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GRUPO ARGOS
Investments that transform

ARGOS CELSIA ODINSA

TCFD REPORT

2024

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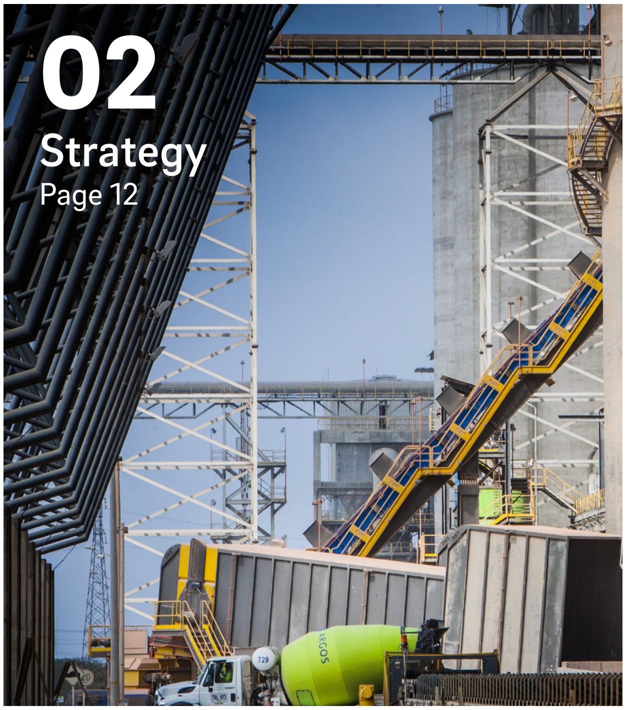

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Letter from the CEO

The economic, environmental and social performance of Grupo Argos and its businesses demonstrate that the creation of economic value for our shareholders is exponentially greater when balanced with the well-being of our employees, community development, environmental stewardship, supplier growth, and a conscious and determined construction of the country and the region.

For almost a century, and with this conviction to develop businesses that create comprehensive value, we have consolidated an organization whose business success has also been based on building relationships of trust that allow us to maximize the value of our investments and to grow profitably and sustainably.

The history of this organization and the very nature of our business activity, which essentially consists of transforming natural resources, have confirmed that the environment is an essential pillar of our economic dynamics. Companies like Grupo Argos, Cementos Argos, Celsia and Odinsa play a leading role adopting the best sustainability practices to address the challenges of climate change.

In this context, we are proud to present our fourth climate report under the *Task Force on Climate-Related Financial Disclosures* (TCFD) framework as evidence of our commitment to transparency towards our stakeholders and as tangible proof of Grupo Empresarial Argos' ability to anticipate the challenges posed by climate change and transform opportunities into shared benefits for all our stakeholders.

Among other significant achievements, it should be noted that the organization strengthened its governance of climate strategy related issues in 2024 to ensure all its businesses are aligned with its global objectives towards 2050. This effort included developing climate scenarios that allowed us to quantify risks and opportunities, anticipate impacts, and define proactive measures that foster Grupo Empresarial Argos' long-term sustainability.

The information reported in this document reflects the organization's significant progress in terms of climate change.

Nonetheless, we are aware of the challenges we face, and we are therefore committed to identifying opportunities that will allow us to maximize the positive impacts of our operations in the territories where we are present and continue to create comprehensive value for all our stakeholders.

Jorge Mario Velasquez
CEO
Grupo Argos

Executive Summary

At Grupo Argos we operate under a strategically coherent framework defined in our Sustainability Policy, which is, in turn, aligned with our higher purpose: to positively transform the lives of millions of people through infrastructure investments and operations. The company is moving forward as one of the most important infrastructure asset managers in the region, generating economic value and having a positive impact on territories and the environment. As part of this process, we focus on understanding and prioritizing actions to anticipate the effects of climate change, its risks and opportunities, both in our operations and throughout the entire value chain.

We are proud to present our climate change-related operations for 2024, following the recommendations of the *Task Force on Climate-Related Financial Disclosure* (TCFD). This document aims to provide transparent communications to our stakeholders regarding the identification, management, and monitoring of this issue, which is of great importance to the company.

The Corporate Governance section describes the role of the Board of Directors as the highest executive entity on Environmental, Social and Governance (ESG) affairs and how climate change-related topics are approached at the organization's strategic and tactical levels.

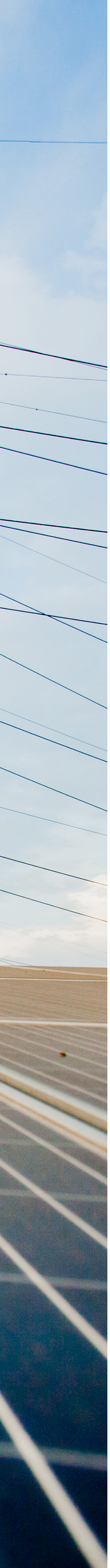
The chapter on Strategy proposes Grupo Argos as an infrastructure asset investment manager with a business model that incorporates extensive knowledge of climate change as a strategic, tactical, and operational challenge, analyzing potential impacts in three scenarios defined for this analysis and evaluated across all our businesses: sustainability, commitment, and continuity.

Risks and Opportunities describes the approach used to identify, quantify, and manage these topics, intending to strengthen the organization's informed and timely decision-making. This will help create value for all stakeholders and increase the resilience of the Corporate Group's businesses.

Finally, the chapter on Metrics contains the company's performance on its defined indicators, and the separated and consolidated commitments it has assumed to mitigate its CO_2e emissions by 2030.

This document reaffirms our conviction to proactively manage climate change and the importance of reporting our progress and challenges to our stakeholders in a consistent, reliable and trustworthy manner.

Yumbo Solar Farm
Valle del Cauca



01 Corporate Governance

Corporate Governance

Board of Directors

» Sustainability and Corporate Governance Committee

» Audit, Finance and Risk Committee

CEO

» Steering Committee

CEO Committee

» Grupo Argos CEO

» Manager of the Real Estate Business

» Cementos Argos CEO

» Celsia CEO

» Odinsa CEO

The Sustainability and Corporate Governance Committee **reviews and oversees** all of Grupo Argos' programs, plans and objectives **related to climate action,** to **guide the Board of Directors** in making decisions to increase the resilience of the company and its investments to the effects of climate change.

The Steering Committee is responsible for **executing, monitoring and controlling the sustainability and climate change strategy**, supported by the Sustainability team, which is responsible for **implementing, monitoring and adjusting plan execution** for Grupo Argos and its investments.

Board of Directors

The Board of Directors is comprehensively responsible for overseeing and managing all of Grupo Argos' economic, environmental, and social risks. Within this context, it has incorporated climate change into its agenda, intending to make it a key factor in the company's important decisions and definitions.

Likewise, the Sustainability and Corporate Governance Committee and the Audit, Finance and Risk Committee, committees of the Board of Directors, follow up on the progress made in complying with the climate change strategy, which includes monitoring the associated risks and opportunities, as well as evaluating environmental trends that may affect the company's sustainability and competitiveness, incorporating the insights and experience of the Board members

In 2024, we continued to make progress with implementing Grupo Empresarial Argos' climate change strategy, developed together with our businesses, which defined CO_2e emissions reduction targets for 2030.

For more information on our Board of Directors, its committees, and its members' experience, please see the 2024 ESG Databook.

Access our ESG Databook here or scan the QR code

Management

The monitoring of the implementation of the climate change strategy is part of the management responsibilities of the Grupo Argos Steering Committee. The CEO, the Chief Legal Officer and the Vice President for Strategy and Corporate Finance sit on this committee. This team is responsible for managing and monitoring climate change risks and opportunities, overseeing Grupo Argos' strategic objectives, including those related to climate change, and reviewing and monitoring achievement of the goals defined in each business's climate change strategies and action plans.

Compensation tied to sustainability indicators We also have a variable compensation system that promotes achievement of the organization's strategic and corporate objectives. Depending on each employee's level in the organization, two types of variable incentives may apply: (i) short term, and (ii) long term. In the long term, we incorporate sustainability elements into the incentives that represent at least 15% of the total variable compensation of our employees. These include climate change related indicators, including meeting the annual CO_2e emissions reduction target defined for each company in Grupo Empresarial Argos, or compliance with the variables of loans acquired tied to ESG sustainability indicator performance. The short-term incentives of some teams include climate change related indicators, including achieving carbon neutrality for Grupo Argos, and developing and implementing a roadmap to reduce scope 3 emissions, among others.

Grupo Argos' role

As part of our role as infrastructure asset investment managers, we support our construction materials, energy, and roadway and airport concessions businesses to integrate climate change risk mitigation and opportunity maximization into their business strategies. We participate actively in their different governance bodies and help generate synergies and alliances and create investment vehicles tol help us achieve our climate targets and increase our operations' resilience. Besides participation by Grupo Argos Executives on Boards of Directors and the different committees that support each business's operations, the Grupo Empresarial Argos CEO Committee meets quarterly to discuss these topics and share good practices, experiences, and action plans, and to generate synergies.

There is also the corporate group's Sustainability synergy table, made up of each business's Chief Sustainability Officer and Grupo Argos's Sustainability Management office. This team, which meets five times a year, is tasked with overseeing each company's more specific sustainability performance, including climate change issues.

We also set up the Climate Change Roundtable as a space for businesses to generate synergies and share good practices, difficulties, and results around climate change.

Table 1 describes the main topics discussed, the frequency with which they are discussed, and the risks and opportunities reported to the governing bodies.

Table 1. Main climate change related topics discussed by the different governance bodies

Governance Body	Climate change related responsibilities and scope	Main topics discussed in 2024
Board of Directors Frequency*: Annual	» Approve and follow-up the organization's strategy, including its climate change strategy, given its nature as a strategic risk. » Monitor Environmental, Social and Governance (ESG) risks and opportunities. » Guide the company's CEO on managing the business and its associated risks. Maintain a general, consolidated overview of the Grupo Empresarial Argos climate change strategy.	» Progress made with fulfillment of the climate change strategy. » COP 29 climate change report. » ESG Disclosure trends report. » Updated strategic corporate risks, climate change, and natural resource scarcity.
Audit, Finance and Risk Committee Frequency*: Annual	» Review and evaluate the comprehensive risk management system and propose any improvements deemed necessary, promoting the configuration of a control and risk management structure that is aligned with the company's strategic objectives, including those related to climate change.	» Report on targeted work to analyze risks inherent to the internal control system, which includes an ESG report on the information consolidation model. » Report on increased ESG requirements for access to international financial markets and unconventional disclosures (TCFD).
Sustainability and Corporate Governance Committee Frequency*: Annual	» Make sure corporate governance practices, including those related to climate change, align with the Good Governance Code. » Have knowledge of and oversee the implementation of the Board's action plan for each calendar year, including a session for presenting the Sustainability and Corporate Governance Committee's sustainability and climate change report. » Promote sustainability training for managers and directors.	» Progress with the climate change strategy. » COP29 climate change report. » ESG Disclosure trends report.
Steering Committee Frequency*: Quarterly	» Propose and follow up on action plans for the Grupo Empresarial Argos climate change strategy. Along these lines, the Steering Committee defines climate change guidelines for the businesses.	» Monitor and define climate change targets. Follow-up indicators defined for Grupo Argos's material issues in its double materiality analysis.

**The frequency defined in this table refers to the frequency with which climate change topics are topics discussed by the different governance bodies.*

Table 1. Main climate change related topics discussed by the different governance bodies

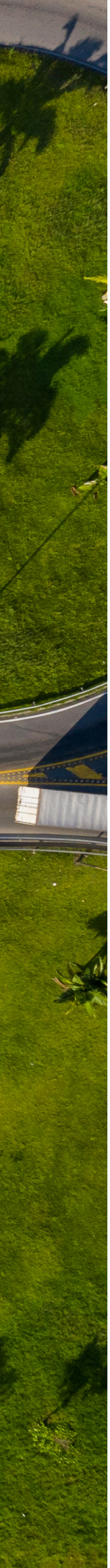
Governance Body	Climate change related responsibilities and scope	Main topics discussed in 2024
CEO Committee Frequency: Quarterly	» Make sure the climate change strategy for each business is in line with the Grupo Empresarial Argos' strategy. This committee also manages and monitors ESG risks and opportunities that affect each of the industries where the organization operates.	» Climate change strategy work plan for each business, monitoring plan for goals and key indicators » Socialization of the results of the double materiality exercise
Grupo Empresarial Argos Sustainability Synergy Table Frequency: Quarterly	» Approve the Sustainability Roundtable's annual work plan. » Support construction of the proposal for cross-cutting material issues, including climate change, prior to their presentation to the CEO committee. » Approve the ESG targets, including those related to climate change, defined for the Corporate Group, as well as the proposed work plans for their achievement. » Provide guidelines, whenever necessary, on specific actions to create synergies between businesses. » Analyze ESG performance outcomes, including climate change.	» Follow up the Sustainability Roundtable's annual work plan. » Follow up compliance with climate change targets. » Analyze ESG indicators' quantification methodologies considering disclosure trends.
Grupo Empresarial Argos Sustainability Roundtable Frequency: Biweekly	» Propose the Sustainability Roundtable's annual work plan considering the businesses' ESG priorities. » Build a proposal for the Grupo Empresarial Argos Material Issues according to the required frequency, including climate issues. » Define the proposed ESG indicators, including those related to climate change indicators, targets, and action plans for achieving their objectives. » Identify specific actions of synergy between businesses to promote achievement of climate change goals defined for cross-cutting material issues. » Analyze Grupo Empresarial Argos's climate change performance results and propose actions for improvement.	» Actions to comply with the annual work plan. Follow up the outcomes of the Corporate Group's climate change targets. » Develop concrete actions to promote synergy and cooperation between the businesses in strategic areas like climate change. » Analyze ESG indicators' quantification methodologies considering disclosure trends and the definition of related actions.

Vision for the Future

Continue the review, on the Board of Directors and its committees, of the progress of the organization's Climate Change Strategy, in addition to continuing to strengthen the reporting of the information disclosed by continuous monitoring of the most important climate metrics, aligned with the specific strategies of each of our businesses.

Movistar Arena, a project with the Argos seal
Bogota


Autopistas del Café
Quindío



02
Strategy

Strategy

Grupo Argos' strategy aims to establish the company as a leading infrastructure asset investment manager in the Americas, recognized for developing and operating attractive and profitable platforms that meet the expectations of long-term institutional investors. This strategic framework integrates a vision of sustainable profitability with a strong commitment to generating shared value for all stakeholders, integrating climate change management as a strategic enabler to drive profitable growth and maximize value.

Recognizing the importance of long-term sustainability and competitiveness, Grupo Argos has designed a climate change strategy that prioritizes carbon footprint mitigation, adapting its different businesses' operating models to changing climatic conditions, and consolidating a comprehensive risk and opportunity management system that contributes to value creation. This approach, besides strengthening the climate resilience of its investment portfolio, incorporates climate criteria into the financial capital allocation process to acknowledge the potential impact of climate change and promote the transformations required to ensure mid- and long-term sustainability.

Strategic focus areas

- **Comprehensive management of climate risks and opportunities:** Implementing a proactive model for climate risk identification and quantification to enhance the capital allocation process to thus optimize its returns.
- **Science-based annual targets:** Define climate targets in line with 2030 commitments, covering most of Grupo Empresarial Argos' scope 1 and 2 emissions, with targets already approved by the *Science Based Targets (SBT)* initiative for the concessions and building materials businesses, which account for around 90% of total emissions.
- **Transition to a low-carbon economy:** Design long-term action plans (2030-2050) to ensure the sustainability and economic viability of our businesses and investments.
- **Compensation tied to climate targets:** Align incentives for company leaders with the achievement of climate-related targets
- **Climate governance:** Engage in varioys businesses' Sustainability and Corporate Gobernance Committees to oversee the achievement of climate transition targets, ensuring coherence and compliance throughout the organization.

This strategy identifies Grupo Argos as a key strategic coordinator and guides its medium- and long-term efforts in the following areas:

- **Inter-company coordination:** Facilitate collaboration among teams across various businesses to ensure the implementation of climate strategy and its alignment with science-based targets.
- **Financial structuring for climate change:** Develop processes to processes to facilitate short-, medium- and long-term soluctions, advancing research and technology innovation projects to tackle challenges in the infrastructure and building materials sector.
- **Participation in public policy discussion:** Participate in forums and roundtables to make constructive contributions to climate policies in key regions to achieve global goals.
- **Internal and external collaboration:** Foster alliances and create opportunities for sharing best practices within Grupo Empresarial Argos and with key external actors.

Through these strategic areas, Grupo Argos aims to contribute to climate change mitigation and adaptation, leveraging its role as a key player in the infrastructure sector, and to crerate shared value for its stakeholders.

Scenario Analysis

The company analyzes three climate change scenarios to support its strategy. This analysis involves exploring risks and opportunities in a range of hypothetical futures, with the purpose of identifying potential impacts on our strategy as a strategic investment manager. A climate scenario is defined as a potential future based on projections of several variables including greenhouse gas (GHG) emissions, demographic growth, technology availability, cost, and assimilation, and economic growth, among others.

Scenario Sustainability

RCP 2.6
IPCC: 1.3°C and 2.4°C

Low physical risks and high transition risks (more regulation, taxes, increased investment in technology, energy transition opportunities, green products).

Assumptions

- Assumes that climate policies are stricter in the transportation and construction sectors.
- Creates a situation where a lack of coordination between sector-based policies results in a great consumer burden, while the decarbonization of energy and industrial supplies is less strict.
- Businesses have difficulty aligning with global targets.
- Mixed results for the businesses in terms of long-term profitability and competitiveness.
- Increased transition risks, including regulation, market, technology, and reputation risks, which could result in higher costs, constraints, changes in demand, and stakeholder expectations regarding the company's environmental performance
- Increased opportunities for innovation, efficiency and competitiveness, to develop green products and solutions, implement circular economy measures, and reduce emissions

Potential Impacts

ARGOS

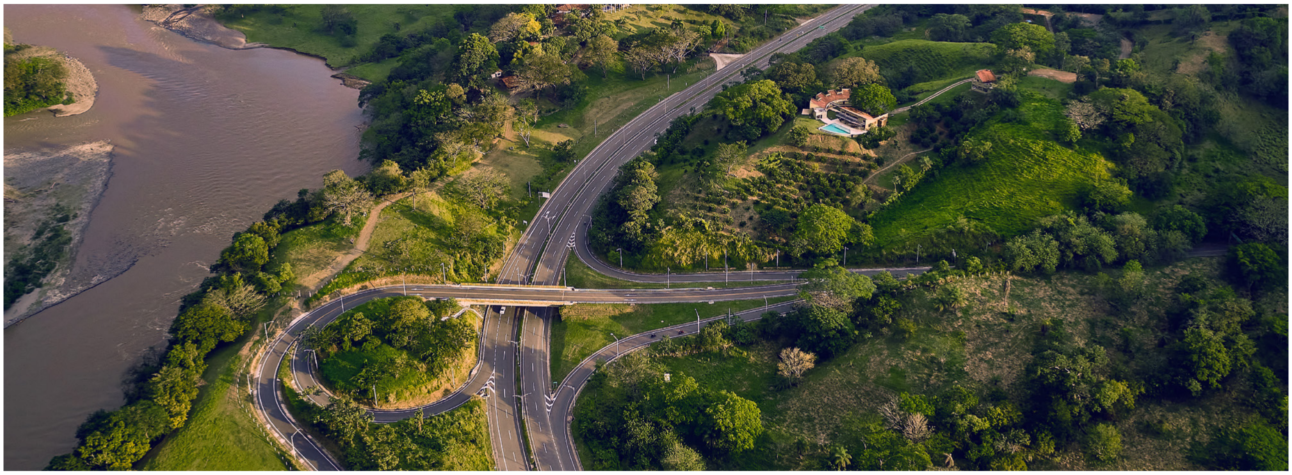
- Accelerated technology and innovation investments to develop low-carbon products
- Increased capital costs
- Price increases or reduced profitability due to higher taxes on using fossil fuels

CELSIA

- Accelerated investments to expand the renewable energy segment
- Acceleration of new technologies like hydrogen
- Expanded energy storage with second life electrical mobility batteries

ODINSA

- Assessment of the impact of future transportation and construction sector regulations on its operations



Pacífico 2
Antioquia

Scenario RCP 4.5
Commitment IPCC: 2.1°C and 3.5°C

Significantly higher physical risks (more floods, droughts, hurricanes, landslides) and relatively low transition risks, among others (taxes, regulations).

Assumptions

- » Assumes a moderate and heterogenous climate ambition reflected by Nationally Determined Contributions (NDCs).
- » Emissions decrease. However, this leads to 2.6°C in warming associated with moderate to severe physical risks (worsening physical risks associated with extreme weather events, including droughts, floods, storms, and heatwaves, that could affect the company's infrastructure, operations and supply chain, as well as the health and safety of its employees and communities, more severely).
- » Increased inequality gaps between countries and companies with more capital that affects the competitiveness of our businesses

Potential Impacts

ARGOS

- » Delays or interruptions to the production process due to climate phenomena that lead to higher costs
- » Higher costs of current fuels like coal and gas for the production process
- » Increased logistics costs for exports and export delays due to climate effects

CELSIA

- » Climate phenomena that impact energy generation, transmission or distribution
- » Increased thermal energy generation
- » Higher costs of fuels like gas for supplying backup thermal plants

ODINSA

- » Roadway traffic affected due to climate phenomena and potential landslides
- » Airport traffic affected due to adverse weather conditions
- » Increased costs from repairing roadways impacted by weather conditions

Celsia Solar Victoria 1
Valle del Cauca

Scenario Continuity

RCP 8.5
IPCC: 3.3°C and 5.7°C

Catastrophic physical risks and very low transition risks:

Assumptions

- Lack of or flawed controls for meeting climate change policies
- Increased inequality gaps between countries and companies with more capital that affects the competitiveness of our businesses
- Reduced capacity to access technologies, delayed investments for climate change, and larger costs for transferring risk
- The organization does not manage to develop and scale businesses in line with climate targets
- Realization of physical risks associated with extreme weather events, including droughts, floods, storms, and heatwaves, that could irreversibly affect the company's infrastructure, operations and supply chain and the health and safety of its Employees and communities, and even lead to loss of human life and ecosystems.
- Higher carbon taxes that could be passed on to the end consumer
- Increased frequency of climate phenomena
- Limited opportunities for innovation, efficiency and competitiveness

Potential Impacts

ARGOS

- Reduced technology and innovation investments to develop low-carbon products, affecting investor and overall market perception
- Delays or interruptions to the production process due to climate phenomena like hurricanes and floods that lead to higher costs
- Increased logistics costs for exports and export delays due to climate effects
- Price increases or reduced profitability due to higher taxes on using fossil fuels

CELSIA

- Slower expansion of renewable capacity
- Increased thermal generation due to lower levels of reservoirs for hydroelectric generation
- Increased logistics costs for fuel transportation that would increase the cost of thermal generation
- Increased maintenance costs for generation plants due to weather events

ODINSA

- Greater investments for adapting to climate change phenomena

El Dorado Airport
Bogota

Vision for the Future

Grupo Argos will continue to integrate climate-related criteria into its due diligence processes for mergers and acquisitions, ensuring alignment with sustainability goals and proactively managing potential risks. The company will also advance in the development of climate scenario analyses to inform investment decisions in emerging technologies. In parallel, it will maintain strategic partnerships with academic institutions and research centers to foster the early adoption of innovative solutions aimed at achieving long-term climate goals. This integrated approach reinforces Grupo Argos' leadership in sustainable infrastructure and strengthens its ability to generate value through a successful climate transition.

Cementos Argos Cartagena Plant
Bolivar

Las Aromáticas Park
Atlantico

03
Risk Management

Risk Management

Climate change risk analysis process

Fulfillment of the company's strategic objectives results from a comprehensive management of climate change risks. To define any negative impacts that could arise, the organization must implement a prior identification and evaluation process.

The Comprehensive Risk Management System (SGIR, in Spanish) is a dynamic, ongoing cycle that feeds into the Board of Directors, the Steering Committee, and each area of the organization who, together with the Strategic Planning and Risk teams, make up the consolidated risk landscape. In turn, the result of these processes becomes an input for periodically analyzing strategic risks, seeking continuously improved decision-making.

The above is based on different sources including the materiality analysis (in both directions), environmental trends and megatrends, conversations with stakeholders, among others, which have managed to anticipate opportunities and/or threats to the strategic objectives.

The risk management process (Figure 1) enables identifying, analyzing, appraising and monitoring events that could significantly affect these objectives: The company also has a Corporate Risk Policy and Handbook that define declarations, roles, procedures, and tools for systematic and anticipated risk management. These guidelines are the foundation for integrating climate change risks into our SGIR, based on a "three lines of defense" model:

- **First line:** The Strategy and M&A teams are responsible for incorporating climate change risks and opportunities for the industries where they have investments into their appraisal exercises. In turn, they are responsible for monitoring global and sectoral trends that feed back into the strategic process
- **Second line:** The Risks and Sustainability teams assist the Steering Committee with understanding climate phenomena and their integration with the business models, ensuring the companies have the tools to monitor and manage them. Finally, the Sustainability area builds trend dashboards and make recommendations on reporting standards for communicating risk management to stakeholders
- **Third line:** The internal audit team independently verifies the control environment and any measures that help improve management controls and plans, including mitigation and adaptation activities. It also helps verify risk management goals and metrics with external auditors and verifiers

Figure 1. Risk management processes

1. Risk Identification
Identify and review risks that could affect fulfillment of the strategic objectives

2. Risk Analysis and Appraisal
Understand the risk's nature and characteristics, appraising it both qualitatively and quantitatively

3. Risk Management
Implement different mitigation options to address the risk according to management objectives and criteria

4. Risk Monitoring
Monitor risk status and any factors that could modify it. In addition to the operation of key risk management controls

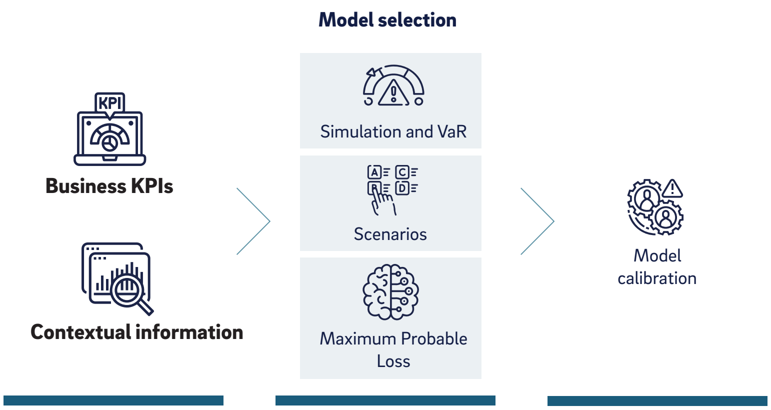
To continue understanding our environment, we perform a medium- and long-term trend and risk exploration process which compares Grupo Argos's businesses and the industries' specificities and defines the steps to be followed to ensure the company's sustainability.

Grupo Argos updated its strategic risks (Table 2) in 2024, using the trends and main global risks identified by the *World Economic Forum* as references, and where climate change continues to be fundamental to achieve strategic objectives. Identified risks are analyzed using the ISO 31000 and COSO-WBCSD approaches to ensure its proper identification, measurement, management, and monitoring, seeking to integrate its impact into our capital allocation and structure models.

Table 2. Grupo Argos strategic risks

Risk	Risk Description
Materialization of the Asset Manager strategy	Difficulties for achieving sustained and profitable growth in the operation of our assets under management, due to inadequate capital allocation and/or failures in the performance of asset management activities.
Disconnect between the share's market price and its fundamental value	Difficulties in getting the market to adequately perceive the company's price or the external market factors affecting the formation of an adequate price, limiting long-term strategy execution and access to capital.
Human talent and change management.	Loss of or difficulty retaining and/or hiring key talent during the organization's transformation process due to focusing strategy on asset management/ investment funds.
Macroeconomic and regulatory environment	Adverse conditions external to the organization that impact the regulatory fabric, affecting the course of business, financial performance and stakeholder relations.
Climate change and natural resource scarcity	Limited access to capital due to climate change requirements, as well as a lack of adaptation to physical, transitional, a natural resource risks. Difficulty designing and implementing economic development models towards a low-carbon economy.
Cybersecurity	Materialization of cyber threats that threaten the availability, integrity and confidentiality of critical and strategic information and inability to contain them and recover operations.

Figure 2. Risk measurement cycle



At Grupo Argos we have decided to manage climate change risks **proactively** by **identifying** the most important variables that affect us, **quantifying** their business impact, and **prioritizing** mitigation strategies

Business engagement process according to their climate change risks

Grupo Argos' climate change risks are aligned with the businesses' risks, making sure business fundamentals and trends are connected to the managed portfolio and sharing synergies and good practices. Grupo Argos' risk team also interacts constantly with the risk teams of its strategic businesses, according to the following principles:
Our strategic businesses have business continuity and disaster recovery plans that are reviewed and approved by

- Quarterly reports to the Grupo Argos's Risk area on the status of strategic risks at its businesses.
- Monthly meetings between risk areas to monitor the performance of risk management measures.
- Expanded risk committees for monitoring global and business risks

their governing bodies with participation from the Grupo Argos Steering Committee.

Calima Hydroelectric Plant
Valle del Cauca

Climate change risk quantification

Physical risks

Grupo Empresarial Argos's businesses have incorporated tools to identify the vulnerability of its physical assets (the facilities where they operate), to evaluate many different natural threats (hurricanes, floods, droughts, tropical cyclones, electrical storms, among others), georeferencing and estimating expected losses by business, geography, and type of risk. The facilities that face the greatest threats are prioritized for each business, and finally the physical impact is estimated.

Transition Risks

The short-, medium- and long-term impacts are projected using qualitative analyses and quantitative estimations. These projections are based on variables and analyses derived from the climate scenarios. This allows us to objectively measure the impact of transition risks and assess the effectiveness of the mitigation measures implemented.

Estimated values of transition risks refer to inherent risks in all cases unless otherwise stated and are calculated for the specific year.

Table 3. Evaluated scenarios and assumptions.

Scenario	Assumptions
Sustainability scenario (Sc.1): SSP1 - 1.9 + NZE + Net Zero 2050[1]	» There is at least a 50% chance of limiting global warming to below 1.5°C, compared to preindustrial levels, by the end of the century » Global GHG emissions reduced to net-zero around 2050 » The energy economy is dominated by non-conventional renewable energies including solar and wind » Increased technological investment in energy efficiency, electrification, bioenergy, CCUS (carbon capture, utilization and storage) and hydrogen » Physical risks are relatively low, but transition risks are high
Commitment scenario (Sc. 2): SSP2 - 2.6 + APS + Below 2°C[2]	» Global GHG emissions are reduced slowly » Change to new technologies happens slowly » Physical risks and transition risks are relatively low
Continuity scenario (Sc. 3): SSP2 - 4.5 + STEPS + Determined Contributions [3]	» Global GHG emissions resemble current levels before they started to decline in mid-century, but do not reach net zero until 2100 » Change to new technologies happens slowly » Physical risks are high, but transition risks are relatively low

Considering the scenarios described above and summarized in Table 3. we develop quantitative estimates of physical and transition risks that could potentially affect Grupo Argos and its investments.

[1] SSP1-1.9 refers to the Shared Socioeconomic Pathway 1 with radiative forcing of 1.9 W/m2, introduced by the Intergovernmental Panel on Climate Change (IPCC). NZE represents the model developed by the International Energy Agency (IEA), which sets out how the global energy sector could reach net-zero emissions by 2050. Finally, Net Zero 2050 corresponds to the model that describes a trajectory to achieve net-zero greenhouse gas emissions by 2050 developed by the Network of Central Banks and Supervisors for the Greening of the Financial System (NGFS)
2 SSP2-2.6 refers to the Shared Socioeconomic Pathway 2 with a radiative forcing of 2.6 W/m², introduced by the IPCC. APS stands for Announced Pledges Scenario and is a model developed by the IEA that projects how global emissions and the energy system would change if all countries fully met their climate commitments and pledges. Finally, Below 2°C corresponds to a climate model developed by the NGFS and which describes an emissions trajectory in which global warming is limited to less than 2°C by the end of this century.
[3] SSP2-4.5 refers to the Shared Socioeconomic Pathway 2 with a radiative forcing of 4.5 W/m², introduced by the IPCC. STEPS is the acronym for Stated Policies Scenario and is a projection developed by the IEA that examines the global energy future according to current policies and commitments

Modeled physical risks

GRUPO ARGOS

Risk Description:
Risk related to extreme rainfall, depletion of water resources for ongoing operations due to climate change and ecosystem degradation.

Methodology:
With support from the Geosciences area of Compañía de Seguros Suramericana S.A., expected losses due to natural events associated with climate change were estimated for Grupo Argos's facilities, including the Real Estate Business

Quantification:
Non-material risk.

Bridges over the Cauca River (Pacifico 2)
Antioquia

ARGOS

Risk Description:
Extreme rainfall, hurricanes, landslides derived from extreme weather events, tornadoes, depletion of water resources ongoing operations due to climate change and ecosystem degradation.

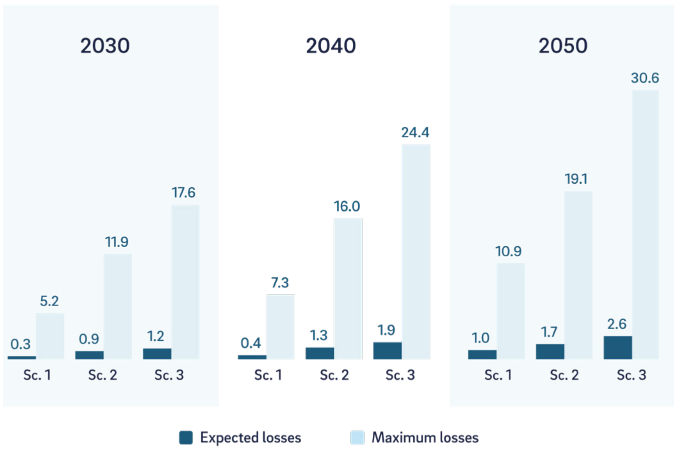
Methodology:
For physical risks, changes in the associated variables are analyzed for each relevant asset in each scenario and time horizon, using the most up-to-date databases and climatological models.

Results include a qualitative and quantitative outlook, while remaining aware of the potential for change as uncertainty is reduced. Correlations between risks, opportunities and geographies were also defined.

For the last phase of calculation, the maximum expected losses or gains were modeled in a risk engine that provides a distribution of losses and potential gains aggregated by geography, risk type, time horizon and climate scenario.

Quantification:

Image 1. Physical risks Cementos Argos (USD millions)



CELSIA

Risk Description:

The main physical risks faced by Celsia in our operations and the assets we manage (generation plants, electrical substations, transmission and distribution lines) are: droughts, floods, reservoir sedimentation, and erosion of the earth's surface.

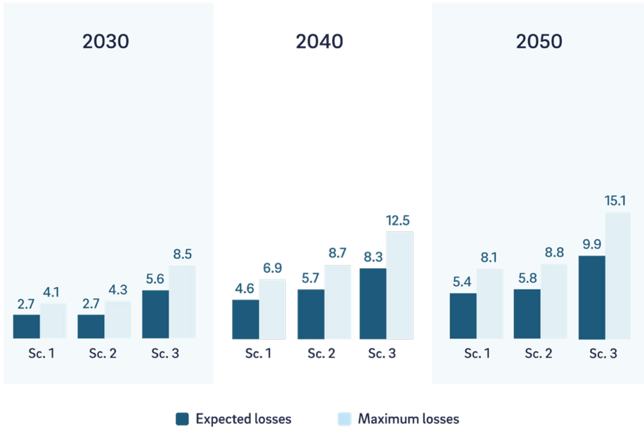
Methodology:

To identify and assess its physical risks, Celsia used the capabilities of *The Climate Service (TCS)* to model future threats caused by climate change in the study scenarios, according to the geographical, technical and operational information of its generation, transmission and distribution assets. It then used this to define the medium- and long-term economic impacts (costs, reduced revenue and/or business interruption) derived from these risks. CAT[4] modeling was also used to define the probable maximum loss *(PML)* for catastrophic natural events.

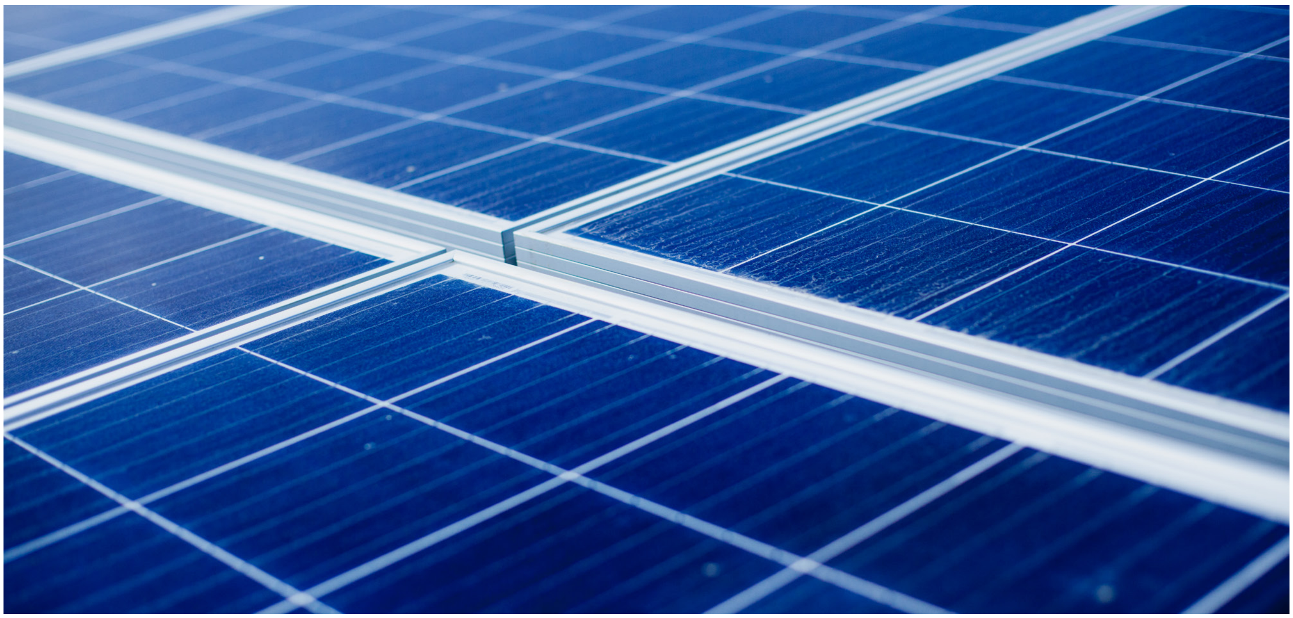
[4] *CAT: Catastrophic*

Quantification:

Graph 2. Physical risks Celsia (USD millions)



> Drought is the main risk because it can result in reduced availability of water resources for power generation. Drought seasons in Colombia can vary over the decades due to the El Niño phenomenon, the frequency and intensity of which is expected to increase due to climate change.



Celsia Solar Bolivar
Bolivar

ODINSA

Risk Description:

Impacts of extreme weather events and gradual changes in weather conditions that have the potential to damage critical infrastructure and affect the ongoing operation of roadway and airport concessions.

Odinsa addresses physical risks up to 2030. It includes all active concessions including airports (Opain and Quiport) and roadway concessions (Autopistas del Café, Conexión Pacífico 2, Malla Vial del Meta and Túnel Aburrá Oriente). Within this timespan, Opain and Autopistas del Café have reversal in 2028 and 2027 respectively, so their analysis focuses on immediate risks.

Methodology:

To identify and quantify physical risks, the process includes a climate vulnerability analysis and modeling of extreme events. These assessments include both direct infrastructure damage and impacts to ongoing concessions operations. Geosura information is used to model physical risks for all concessions. The probability of the occurrence of extreme climate events is assessed and revenue and infrastructure losses are projected according to risk level. This analysis includes resilience and adaptation measures to mitigate the impact of these events.

Quantification:

» Impact on roadway concessions: ~ USD 88.5 m
(residual impact: ~ USD 6.1 m)

» Impact on airport concessions: ~ USD 2.8 m
(residual impact: ~ USD 49 m)

Grupo Empresarial Argos manages mitigation of the physical risks associated with climate change and other adverse events using risk transfer schemes, including insurance policies against material damages. These policies, which may include lost profits clauses, allow our businesses to protect their physical assets and ensure the continuity of operations in light of natural disasters or other events. Each company thus significantly reduces their residual physical risk compared to the inherent risk, increasing their resilience and ensuring improved stability for fulfilling their strategic and sustainability objectives.

Modeled transition risks

GRUPO ARGOS

Risk Description:

Limited access to capital due to climate change requirements, impaired value of investments or assets due to changes in regulations, operating standards, or other stakeholder requirements.

Methodology:

Assumptions are made regarding potential carbon pricing scenarios, and potential deviations from the budgeted corporate EBITDA are calculated using an analysis of actual emissions.

Quantification:

This analysis returned a result of “very low” for transition risks, because EBITDA effects are less than 1%. As such, this effect is not material.

ARGOS

Risk Description:

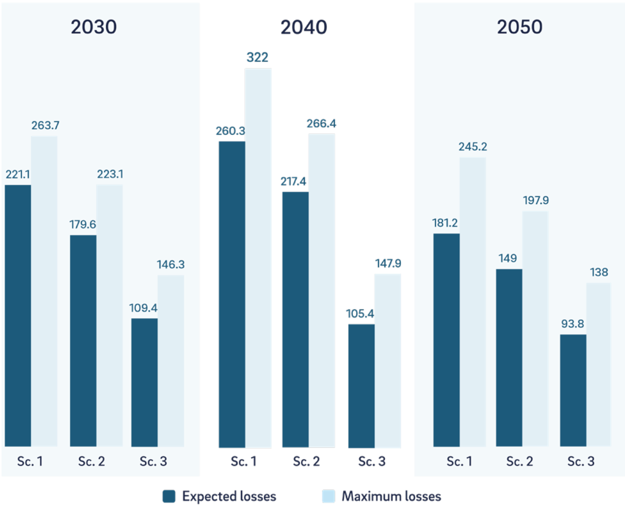
The main transition risks identified for Cementos Argos are: Implementation of emissions trading systems in the countries where the company operates, increased costs of raw materials, energy market uncertainty, increased risk retention and transfer costs, early depreciation or replacement of existing assets due to technological obsolescence and restrictions on access to capital, credits and the like, as it a CO_2 emissions-intensive production process.

Methodology:

Quantitative estimations of risk impacts are performed using scenarios based on stochastic models using the Value at Risk (VaR) approach. Assumptions are made on random variables on a case-by-case basis, and Montecarlo simulations are used to generate distributions of potential deviations in the budgeted corporate EBITDA for the year, including expert criteria or historical and prospective pattern analysis. The financial impacts, both current (2024) and short, medium and long term (2030, 2040, 2050) are included in this report together with response actions for decision-making.

Quantification:

Graph 3. Transition Risks Cementos Argos (USD millions)



The results presented in this document are theoretical quantifications where market cement production process variables are kept constant, to exemplify any potential impacts. However, this exercise does not consider the actions performed by the company and the industry on a permanent basis to mitigate potential effects on the construction sector and on the economic development of the geographies where we are present.

Cementos Argos Pipes
Panama

CELSIA

Risk Description:

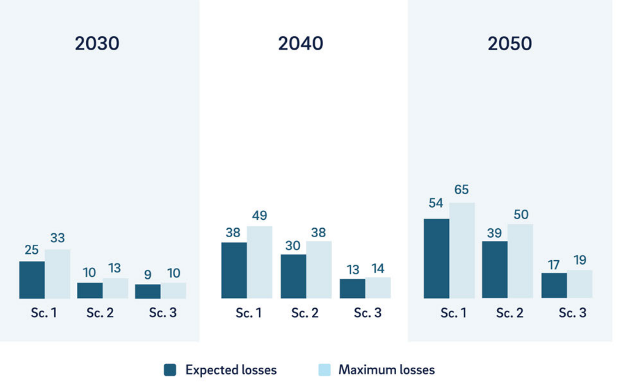
The main transition risks identified for Celsia are: CO_2 emissions tax, legal and regulatory issues, reputational damage, new technologies and market.

Methodology:

To quantify transition risks, Celsia uses a stochastic Monte Carlo simulation model to calculate the Value at Risk (VaR) to Ebitda. This includes changes in variables including climate, water inputs, availability of solar and wind resources, and market variables (share price, short-, medium- and long-term regulation, emissions taxes, and technological and business changes). This analysis is also performed under the scenarios in the study considering the country's hydrological cycles and extreme weather events that could positively or negatively affect its expected results.

Quantification:

Graph 4. Celsia Transition Risks (millions of USD)



The emissions tax is Celsia's most important risk and is related to additional policies and regulations that could especially affect its thermal generation operations.

ODINSA

Risk Description:

Changes in technical design and construction conditions, changes to conditions external to roadway and airport operations that modify the infrastructure usage model. These risks are assessed in the context of road and airport concessions, intending to minimize their impact on the business model and ensure an orderly transition towards sustainable practices.

Methodology:

To identify, assess, and quantify transition risks, Odinsa applies a three-stage structured approach: i) risk identification, ii) qualitative and quantitative evaluation and scenario simulation. The latter includes industry trends or commitments that increase the costs of operating and maintaining new infrastructure that provide services to vehicles operating on clean fuels.

1. Risk identification

The process analyzes the specific risks for each concession and examines potential changes in regulations, available technological developments, and market expectations.

The methodology is then adjusted by evaluating risks according to their potential impact and the probability of materialization, which allows prioritizing those that represent significant medium- and long-term threats.

2. Qualitative and quantitative assessment and simulation

The assessment is performed using sensitivity analyses and simulations to model the economic impact of each risk. Quantification includes estimates of compliance costs, potential penalties, fluctuations in demand, and expenses associated with new technology adoption. Concessions modelled until 2030 are: Opain, Quiport, Pacifico 2, Túnel Aburrá Oriente, Malla Vial Del Meta, Autopistas del Café and Green Corridor.

Quantification:

The analysis returned a result that fell between "very low" and "low" for transition risks, because their effect upon revenue, expenditures, and operations are less than 5%. This is as a result of the mitigation measures put in place by the operations and concession contracts, and means that this effect is not material.

Table 4. Description of mitigation and adaptation strategies for physical and transition climate change risks

Company	Mitigation and adaptation
GRUPO ARGOS	• Grupo Empresarial Argos climate change strategy • Strengthened conscious investment process • Participation in public policy discussions
ARGOS	• Technical and financial roadmap • Climate change adaptation plan • Increased use of alternative fuels • Reduced clinker/cement ratio • Increased thermal efficiency • Increased renewable energy use -PPAs • Increased electrical efficiency in production processes • Participation in public policy discussions
CELSIA	• Asset vulnerability studies • Business continuity plans and disaster risk management plans • Supply management: early warning systems and smart metering systems • Efficient natural resource use strategies • Empowerment of ecosystem services: ReverdeC Program: Watershed improvement, which translates into water resource conservation and contributes to capturing GHGs, environmental management plans, and environmental restoration programs • Risk transfer: insurance program that includes physical risk coverage for assets and parametric climate solutions
ODINSA	• Efficient operations • Renewable energy consumption • Sustainable procurement • Potentiation of ecosystem services through participatory ecological restoration programs at concessions

Alto Anchicayá Hydroelectric Power Plant
Valle del Cauca

Opportunities

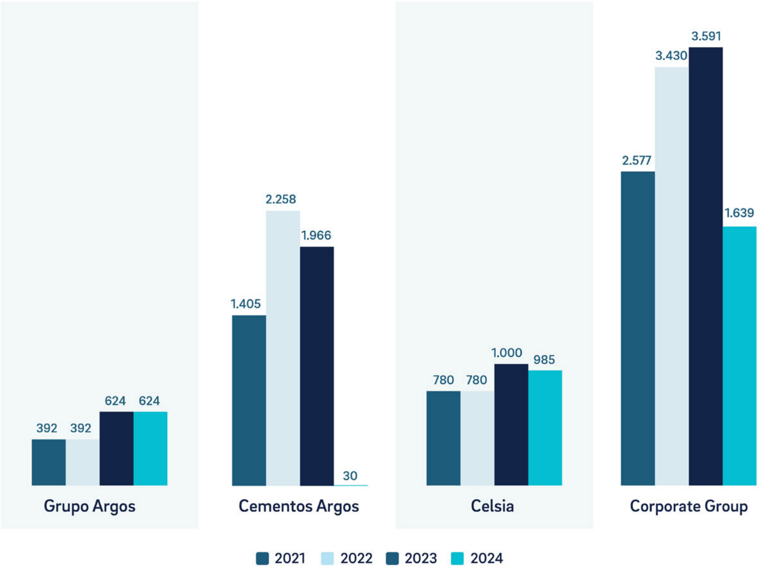
Complementing the risk identification exercise, Grupo Argos monitors the opportunities that climate change may offer, understanding their relevance for the business strategy. In line with efforts to drive sustainable financing at Grupo Empresarial Argos and our commitment to achieving ESG related targets, we ended 2024 with COP 1.6 trillion in consolidated sustainable debt, or 14.7% of overall debt. After including the sustainable debt of the Celsia and Odinsa platforms, the total amount would be equal to COP 3.2 trillion. In the specific case of Cementos Argos (see image 5) this amount is lower than in previous years, as the inflow of resources after the business combination with Summit allowed deleveraging and prepaying loans.

On a separated level, fulfillment of loans tied to climate change and gender equality indicators enabled savings of over COP 5.5 billion out to 2026, which is when these loans mature. The corresponding risks and opportunities appear below.

Table 5. Climate change opportunities identified in the short-, medium- and long- term for Grupo Argos and its subsidiaries.

Company	Short- & Medium-Term (<5 years)	Long-term (>5 years)
GRUPO ARGOS	» Urban planning and sustainable cities through: - Implementation of nature-based solutions (i.e. El Tesoro Park, Ciudad Mallorquín) - Progress with *Leed cities and communities* pre-certification for key projects (Ciudad Mallorquín) » Sustainable financing	» Attract long-term investors thanks to our sectoral positioning and ESG knowledge.
ARGOS	» Customer portfolio of green solutions » Circular economy: in co-processing projects, for example » Green Sacks: Return empty product sacks using reverse logistics	» Customer portfolio of green solutions » More efficient production and distribution. » Emissions capture and use (CCU) » Electrification of clinker furnaces » Hydrogen use » Access to climate change-aware equity markets that "assist" the efforts being made by different sectors
CELSIA	» Sustainable energy solutions » Electric mobility » Energy efficiency » Renewable energy self-generation » Efficient lighting	» Hydrogen projects » Green Urea Project » Innovation initiatives including second-life batteries » Baby solar farm growth
ODINSA	» Circular economy for building roadway projects and optimizing costs » Energy efficiency at airports » Sustainable financing	» Transport infrastructure to support E-Mobility » Development of climate-resilient infrastructure

Image 5. Grupo Empresarial Argos sustainable financing (billions of COP)



- Grupo Empresarial Argos's overall debt has decreased by 32% between 2021 and 2024
- Sustainable financing at the consolidated level remains relatively stable despite a reduction in debt stock (from 16% in 2021 to 14.7% in 2024)

Vision for the Future

- In 2025 we will continue to actively managing climate change risks and opportunities, strengthening their measurement, mitigation and adaptation
- Strengthen Senior Management's capabilities and knowledge of climate change

Cementos Argos Plant and Comayagua Solar Plant
Honduras

Cementos Argos Cartagena Plant
Bolivar

04
Metrics

Metrics

At Grupo Argos we affirm our commitment to the transition to a low-carbon economy, understanding climate change as a challenge and an opportunity. Accordingly, we focus our efforts on minimizing the adverse impacts of our investments and operations, while seeking to maximize their positive benefits. We strive to accelerate the transition to more sustainable energy sources, promote the growth of decarbonization solutions, and transform carbon-intensive businesses into models aligned with global expectations. This approach creates value for our stakeholders and increases the resilience of our businesses. Accurate metrics are essential for translating climate change risks in a reliable and understandable way, allowing effective monitoring over time with a view towards continuous improvement. Grupo Argos also reports metrics and targets related to reducing Greenhouse gas emissions (GHG) in line with standards like the *Global Reporting Initiative (GRI)* and the *GHG Protocol*, under the scope of operational control.

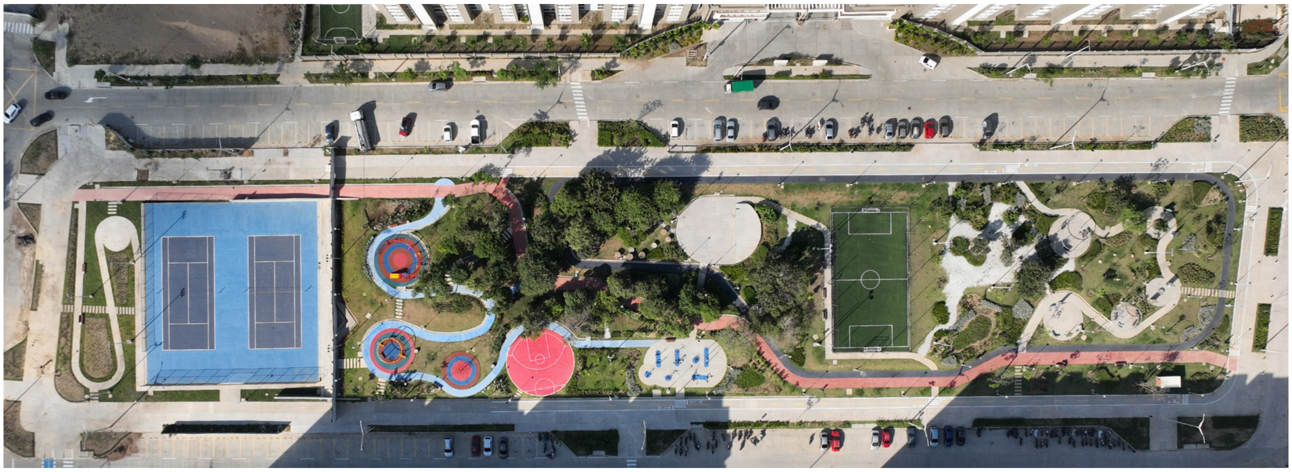
In 2024, we continued the development of a roadmap to reduce Scope 3 GHG emissions as proposed in 2022. This roadmap is based on four key programs:

» **Data Quality:** Data collection and management systems to increase the accuracy and reliability of information related to scope 3 GHG emissions, providing a solid basis for informed decision-making

» **Definition of goals and ambitions:** We updated our specific target for scope 3 GHG emissions reductions to align them with the projections of the Real Estate Business and the company's current reality

» **Identification of reduction drivers:** We have identified and are implementing effective strategies and practices to reduce our emissions, focusing on critical areas and significant opportunities

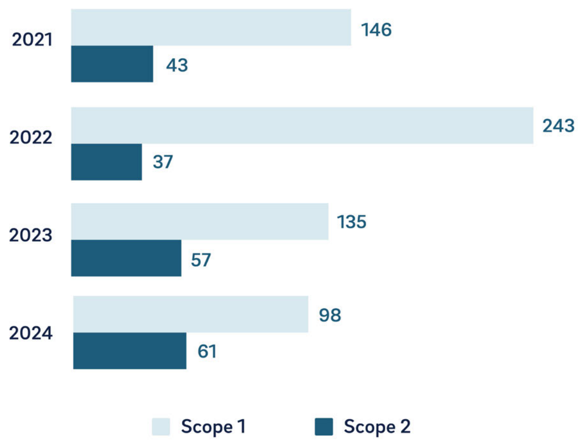
» **Engagement with critical suppliers:** We acknowledge the importance of the supply chain for proper management of the company's Greenhouse Gas (GHG) emissions. We have made an active commitment to strategic suppliers to promote collaborative practices that help reduce emissions across our value chain and contribute to meeting our target



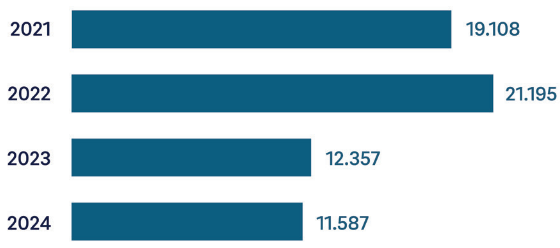
El Tesoro Park
Atlantico

Image 6. GHG emissions indicators for Grupo Argos

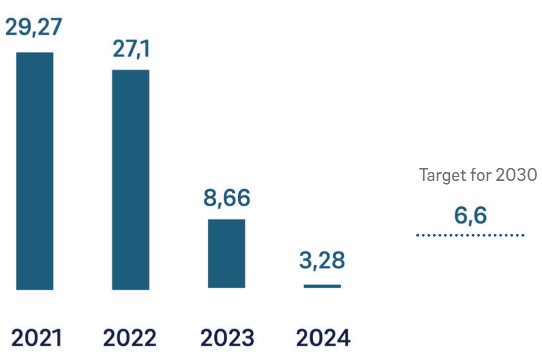
Direct (Scope 1) and indirect (Scope 2) GHG emissions for Grupo Argos in tCO_2e



Indirect GHG emissions (Scope 3, relevant categories*) in tCO_2e



Scope 3 GHG emissions intensity in $kgCO_2e$/M COP



Grupo Empresarial Argos Climate Change Strategy

Grupo Empresarial Argos has two GHG emission reduction targets that include Scope 1 (direct) and 2 (indirect) emissions. One is defined in absolute terms and the other in terms of consolidated revenues. In 2024 we achieved a 58% reduction in overall scope 1 & 2 CO_2e emissions, compared to our 2015 baseline. This represents a reduction of close to 7.1 million tons of tCO_2e in GHG emissions at the end of 2024 and can mainly be attributed to the divestment of our construction materials business's assets in the United States.

We will reduce by

46%

CO_2e emissions per million pesos in revenue compared to the 2018 baseline

We will reduce by

37%

absolute CO_2e emissions compared to the 2015 baseline

Cementos Argos Cartagena Plant
Bolivar

** The material categories for Grupo Argos are: 1. Purchased goods and services, 3. Activities related to energy consumption not included in scopes 1 or 2, 5. Waste generated in operations, 6. Business travel, 7. Employee commuting and 13. Leased property water downstream leased assets.*

In 2024

- We held the first version of the National Course on Sustainability and Climate Change, an initiative developed jointly between Universidad Nacional de Colombia and Grupo Empresarial Argos. This academic event brought together 395 students from different careers and university campuses, who, over 14 sessions, learned first-hand about the initiatives implemented by the organization to face risks and capitalize on opportunities related to climate change. As part of this learning process, students developed and submitted 89 case studies, demonstrating their capacity to apply the concepts they acquired. This experience both strengthened their understanding of climate change and sparked their interest in ESG topics.
- We updated our Scope 3 emissions reduction target for Grupo Argos. Thus, our specific emissions for 2030 must be below 6.6 kg CO_2e for every million COP in separated revenues.
- We achieved an outcome of 3.28 kg CO_2e/million COP in separated revenues, a 62% reduction in our scope 3 GHG emissions intensity compared to the previous year. This result can mainly be attributed to increased separated revenues, which grew 148% compared to 2023
- Grupo Argos consumed 31% of its energy from renewable sources in 2024
- The transaction with Summit Materials announced to the market was finalized. This had an impact on the Corporate Group's absolute Scope 1 and 2 emissions, which decreased significantly. Consequently, other indicators also showed variations.
- We held our second awareness-raising meeting with prioritized suppliers to seek alternatives to reduce emissions in our supply chain

Over 90%

of our Corporate Group’s scope 1 & 2 emissions have science-aligned (SBTi) reduction target.

Vision for the Future

- In 2025, we will begin a transition in the consolidation of non-financial information, moving from the current approach based on operational control to a financial control scenario. This change brings us closer to ISSB standards S1 and S2 and to a calculation approach that matches the company's current strategy
- We will continue to implement the activities defined in the Grupo Argos Scope 3 emissions management roadmap to reduce emissions across our value chain.

Celsia electrical tower
Valle del Cauca

Table 6. GHG emissions indicators for Grupo Empresarial Argos consolidated

Indicator	Unit	Values (base year - target year)	2021	2022	2023	2024
Direct GHG emissions (Scope 1)	tCO_2e	11,969,756 (2015 - 2030)	8,959,958	9,056,450	9,057,185	5,010,157
Indirect GHG emissions (Scope 2)	tCO_2e	415,605 (2015 - 2030)	526,327	462,546	467,627	238,189
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	12,385,362 (2015 - 2030)	9,486,285	9,518,996	9,524,811	5,248,346
Total absolute emissions reduction	%	(2015 - 2030)	-23%	-23%	-23%	-58%
Total emissions intensity	tCO_2e /M COP	0.72 (2018-2030)	0.60	0.46	0.43	0.42
Reduction of specific emissions	%	(2018 - 2030)	-17%	-36%	-40%	-42%
Total energy consumption	TJ		49,614	51,858	54,267	30,434
Energy consumption intensity	GJ/mm COP		3.14	2.50	2.45	2.41
Percentage of energy from renewable sources	%		6%	5%	6%	6%

Autopistas del Café
Quindío

* For more information on Grupo Empresarial Argos climate change indicators and details for the different companies, please contact www.argos.co - www.celsia.com - www.odinsa.com

** The scope 1 and 2 GHG emission indicators, together with their variation in absolute terms and relative to consolidated revenues, were audited by BDO Audit S.A.S., reaffirming the transparency and rigor of Grupo Argos S.A. and its businesses- 2024 Integrated Reporting process. This commitment to independent verification is reflected in the assurance reports included in each of the Integrated Reports of Grupo Argos S.A., Cementos Argos S.A., Celsia S.A. and Odinsa S.A.

In 2024 our GHG emissions stock was audited by BDO Audit S.A.S. according to guidelines in the latest published version of the GHG Protocol and according to an operational control scope. This firm validated the approach through limited assurance and acknowledged that the GHG emissions reported are complete, accurate, comparable and without notable discrepancies.

GRUPO ARGOS

Investments that transform