elementia materiales

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REDSEATAINABILITY REPORT 2022



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2022 IN NUMBERS



+1,800 DISTRIBUTORS

AN AVERAGE OF **17.5** EMPLOYEE-HOURS OF
TRAINING

IN METALS

SSE STATES STATE





+925,000 METRIC TONS OF PRODUCT



OF MATERIALS REPLACED IN CONSTRUSISTEMAS

3

MESSAGE TO OUR STAKEHOLDERS GRI 2-11, 2-22

WE SUCCESSFULLY ACCOMPLISHED OUR GOAL FOR 2022 OF **OPERATING THE BUSINESS AT A HIGHER LEVEL OF PROFITABILITY.**

DEAR READER,

It is with great satisfaction that we present Elementia Materiales performance results regarding aspects that are part of our Sustainability Framework: economic, environmental, social, and governance.

our ability to adapt. As a dynamic Company with ability came naturally to us.

In this context, we managed to operate with Rica, and Honduras. greater profitability, prepared to deliver the best results based on our established principles, fo- In addition to the above, we carried out various cused on our competitive advantages to offer initiatives to contribute to our business objecour products to the market and generate new op- tives. These include the launch of the Allura ally, we were able to maintain our customer base Nuevo Laredo and the Roaring River; the develthrough quality products and excellent service.

WE TURN THE CHALLENGES **INTO OPPORTUNITIES**

The United States, Mexico, and Colombia mar-2022 proved to be a complex and transformative kets had a positive impact on demand, enabling year that demanded our openness to change and the implementation of a price-increase strategy to offset the adverse effects on costs. This a responsible management approach, this adapt- allowed us to operate the plants in the United States at full capacity and positively impact exports from plants in Mexico, El Salvador, Costa

opment of new products; the reconfiguration of

commercial networks; process and operational improvements; training; market optimization; and supplier focus; as well as entering new sectors such as that of appliances. All of this was leveraged by strengthening our product quality and our ever-constant goal of having satisfied customers.

These actions led us to achieve revenues of MXP \$22.395 billion, which is 12% higher than the previous year, as well as an operating income of MXP \$1.132 billion, and an EBITDA of MXP \$2.305 billion, representing a 2% and 14% increase, respectively, compared to 2021.

The Net Debt/EBITDA ratio, considering the last twelve months of the year, was 2.07 times. This represented an increase of 0.74 times compared to the result in December 2021, which was portunities that are allowing us to grow. Addition- expansion plan that doubles plant capacity in 1.33 times, but it remained below our target of staying below 3.5 times debt leverage. This increase is attributed to the delisting operation of

мхр \$22.395

BILLION IN INCOME; + 12% VS. 2021



both companies from the Mexican Stock Exchange and the public tendering offer to acquire all the shares representing owners' equity for an approximate total of MXP \$2.000 billion for each company.

In 2022, a crucial year for our organization, significant progress was made in terms of sustainability through our focus on structuring and strengthening the environmental, social, and governance (ESG) aspects across the whole Company. On the one hand, we worked on defining the roadmap for each of our Companies, with priorities, objectives, and key performance indicators based on the Sustainability Framework we have established. This will ensure value creation over time. On the other hand, we focused on raising awareness among all our stakeholders

REGARDLESS OF THE Context we face, at Elementia materiales We are always Prepared to deliver The best results in Every operation.

to foster suitable conditions for sustainable projects that promote collaboration and reduce socio-environmental risks in the communities where we operate.

From this perspective and in line with our commitment to contribute to the United Nations Sustainable Development Goals (SDGs), we have made considerable progress in gender equality, where 18% of our workforce are women. Regarding the environment and based on circularity and efficiency, we achieved an 11% and 76% reduction in the use of recycled materials in Construsistemas and Metals, respectively; a 4% reduction in water consumption in the production process; and a nearly 100% reduction in the use of renewable energy, particularly in Costa Rica.

Worthy of highlighting is the cultural shift that took place in Construsistemas and Metals, which is perfectly in line with our philosophy of prevention and continuous improvement; it focuses on the safety of our employees. Risk assessments and task evaluations were conducted, resulting in a substantial improvement in severity and frequency rates. We will continue to work towards our goal of zero accidents.



All of this has been made possible thanks to the commitment of our Board of Directors; the expertise of our management team; the trust of our shareholders, customers, and suppliers; and the enthusiasm of our workforce. With these strengths we are prepared for the near future and will continue to create and innovate, seeking to maximize the potential of our organization, and maintain our leadership position in providing high-quality products and solutions for the industrial and construction sectors.



WEARE GRI 2-6, 2-11, 2-22

We are a Mexican company with international presence, specializing in the production of lightweight construction products and in the development of innovative construction solutions for all stages of construction. Our two business units, Construsistemas and Metals, offer different solutions and supplies that set us apart, making us a benchmark for high quality in the construction industry.



WE HAVE 2 Divisions



Construsistemas

We focus on the manufacturing and distribution of lightweight construction products, and business solutions that meet the needs of the lower-income, medium-range, residential, and commercial segments.





We cater to the needs of the construction and industrial sectors by manufacturing solutions and applications for water and gas equipment and conduits. Additionally, we support original equipment manufacturers (OEMs) who require alloys and metal parts for the automotive, aerospace, textile, electrical, and electronics industries.



Our Companies

United States of America

• Elementia USA, Inc. and subsidiaries

Central and South America

- Fibrocementos Luxor Holding, S.A. de C.V. and subsidiaries
- Eternit Colombiana, S.A. and subsidiaries
- The Plycem Company, Inc. and subsidiaries

51% METALES Sales by Division

49% CONSTRUSISTEMAS



PORTFOLIOFIBER CEMENT IS CEMENT-FIBER MIX THAT PROVIDES STRENGTH AGAINST TENSION, TORQUE, AND COMPRESSION FORCES; IT IS USED TO MANUFACTURE PANELS AND SHEETS.

🣶 mexalit

www.mexalit.com

With over 60 years of presence in the market, the Company specializes in lightweight construction systems that manufactures, markets, and distributes fiber cement solutions to be used for residential and commercial expansion, remodeling, and construction.

K Eternit

www.eternit.com.co

www.eternit.com.ec

With over 50 years of experience and under the motto of "Construction in Evolution," it manufactures and markets fiber cement and polypropylene products that meet national and international quality standards.



www.duralit.com

A Company with 45 years in the market, dedicated to the manufacturing of fiber cement construction materials based on the highest quality standards, offering innovative technology.

Bribraforte

www.fibraforte.com

Having 30 years of experience, it has become the leading producer in the manufacturing and distribution of roof coverings, tanks, and flat fiber cement sheets.

Wallura"

www.allurausa.com

Founded in the United States in 2014 and with over 75 years of experience, the Company's products are manufactured with an advanced formula that is ideal for extreme climates, making them resistant to fire, moisture, and weather conditions.



With 56 years of experience, the Company is dedicated to the manufacturing of fiber cement and steel framing products for the residential, commercial, and industrial construction industry.





www.frigocel.com.mx

As a leading company in the plastic industry with over 50 years of experience, we offer polystyrene solutions, as well as services for the construction, agricultural, food, advertising, refrigeration, pharmaceutical, and automotive sectors.



A 100% Mexican company dedicated to the manufacturing, marketing, and distribution of copper products and its alloys for the construction, industrial, and refrigeration markets.



PRESENCE CORPORATE OFFICES: GRI 2-1, 2-7 **HOUSTON AND MX CITY**



Construsistemas



Central America Region

598	
employees	

Andean Region

1,054 employees

- Peru
- Bolivia

Nacobre 2,476 employees

Encompasses: Mexico United States

Encompasses: • United States

Encompasses: • Mexico

Encompasses: • El Salvador • Honduras Costa Rica

Encompasses: Colombia • Ecuador



SUSTAINABILITY FRAMEWORK GRI 2-22

Our Sustainability Framework was continuously reinforced during 2022, and it encompasses the pillars that underpin the organization's value creation strategy for the benefit of the stakeholders with whom we interact, as well as contributing to the development of the communities where we operate and protecting the environment.



GOVERNANCE

OUR SUSTAINABILITY FRAMEWORK FOCUSES ON GENERATING VALUE FOR OUR STAKEHOLDERS, DEVELOPING COMMUNITIES, AND PROTECTING THE ENVIRONMENT.









ENVIRONMENTAL

VALUE CREATION MODEL GRI 2-22, 2-29



Shareholders and investors

Authorities



Employees



Suppliers



Customers and distributors



200

Industry associations and chambers



To obtain more information on how we create value within each of the pillars of our Sustainability Framework, please refer to each section.











STAKEHOLDERS



NATURAL AND INDUSTRIAL CAPITAL

- Energy efficiency
- Water management
- Waste management



NATURAL AND INDUSTRIAL CAPITAL Circularity approach

Operational efficiency

Developing a sustainability roadmap for each facility



topics for the sector and the Company, the Sustainability Framework, and as well as their impact on each of our during 2022 we further strengthened stakeholders, we conducted the first the integration of environmental, somateriality study of Elementia Materi- cial, and governance (ESG) aspects ales in 2021. The aspects referred to as throughout the organization. This was material in this report are based on the done with the goal of making steady results obtained in that study.

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In order to identify the most relevant Based on these results, we designed progress in our contribution to sustainable development in the medium and long terms.

METHODOLOGY



The stakeholders consulted were identified as priorities based on the degree to which they are impacted by our operations, products, and services, or the degree to which their actions can affect Elementia Materiales' ability to create value over time. These stakeholders were:



Shareholders and Investors





Authorities and Regulators









R Corporate governance

Relevance for stakeholders



Relevance for Elementia



Stakeholder Communication GRI 2-29

We are aware of the importance of maintaining open dialogue with our stakeholders as it is the way we understand their concerns and needs in order to address them through our sustainability strategy.



STAKEHOLDERS	PURPOSE OF THE RELATIONSHIP	COMMUNICATION CHANNELS
Shareholders and investors	Access relevant financial and sustainability information to make timely and transparent decisions	 Email, calls, and meetings with the i relations department Sustainability report Whistleblower hotline
Authorities	Comply with applicable regulations in each country where we operate	ReportsWhistleblower hotlineSustainability Report
ំាំ Employees	Personal and professional development and quality of life at work	 Complaints and suggestion mailbox Whistleblower hotline Performance evaluation system Sustainability Report Employee climate survey Internal magazine Communications Information capsules Town hall meetings Virtual events Email Screens
Customers (Distributors)	Quality in products and services, and competitive prices	 Email Calls with the sales team Website Social media Whistleblower hotline Customer service hotline Satisfaction surveys Sustainability Report
Suppliers	Ethics in business relationships and long-term collaboration for value creation	 Emails and calls with the purchasing Whistleblower hotline Sustainability Report
222 Communities	Institutional support to maximize the positive impact generated through chosen social causes, using volunteerism and/or donations	 Meetings and emails with the local s and HR department Whistleblower hotline Sustainability Report

COMMUNICATION FREQUENCY





GOVERNANCE: Structural capital

CORPORATE GOVERNANCE



The strength of our corporate governance, combined with the diversity of skills and experience of its members, efficiently guides the organization in executing our long-term value creation strategy.

We reaffirm our commitment to integrity, business ethics, and corporate responsibility, which are reflected in our governance structure and represent our essence and direction.

CORPORATE GOVERNANCE PRACTICES



Board of Directors GRI 2-9, 2-10, 2-15

Our Board of Directors is in charge of defining the strategic vision of the business and overseeing the performance of the Executive Team. Their actions are guided by policies that empower them to review and evaluate the Group's operations. Board members are selected based on their expertise in economic, business, environmental, sustainable, and social matters, as well as their knowledge of the sector. The Board consists of seven members, three of whom are independent:

BOARD OF DIRECTORS

Juan Pablo del Valle Perochena	Chairman
Francisco Javier del Valle Perochena	Director
Tomás Espinosa Braniff Céspedes ¹	Director
Gerardo Kuri Kaufmann	Director
Antonio Gómez García	Director
Juan Rodríguez Torres ^{1, 3}	Director
Ernesto Moya Pedrola ¹	Director
Juan Pablo del Río Benítez²	Secretary
Eduardo González Arias²	Asst. Secretary



¹ Independent members of the Board of Directors.

² Not members of the Board of Directors.

³ Expert in Finance

To avoid conflicts of interest, members of the Board of Directors are bound to disclose any actions that may be unduly influenced at a personal level and contrary to our organization, as well as to abstain from deliberating and voting on the matter(s) in guestion. The General Shareholders' Assembly has the authority to appoint members of the Board of Directors through a majority voting process.

To know the profile and trajectory of the members of our Board of Directors, please consult: https://investors.elementiamateriales.com/consejo-administracion_auuQPF.html.



Committee GRI 2-18

We have an Audit and Corporate Practices Committee that supports the Board of Directors in carrying out its duties, and is responsible for evaluating the internal control and audit systems to identify areas of opportunity within the Company and its subsidiaries. As part of its responsibilities, it monitors the corrective and preventive measures taken when any non-compliance with financial and operational guidelines and policies is detected, including legal and technological aspects, thereby ensuring adherence to shareholder meeting resolutions and Board of Directors agreements.

AUDIT AND CORPORATE PRACTICES COMMITTEE PRESIDENT

President	Juan Rodríguez Torres
Member	Ernesto Moya Pedrola
Member	Tomás Espinosa Braniff Céspedes



Management **Team** GRI 2-12, 2-13

EXECUTIVE TEAM

We have a management team comprised of highly qualified members with extensive experience in their respective fields. They are responsible for managing the financial, economic, environmental, and social aspects of the organization. It is their role to develop initiatives to address each of these areas and implement strategies to guide the organization towards achieving its business objectives.

CEO Jaime Emilio Rocha Font Director of Administration María de Lourdes Barajas Flores and Finance **Director of Construsistemas** Miguel Fernando Rangel Galvis CEO of Metals Division Hugo Alberto Gómez Sierra **Director of Construsistemas** Kevin Potthoff USA **Director of Construsistemas** Gabriel Pérez Kohler Mexico **Director of Construsistemas** Randall Fco. Fonseca Calderón Central America

For information on the profiles and professional experience of the members of the Executive Team, go to: https://investors.elementiamateriales.com/funcionarios H1hSHo.html



THE MANAGEMENT AND COMMITMENT OF **TOP KEY EXECUTIVES** HAVE ALLOWED US TO **ADD VALUE TO OUR STAKEHOLDERS AND CONTRIBUTE TO THE DEVELOPMENT OF THE COMMUNITIES WHERE WE OPERATE**.

ETHICS GRI 2-15, 2-16, 2-23, 2-24, 2-26 **AND INTEGRITY**

At Elementia Materiales, we conduct ourselves based on the highest of standards in ethics and compliance. This includes compliance with the laws and regulations of the countries where we operate, as well as voluntary codes and self-discipline.

Each year, our employees are required to reaffirm their ethical commitment to our organization by signing various mandatory letters, including the Conflict of Interest Policy, Code of Ethics, and Supplier Relations Policy (the latter applicable only to the Procurement department).

Code of Ethics

Our Code of Ethics serves as the guiding framework for the conduct of all individuals within Elementia Materiales. It establishes the fundamental values, guidelines, and commitments for all interactions with stakeholders.

This Code of Ethics addresses various topics, including conflicts of interest, fair trade, bribery, privacy, confidential information, security and handling of privileged information, intellectual property rights, political neutrality, export controls, equal opportunities, non-discrimination, health and safety, as well as environmental matters.

IN 2022, WE UPDATED OUR CODE OF ETHICS WITH THE PURPOSE OF INCORPORATING NEW ELEMENTS THAT ARE RELEVANT TO THE ORGANIZATION.





Regardless of the means used for reporting, it will be forwarded to the Compliance Committee, which will determine the investigation or action that needs to be undertaken.

Channel of Communication for Whistleblowers

Any behavior or attitude that appears to violate our principles or involves non-compliance with laws, requlations, or provisions of our Code should be reported to the immediate Manager or Supervisor, any member of the Compliance Committee, the local Human Resources Department, the legal team, Internal Audit, or the Internal Control Area of the Company.

Alternatively, individuals can choose to file a report, either openly or anonymously, through the whistleblowing channel by means of the following:

Website:

www.elementia materiales.com

Email:

comite.cumplimiento@elementiamateriales.com



Preventing and fighting against corruption GRI 2-15, 3-3 GRI 205-1, 205-2

All employees of Elementia Materiales We are aware that we operate in enhave an obligation to act in the best in- vironments where corruption is sigterest of the Company. Conflicts of inter- nificantly prevalent. Therefore, recest are strictly prohibited, which means ognizing the serious harm caused by that no one should place themselves in corruption in any form, such risks are a position where personal interests may promptly addressed with a strong poconflict with the interests of Elementia sition of zero tolerance, as described Materiales. Therefore, suppliers will al- in our Code of Ethics and in line with ways be selected in a completely impar- the U.S. Foreign Corrupt Practices tial manner, without any consideration Act (FCPA). given to anything other than the best interests of the Company.

100% OF OUR EMPLOYEES ARE AWARE OF OUR ANTI-CORRUPTION PRACTICES.

COMPLIANCE GRI 2-27

At Elementia Materiales, we remain attentive to national and international trends so we can anticipate any changes that may arise in the legislative environment. This ensures our compliance with current and applicable regulations.

RISK AND CRISIS MANAGEMENT

At Elementia Materiales, risk management is a cross-functional process within the organization. We have a Contingency Action Plan policy and procedure in place, aimed at ensuring the viability of the Company's operations and services, as well as those of its subsidiaries. This plan identifies the necessary actions to prevent, mitigate, and, whenever possible, avoid potential disruptions to operations due to the occurrence of any risks.

100% OF THE MEMBERS OF THE BOARD OF DIRECTORS ARE AWARE OF OUR ANTI-CORRUPTION PRACTICES.

ECONOMIC PERFORMANCE: FINANCIAL CAPITAL





EFFICIENCY AND PROFITABILITYGRI 3-3 GRI 201-1

Income Statement

	JANDEC. PROFORMA STATEMENT		
INDICATORS	Dec 2022	Dec 2021	∆% 2022 vs 2021
Net Sales	22,395	20,006	12%
Cost of Goods Sold	18,179	16,231	12%
Gross Profit	4,216	3,775	12%
% of Net Sales	19%	19%	(0.0 pp)
General Expenses	2,884	2,469	17%
Operating Profit (Loss)	1,332	1,306	2%
% of Net Sales	6%	7%	(0.6 pp)
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	2,305	2,020	14%
% of Net Sales	10%	10%	0.2 pp
Net Comprehensive Financing Result	(707)	(187)	278%
Profit (Loss) Before Taxes	625	1,119	(44%)
Tax on profits	239	402	(41%)
Consolidated Net Profit (Loss)	386	717	(46%)

Balance Sheet

INDICATORS

Cash and Cash Equivalents
Net Accounts Receivable
Net Inventory
Suppliers
Total Debt
Net Debt
Shareholders' Equity
Non-controlling Interest Shareholders' Eq

Amounts in millions of MXP.



Amounts in millions of MXP.

	Dec 2022	Dec 2021	∆% 2022 vs 2021
	1,460	1,502	(3%)
	2,479	2,947	(16%)
	4,053	4,139	(2%)
	1,397	2,243	(38%)
	6,222	4,183	49%
	4,762	2,681	78%
	9,263	11,473	(19%)
quity	35	42	(17%)



NET SALES

The net sales for the fiscal year 2022 showed a 12%-increase, going from \$20.006 billion MXP to \$22.395 billion MXP, mainly due to the improved positioning of our products, higher demand in the first three quarters of the year, and the pricing strategy we implemented.



EBITDA



EBITDA increased from \$2.02 billion MXP to \$2.305 billion MXP, representing 14% growth. This positive result was achieved by successfully offsetting the effects of the rise in costs for our key raw materials and the impact of inflation on the markets where we operate, thanks to process efficiency and our pricing strategy.



OPERATING PROFIT

Operating profit reached \$1.332 billion MXP, representing a 2% increase, driven by satisfactory sales results and pricing strategy.



FINANCING RESULTS

Comprehensive financing costs increased by 278%, primarily due to higher interest expenses resulting from the global upward trend in interest rates that began in 2021, and the impact of currency fluctuations across Elementia Materiales various operations.



NET PROFIT

Consolidated net profit reached \$386 million, reflecting a decrease of 46% compared to the previous year's result. This decline was primarily due to a decrease in demand during the fourth quarter of the year.

Income Statement







1,460

2022

ACCOUNTS RECEIVABLE

ments in CAPEX.

CASH AND CASH EQUIVALENTS

The reduction in cash and cash equiv-

alents was 3% compared to 2021. This

was mainly due to the use of cash sur-

plus for debt payments, repurchasing

of our outstanding shares, and invest-

Accounts receivable balance decreased by 16%, from \$2.947 billion MXP to \$2.479 billion.

4,139

1,502

2021





Inventory decreased by 2%, from \$4.139 billion MXP to \$4.053 billion MXP, driven by the increase in sales.

Balance Sheet

USD \$90 MILLION¹ EARMARKED FOR INVESTMENT PROJECTS WHICH SHALL ALLOW FOR AN INCREASE IN PRODUCTION CAPACITY FOR OUR PLANTS.

¹Corresponding amount for Elementia Materiales and Fortaleza Materiales.

2021

4,183

2021



1,397

2,243

2021

11,473

The accounts payable balance was \$1.397 billion MXP at the end of 2022, compared to \$2.243 billion MXP in 2021, which is a 38% reduction.



NET WORTH

Net worth closed the year 2022 at \$9.263 billion, representing a 19% decrease compared to 2021. This was due to the repurchase of our shares.





TOTAL DEBT

The total debt at the end of 2022 was \$6.222 billion MXP, representing a 49% increase as compared to 2021. This increase was due to the financing obtained for the repurchase of our outstanding shares.



SOCIAL **PERFORMANCE:** HUMAN, SOCIAL AND RELATIONAL CAPITAL



OUR SUPPLIERS GRI 2-6, 3-3

The established relationship with over 1,500 suppliers in the 9 countries where we operate aims to generate changes that have a positive impact on business management, as well as on social and environmental aspects. The strict adherence to our Code of Ethics, as well as the specific terms for Purchase Orders establish commercial practices for a healthy business relationship.

We have evaluation metrics regarding three key performance criteria:

- Value creation
- Quality
- Self-service level







OUR PEOPLE GRI 2-7, 3-3 GRI 401-1, 401-2

At Elementia Materiales, our priority is our human capital, our most valuable asset. Their effort and commitment have allowed us to become one of the leading companies in the industry. For this reason, based on the 2030 Agenda, we aim to contribute to SDG 8 by creating conditions for decent work and economic growth. This involves developing employee competencies and ensuring fair remuneration, which has a positive impact on high productivity and an improved quality of life both within and outside the organization. It also contributes to the satisfaction and commitment of our team, enabling us to achieve our business objectives.

ELEMENTIA MATERIALES ENDEAVORS TO BE MORE Agile, quicker, and more profitable.



"Gender equality is a natural and inherent principle within our organization. Women and men have equal opportunities to excel in any position. I take pride in being part of the management team, knowing that my position is the result of my own efforts and hard work."

Paulina Hernández López Director for Human Resources and Sustainable Management



Talent Attraction and Equal Opportunities GRI 2-23, 2-24, 2-30, 3-3 GRI 401-1, 401-2, 405-1, 405-2, 406-1, 407-1

The 2030 Agenda establishes gender equality as a fundamental human right and an essential pillar for building a prosperous and sustainable world, as reflected in SDG 5. At Elementia Materiales, we firmly believe in the importance of diversity, which is why our selection processes are based on equal opportunities, equality, and non-discrimination. There is no distinction based on gender, race, color, religion, nationality, age, disability status, pregnancy, marital or family status, sexual orientation, or any other legally protected status.

As part of our commitment to promoting equal opportunities and diversity at Elementia Materiales, we are a member of "Éntrale," an alliance for the inclusion of persons with disabilities in the workforce. Each year, we participate in the of Labor Inclusion Index for Persons with Disabilities and pledge to publicly announce our administrative job vacancies to provide equal access and opportunities so individuals with disabilities may apply.

Technical knowledge is crucial for the success of our business, which is why we always seek the best talent - individuals who are skilled, committed, and passionate about what they do- with broad experience, the competencies needed to assess key-performance indicators, and the ability to make effective decisions.

We are committed to ensuring that for each vacancy, there is at least one female candidate among the presented candidates. The finalist will be selected based on the most suitable profile for the position.

We are a Company that values its talent, which is why we increasingly aim to fill vacancies through internal promotions, always ensuring that we have the best talent in the right positions.

WE ARE PART OF ÉNTRALE, **AN ALLIANCE FOR THE LABOR INCLUSION OF PERSONS WITH DISABILITIES.**

In accordance with applicable legisla- which our employees belong, and we tion in the locations where we operate, have not identified any operations or we respect the freedom of our employ- suppliers where the rights of workers ees to join or refrain from joining labor to exercise their freedom of associaunions or organizations. We maintain tion and collective bargaining are vioa good relationship with the unions to lated or at significant risk.



INTERNAL TALENT FILLED

37 VACANT POSITIONS

71% OF OUR EMPLOYEES ARE UNIONIZED

Our Headcount

5,335 EMPLOYEES IN ELEMENTIA MATERIALES









Human Capital Development

Training GRI 3-3 GRI 404-1, 404-2

We are distinguished as a dynamic company focused on results, always keeping in mind that change is constant. Therefore, we make a permanent effort to develop the talent of our human capital, empowering employees in their role as agents of change and fostering innovation among them.

Training has been key to building a team of highly competent operators and developing executives whom we consider to be the future leaders of our organization, thus contributing to talent retention.

In collaboration with prestigious educational institutions, we provide training to employees in key positions responsible for managing certain topics. As part of our focus on strengthening environmental, social, and governance (ESG) issues, in 2022 we partnered with the New York University to provide training of our Sustainability team, whereby they obtained international certification. Similarly, in collaboration with an independent expert, we conducted training of all our employees, from the operational level to the executive level, called "The ABC of Sustainability."

²The first module was offered to the Metals division supervisors.

In addition, 2022 was the year when the second generation of the Supervisor School took place. This program is aimed at operational staff in Construsistemas and has a duration of three months, with three modules involved:

Health and Safety²:

The objective of this module is to raise awareness among supervisors about the importance of the decisions and instructions they give to unionized personnel under their responsibility.

Leadership:

This module addresses topics such as providing feedback, being a participative leader who motivates the team, and having close communication with the members.

Continuous Improvement and Finance:

In this module, various basic topics related to business results are addressed, focusing on continuous improvement and financial aspects.

As a result of the outcomes of this program, in partnership with Strategic Talent, we created the Transforming Leaders initiative, which focuses on Supervisory and Managerial levels.

Additionally, we have two platforms that complement our course offerings for employees:

- Rosetta. A license that enables us to provide English-language training to Latin America, and Spanish-language training to the United States. The training includes live online classes and on-demand resources.
- Odilo. This digital tool offers a wide range of resources such as books, audiobooks, courses, and capsules on several topics including leadership, programming, information technology, finance, and more, available in both English and Spanish. The content is accessible to employees and their families and is updated monthly in alignment with our purpose, principles, and behaviors.



AN AVERAGE OF 17.5 EMPLOYEE-HOURS IN TRAINING

Performance Evaluation GRI 3-3 GRI 404-3

As a Company that is results-oriented, at the beginning of each year all employees establish their objectives in collaboration with their direct supervisor. These objectives follow SMART criteria, which means they are Specific, Measurable, Achievable, Reasonable, and Time-based. At the end of the year, a performance evaluation takes place using a predefined parameter outlined under the Success Factors system.

Once the year is concluded, each employee conducts a self-assessment of the status of each objective, gathers evidence, and presents the results to the direct supervisor. The supervisor then evaluates each objective and provides direct and transparent feedback to the employee, both verbally and through the platform. Finally, the employee receives the report, signs it, and then the results are recorded in the system.

100% OF ADMINISTRATIVE EMPLOYEES UNDERWENT A PERFORMANCE EVALUATION IN 2022.

"I feel honored to be part of a talented, dynamic and experienced management team, having the opportunity to contribute ideas and strategies from a different perspective.

There is no distinction, we work equally hard, without excuses, always orienting our efforts to the achievement of results, always taking care of our people."



María de Lourdes Barajas **Director of Administration and Finance**

Occupational Health and Safety GRI 2-8, 3-3 GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Taking care of the well-being of our people, ensuring compliance with all applicable laws and regulations governing health and safety in the workplace, and going beyond what the legislation requires is a value for our Group. Therefore, we committed to providing a healthy and safe working environment for all employees, suppliers, specialized service providers, and other individuals visiting any Elementia Materiales facilities.

ELEMENTIA MATERIALES CONSIDERS SAFETY NON-NEGOTIABLE. OUR PRIORITY IS TO MAINTAIN THE HIGHEST SAFETY STANDARDS FOR OUR EMPLOYEES, ENSURING THAT THE FACILITIES ARE SAFE AND **PREVENTING ANY ACCIDENTS.**

sure-based prevention. This is driven by the our Company. genuine leadership of our CEO, executives, and corporate managers.



Our guiding principle in prevention is to We have a safety policy, eight safety rules, avoid serious or fatal accidents, occupa- and basic controls, which help us prevent tional illnesses, continuously improve, serious or fatal accidents, operational and learn increasingly more about expo- shutdowns, or damage to the reputation of

Safety Rules

- l identify all hazards and assess risks before undertaking any activity
- I do not work with any equipment without proper training and authorization **2**
- l apply isolation and energy lockout procedures before working on any equipment
- l actively engage and take action in the field to prevent unsafe acts
 - I do not use my hands or feet as tools 5
- I never work under the influence of alcohol or drugs \mathbf{f}
 - I always use my personal protective equipment
 - I report any and all incidents in my workplace

Leadership in the field, together with a management system and the participation of various committees, is the foundation for ensuring full compliance with and respect for processes and instruments. In addition to our Safety Policy and the eight safety rules, we also incorporate:

• Elemental Controls: These help us prevent serious or fatal accidents, operational disruptions, or damage to the Company's reputation.

• Corporate system for recording and investigating all incidents and accidents that occur in our operations.

• A strong culture of accountability led by our CEO and corporate Human Resources, providing feedback and channeling lessons learned from unwanted events.

To achieve our goal of zero accidents, we have an annual safety and health program that includes awareness activities, training, education, and inspections to prevent occupational injuries and illnesses. There is also Health Week organized each year. We provide safety leadership training and develop competencies based on critical positions in our operations, ensuring that we have the right person in the right position. These measures are taken to prioritize safety and ensure a safe working environment for all our employees. **H&S Strategy 2022-2023**

LEGAL COMPLIANCE

Ensure compliance with all legal requirements per site in terms of health and safety.

GOALS:

- Legal compliance in health and safety exceeding 80%
- Zero fines for legal noncompliance

PREVENTING SERIOUS OR **FATAL ACCIDENTS**

Control critical exposures that may lead to fatalities, serious accidents, or catastrophic events.

GOALS:

- Zero serious, fatal, or critical accidents
- Reduction in frequency, severity, and lost-time indicators

ORGANIZATIONAL CLIMATE AND CULTURE

Increase the positive perceptions of safety by 10% in the latest organizational climate survey.

GOALS:

Create a new culture with increasingly longer periods without accidents.

LEADERSHIP

Focus on supervision and generating indicators for optimal monitoring in terms of safety.

GOALS:

Field leadership, intervening before we have to do it as the result of an accident.

CONSTRUS

2022

Our strategy also entails full compliance with all legal requirements for each workplace in terms of Health and Safety. This includes evaluating, establishing, and implementing action plans, monitoring compliance, and conducting internal audits.

INDICATORS

Lost Days Rate for occupational accidents	0.19
Lost-Time Rate for incidents	0.07
Severity Rate	2.2
Personnel affected by disabling injuries	24

OCCUPATIONAL HEALTH AND HYGIENE

- Maintain controls and promote vaccination and testing until the pandemic is declared under control.
- Promote health based on local context.

GOALS:

Zero occupational illnesses related to industrial hygiene.

ISTEMAS	METALS	
2021	2022	2021
0.35	4.26	2.62
0.14	1.16	0.59
6.12	46.17	27.34
24	36	18

Road Safety

As part of our activities, we also engage in the management of mobile units, so we have Basic Controls in terms of road safety. With this, we aim to extend safety beyond our work sites.





Weiness GRI 3-3 GRI 405-2

Elementia Materiales, implements unique initiatives that make our employees feel valued and have a positive impact on their motivation and pride in belonging to our Company. To achieve this, the comprehensive well-being of our team is essential, and therefore we work on two fronts:





COMPENSATION AND BENEFITS

Fair and competitive benefits and compensation are ofwhere we operate. The compensation is standardized based on the functions and level of responsibility of each employee position.

Furthermore, we make an effort to remunerate our workforce above the minimum wages set in the locations where we are set up. Healthy relationships are maintained with labor unions, offering benefits that go beyond the legally established ones for administrative positions.

Regarding benefits, 100% of our employees³ have life insurance coverage, including disability and invalidity coverage. There is also parental leave, on-site healthcare services provided by medical or paramedical personnel, and health promotion initiatives such as health campaigns, access to nutritionists, and to gym facilities.

families.



PROMOTING HEALTH

In 2022, we conducted Health Week in Mexico, which consisted of a series of talks with healthcare professionals and experts addressing various topics such as major medical, dental, and life insurance, healthy lifestyles, breast cancer, breastfeeding, high blood pressure, auditory and dental health, responsible sexuality, stress management, the importance of sleep, and finances.

Additionally, the periodic and new-employee health examination is implemented in all our locations. Through a team of healthcare professionals, we monitor the health trends of our population and establish campaigns aimed at improving their overall wellness. Furthermore, each facility has the opportunity to establish partnerships with clinics or laboratories for prevention, and to promote physical, mental, and emotional health services.

In relation to the latter, in LATAM, for example, we provide free, unlimited, and confidential psychiatric support for emotional issues, available to employees and their

ELEMENTIA CULTURE

To maintain a responsible presence in the regions where we operate, our policies encompass full respect for Human Rights and they establish the necessary guidelines to ensure operations and business practices are complying.



Elementia values its customers, consumers, distributors, suppliers, and employees. All of our actions are focused on meeting their needs.

Elementia Principles



Safety is non-negotiable 

We are a sustainable Company



We do more with less



We work as a team



We don't provide excuses, we provide results

Elementia Behaviors



 Honesty I LOVE WHAT I DO

Integrity

Skills



Skills Sense of ownership • Enthusiasm

Our Values

Good faith

Efficiency

Transparency



I THINK LIKE AN OWNER

Skills

- Results-oriented
- Analysis and problemsolving

I AM RESPONSIBLE



I VALUE TALENT

Skills

Ch

- Teamwork
- Active-listening



I HAVE A POSITIVE ATTITUDE

Skills

- Proactive/agilityagility
- Influence and persuasion

Integrity

Discretion

Efficacy

Honesty

Impartiality

Integrity

A vocation for service

Prudence

Simplicity


OUR CUSTONERS GRI 2-6, 2-23, 2-24, 3-3 GRI 416-1

Elementia Materiales customers are at the center of our strategy, and every action is aimed at achieving Happy Customers. This approach has allowed us to grow profitably and sustainably, create longterm value, and benefit all stakeholders with whom we engage.

OUR PURPOSE: "HAPPY CUSTOMERS"



Our actions are focused on seeking customer satisfaction by improving services and providing excellent personalized treatment. To ensure optimal performance in this regard, we measure the Net Promoter Score (NPS) indicator. In 2022, we successfully implemented new indicators to monitor customer retention and attraction levels, which will improve the decision-making process to ensure Customer Happiness.

Additionally, in order to strengthen our network of salespeople and distributors, an incentive scheme has been developed for the distribution network in specific regions. This scheme will reward the top promoters of our products, positively impacting distributor motivation.

Furthermore, with the goal of increasing growth opportunities and enhancing customer engagement through technology, we are continuously working on new distribution channels, such as e-commerce.

OUR COMMUNITIES

Elementia Materiales, recognizes that our operations have a marginal impact on the communities surrounding our workplaces. However, as part of our responsibility as a catalyst for building a sustainable society, we promote respect for human rights both within and outside the organization. We strive to create favorable conditions for equal opportunities and to foster the local economy in the regions where we operate.

12TH

YEAR

AS AN

FSR[®]

Driven by our commitment to business ethics, quality of life within the Company, environmental stewardship, and support for communities, we have been awarded ESR® Recognition (Socially Responsible Company) for the 12th consecutive year in 2022. This distinction is granted by CE-MEFI (the Mexican Center for Philanthropy) and AliaRSE (the Alliance for Corporate Social Responsibility). The significance of this recognition lies in its coverage of Elementia Materiales operations worldwide.

GRI 2-23, 2-24, 2-25 GRI 203-1, 203-2, 413-1, 413-2

To achieve this, a radius for hiring local people is established and an open dialogue is maintained to listen to the needs and expectations of the communities surrounding our facilities.

OUR ALLIANCES GRI 2-28

With the purpose of actively promoting the development of our business strategy and achieving our objectives in economic, environmental, social, and governance matters, including the sustainability roadmap and the reaffirmation of our social commitment, we pursue synergies with different organizations, chambers, and associations that exist in the countries where we operate.

Mexico

- Mexican Business Council
- Council of Communication
- Mexican Center for Philanthropy (CEMEFI)
- Mexican Chamber of Commerce
- Mexican Chamber of the Construction Industry (CMIC)
- National Chamber of the Transformation Industry (CANACINTRA)
- Éntrale
- National Organization for the Standardization and Certification of Construction and Building (ONNCCE)
- Industrial Union of the State of Mexico
- (UNIDEM)

Costa Rica

- Costa Rican Chamber of Construction
- Costa Rican Chamber of Industries
- Green Building Council Costa Rica
- Costa Rican Chamber of Commerce

Bolivia

- Cochabamba Chamber of Industry, **Commerce and Services**
- Recycling Foundation
- Made in Bolivia Foundation
- Departmental Chamber of Industry
- Chamber of Exporters

Colombia

- ASCOLFIBRAS (Association of Colombian Fiber Producers)
- National Association of Entrepreneurs of Colombia
- Chamber of Commerce of Construction
- Colombia-Mexico Chamber
- CAEM Business Environmental Corporation
- United Nations Global Compact

Ecuador

- Chamber of the Construction Industry
- United Nations Global Compact
- Chamber of Industries and Production

El Salvador

- Chamber of Industrial Commerce of El Salvador
- American Chamber of Commerce of El Salvador
- Salvadoran Chamber of Construction

Peru

- Chilca Chamber of Commerce
- Peruvian Association of the Plastic Industry
- National Society of Industries

ENVIRONMENTAL PERFORMANCE: NATURAL AND INDUSTRIAL CAPITAL





ENVIRONMENTAL MANAGEMENT GRI 2-23, 2-24, 2-25, 2-27, 3-3

Elementia Materiales recognizes the impact of our activities on the environment and the urgent need to join global efforts to contribute to environmental protection, in keeping with the UN Sustainable Development Goals (SDGs) for 2030. Therefore, we assume the responsibility of implementing measures that mitigate and ensure sustainable operations, as well as monitoring priority environmental aspects:



THE PRIORITIZED ENVIRONMENTAL **ISSUES AT ELEMENTIA MATERIALES ARE A REDUCTION IN WATER CONSUMPTION AND AN INCREASE IN RECYCLED MATERIALS.**

We have a system for capturing and analyzing information on the environmental aspects we manage. This allows us to identify the most relevant issues and subsequently generate specific strategies for each plant.

Each facility has a specific roadmap based on the evaluation of environmental aspects and their improvement possibilities. Our goal is to standardize this process in the medium term, for which we are in the process of establishing precise plant-related goals.

In addition to the above, our Corporate HQ issues certain environmental guidelines, which are driven by the Company's top management, underscoring our commitment to these issues.



Water Management GRI 303-1, 303-2, 303-3 EM-CM-140a.1

Water, in addition to being a human right according to the United Nations, is central to sustainable development and essential for health, economic productivity, ecosystem conservation, and the survival of humanity. Hence, the relevance and urgency of ensuring water availability and sustainable management, in accordance with SDG 6.





Consequently, Elementia Materiales, has all the necessary water-use permits for our facilities, and some of them donate a portion of these concessions to neighboring communities.

All our plants have a water recirculation system that helps reduce the volume of water extracted. This differs from the volume of water consumed due to the maximum reutilization possible in our production process. Additionally, as part of the recirculation system, we have water treatment systems that separate water from process wastes.

Our medium-term goal is to implement improvements in the rainwater harvesting systems we have in place.

In Mexico, wastewater from the production process is not reutilized, but it meets certain standards for proper final disposal by accredited suppliers. In other locations, we conduct wastewater analysis to ensure its quality is permissible for discharge into the public sewer system.

Circularity Approach GRI 3-3 GRI 301-1, 301-2, 306-1, 306-2, 306-3 EM-CM-150a.1

Based on SDG 12, addressing the optimization and efficient use of resources through sustainable consumption and production patterns is equally as urgent as seeking ways to reduce air and water pollution and soil contamination as well. The purpose of sustainable consumption and production is to generate goods of higher guality with a lesser amount of resources, prioritizing reduction, reuse, and recycling, which ultimately leads to a decrease in pollution and an increase in positive impacts on societal quality of life.

At Elementia Materiales, our focus on circularity leads us to establish initiatives for:



Although due to the nature of our products the- the process for reuse. This allows us to be more re are resources that cannot be replaced, we are efficient by reducing the amount of raw materials constantly seeking solutions for their reutilization. required for product manufacturing and avoiding One of the main materials used in the production their classification as waste. process is pulp, which is obtained either in its vir-

gin form or through processes carried out by other Furthermore, we strive for our waste to be reutilized companies.

In addition, we make it a priority to identify industries located near our facilities in order to map the waste materials that can be feasibly reused in our operations.

through other processes. Therefore, we are working to expand the scope of initiatives that promote reuse and recycling, with the goal of managing waste in 100% of our facilities in the medium term. Additionally, work is done with other business units within our corporate group and with other companies to generate synergies that drive the circular

Within our facilities, we carry out material cutting, economy. and the resulting waste is incorporated back into

CONSTRUSISTEMAS

11% of materials replaced

88 kg of waste generated/metric ton of product made

NACOBRE

76.4% of materials replaced

86 kg of waste generated/metric ton of product made

Rate of waste recycled: 2%

Rate of waste recycled: 44.3%



Climate Change

GRI 3-3 GRI 201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-6 EM-CM-110a.1, EM-CM-110a.2, EM-CM-130a.1

Currently, one of the main global challenges everyone faces is climate change. In accordance with the Paris Agreement, we are at a crucial point to undertake action and limit the increase in the planet's mean temperature, keeping it well below 2°C of pre-industrial levels and aiming for temperatures below 1.5°C.



To contribute to this goal, in line with SDG 13, Elementia Materiales aims to implement urgent measures that mitigate greenhouse gas emissions and combat climate change and its effects.

The carbon footprint at Construsistemas includes direct emissions associated with fuel consumption for thermal purposes, and indirect emissions from electricity use.

We strive to ensure energy efficiency through the use of new technologies as well as preventive and corrective maintenance, which then leads to a reduction in direct and indirect emissions while also benefiting the company's economic performance and profitability.

In Colombia, we have implemented a solar energy project, and we plan to replicate this initiative in other locations as part of our commitment to achieving net-zero emissions.

In the Metals Division, we have facilities where indirect emissions are higher than the direct ones, so our initiatives are focused on reducing electricity use.

CONSTRUSISTEMAS

1,031 MJ/METRIC TON of product made with the thermal consumption concept

65 KG OF CO, / METRIC TON of product made (scope 1)

NACOBRE

14,661 MJ/METRIC TON of product made with the thermal consumption concept

832 KG OF CO,/METRIC TON of product made (scope 1)

151 KWH/METRIC TON of product made with the electricity consumption concept

112 KG OF CO,/ METRIC TON of product made (scope 1 and 2)

2,327 KWH/METRIC TON of product made with the electricity consumption concept

1,793 KG OF CO,/METRIC TON of product made (scope 1 and 2)



ATTACHMENTS



ABOUT THIS REPORT GRI 2-1, 2-2, 2-3, 2-4, 2-14

The Sustainability Report for Elementia Materiales S.A.B. de C.V., (Elementia Materiales) is prepared on an annual basis and presents the results of the financial, economic, social, environmental, and governance performance achieved during the period from January 1st to December 31st, 2022. This report has been prepared by Human Resources and Sustainable Management, using information from the areas involved in managing material aspects, and it has been validated by the CEO's office.

The report has been prepared with reference to GRI Standards, complying with all principles for determining report content and quality established by the Global Reporting Initiative (GRI). It demonstrates our alignment with the guidelines of the Sustainability Accounting Standards Board (SASB) for the Mineral Extraction and Processing Sector, Construction Materials Subsector, as well as with the 2030 Agenda for Sustainable Development established by the UN through its 17 Sustainable Development Goals (SDGs).

Materiales.

During the reported period, there were no policy revisions or changes that would affect the calculation of the indicators presented herein.

The structure of our report corresponds to the pillars that make up the Sustainability Framework of Elementia



GRI CONTENT INDEX

Statement of use	Elementia Materiales S.A.B. de C.V. has reported the information cited in this GRI content index for the period from Ja reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD

DISCLOSURE

PAGE, DIRECT RESPONSE OR REASON FOR OMISSION

GRI 1 FOUNDATION 2021						
GRI 2 GENERAL DISCLOSURES 2021						
	2-1	Organizational details	9, 45, 55			
	2-2	Entities included in the organization's sustainability reporting	45			
	2-3	Reporting period, frequency and contact point	45, 55			
	2-4	Restatements of information	45			
	2-5	External assurance	This report is internally reviewed and, therefore, is not subject to external verification.			
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	6, 25, 37			
	2-7	Employees	9,26			
	2-8	Workers who are not employees	31			
	2-9	Governance structure and composition	16			
	2-10	Nomination and selection of the highest governance body	16			
	2-11	Chair of the highest governance body	4,6			

anuary 1, 2022 to December 31, 2022 with



GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSIO
	2-12	Role of the highest governance body in sustainability reporting	17
	2-13	Delegation of responsibility for managing impacts	17
	2-14	Role of the highest governance body in sustainability reporting	At Elementia Materiales, we inform the Bo ESG matters.
	2-15	Conflicts of interest	16, 18, 19
	2-16	Communication of critical concerns	18
GRI 2 General Disclosures 2021	2-17	Collective knowledge of the highest governance body	At Elementia Materiales, we inform the Bo ESG matters.
	2-18	Evaluation of the performance of the highest governance body	17
	2-21	Annual total compensation ratio	Confidentiality constraints. For security re
	2-22	Statement on sustainable development strategy	4, 6, 10, 11
	2-23	Policy commitments	18, 27, 37, 40
	2-24	Embedding policy commitments	18, 27, 37, 40
	2-25	Processes to remediate negative impacts	37, 40

SION

Board of Directors of the Company's progress in Board of Directors of the Company's progress in reasons, we do not report this information.



GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSIO	
	2-26	Mechanisms for seeking advice and raising concerns	18	
	2-27	Compliance with laws and regulations	19, 40	
GRI 2 General Disclosures 2021	2-28	Membership associations	38	
	2-29	Approach to stakeholder engagement	11, 12, 14	
	2-30	Collective bargaining agreements	27	
GRI 3 MATERIA	GRI 3 MATERIAL TOPICS 2021			
	3-1	Process to determine material topics	12	
GRI 3 Material Topics 2021	3-2	List of material topics	12	
	3-3	Management of material topics	16, 19, 21, 25, 26, 27, 29, 30, 31, 35, 37, 40	
GRI 200: ECON	IOMIC S	TANDARDS		
	201-1	Direct economic value generated and distributed	21	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	43. Information incomplete. In Elementia estimation of the financial implications o climate change.	
	201-4	Financial assistance received from government	Elementia Materiales does not receive fin	

SION

10, 42, 43
itia Materiales we have not conducted the s of the risks and opportunities associated with
financial assistance from the government.



GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 203: Indirect	203-1	Infrastructure investments and services supported	37
Economic Impacts 2016	203-2	Significant indirect economic impacts	37
	205-1	Operations assessed for risks related to corruption	19
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	19
	205-3	Confirmed incidents of corruption and actions taken	During the reporting period there were no compla
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti- trust, and monopoly practices	During the reporting period, there were no non-c in this regard.
GRI 300: ENVI	RONMEN	ITAL STANDARDS	
	301-1	Materials used by weight or volume	42
GRI 301 Materials 2016	301-2	Recycled input materials used	42
	301-3	Reclaimed products and their packaging materials	Not applicable. Packaging materials are not used
	302-1	Energy consumption within the organization	43
	302-2	Energy consumption outside of the organization	43
GRI 302: Energy 2016	302-3	Energy intensity	43
	302-4	Reduction of energy consumption	Information unavailable. Due to the change in the report a comparison with the previous year.
	302-5	Reductions in energy requirements of products and services	Information unavailable. Due to the change in the report a comparative with the previous year.

plaints or detection of corruption cases. -compliances of this type or legal actions ed. ne calculation methods, it is not possible to he calculation methods, it is not possible to



GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
	303-1	Interactions with water as a shared resource	41
	303-2	Management of water discharge-related impacts	41
GRI 303: Water and	303-3	Water withdrawal	41
Effluents 2018	303-4	Water discharge	Information unavailable. There are discharges that se are minimal due to the maximum use of the resc
	303-5	Water consumption	Information unavailable. The volume of water con drawn, due to the use of the resource in the produ
	305-1	Direct (Scope 1) GHG emissions	43
	305-2	Energy indirect (Scope 2) GHG emissions	43
	305-3	Other indirect (Scope 3) GHG emissions	43
GRI 305: Emissions	305-4	GHG emissions intensity	43
2016	305-5	Reduction of GHG emissions	Information unavailable. Due to the change in the comparative with the previous year.
	305-6	Emissions of ozone-depleting substances (ODS)	43
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable. This type of emissions ex
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	42
	306-2	Management of significant waste-related impacts	42
	306-3	Waste generated	42

nat comply with applicable regulations; however, thesource in the production process.

onsumed is different from the volume of water withduction process.

he calculation methods, it is not possible to report a

exists, but is not significant.



GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION		
GRI 400: SOCI	GRI 400: SOCIAL STANDARDS				
GRI 401:	401-1	New employee hires and employee turnover	26,27		
Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	26, 27		
	403-1	Occupational health and safety management system	31		
	403-2	Hazard identification, risk assessment, and incident investigation	31		
	403-3	Occupational health services	31		
	403-4	Worker participation, consultation, and communication on occupational health and safety	31		
GRI 403:	403-5	Worker training on occupational health and safety	31		
Occupational Health and Safety	403-6	Promotion of worker health	31		
2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	31		
	403-8	Workers covered by an occupational health and safety management system	31		
	403-9	Work-related injuries	31		
	403-10	Work-related ill health	31		
	404-1	Average hours of training per year per employee	29		
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	29		
	404-3	Percentage of employees receiving regular performance and career development reviews	30		

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 405: Diversity	405-1	Diversity of governance bodies and employees	27
and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	27, 35
GRI 406: Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	27. During the reporting period, there were no cas
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	27. There are no operations or suppliers where the bargaining is at risk.
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	There are no operations or suppliers where there
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There are no operations or suppliers where there
GRI 413: Local	413-1	Operations with local community engagement, impact assessments, and development programs	37
Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	37
GRI 415: Public Policy 2016	415-1	Political contributions	Elementia Materiales does not make contribution
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	37
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no non-co

ases of discrimination. he right to freedom of association and collective e is a significant risk of child labor. e is a significant risk of forced or compulsory labor. ons of this kind. compliances of this type.



SASB INDEX

Extractives & minerals processing sector: Construction materials

Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO₂e, Percentage (%)	EM-CM-110a.1	43
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reductio targets, and an analysis of performance against those targets	N/A	EM-CM-110a.2	43
Air Quality	Air emissions of the following pollutants: (1) Nox (excluding N ₂ O), (2) SOx, (3) particulate matter (PM1O), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Metric tons (t)	EM-CM-120a.1	Information unavailable. significant.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1	43. We report thermal ar product produced.
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	EM-CM-140a.1	41. We report the volume produced.

OR LOCATION

le. This type of emissions exists, but is not

and electricity consumption per metric ton of

ne of water withdrawn per metric ton of product



TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR L
Waste Management	Amount of waste generated, percentage hazardous, percentage recycled	Metric tons (t), Percentage (%)	EM-CM-150a.1	42. We report the amount produced.
Biodiversity Impacts	Description of environmental management policies and practices for active sites	N/A	EM-CM-160a.1	Non-material indicator.
	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	EM-CM-160a.2	Non-material indicator.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	Rate	EM-CM-320a.1	Information unavailable.
	Number of reported cases of silicosis	Number	EM-CM-320a.2	There are no identified cas
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Percentage (%) by annual sales revenue	EM-CM-410a.1	Information unavailable.
	Total addressable market and share of market for products that reduce energy, water, and/ or material impacts during usage and/or production	Mexican pesos (MXN), Percentage (%)	EM-CM-410a.2	Information unavailable.
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Mexican pesos (MXN)	EM-CM-520a.1	During the reporting peric of procedure.

	Activity metrics			
ACTIVITY METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR LOCATION	
Production by major product line	Metric tons (t)	EM-CM-000.A	Indicators are reported per metric ton of pro	

OR LOCATION

unt of waste generated per metric ton of product
r.
r.
e.
cases of silicosis.
e.
e.
eriod there were no monetary losses from this type

product produced.



Director for Human Resources and Sustainable Management Paulina Hernández López phernandezl@elementia.com

Corporate Headquarters

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CONTACT GRI 2-1, 2-3