50 years	Over 50 years
Employees members of a governance body (e.g. board of directors, steering committees, others)	4.55%	1.14%	0.00%	1.14%	2.27%	2.27%	8.70%	4.35%	0.00%	8.70%	2.17%	2.17%
Employees distributed by job level (Level 1 Executive)	100.00%	0.00%	0.00%	0.00%	60.00%	40.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Employees distributed by job level (Level 2 Managers)	44.44%	55.56%	0.00%	44.44%	33.33%	22.22%	60.00%	40.00%	0.00%	80.00%	20.00%	0.00%
Employees distributed by job level (Level 3 Middle Management)	33.33%	66.67%	9.52%	66.67%	23.81%	0.00%	66.67%	33.33%	33.33%	33.33%	0.00%	33.33%
Employees distributed by job level (Level 4: Specialists)	27.27%	72.73%	33.33%	30.30%	24.24%	12.12%	42.86%	57.14%	38.10%	42.86%	14.29%	4.76%
Employees distributed by job level (Level 5: Operational)	30.00%	70.00%	30.00%	25.00%	30.00%	15.00%	81.25%	18.75%	12.50%	12.50%	37.50%	37.50%

Topic	● Coal					● Ports						
	Men	Women	Under 30 Years	Between 30 and 40 years	Between 40 and 50 years	Over 50 years	Men	Women	Under 30 Years	Between 30 and 40 years	Between 40 and 50 years	Over 50 years
Employees members of a governance body (e.g. board of directors, steering committees, others)	7.25%	0.00%	0.00%	1.45%	4.35%	1.45%	1.09%	0.27%	0.00%	0.00%	0.54%	0.82%
Employees distributed by job level (Level 1 Executive)	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	80.00%	20.00%	0.00%	0.00%	40.00%	60.00%
Employees distributed by job level (Level 2 Managers)	100.00%	0.00%	0.00%	25.00%	50.00%	25.00%	92.86%	7.14%	0.00%	35.71%	21.43%	42.86%
Employees distributed by job level (Level 3 Middle Management)	40.00%	60.00%	0.00%	20.00%	60.00%	20.00%	75.00%	25.00%	0.00%	12.50%	37.50%	50.00%
Employees distributed by job level (Level 4: Specialists)	57.14%	42.86%	28.57%	50.00%	14.29%	7.14%	56.16%	43.84%	24.66%	35.62%	23.29%	16.44%
Employees distributed by job level (Level 5: Operational)	91.11%	8.89%	4.44%	37.78%	28.89%	28.89%	80.90%	19.10%	22.85%	27.34%	26.59%	23.22%

Note: not reported for cement and energy businesses

G4-LA13. Wage ratio broken down by women and men

Topic	● Grupo Argos	● Cement	● Energy	● Urban Development	● Ports	● Coal
Level 1 Executive	NA	NA	1.03	NA	1.33	NA
Level 2 Middle Management	1.11	0.95	1.25	1.00	1.38	1.00
Level 3 Managers	1.00	0.92	1.22	0.97	1.33	0.71
Level 4: Specialists	1.00	0.99	1.14	1.05	1.32	1.17
Level 5: Operational	1.48	1.09	0.97	1.36	1.27	1.18

Note: for purposes of consideration, "significant locations of operation" has been defined for the parent company, cement, energy, urban development and coal business as the "country". For the port business, by location of port operations.

Support for Social Development

Social investment by line

● Grupo Argos

Topic	2013	2014	2015	
			COP	USD
Social processes	250,000,000	735,728,621	625,448,416	198,588
Education	1,457,003,187	126,329,960	640,019,400	203,215
Natural Capital	748,725,616	2,136,518,694	2,452,647,500	778,749
Culture	1,133,669,225	1,066,061,000	1,100,800,000	349,519
Urban transformation	-	379,965,143	203,749,633	64,693
Other (includes sponsorships)	-	1,208,246,366	1,334,614,305	423,758
TOTAL	3,589,398,028	5,652,849,784	6,357,279,254	2,018,524

● Cement

Topic	2013	2014	2015	
			COP	USD
Education/Quality	1,625,000,000	2,827,312,039	3,717,265,008	1,180,283
Education/Infrastructure	6,304,000,000	13,154,955,846	8,919,680,324	2,832,121
Community strengthening (Social capital)	5,161,000,000	2,422,313,259	2,586,681,443	821,307
Social and cultural strengthening	4,181,000,000	550,687,808	3,611,589,484	1,146,729
Community infrastructure	2,778,000,000	3,637,285,921	14,127,742,552	4,485,752
Sponsorships	-	2,975,473,643	3,493,290,497	1,109,168
Production projects	546,000,000	1,510,739,303	305,525,000	97,008
Housing	32,539,000,000	20,125,911,036	35,304,250,686	11,209,585
Others	100,000,000	2,879,407,287	2,390,316,731	758,958
TOTAL	53,234,000,000	50,084,086,142	74,456,341,725	23,640,912

● Energy

Topic	2013	2014	2015	
			COP	USD
Access to energy	1,466,347,176	2,843,211,959	2,423,944,274	769,636
Quality of life	3,052,555,449	9,350,124,034	8,808,482,728	2,796,814
Community Development	1,339,567,120	4,364,338,545	7,001,192,885	2,222,975
Educational encouragement	6,201,826,280	5,184,694,871	5,048,062,578	1,602,829
Investment in EMP	4,065,313,409	-	-	-
Administrative Expenses	-	1,029,538,460	1,014,194,755	322,021
TOTAL	16,125,609,434	22,771,907,869	24,295,877,220	7,714,275

● Urban Development

Topic	2013	2014	2015	
			COP	USD
Investment in parks	49,992,200	250,961,533	1,299,339,744	412,558
Maintenance of green spaces	298,822,548	900,553,040	983,954,556	312,419
Others	4,469,325	27,781,419	161,499,748	51,278
TOTAL	353,284,073	1,179,295,992	2,444,794,048	776,256

● Ports

Topic	2013	2014	2015	
			COP	USD
Education	56,344,555	119,888,754	314,953,233	100,002
Water	156,135,684	224,341,969	214,690,779	68,167
Others	142,253,500	299,137,609	148,311,324	47,091
TOTAL	354,733,739	643,368,332	677,955,336	215,260

● Coal

Topic	2013	2014	2015	
			COP	USD
Community strengthening	19,633,144	74,788,408	270,844,000	85,996.69
Education	2,048,512,247	2,060,131,499	-	-
Home improvement	21,234,357	4,745,313	-	-
Roads	257,000,000	207,000,000	1,500,000,000	476,270.61
Production		190,544,000	-	-
TOTAL	2,346,379,748	2,537,209,220	1,770,844,000	562,267.30

2015 Volunteering

Volunteering	Number of volunteers	Hours of corporate volunteering
● Grupo Argos	58	318
● Cement	1,102	2,905
● Energy	423	1,810
● Urban Development	78	365
● Ports	-	-
● Coal	14	81
TOTAL	1,675	5,479

Total social investment in 2015

Social Investment	COP	USD
● Grupo Argos	6,357,279,254	2,018,524
● Cement	74,456,341,725	23,640,912
● Energy	24,295,877,220	7,714,275
● Urban Development	2,444,794,048	776,256
● Ports	677,955,336	215,260
● Coal	1,770,844,000	562,267
TOTAL	110,003,091,583	34,927,493

Philanthropy Activities in 2015

Investment	Charitable Donations	Investments in the Community	Commercial Initiatives
● Grupo Argos	1%	36%	63%
● Cement	1%	45%	54%
● Energy	9%	85%	6%
● Urban Development	0%	100%	0%
● Ports	0%	100%	0%
● Coal	2%	88%	10%

Protection of Natural Capital

	● Grupo Argos		● Cement		● Energy		
	2014	2015	2014	2015	2014	2015	
EN2 Percentage of materials used that are recycled or reworked (%)	Not Applicable	Not Applicable	4%	5%	Not Applicable	Not Applicable	
EN3 Energy consumption within the organization (GJ)	9,507.00	11,552.36	40,816,337.40	44,331,467.81	15,459,434.22	27,014,948.79	
EN8 Total water withdrawal (m3)	1,055.90	956.36	11,504,259.00	10,606,830.00	10,190,279,490.00	13,422,864,475.00	
EN15 Direct greenhouse gas emissions (tons of CO2eq)	675.76	790.85	7,305,689.00	7,839,335.84	1,424,644.00	Currently under calculation	
EN16 Energy indirect greenhouse gas emissions (tons of CO2eq)	51.41	55.58	657,574.00	336,482.28	53,898.00	Currently under calculation	
Own indicator: Number of trees planted	4,442	1,100	Undetermined	Undetermined	Undetermined	Undetermined	

● Urban Development		● Ports		● Coal		Total	
2014	2015	2014	2015	2014	2015	2014	2015
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	4%	5%
1,195.68	1,043.29	26,022.20	23,165.70	128,790.91	187,495.04	56,441,287.41	71,569,672.99
47,322.00	81,726.00	26,831.00	54,584.00	105,102.00	2,400.00	10,201,964,060	13,433,610,971
26.63	24.25	Undetermined	Undetermined	24,219.44	36,650.17	8,755,254.83	7,876,801.11
45.07	42.76	Undetermined	Undetermined	103.51	117.88	711,671.99	336,698.50
17,665	28,545	No sowing was done	No sowing was done	No sowing was done	No sowing was done	22,107	29,645

Notes

- (G4-22) (G4-23) The figure of reworked materials in the years 2014 and 2015 for the cement business has been restated to include all the materials used and reworked in the production of cement and concrete
- (G4-22) (G4-23) The figure of energy consumption in 2014 for the port business has been restated in GJ
- 99.96% of the value reported by the energy business in the G4-EN8 indicator corresponds to water withdrawal to generate hydroelectric power.
- The 2015 G4-EN15 and G4-EN16 indicators for the energy business are in the process of being calculated and will be made public during the first quarter of 2016.
- The increase in the 2015 G4-EN3 and G4-EN8 indicators for the energy business is mainly due to the acquisition of the operations in Central America.
- The G4-EN15 and G4-EN16 indicators for the cement business only include CO2 emissions (tons of CO2).
- The G4-EN2 indicator is only reported for the cement business
- The number of trees planted is reported for the parent company and the real estate business in the years 2014 and 2015



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Independent Review Report

Independent Review of the Integrated Report 2015 of Grupo Argos

Scope of our work

We conducted our review of the adaptation of the contents of Grupo Argos 2015 Integrated Report to the Guide for the preparation of Sustainability Reports of Global Reporting Initiative (GRI) version 4.0 (G4).

Standards and verification processes.

We conducted our work in accordance with ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC)*.

Our review work consisted in formulating questions to the Directors and the various areas of Grupo Argos who participated in the development of the Integrated Report and the application of certain analytical procedures and review testing sample described below:

- Interviews with staff members of Grupo Argos to know the principles, systems and management approaches used to develop the report and calculate the indicators.
- Analysis of how the process of definition of the content, structure and indicators was defined, based on the materiality exercise according to the GRI G4 methodology.
- Evaluation of the process to collect and validate the data presented in the report.
- Checking, by testing based on sample selection and review of evidence of quantitative and qualitative information corresponding to the GRI and Argos internal indicators included in the integrated reporting and proper compilation from the data supplied by the sources of information of Grupo Argos in Colombia.

Confirmation that the Integrated Report is prepared in accordance with GRI methodology G4 in its "Essential" or "Core" version.

General aspects

It was confirmed that the report meets the requirements of essential option of the general aspects of the GRI G4 version: indicators G4-1 to G4-34 and G4-56 were reported. Additional indicators required by the methodology were also reported.

Specific aspects

We reviewed the management approach and GRI and internal indicators of the material issues identified by the company. (See Annex 1).

Responsibilities of the Management of Grupo Argos and Deloitte.

The preparation of the 2015 Integrated Report and its contents are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control, which information is obtained.

Our responsibility is to issue an independent report based on our review procedures applied.

This report has been prepared exclusively in the interests of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the company Direction.

- We have performed our work in accordance with the Independence regulations required by the etic code of the International Federation of Accountants (IFAC).
- The Scope of a limited Review is substantially less than an audit. Therefore we don't provide an audit opinion about the sustainability report.

DELOITTE & TOUCHE LTDA.
Jorge Enrique Múnera D.
Partner

Bogotá, March 2016

Una firma miembro de
Deloitte Touche Tohmatsu

Conclusions

As a result of our review, there was nothing that make us believe that the integrated report contains significant errors or has not been prepared in accordance with the Guide for the preparation of Sustainability Reports of Global Reporting Initiative (G4) in its Essentials version.

Recommendations

Additionally, we have presented our recommendations to Grupo Argos regarding areas for improvement to strengthen processes, programs and related sustainability management systems. The most important recommendations concern:

- To align the sustainability management to international Initiatives such as Sustainable Development Goals and the agreed on Paris on the Conference of Parties (COP21).
- To perform a periodic monitoring of progress in the management of material issues, which will make the reporting process more efficient at year end.

ANEX 1

Material Issues	GRI or Internal Indicators
Economic performance	EC1 Internal. Ebitda, Net profit, net debt
Sustainability Strategy	Internal. Existence of a current Sustainability Policy up to december 31 2015.
Ethics, transparency and competition	SO3, SO4, SO5, SO7
Investment Management	Internal. Management shares Argos Groups vs COLCAP
Inverstors relationship	Internal. # of International funds investing in the group.
Protection of natural capital	EN3, EN8, EN15, EN16, EN34 Internal. # of sown species
Development and Welfare of human talent	LA1, LA2, LA3, LA6, LA9, LA10, LA11, LA13, LA16, HR12
Support to local development	SO1, SO2, SO11, EC6, HR2 Internal. Social investment
Risk Management	Internal. Existence of a current Risk Management Policy up to december 2015.

ANNEX 2 Declaration of Independence

Deloitte is one of the largest companies of professional services in audit, tax, consulting and financial and sustainability advisory to public and private clients in multiple industries. With a globally connected network of member firms in more than 185 countries, Deloitte brings world-class capabilities and high quality service to its customers. Approximately 210,000 professionals are committed to becoming the standard of excellence.

We confirm our independence from Grupo Argos. All our employees perform annual updates to the Ethics Policy which promptly declare that we have no conflicts of interest with Grupo Argos, its subsidiaries and its stakeholders.

Self-assessment of the application of Integrated Report principles and contents

The 2015 integrated report has been prepared following the principles and elements of the International Integrated Report Council (IIRC), to report adequately to stakeholders the material aspects that affect the Organization's capacity to generate value and its coordination with the business model and strategy, considering the different risks and opportunities that arise for the holding entity as well as its subsidiaries and businesses.

The 2015 Integrated Report presents the holding entity's advances in achieving the GRI framework by presenting a more concise and friendly report for all stakeholders, discussing the most significant matters for the Organization, a follow-up of previous years' management and the strengths, challenges and opportunities for improvement in the management of said matters.

In addition, an effort has been made to disseminate the future projection and the short, medium and long-term goals more clearly, thus achieving a better connection between the material aspects and the way in which their management is strategic for the Company.

Also, progress has been made in presenting the business model in a more comprehensible manner, providing a review and update on the emerging risks managed by the holding entity's strategy and the priority risks that are mitigated by the proper management of material aspects.

Integrated Report Guidelines Applied

Strategic Approach and Future Direction

Since the business model and the way in which the holding entity creates value are presented from the beginning of the report, it provides information on the Organization's strategy and how it relates to the capacity to generate value in the short, medium and long term. It presents the objectives and components of Grupo Argos' value creation process, which are framed within

sustainable performance, as well as their use and effects on the capitals presented throughout the report, and the contribution of managing said objectives and the strategic risks to the creation of value. The chapters describe the actions carried out by the parent company and its subsidiaries in the short, medium and long term for the fulfillment of the conglomerate's objectives.

Specifically in the appendix on investment management, global trends that affect or may affect the businesses in which the holding entity invests strategically were included, in order to ensure the sustainability of the businesses and the conglomerate in the long term.

Grupo Argos will continue working to disseminate its long-term goals in a timely manner and present the analyses conducted as regards the outlook of its businesses and investments on the national and international levels.

Information Connectivity

This report has been structured to provide a holistic approach on the combinations, interrelationships and reliances between the factors that affect the Organization's capacity to create value over time, as well as the connections between them and the objectives and performance of the holding entity and its subsidiaries as regards the material aspects.

The material aspects have been grouped in the economic, social or environmental dimensions, which include Grupo Argos' strategic guidelines for its subsidiaries and the management of the conglomerate in each material aspect. For instance, the material aspect of Protecting Natural Capital has been included in the environmental dimension, and the material aspect of Support for Social Development and Human Resources Development and Wellbeing have been grouped in the social dimension, which describes the management and performance of the conglomerate and its subsidiaries in qualitative and quantitative terms, providing key performance indicators.

Stakeholder Relations

Grupo Argos' 2015 Integrated Report provides information on the nature, mechanisms and quality of the Organization's relations with its key stakeholders in the Stakeholder Relations section of the chapter Who We Are, including how and to what extent the Organization understands, takes into account and responds to the legitimate expectations and interests of stakeholders to generate a value proposition and maintain permanent dialogs. In addition, throughout the report we have highlighted how the management of material aspects responds to these expectations and interests.

Materiality

The report disseminates information on the identification of material aspects that affect the capacity to create value in the long term, resulting from a process completed in 2013 and updated in 2014. This identification and definition considered sectoral references, international initiatives and standards, media and press, as well as the opinion of stakeholders and the strategic risks of the holding entity. As part of the commitments acquired by the Organization, a materiality exercise was conducted in 2016 as part of the constant process of reviewing stakeholder expectations and interests, the assessment of impacts, risks or opportunities related to sustainability, monitoring of the main aspects and future challenges of the investment sector and the sectors in which it invests, inclusion of the main values, policies, strategies, objectives and goals of the Organization and strategic and emerging risks, among others.

Conciseness

Grupo Argos has worked to create a clear, concise report, relying upon the Company website, on the creation of an exclusive micro-site for the report and the annual reports of the cement and energy subsidiaries to provide additional, specific and relevant information

Reliability and Integrity

The reliability of the report is reflected in the auditing of the accounting and financial information by Deloitte & Touche, an independent third party working in its capacity as the Statutory Auditor of Grupo Argos. The same firm also provided limited assurance of a group of performance indicators presented in the GRI-G4 Table of Contents.

In turn, Grupo Argos has made efforts to include all the positive, as well as negative impacts in a comprehensive, balanced manner, and the way in which they are taken into account in the conglomerate's value creation process and the investment or divestment decisions, applying the principle of environmental precaution and the mitigation of negative impacts, promoting objectives such as peace and urban development, among others.

Consistent and Comparable

In the 2015 report, efforts have been made to present the information on a basis that is constant over time, and in a way that will allow the historical comparison of the holding entity and its subsidiaries, as well as with other sector organizations by building it in the framework of the core option of the G4 Global Reporting Initiative. The historical information of Grupo Argos is presented for the years 2014 and 2015, and progress will continue as regards the strategic goals established by the Organization.

Below are the elements of the Integrated Report's framework that have been applied in the creation of this report.

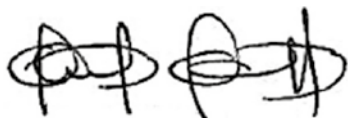
Content Element	Aspects Included	Chapter / Sub-chapter
Organizational Vision and Operational Context	Business Model and Its Relationship with the Creation of Value	How We Create Value / Business Model and Investment Management
	Grupo Argos' Share Portfolio	How We Create Value / Investment Portfolio.
	Geographic Presence of the Conglomerate's Companies	Who We Are / About Grupo Argos
Governance	Structure of the Board of Directors and the Steering Committee	Who We Are / Corporate Governance
	Committees and Responsibilities of the Board of Directors	Who We Are / Corporate Governance
	Good practices with the Board of Directors: appointment, election, remuneration, training and evaluation of the Board of Directors	Who We Are / Corporate Governance
	Codes and Guides for Ethical Behavior in the Conglomerate	Economic Dimension / Ethics, Transparency and Conduct
Business Model	Business Model and Its Relationship with the Creation of Value	How We Create Value / Business Model
Risks and Opportunities	Strategic Risks and Mitigation Activities of the Conglomerate	Economic Dimension / Risk Management
	ESG Risks and Opportunities of the Conglomerate	<ul style="list-style-type: none"> ► Management Report ► Who We Are ► How We Create Value ► Economic Dimension ► Environmental Dimension ► Social Dimension
Strategy and Resources	Business Model for Obtaining Results	How We Create Value / Business Model
	Sustainability Strategy	Who We Are / Sustainability Strategy
Performance and Results	Stock Performance	Management Report
	Financial Performance of Subsidiaries	<ul style="list-style-type: none"> ► Management Report ► How We Create Value / Investment Management ► Environmental Dimension / Protection of Natural Capital ► Social Dimension / Human Resources Development and Wellbeing and Support for Social Development
	Performance and Results for the Holding Entity and Its Subsidiaries in the Triple Bottom Line Framework	<ul style="list-style-type: none"> ► Management Report ► How We Create Value / Investment Management ► Environmental Dimension / Protection of Natural Capital ► Social Dimension / Human Resources Development and Wellbeing and Support for Social Development

Content Element	Aspects Included	Chapter / Sub-chapter
Future Projection	Future Projection in Stakeholder Relations	Who We Are / How We Relate / Stakeholder Relations Who We Are / Investor Relations
	Future Projection in the Management of Ethics, Transparency and Anti-corruption Mechanisms	Economic Dimension / Ethics, Transparency and Conduct
	Future Projection in the Management of Intellectual Capital	How We Create Value / Investment Management
	Future Projection as for the Protection of Natural Capital	Environmental Dimension / Protection of Natural Capital
	Future Projection in the Management of Human Resources	Social Dimension / Human Resources Development and Wellbeing
	Future Projection in the Management of Social Capital	Social Development / Support for Social Development
Basis for Preparation and Presentation	Contextualization and Progress of the Integrated Report	About the Report
	Identification of Material Aspects as Regards Sustainability and Value Creation	Who We Are / How We Relate / Materiality and Stakeholder Relations

In conclusion, there has been positive development as regards compliance with the Integrated Report framework compared to 2014 and the steps necessary have been taken to en-

sure the integrity thereof. Even so, the holding entity is aware of the challenges and opportunities for improvement to move ever closer to full compliance with the framework.

Sincerely,



CAMILO ABELLO VIVES
Chief Legal Counselor



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All the areas of Grupo Argos took part in the preparation of this Integrated Report, with the coordination of the Sustainability and Communications Management Unit.

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