

2019 Sustainability Report



MOVING INTO THE FUTURE

A Message from our Chief Executive Officer

The role of business in society has become more relevant globally. At GCC, our responsibility is related to our impact on the environment and in the communities where we operate. We believe our responsibility as a supplier and producer of cement, concrete, aggregates and construction-related services is extraordinary. Therefore, we must deliver value financially, socially and for the planet.

Sustainability is an integral element of our business strategy. GCC's sustainability strategy focuses on environmental responsibility, climate protection, the circular economy and ensuring the permanent availability of resources. We pledged to implement global best practices related to sustainability by adopting the United Nations' Sustainability Development Goals which provide the foundation for our 2030 sustainability targets and action plans. This pledge dovetails with GCC's focus on energy efficiency initiatives, blended cements and the use of alternative fuels.

This year, GCC committed to the Science-Based Target Initiative in line with the goals of the U.N. Paris Accord. This complements our existing actions as a member of the Global Cement and Concrete Association (GCCA). We also joined GCCA's Research Network, Innovandi, to ensure we are on the leading edge of innovation.

We made considerable progress this year toward a more sustainable future. For the second consecutive year, the Pueblo Plant achieved ENERGY STAR® certification, earning one of the highest scores in the cement industry. We also entered into long-term agreements with renewable energy suppliers for electricity at our Mexico operations and at the Odessa and Rapid City cement plants.

In 2019, we achieved record U.S. cement volumes; Mexico's performance was also above expectations. Our solid financial position, combined with our strong operating track record, was evidenced in our improved credit rating to BB+ by Fitch Ratings. In addition, GCC stock was included for the first time in the FTSE index and FTSE BIVA.

Key to our success is building trust among employees and creating a high-performance environment. We work to strengthen diversity and to provide opportunities for our teams to grow. We received the "Great Place to Work" designation for the first time in the U.S. and increased our ranking in Mexico to 14th from 30th place last year.

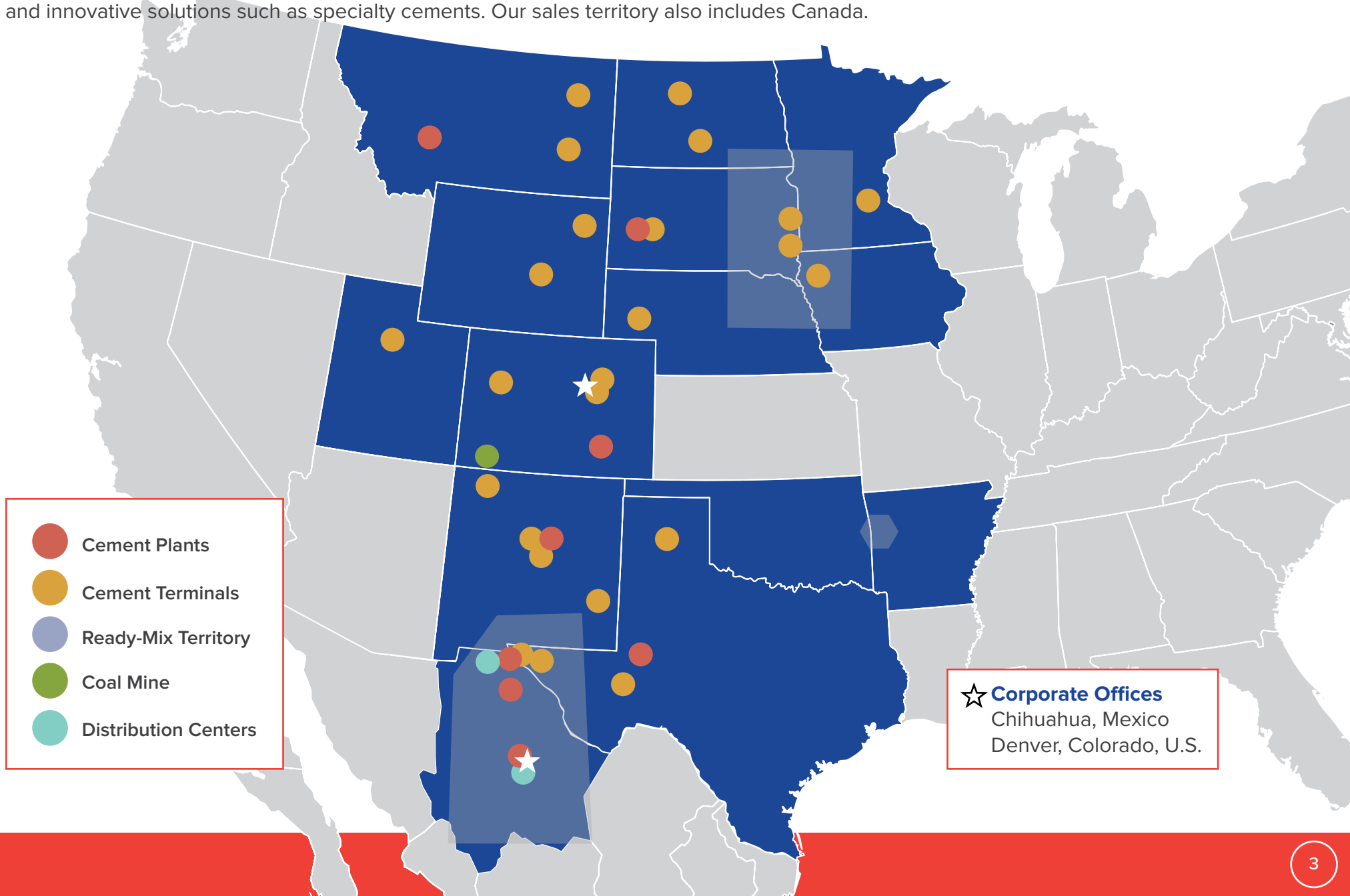
By focusing on growth, evolving our strategy and building upon our success, GCC can be responsive to the many changes happening in the world around us. Today, GCC is well positioned to take advantage of the opportunities that the future will bring.

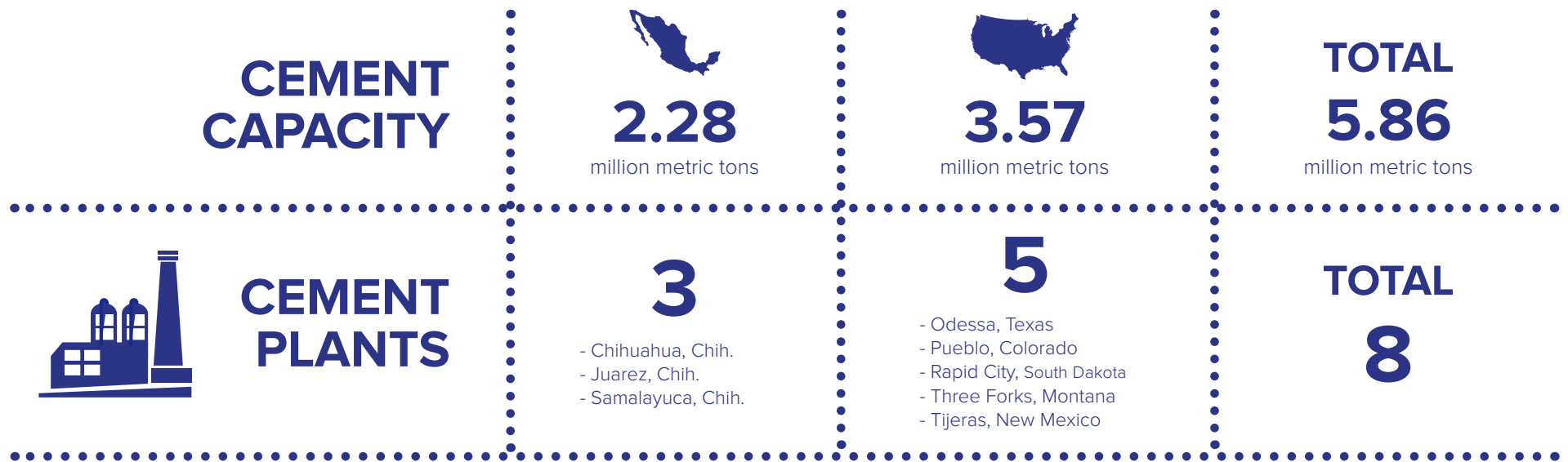


Enrique Escalante, CEO

ABOUT GCC

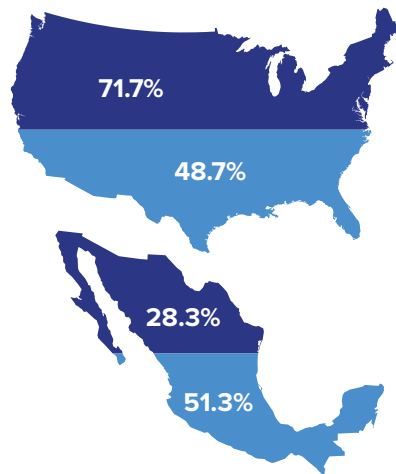
GCC is an international company founded in 1941 in Chihuahua, Mexico. We are a vertically-integrated company with assets in Mexico and the U.S. We produce gray Portland cement, mortar, ready-mix concrete, concrete blocks, plaster, aggregates, other construction materials and innovative solutions such as specialty cements. Our sales territory also includes Canada.



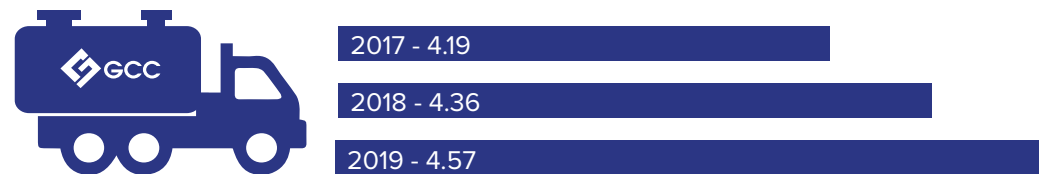


Cement / Concrete

Shipped by Division



Shipped Cement (million metric tons)



Shipped Concrete (million cubic meters)



PHILOSOPHY

Mission

To be the supplier of choice in cement, concrete and innovative solutions.

Vision

Our customers recognize us as a business partner that generates the most value for their construction projects. We are a growing company, a great place to work and a solid investment for our shareholders.

Code of Ethics

We are committed to managing with integrity, so it is vital that all our employees and vendors follow our Code of Ethics. Our code guides our decisions and actions. The code is based on the philosophy of the organization - our mission, vision and values. We extended the Code of Ethics to our suppliers. We have established several reporting channels, specifically the Human Resources Department, the Corporate Audit, email, an anonymous hot line and the Legal Department. The seven members of the Ethics Committee resolve complaints and conflicts of interest.

Values

Our corporate values are present throughout our day-to-day activities, our decision-making and serve as guides to achieve our vision.





OUR COMPANY

2019 Game Changers

At GCC, we are embracing our part of the challenge to build a more sustainable planet. We are adapting faster to the changes presented to us and creating better strategies across all of our business units.

Energy Group

GCC created a new team to oversee the corporate strategy for energy to help reach our sustainability and economic goals. Under the direction of the newly formed Energy Group, GCC will continue to transition toward more renewable energy sources for both thermal and electrical energy for our plants.

By 2030, GCC is committed to achieving a 25% fuel substitution rate to move away from conventional fuels toward alternative fuels such as fossil and carbon-neutral biomass fuels. More than 65% of our electrical energy will come from renewable sources, and 70% of our kilns will be fired by natural gas, thereby reducing our dependence on coal.

This group will lead the way on sourcing and delivery of energy to our plants to ensure we have a positive impact both on the company and surrounding communities.



Renewable Energy Contracts

GCC entered into long-term agreements with solar and wind energy suppliers to reduce CO2 emissions and energy costs and to mitigate energy price fluctuations in Mexico.

Twenty percent of total electricity consumed by GCC's Mexico operations will be provided by a Mexico-based solar energy supplier. Using solar energy will provide \$2.5 million in annual savings and reduce annual CO2 emissions by 21,000 metric tons. That's roughly equivalent to 4,600 passenger vehicles driven for one year, based on U.S. Environmental Protection Agency (EPA) estimates. Power supply under this agreement is expected to start in the first quarter of 2021.

Starting July 2020, 100% of electric power consumed at the Odessa, Texas, cement plant will be supplied by a U.S.-based solar and wind energy supplier. The 10-year, fixed-price agreement reduces electricity costs by 22%, provides \$4.6 million in savings over the next 10 years and reduces annual CO2 emissions by 45,000 metric tons. That's approximately equivalent to 9,500 passenger vehicles driven for one year, based on U.S. EPA estimates.

Corporate Technical and Operations Office

GCC's Corporate Technical and Operations Office (CTOO) was created in 2019 to strengthen processes and support sustainable growth. It's a team made of varied and complementary disciplines such as health and safety, engineering, technology and process, raw materials and high-performance systems.

CTOO's purpose is to reduce operational risk by:

- Developing a healthy and safe work environment
- Securing and enhancing raw materials reserves and the timely and economic procurement of supplies for operations
- Anticipating and acting on technology, technological trends and disruptions that can affect GCC's competitiveness
- Maintaining and upgrading equipment, and
- Developing a culture of data-based decision making and critical thinking.

CTOO's focus is sustainable operation and growth; the team provides guidance across all disciplines, makes sure resources and competence increase, and closely monitors performance and guidelines fulfillment.

Innovation Group

GCC's focus on innovation supports the United Nations sustainable development goal for industry innovation and infrastructure, SDG 9, to build resilient infrastructure and foster innovation.



The Innovation group develops new products and processes tailored to our customers' challenges. Our research and development is focused on creating cements with lower clinker factor which will help meet our CO2 reduction targets.

The Innovation group also works with geologists to locate natural materials with features that make them attractive for blended cements and works with operations to adapt the manufacturing process to incorporate alternative raw materials.

The Innovation group is working diligently to identify and vet CO2 capture technologies to further GCC's long-term commitment to reduce our carbon footprint.

Innovandi

GCC joined the newly formed Global Cement and Concrete Research Network, Innovandi. Innovandi is an industry-led effort to connect the cement and concrete industry with scientific institutions to drive new ways of working and supporting effective innovation with actionable research.

Innovandi will research the areas of process technology and products, including the impact of co-processing, efficiency of clinker production and the implementation of carbon capture utilization and storage technologies. This includes understanding the impact of clinker substitutes and alternative binders in concrete, low carbon concrete technology, and the impact of CO2 reduction through re-carbonation.



GCC's membership in Innovandi ensures we are on the leading edge of innovation, benefiting from global research and actions for a sustainable future. Innovandi members include cement and concrete manufacturers, admixture specialists and equipment suppliers from around the world.

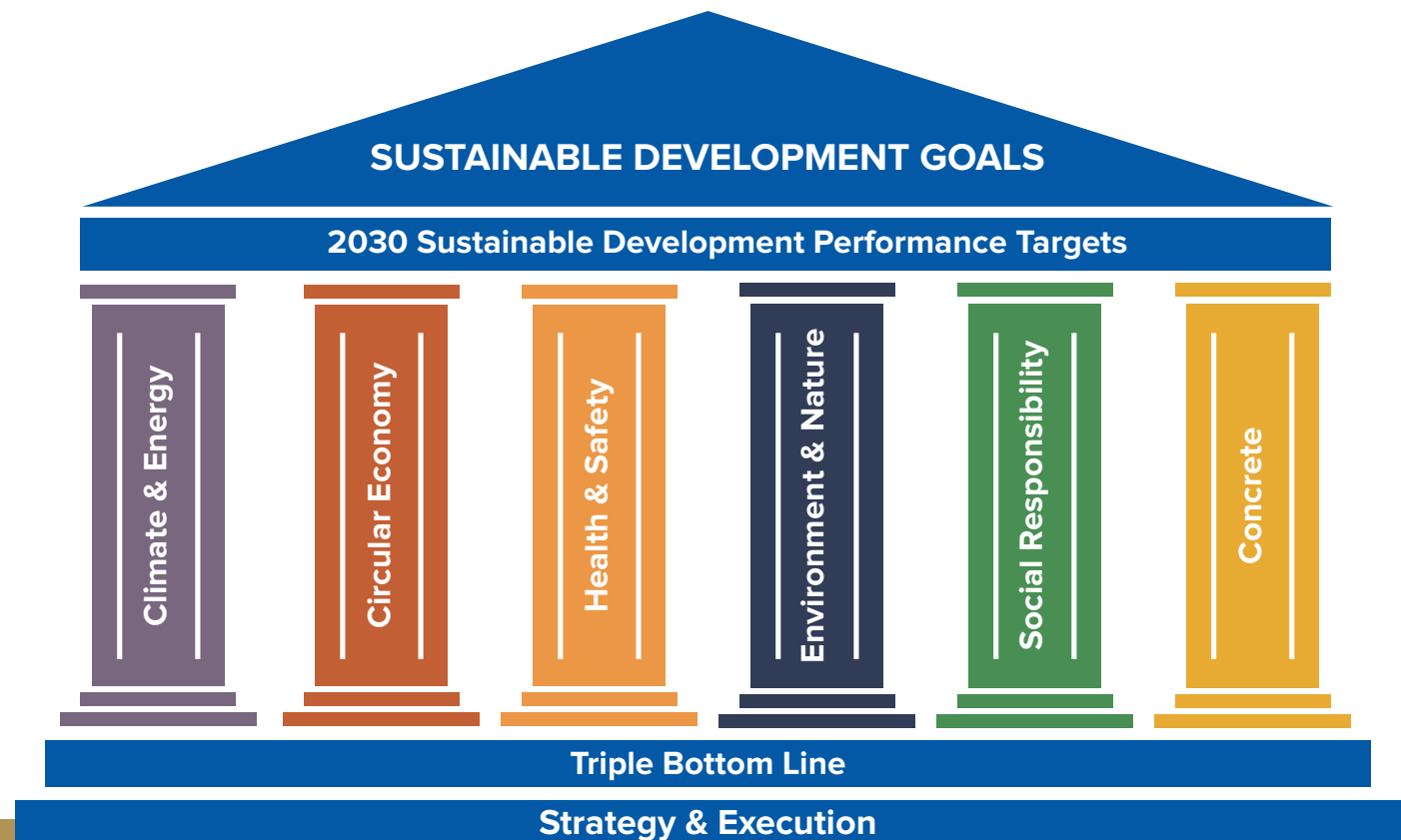
Sustainability Strategy

GCC's sustainability strategy focuses on environmental responsibility, climate protection, fosters social responsibility and ensures economic sustainability for our generation and future generations. Our strategy was developed to reduce our overall impact on surrounding communities and the environment while creating value for all our stakeholders.

Sustainability is an integral element of GCC's business strategy, which is defined by the board of directors and the senior leadership team. A member of the board of directors heads the Sustainability Committee and is responsible for establishing the sustainability strategy. The vice president of energy and sustainability implements the operational tactics that achieve sustainability targets and goals.

Each of GCC's divisions take responsibility for implementing the sustainability strategy, including compliance with legal and regulatory requirements. This also includes the required capture and reporting of production, operating, consumption and emissions data as well as voluntary commitments made as a member of the Global Cement and Concrete Association (GCCA). At the site level, plant managers are responsible for energy consumption, use of alternative fuels, health and safety and a plant's overall environmental performance.

In 2018, our sustainability strategy was redesigned to better align with GCCA's Sustainability Guidelines. GCC's sustainability pillars are: Climate & Energy, Circular Economy, Health & Safety, Environment & Nature and Social Responsibility. In 2019, GCC focused on three pillars: Climate & Energy, Circular Economy and Health & Safety. We committed to 2030 sustainable targets within those pillars.



2030 Target

22% reduction in
CO2 emissions from
2018 baseline

Climate and Energy

Cement production is an energy intensive process that releases CO2 emissions into the atmosphere. The desire for the industry to move to a low carbon economy has resulted in focused efforts to reduce our overall carbon footprint by using alternative fuels, producing blended cements and reducing energy consumption by switching to renewable energy sources. GCC committed to accept our share of the worldwide responsibility in keeping the global rise in temperature to less than 2°C.

Circular Economy

GCC works with local and regional companies to use their waste materials as alternative raw materials and fuels for the production of cement. Technicians who understand cement production and can think outside the box, are responsible for sourcing and procuring these alternative fuels and raw materials.

2030 Target

25% substitution rate for
alternative fuel and raw
materials



Health and Safety

Occupational health and safety is one of GCC's top priorities. We use targeted measures to improve technical and organizational safety standards and raise awareness of safe working practices by sharing best practices within the company and the industry. We take seriously not only the health and safety of our employees, but also that of our customers and third parties at our facilities and job sites.

Environment and Nature

The quarrying of raw materials and the production of cement utilize natural resources which we must protect for future generations. Biodiversity and water consumption are of extreme importance to GCC and to the surrounding communities. Reclamation plans exist for quarries to enhance our work in the environment and nature pillar.

Social Responsibility

GCC is a member of various associations that represent member interests in sustainability. These memberships promote an exchange with other companies and organizations with a common determination to achieve greater sustainability. Topics addressed focus on challenges specific to each division and include industrial policy for the secure supply of raw materials, environmental protection, energy conservation, occupational health and safety, and social and labor issues.

A key factor for sustainable growth is contributing to the society and communities where we operate. GCC is actively involved in programs that foster culture, education, sports and welfare for employees and the community. In Mexico, the GCC Foundation is the cornerstone of our community collaboration, investing in communities through education and other programs. In the United States, each facility selects community partners to represent the employees and GCC.

GCC strives to be an integral part of the community where our employees live and where we do business. At home, we invest our time and money to improve quality of life. At work, we invest in our most important resource - our people.

United Nations Sustainable Development Goals (SDGs)

The United Nations' SDGs address global challenges the world faces: poverty, inequality, climate change, environmental degradation, peace and justice. The United Nations defines 17 goals with 169 targets to be reached by 2030.

GCC identified 11 SDGs that align with our 2030 sustainability targets and ways that we contribute to global sustainability goals. GCC currently focuses on five: Affordable and Clean Energy (SDG 7), Industry Innovation and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11), Responsible Consumption and Production (SDG 12) and Climate Action (SDG 13).

The SDGs provide the foundation for our 2030 sustainability targets and action plans. Our focus on these SDGs present a real opportunity for GCC's sustainability program to foster new opportunities, build relationships with stakeholders, contribute to the resolution of societal challenges and protect the environment.



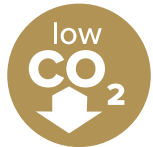
Products

GCC quarries, manufactures and sells products with different applications to meet the needs of our customers.



CEMENTS

Cement is the main ingredient of ready-mix concrete. GCC offers a wide range of cement products for a variety of uses and industries.



SPECIALTY & BLENDED CEMENTS

As we help build sustainable communities, we work to reduce the CO2 produced in the manufacture of our product. Our suite of lower CO2/ton products provide long-term durability for our customers.



READY-MIX CONCRETE

Ready-mix concrete is a mixture of cement, stone aggregates and water. Concrete may contain chemical or mineral additives.



PRECAST CONCRETE

Precast concrete provides the support infrastructure for commercial and industrial buildings.



CONCRETE BLOCKS (MX)

A concrete block is a precast prism with at least one hollow core. Concrete blocks are used in simple and/or structural masonry systems.



COAL (U.S.)

The coal we mine is used in our cement plants, and we sell it to other cement companies. In a concerted effort to reduce our CO2 emissions, we are pursuing alternative fuels for our manufacturing process.

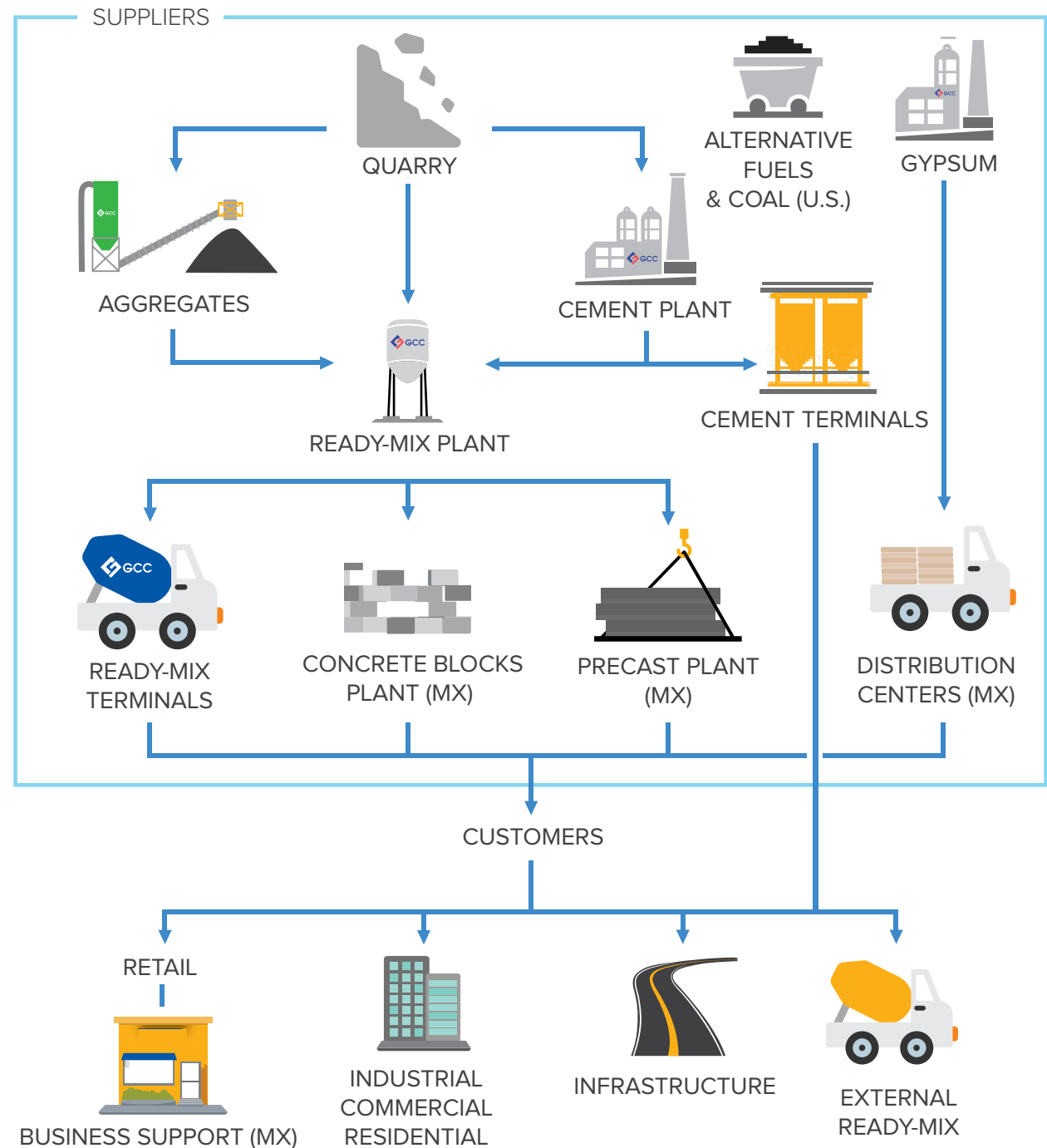


AGGREGATES

Aggregates such as stone, sand and gravel are added to concrete for the final product.

From Quarry to Construction

These are the main elements in our supply chain, activities, products and services.



Our Stakeholders

At GCC, we are committed to building and maintaining a healthy, educated and happy workforce. We are part of each community where we do business. When we collaborate with our employees, customers and surrounding communities, we become stronger together.



GCC Family

Our employees are the most important asset at GCC. Their expertise and commitment give us the competitive advantage. We invest in our employees through on-the-job training, GCC University, as well as safety and wellness programs. Some of our employees are represented by trade unions.



Community

Throughout GCC's history, we have partnered with organizations promoting education, social welfare, infrastructure and culture. In Mexico, the GCC Foundation is the cornerstone of our community collaboration. In the U.S., each facility chooses community partners to represent the employees and GCC.



Suppliers

We are proud to contract with the highest quality suppliers in the industry. Each supplier abides by our Code of Ethics. Because we are a vertically-integrated company, we can largely ensure that GCC upholds human and labor rights throughout our supply chain.



Government Relations and NGOs

Our company observes a strict code of ethics internally and externally. In the U.S., each of our five cement plants seeks the advice and cooperation of citizen advisory groups. In both countries, we work with local, state and regional regulatory agencies and governments to protect our people, efficiently run our operations and protect the environment.



Customers







Our mission is to be the supplier of choice. We strive to exceed our customers' expectations by anticipating their needs. We use only the most effective methods in customer service, quality and product delivery.



Investors

Our shareholders are represented through the Board and at the annual shareholder meeting. GCC provides quarterly reports to stockholders. The Audit and Corporate Practices Committee analyzes data to properly handle risk management and to implement good governance practices.

Stakeholder Engagement

GCC Family	KEY METHODS OF ENGAGEMENT		FREQUENCY OF ENGAGEMENT	AREA(S) RESPONSIBLE	OUTCOMES
	<ul style="list-style-type: none"> • Meetings • Newsletters • Team meetings • Surveys 	<ul style="list-style-type: none"> • Negotiations • One-on-one meetings • Corporate website • Project assignments 	As Required	Human Resources, Corporate Communications and Industrial Relations	Employee Education, Employee Retention & Engagement
Community 	<ul style="list-style-type: none"> • Participation in local events • Site tours • Website • Public meetings 	<ul style="list-style-type: none"> • Citizen advisory groups (U.S.) • Permitting processes • Donations (money & time) 	As Required	Multiple	Community Issues
Suppliers 	<ul style="list-style-type: none"> • Surveys • Negotiations • RFP/RFQ 	<ul style="list-style-type: none"> • Corporate website • Information requests 	Daily	Procurement	Transparency and Contract Performance
Government Relations and NGOs 	<ul style="list-style-type: none"> • Presentations • Website • Meetings • Industry associations • Audits 	<ul style="list-style-type: none"> • Multi-stakeholder forums • Permitting processes • Lobbying • Public meetings • Participation in local events 	As Required	Multiple	Transparency, Human & Labor Rights, Regulatory Compliance, Growth
Customers 	<ul style="list-style-type: none"> • Surveys • Industry associations • Formal market research 	<ul style="list-style-type: none"> • Corporate website • Product information • One-on-one engagement 	Daily	Commercial Area and Senior Executives	Customer Relationship
Investors 	<ul style="list-style-type: none"> • Annual general meeting • One-on-one meetings • Telephone calls 	<ul style="list-style-type: none"> • Investors conferences • Road shows • Website • Quarterly reports and conference calls 	As Required, Quarterly & Annually	Investor Relations	Transparency and Business Performance

Vendor and Contractor Relations

At GCC, we are proud of the good relationships we have with our suppliers. One of the foundations of our business success is the quality of the goods and services we receive from them. We have a vendor base of more than 4,000 global, regional and local suppliers. We recognize our responsibility along our supply chain and have developed a Supplier Code of Conduct that we consistently communicate to our suppliers. They are obligated to act in line with the principles defined in the Code.

In 2019, GCC procured goods and services totaling \$343.47 million from local providers. This corresponds to 58.9% of total expenditures. These costs are distributed among the various categories like raw materials, consumables, energy and logistics.

Proportion of Spending on Local Suppliers

	MEXICO			UNITED STATES		
						
	2017	2018	2019	2017	2018	2019
ACTIVE SUPPLIERS	1,719	1,739	1,688	3,009	3,375	2,999
LOCAL SUPPLIERS - #	1,128	1,159	1,140	1,991	2,432	2,051
LOCAL SUPPLIERS - %	65.6%	66.6%	67.5%	66%	72%	68.4%
SPENDING ON LOCAL SUPPLIERS - %	43.7%	48.6%	47.9%	57.5%	62.7%	64%

Vendor Development Program

In alliance with the Competitiveness Center, Chihuahua Chapter, GCC implemented the Vendor Development Program making an extensive commitment across our supply chain in Mexico. The purpose of this program is to strengthen the competitiveness of our suppliers by promoting and facilitating the development of their capacities and infrastructure. The program communicates and promotes responsible business practices.



The benefits of this program are:

- Application of successful business practices that accelerate the growth of vendors
- Promote the culture of competitiveness
- Strengthen the supply chain between GCC and vendors

GCC Recognized for Integrating Socially Responsible Management into its Supply Chain



For the 14th consecutive year, the Mexican Center for Philanthropy and the Mexican

Alliance for Corporate Social Responsibility recognized GCC's commitment to implementing socially responsible management practices in its supply chain.

Social responsibility within the supply chain starts when a company understands the social responsibility criteria and guidelines within its production chain and implements programs to forge alliances with commercial partners that are governed by the principles of ethics and social responsibility.

GCC is committed to sharing its experience in responsible business management with other companies from the value chain, especially small- and medium-sized companies from the state of Chihuahua.

Contractor Training and Certification

In alliance with the Mining Association in the state of Chihuahua, we launched a program to train and certify all our contractors in health and safety.

Some available courses and certifications are:

- Working in Confined spaces
- Working at Heights
- Material Handling Hazards
- Personal Protective Equipment (PPE)
- Tools — Hand and Power



Market Development Efforts Earn Award



Dave Gray won the John P. Gleason, Jr., Leadership award for his market development efforts to build awareness of using concrete overlays on existing asphalt surfaces. The Gleason award honors Portland Cement Association (PCA) members who exhibit industry leadership by advancing key Association programs and initiatives.

Gray partnered with professionals from the National Ready Mixed Concrete Association (NRMCA) and a concrete construction company to overlay existing asphalt parking lots with concrete. The use of concrete overlays provides cost-effective rehabilitation of aging urban asphalt paving and can extend the service life of a roadway 15 to 30

years. In addition, overlays can

meet rapid construction requirements and require little maintenance over its service life, resulting in reduced life-cycle costs.

Working at the customer level, Gray raises awareness of the potential gains for cement and concrete in a broad range of construction markets, helps companies and associations create successful promotion initiatives and is instrumental in educating decision makers in the industry on concrete overlays.





ECONOMICS

GCC Governance

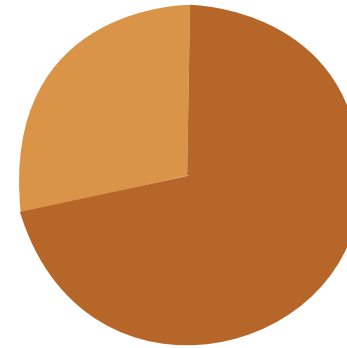
Board of Directors

The management of GCC is entrusted to the Chief Executive Officer and Board of Directors. The Board of Directors establishes guidelines and the overall strategy to direct the business, shares perspectives, provides advice, and monitors and assesses management's implementation.

GCC's Board of Directors consist of 11% women and 89% men, all originating from Mexico. There are eight independent members of the board which exceeds GCC's bylaw requirement of 25%. Our Code of Ethics encourages diversity for both its governance and the team. The Company's Code of Ethics promotes labor inclusion regardless of gender in the composition of its governing bodies and among employees.

Protection of shareholder value is as central to Board discussions as is creating long-term value. We have a coordinated, comprehensive approach to overseeing the enterprise-wide risk management responsibilities — identifying, assessing, monitoring and managing risk exposure. The Board regularly reviews strategic threats, opportunities and risks (including credit, market, liquidity, product, operational and cybersecurity risk).

Leadership is fully engaged in risk management and has made it a fundamental aspect of company strategy, operations and culture.



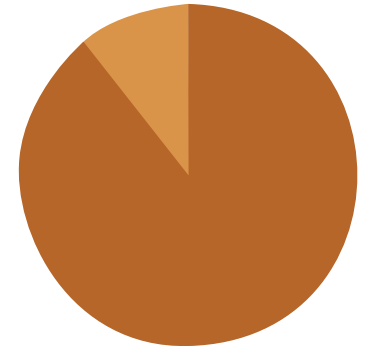
BOARD MEMBERSHIP - INDEPENDENCE -

20 NON-INDEPENDENT
8 INDEPENDENT

There are 14 primary board members with 14 alternates.

BOARD MEMBERSHIP - GENDER DIVERSITY -

25 MALE
3 FEMALE



The Board receives updates from the following committees which advise board members on economic, environmental and social impacts to the Company. These topics are discussed at each meeting of the Board. The CEO reviews and approves this report; the vice president for energy and sustainability ensures that material topics are covered.

Committees

Sustainability Committee

Established by the Board of Directors, the Sustainability Committee identifies and manages the impacts, risks and opportunities that may arise in the social and environmental fields. The CEO-led committee develops the annual sustainability strategy to ensure GCC is up to date with the implementation process of social and environmental practices. The committee is composed of key leaders from both divisions. The members consider implications of governmental regulations in Mexico and the U.S. and develop strategy to maximize resources and technologies to reach our sustainability goals (see page 9).

In 2019, the Sustainability Committee developed the Company's new sustainability strategy focusing on CO2 reduction to meet worldwide targets by 2050. Furthermore, the committee expanded on the six pillars of the sustainability strategy to find common ground and areas of opportunity among the various business segments.

Audit and Corporate Practices Committee

The Audit and Corporate Practices Committee consists of three independent members assigned by the Board of Directors, except for the chairman who is elected by GCC's shareholders. GCC adheres to safeguarding the interests of stockholders by providing information and results that boost their confidence and demonstrate that their investment is being properly managed through the analysis of effective risk management processes made. Likewise, the Committee is responsible for implementing the best practices of corporate governance.

Ethics Committee

The Ethics Committee is made up of seven members assigned by the Board of Directors. The Committee is responsible for ensuring proper disclosure and enforcement of the Code of Ethics by promoting values and behaviors encouraged by the organization, channeling cases, being a consultation party and defining corrective measures. The Committee has quarterly meetings where they analyze concerns, suggestions, complaints and inquiries submitted by the employees through email, an anonymous hotline, an independently managed website, or through the departments of human resources, legal and corporate audit.



Remuneration

The company's long-term share-based incentive plan (LTIP), which is reviewed by GCC's Audit Committee and affirmed by shareholders, is a component of the management and executive compensation program. The LTIP is tied to the Company's long-term success and strikes an appropriate balance between short-term compensation and longer-term incentives. It is aimed at fostering retention, aligning management's interest with those of GCC's stakeholders, and recognizing and rewarding performance for individual contributions.

The Company regularly conducts compensation comparisons against similar companies to ensure equity for its employees. This helps GCC attract and keep top talent.

GCC Improves Ethics Score

For the third consecutive year, two Mexican non-governmental organizations (NGOs) - "Mexicans Against Corruption and Impunity" and "Mexican Transparency" - published Corporate Integrity 500: a review of the integrity policies of the 500 most important companies in Mexico according to Expansion magazine.

In the 2019 edition, GCC obtained 82.35 out of 100 points, improving its score by 6 points in a year-on-year comparison. GCC is now ranked 106.

During 2019, GCC improved communication regarding its policies and guidelines to promote ethics and integrity through its website, helping make them more accessible for its stakeholders.



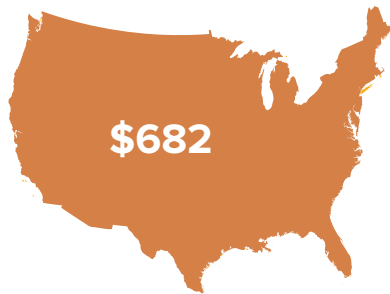
INTEGRIDAD
CORPORATIVA
500

Financial Performance and Growth

GCC is poised to grow and capitalize on improving market conditions with a disciplined approach to acquisition and growth. Opportunities stem from our leading competitive position, efficient operations and a solid financial standing.

GCC faces fragmented competition with no one producer operating in the same markets.

Net Sales by Region (millions)



We hold a leadership position in the center cut of the U.S., and we are the sole producer of cement and the leading producer of ready-mix concrete in the State of Chihuahua, Mexico. The Permian Basin oil patch is growing into the largest oil patch in the world and GCC's centralized operations provide a strong base to meet that increasing demand in Texas and New Mexico.

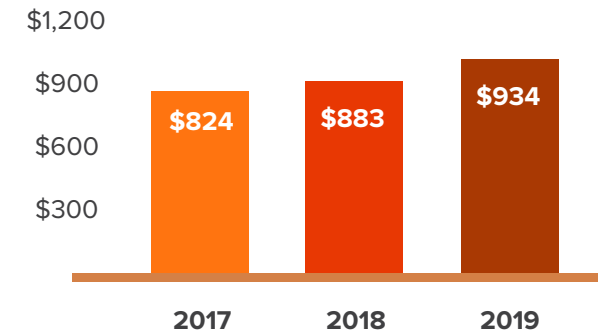
All stages of GCC's cement and ready-mix supply chain are vertically integrated. GCC owns the limestone quarries needed to supply cement and ready-mix. Our cement plants are close to raw materials sources and supply the product used in our ready-mix operations. GCC's King II coal mine provides fuel for cement plants, which lowers our costs and reduces fuel price volatility.

GCC state-of-the-art production facilities and logistics provide an important competitive advantage. GCC's robust distribution network enables us to place cement inventories closer to customers' delivery times and allows us to better meet customer needs.

Operational efficiency levels supported a 13.9% increase in EBITDA growth to \$292 million, while net

leverage (Net Debt/EBITDA) was reduced 1.1 times. Net financial expenses decreased 18.4% to \$36.3 million due to lower interest rates, reduction in fees paid for bank debt refinancing, lower debt and a higher cash balance. GCC's free cash flow increased 28.8% to \$137 million. With our financial flexibility due to increased liquidity,

Net Sales by Year (millions)



Net Sales by Business (millions)

	2017	2018	2019
CEMENT	\$539	\$591	\$628
CONCRETE	\$168	\$175	\$193
CONCRETE BLOCK	\$12	\$11	\$12
AGGREGATE	\$27	\$22	\$19
OTHERS (coal, asphalt and building materials)	\$78	\$84	\$82
TOTAL	\$824	\$883	\$934



GCC remains committed to prudent capital allocation priorities. GCC's strong balance sheet enables us to prioritize the strengthening of our core business—cement either organically or inorganically, aligned with our strict merger and acquisition criteria.

In 2019, Fitch Ratings upgraded GCC's global credit and corporate debt rating from BB to BB+. The upgrade is a result of a stable outlook due to increased demand for oil well cement, an expected accelerated decline in financial leverage, solid operating performance with projected increased demand, the Company's ability to generate solid free cash flow with relatively high profitability, and its market share leadership in the State of Chihuahua and a large market share in Colorado, North Dakota, South Dakota, New Mexico and West Texas.

GCC stock was included for the first time in the FTSE index and FTSE BIVA. FTSE is an index of companies listed on the London Stock Exchange with the highest market capitalization. The FTSE BIVA Index reflects the performance of liquid Mexican companies which are constituents of the FTSE Mexico All Cap Index.



GCC also is included in the benchmark S&P BMV IPC Index that measures the performance of the largest and most liquid stocks listed on the Mexican Stock Exchange, and the MSCI Emerging Markets Index family which represents the performance of large- and mid-cap securities in 26 emerging markets, covering approximately 85% of the free float-adjusted market capitalization in each country.

New Plant Extends GCC's Footprint

Due to increasing demand for concrete in Iowa's Crawford County region, GCC installed a re-purposed ready-mix plant and new facility to distribute concrete to customers. Since coming on line in May 2019, the facility has shipped 15,000 cubic yards with the potential to grow over time. This greenfield plant extends our service area by 75 miles, enabling us to serve new customers and provide faster loading times.



Financial Implications, Other Risks & Opportunities due to Climate Change

Severe weather, rising seas, higher temperatures and other effects that may be attributable to climate change could have an adverse material effect on GCC through:

- An increase in price of raw materials
- An interruption in the supply of raw materials
- Decreased construction activity could decrease demand
- Cancellation or delay of projects
- Disruption in transportation logistics
- Damaged GCC infrastructure and production facilities
- New environmental laws and regulations

GCC maintains a risk management policy to monitor, analyze and mitigate risk exposures. For example, GCC internally sources a significant portion of its fuel requirements through its own coal mine and sources a significant portion of other raw materials from quarries and mines that the Company either owns or leases. In addition, GCC's vertically integrated supply chain helps manage costs; a sophisticated distribution network leverages a contiguous market footprint that reduces the risk of supply disruption and provides operational flexibility.



Climate-related opportunities for GCC stem from the adoption of new technologies and products:

- To mitigate volatile and high energy costs, GCC implemented technical improvements in cement plants that provide the option to use coal or alternative fuels in clinker production. GCC's cement plants can use natural gas for clinker production if natural gas pricing is more favorable, or if coal supply is interrupted or its quality becomes an issue.
- Blended cement which increases our product offering and enables us to meet anticipated customer demand.
- In 2019, GCC signed a long-term agreement with a solar energy supplier to cover approximately 20% of the total energy consumed at the Mexico operations. This will reduce energy costs and CO2 emissions, mitigate price fluctuation, and translates into approximately \$2.5 million in annual savings.
- Also in 2019, GCC signed a long-term agreement with a leading U.S.-based energy provider to supply solar and wind energy for 100% of the electrical power consumed at the Odessa, Texas, cement plant. The agreement reduces electricity costs by 22%, providing \$4.6 million in savings over the next 10 years and mitigates related price fluctuation.

A complete list of risks is available in GCC's 2019 Annual Report.

Economic Value

GCC plans to expand organically and through acquisition and integration of new businesses. The table shows economic value generated and distributed accrued to 2019, including the basic components for global operations such as revenue, operating costs, employee wages and benefits, payments to capital providers and governments, and donations.

Indirect economic impacts that positively affect productivity stem from creation of the Corporate Technical and Operations Office, a division that will support the Company's growth strategy, strengthen operations and guide GCC's continued expansion.

GCC complies with all local, state and federal taxes in Mexico, the U.S. and Canada. In 2019, income tax totaled \$25.1 million.

Direct Economic Value Generated and Distributed (millions)

	2017	2018	2019
REVENUE	\$824.1	\$883.2	\$934.1
OPERATING COSTS, ADMINISTRATIVE AND SALES GENERAL EXPENSES	\$494.3	\$558.7	\$580.1
EMPLOYEE WAGES AND BENEFITS	\$169.0	\$154.7	\$170.5
PAYMENTS TO PROVIDERS OF CAPITAL	\$75.6	\$52.7	\$47.3
PAYMENTS TO GOVERNMENT	\$9.5	\$13.4	\$15.3
COMMUNITY INVESTMENTS	\$0.7	\$0.9	\$1
ECONOMIC VALUE RETAINED	\$75.0	\$102.8	\$119.9

For further details on our financial performance, please see the 2019 Annual Report.

Fort Stockton Terminal Improves Efficiency

Due to increasing demand for concrete in the Permian Basin oil fields, a new phase one terminal was installed in Fort Stockton, Texas. The Permian Basin is growing into the largest oil patch in the world and GCC is preparing to meet the increasing demand for cement. This new terminal relieves shipping pressure on the Odessa, Texas, shipping facility and increases our ability to ship Type C class cement to southwest Texas. The new Fort Stockton terminal shipped 26,000 tons in 2019, with the potential to grow over time.

Phase one terminals have been a big part of GCC's growth with the installation of 14 new phase one terminals over the last 10 years, providing faster loading times and better customer service.



Infrastructure Investments and Services Supported (millions)

Over the past five years, GCC has invested \$541 million in infrastructure and services to meet increasing demand for products and to strengthen our logistics network. This includes acquisition of new facilities, products and equipment, upgrades to existing plants and improvements to our information systems.

In 2019, GCC spent \$59 million on the preservation, maintenance and modernization of its cement plants. GCC implemented a data storage software and updated the Company's enterprise planning software.

	2017	2018	2019
TRIDENT CEMENT PLANT ACQUISITION		\$74	
RAPID CITY CEMENT PLANT MODERNIZATION	\$32	\$54	\$10
REGULATORY COMPLIANCE IN CEMENT PLANTS	\$19	\$36	\$28
TRANSPORTATION EQUIPMENT	\$18	\$14	\$12
COAL MINE IMPROVEMENTS	\$5	\$6	\$2
AGGREGATES PLANTS	\$2	\$1	
INFORMATION SYSTEMS EQUIPMENT	\$1	\$1	\$1
DISTRIBUTION CENTERS		\$2	\$1
LOTS AND BUILDINGS		\$4	\$5
TOTAL	\$77	\$192	\$59





ENVIRONMENT

GCC sustainability goals focus on implementing practices that mitigate negative impacts on the environment. We aim to protect the health and safety of our employees and contractors as well as build strong communities. Economically, we seek to be a profitable and growing company that creates jobs and provides benefits to our shareholders.

Energy Consumption for Cement Production

	UNIT	2017	2018	2019
SPECIFIC ELECTRICAL ENERGY CONSUMPTION	MWh	519,330	552,680	571,048
THERMAL ENERGY CONSUMPTION	TJ	13,917	15,694	15,884
FOSSIL FUEL THERMAL ENERGY CONSUMPTION	TJ	12,399	14,273	14,437
ALTERNATIVE FUEL THERMAL ENERGY CONSUMPTION	TJ	1,518	1,421	1,447

Energy Consumption

GCC strives to improve operational performance by ensuring equipment is operating at predetermined levels for both electrical and thermal energy requirements.

In 2019, both total electrical and thermal energy consumption increased for clinker and cement production when compared to 2017 and 2018. The increase from 2017 energy consumption is a result of the integration of a new cement plant in Montana. The increase in total energy consumed from 2018 is due to the increased operation time at the Pueblo and Rapid City plants, resulting in both an increase in clinker and cement production. Total cement production increased 3% as we produced more specialty cement in Mexico to meet market demands in the U.S.

Total alternative thermal energy consumption increased in 2019 from the use of more tire-derived fuels at the Pueblo Plant. For the second consecutive year, the Pueblo Plant achieved ENERGY STAR® certification with one of the highest scores in the cement industry.



Energy Star® Certification

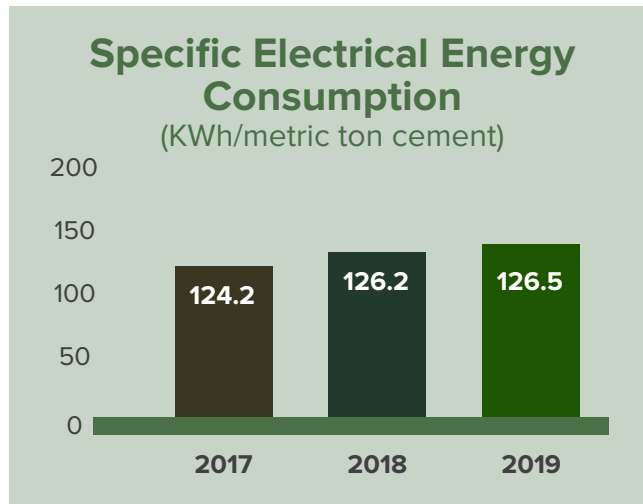
For the second consecutive year, the Pueblo, Colorado, cement plant earned the U.S. Environmental Protection Agency's (EPA) ENERGY STAR certification for superior energy performance.

ENERGY STAR certified plants must perform in the top 25% of similar facilities across the nation. By meeting ENERGY STAR's strict standards, the Pueblo Plant is saving energy, saving money and helping protect the environment.

ENERGY STAR's industrial program provides industry-specific energy benchmarking tools and other resources to enable plants to compare their energy performance with others in the same industry. In 2019, 95 industrial plants earned the ENERGY STAR certification.



Specific Electrical Power Consumption



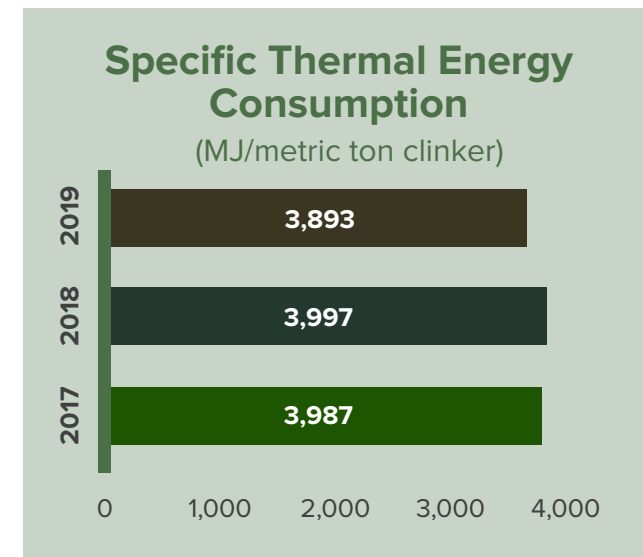
In 2019, specific electrical power consumption was 126.5 kWh per metric ton of cement, including electric power consumed by the reception of raw materials into the cement silos.

Total electric power consumption was 571,000 MWh across all cement plants. Energy consumption increased in 2019 at the Chihuahua and Samalayuca plants by 3% and 5%, respectively, driven by the production of well and CP40 cements to meet market demand in the U.S. However, even with this increase of power consumption in Mexico, the electrical energy consumption remained flat due to both Pueblo and Rapid City plants decreasing their power consumption by 5% and 12%, respectively.

In 2019, GCC entered into long-term agreements with solar and wind energy suppliers to reduce CO2 emissions and energy costs, and to mitigate energy price fluctuations in Mexico operations and at the Odessa, Texas, cement plant. Solar energy will provide 20% of the energy used at the Juarez cement plant, ready mix and aggregate operations and at GCC's Mexico corporate offices, providing \$2.5 million in annual savings and reducing annual CO2 emissions by 21,000 metric tons. One hundred percent of electric power consumed at the Odessa Plant will be supplied by a U.S.-based solar and wind energy company, reducing electricity costs 22%, providing \$4.6 million in savings over the next 10 years, and reducing annual CO2 emissions by 45,000 metric tons.

Thermal Energy Consumption

Total specific thermal energy in 2019 was 3,893 MJ per metric ton of clinker, 2.5% lower than the previous two years. The decrease in thermal energy consumption is due to improved operational efficiencies at U.S. plants. The commissioning of the new kiln at the Rapid City Plant, along with increased clinker production at the Pueblo Plant reduced consumption by 11% and 3%, respectively. Cement plants in Mexico showed a slight increase in thermal energy consumption due to the production of well clinker at the Chihuahua plant and reduced clinker production at the Samalayuca plant.



Transforming Waste into Energy

In order to increase co-processing use and its technology, GCC, in partnership with the Mexican government on Organic Fraction of Waste for Energy Efficiency (FROEE, its acronym in Spanish), initiated research and development on alternative fuels at our Chihuahua and Samalayuca plants. Co-processing is the use of materials that would otherwise be discarded as an energy source.

FROEE is an engineered fuel made from non-hazardous plastics, wood and fabric that can replace 33% to 45% of the conventional fuel used in the kiln for clinker production. Sourcing these waste materials from local businesses diverts waste from landfills, decreases CO2 emissions by substituting waste for fossil fuels and reduces our dependency on non-renewable energy sources.

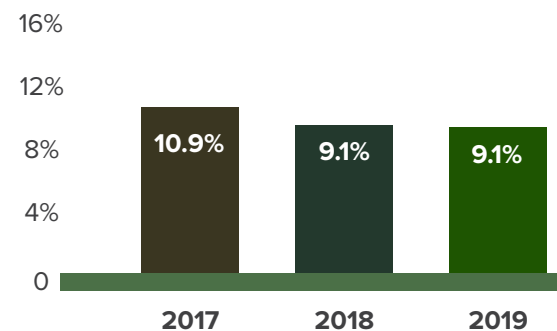
Waste includes materials like plastics, textiles, paper, cardboard and wood, mostly sourced from recycling plants and/or maquiladoras (factories) in the area. The material we burn in the kilns would otherwise go into a landfill because it cannot easily be reused or recycled. For example, we use the leftover plastic from molded automobile steering wheels, wood pallets and fabric from seat belts.

To date, the Samalayuca Plant has co-processed more than 400,000 metric tons of waste. At the Chihuahua Plant, 2,600 metric tons of industrial waste is co-processed every month, using waste such as pecan shells.

Alternative Fuels

GCC is replacing the use of conventional fuels with alternative fossil and carbon-neutral biomass fuels to heat the cement kiln. The use of fuel alternatives is key to reducing the carbon intensity of cement production by conserving natural resources, reducing CO2 emissions, delivering financial efficiencies and supporting the circular economy. Cement production is ideal for co-processing of non-recyclable materials which might otherwise end up in landfills. We work with regulatory authorities, producers and other stakeholders in order to develop optimal co-processing solutions. Best practices are shared among plants, and we work with stakeholders to increase our fuel substitution rates. We monitor air emissions in order to comply with regulations.

Fossil Fuel Substitution



The Chihuahua Plant now uses more waste-derived fuel after commissioning a new main burner.

Alternative fuels used include used tires, industrial discards such as plastics and nut shells. In 2019, more than 9% of traditional fuel was substituted for alternative fuels. The Pueblo Plant increased its alternative fuel utilization by 28%.

Railroad Ties as Fuel

Beneficial use of material that otherwise goes to waste is an important part of GCC's alternative fuel strategy. There are many common materials that are rarely thought of as viable kiln fuel, but nonetheless, make a valuable contribution to fuel requirements when managed properly. At the same time, their beneficial reuse can solve a disposal problem and further offset GCC's reliance on natural resources.

In 2019, GCC used 66,874 metric tons of plastics, wood, fabric and pecan shells as alternative fuel in its Mexico cement plants. At the Pueblo Plant, 11,152 metric tons of waste tires were consumed in the kiln.

Major railroads in the United States produce more than 25-million scrap ties per year. An overwhelming majority of railroad ties are made of wood, often hardwood, treated with creosote as a preservative. Since 2011 the EPA has recognized railroad ties as an alternative fuel in cement kilns, and the major railroads are increasingly averse to creating waste.



The lifespan of a railroad tie in service is approximately 15 years. Some old ties may be reused in rail switch yards or sidings. The remaining ties are stripped of metal and a few are sorted out as landscape timber. The metal is recycled, but the remaining ties are often dumped in landfills.

To test the potential of railroad tie chips, GCC procured 1,000 metric tons of scrap railroad ties from the Burlington-Northern railroad yard near the Pueblo Plant. Ties were prepared for the kiln by chipping and shredding using GCC's own alternative-fuel processing equipment. The wood chips were then introduced into the Pueblo kiln in a carefully designed, controlled and monitored trial.

Results of the trial showed that preparation efficiency was favorable and there is a direct offset of coal required on a heat-value basis with no adverse impact on emissions. The success of the trial led us to pursue chipped and shredded railroad ties as a long-term, large-volume consistent fuel source. Two of GCC's U.S. plants now hold permits to burn railroad ties.

Raw Materials

Raw materials used in the production of clinker and cement include limestone, shale, clay, sand, iron and gypsum. Coal and natural gas are the traditional fuels. The use of alternative raw materials is a driving aspect of our circular economy strategy.

To reduce dependence on non-renewable materials, we continuously seek alternative raw materials and fuels such as anhydrite, iron ore and ash. We also use secondary raw materials resulting from other industrial processes. Our Samalayuca cement plant in Mexico uses anhydrite from a neighboring industrial plant to make cement, which helps conserve resources and reduces waste disposal problems faced by the municipality and the industrial company. In 2019, our raw material substitution rate increased to 2.08%, using 148,000 metric tons of discarded material from other industrial processes.

GCC Mexico plants have the highest usage of alternative raw materials because they are close to material sources and have different cement standards and regulatory oversight.

Clinker is the main ingredient in cement. We are exploring reducing the clinker proportion used per metric ton of cement by using more fillers and other alternative materials. Extending the clinker helps optimize clinker mineralogy (which improves product quality), develop blended cement products and reduce CO2 emissions.

Raw Materials Used for Cement Production (thousand metric tons)

	2017	2018	2019
NON-RENEWABLE RAW MATERIALS	6,611	6,932	7,115
RECYCLED RAW MATERIALS	139	144	148
PERCENTAGE OF RECYCLED RAW MATERIALS	2.1%	2.03%	2.08%
RENEWABLE MATERIALS	39	44	40
NON-RENEWABLE FUEL (COAL)	423	413	452
RECYCLED INPUT MATERIALS (RESIDUES)	81	78.4	78
CLINKER/CEMENT RATIO	87.9%	87.8%	88.1%

Climate Change

In 2019, GCC decided to join more than 850 companies globally to take action for low-carbon and future-proof growth by establishing science-based targets. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce

their greenhouse gas emissions. Our 2030 sustainability goals include a 22% reduction in net CO2 emissions compared to our 2018 baseline year, as outlined in Science-Based Target Initiative guidelines. The road map to reach 2030 sustainability goals includes increasing use of alternative fuels, increasing production of blended cements to reduce our clinker ratio, and optimizing use of electric and thermal energy.

**2030
Target**

22% reduction in
CO2 emissions from
2018 baseline

CO2 Emissions

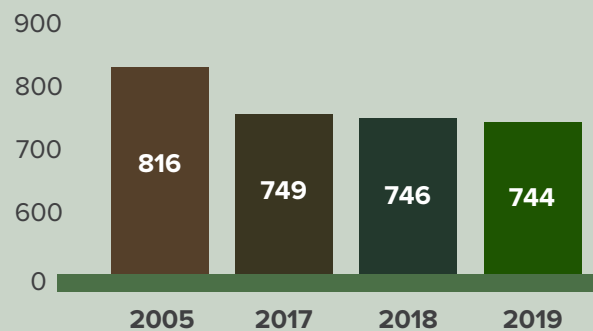
GCC is committed to reducing greenhouse gas emissions through energy optimization, by relying less on traditional fuels and by producing blended cements. Our goal is to reduce net CO2 emissions 9% by 2020, as compared to our 2005 baseline. Between 2005 and 2019, we reduced the specific net CO2 emissions by 8.8% to 744 kg per metric ton of cement. In 2019, we achieved a 3.8% reduction from 2018 levels. This reduction was achieved by utilizing more alternative fuels in our Pueblo Plant, increasing production of

blended cements and optimizing our operations for heat and energy consumption. CO2 emissions increased with the acquisition of the Trident Plant and restarting kilns at the Chihuahua Plant. However, operation of the new kiln at the Rapid City Plant offsets the increase in emissions, and we are confident we will achieve the 2020 commitment. We report CO2 emissions according to the Getting the Numbers Right Reporting protocol developed by the Cement Sustainability Initiative and the World Business Council for Sustainable Development. That protocol's guidance on the integration of new cement plants results in the year-on-year differences in the 2017 and 2018 reports.

CO2 Direct and Indirect Emissions (thousand metric tons)

	UNIT	2005	2017	2018	2019
GROSS CO2 EMISSIONS	metric tons	3,128	3,397	3,358	3,483
NET CO2 EMISSIONS	metric tons	3,119	3,352	3,324	3,436
ENERGY INDIRECT CO2 EMISSIONS	metric tons	297	395	399	426
CEMENTITIOUS PRODUCT	metric tons	3,825	4,473	4,449	4,619
CO2 EMISSIONS REDUCTION / BASE YEAR	%		8.1%	8.5%	8.8%

Net Specific CO2 Emissions (Kg CO2/metric ton cement)



Other Air Emissions

In addition to CO2, the kiln combustion process emits other substances such as nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matter (PM). NOx and SOx are a product of the combustion of fuels used to produce clinker. PM emissions are from quarrying, open storage of materials, transfer of materials through uncovered conveyors, loading and unloading operations, and numerous other activities within the cement plants.

Absolute Atmospheric Emissions (metric ton/year)

	2017	2018	2019
NOx	3,726	3,768	3,883
SOx	288	325	464
Dust	20	22	33

For these emissions, we exceed regulatory mitigation requirements. Mitigation actions include using more efficient filters in our dust collectors for PM emissions, ammonia injection for NOx emissions, and hydrated lime injection for SOx emissions.

GCC monitors stack emissions, invests in abatement technologies and regularly maintains emissions equipment used in the manufacturing operation. Continuous monitoring equipment is utilized in U.S. plants to monitor emissions. For plants in Mexico, measurements are taken with precise tests for monitoring. For this report, we use the approach established by the Cement Sustainability Initiative, “Guidelines for Emissions Monitoring and Reporting in the Cement Industry.” The emissions listed in this report represent U.S. plants where continuous emission monitors are in use.

Three of five cement plants in the U.S. are equipped with selective non-catalytic reduction (SNCR) equipment to reduce NOx emissions. GCC’s U.S. cement

plants lead the cement manufacturing industry in improving visibility due to haze and in optimizing the use of ammonia to control NOx emissions and stay below our target limits.

GCC cement plants are among the lowest emitters of SOx in the U.S. cement industry, with two out of the five cement plants equipped with hydrated lime systems.

In 2019, specific NOx emissions decreased 6.8% due to implementation of a SNCR system at the Odessa and Trident plants and the commissioning and operation of Rapid City’s new kiln. Specific SOx emissions increased due to the operation of the new kiln at Rapid City. PM emissions rates increased; however, they remain under regulatory limits.

Specific Atmospheric Emissions (grams/metric ton clinker)

	2017	2018	2019
NOx	1,643	1,654	1,540
SOx	127	143	184
Dust	8.8	9.6	13.1

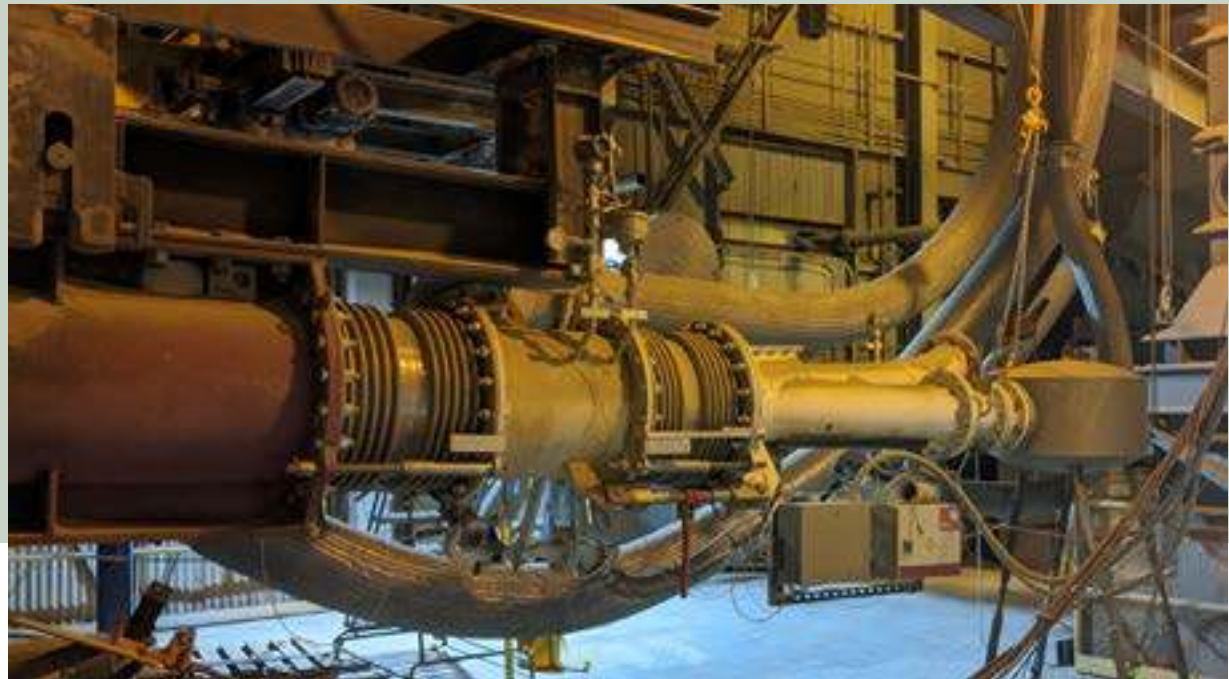


Trident Plant Reduces NOx Air Emissions

In 2019, GCC focused on the reduction of nitrogen oxides (NOx) and ammonia usage at the Trident Plant by installing an engineered burner pipe and indirect fuel firing system. These installations, along with the previously installed selective non-catalytic reduction (SNCR) pollution-control device, are continually fine-tuned to reduce NOx emissions and improve the surrounding area's visibility. The installed SNCR system includes a 30,000-gallon aqueous ammonia storage tank, a pump skid and injection lances with adjustable spray nozzles. The SNCR process injects an aqueous ammonia solution into the pyroprocess to react with both the thermal and fuel NOx.

Optimally, we want to destroy as much NOx and use as little ammonia as possible. Because many factors affect kiln operational stability and NOx generation rates, an automatic control loop is programmed to adjust the ammonia injection rate based on actual emissions and minimize the amount of ammonia released to the atmosphere. To further reduce consumption of ammonia, we adjusted the engineered burner and indirect firing of solid fuels to create a reduction zone within the kiln.

Before the SNCR system, Trident operated at a NOx emission level of 10 to 11 pounds per metric ton of clinker. With SNCR, NOx emissions were reduced 30% in 2018. In 2019, we reduced NOx emissions at the Trident Plant 3% while reducing consumption of ammonia. With continued focus and optimization of our processes and fuels, we expect to be able to reduce, or eliminate, the use of ammonia at the Trident Plant.



Biodiversity

From the Environment and Nature sustainability pillar, GCC is working to align quarry plans to GCCA guidelines with 2030 targets developed for Biodiversity and Water consumption. GCC operates quarries at all cement plants and, where required, maintains reclamation plans.

Mine Refuse Pile

The process of mining coal creates waste that is disposed of in piles around the mine site, commonly referred to as a refuse pile. In 2019, GCC's King II coal mine gained approval to expand and update its permitted refuse pile under a technical revision to the permit.

Parts of the existing permitted refuse pile will be reconfigured, extending the disturbed area 0.65 acres and placing refuse on top of the existing pile. Refuse is placed in layers, sloped and then compacted to ensure water is captured in the settling ponds.

This updated practice significantly improves efficiency for managing refuse and water drainage at the coal mine.

Quarry Reclamation

GCC is currently reclaiming 27 acres at Tijeras' Quarry 1, the oldest and most visible quarry in the mining area. The post-mine land use for this area is designated as a wildlife habitat so GCC is taking measures to provide supporting habitats for reptilian, avian and smaller mammalian wildlife populations and to re-establish the natural ecosystem. The large pond adjacent to Quarry 1 collects storm water and will provide a local water source for wildlife.

Reclamation activities at this location are challenging due a high volume and rate of storm water throughput at the lowest point of the mine. Therefore, we are using a "geomorphic" style reclamation to minimize erosion and create natural water management areas. Geomorphic reclamation slows the flow of storm water and emphasizes blending with background and undisturbed landscapes.

Reclamation began in 2019 with the design and initial earthwork. Over the next four years, GCC will remove a visible hilltop and rock slide to blend contours of the location into the natural surrounding area.

Material collected from removal activities will be used as fill material for the rest of the reclamation phases. That will further reduce our emissions because hauling won't be needed. Additionally, native seeds can establish more quickly by reusing the topsoil from the hilltop.

The completed geomorphic reclamation will promote recreational activities, wildlife re-establishment and native plant regrowth and provide the community with an improved view that blends naturally into the beautiful Pinion Juniper landscape.





PEOPLE & COMMUNITY

Health and Safety

Occupational health and safety are our top priorities and are integral to GCC's values. At GCC, we perform our jobs responsibly and minimize the risks that could endanger the safety of our employees and other people who interact with our operations. We continuously pursue the reduction of health and safety risks and exceed government regulations.

Our focus is on establishing a zero-incident culture, driving standardization, creating a culture that promotes active employee engagement and operating in a sustainable manner to secure our long-term success.

The Health and Safety Committee creates and manages strategic work plans to maintain employee safety and well-being. A Health and Safety functional organization is defined for each division, down to the site level. In addition, every plant has a health and safety committee to achieve the safest possible performance on every job site and protect employees, contractors, customers and the public against any potential hazards related to our operations.



All GCC business units maintain a Health and Safety Improvement Plan. The plan is reviewed and updated regularly by the unit's management who monitor progress against targets. The directors sign the policy, ensure it is relevant to their business unit and communicate the policy to all staff and stakeholders.

In 2019 GCC implemented a health and safety management process to demonstrate our commitment and reinforce expectations for the entire organization. The focus of this process is on behavior-based safety training, safety committee improvements, enhanced regulatory compliance and creating synergies between U.S. and Mexico operations.

In order to ensure that health and safety is top of mind with employees and stakeholders, GCC regularly provides training and education as well as communicates health and safety topics through various channels.

Health and safety topics and case studies are featured in newsletters and on communication stations.

Pueblo Earns ISO Certification

GCC's Pueblo Plant earned the International Organization for Standardization (ISO) certification in the Quality (9001), Environmental (14001) and Occupational Health & Safety (45001) Management Systems.

ISO is about continuous improvement and follows the Plan - Do - Check - Act cycle. It standardizes business processes, ensures companies are in legal compliance and creates customer satisfaction for both internal and external customers.



The team standardized documents, procedures and forms. That helped facilitate training of the workforce in a more systematic and organized manner. Each operational team performs daily inspections in designated areas of the plant. The checklists include Occupational Health & Safety (OH&S), Environmental and Quality criteria to ensure our processes run smoothly and environmental compliance mistakes are avoided.

Developing and improving safety procedures has been a high priority. Based on the Pueblo OH&S risk register, we initially generated 30 safety procedures to mitigate the highest ranked risks such as mobile equipment operation and cleaning of the preheater tower.

Many safety procedures now include pictures for clarification of the task. These safety procedures are an excellent basis for training new employees and fulfilling U.S. Mine Safety and Health Administration legal compliance.

In addition, the team identified all of the environmental aspects (risks) and impacts associated with the activities at the plant. They then ranked the aspects/impacts and created objectives to further reduce environmental risks.

“The Integrated Management System (IMS) gives us peace of mind. We now have a systematic way to follow the IMS policy and achieve our objectives, which are aligned with GCC goals,” said Alex Alarcon, plant manager. “It is an efficient way of complying with our obligations, integrating training, improving communication and having the correct and current documentation.”

2019 Lytx[®] Driver of the Year Award

DeAnn Martwick won third place in the worldwide 2019 Lytx Driver of the Year awards for the waste/construction category. Winners were selected from more than 850,000 drivers worldwide who use the Lytx Driver Safety Program. Lytx is a global leader in video telematics, analytics, productivity and safety solutions for commercial and public sector fleets.

DeAnn has driven for GCC since 2007 and has a flawless safety record with the U.S. Department of Transportation. In the two years and 98,000 miles that GCC has used the Lytx DriveCam safety technology on its trucks, DeAnn hasn't had any scored or coachable events.

According to Lytx, they want to award drivers who demonstrate that “a deep-seated commitment to safety can have a positive impact on every individual, company and community they serve.”

DeAnn made this difference on America's roadways in the spring of 2018, stopping her rig to call 911 when she spotted a pickup truck overturned by the side of a bridge. DeAnn found a young man lying in the ditch with a broken leg, the bone sticking out of his skin. He had used his belt as a tourniquet. In the seven hours this motorist had been lying next to his truck unable to find his phone, only DeAnn stopped to help. She even waited with him for more than an hour until paramedics took him to the hospital and the police had a statement.

It is no wonder DeAnn's co-workers describe her as kind, a motivator, a role model and a small package of tremendous joy. Luke Henrich, aggregate manager, wrote, “When DeAnn is put on a project, I don't have to worry about things not getting accomplished. She is very efficient, and from her experience she really gets the big picture. DeAnn shows pride in what she does.”



Klinkenberg Earns International Safety Certification

John Klinkenberg, health and safety manager at GCC Sun City Materials, earned the designation of Certified Mine Safety Professional (CMSP) from the Society for Mining, Metallurgy & Exploration and the International Academy of Mine Safety & Health.

CMSP is the premier, accredited safety certification for the worldwide mining industry. CMSP designation signifies that the health and safety professional has the experience in and knowledge of best practices and is dedicated to elevating those best practices on the job.



“I decided to pursue certification to confirm my understanding of mine safety so that I could help the people I work with,” John said. John worked on the certification for four years. Earning the certification requires determination. Candidates must have 10 years of mining experience (two in mine health and safety), be employed in a mining health and safety position, study the mine safety profession Body of Knowledge, pass the exam and pledge to abide by the CMSP Code of Conduct.

With more than 22 years in the industry, John began his career as fleet transportation manager in El Paso, Texas.

Tijeras Welding Strong

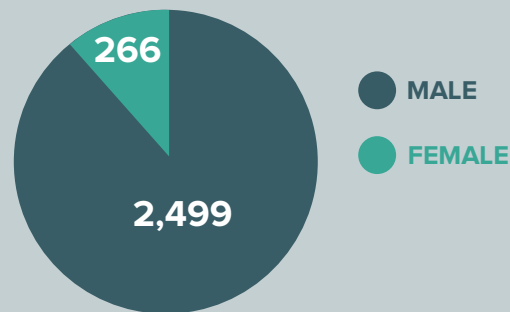
Eight Tijeras Plant employees earned welding certifications. An in-person, six-week class culminated with students receiving the certification and an auto-darkening welding hood. Course completion also provides opportunities for employees to earn more money and achieve higher-level career challenges or leadership roles.



Employee Relations

GCC assesses the performance of salaried employees through a program that sets objectives and annual goals. In addition, GCC's Talent Management Program ensures we have a succession path for high potential and high performers for 48 key positions. The program promotes employee development, encourages growth from within the company and creates opportunities for special assignments, projects or to study with subject matter experts. Talent committees, under the direction of the senior leadership team, identify staff for the program and create individual development plans to ensure they have the appropriate training. Since the program's inception, more than 250 employees have participated, roughly 25% of our salaried staff.

Employees by Gender



trade unions: Rapid City, Odessa and Trident. Trade unions representing those employees include United Steelworkers, North America's largest industrial union, and the International Brotherhood of Boilermakers. In Mexico, the three cement plants (Chihuahua, Juarez and Samalayuca) are unionized. These unions are part of the national Cement Industry Workers Union. Formal agreements with trade unions include health and safety topics.

GCC provides professional development opportunities to all employees and fosters a culture of continuous improvement and high performance through GCC University. GCC University offers online, bilingual courses and workshops in three areas: institutional education, career development and technical training. In addition, GCC has a skills certification program to promote professional development in Mexico. In 2019, GCC University provided almost 22,000 hours of training.

GCC supports workers' rights to exercise freedom of association and collective bargaining and maintains productive relationships with union boards. Approximately 33% of our total workforce is unionized. Employees in three U.S. plants are represented by

Employees by Region



New Hires by Age, Gender and Region

	MEXICO		UNITED STATES	
AGE	MALE	FEMALE	MALE	FEMALE
UNDER 30	126	13	66	4
30 TO 50	108	3	116	14
OVER 50	5	0	42	0
TOTAL	239	16	224	18
RATE	8.6%	0.6%	8.1%	0.7%

GCC Ranked Top Employer in US & Mexico

GCC was recognized for the fourth consecutive year as one of Mexico's best companies by the Great Place to Work® Institute, an organization considered to be a global authority in workplace culture. GCC Mexico's Great Place to Work ranking increased to 14th from 30th place last year, and from 70th two years ago. In 2019, the U.S. Division was certified for the first time. This is a strong affirmation of our success in strengthening diversity, work/life balance, growth opportunities, corporate culture and a positive work environment.



The Great Place to Work® Institute evaluates a company with surveys and audits of corporate culture. Information is obtained about the level of trust that employees experience in their leaders, the level of pride they have in their jobs and the extent to which they enjoy their colleagues.

Community

Throughout GCC's history we have contributed to the communities where employees live and work. We believe it is our responsibility to give back to local, regional and national charities because they affect each and every one of us. We partner with community organizations that promote education, social welfare, infrastructure and culture.

In Mexico, the GCC Foundation is the cornerstone of our community collaboration. The GCC Foundation invests in communities through education and programs that transform society where GCC has a presence. For example, the Foundation donates to educational institutions. In the United States, each facility selects community partners to represent the employees and GCC.

Socially Responsible Company Award

For the 15th consecutive year, GCC received the Socially Responsible Company Award from the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía, Cemefi) and AliaRSE. Latin American companies that meet the standards of corporate social responsibility, including economic and environmental areas, are considered for the certification. The award is based on self-analysis of 120 indicators as documented by the company and verified by the Cemefi.



Reading, Writing and Robotics

More than 100 fifth-grade students from Belle Fourche School District toured the Rapid City Plant to learn about cement production. The tour included visiting the cement lab and the control room where students could see the lab robot and the control room screen showing the inside of the kiln. Students learned about raw materials used to make the cement, how the kiln works, processing the clinker, and shipping cement to customers. Before the tour started, students were given a safety talk and were outfitted with personal protective gear.

Students could also explore a semi truck and trailer as well as a ready-mix truck. Some even played with the raw materials used to make cement.



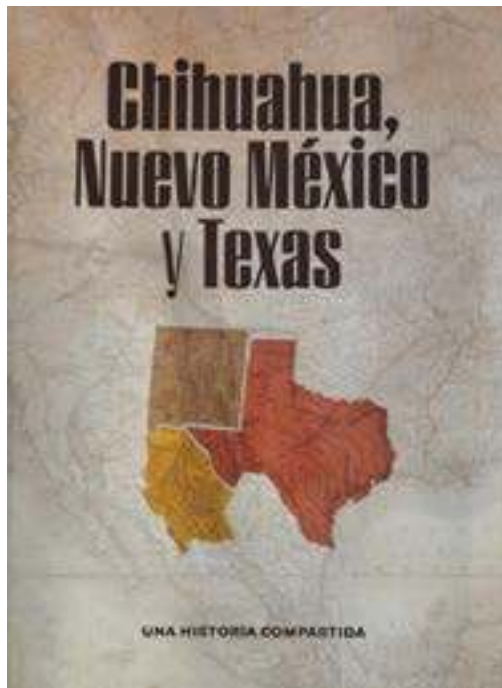
Giving Back

Sandbagging in South Dakota

The spring of 2019 saw record flooding throughout much of the Midwest. GCC came to the aid of our friends and neighbors in Aberdeen, South Dakota, during the floods. GCC provided sand for sandbags to protect people's homes and businesses. We helped fill more than 1,000 sandbags distributed throughout the area.



 Nicole Monanian - Northern State University Swim Club



Chihuahua, New Mexico and Texas

With the publication of “Chihuahua, Nuevo México y Texas” in 2019, GCC is well into its second decade of highlighting the history and culture of Chihuahua and its people.

This book chronicles the history and development of this binational border region and showcases what makes the area special. The history comes from the chronicles that account for life in that region of New Spain during the viceroyalty. The region took on a new configuration after the war between Mexico and the United States in 1847; it was then that its binational character first appeared.

From the second half of the 20th century, significant changes took place in the economic, social and cultural arenas of this strip of land that brings together the three states. “Chihuahua, Nuevo México y Texas” enlightens us all on the shared history, its binational nature, the livestock corridor and the agriculture impact.



Trident Plant environmental engineer Greg Gannon and quarry supervisor Nate Allen check out the project.

Trident on a Roll with Bike Trail

Trident Plant's quarry supervisor Nate Allen and his crew worked with a local hauler to donate gravel for a parking lot at the head of a mountain biking trail.

Copper City Trails is a project by the Southwest Montana Mountain Bike Association (SWMMBA) in partnership with the Bureau of Land Management (BLM). The plan calls for approximately 18 miles of bike-optimized trails open to hikers and trail runners. The project encompasses a wide range of trails including beginner-friendly trails, technical ridge trails, flow trails and two downhill-only bike-only trails. A youth-focused skills park with dirt jumps and a pump track catering to all ages and abilities is planned.

Nate worked with the BLM and the SWMMBA for more than a year on the project. While locals use the trails frequently, the trails are also a destination for mountain bikers and hikers from across the country. The trails can usually be accessed year-round which is unusual in the area.

The land holds a special place in Nate's heart. He grew up nearby and hikes and hunts on the land.



Let's Plant Together



A volunteer program, Let's Plant Together, was created by GCC ready-mix employees in the Juarez, Chihuahua, facilities to improve and protect communities by planting trees in schools, parks and around GCC's facilities.

The first phase of the program was the donation of trees through an outreach campaign on GCC ready mix's Facebook page in Mexico. Participants were asked to post a photo with an explanation on why they wanted to plant a tree. The winning submissions were from two children who asked to plant trees at parks in their neighborhoods.

The second phase involved employees inviting community members to participate in planting 70 trees at GCC's ready-mix plants. Students from CONALEP, the National College of Professional Technical Education, the Technology Hub, neighbors and Red Cross members participated.



The third phase was the donation and planting of 40 trees at Technical High School No. 95, in collaboration with the State Ministry for Rural Development. More than 200 volunteers participated, including employees and members of civil society organizations, Alianzas Educativas and Comunidad de Cambios Ecológicos.

By involving the community in this inclusive and collaborative program, GCC's builds stronger relationships with neighbors.



ANNEXES

About This Report

We present to the GCC stakeholders the annual Sustainability Report that provides the corporation's main results as well as our progress toward achieving sustainability goals from January 1 - December 31, 2019.

This report has been formally reviewed and approved by our CEO and was released publicly at the April 2020 Shareholders Meeting.

Aligned to the Global Reporting Initiative

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, without external verification. GRI principles for defining content include stakeholder inclusiveness, sustainability context, materiality and completeness.

We strive to be at the vanguard of sustainability reporting and continually refine our reporting process to strengthen this area of our communication strategy.

GCC's Sustainability Committee, chaired by the CEO, is responsible for the content of this report. To ensure the accuracy of report, the Committee analyzes and approves each topic.

GCC welcomes any feedback or questions from stakeholders regarding this report. Please contact us via email at corporate.communication@gcc.com.



Associations



**Global
Cement and
Concrete
Association
(GCCA)**

The Global Cement and Concrete Association (GCCA) is the globally trusted, authoritative platform and voice for the cement and concrete industry. The aim of GCCA is to drive responsible industry leadership in the manufacture and use of cement and concrete, to improve the global, social and environmental impact of the sector's activities and products, and to foster innovation and collaboration with industry associations and inspiring architects, engineers and innovators along the length of the built-environment value chain. All full members comply with GCCA's Sustainability Charter.



CESPEDES

The Private Sector Studies Commission for Sustainable Development (CESPEDES) was founded to face the challenges of sustainable development posed by the incorporation of Mexico into global markets. CESPEDES is the Mexican chapter of the Business Council for Sustainable Development, WBCSD (World Business Council for Sustainable Development) and belongs to the Business Coordinating Council (CCE). CESPEDES represents a variety of extraction, manufacturing and consumer businesses that have a common interest in facing the challenges of sustainable development.



**United
Nations
Global
Compact**

As the world's largest corporate sustainability initiative, the United Nations (U.N.) Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and undertake steps to support U.N. goals. The Compact requires companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and to take actions that advance societal goals. As a participant in the U.N. Global Compact, a company sets in motion changes to business operations so that the Compact and its principles become part of strategy, culture and day-to-day operations. Associate members communicate with their stakeholders on an annual basis about its progress.



**Mexican
Chamber of
Cement**

The national Mexican Chamber of Cement (CANACEM) is an autonomous body designated by the Mexican Secretary of Economy to represent, promote and defend the interests of the cement sector and adopt programs that contribute to the development and expansion of economic activities, safety, sustainability and innovation. CANACEM serves as a consultative and collaborative body for the needs, problems and activities of the cement industry, as well as the design and execution of policies, programs and instruments that facilitate and promote the expansion of general economic activity.



Portland Cement Association

The Portland Cement Association (PCA) is the premier policy, research, education and market intelligence organization serving America's cement manufacturers. PCA members represent 91% of U.S. cement production capacity with facilities in all 50 states. PCA promotes safety, sustainability and innovation in all aspects of construction, fosters continuous improvement in cement manufacturing and distribution, and generally promotes economic growth and sound infrastructure investment.



National Ready Mixed Concrete Association

The National Ready Mixed Concrete Association (NRMCA) is the leading industry advocate for ready-mix concrete, providing research, education and advocacy to its members. NRMCA has several committees where members and professional staff work together to support the mission and develop sustainability initiatives to uphold principles of sustainable development.



Socially Responsible Company

For 15 years, GCC has been recognized by the Mexican Center for Philanthropy (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE) as a socially responsible business. The voluntary and publicly committed ESR® distinction is given to organizations with socially responsible management and continuous improvement as part of their culture and business strategy. The ESR® distinction is given every year to ensure companies maintain a culture of social responsibility.



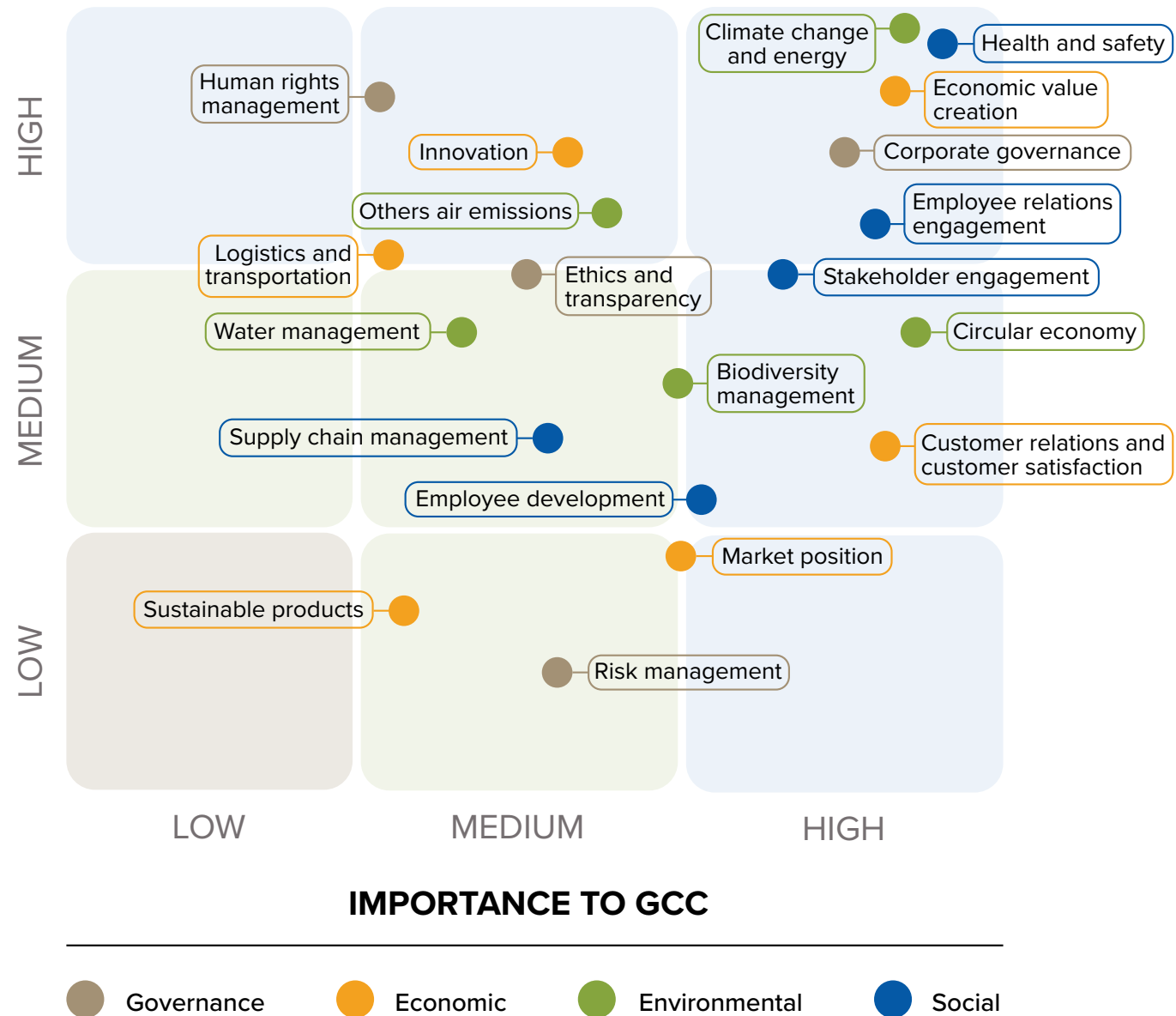
Materiality

We use a materiality analysis to determine how important individual sustainability issues are for GCC's stakeholder groups. The analysis helps us identify and evaluate issues and trends that are critical for our success today and in the future.

To determine relevant topics for GCC, we considered our strategic objectives, compared sustainability topics in the cement industry, identified the topic series of the GRI Standards and examined the relevance of other industry requirements to the business. This resulted in 20 action areas that we structured, consolidated and allocated to the relevant GRI topic areas.

We conducted an analysis from the stakeholder perspective and determined the social, economic and environmental impact of our business activities.

STAKEHOLDER CONCERN



Performance Data

The information in this table was compiled using the Key Performance Indicators from the Global Cement and Concrete Association.

Occupational Health and Safety

	2017	2018	2019
NUMBER OF FATALITIES (DIRECTLY EMPLOYED)	0	0	0
FATALITY RATE (DIRECTLY EMPLOYED)	0	0	0
NUMBER OF FATALITIES IN CONTRACTORS (INDIRECTLY EMPLOYED)	0	0	0
NUMBER OF FATALITIES IN THIRD PARTIES	0	0	0
LOST TIME INJURY FREQUENCY RATE (DIRECTLY EMPLOYED)	12.81	10	8.68
LOST TIME INJURY SEVERITY RATE (DIRECTLY EMPLOYED)	299.95	197.68	267.57
LOST TIME INJURY FREQUENCY RATE (INDIRECTLY EMPLOYED & CONTRACTORS)	NA	NA	NA

Emissions Monitoring and Reporting

	UNIT	2017	2018	2019
ABSOLUTE NOX EMISSIONS	metric ton NOx/year	3,726	3,768	3,883
SPECIFIC NOX EMISSIONS	grams NOx/metric ton clinker	1,643	1,654	1,540
ABSOLUTE SO2 EMISSIONS	metric ton SO2/year	288	325	464
SPECIFIC SO2 EMISSIONS	grams SO2/metric ton clinker	127	143	184
ABSOLUTE PARTICULATE MATERIAL EMISSIONS	metric ton PM/year	20	22	33
SPECIFIC PARTICULATE MATERIAL EMISSIONS	grams PM/metric ton clinker	8.8	9.6	13.1
OVERALL COVERAGE RATE OF CLINKER PRODUCED WITH MONITORING OF ALL POLLUTANTS	%	81%	84%	100%
COVERAGE RATE CONTINUOUS MEASUREMENT OF CLINKER PRODUCED WITH CONTINUOUS MONITORING OF MAIN POLLUTANTS	%	62%	58%	62%

Fuels and Materials Use

	UNIT	2017	2018	2019
SPECIFIC HEAT CONSUMPTION OF CLINKER PRODUCTION	MJ/ton clinker	3,987	3,997	3,893
ALTERNATIVE FUELS RATE	%	3.5%	2.6%	3.6%
BIOMASS FUEL RATE	%	6.2%	6.5%	5.5%
ALTERNATIVE RAW MATERIALS RATE	%	2.1%	2.03%	2.08%
CLINKER/CEMENT RATIO	%	87.9%	87.8%	88.1%



CO2 and Energy Management

	UNIT	2017	2018	
TOTAL CO2 EMISSIONS - GROSS	million metric tons/year	3.4	3.36	3.48
TOTAL CO2 EMISSIONS - NET	million metric tons/year	3.35	3.32	3.44
SPECIFIC CO2 EMISSIONS - GROSS	kg/metric ton cementitious material	759	755	754
SPECIFIC CO2 EMISSIONS - NET	kg/metric ton cementitious material	749	747	744

Water

	UNIT	2017	2018	2019
TOTAL WATER WITHDRAWAL - WATER DISCHARGE = WATER CONSUMPTION	m ³ /year	758,420	1,102,514	1,183,377
AMOUNT OF WATER CONSUMPTION PER UNIT OF PRODUCT	liters/metric ton of cementitious	203.9	258.4	262.2

GRI Content Index

GRI STANDARD		DESCRIPTION	PAGE	COMMENT
General Disclosures				
ORGANIZATIONAL PROFILE				
102-1	Core	Name of the organization		Grupo Cementos de Chihuahua, S.A.B. de C.V.
102-2	Core	Activities, brands, products, and services	3, 4, 12	
102-3	Core	Location of headquarters		Chihuahua, Chihuahua, Mexico
102-4	Core	Location of operations	3	Mexico, United States
102-5	Core	Ownership and legal form		Grupo Cementos de Chihuahua, S.A.B.de C.V.
102-6	Core	Markets served	3	
102-7	Core	Scale of the organization	4, 23, 44	
102-8	Core	Information on employees and other workers	44	
102-9	Core	Supply chain	13	
102-10	Core	Significant changes to the organization and its supply chain	7, 27	
102-11	Core	Precautionary Principle or approach	12	GCC is committed to mitigating the environmental impacts from our operations by managing emissions, biodiversity and water
102-12	Core	External initiatives	7, 8, 11, 30	
102-13	Core	Membership of associations	52, 53	
STRATEGY				
102-14	Core	Statement from senior decision-maker	2	
102-15		Key impacts, risks, and opportunities	25	
ETHICS AND INTEGRITY				
102-16	Core	Values, principles, standards, and norms of behavior	5	
102-17		Mechanisms for advice and concerns about ethics	5	

GOVERNANCE				
102-18	Core	Governance structure	20	
102-19		Delegating authority	16, 17, 33	The President of the Board of Administration delegates authority for economic, social and environmental issues to the General Director
102-20		Executive-level responsibility for economic, environmental, and social topics	21	
102-21		Consulting stakeholders on economic, environmental, and social topics workers	21	
102-22		Composition of the highest governance body and its committees	20-21	
102-23		Chair of the highest governance body	21	
102-24		Nominating and selecting the highest governance body vices	20	
102-25		Conflicts of interest	5	
102-26		Role of highest governance body in setting purpose, values, and strategy	5, 20	
102-27		Collective knowledge of highest governance body		See Annual Report: Members of the Management Board have experience in economic, environment and social affairs
102-28		Evaluating the highest governance body's performance		Information on performance assessment unavailable
102-29		Identifying and managing economic, environmental, and social impacts	20	
102-30		Effectiveness of risk management processes workers		Managed by the Risk Management and Internal Audit
102-31		Review of economic, environmental, and social topics		The management team and shareholders meet monthly to review progress on economic, environmental or social initiatives
102-32		Highest governance body's role in sustainability reporting and its supply chain		The Chairman of the Board evaluates and approves the Sustainability Report
102-33		Communicating critical concerns		Board of Directors meetings held monthly to address critical concerns
102-34		Nature and total number of critical concerns	20	
102-35		Remuneration policies		There is no policy; remuneration agreement is established for individual compensation

GRI STANDARD		DESCRIPTION	PAGE	COMMENT
102-36		Process for determining remuneration and its supply chain		The Directors establish remuneration based on responsibilities
102-37		Stakeholders' involvement in remuneration		The Directors establish remuneration based on responsibilities
102-38		Annual total compensation ratio		Information unavailable
102-39		Percentage increase in annual total compensation ratio		Information unavailable

STAKEHOLDER ENGAGEMENT

102-40	Core	List of stakeholder groups	14-15	
102-41	Core	Collective bargaining agreements	14	
102-42	Core	Identifying and selecting stakeholders	14	
102-44	Core	Key topics and concerns raised	15	
102-43	Core	Approach to stakeholder engagement	15	

REPORTING PRACTICE

102-45	Core	Entities included in the consolidated financial statements		See Annual Report
102-46	Core	Defining report content and topic boundaries	51	
102-47	Core	List of material topics	54	
102-48	Core	Restatements of information		We had environmental, social and economic effect restatement of information by Trident Plant acquisition
102-49	Core	Changes in reporting		Because of our acquisition of the Trident Plant, we have (or are in the process of) recalculating all base criteria.
102-50	Core	Reporting period	51	
102-51	Core	Date of most recent report	51	
102-52	Core	Reporting cycle	51	
102-53	Core	Contact point for questions regarding the report	51	
102-54	Core	Claims of reporting in accordance with the GRI Standards	51	"In accordance" core option.
102-55	Core	GRI content index	57	
102-56	Core	External assurance	51	

Management Approach

103-1		Explanation of the material topic and its boundary	54	
103-2		The management approach and its components	19, 28, 40	
103-3		Evaluation of the management approach	19, 28, 40	

Economics

ECONOMIC PERFORMANCE

201-1		Direct economic value generated and distributed	26	
201-2		Financial implications and other risks and opportunities due to climate change	25	
201-3		Defined benefit plan obligations and other retirement plans		GCC has implemented procedures to meet retirement plan goals
201-4		Financial assistance received from government		Financial support is available on select projects from Mexico's CONACYT agency

MARKET PRESENCE

202-1		Ratios of standard entry level wage by gender compared to local minimum wage		GCC makes no gender distinction. Currently, there are no positions earning minimum wage
202-2		Proportion of senior management hired from the local community	20	

INDIRECT ECONOMIC IMPACTS

203-1		Infrastructure investments and services supported	27	
203-2		Significant indirect economic impacts		See Annual Report

PROCUREMENT PRACTICES

204-1		Proportion of spending on local suppliers	16	
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ANTI-CORRUPTION

205-1		Operations assessed for risks related to corruption		All of our subsidiaries are ruled by the Federal Law of Prevention and Federal Law for Identification of Operations with Resources from Illegal Origin
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205-2		Communication and training about anti-corruption policies and procedures	5	
205-3		Confirmed incidents of corruption and actions taken		All of our subsidiaries are ruled by the Federal Law of Prevention and Federal Law for Identification of Operations with Resources from Illegal Origin

ANTI-COMPETITIVE BEHAVIOR

206-1		Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		See Annual Report
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Environment

MATERIALS

301-1		Materials used by weight or volume	34, 56	
301-2		Recycled input materials used	34, 56	
301-3		Reclaimed products and their packaging materials		Information unavailable

ENERGY

302-1		Energy consumption within the organization	29, 31, 56	
302-2		Energy consumption outside of the organization		No energy consumption outside the organization
302-3		Energy intensity	31	
302-4		Reduction of energy consumption	31	
302-5		Reductions in energy requirements of products and services		Information unavailable

WATER AND EFFLUENTS

303-1		Water withdrawal	38, 56	
303-2		Water discharge	38, 56	No affected water sources have been identified to date
303-3		Water consumption	38, 56	Recycled water is used for irrigation and control of particulate emissions.

BIODIVERSITY

304-1		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	38	
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304-2		Significant impacts of activities, products, and services on biodiversity		There is an impact on biodiversity at cement plant quarries
304-3		Habitats protected or restored	38	Reclamation plans exist for cement plan quarries
304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations		

EMISSIONS

305-1		Direct (Scope 1) GHG emissions	35	
305-2		Energy indirect (Scope 2) GHG emissions	35	
305-3		Other indirect (Scope 3) GHG emissions		Information unavailable
305-4		GHG emissions intensity	35	
305-5		Reduction of GHG emissions	35	
305-6		Emissions of ozone-depleting substances (ODS)		No ODS is produced
305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	36	

EFFLUENTS AND WASTE

306-1		Water discharge by quality and destination	47	Majority of water is discharged to municipal sewage
306-2		Waste by type and disposal method		A consolidated report of the waste generated is unavailable
306-3		Significant spills		No significant spills during reporting period
306-4		Transport of hazardous waste		Not available
306-5		Water bodies affected by water discharges and/or runoff		No impacts to bodies of water by discharge or runoff

ENVIRONMENTAL COMPLIANCE

307-1		Non-compliance with environmental laws and regulations		No significant non-compliance
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SUPPLIER ENVIRONMENTAL ASSESSMENT

308-1		New suppliers that were screened using environmental criteria		Procurement Department is working on the new agreements to add environmental criteria and measure this indicator.
308-2		Negative environmental impacts in the supply chain and actions taken		Corporate Procurement Department is also working on measuring this type of indicators

People & Community

EMPLOYMENT

401-1		New employee hires and employee turnover	44	
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees		Health insurance, wellness program, supplementary insurance, seniority awards, retirement program, scholarships, employee discounts
401-3		Parental leave		Human Resources Department is also working on measuring this type of indicators

LABOR/MANAGEMENT RELATIONS

402-1		Minimum notice periods regarding operational changes		GCC complies with notice periods defined in bargaining agreements
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OCCUPATIONAL HEALTH AND SAFETY

403-1		Workers representation in formal joint management-worker health and safety committees	40	
403-2		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	40	
403-3		Workers with high incidence or high risk of diseases related to their occupation		The Organization is working on occupational health to identify such diseases
403-4		Health and safety topics covered in formal agreements with trade unions		Health and safety issues are covered in labor agreements

TRAINING AND EDUCATION

404-1		Average hours of training per year per employee		A consolidated report of hours of training is unavailable
404-2		Programs for upgrading employee skills and transition assistance programs	44	
404-3		Percentage of employees receiving regular performance and career development reviews	44	

DIVERSITY AND EQUAL OPPORTUNITY

405-1		Diversity of governance bodies and employees	20	
405-2		Ratio of basic salary and remuneration of women to men		Information unavailable

NON-DISCRIMINATION

406-1		Incidents of discrimination and corrective actions taken		No incidents of discrimination during reporting period
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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1		Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Information unavailable
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CHILD LABOR

408-1		Operations and suppliers at significant risk for incidents of child labor		Information unavailable
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FORCED OR COMPULSORY LABOR

409-1		Operations and suppliers at significant risk for incidents of forced or compulsory labor		Information unavailable
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SECURITY PRACTICES

410-1		Security personnel trained in human rights policies or procedures		Human rights addressed in Code of Ethics, which applies to all staff
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RIGHTS OF INDIGENOUS PEOPLES

411-1		Incidents of violations involving rights of indigenous peoples		No incidents related to rights of indigenous peoples
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HUMAN RIGHTS ASSESSMENT

412-1		Operations that have been subject to human rights reviews or impact assessments		Information unavailable
412-2		Employee training on human rights policies or procedures		All employees receive training on Code of Ethics
412-3		Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Information unavailable

LOCAL COMMUNITIES

413-1		Operations with local community engagement, impact assessments, and development programs	45-47	
413-2		Operations with significant actual and potential negative impacts on local communities		No significant negative impacts to local communities during reporting period

SUPPLIER SOCIAL ASSESSMENT

414-1		New suppliers that were screened using social criteria		Information unavailable
414-2		Negative social impacts in the supply chain and actions taken		Information unavailable

PUBLIC POLICY

415-1		Political contributions		No political contributions were made
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CUSTOMER HEALTH AND SAFETY

416-1		Assessment of the health and safety impacts of product and service categories		PRO-NOM-OO6-STPS-2017 is currently under assessment for materials handling
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents during reporting period

LOCAL COMMUNITIES

417-1		Requirements for product and service information and labeling		Cement sack labeling requirements in Mexico
417-2		Incidents of non-compliance concerning product and service information and labeling		No incidents during reporting period
417-3		Incidents of non-compliance concerning marketing communications		No incidents during reporting period

CUSTOMER PRIVACY

418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data		No substantiated complaints during reporting period
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SOCIOECONOMIC COMPLIANCE

419-1		Non-compliance with laws and regulations in the social and economic area		No incidents of non-compliance during reporting period
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