elementia materiales

REDISCOVERING VALUE

SUSTAINABILITY REPORT 2022

CONTENTS

2022 IN NUMBERS

+5,300
EMPLOYEES

+1,500
ACTIVE SUPPLIERS

+1,800
DISTRIBUTORS

AN AVERAGE OF
17.5 EMPLOYEE-HOURS OF TRAINING

22 PRODUCTION PLANTS

+925,000 METRIC TONS OF PRODUCT

MXP $22.395
BILLION IN REVENUE

OVER 70%
SUBSTITUTION RATE OF ALTERNATIVE RAW MATERIALS
IN METALS

11%
OF MATERIALS REPLACED
IN CONSTRUSISTEMAS

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.

2022 proved to be a complex and transformative year that demanded our openness to change and our ability to adapt. As a dynamic Company with a responsible management approach, this adaptability came naturally to us.

In this context, we managed to operate with greater profitability, prepared to deliver the best results based on our established principles, focused on our competitive advantages to offer our products to the market and generate new opportunities that are allowing us to grow. Additionally, we were able to maintain our customer base through quality products and excellent service.

WE TURN THE CHALLENGES INTO OPPORTUNITIES

The United States, Mexico, and Colombia markets had a positive impact on demand, enabling the implementation of a price-increase strategy to offset the adverse effects on costs. This allowed us to operate the plants in the United States at full capacity and positively impact exports from plants in Mexico, El Salvador, Costa Rica, and Honduras.

In addition to the above, we carried out various initiatives to contribute to our business objectives. These include the launch of the Allura expansion plan that doubles plant capacity in Nuevo Laredo and the Roaring River; the development 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 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

MXP $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.

WE ARE

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.

01

WE HAVE 2 DIVISIONS

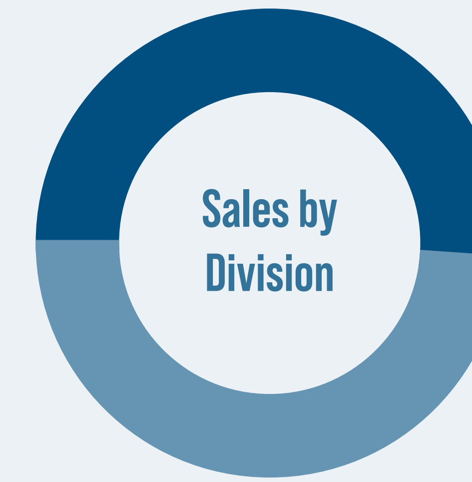
Construsistemas

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.

Metales

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.

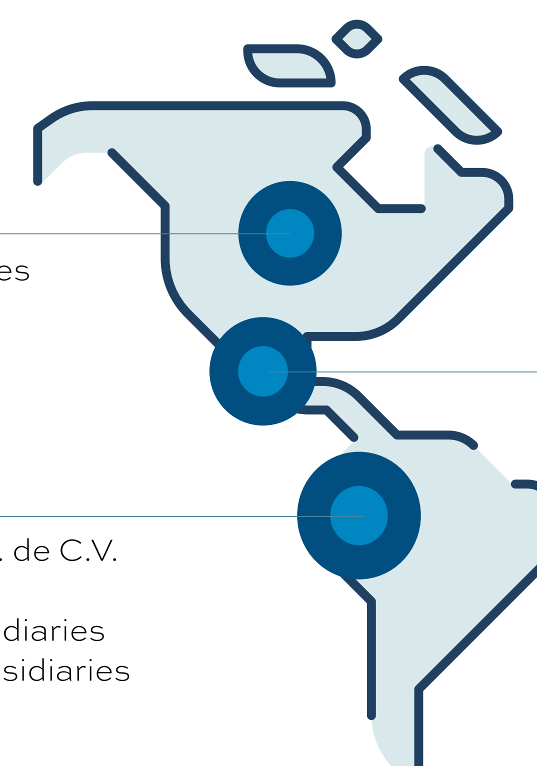
51% METALES



49% CONSTRUSISTEMAS

25% United States | 24% Latin America

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

Mexico

- Mexalit Industrial, S.A. de C.V. and subsidiaries
- Nacional del Cobre, S.A. de C.V. and subsidiaries
- Distribuidora Promex, S.A. de C.V. and subsidiaries
- Frigocel, S.A. de C.V. and subsidiary

PORTFOLIO

FIBER 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.

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.

Duralit

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.

Fibraforte

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.

allura

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.

Plycem

www.plycem.com

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.

Frigocel

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.

nacobre

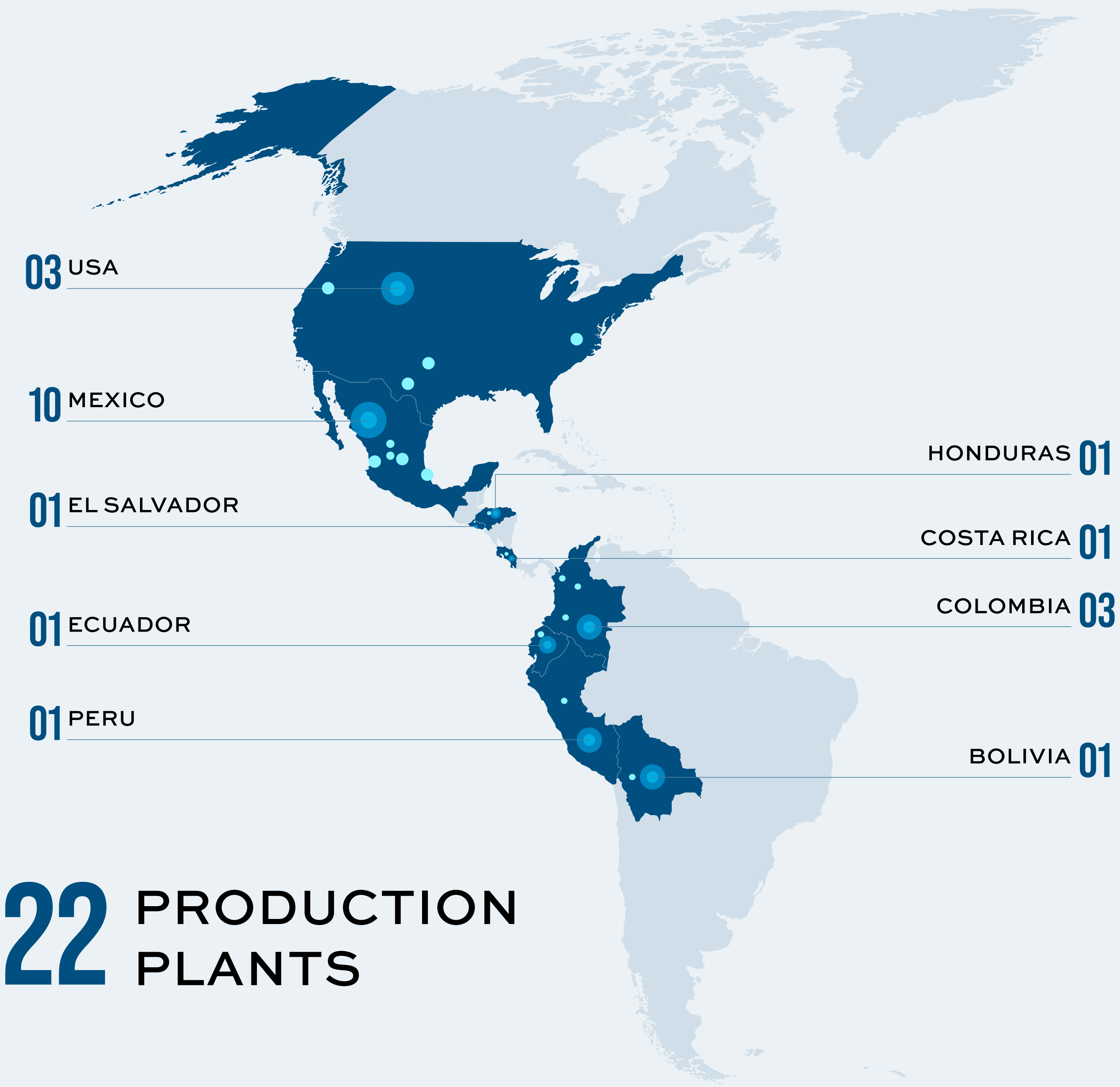
www.nacobre.com.mx

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

GRI 2-1, 2-7

CORPORATE OFFICES:
HOUSTON AND MX CITY



22 PRODUCTION PLANTS

Construsistemas

USA Region

433 employees

Encompasses:
- United States

Mexico Region

682 employees

Encompasses:
- Mexico

Central America Region

598 employees

Encompasses:
- El Salvador
- Honduras
- Costa Rica

Andean Region

1,054 employees

Encompasses:
- Colombia
- Ecuador
- Peru
- Bolivia

Nacobre

2,476 employees

Encompasses:
- Mexico
- United States

Corporate

Encompasses:
- Mexico

92 employees

02

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

ECONOMIC

SOCIAL

ENVIRONMENTAL

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

VALUE CREATION MODEL

GRI 2-22 , 2-29

- Shareholders and investors
- Authorities
- Employees
- Suppliers
- Customers and distributors
- Industry associations and chambers
- Communities

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

IMPACTED STAKEHOLDERS / VALUE CREATED

STRUCTURAL CAPITAL
- Strengthening of ESG aspects within the organization
- Evaluation of strategic risks and opportunities

FINANCIAL CAPITAL
- Strong financial and operational indicators
- Sustainable innovation

HUMAN, SOCIAL, AND RELATIONAL CAPITAL
- Responsible employer
- Happy customers
- Positive impact on the community
- Social responsibility
- Promotion and adoption of best ESG practices
- Operational continuity

NATURAL AND INDUSTRIAL CAPITAL
- Energy efficiency
- Water management
- Waste management

INPUT

FINANCIAL CAPITAL
- Profitable business strategy
- Cost and expense reduction strategy
- Strengthening quality standards

HUMAN, SOCIAL, AND RELATIONAL CAPITAL
- Trust employees, and ownership of their roles
- Talent development
- Organizational culture
- Sector participation
- Long-term supplier relationships

STRUCTURAL CAPITAL
- Best practices of sustainable corporate governance
- Experience and knowledge of the Board of Directors

NATURAL AND INDUSTRIAL CAPITAL
- Circularity approach
- Operational efficiency

GOVERNANCE | ECONOMIC | SOCIAL | ENVIRONMENTAL

VALUE-GENERATING PROCESSES

Business model › Risk management › Reinforcing the sustainability governance system › Developing a sustainability roadmap for each facility

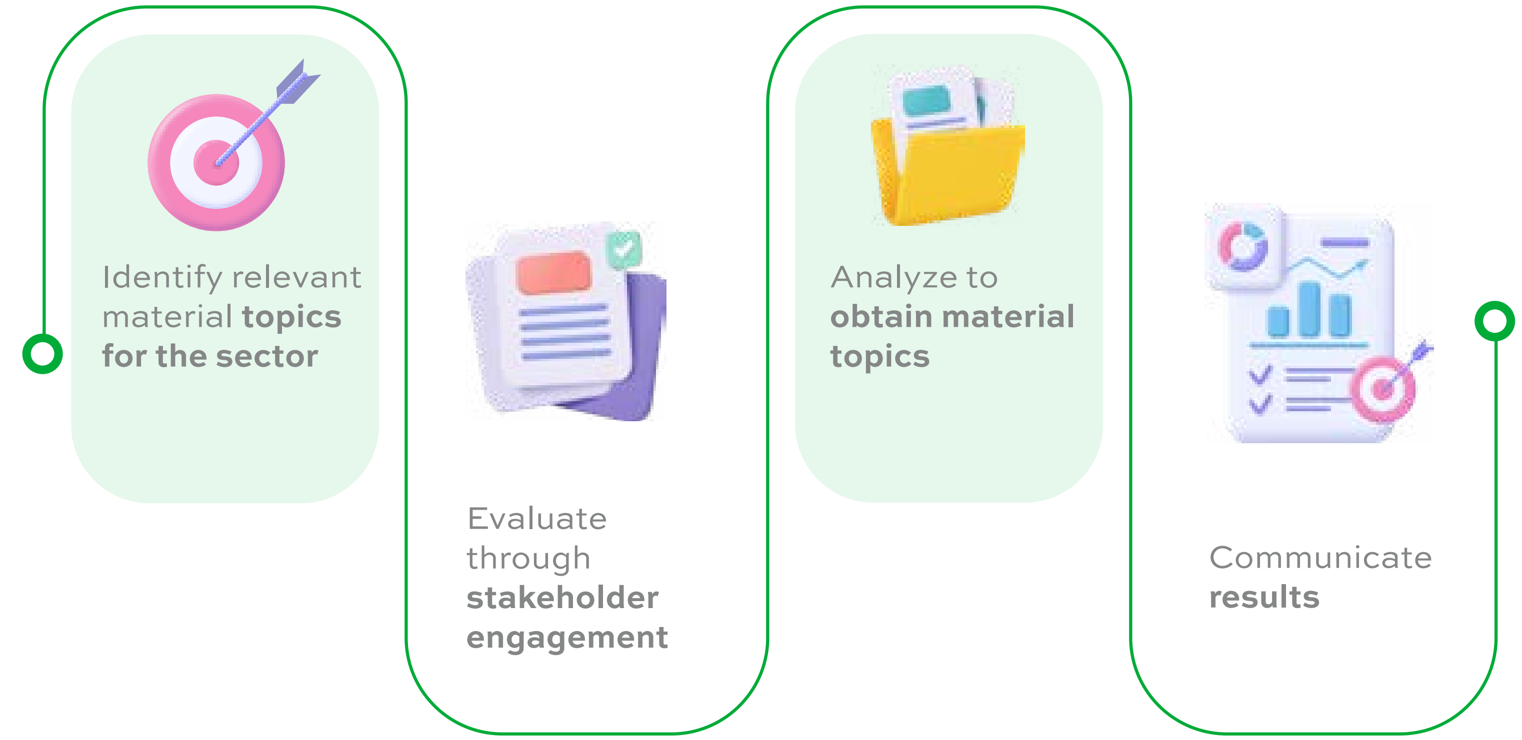
Materiality

GRI 2-29, 3-1, 3-2

In order to identify the most relevant topics for the sector and the Company, as well as their impact on each of our stakeholders, we conducted the first materiality study of Elementia Materiales in 2021. The aspects referred to as material in this report are based on the results obtained in that study.

Based on these results, we designed the Sustainability Framework, and during 2022 we further strengthened the integration of environmental, social, and governance (ESG) aspects throughout the organization. This was done with the goal of making steady 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**
- **Employees**
- **Communities**
- **Authorities and Regulators**
- **Customers and Distributors**
- **Suppliers**

- A Innovation
- B Operational and energy eco-efficiency
- C Human capital development
- D Talent attraction and retention
- E Business strategy and profitability
- F Circular economy
- G Health, safety, and well-being
- H Climate and environmental strategy
- I Recycling strategy
- J Community impact
- K Product management and sustainability
- L Supplier management
- M Governance, code of conduct, and transparency
- N Environmental policy and system management
- O Human rights and diversity
- P Labor practices indicators
- Q Synergies with key local and industry stakeholders
- R Corporate governance

The material topics were captured in the following matrix:

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	COMMUNICATION FREQUENCY
Shareholders and investors	Access relevant financial and sustainability information to make timely and transparent decisions	• Email, calls, and meetings with the investor relations department • Sustainability report • Whistleblower hotline	**Monthly, quarterly, and annually**
Authorities	Comply with applicable regulations in each country where we operate	• Reports • Whistleblower hotline • Sustainability Report	**Monthly, quarterly, and annually**
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	**Daily**
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	**Weekly and monthly**
Suppliers	Ethics in business relationships and long-term collaboration for value creation	• Emails and calls with the purchasing department • Whistleblower hotline • Sustainability Report	**Weekly and monthly**
Communities	Institutional support to maximize the positive impact generated through chosen social causes, using volunteerism and/or donations	• Meetings and emails with the local sustainability and HR department • Whistleblower hotline • Sustainability Report	**Monthly, quarterly, and annually**

GOVERNANCE: STRUCTURAL CAPITAL

03

CORPORATE GOVERNANCE

GRI 3-3

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

- Integrity
- Respect
- Commitment
- Results-oriented philosophy
- Innovation
- Safety and teamwork

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 Benítez[2]	Secretary
Eduardo González Arias[2]	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 question. 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

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.

EXECUTIVE TEAM

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

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 AND INTEGRITY

GRI 2-15, 2-16, 2-23, 2-24, 2-26

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.

Channel of Communication for Whistleblowers

Any behavior or attitude that appears to violate our principles or involves non-compliance with laws, regulations, 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

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.

Preventing and fighting against corruption

GRI 2-15, 3-3
GRI 205-1, 205-2

All employees of Elementia Materiales have an obligation to act in the best interest of the Company. Conflicts of interest are strictly prohibited, which means that no one should place themselves in a position where personal interests may conflict with the interests of Elementia Materiales. Therefore, suppliers will always be selected in a completely impartial manner, without any consideration given to anything other than the best interests of the Company.

We are aware that we operate in environments where corruption is significantly prevalent. Therefore, recognizing the serious harm caused by corruption in any form, such risks are promptly addressed with a strong position of zero tolerance, as described in our Code of Ethics and in line with the U.S. Foreign Corrupt Practices Act (FCPA).

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

100% OF THE MEMBERS OF THE BOARD OF DIRECTORS 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.

ECONOMIC PERFORMANCE: FINANCIAL CAPITAL

04

EFFICIENCY AND PROFITABILITY

GRI 3-3
GRI 201-1

Income Statement

INDICATORS	JAN. -DEC. PROFORMA STATEMENT		
	Dec 2022	Dec 2021	Δ% 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%)

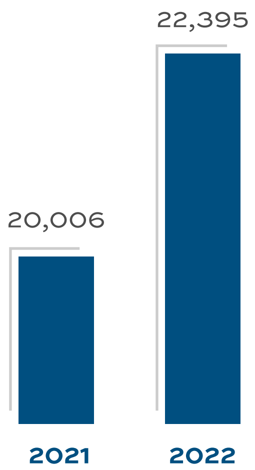
Amounts in millions of MXP.

Balance Sheet

INDICATORS	Dec 2022	Dec 2021	Δ% 2022 vs 2021
Cash and Cash Equivalents	1,460	1,502	(3%)
Net Accounts Receivable	2,479	2,947	(16%)
Net Inventory	4,053	4,139	(2%)
Suppliers	1,397	2,243	(38%)
Total Debt	6,222	4,183	49%
Net Debt	4,762	2,681	78%
Shareholders' Equity	9,263	11,473	(19%)
Non-controlling Interest Shareholders' Equity	35	42	(17%)

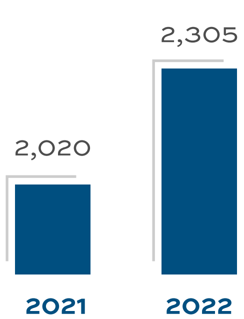
Amounts in millions of MXP.

Income Statement



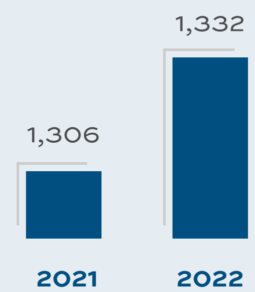
NET SALES

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.



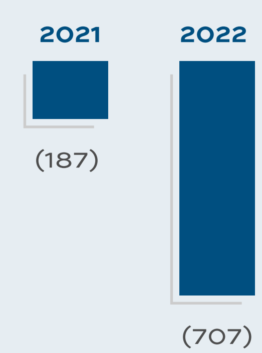
EBITDA

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.



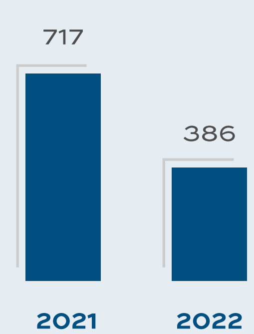
OPERATING PROFIT

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



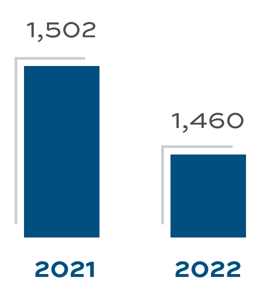
FINANCING RESULTS

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.



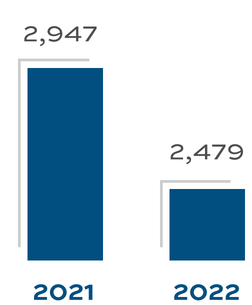
NET PROFIT

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.



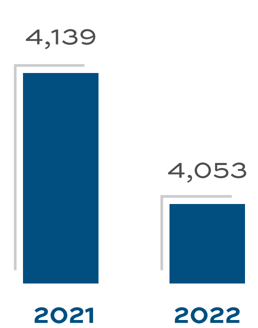
CASH AND CASH EQUIVALENTS

The reduction in cash and cash equivalents was 3% compared to 2021. This was mainly due to the use of cash surplus for debt payments, repurchasing of our outstanding shares, and investments in CAPEX.



ACCOUNTS RECEIVABLE

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



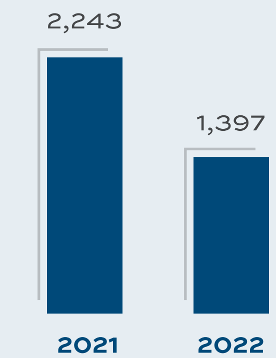
INVENTORY

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

Balance Sheet

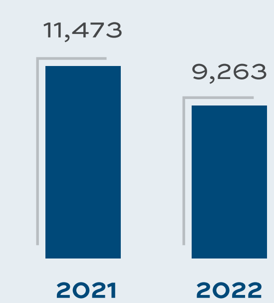
USD $90 MILLION[1] EARMARKED FOR INVESTMENT PROJECTS WHICH SHALL ALLOW FOR AN INCREASE IN PRODUCTION CAPACITY FOR OUR PLANTS.

[1] Corresponding amount for Elementia Materiales and Fortaleza Materiales.



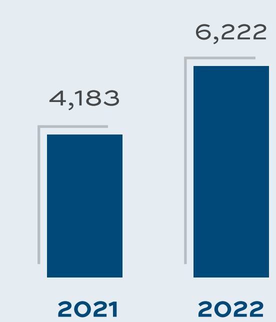
SUPPLIERS

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

05

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.

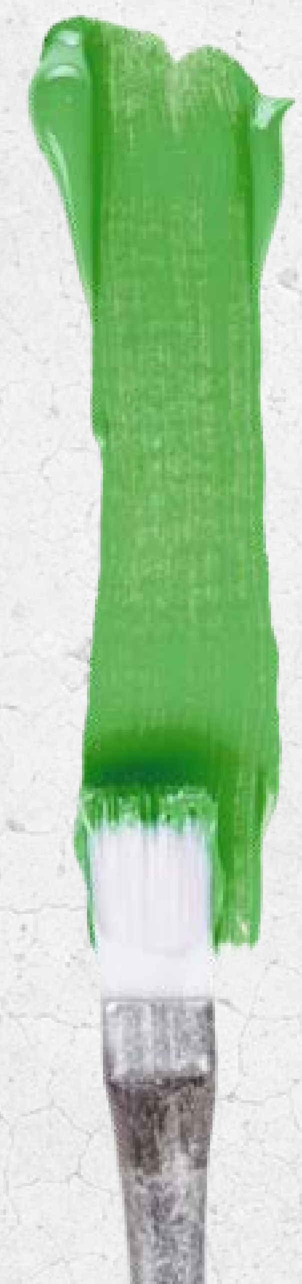
Technical knowledge is crucial for the success of our business, which is why we always seek the best talent - individuals who are skilled, committed, and passionate about what they do- with broad experience, the competencies needed to assess key-performance indicators, and the ability to make effective 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 legislation in the locations where we operate, we respect the freedom of our employees to join or refrain from joining labor unions or organizations. We maintain a good relationship with the unions to which our employees belong, and we have not identified any operations or suppliers where the rights of workers to exercise their freedom of association and collective bargaining are violated or at significant risk.



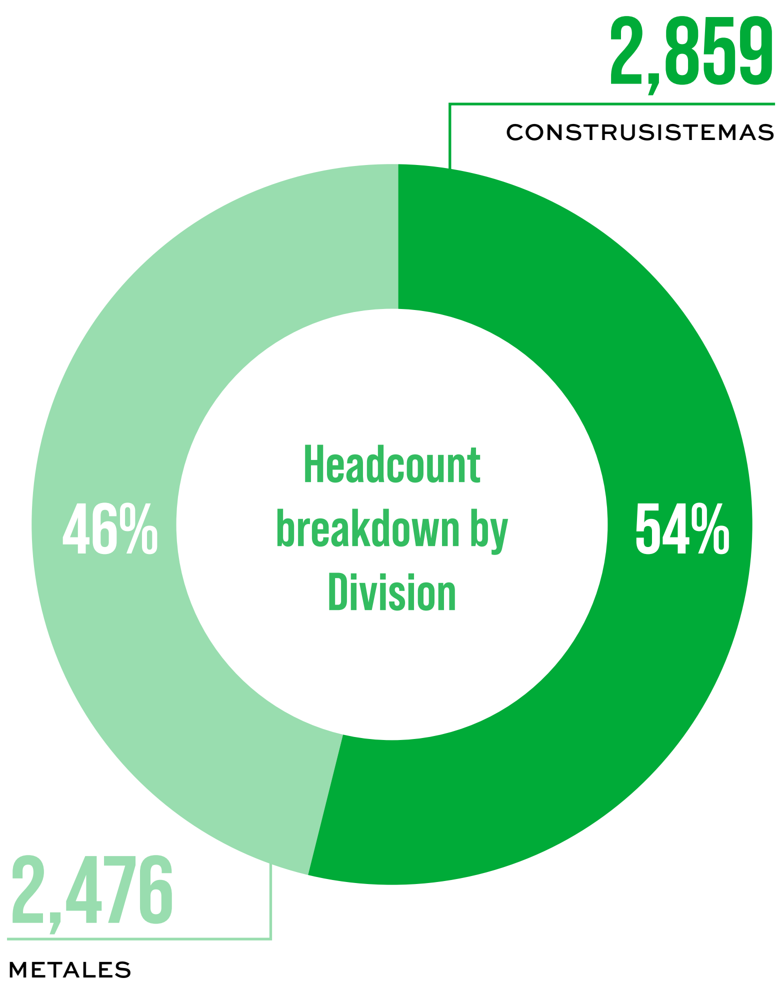
1,104 NEW HIRES IN 2022

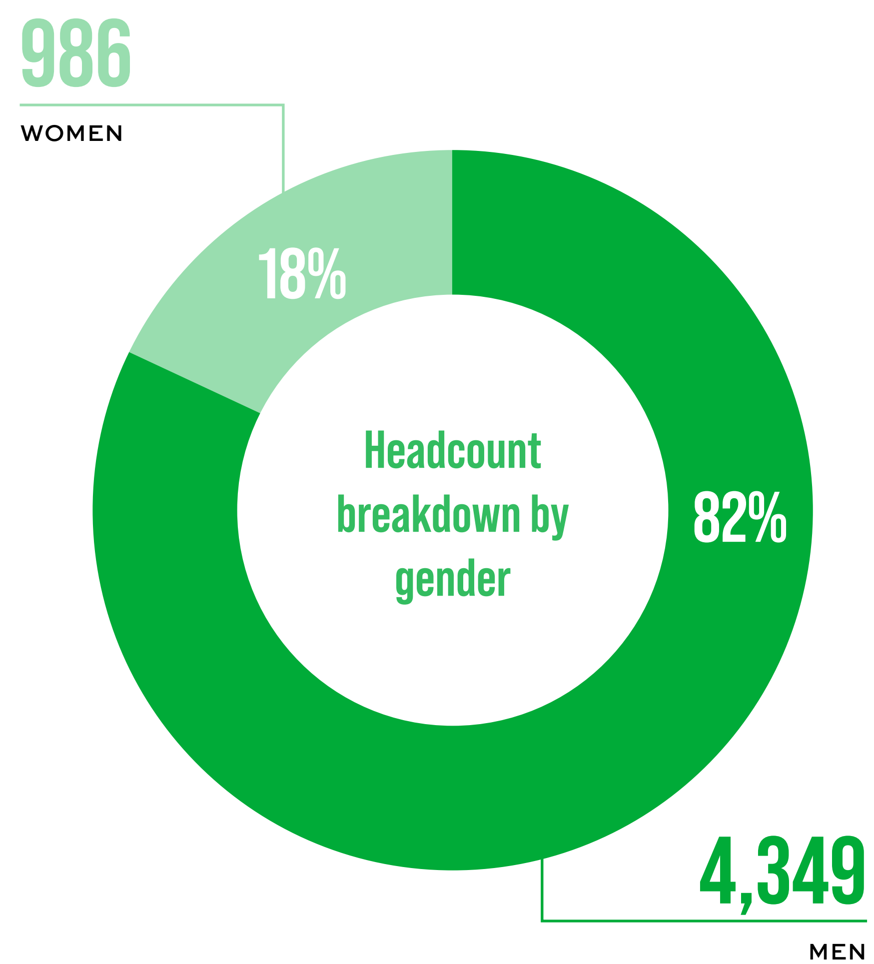
INTERNAL TALENT FILLED **37** VACANT POSITIONS

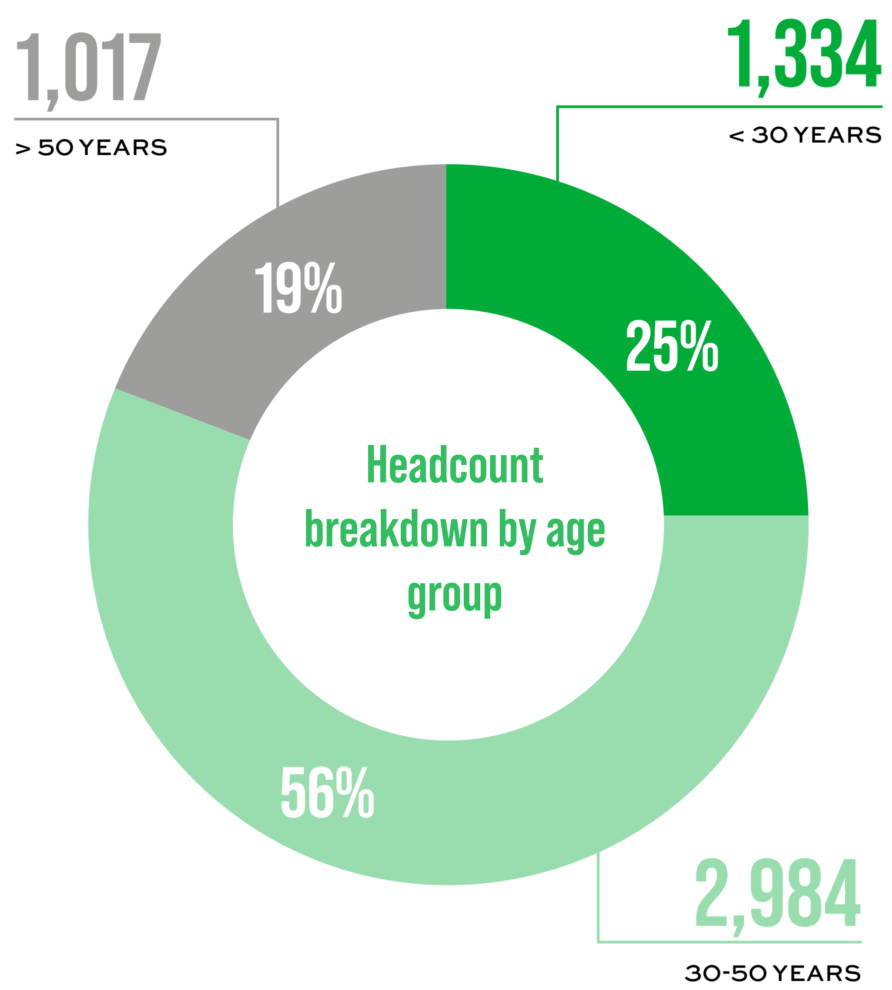
71% OF OUR EMPLOYEES ARE UNIONIZED

Our Headcount

5,335 EMPLOYEES IN ELEMENTIA MATERIALES







27 EMPLOYEES
IN TOP MANAGEMENT POSITIONS; 15% ARE WOMEN

97 EMPLOYEES
IN MANAGERIAL POSITIONS; 20% ARE WOMEN

597 EMPLOYEES
IN MIDDLE MANAGEMENT POSITIONS; 25% ARE WOMEN

859 EMPLOYEES
IN ADMINISTRATIVE AND OPERATIONAL POSITIONS; 29% ARE WOMEN

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."

[2] The 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:

1. **Health and Safety[2]:** 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.
2. **Leadership:** This module addresses topics such as providing feedback, being a participative leader who motivates the team, and having close communication with the members.
3. **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.

Our guiding principle in prevention is to avoid serious or fatal accidents, occupational illnesses, continuously improve, and learn increasingly more about exposure-based prevention. This is driven by the genuine leadership of our CEO, executives, and corporate managers.

We have a safety policy, eight safety rules, and basic controls, which help us prevent serious or fatal accidents, operational shutdowns, or damage to the reputation of our Company.

Safety Rules

1. I identify all hazards and assess risks before undertaking any activity
2. I do not work with any equipment without proper training and authorization
3. I apply isolation and energy lockout procedures before working on any equipment
4. I actively engage and take action in the field to prevent unsafe acts
5. I do not use my hands or feet as tools
6. I never work under the influence of alcohol or drugs
7. I always use my personal protective equipment
8. 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 non-compliance

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.

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.

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

	CONSTRUSISTEMAS		METALS	
	2022	2021	2022	2021
Lost Days Rate for occupational accidents	0.19	0.35	4.26	2.62
Lost-Time Rate for incidents	0.07	0.14	1.16	0.59
Severity Rate	2.2	6.12	46.17	27.34
Personnel affected by disabling injuries	24	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.

Basic Road Safety Controls

Fatigue management	Distraction management
On-board protection	Speed and safe distance between vehicles
Pre-operational inspection	Warning systems
Mobile equipment	Vehicle segregation
Vehicle and traffic safety	Inspection and maintenance system

Wellness

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 offered in relation to the market in each of the countries where 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 employees[3] 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.

[3] Includes unionized and non-unionized personnel, full-time, part-time and temporary.

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 families.

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

I AM RESPONSIBLE

Skills
- Integrity
- Honesty

I LOVE WHAT I DO

Skills
- Sense of ownership
- Enthusiasm

I THINK LIKE AN OWNER

Skills
- Results-oriented
- Analysis and problem-solving

I VALUE TALENT

Skills
- Teamwork
- Active-listening

I HAVE A POSITIVE ATTITUDE

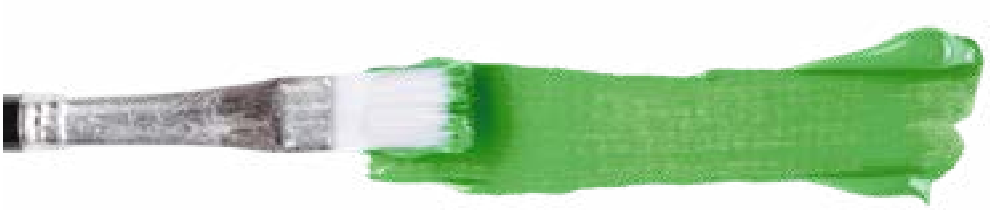
Skills
- Proactive/agilityagility
- Influence and persuasion

OUR CUSTOMERS

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 long-term 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

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

12TH YEAR AS AN ESR®

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.

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.

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 CEMEFI (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.

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

06

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.

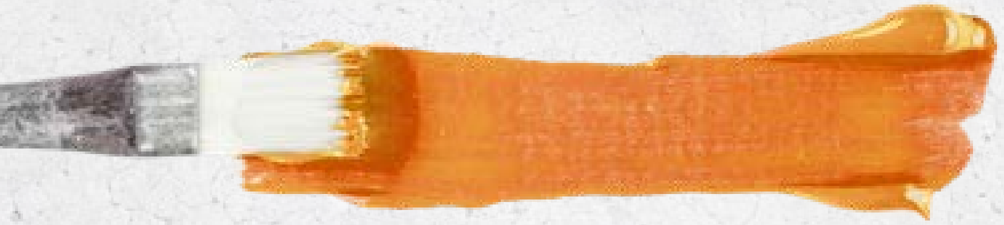
Each facility has a specific roadmap based on the evaluation of environmental aspects and their improvement possibilities. Our goal is to standardize this process in the medium term, for which we are in the process of establishing precise plant-related goals.

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.



IN CONSTRUSISTEMAS, THE WATER EXTRACTION RATE IS APPROXIMATELY 0.894 M^3 PER METRIC TON OF PRODUCT PRODUCED.

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.

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.

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

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 quality 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 there are resources that cannot be replaced, we are constantly seeking solutions for their reutilization. One of the main materials used in the production process is pulp, which is obtained either in its virgin form or through processes carried out by other 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.

Within our facilities, we carry out material cutting, and the resulting waste is incorporated back into the process for reuse. This allows us to be more efficient by reducing the amount of raw materials required for product manufacturing and avoiding their classification as waste.

Furthermore, we strive for our waste to be reutilized 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 economy.

CONSTRUSISTEMAS

11% of materials replaced

88 kg of waste generated/metric ton of product made

Rate of waste recycled: 2%

NACOBRE

76.4% of materials replaced

86 kg of waste generated/metric ton of product made

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

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

65 KG OF CO_2/ METRIC TON of product made (scope 1)

112 KG OF CO_2/ METRIC TON of product made (scope 1 and 2)

NACOBRE

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

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

832 KG OF CO_2/METRIC TON of product made (scope 1)

1,793 KG OF CO_2/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).

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

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

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 January 1, 2022 to December 31, 2022 with 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			
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.
	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

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 2 General Disclosures 2021	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 Board of Directors of the Company's progress in ESG matters.
	2-15	Conflicts of interest	16, 18, 19
	2-16	Communication of critical concerns	18
	2-17	Collective knowledge of the highest governance body	At Elementia Materiales, we inform the Board of Directors of the Company's progress in ESG matters.
	2-18	Evaluation of the performance of the highest governance body	17
	2-21	Annual total compensation ratio	Confidentiality constraints. For security reasons, we do not report this information.
	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

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 2 General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	18
	2-27	Compliance with laws and regulations	19, 40
	2-28	Membership associations	38
	2-29	Approach to stakeholder engagement	11, 12, 14
	2-30	Collective bargaining agreements	27
GRI 3 MATERIAL TOPICS 2021			
GRI 3 Material Topics 2021	3-1	Process to determine material topics	12
	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, 42, 43
GRI 200: ECONOMIC STANDARDS			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	21
	201-2	Financial implications and other risks and opportunities due to climate change	43. Information incomplete. In Elementia Materiales we have not conducted the estimation of the financial implications of the risks and opportunities associated with climate change.
	201-4	Financial assistance received from government	Elementia Materiales does not receive financial assistance from the government.

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	37
	203-2	Significant indirect economic impacts	37
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	19
	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 complaints or detection of corruption cases.
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-compliances of this type or legal actions in this regard.
GRI 300: ENVIRONMENTAL STANDARDS			
GRI 301 Materials 2016	301-1	Materials used by weight or volume	42
	301-2	Recycled input materials used	42
	301-3	Reclaimed products and their packaging materials	Not applicable. Packaging materials are not used.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	43
	302-2	Energy consumption outside of the organization	43
	302-3	Energy intensity	43
	302-4	Reduction of energy consumption	Information unavailable. Due to the change in the calculation methods, it is not possible to 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 calculation methods, it is not possible to report a comparative with the previous year.

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	41
	303-2	Management of water discharge-related impacts	41
	303-3	Water withdrawal	41
	303-4	Water discharge	Information unavailable. There are discharges that comply with applicable regulations; however, these are minimal due to the maximum use of the resource in the production process.
	303-5	Water consumption	Information unavailable. The volume of water consumed is different from the volume of water withdrawn, due to the use of the resource in the production process.
GRI 305: Emissions 2016	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
	305-4	GHG emissions intensity	43
	305-5	Reduction of GHG emissions	Information unavailable. Due to the change in the calculation methods, it is not possible to report a 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 exists, but is not significant.
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

GRI STANDARD		DISCLOSURE	PAGE, DIRECT RESPONSE OR REASON FOR OMISSION
GRI 400: SOCIAL STANDARDS			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	26, 27
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	26, 27
GRI 403: Occupational Health and Safety 2018	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
	403-5	Worker training on occupational health and safety	31
	403-6	Promotion of worker health	31
	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
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	29
	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 and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	27
	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 cases of discrimination.
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 right to freedom of association and collective 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 is a significant risk of child labor.
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 is a significant risk of forced or compulsory labor.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	37
	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 contributions of this kind.
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-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 LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO_2e, 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_2O), (2) SOx, (3) particulate matter (PM10), (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. This type of emissions exists, but is not 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 and electricity consumption per metric ton of 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 (m^3), Percentage (%)	EM-CM-140a.1	41. We report the volume of water withdrawn per metric ton of product produced.

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR LOCATION
Waste Management	Amount of waste generated, percentage hazardous, percentage recycled	Metric tons (t), Percentage (%)	EM-CM-150a.1	42. We report the amount of waste generated per metric ton of product 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 cases of silicosis.
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 period there were no monetary losses from this type 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 product produced.

CONTACT

GRI 2-1, 2-3

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GRI 306-2, 306-3

GESTIÓN DE RESIDUOS

El uso eficiente de los insumos productivos, el reciclaje de materiales, el uso de materiales reciclados o renovables y el monitoreo de la generación de residuos son componentes críticos para la adecuada gestión de residuos generados en nuestras plantas. Nuestro enfoque de gestión de residuos está apegado a la jerarquía de manejo de residuos, en la cual se indica el tipo y prioridad de tratamiento que deben recibir los residuos con el fin de reducir su generación y evitar su eliminación.

Bajo este marco, seguimos un conjunto de estrictas prácticas de manejo integral, que comprenden controles de separación en los distintos nodos de generación, para posteriormente canalizarlos a diversas operaciones de valorización dentro y fuera de la organización, entre ellas preparación para la reutilización y reciclado.

También buscamos activamente alcanzar una mayor utilización de materiales reciclados, tales como chatarra y celulosas recicladas, que, junto con las operaciones de separación y valorización, nos permita mejorar nuestro desempeño operativo.

MÉXICO

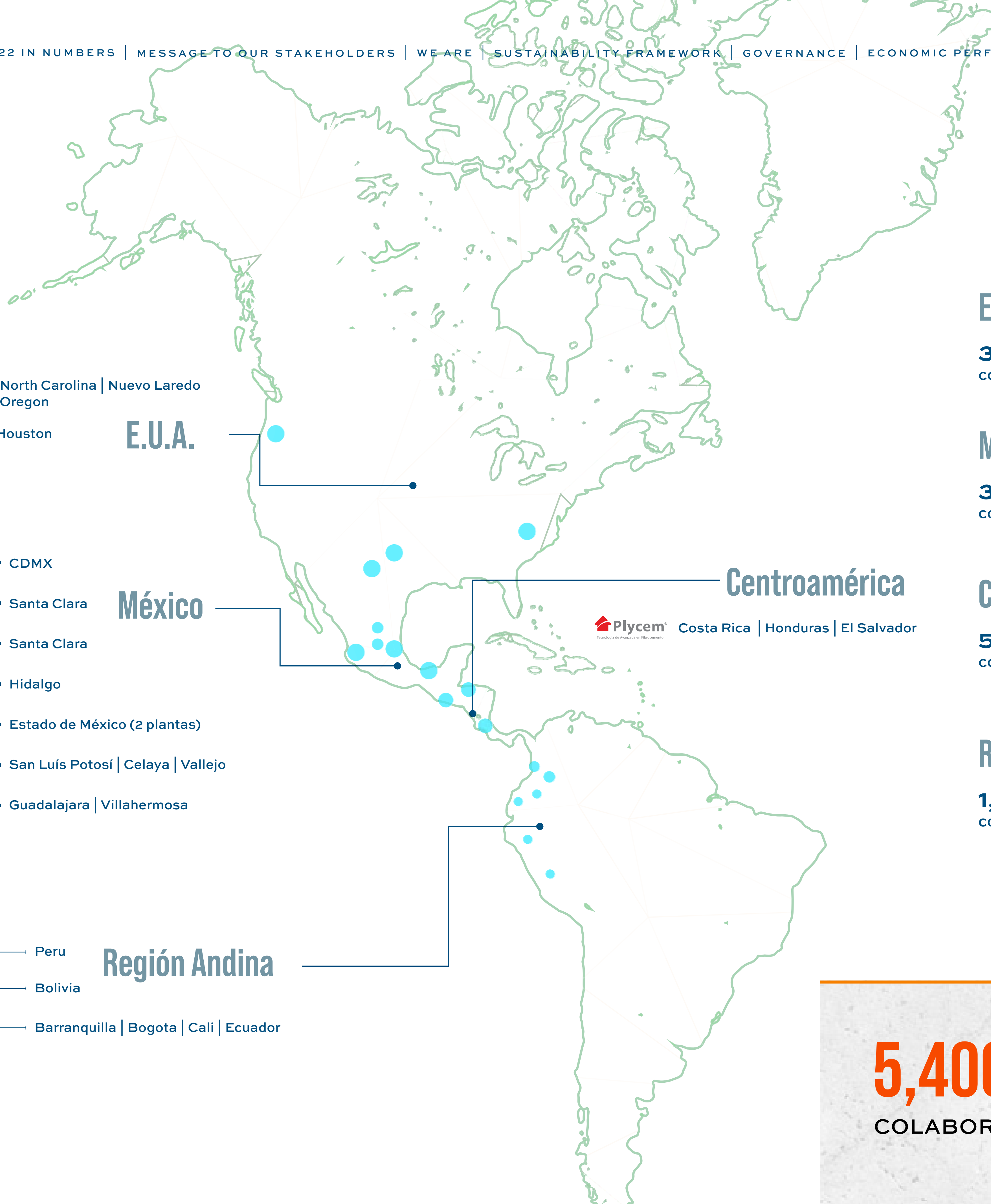
Nuestras empresas de fibrocemento cuentan con un ciclo cerrado de agua de proceso

CENTROAMÉRICA

8.4%
Reducción de con respecto al 2020.

REGIÓN ANDINA

Se mantuvieron y mejoraron los sistemas de tratamiento y reutilización de agua



E.U.A.

- elementia materiales — North Carolina | Nuevo Laredo
Oregon
- altura — Houston

México

- OFICINAS CORPORATIVAS — CDMX
- PANEL — Santa Clara
- eureka — Santa Clara
- comecop — Hidalgo
- Frigocel — Estado de México (2 plantas)
- nacobre — San Luís Potosí | Celaya | Vallejo
- mexalit — Guadalajara | Villahermosa

Centroamérica

- Plycem — Costa Rica | Honduras | El Salvador

Región Andina

- Fibraforte — Peru
- Duralit — Bolivia
- Eternit — Barranquilla | Bogota | Cali | Ecuador

E.U.A.

321 colaboradores | **25%** de las ventas netas | **03** plantas de producción

México

3,443 colaboradores | **58%** de las ventas netas | **09** plantas de producción

Centroamérica

547 colaboradores | **10%** de las ventas netas | **03** plantas de producción

Región Andina

1,118 colaboradores | **13%** de las ventas netas | **06** plantas de producción

5,400 COLABORADORES

1,800 DISTRIBUIDORES

40 PAÍSES