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2025 in Numbers

237,929

t of alternative raw materials

110

kWh/t cement in consumption of electricity

3986

MJ/t Clinker thermal energy consumption

630

kg netos CO₂/t of cementing material

+12.1%

Net sales

-29.7%

Total debt

46,659
Total training hours

139
New suppliers

242 New hires

+4%EBITDA

MESSAGE to Our Stakeholders

GRI 2-22

"Our approach in ESG matters, especially concerning emissions, circular economy, and occupational health and safety has been key."

Dear Readers:

It is a pleasure for me to address all of you at this stage of evolution and development for Elementia Materiales, and to present results for 2023 as concerns our commercial, economic, environmental, social, and governance performance, as well as some reflections and notable achievements regarding the business landscape we faced during the year.

In the United States, we have observed general market stability on the East Coast despite challenges in the residential sector stemming from rising interest rates. Although this has negatively impacted the residential market, positive dynamism in the commercial, industrial, and infrastructural sectors has been observed. Our focus on ESG aspects has been key, especially in emissions, circular economy, occupational health, and safety issues, all a reflection of achievements in our plants in the United States; an example is Giant Cement Holding Inc., which has reached a 50% alternative fuel substitution rate and achieved zero time lost from accidents.

In Mexico, we have faced similar challenges to the previous year, with a marked focus on macro and state-level infrastructural construction. Investments made in residential self-construction stand out, despite economic difficulties stemming from inflation and interest rates.



Additionally, in Mexico, we received the ESR® recognition as a Socially Responsible Company, awarded by the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility (AliaR-SE). We donated nearly 6,000 tons of cement to improve municipal road and social infrastructures in Hidalgo and Yucatán, reaffirming our social commitment.

In Central America, we observed a variety of economic dynamics; however, the overall governmental and social dynamics in these countries are positive, providing significant business opportunities. Cementos Fortaleza by Plycem in Costa Rica has established itself as a strong brand and company in the country, achieving ESG advancements such as 2,000 days without accidents and reducing water and gas consumption in operations, including installations for rainwater recovery.

Our people are our priority, focusing on their safety with a sustained reduction in days lost due to workplace accidents during the last three years; and the time lost per incident, achieving the best results in 2023.

"Worldwide we are facing variability in social, political, and economic spheres, requiring us to be tactical and flexible in our strategies."

Fundamental to overcoming these challenges has been our focus on improving environmental performance, the health and safety of our employees, and creating a positive work culture.

Although 2023 was a year characterized by many changes and challenges, it was also one of opportunities to learn, grow, and consolidate our market position. We will leverage this momentum to maintain our commitment to excellence in everything we do. I appreciate your dedication and continuous commitment.







Fortaleza Materiales, S.A.B. de C.V., a leading company in the cement sector, has experienced significant growth both internally through Cementos Fortaleza® and through strategic acquisitions such as Giant®, Keystone®, and Dragon®. We offer structural solutions for a wide variety of construction projects, from foundations to roofs, encompassing homes, shopping centers, offices, hospitals, and other types of facilities in Mexico, the United States, and Latin America. Standing out as one of the main cement producers in the region, our achievements have been possible thanks to the exceptional quality and the superior performance of our brands, supported by an efficient distribution network and a focus on customer satisfaction.



Infrastructure

+7 million tons of installed capacity for cement

Fortaleza Mexico Cement

3 CEMENT PLANTS

1 MILL

· Planta Tula, Hidalgo

Progreso, Yucatán

Planta El Palmar, HidalgoPlanta Vito, Hidalgo

5 CEMENT PLANTS

3.75 MILLION TONS OF

INSTALLED CAPACITY

52% IN NET SALES FOR FORTALEZA

Cementos Fortaleza Costa Rica

1 MILL • Esparza

250,000 TONS OF

INSTALLED CAPACITY

Cementos Fortaleza El Salvador

1 MILL

· Acajutla

250,000 TONS OF INSTALLED CAPACITY

4% FORTALEZA MATERIALES

(including mills, Costa Rica and El Salvador)

Giant Cement Holding Inc.

3 CEMENT PLANTS

9 DISTRIBUTION

 $\cdot \, \text{Giant in South Carolina} \\$

TERMINALS

· Dragon in Maine

Keystone in Pennsylvania

INSTALLED CAPACITY

2.8 MILLION TONS OF

44% IN NET SALES FOR

FORTALEZA MATERIALES

3 WASTE-RECOVERY PLANTS

Our Brands



Despite being the most recent group to enter the Mexican cement market, a highly recognized brand in this market, with our presence beginning in 2013.



White Cement



Grey Cement



Masonry Cement



Concrete



Patria CPC 20 Cement



In 2016, our entry into the U.S. cement market was achieved through the acquisition of Giant, allowing us to incorporate the Giant, Keystone, Dragon, and Grr! brands.



Portland type I-II Cement



Type N Masonry Cement



Type S Masonry Cement



It was the first company in the U.S. cement industry to introduce an energy recovery program in 1976.



Type I-II Portland Air-Entraining Cement



Type 1L Sustainable Cement



Type N Light Masonry Cement



Type S Mortar



Type M Mortar



One of the main suppliers of Portland cement and masonry products in the state of Maine, located in New England.



Light Masonry



Type S Masonry



Type 1L Sustainable

construction industry across Latin America and the United States.



In 2018 we entered the Central American cement market with our Fortaleza® by Plycem brand. It is manufactured in Costa Rica and maintains the same levels of quality and pricing structure as Fortaleza in Mexico.



MM/B (P-C) Cement



MC/A-AR Cement



MC/A-28 Cement (Plycem)



Focused on the Central American market, with production of Portland Cement for general use and Hydraulic Cement for industrial use.



General Use Portland Cement



Industrial Use Hydraulic Cement

Our brands have a solid reputation among our customers and distributors, thanks to outstanding performance, reliability, and high-quality service. Our products have a long history in the market and are widely recognized in the



The leading company in the United States in the treatment and recycling of hazardous and non-hazardous waste. It offers a comprehensive waste management service and produces alternative fuel from certain types of waste.

Our Products

PORTLAND COMPOUND CEMENT CPC30R

- Strength Class 30 with Quick Strength (CPC 30R)
- Ideal for building structural elements where there are no special requirements

PORTLAND COMPOUND CEMENT CPC40

- Strength Class 40 (CPC 40).
- Element construction and concrete structures

ORDINARY WHITE PORTLAND CEMENT CPO30

- Strength Class 30 with Quick Strength (CPC 30R).
- Manufacturing of white or clear cement, ceramic adhesives, roof tiling, and mosaics

TYPE I/II PORTLAND CEMENT

- Type I is for general construction purposes
- Type II is for moderate resistance to sulphate, and moderate hydration heat

TYPE III PORTLAND CEMENT

• Quicker strength than Type I cement

MASONRY MORTAR OR CEMENT

Masonry work related to the construction industry

PRE-MIXED CONCRETE

 Focuses on the production and commercialization of structural concrete for residential, commercial, and urban infrastructure constructions

MM/B(P-C)-28 CEMENT

- Mixed modified hydraulic cement, class 28 resistance.
- Used to construct engineering structural elements for buildings in general

MC/A-AR CEMENT

- High initial strength hydraulic cement.
- Contains AR class limestone.
- Used for various engineering structural elements.

MORTAR OR MASONRY CEMENT

• Masonry work related to the construction industry

MM/B (P-C) CEMENT

 General use cement, ideal for structures not requiring high initial strength

PORTLAND CEMENT

- General use
- Hydraulic cement for industrial use
- For use in structural concrete for foundations, beams and columns, prestressed concrete slabs, and prefabricated elements



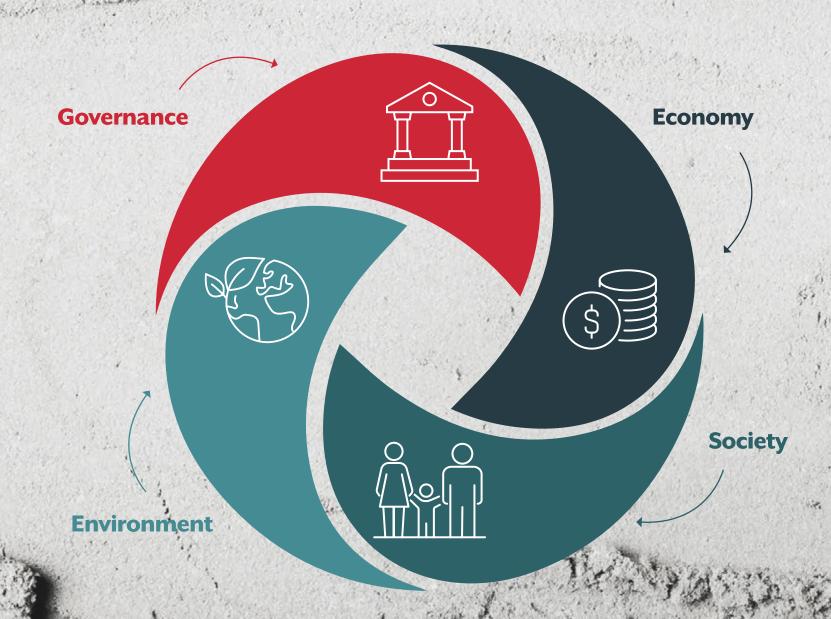
Sustainability Framework

GRI 2-22, 3-3

The primary focus of our Sustainability Framework is to create value for our stakeholders, community development, and environmental preservation.

Year after year we have worked on strengthening this focus, which is based on the pillars of our value generation strategy to benefit our stakeholders and contribute to community development and environmental conservation.

We focus on the essential pillars regarding governance, economy, society, and environment, concentrating our efforts on improving our contribution to the development of both the organization and communities.



Value Creation Model

Created Value

Structural Capital

- · Reinforcement of organizational ESG en la organización
- Risk evaluation and strategic opportunities

Impacted Stakeholders

- Shareholders and Investors
- Authorities
- Employees

Linked SDOs





Created Value

Natural and Industrial Capital

- Energy management
- · GHG emission management
- Emissions from other pollutants
- · Use of alternative fuels
- · Water management
- Circular economy
- Biodiversity

Impacted Stakeholders

- Communities
- Authorities

Linked SDOs











Created Value

Financial Capital

- · Sound financial and operational indicators
- Sustainable innovation

Impacted Stakeholders

- · Shareholders and Investors
- Authorities
- Employees
- Suppliers
- · Customers and Distributors

Linked SDOs





Created Value

- · Responsible employer
- Happy customers
- Positive impact on the community
- Social responsibility
- · Dissemination and adoption of best ESG practices
- Operational continuity

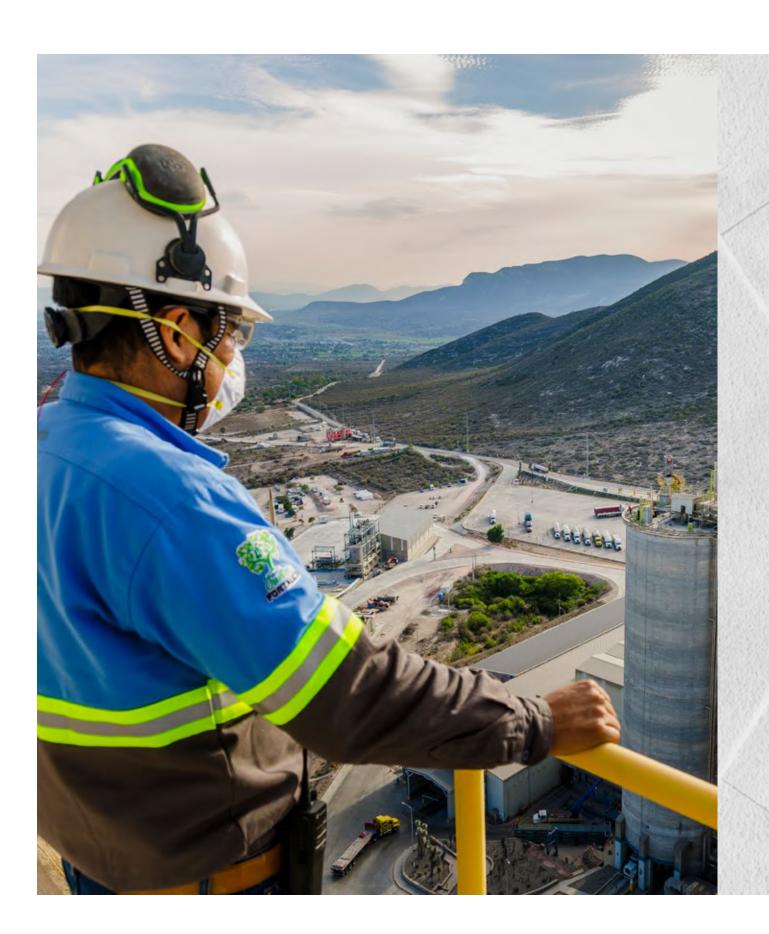
Impacted Stakeholders

- Employees
- Suppliers
- · Associations and sectorial chambers
- Communities
- · Customers and Distributors

ODS vinculados







Looking to the Future

At Fortaleza Materiales, we are firmly committed to sustainability as an essential pillar for generating value for our stakeholders and ensuring our long-term permanence and growth.

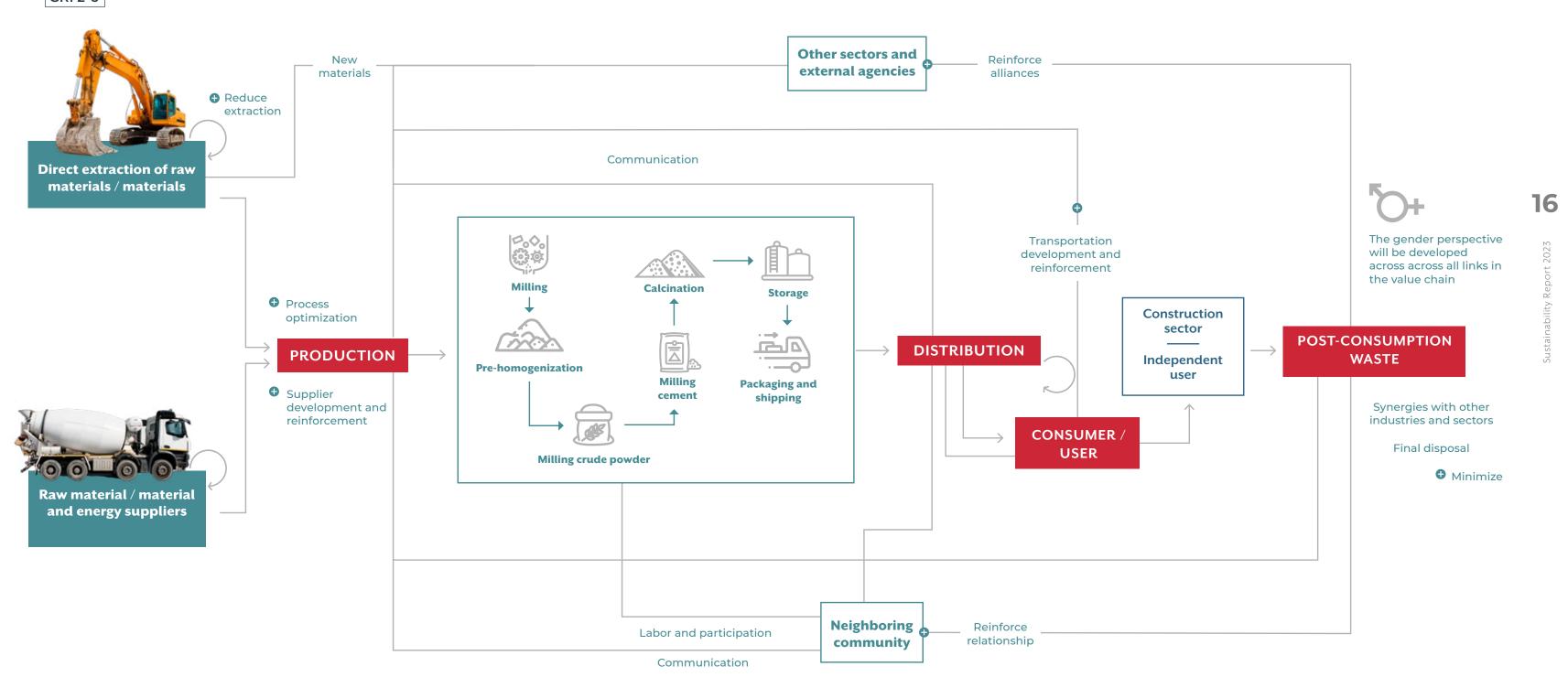
To benefit current and future generations, the best environmental, social, and corporate governance practices are implemented across the entire value chain.

In environmental terms, the foundations of an environmental management system are established to enable systematic compliance with applicable legislation, implement measures to prevent and mitigate environmental impacts, and continuously review our environmental performance indicators, thereby allowing for new goals to be set and to improve our performance.

Socially, our relationships with local authorities and communities are reinforced, seeking to establish mutually beneficial links and open collaboration. In line with our focus on improving infrastructure, we support communities near our plants through the municipal authorities, providing cement to improve local streets. Additionally, we collaborate with these communities in volunteer programs to improve and beautify the infrastructure of neighborhoods near our facilities.

Value Chain

GRI 2-6





Suppliers ESTUCO ROCANTY 25 Foreign 18 87 174 **Temporary** Services 483 Definitive 139 new suppliers were added in 2023: 77 for materials and 62 service providers 555 Domestic 406 Purchases

Our suppliers are fundamental to the success of Fortaleza Materiales, as they provide us with the products and services needed to meet customer demand. The relationship we have built with over 500 suppliers in the four countries where we operate has been key to generating positive changes in our business management, as well as in social and environmental spheres.

We are committed to meeting the expectations of our suppliers, maintaining long-term relationships, adhering to our Code of Ethics, prioritizing safety, and recognizing their importance within our value chain.

Suppliers seek a long-term relationship that includes adherence to ethical standards, prioritization of safety as a fundamental value, recognition of their importance in our Company's value chain, and improvement in the quality and punctuality of their service deliveries, all of which we are committed to addressing.

Additionally, various channels such as emails, phone calls, face-to-face meetings, and our Supplier Portal are used to promote open communication. This allows us to maintain strong and transparent relationships, better understand the needs and expectations of our suppliers, and ensure strict compliance with our Code of Ethics and the terms of Purchase Orders. In this way, healthy and mutually beneficial business practices are established. In the event of non-compliance, we immediately terminate the business relationship with the supplier(s) in question.



There are three measurement points regarding key performance evaluation assessment:

- Value creation
- Quality
- Self-service level



Materiality

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

Our first materiality study was conducted in 2021, with the primary purpose of identifying both the positive and negative effects of our organization on our stakeholders. Based on the most important issues identified, our Sustainability Strategy was created to guide all long-term actions in the economic, social, environmental, and corporate governance spheres. This strategy aims to generate value for our stakeholders and remain aligned with our business strategy.

We have identified the priority stakeholders with whom we maintain regular communication. These groups include shareholders, investors, authorities, employees, customers, distributors, local communities, and suppliers.

Material Issues

Operational and energy eco-efficiency

Occupational health and safety

Ethics, code of conduct, transparency, and compliance

Material recycling and circular economy

Efficiency and profitability

Talent attraction, management, and retention

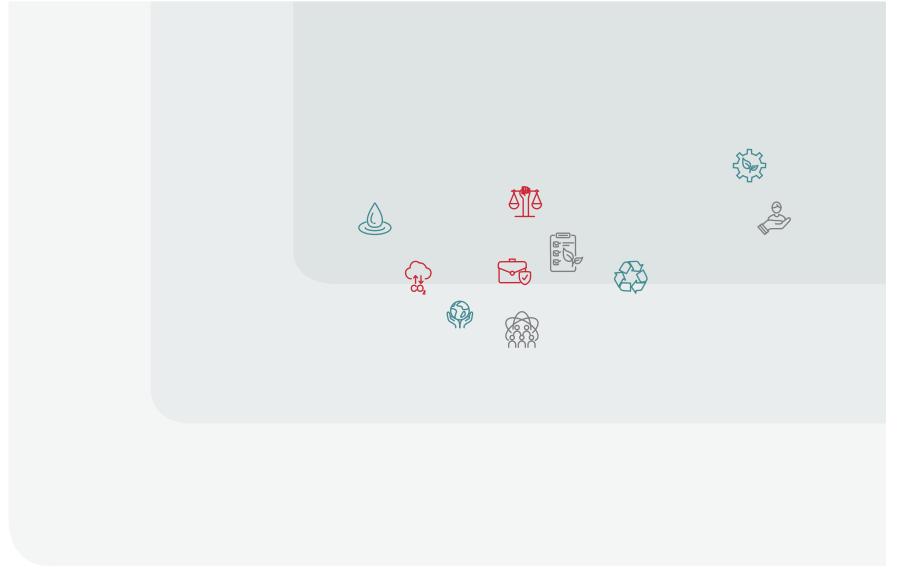
Water efficiency and management

© Community relations and development

Greenhouse gas emissions management and air quality

© Climate change strategy

Materiality Matrix



IMPORTANCE FOR FORTALEZA MATERIALES

Moderate | High | Very high



Environmental Management

We are committed to reducing our environmental impact through a strategy focused on the efficient management of natural resources used in cement production, such as water and energy; emission controls; biodiversity conservation; proper waste management; climate change mitigation; and carbon footprint assessment, as well as regulatory compliance and environmental emergency preparedness. Our efforts in these areas significantly contribute to reducing our environmental footprint.

In recognition of the impact our operations have on the environment, we have joined global efforts to contribute to the UN's 2030 Agenda. The foundations of an environmental management system have been established to ensure continuous compliance with applicable legislation, the implementation of preventive and mitigation measures, and the ongoing evaluation of our environmental performance indicators, thus setting new goals and improving our performance.

All our facilities use a system that collects and analyzes information on the environmental aspects we manage. This allows us to identify the most pressing issues and develop specific strategies to address them at each plant. Each facility has its own roadmap based on the assessment of environmental aspects and areas for improvement, with the aim of standardizing practices in the medium term, and setting individual environmental goals for each plant.

Our corporate headquarters has established environmental guidelines backed by the Company's top management, demonstrating our commitment to these fundamental issues.





GRI 3-3

SASB EM-CM-110a.1, EM-CM-110a.2, EM-CM-130a.1

strategy with the aim of setting internal goals aligned with the overall decarbonization objectives in our industry. We consider this issue to be of great importance and acknowledge our responsibility in reducing greenhouse gas emissions. We aim to improve the material handling process and avoid fugitive emissions.

In Mexico, we have implemented a comprehensive system to identify, monitor, report, and verify our greenhouse gas emission sources, ensuring compliance with the regulations established by the authorities in the National Emissions Registry (RENE).

Additionally, we actively participate in discussions with various stakeholders in the cement sector to contribute to the development of the Emissions Trading System in our country and a roadmap towards decarbonization.

Our strategy encompasses emissions monitoring, energy efficiency, circular economy, and the use of alternative fuels.

We are members of the National Chamber of Cement (CANACEM)

GCHI is part of the Portland Cement Association (PCA)

Our strategy is based on three lines of action



Reducing the factor clinker/t of cement produced

We seek to use alternative raw materials, such as slag, ash, and pozzolana, in addition to increasing the reactivity of our clinker while maintaining cement quality.

237,929 t of alternate raw material used in 2023



Improving thermal and electric energy efficiency

Our goal is to reduce CO_2 emissions when producing cement

110 kWh/t of cement, electricity consumed

3,986 MJ/t of clinker, thermal energy consumed



Use of alternative fuels

In promoting a circular economy, we seek to use alternative fuels that produce fewer emissions, such as using tires at our Tula Plant, shredded textiles at Dragon Plant, and various alternative fuels at Giant and Keystone. The alternative fuel substitution rate reached 17.6%.

630 net kg CO₂/t cementing material



In each country where we operate, we comply with specific regulations related to emissions. For example, focus is given to controlling total suspended particles (TSP), primarily through preventive and corrective maintenance of our equipment. Another concern is reducing levels of NO_x , SO_2 , and Hg, following the regulations established in each location.

We use additives in cement milling that reduce the clinker factor, thus lowering the carbon footprint.

1,444 g de NO_x/t of clinker

1,196 g de SO₂/t of clinker

21 g de PST /t of clinker



Giant Cement Holding Inc. focuses on increasing the use of alternative energies, as well as the production of IL-type cement, which has a lower clinker factor. With this goal in mind, they have improved CO₂ emissions by 34.2% per ton of cementitious product compared to 1990, and achieved a 48% substitution rate with alternative fuels.





Circular Economy

GRI 302-1, 306-1, 306-2, 306-3, 306-4

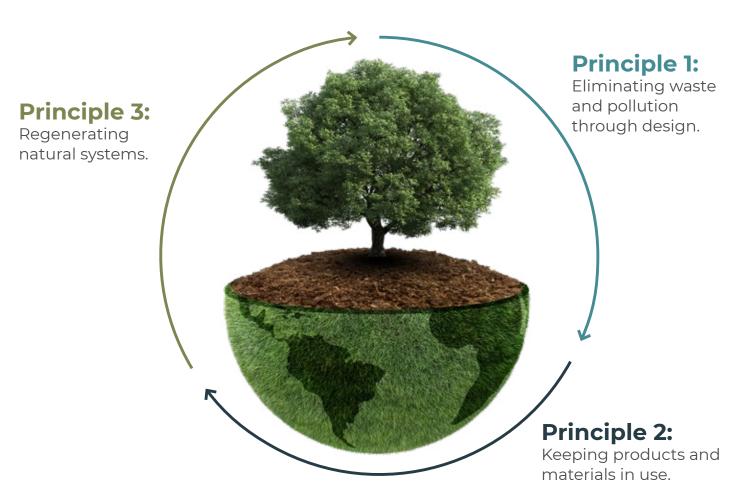
SASB EM-CM-150a.1

Circular economy plays a crucial role in Fortaleza Materiales' sustainability strategy, as we aim to minimize the environmental impact of our operations and maximize the efficient use of resources. In the context of the cement industry, this involves adopting practices such as using recycled materials in our production processes, optimizing waste management for reuse or recycling, and promoting sharing and circularity across our supply chain. These initiatives not only reduce our environmental footprint but also create opportunities for innovation, operational efficiency, and long-term sustainable development. We are committed to the circular economy model as an integral part of our vision to be industry leaders with responsible and forward-looking practices.

Our operational and financial efficiency has been enhanced through the incorporation of recycling and waste reuse practices, as well as by including alternative materials in our cement manufacturing processes. Thes include the use of fly ash, foundry sand, and slag to develop new products that maintain the same quality while optimizing waste use and significantly reducing our carbon footprint. It is in this way that we are able to contribute responsibly to the sustainable use of natural resources.

Our circular economy approach

is based on the following principles:



1.36 kg/t cement generated

19% of recycled materials used in the cement production process at our GCHI plants

Our circularity strategy for 2030



2024

- - Improve energy and water efficiency to develop innovative projects in a circular economy
 - Reduce the ecological footprint of our products
 - Reinforce organizational culture in terms of circular economy and equality
 - Strengthen the value chain with a focus on circularity and inclusion

2027

- - Foster collaboration and knowledge exchanges within and among regions
 - Strengthen gender equality.
 - Increase participation in the sustainable construction market
 - Decarbonize the cement production process and the associated value chain
 - Encourage suppliers to incorporate sustainable practices and circular approaches
 - Implement socially inclusive solutions
 - Use investments to develop products and services through strategic alliances
 - Form strategic alliances to access better opportunities

2030



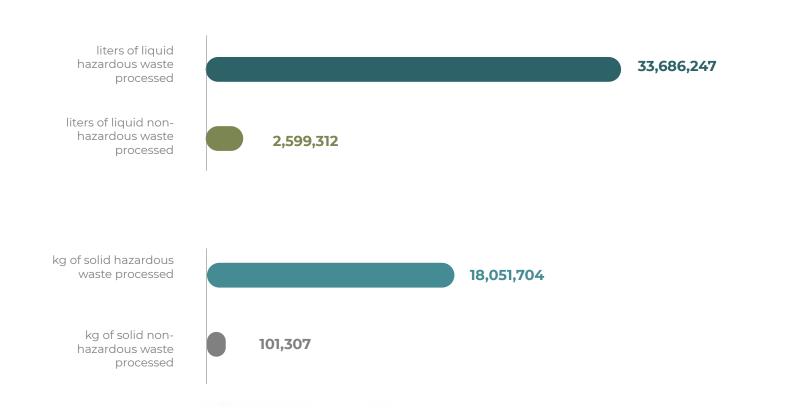
 Establish a value chain that promotes inclusion and circularity to generate shared value through innovation, by forming alliances, and boosting a collaborative culture based on equality.



Giant Resource Recovery (GRR!) is a company responsible for processing and reusing hazardous and non-hazardous waste in the United States. It focuses on promoting the circular economy through the recycling of liquid, solid, and aerosol wastes, aiming to replace fossil fuels and prevent these wastes from being sent to landfills.

In 2023, they increased their storage capacity by 48%, doubled the solids processing area, improved environmental compliance, enhanced the safety of the solids processing area by eliminating cross-traffic, perfected their ability to provide better customer service, and completed upgrades to their hydro-pulp unit to increase operations and reliability.

Grr! Wastes





Our Keystone plant operates one of the first cement kilns that is in full compliance with the U.S. Resource Conservation and Recovery Act.
Therefore, 78% natural gas and only 28% coal was used during 2023.

575,949.48 m³ natural gas consumed

44,168 liters of diesel consumed

2,638 kg of propane consumed

2,320,427 kWh of electricity consumed





Water Efficiency and Management

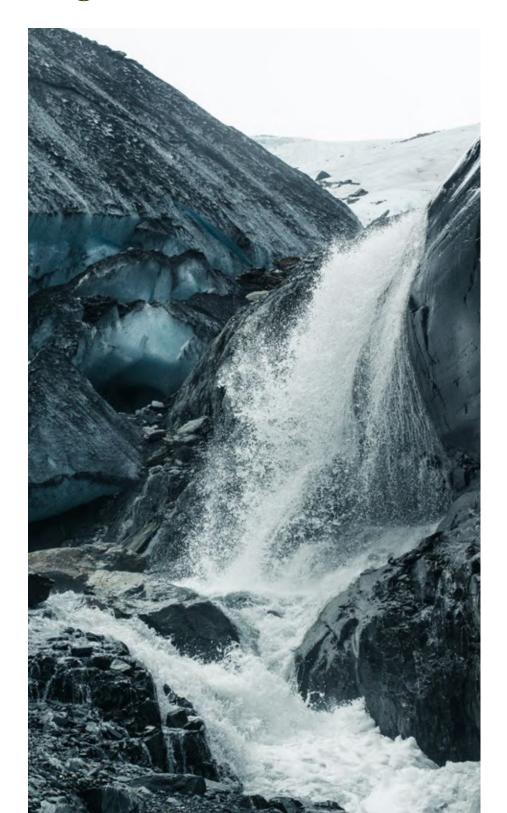
GRI 3-3, 303-5

SASB EM-CM-140a.1

Water efficiency and management are fundamental aspects for Fortaleza Materiales' commitment to sustainability. We recognize the importance of conserving this vital resource, and we have therefore implemented advanced measures and technologies to reduce our water consumption and optimize its use in our processes.

Our treatment plants have been modernized and made more efficient to maximize the use of water for services instead of using fresh water.

Bye employing continuous monitoring programs and making improvements to our facilities, our goal is to minimize the impact on local water sources and contribute to environmental care. This focus on water efficiency is a reflection of our commitment to environmental responsibility and sustainable development at every stage of our operation.



Water consumption is related to our cooling system, which operates in a closed circuit; losses mainly are primarily due to evaporation, along with the consumption of services such as restrooms and cafeterias. Additionally, our facilities have permits for extracting water from wells, and we have treatment plants that allow us to reuse treated water for irrigating green areas, thus contributing to the conservation and efficient use of this vital resource.

256.63 l/t of water consumed per ton of cement produced



Biodiversity

SASB EM-CM-160a.1

Biodiversity plays a crucial role in our operations, and we recognize that ecosystem balance is fundamental to the well-being of the planet and our communities. We are committed to preserving and promoting biodiversity in all our activities, striving to minimize our impact on natural habitats, and working closely with experts and local authorities to identify and protect endemic or endangered species in our areas of influence.

Additionally, we know that our main source of raw materials for cement production comes from quarries, which have a significant impact on the environment. Therefore, we work to maintain the integrity of these areas through conservation measures and the recovery of native flora and fauna.

Among measures taken, the primary ones include:

- Nurseries where we grow plant species that were found in deforested areas; they are then transplanted to other zones as part of what we call recovered flora.
- Working closely with civil environmental organizations to carry out actions in favor of biodiversity care and recovery.

 Collaborating with government authorities to identify and restore third-party areas through reforestation programs.

Dragon

In collaboration with the MDI-FW (Maine Dept. of Inland Fisheries and Wildlife) a pair of peregrine falcons (Falco peregrinus) nesting from 2019 to 2023 have been observed and monitored. The falcons have produced four viable chicks each year observed, which is one of the highest success rates for nesting falcons in the state of Maine.







Occupational Health and Safety

GRI 3-3, 403-1, 403-5, 403-7, 403-9

SASB EM-CM-320a.1

Our number one priority is to maintain the highest standards of occupational safety and health for our employees, ensuring safe facilities to prevent any type of accident. Safeguarding the safety and well-being of our team goes beyond legal obligations: it is a fundamental value that involves protecting our organization, our personnel, and ensuring our right to operate in compliance with legal regulations for the benefit of the community.

Our primary strategy focuses on controlling three critical areas:

- Moving equipment and machinery
- · Lifting and load support
- · Controlling falls from a different level

The health of our employees, contractors, and suppliers is essential for achieving our business goals and also positive results. In all our plants, we implement initiatives and measures to promote the health of both our employees and their families.



Occupational health and safety has been one of our most significant challenges, so we continue to implement the "Safety is non-negotiable" principle as an essential part of our corporate culture. Through this principle, we implement a comprehensive annual safety and health program that includes awareness activities, training, and inspections designed to prevent injuries and occupational illnesses. This approach is also reflected in policies and practices that ensure a safe working environment, promote the physical and mental health of our employees, and support their well-being in all areas of their lives.

We recognize that a healthy and safe team enhances productivity and work quality, strengthens our organizational culture, and contributes to the sustainable development of the communities where we operate. Therefore, we are committed to adhering to the most stringent safety standards, providing a healthy and safe work environment for all employees, suppliers, and visitors to our facilities.

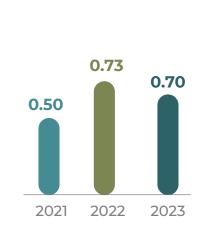
Our prevention approach is based on committed leadership from Executive Management to operational managers, focusing on preventing serious accidents or occupational illnesses, and on continuous learning to improve prevention and reduce exposure.



2022

2021

2023

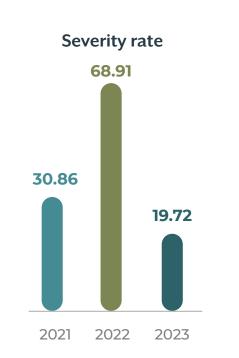


Personnel affected with

incapacitating injuries

Lost time rate due

to incidents





In addition to these measures, we implemented Fortalécete, a comprehensive program for mind and body. This model develops discipline and commitment, consisting of routines, training, meal plans, and follow-up to improve the physical and mental health of our employees beyond their activities within our plants.



Our People

GRI 2-7

1,512 employees in Fortaleza Materiales

Headcount by Gender





19% women

2 Female directors

10 Female managers

44 women in middle management

89 women in operational positions

1.19 base salary ratio for women vs. men

Headcount by Type of Employment



Giant Cement Holding Inc. has increased the number of female employees in leadership positions, also having initiatives to promote the inclusion of African-American executives.



Talent Attraction and Retention

242 new hires in 2023

18.28% turnover rate

43 vacant positions covered with internal talent

54.1% of employees are unionized

We establish various communication channels to maintain closeness with our employees and encourage their active participation in the Company.

One of the most significant challenges for Giant Cement has been talent turnover, so in 2023 we integrated development, compensation, and integration plans that helped us reduce this loss by 12%.

At Fortaleza Materiales, the technical expertise of our employees is highly valued, thus seeking to hire individuals with industry experience and strong technical skills, complemented by continuous training to ensure a considerably competent team. Our hiring approach is based on the integrity and consistency of individuals, both in their work performance and personal and professional behavior, aiming to onboard passionate and committed people.

We promote an inclusive and diverse organizational environment, as is reflected in our Code of Ethics and Talent Attraction Policy, where every employee is valued and recognized, with a vacancy policy that ensures at least one woman is considered among the candidates presented. However, the final hiring decisions are based on experience and technical competencies.

Our main strategy is focused on consolidating 360° well-being for every employee. This is ultimately achieved by designing plans and programs that reach a high levels

of satisfaction in personal, professional, family, and social areas. Despite our satisfactory results, we always encourage improvements to better respond to the needs of our personnel.

On the other hand, positive relationships are maintained with employee unions, respecting their right to unionization and promoting an equitable and collaborative work environment. For Fortaleza Materiales, it is important to strike a balance between the various union sections, addressing their different concerns, requests, and demands while adhering to the Company's internal policies and respecting its culture, philosophy, and guidelines. The goal is to achieve consensus and strengthen cohesion within the organization, which we accomplish through teamwork, solid human resource strategies, and a firm commitment to creating a work environment that meets the needs of all employees.



Fortaleza Materiales Center

In 2023, Fortaleza Materiales established partnerships with technical and higher education centers located near the plants to increase awareness of Fortaleza Cement and position it as an attractive place to work, thereby enhancing talent attraction. Additionally, there was active participation in job fairs and organized employment events to attract individuals seeking new job opportunities.

Internally, an attractive compensation package was developed to motivate the international mobility of executives in key positions, thus facilitating knowledge transfer, change management, and the development of their organizational climate and culture.

In 2023, two executives from Fortaleza Mexico and two executives from Fortaleza Costa Rica were transferred to the new Fortaleza El Salvador company.

Fortaleza Costa Rica achieved 2,000 days without incapacitating injuries.

There were only 2 voluntary resignations.



Great Place to Work Certification



Cementos Fortaleza El Salvador faced a challenging year due to the start of its production and commercial operations, requiring full organizational staffing in the first months of the year. They worked closely with Management to promote a safe and healthy work environment under the organization's standards.



Compensation measures for employees included:

- Annual raises in April
- Christmas baskets
- Gift cards worth \$100 USD
- Gifts for employees' children







Giant Cement

In 2023, the HR department's biggest challenge was the high turnover rate. To address this, several measures were implemented, including salary increases at plants with higher turnover rates and improvements to departmental management. These actions successfully reduced turnover in various locations. Additionally, new hires have strengthened the organization and improved the business.

169 new hires 25.73% turnover rate

Talent Development

GRI 404-1, 404-2

We focus on having a team of highly qualified employees, with the technical knowledge required to perform their roles effectively. We also seek to develop leaders who will guide the Company into the future. Therefore, the development of our talent at all levels in Fortaleza Materiales is considered of utmost importance, and a wide range of programs and courses are constantly implemented to enhance their overall performance.

Throughout each year, we direct our training efforts to various topics with the aim of providing comprehensive knowledge that endures over time.

All our training sessions are free of any gender bias

Workshops and courses offered throughout 2023:

- We worked closely with various educational institutions to provide several courses to employees in key positions within the organization.
- 2023 was designated the "Financial Year," and our main focus was on improving our employees' financial education. We offered an online workshop on personal finance for all Spanish-speaking organization personnel. Moreover, at ITAM (the Autonomous Technological Institute of Mexico) a finance course was offered for our non-financial executives. Training sessions were also conducted through Scotiabank on the subject of Afores, specifically focused on Mexico. The topics included retirement planning, understanding these retirement savings funds, and selecting the best one.
- Furthermore, sustainability training was given, highlighting its importance and the individual and collective effects that can be produced. how they impact both. There was a notable shift in mindset, with our employees now asking questions about how to reduce consumption and innovate in their operations.
- 4 Basic and intermediate training in Excel
- 5 English classes
- 6 Language training licenses (English)
- 7 Neuroscience programs focused on safety
- 8 Ethics and Conduct course
- 9 What harassment is and how to eliminate it



Community Relations

GRI 3-3, 203-1, 203-2, 413-1

We recognize the importance of establishing and maintaining a solid and continuous relationship with the communities we impact at all stages of our operations. This relationship is fundamental to instilling trust, fostering transparency, and promoting open and constructive dialogue. Through effective communication and concrete actions, we aim not only to meet environmental and social standards but to also contribute significantly to the sustainable development of the communities where we operate. A close relationship allows us to understand the needs and concerns of the community and work together to find solutions that benefit both parties and the environment in general.

In 2023, no negative impacts on the communities were reported. However, we have the necessary procedures in place to act in the case of any crisis.



Our Primary Impacts on Society:

- Creation of direct and indirect jobs in the communities surrounding the plants. In some areas, there are groups of carriers who offer their services to transport cement to our customers.
- Cement provided in collaboration with local authorities to improve the infrastructure of the communities, such as roads, public squares, schools, churches, and sports fields.
- PET collection campaigns periodically organized, inviting the communities to actively participate. In exchange for the plastic collected, plants and trees from our nurseries are given away to raise awareness about biodiversity conservation.

With the Social Responsibility Model that we implement, the goal is to move away from social handouts and instead launch a comprehensive social management system within our operations. This system is focused on understanding the socio-environmental impacts of the Organization to enhance the positive ones and reduce the negative. This way, we seek to generate all-encompassing and sustained growth involving individuals, organizations, and stakeholders.



En 2023, recibimos por segundo año el premio ESR®, otorgado por el Centro Mexicano para la Filantropía (CEMEFI) y la Alianza por la Responsabilidad Social Empresarial (AliaRSE).

We promote social development by connecting and jointly participating in collaborative initiatives, and by implementing the Community Engagement Program. Respectful and mutually beneficial relationships are established with the communities, maintaining open communication channels. It is important to respect their traditions and culture, thus contributing to their autonomous development. Our interaction is based on dignified treatment and constant collaboration; we actively listen, investigate, and respond clearly to the concerns and complaints expressed by the communities.

We have established the cornerstones of our community relations approach based on guiding principles and clear guidelines. There are policies and procedures in place that enable us to reach collaborative agreements, actively involving communities and authorities to improve infrastructure in the areas near our operations.



Food Support

Supporting food security in communities is fundamental to ensuring their well-being and health. Our actions are aimed at providing access to sufficient food and ensuring that it is nutritious and of high quality. At various plants in the United States and Mexico, we have developed annual volunteer programs where food is served to visitors at festivals, and we also donate non-perishable food items to local churches for distribution. This reflects our commitment at all our plants to the well-being and food assistance of the respective communities.

Health

Our intention at our various plants is to provide support and resources to those in need, which is why we have created initiatives such as sponsoring an annual camp for young burn victims, hosting the Annual Fire Awareness Day, and making significant donations. Financial donations were collected for the Mama Prisma Toumey Breast Cancer Center in Sumter, thanks to the support of our employees. In the coming years, we will maintain our commitment to the communities where we operate.

Education

Several initiatives were implemented to improve education in the communities where we are located, with the purpose of providing resources that enable young people and their families to have better and more education possibilities. These include sponsoring local youth sports teams, providing university scholarships, donating dictionaries, supplies, and sweets to local schools, and donations to museums to continue their knowledge dissemination efforts.

Local Community

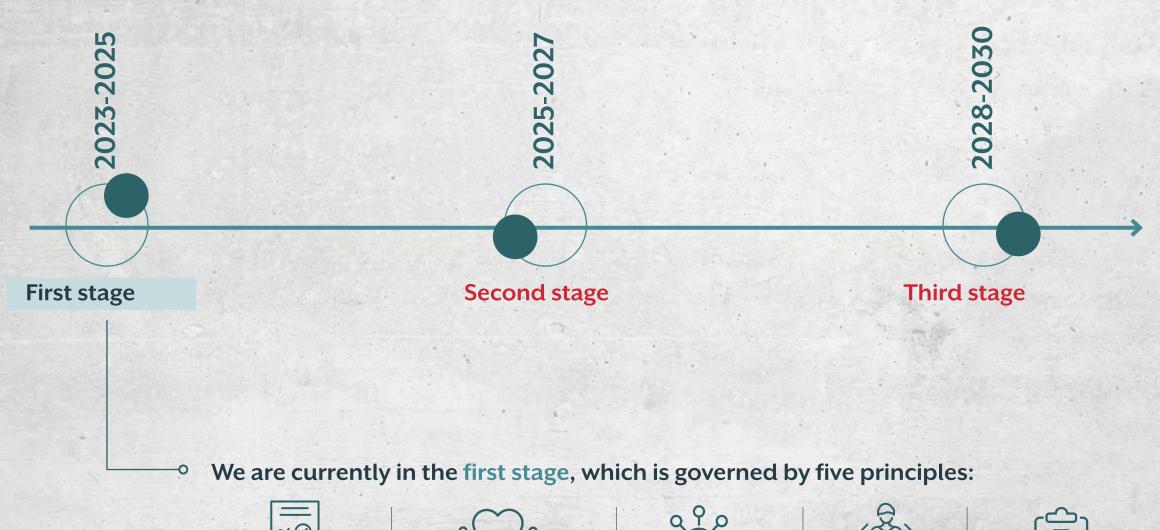
We are committed to working closely with the communities where we operate to drive their development. In 2023, cement was donated to improve roads and social infrastructure in several municipalities, local golf tournaments were sponsored to raise funds, and toys were donated.

We highlighted Fortaleza Materiales' support in the wake of the damage caused by Hurricane Otis in Acapulco, Guerrero. We partnered with Grupo Carso and Grupo Kaluz foundations to raise funds for reconstruction. We are very pleased with how all employees committed to the fundraising efforts and the speed and efficiency with which we organized the activities. In record time, we distributed materials at preferential prices to people affected by the hurricane, contributing to the reconstruction of roofs for about 200 houses in Guerrero, and we sent trucks with lime to the affected areas.





H&S Strategy





Legal compliance



Prevent severe or fatal accidents (critical exposures)



Organizational climate and culture



Leadership



Occupational health and hygiene

PRINCIPAL	ACTIONS	GOALS
Legal compliance	Ensure compliance with all legal requirements for health and safety at each work site through legal requirement assessments, action plans, compliance reviews, and internal audits.	Cumplimiento legal en seguridad y salud superior al 80%Cero multas por incumplimientos legales
Prevent severe or fatal accidents	Control critical exposures that could cause fatalities, severe accidents, or catastrophic incidents. Focus on order and cleanliness, risk assessments, operation manuals, procedures, change control, consequence analysis, industrial hygiene, and emergency plans. Pay special attention to vulnerable groups within the organization: cleaning staff, security personnel, contractors, new employees, or those working alone.	 Zero sever, fatal, or critical accidents Zero amputations LTIFR < 1.0 TIFR < 1.5 SR < 15
Organizational climate and culture	Increase positive perception regarding safety by 10% from the last organizational climate survey. The strategy includes exchanges between leaders and subordinates, fairness of procedures, management credibility, inter-group relations, teamwork, organizational value for safety, and engagement. Incorporate additional actions from the corporate level to generate culture, such as corporate video contests, corporate safety weeks, safety film clubs, and photography contests.	 Create a new culture around increasingly longer zero-accident periods, starting with a baseline Increased reporting on exposures, without fear of repercussions
Leadership	Supervise all personnel who have direct reports, and when generating indicators for safety supervision. Evaluate with Safety Test all personnel who operate critical equipment (cranes, forklifts, kilns, moving equipment, boilers, autoclaves). Develop H&S personnel for eventual certification as professional health and safety coaches.	Field leadershipIntervene before necessary due to an accident
Occupational health and hygiene	Vaccination controls and testing until the pandemic is declared controlled. Additionally, include local topics on detection and health promotion, and local campaigns based on symptoms and population syndromes. Regarding industrial hygiene, control based on the hierarchy of controls for exposure by occupationally exposed groups (lighting, temperature, noise, dust, vibration, and ergonomics); conduct pending hygiene studies and monitor exposure trends based on annual medical analyses and psychosocial factors.	 Zero occupational illnesses due to industrial hygiene issues Create areas and operations free of use of PPE



Organizational Culture

The principles and behaviors of our organizational culture are fundamental to our success and to developing a sound sustainability strategy, as they guide each of our decisions and actions. Our organizational culture is based on safety, responsibility, and teamwork, which enables us to build strong relationships with all our stakeholders and work collaboratively to address challenges effectively. We firmly believe that by aligning our values and purposes with our business practices, we can create a positive impact.



Performance Evaluation

GRI 404-3

693
employees
were given a
performance
evaluation in
2023

Fortaleza Materiales follows a performance-based approach. At the beginning of each year, employees work with their supervisors to set SMART objectives, meaning Specific, Measurable, Achievable, Reasonable, and Time-based. At the end of the year, a performance evaluation is conducted using a system based on a parameter established in Success Factors. Each employee performs a self-assessment regarding their progress on their objectives, gathers evidence, and presents the results to the immediate supervisor. The supervisor then evaluates each objective and provides feedback to the employee clearly and transparently, both verbally and through the platform. Once the evaluation is completed, the employee signs a report in agreement with the results, which are then recorded in the system.







Code of Ethics

GRI 3.3

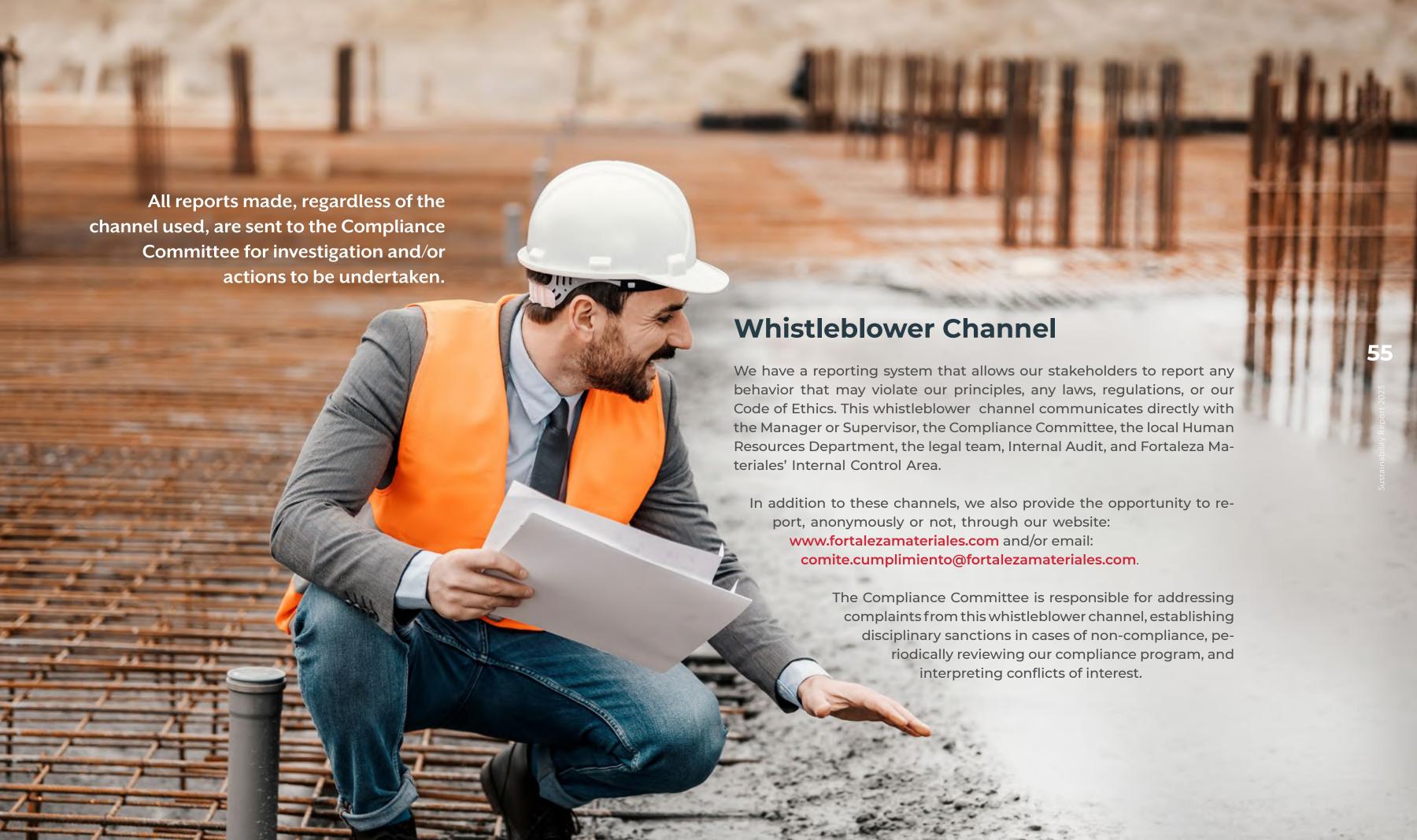
Our Code of Ethics sets the guidelines for behavior that must be followed in all our business activities and integrates the company's core values. This code must be respected at all times by our employees and by all individuals with whom we have business relationships. It is applicable in the three regions where we operate: Mexico, the United States, and Central America.

In 2023, we updated it once again to incorporate new and important elements and to maintain our commitment to its review and improvement. Some of the topics addressed are:

- Protection against repercussions
- Disciplinary actions and other sanctions stemming from Code violations
- Conflicts of interest
- Anti-monopoly
- Illicit payments and bribery
- Privacy
- Confidential information

- Privileged information security and handling
- Intellectual property rights
- Political neutrality
- Export controls
- Equal opportunities
- Non-discrimination
- Health and safety
- Environment

Our Code of Ethics and Anti-Corruption Policy is communicated to 100% of our employees, Board members, suppliers, and customers through internal communications, training programs, and reinforcement letters. Moreover, these policies and codes are available on a portal that all employees and stakeholders can access.



Efficiency and Profitability

GRI 201-1

The financial strategy followed during 2023 focused on the development of investment projects that benefit the production capacity of Fortaleza Materiales, as well as the optimization and containment of costs, expenses, and profitability through price levels that drive higher operating margins and allow continued growth.

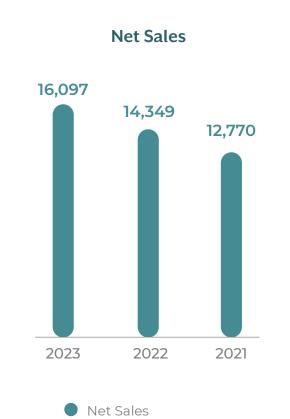
Our priority is to increase the use of alternative fuels in production processes to optimize energy costs.

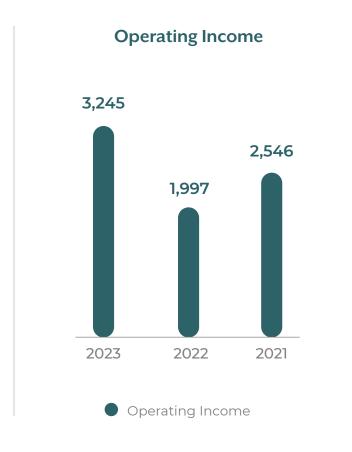


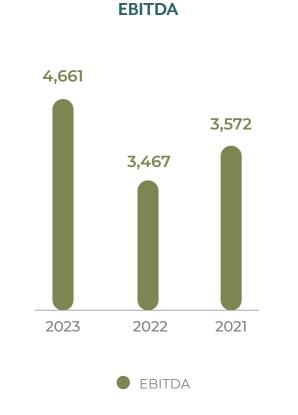
	JANUARY - DECEMBER			
Indicators	2023	2022	2021	Δ% 2023 vs. 2022
Net Sales	16,097	14,349	12,770	12.1%
Cost of Goods Sold	11,618	11,170	9,100	4%
Gross Profits	4,479	3,179	3,670	11.6%
% of Net Sales	28%	22%	29%	27.2%
General Expenses	1,234	1,182	1,124	4.3%
Operating Income (Loss)	3,245	1,997	2,546	62.4%
% of Net Sales	20%	24%	20%	16.6%
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	4,661	3,467	3,572	34.4%
% of Net Sales	29%	24%	28%	100%
Net Comprehensive Financing Result	2,445	1,255	455	94.8%
Profits (Loss) Before Taxes	800	772	2,091	3.6%
Tax on profits	656	451	511	45.4%
Consolidated Net Profits (Loss)	144	321	2,219	55.1%

Balance Sheet In millions of MxP

	JANUARY - DECEMBER			
Indicators	Dec.2023	Dec. 2022	Dec. 2021	Δ% 2023 vs. 2022
Cash and cash equivalents	2,115	1,980	1,936	6.8%
Customers, net	1,184	1,141	1,060	3.7%
Inventory, net	2,122	1,955	1,647	8.5%
Suppliers	1,984	2,015	1,764	1.5%
Total debt	7,599	10,815	9,676	29.7%
Net debt	5,484	8,835	7,740	37.9%
Net worth	12,049	10,372	11,999	16.1%
Non-controlling Shareholders' Equity Interest	2,403	1,107	1,390	117%







Fortaleza Materiales recorded a 5% increase in sales compared to 2022, due to price increases in Mexico and the U.S., as well as increased volume in El Salvador. Additionally, EBITDA rose by 34.4% stemming from higher prices for key products and strong discipline in operating expenses.

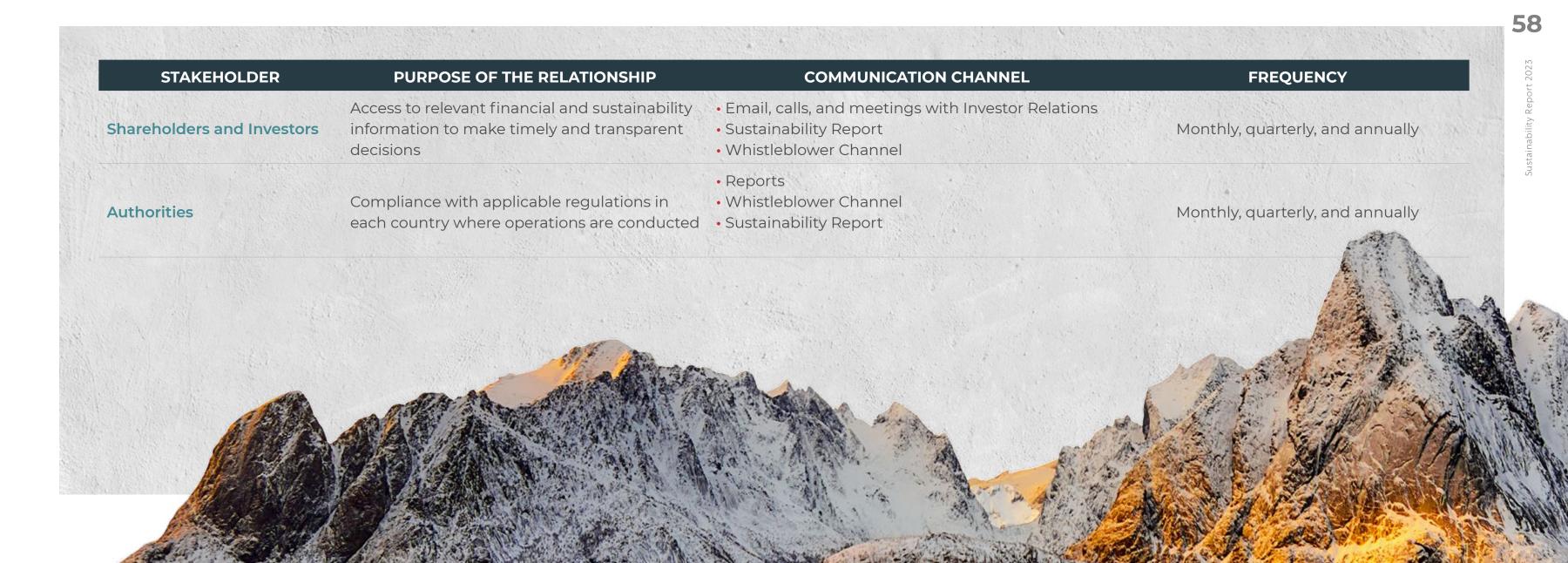
Cementos Fortaleza Costa Rica achieved 98.44% accomplishment for its annual EBITDA target despite the country's economic stagnation and a decrease in sales volume.

Communication With Stakeholders

GRI 2-29

Sustaining open and transparent dialogue with our employees, customers, suppliers, local communities, and other stakeholders is essential to building strong relationships and fostering mutual trust. Through clear and constant communication, we can better understand their needs, expectations, and concerns, which then allows us to make in-

formed decisions and develop strategies that create a positive impact at all levels. This two-way communication also provides us with valuable feedback, helps identify areas for improvement, and reinforces our commitment to social responsibility and sustainability in all our operations.



STAKEHOLDER	PURPOSE OF THE RELATIONSHIP	COMMUNICATION CHANNEL	FREQUENCY
Employees	Personal and professional development and quality of life at work	 Suggestions and Complaint Box Whistleblower Channel Performance Evaluation System Sustainability Report Labor Climate Survey Inhouse Magazine Communiqués Information Shorts Town hall meetings Virtual Events Email Screens Banners WhatsApp Distribution Lists 	Daily
Customers / Distributors	Product and service quality and competitive prices	 Email Calls to Commercial Team Website Social media Whistleblower Channel Customer Service Hotline Satisfaction Survey Sustainability Report 	
Suppliers	Ethical business relationships and long-term collaboration for value creation	 Emails Calls to Procurement Whistleblower Channel for Code of Ethics violations Sustainability Report 	Weekly and monthly
Communities	Institutional support to maximize the positive impact generated on chosen social causes through volunteerism and/or donations	CallsEmails with Sustainability areaLocal HR	Monthly, quarterly, and annually



Customer Satisfaction and Service

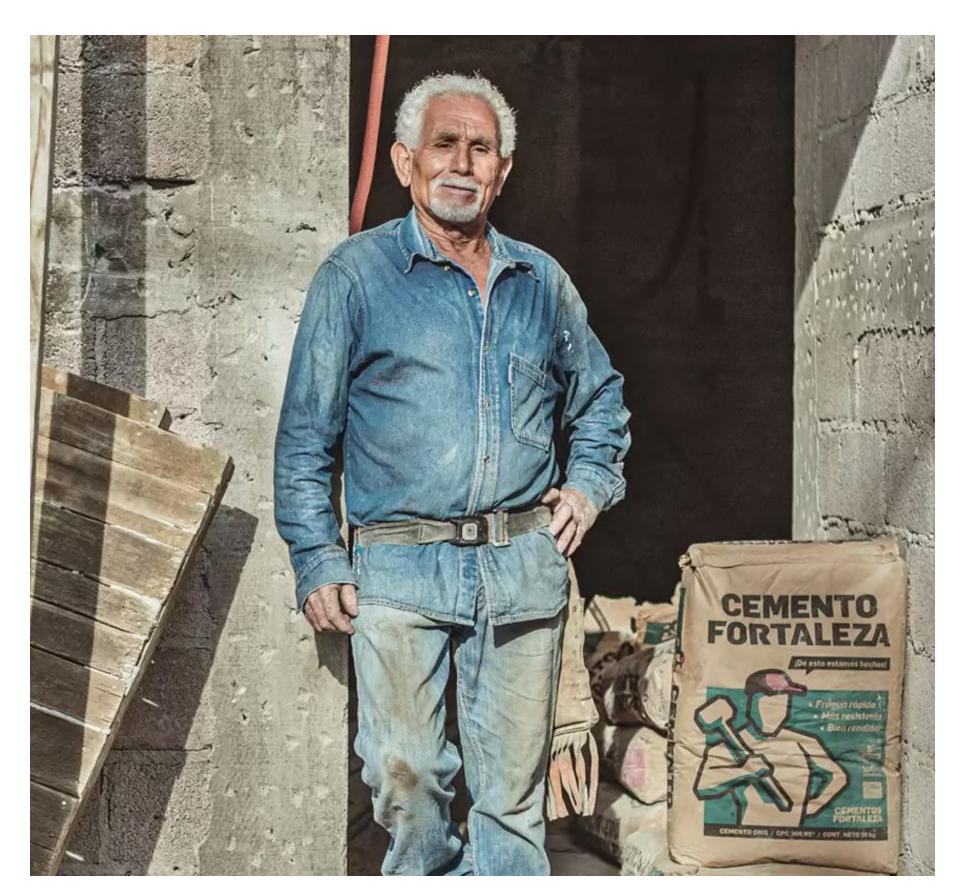
Our Purpose: "Happy Customers"

In the management of Fortaleza Materiales, we place our customers at the heart of everything we do. Through our principles and behaviors, as well as excellence in our operations and products, we aim to create value through quality, trust, quick responses, excellent service, and long-term business alliances.

We strive daily to improve distribution by aligning our internal processes and raising our customer-service standards, which results in fast response times and timely and effective communication. Our business experience has generated customer loyalty and instilled ongoing trust in our brands and product quality, positioning us favorably in the market.

In 2023, we continued our distinctive business approach, exceeding our customers' expectations and turning them into business allies through excellent and personalized service, and agile response to their needs. Additionally, our distribution was expanded to exclusive areas, offering products that meet the highest quality standards.

We communicate constantly and effectively with our customers to jointly build suitable profit margins, competitive prices, and commercial actions that enable sound decisions, consolidating our Company as the preferred supplier in the sector.



Corporate Governance

GRI 2-9, 2-11, 2-12, 2-13

Corporate governance is of utmost importance to Fortaleza Materiales, as it establishes the structure and processes that guide ethical behavior and decision-making within the Company. Good corporate governance ensures transparency, accountability, and fairness in all operations, which strengthens the trust of our stakeholders, including shareholders, employees, customers, and local communities.

Furthermore, strong corporate governance helps mitigate risk, promotes sustainability for the long-term, and ensures compliance with applicable laws and regulations. At Fortaleza Materiales, we understand that effective corporate governance is crucial to our Company's success and reputation, and we are fully committed to maintaining high-level practices and standards in this field.



Board of Directors

The primary responsibilities of our Board of Directors are to establish the organization's strategic vision, oversee the performance of the Management Team, and establish policies for analyzing and evaluating Group operations. The Board is composed of six statutory members, two of whom are independent, and it has the authority to establish corporate strategy, internal guidelines and operating policies, in addition to approving transactions as per that set forth in our bylaws, except for those which are the domain of the General Shareholders' Assembly.

The General Shareholders' Assembly appoints the members of the Board through a majority vote, ensuring that all members have experience in economic, business, and environmental matters, thereby contributing to a sustainable and socially responsible approach. Moreover, it approves the remuneration packages for board members, through the assistance of specialized and independent consultants from the Company's management.

To avoid conflicts of interest, all Board members must declare any action that may unduly influence them personally and that goes against the organization's best interests. They must also refrain from participating in any decisions related thereto.

Members of the Board of Directors

Carlos Slim Helú

Chairman and Director

Gerardo Kuri Kaufmann

Director

Juan Rodríguez Torres

Independent Director

Antonio del Valle Ruiz

Director

Juan Pablo del Valle Perochena

Director

Ernesto Moya Pedrola

Independent Director

Luis Fernando Meillón del Pando

Secretary

Audit Committee

The Audit Committee works closely with the Board of Directors, supporting it in carrying out its duties. One of the Committee's primary duties is to evaluate internal control and auditing systems to identify areas of opportunity, both within the Company and for its subsidiaries. Additionally, the ACP Committee must monitor preventive and/or corrective measures taken when any financial, operational, legal or technological non-compliance is detected.

Furthermore, it is responsible for assessing the effects of changes in accounting policies, monitoring actions taken regarding stakeholder observations, and addressing reports of irregularities in management. Lastly, it oversees full compliance with General Shareholder Meeting resolutions and Board of Directors agreements.

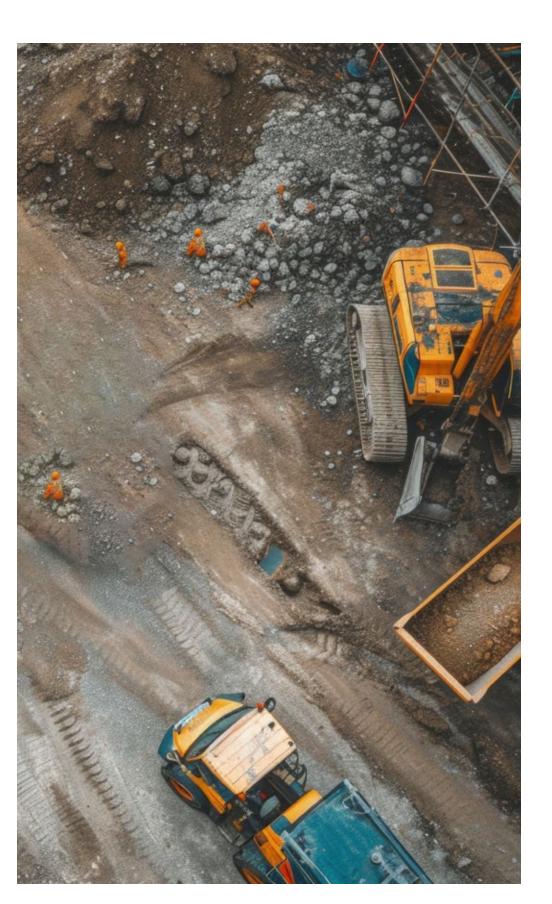
Members of the Audit Committee

Juan Rodríguez Torres

President

Ernesto Moya PedrolaMember

Luis Fernando Meillón del Pand Secretary (without being a member)



Executive Team

Our Executive Team is composed of highly qualified members with extensive experience in their respective fields, which is key to achieving our solid performance, both in financial and operational terms.

Executive Team Members

Jaime Rocha Font CEO

María de Lourdes BarajasDirector of Administration and Finance

Paulina Hernández López

Director of Human Resources and Sustainable Management

Hideki Kawamura

Director of Cement Mexico

Tim Kuebler

Director of Cement USA

Enrique Acosta

Director of Cement Central America



Risk and Crisis Management

GRI 2-25

At Fortaleza Materiales, our primary goal is to ensure the continuity of our operations and services through a management model in which Top Management establishes the necessary actions to prevent, mitigate, and eliminate potential obstacles in the Company's operations and its subsidiaries.

To achieve this goal, we have a Contingency Action Plan, which aims to ensure the continuity of activities and services for both the parent company and its subsidiaries. The purpose is to guarantee the continuity of activities and ser-

vices through an approach that allows Top Management to identify the actions required to prevent, avoid, or reduce potential interruptions in Fortaleza Materiales' operations. A Corporate Continuity Committee and a Local Continuity Committee have been established in each business unit to address human, technical, or natural events that may affect operational continuity. These committees are also responsible for determining the necessary measures based on the magnitude, impact, and risk of the event to mitigate any contingency. All members of our Board have extensive experience in risk management.

To assess the risks of our organization, our processes are meticulously reviewed and the critical factors that could have a negative impact are determined. These factors are analyzed with the process owners to evaluate their probability and consequences. Once potential adverse impacts are identified, we develop a risk and control matrix, which is evaluated to ensure its design, implementation, and operational effectiveness. Additionally, we work closely with the communities near our operations to understand their needs and to develop sustainability programs that promote harmonious coexistence and overall well-being.



66

rt 2023

Human Rights

GRI 2-23, 2-24

At Fortaleza Materiales, we know that respecting human rights is essential within our corporate culture, integrating it into all our activities. Our goal is to maintain an ethical presence in the areas where we operate, which requires all members of our organization to implement strategies and enhance their skills to ensure that our operations and business practices respect human rights both internally and externally. To this end, we have a human rights policy that applies to all members of Fortaleza Materiales and its subsidiaries, focusing primarily on employees, suppliers, the environment, and communities.



Employees

- Facilitate the human and professional development of all employees in harmony with the Organization. This entails treating all personnel with the same respect and dignity.
- Respect the right all employees have to join a union
- All activities are free of any form of slavery, forced and mandatory labor, the trafficking of humans, cruelty, or humiliation
- No discrimination whatsoever, including based on race, color, gender, language, nationality, religion, political opinion, sexual orientation, marital status, or any other condition
- The right to safe and healthy working conditions
- Payment of fair salaries



Suppliers

- EThis Policy is promoted with suppliers and third parties with whom we have commercial and operational relationships. It seeks to ensure that Human Rights are respected both in internal operations and throughout the value chain.
- Suppliers are expected to comply with the laws of the country where they operate



Environment

- Reduce energy and water consumption and waste production
- Develop innovations in processes and products that offer greater benefits and a positive environmental impact



Communities

- Create positive relationships with the communities where operations take place by respecting the rights and freedoms of all individuals
- Relationships with the communities are based on mutual respect.

Associations and Recognitions

GRI 2-28

Partnerships and recognitions play a crucial role in Fortaleza Materiales' journey toward excellence and sustainability. By establishing strategic alliances with leading organizations in the field of sustainability and corporate social responsibility, we boost our ability to implement innovative practices and make a positive impact on our community and the environment. These partnerships provide us with access to resources, specialized knowledge, and best practices that help to continuously improve our operations and remain aligned with international sustainability standards. Additionally, the recognitions we receive not only validate our efforts, but also inspire us to continue moving forward towards a more responsible management that also strives for the well-being of all our stakeholders.

México

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

Costa Rica

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

El Salvador

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



USA

Giant

- Cement Kiln Recycling Coalition
- Carolinas Pre-Mixed Concrete Association, South Carolina
- South Carolina Air Pollution Control Association
- Dorchester County and Tri-County Local Emergency-Planning Commissions
- Tri-County Regional Chamber of Commerce and South Carolina Chamber of Commerce
- American Concrete Institute
- Southeastern Concrete Masonry Association
- Carolinas Concrete Pipe and Products Association
- Carolinas Associated General Contractors
- Georgia Ready-Mixed Concrete Association
- North Carolina Masonry Contractors Association
- National Ready-Mixed Concrete Association
- Virginia Concrete Products Association
- Association of Premixed Concrete of Virginia

Keystone

- Cement Kiln Recycling Coalition
- Pennsylvania Aggregates and Concrete Association
- American Concrete Institute
- Pennsylvania Masonry Concrete Association
- New Jersey Division of the American Concrete Institute
- Concrete Industry Council
- American Regulatory Society for Testing and Materials

Dragon

- Cement Kiln Recycling Coalition
- American Concrete Institute
- Maine Aggregates Association
- Maine Better Transportation Association
- Maine General Contractors Association
- New Hampshire General Contractors Association
- Northeast Masonry Concrete Association
- Northeast Ready-Mixed Concrete Association
- MA Masonry Contractors Association
- Northeast Concrete Association
- MA Concrete and Aggregates Producers Association

GRR!

Chamber of Commerce of Sumter





ABOUTTHS REPORT

GRI 2-2, 2-3, 2-4, 2-5, 2-14

The Sustainability Report of Fortaleza Materiales S.A.B. de C.V. (Fortaleza Materiales) presents economic, social, environmental, and governance results for the period from January 1 to December 31, 2023. This report has not been subjected to external verification.

It has been prepared following GRI Standards and complying with the 9 principles defined by the Global Reporting Initiative (GRI) to determine the quality and content of the report. It also reflects our adherence to the guidelines of the Sustainability Accounting Standards Board (SASB) for the Construction Materials sector and to the UN 2030 Agenda for Sustainable Development, represented by the 17 Sustainable Development Goals (SDGs).

This Report was carried out by the Sustainability Department, using information provided by the areas responsible for managing material topics, and has been validated by the CEO.

The structure of the Report is designed according to the materiality study of Fortaleza Materiales. During the reported period, there were neither policy restatements nor changes made to the calculation of the indicators presented herein.



Statement of use. Fortaleza Materiales, S.A.B. de C.V. has reported the information cited in this GRI content index for the period from January 1 and december 31, 2023.

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD		DISCLOSURE	LOCATION
		GRI 1 General Disclosures 2021	
GRI 1 General Disclosures 2021			
	2-1	Organizational details	
	2-2	Entities included in the organization's sustainability reporting	
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	
	2-5	External assurance	
	2-6	Activities, value chain and other business relationships	
	2-7	Employees	
GRI 2 General Disclosures 2021	2-8	Workers who are not employees	Fortaleza Materiales has no employees who are not directly hired by the Company.
	2-9	Governance structure and composition	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	

GRI STANDARD		DISCLOSURE	LOCATION
	2-22	Statement on sustainable development strategy	
	2-23	Policy commitments	
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
GRI 2 General Disclosures 2021	2-27	Compliance with laws and regulations	Fortaleza Materiales complies with all applicable laws and regulations and did not incur in any corresponding penalties or fines.
	2-28	Membership associations	
	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreements	
		GRI 3 Material topics 2021	
	3-1	Process to determine material topics	
GRI 3 Material Topics 2021	3-2	List of material topics	
	3-3	Management of material topics	
		Operational and energy eco-efficiency	
GRI 3 Material Topics 2021	3-3	Management of material topics	
GRI 302 Energy 2016	302-1	Energy consumption within the organization	
		Occupational Health and Safety	
GRI 3 Material Topics 2021	3-3	Management of material topics	
	403-1	Occupational health and safety management system	
GRI 403 Occupational Health	403-5	Worker training on occupational health and safety	
and Safety 2018		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-9	Work-related injuries	
		Ethics, code of conduct, transparency and compliance	
GRI 3 Material Topics 2021	3-3	Management of material topics	

	DISCLOSURE	LOCATION
	Materials recycling and circular economy	
306-1	Waste generation and significant waste-related impacts	
306-2	Management of significant waste-related impacts	
306-4	Waste diverted from disposal	
	Efficiency and profitability	
3-3	Management of material topics	
201-1	Direct economic value generated and	
	Talent attraction, management and retention	
3-3	Management of material topics	
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
408-1	Operations and suppliers at significant risk for incidents of child labor	There are no Fortaleza Materiales operations or suppliers where there is a risk of child or forced labor cases.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	Water efficiency and water management	
3-3	Management of material topics	
303-5	Water consumption	
	Relationship and community development	
3-3	Management of material topics	
203-1	Infrastructure investments and services supported	
203-2	Significant indirect economic impacts	
413-1	Operations with local community engagement, impact assessments, and development programs	
	306-2 306-4 3-3 201-1 3-3 401-1 401-2 404-1 404-2 404-3 408-1 409-1 3-3 303-5	Materials recycling and circular economy 306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-4 Waste diverted from disposal Efficiency and profitability 3-3 Management of material topics 201-1 Direct economic value generated and Talent attraction, management and retention 3-3 Management of material topics 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews 408-1 Operations and suppliers at significant risk for incidents of child labor 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor Water efficiency and water management 3-3 Management of material topics 303-5 Water consumption Relationship and community development 3-3 Management of material topics 203-1 Infrastructure investments and services supported 203-2 Significant indirect economic impacts Operations with local community engagement, impact assessments,

	74

lity Report 2023

GRI STANDARD		DISCLOSURE	LOCATION
		Management of greenhouse gas emissions and air quality	
		Climate change strategy	
GRI 3 Material Topics 2021	3-3	Management of material topics	The strategy against climate change and greenhouse gas (GHG) emission management are part of the Company's sustainability model; however, actions for measuring and reducing emissions are still being consolidated, and therefore indicators related to emissions are omitted due to the unavailability of information. Fortaleza Materiales is fully committed to implementing more rigorous management measures to meet the requirements for this material topic. Our priority is to increase the use of alternative fuels in production processes to optimize energy costs.

Índice de divulgación SASB

	Extractives & Minerals Proce	essing industry: Construction Materia	ls				
	Sustainability Disclosure Topics & Metrics						
TOPIC	METRIC	UNIT OF MEASURE	CODE	LOCATION			
Greenhouse	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	Metric tonnes (t) CO ₂ -e, Percentage (%)	EM-CM-110a.1				
Gas Emissions	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A.	EM-CM-110a.2				
Air Quality	Air emissions of the following pollutants: (1) Nox (excluding N2O), (2) SOx, (3) particulate matter (PM1O), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	Metric tonnes (t)	EM-CM-120a.1				
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1				
Water Management	"(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress"	Thousand cubic metres (m³), Percentage (%)	EM-CM-140a.1				
Waste Management	Amount of waste generated, percentage hazardous and percentage recycled	Metric tonnes (t), Percentage (%)	EM-CM-150a.1	XX. Se reporta la cantidad de residuos generados por			
Die diversity des peets	Description of environmental management policies and practices for active sites	N/A.	EM-CM-160a.1	Indicador no material.			
Biodiversity Impacts	Terrestrial land area disturbed, percentage of impacted area restored	Hectares (ha), Percentage (%)	EM-CM-160a.2	Indicador no material.			
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	EM-CM-320a.1				
	Number of reported cases of silicosis	Number	EM-CM-320a.2				

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	23	

Extractives & Minerals Processing industry: Construction Materials						
Sustainability Disclosure Topics & Metrics						
TOPIC	METRIC	UNIT OF MEASURE	CODE	LOCATION		
Droduct Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Percentage (%) by annual sales revenue	EM-CM-410a.1			
Product Innovation	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	Pesos mexicanos (MXN), Porcentaje (%)	EM-CM-410a.2			
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities	Mexican pesos (MXN)	EM-CM-520a.1			

