



The **power** of **unity**
in **sustainability**

2015 SUSTAINABILITY REPORT

02	Our Essence
03	What describe us
04	What Defines Us
06	A Letter from the Chief Executive Officer
08	Elementia in Figures
10	Relevant Issues in 2015
12	Sustainability Management
14	Corporate Governance
16	Board of Directors
17	Committees and Management
21	Ethics
24	Conflicts of interest
26	The Company's Shares
28	Company
29	General Overview
32	Our Human Capital
44	Customer Satisfaction
46	Suppliers
50	Environment
51	Environment
53	Management
53	Measurement
61	Investment
62	Environmental Awareness
64	Society
65	Community Links
67	Social Support
70	Dialog and Relations with our Stakeholders
72	Business Organizations to which Belong
74	Support for the Global Compact
76	Report Preparation Process
77	Materiality Study
80	GRI Index Content
87	Verification Letter

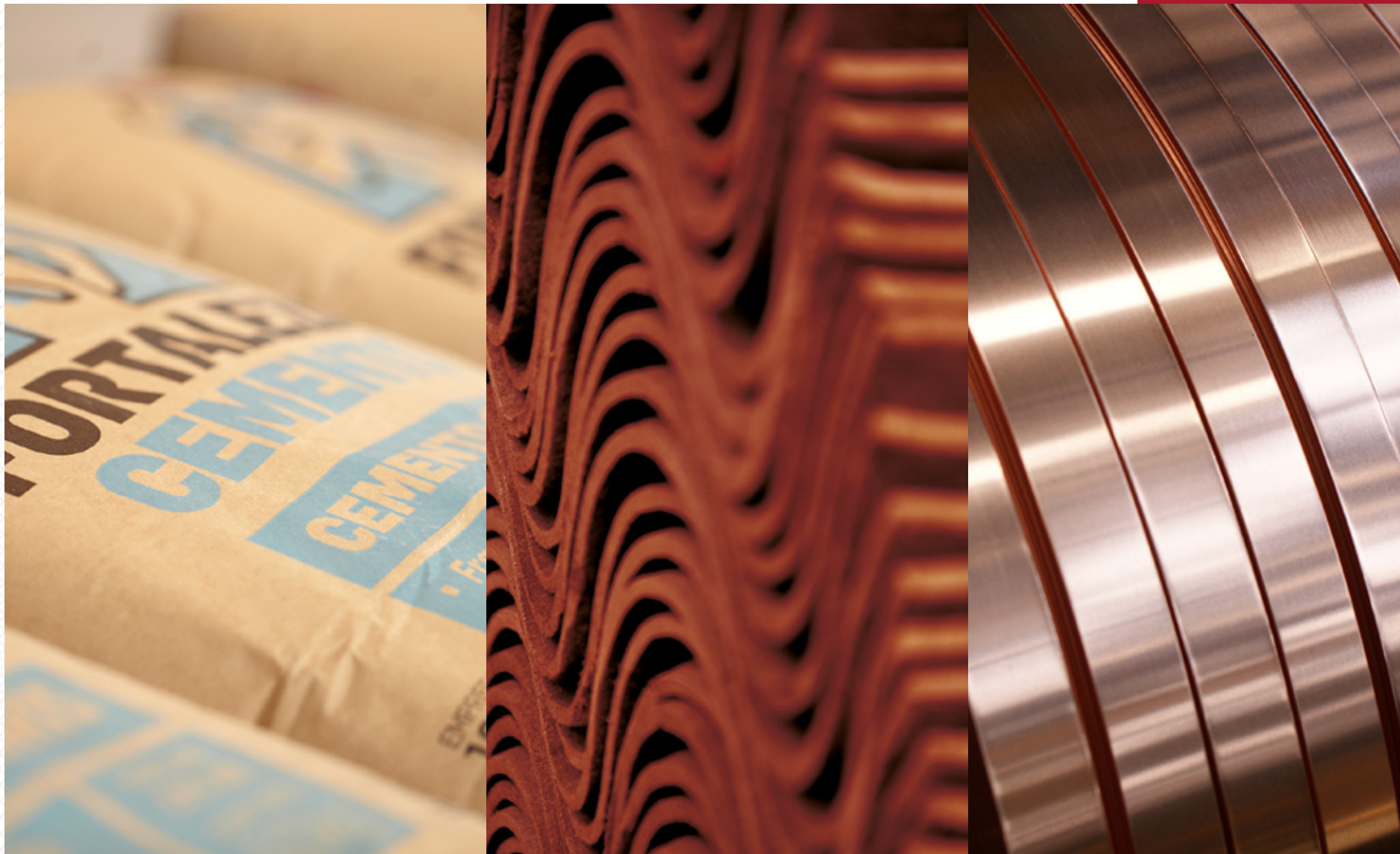
Index

ELEMENTIA, the greatness and value of a company is sustained in a single strategy, platform and commitment.



Our
Essence

Our Essence



We are an international Company that manufactures and markets products for the construction industry.

What Describes Us [G4-56]



Mission

To make the different in the world of construction by generating sustainable value for our shareholders, employees, customers and communities.



Vision

To be the preferred supplier in the construction industry.

Values



Integrity



Respect



Commitment

Philosophy



Focus on Results



Innovation



Security



Team work

We are a unique and integrated production, sales and distribution platform focused on the construction materials sector. Our capacity for synergies, cross-sales among Divisions and an extensive distribution network enables us to generate profitable and sustainable growth for our customers, investors, employees, the community and other stakeholders.

[G4-4, G4-6, G4-8, G4-9 y G4-10]

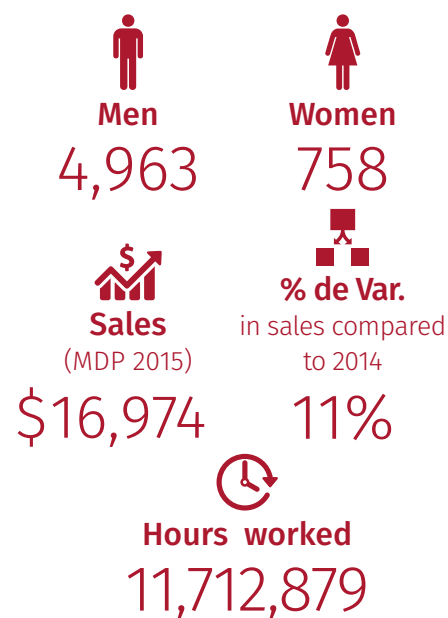
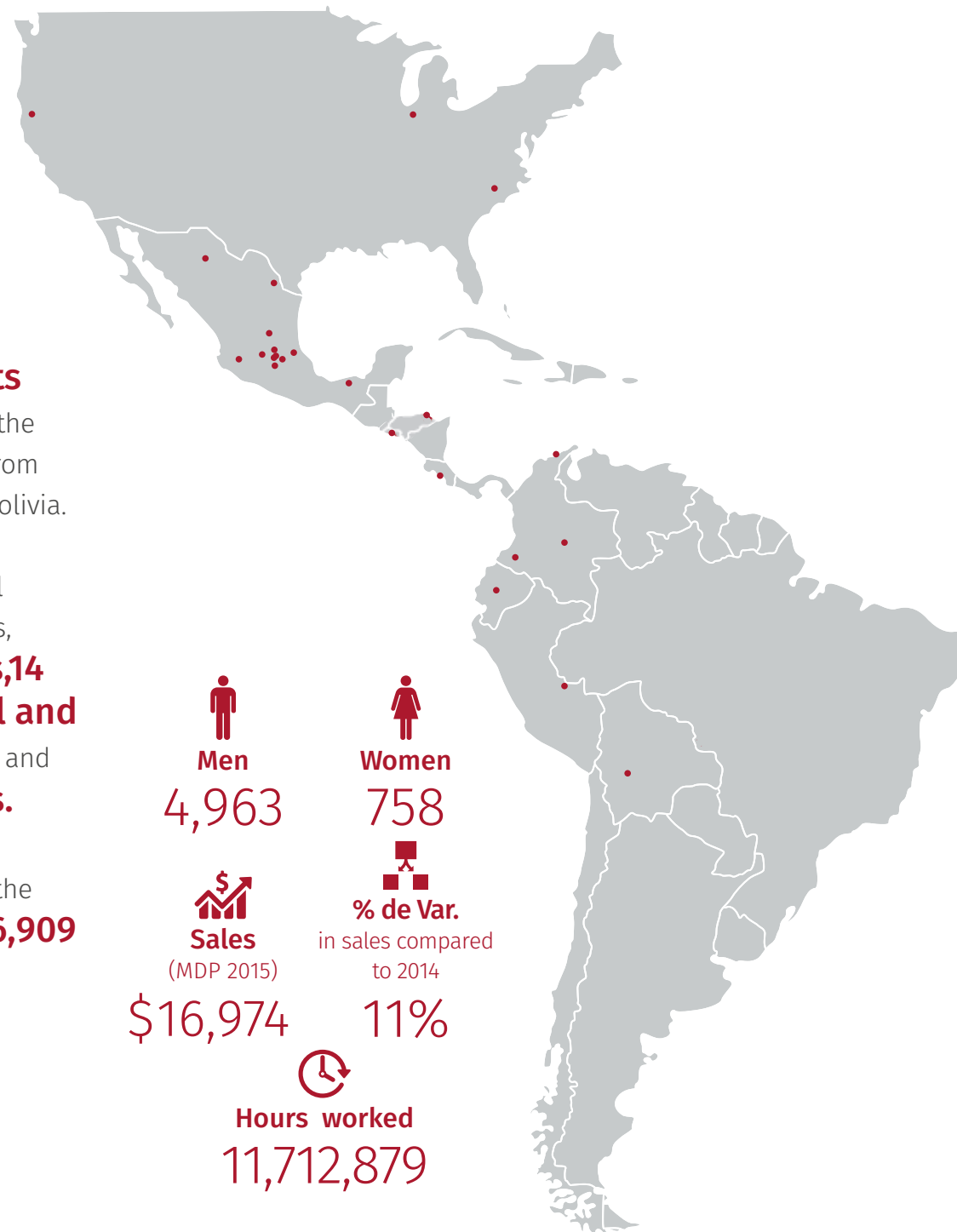
Our
Essence

What defines us

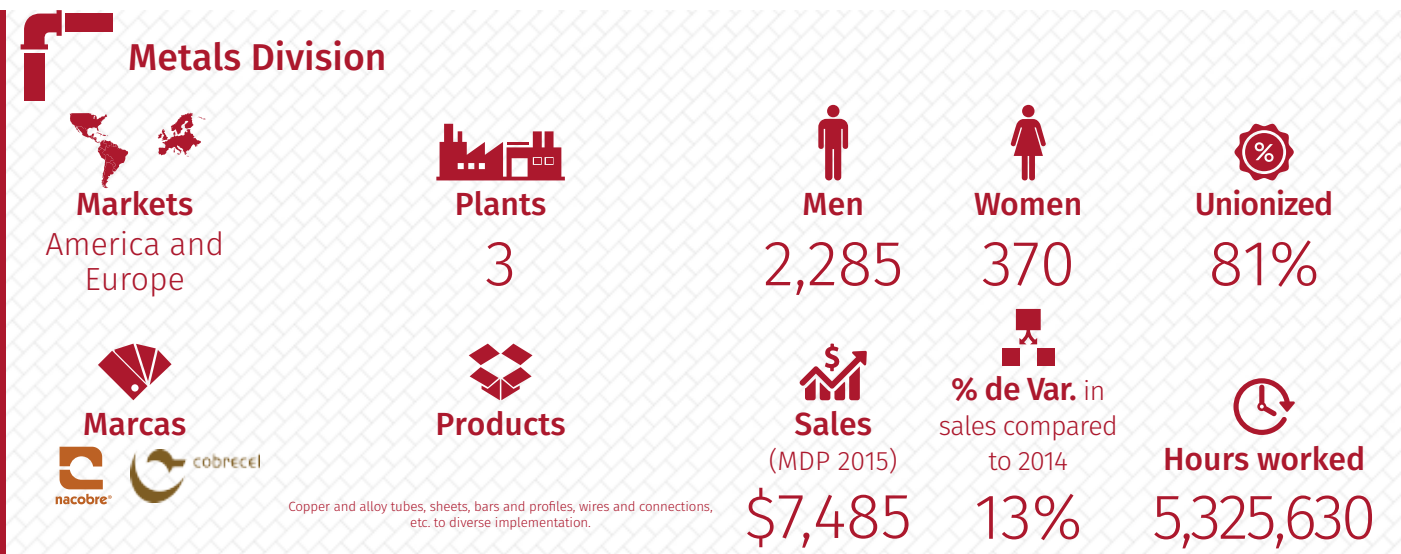
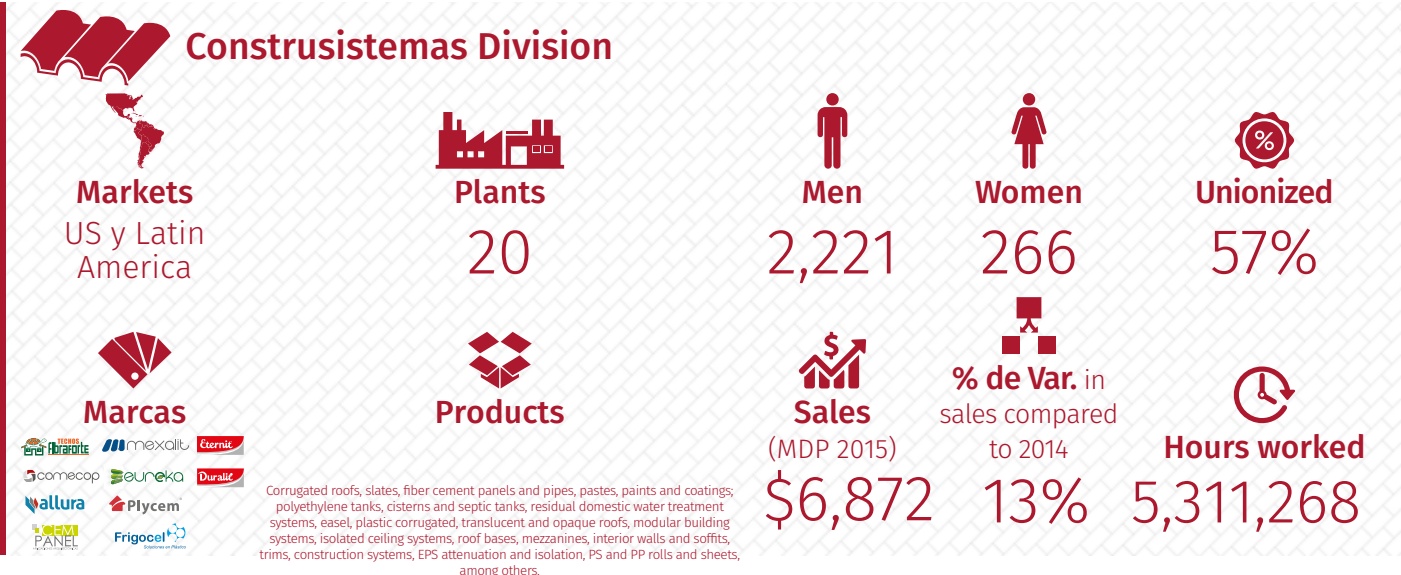
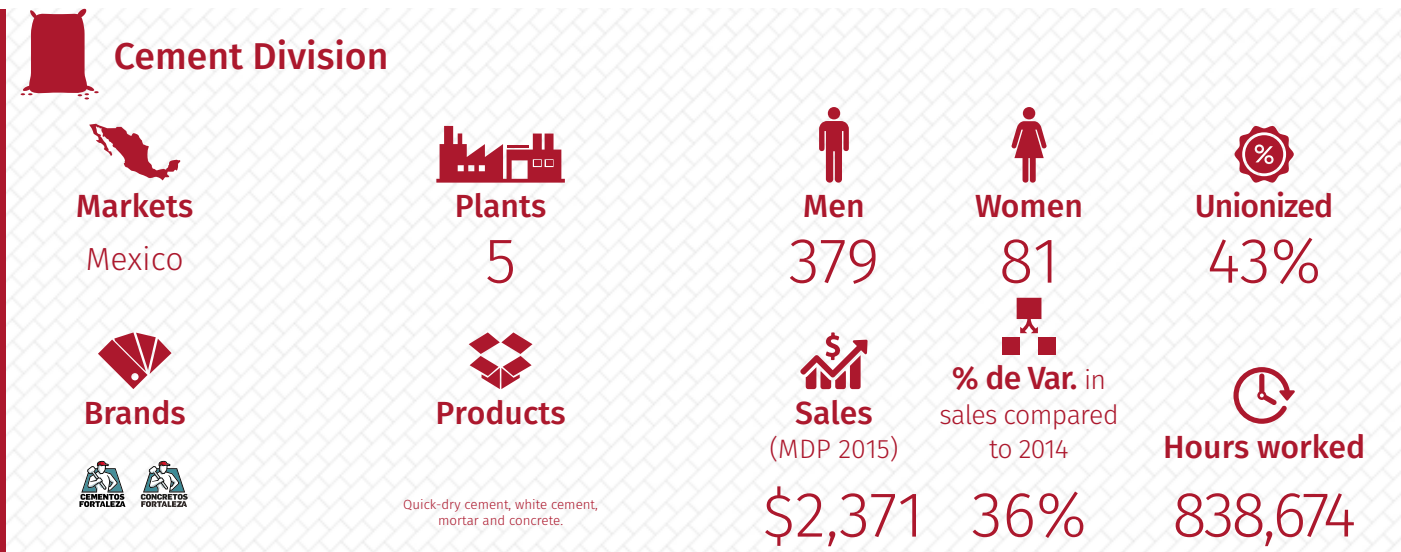
At Elementia, we have **28** operations in **production plants** in **9 countries** on the American continent, from the United States to Bolivia.

We have a commercial presence in 45 nations, **5,721 employees, 14 recognized local and regional brands** and **5,985 customers.**

In 2015, we achieved the production of **18,766,909 tons** of construction materials.



[G4-4, G4-6, G4-8, G4-9 y G4-10]



[G4-1, G4-2]

A Letter from the Chief Executive Officer

For all the people who form part of Elementia, presenting our fourth Sustainability Reports is undoubtedly a reason for satisfaction because it is proof of the our commitment to the sustainable management of our business. This responsibility contributes to our being the preferred supplier of the construction industry because we contribute to the sustained growth of our stakeholders' profitability, development and investments.

In 2015, we began a new phase for Elementia by becoming a public company. We have redoubled our efforts to ensure overall value to our key players, such as shareholders, employees, customers, clients and communities. That is why we reconfigured our business structure and operations into three Divisions: Cement, Metals and Construsistemas. We expanded our production capacity at the Fibraforte™ plant in Peru, while at the Cementos Fortaleza plant in Tula, Mexico, we restructured our liabilities and acquired the remaining 47% of Cementos Fortaleza. Elementia is now the 100% owner.

We also conceptualized and implemented our Sustainability Model, which represents the commitment

we have as a company to efficient management, as well as to environmental, support to the social development of the community and ethics in our conduct.

In 2015, our operating efficiency reached double-digits; proof of this can be seen in our sales, which reached \$ 16,974 million pesos, 11% more than in 2014. These figures contrast with the country's poor economic growth (2.5%) and the worldwide business panorama.

In this same period, we worked a total of 11,712,879 hours, which meant 2,310,861 more tons of product in comparison with the prior year. The accident rate reduced by 44% and we reach 107,440 hours for training for employees. In the same manner, we implemented improvements in the product transportation logistics in order to optimize response times to customers and distributors. These other actions allowed our productivity level to reach a historic level in 2015.

Also, at Elementia, we maintained and strengthened our commitment to the care and conservation of the environment. Our investment amounted to 101% compared to 2014, allocating \$32,789,975 pesos to environmental prevention and management, and



[G4-1, G4-SO8, G4-SO11, G4-PR4, G4-PR7, G4-PR8, G4-PR9]

\$9,404,899 pesos to the treatment of waste, emissions and the repairs. Although our production increased by 14% compared to 2014, our direct GEG emissions only rose by 4%, reflecting our internal efforts to reduce the carbon footprint of our operation.

On being co-responsible for the social development of our environment, in an alliance with Kaluz Foundation, we drove the integral development and well-being of people and communities. In 2015, Elementia donated \$12,000 million pesos to this organization. This donation had a positive impact on 39,956 people with environmental and social projects, as well as providing support in disasters and the construction of housing.

We maintain ethical and transparent management in our business. Therefore, in order to align our operation and control standards, we updated our Code of Ethics, established a complaint reporting system and

improved our internal processes. As a result of the foregoing, the authorities did not impose any type of fine or penalty on us in terms of environment, information privacy or any other regulation. This makes us feel proud because it tells us that we are on the right road.

Finally, I would like to thank all my co-workers at Elementia for all their hard work and professionalism because together, in all nine countries where we operate, we are the foundation of this great Company. Thanks also go to our shareholders and investors for their trust because they are the strategic pillars the guide our results, the communities in which we operate, but above all, our customers and consumer, who are our driving force to keep on improving every day.

I invite you to read our Sustainability Reports and by part of our sustainable strategy, platform and commitment.

Sincerely,

Fernando Ruiz Jacques
Chief Executive Officer

Elementia in Figures

Economic and financial



In 2015, we made a primary public share offer in Mexico of **186,520 thousand shares** and a total amount of **\$3,170,840 million pesos.**

Figures expressed in millions of mexican pesos	2015	2014	Var (%)
Net sales	\$16,974	\$15,331	11%
Gross Income	\$4,456	\$3,648	22%
Operating Results	\$1,849	\$1,604	15%
EBITDA*	\$3,002	\$2,675	12%

*EBITDA: Earnings before taxes, depreciation and amortization.



Net Sales
(MDP 2015)

\$16,974



% de Var. in sales
compared to 2014

11%

Social



*Amounts shown in mexican pesos

We donated **\$12,000,000** to the **Kaluz Foundation**, which has a positive impact on **39,956 people.**



The accident rate **reduced** by **44%.**



107,140 hours of training in 2015.

Environmental

A 14% increase in our production, which represented:



4% more CO₂ emissions.



6% less water consumption.



70% more electricity.



76% more material.



Amounts shown in Mexican pesos

Our **environmental investment increased** by **101%** compared to 2014, to reach **\$42,194,873**

\$32,789,975 was allocated to **environmental prevention and management.**

\$9,404,899 was allocated to the **treatment of waste, emissions and repairs.**

Ethics and Corporate Governance



We **updated** on **Code of Ethics** to meet stricter standards of quality, responsibility and transparency in our operations.



4 of **11** of our **Board members** are **independent.**



We have a **complaints line** and a **Compliance Committee** that guarantees the application of the Code.

Eventos relevantes 2015

January



Our new **Cement Division Director** starts

February



Appointment of **new Chief Executive Officer**

March



Hydros Campaign. World Water Day



Elementia awarded **the Socially Responsible Company** Distinction by the Mexican Philanthropy Center (CEMEFI) for the **fourth consecutive year.**

May



The **extension of Cementos Fortaleza's Tula Plant** authorized, based on strict environmental criteria.

July



Elementia trades on the **Mexican Stock Exchange (BMV).**



Launch of the **Fundación Kaluz** social impact award.

August



New robotic production line inaugurated at Plycem in **Costa Rica.**

September



Expansion commences of production capacity at our **Fibraforte plant in Peru.**



Hydros Month-Photography competition.

October



Distribution starts of our **Metals Division's products** in retail stores.



New automatic production line in Plycem, **El Salvador.**

November



Restructure of revolving credit line to increase amount **from USD\$ 300 to USD\$ 500 million.**

December



Final payment to Lafarge to acquire the remaining **47%** of **Cementos Fortaleza.**



20,920 km run to help society in the **+ Km Marathon.**

The **Plycem Expert Club**, 5000 people benefited, 926 graduates and hours of on-going training.

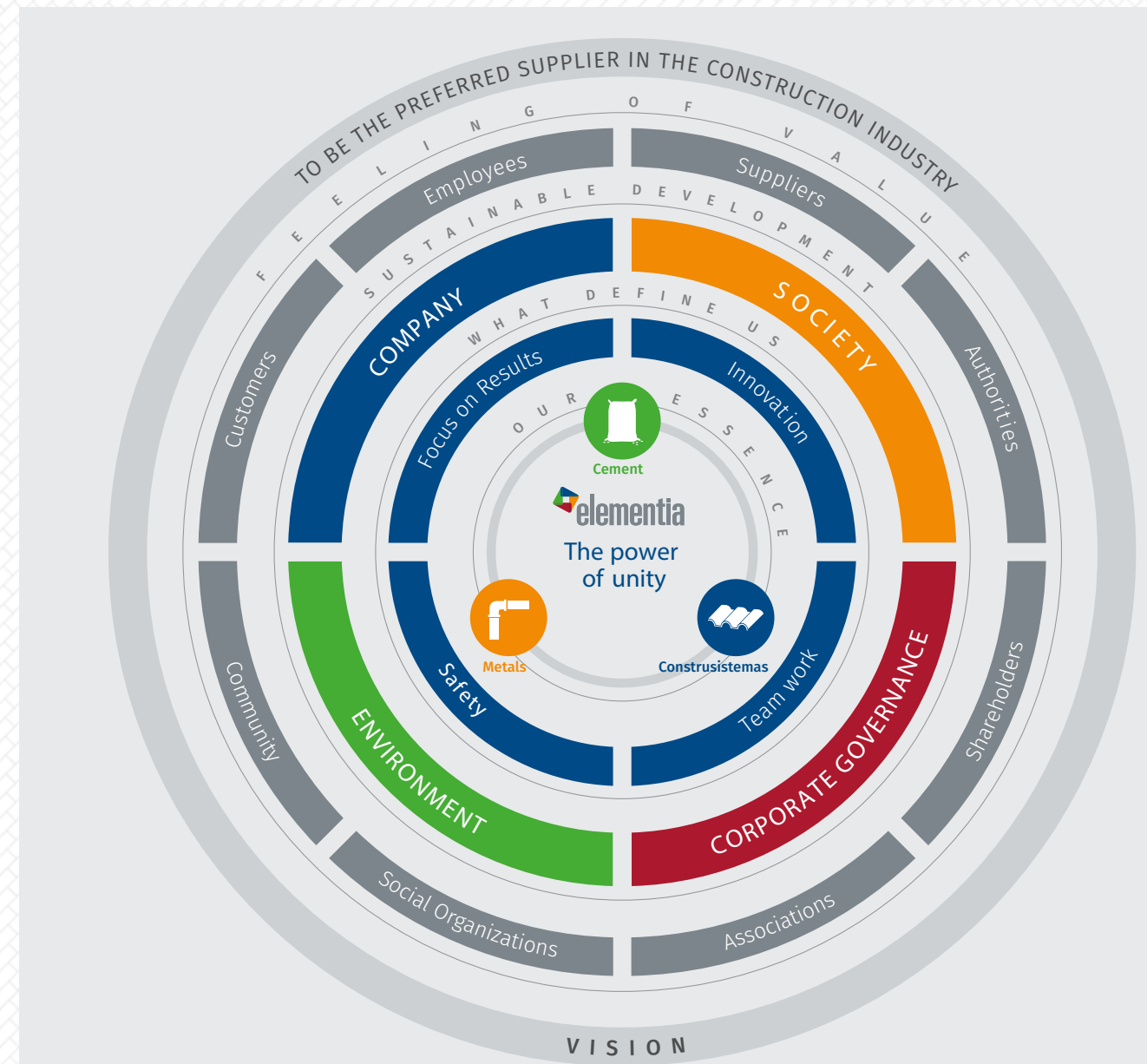
Sustainability Management

2015 was a year of changes and consolidation of efforts.

On becoming a public company, we renewed our strategy for the efficient control and management of our business in respond proactively to the commitment to our shareholders, the securities market and our stakeholders in general.

Based on the foregoing, the consolidation of the Sustainability Model and the creation of Elementia's Health, Safety and Sustainability Department, which constitutes the standard and management framework in this sphere, as well as being a valuable communication tool so that all our employees can know and understand their role within the sustainable management of the business.

The Health, Safety and Sustainability Department, which reports strategically directly to the Corporate Human Capital Department, leads all matters concerning these three issues, thus evidencing the synergy and relevance to the social, economic and environmental profitability of our Company.



LINES OF ACTIONS FOR SUSTAINABLE DEVELOPMENT

ENVIRONMENT

- Sustainable materials and processes
- Emissions
- Water
- Energy
- Waste
- Emissions
- Biodiversity

COMPANY

- Value Chain
- Customer Satisfaction
- Talent development and retention
- Operative excellence
- Occupational health and safety

SOCIETY

- Social support
- Community links

CORPORATE GOVERNANCE

- Transparency
- Regulatory compliance

Corporate Governance

Our **Corporate Governance** is committed to **best practices**.

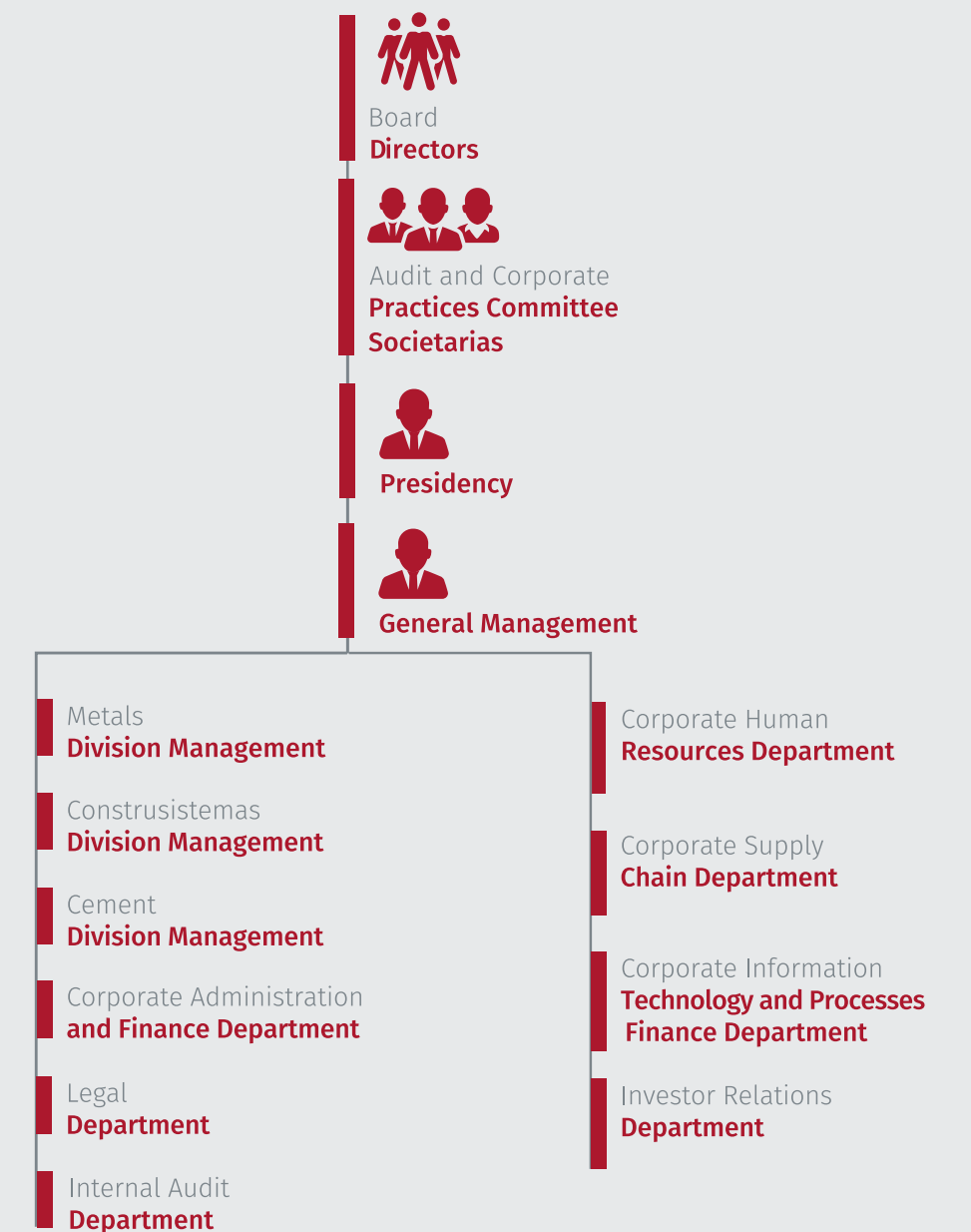
We have a solid corporate structure that supports our strategies, facilitates decision making, the control of the operation and the sustainability of the business.

Currently, we have a Board of Directors supported by several committees, as well as stakeholders and a committed management team. We also updated our Code of Conduct, which establishes how we act with our different stakeholders.

In the same manner, we aligned our securities market transactions to Mexican legislation, specifically, to the Securities Market Law.



We also adhere to the principles established in the Business Coordinating Council's Best Corporate Practices Code, particularly, the Independent Members' section since 36% of our Board members are independent.



4 out of 11 members
of our Board are
independent.

Our **Audit
Committee** is **100%**
independent.

Board of Directors

The members of the Board of Directors are appointed by the General Ordinary Shareholders' Meeting. The Board deals with the Company's corporate and business affairs.

Our Board of Directors consists of eleven owner-members, of which four are independent. They all have broad experience in very different areas of professional knowledge and activities, such as finance, economics, business, industry and energy, among others, as well as recognition and successful professional track records.

The Board of Directors' main responsibilities include the following:

- Determining strategy and defining internal business guidelines and policies.
- Approving transactions as required by our Corporate Bylaws.

The Board of Directors is supported in its tasks by the Audit and Corporate Practices Committee, the members of which, including its Chairman, are all independent.

Committees and Management

Audit and Corporate Practices Committee

Functions:

- Evaluate the Company's internal control and internal auditing systems to identify any significant deficiencies.
- Follow-up on the corrective and preventive measures adopted in the event of any breach of the operational and accounting guidelines or policies.
- Evaluate the performance of the external auditors.
- Describe and evaluate the services of the external auditor not related to the audit.
- Review the Company's financial statements.
- Evaluate the effects of any modification to the accounting policies approved during the fiscal year.
- Follow-up on the measure adopted in relation to the observations made by shareholders, members, relevant directors, employee and third parties on accounting, internal and external control and auditing systems, as well as dealing with any claim related to irregularities in the administration, including anonymous and confidential methods to process the reports filed by employees.
- Oversee the compliance of the agreements adopted at General Shareholders' and Board of Directors' Meetings.

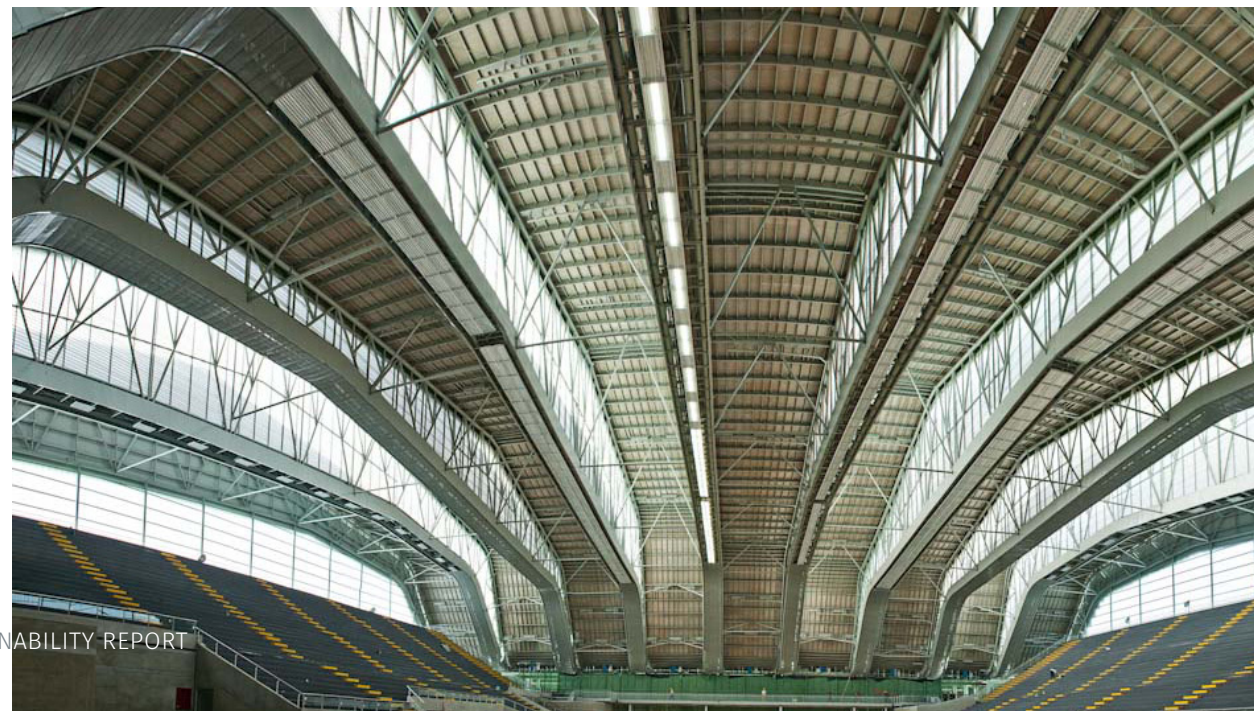


[G4-34, G4-35, G4-37, G4-38 G4-42 y G4-45]

[G4-34, G4-35, G4-36, G4-37, G4-38, G4-39, G4-42 y G4-45]

The members of the **Management Team** have an average of **23 years' experience** in the construction industry.

- Offer opinions on related-party transactions as required by the Board of Directors in accordance with the Corporate Bylaws that require the Board's approval.
- Offer opinions on use policies of the Company's assets as required by the Board of Directors in accordance with the Corporate Bylaws.
- all the Shareholders' Meetings when necessary.
- Advise the Board of Directors in the preparation of its reports.
- Perform the other functions established or that arise from the legal provisions to which the Company is subject.



Members of the Board of Directors and Management Team

Board of Directors

Francisco Javier del Valle Perochena	Chairman
Juan Pablo del Rio Benitez	Secretary (Non-Member)
Santiago Bernard Covelo	Assistant Secretary (Non-Member)

Owner Members

Francisco Javier del Valle Perochena
Antonio del Valle Perochena
Eduardo Domit Bardawil
Jaime Ruiz Sacristan
Gerardo Kuri Kaufmann
Alfonso Salem Slim
Antonio Gomez Garcia

Independent Owner-Members

Eugenio Clariond Rangel
Divo Milan Haddad
Jose Kuri Harfush
Juan Rodriguez Torres

Audit and Corporate Practices Committee

Juan Rodriguez Torres	President
Eugenio Clariond Rangel	
Divo Milan Haddad	

Management Team

Fernando Ruiz Jacques	Chief Executive Officer
Juan Francisco Sanchez Kramer	Investor Relations Director
Santiago Bernard Covelo	Legal Director
Luis Antonio Garcia Lima	Internal Audit Director
Jaime Rocha Font	Cement Division Director
Gustavo Arce del Pozo	Metals Division Director
Fernando Ruiz Jacques	Construsistemas Division Director (Interim)
Juan Francisco Sanchez Kramer	Finance Director (Interim)

[G4- 35, G4-37, G4- 40, G4-43, G4- 45, G4-46, G4-49, G4- 51, G4-52, G4-53]

[G4-56]

Through meetings, the Board establishes and follows-up on its economic, social and environmental business decisions. At the meetings, the Committees and Management Team present the results and progress made based on the provisions established. The Management Team also provides feedback on the opinions of different stakeholders regarding their suggestions and projects.



Calls to Meetings

The Board of Directors meets at least four times each fiscal year and more frequently if called by its chairman, the chairman of the Audit and Corporate Practices Committee or by at least 25% of its members.

The Company's external auditor may be invited to attend the Board of Directors' meetings as a guest with the right to be heard but no to vote. As a guest, the external auditor may not be present in issues in the Order of Business with which there may be a conflict of interest or that may compromise the independence of the office. In the same manner, the Company's and its subsidiaries' executives and other parties may attend at the invitation of the Chairman of the Board of Directors.

Members' Remunerations

For their services, the members receive the remunerations set by the General Ordinary Stockholders' Meeting that appointed them. Said Meeting may delegate, either at the meetings of the Board of Directors or any other management body, the implementation of any other remuneration in-kind program for the members.

Ethics

At Elementia, as in all multi-national companies, we have a great ethical challenge, which consists of homogenizing and aligning the conduct of our employees to the moral and legal precepts established by our vision. The challenging and diverse commercial backdrop experienced by all the countries in which we operate and our entry into the securities market led us to rethink and renew our Code of Ethics in order to foster a corporate culture aware of the individual and collective responsibility to meeting these standards.

The main guiding principles established in our new Code of Ethics focuses us on complying fully with our legal obligations, contributing to the well-being of society and the care of the environment.

[G4-56 y G4-57]

[G4-56]

Through statements of principles and values, our **Code of Ethics forms the base for the conduct of all at Elementia.**

The chart below illustrates the aspects and principles set forth in our Code.



Stockholders

Present clear, precise and transparent information.



Employees

Offer a safe and secure work environment.



Suppliers

Maintain employment relationship free of conflicts of interest.



Customers

Work to be the leading commercial partner in the construction industry.



Environment

Protect our environment, rooted in our values.

We publish our Code of Ethics on our corporate web page to make sure it is known by all. Its contents were also aired at two internal events held to present our results, known as the Elementia Forum. As a complement, the Code is also covered by the employee induction processes.



Ethics in our Business

- Meet the highest standards of commercial ethics.
- Know all the permissible activities that our work entails.
- Comply with all the legal obligations and commitments acquired in the ambit or corporate social responsibility.
- Foster ethical conduct in the management of the organization and the development of the business.

We ensure due compliance with the standards of conduct stipulated in our Code by a complaints system through three different channels (complaint channel –intranet, e-mail and ordinary mail).

All complaints received can only be reviewed by the Compliance Committee. The Code provides recommendations to file complaints and establishes a no-reprisal policy as a protection measure for complainants, as well as concealing the personal data provided in the complaint and ensuring the confidentiality of all information supplied.

[G4- 41, G4-58]

[G4- 41, G4-58]

The Compliance Committee is responsible for establishing the types of disciplinary penalties or consequences apply for breaches of the Code. The Compliance Committee received **3 complaints** in 2015.

Compliance Committee

The Compliance Committee is responsible for interpreting the provisions of the Code of Ethics and ensuring its compliance throughout Elementia.

Functions

- Interpret real or apparent conflicts of interest.
- Review the Company's compliance program periodically.
- Inform the Management Committee's Audit Committee about the program at least once a year.
- Deal with all complaints, reports and other information.

Conflicts of Interest

At Elementia, we have mechanisms and procedures to ensure that private interests are not above the Company's or its customers' interests.

These mechanisms regulate the restrictions and authorizations of our employees and directors in acquisitions of goods and assets, as well as in the transactions in which there are own interests or there is an economic or family link.

In terms of conflicts of interest, our Code of Ethics establishes the following, among other requirements:

- **External work and affiliations.**
 - Having another external employment or participating in external activities that interfere with job performance.
 - Rendering services of any kind to any Elementia competitor.

- Accepting a corporate directorship position in another company without the approval of the Compliance Committee.
- **The Company's Assets**
 - Using a position in the Company for personal benefit.
 - **Acceptance of gifts**
 - Accepting gifts with nominal values of more than USD \$100.



- **Confidential information**
 - Using confidential information for the personal benefit or disclosing it to unauthorized persons.
- **Negotiation of Elementia's securities**
 - Purchasing or selling Elementia's securities.
- **Hiring of family members**
 - Hiring of family members or spouses by employees or transferring them to the same department in the Company.
 - Hiring of family members or spouses by management employees is prohibited.
- **External commercial interests**
 - Trading with a company that already does or is seeking to do business with Elementia that is owned by, managed by or employs close relatives.
 - Having a concealed financial interest in a company that already does or is seeking to do business with Elementia or is a competitor with the Company.

The Company's Shares

The shares representative of the minimum fixed and the variable portions of the Company's capital stock may be freely subscribed and are identified as a "Single" series that may be subscribed or acquired by either Mexican or foreign individuals or companies, subject to the limits stipulated in the Corporate Bylaws.

The shares representative of the variable portion of the capital stock shall not be entitled to withdrawal in accordance with the terms of Article 50 of the Securities Market Law.

The Company's provisional share certificates state the amount of the minimum fixed capital and the capital amount paid-in.

Pursuant to Article 54 of the Securities Market Law, on the prior authorization of the National Banking and Securities Commission, the Company may issue limited-voting, restricted-voting or non-voting stock, as well as other restricted-voting shares or in accordance with the provisions of Articles 112 and 113 of the General Corporation and Partnership Law.

The issue of shares other than ordinary, whether limited-voting, restricted-voting or non-voting stock, must not exceed twenty-five percent of the paid-in capital stock considered by the National Banking and Securities Commission as placed among the investing public at the date of the public offer. Said limit may be increased when expressly authorized by the National Banking and Securities Commission, provided that said increase is based on a plan that contemplates the issue of any type of shares mandatorily convertible to ordinary with a period not exceeding five years from the date of placement or are shares or investment plans that limit the voting rights based on the holder's nationality.



Non-voting shares will not be computed for the purposes of determining the quorum of General Shareholders' Meetings. Restricted or limited voting shares only will be computed to determine the quorum and the resolutions adopted by the Shareholders' Meetings to which their holders must be called in order to exercise their right to vote.

General Stockholders' Meetings that agree the issue of limited-voting, restricted-voting or non-voting shares determine their respective rights.

Company



At Elementia, maintaining our operational and financial performance is not only an objective, but a corporate responsibility.

General Overview

In 2015, we achieved a double-digit increase in sales, of 11% and an increase in operating income of 15% over 2014. We also completed the standardization process of the system in the same period and we adopted SAP for all the organization's transactions in order to manage, evaluate, safeguard and control all the business information on the same platform that facilitates the internal information collection and analysis processes for the efficient planning and implementation of actions.

[G4- EC8]

[G4- EC7 y G4- EC8]

Our main financial results by Division were:

Cement Division

Several operational efficiency initiatives were implemented accompanied by the decrease in electricity costs in the three plants. As a consequence, the Division's EBITDA increased by 54%.

Significant investments were made with the acquisition of 47% of Lafarge (USD \$45 million), as well as the expansion of the production capacity of the Tula cement plant by 1.5 additional tons, which represented an investment of USD \$250 million to 2017. USD \$70 million were invested in 2015.

Our efficient management of the environmental rules, laws and standards applicable to the sector stood out; therefore, no fines of any type were imposed on us. GEG emissions were 83,061 tons of CO₂; 10% less than in 2014. For several years now, the Tula Plant has used alternative fuels and in its expansion process, the strictest environmental criteria were considered in the design and acquisition to technology in order to reduce energy consumption and emissions.



Construsistemas Division

Sales volumes in this Division increased by 4% in 2015 due mainly to our efforts to increase our market share in the United States, as well as the synergies with the rest of the Division.

Most notable in 2015 were the alliance with the Ministry of Social Development (SEDESOL) and the "Worthy Roof" ("Techo Digno"), program, in which we were one of the main suppliers to the government initiative the benefited hundreds of families in Mexico. We also offered our distributors the possibility to train in various building skills in order to diversify their work tools and sources of income, thereby increasing their knowledge about how to use our products.

Metals Division

Our Metals Division showed a 5% increase in sales volumes. This Division benefited from three aspects: the sales of added-value products, a more favorable exchange rate and improvements in the cost of metal, as well as reductions in inventory levels since the business is indexed to the dollar.

In 2015, the Division began to distribute products to retailers. The Division reduced the number of accidents from 60 in 2014 to 37 in 2015, as well as achieving significant efficiencies in the production process, which enhanced the use of metal.

EBITDA by Division

DECEMBER 2015 ⁽¹⁾
CUMULATIVE FIGURES
MILLIONS OF PESOS

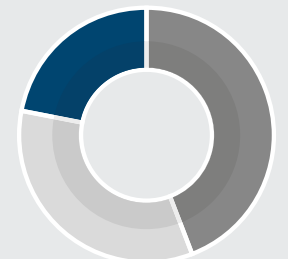


Cement ■ \$942 - 31%
Metals ■ \$975 - 33%
Construsistemas ■ \$1,069 - 36%

⁽¹⁾ EXCLUDES HOLDINGS AND ELIMINATIONS

EBITDA by Division

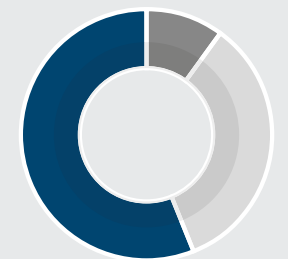
DECEMBER 2014 ⁽¹⁾
CUMULATIVE FIGURES
MILLIONS OF PESOS



Cement ■ \$572 - 22%
Metals ■ \$855 - 34%
Construsistemas ■ \$1,119 - 44%

⁽¹⁾ EXCLUDES HOLDINGS AND ELIMINATIONS

Investments in property, plant and equipment



Expansion ■ \$1,090 - 56%
Increase in capacity ■ \$206 - 10%
Maintenance and replacements ■ \$667 - 34%

Company

Economic Value

The generation of wealth at Elementia is equivalent to more than \$17,199,896 pesos, which represents our sales and other revenues, whereas, the Company's distributed value encompass all the economic resources delivered, such as the payment of salaries, taxes and other expenses, which in 2015, amounted to \$15,949,002 thousand pesos.

Economic value generated

2015
\$17,199,896

2014
\$17,244,468

Var.%
-0%

Economic value distributed

2015
\$15,949,002

2014
\$14,779,923

Var.%
8%

Economic value withheld

2015
\$1,250,894

2014
\$2,464,545

Var.%
-49%

* Figures expressed in millions of Mexican Pesos

Our Human Capital

At Elementia, people are the main strength for the sound operation and development of our Company. This is why we have multiple tools that enable us to develop our potential to the maximum as a central pillar of our growth and performance.

Employee distribution by country

El Salvador	153	Peru	160
Honduras	110	Bolivia	201
Ecuador	121	Costa Rica	168
Colombia	598	Mexico	4,208
		United States*	

Inclusive labor relations

The staff consists of
5,721
employees.



87% are men
and **13%** are women.



At Elementia, we have the infrastructure and policies necessary to foster the development and performance of people regardless of gender, even though the number of women who work in this sector is generally low. We have valuable examples of female operatives at each of our plants that are testimony to our gender equality policy.

*There are 271 employees in the United States who were not contemplated in the preparation of this report.




[G4-10, G4-LA4 y G4-LA5]


[G4-11, G4-LA4, G4-LA5]


Company


Women are best represented at corporate level where **34%** of the total numbers of employee are in this Division. **In total, 38 women hold director or management positions.**

We encourage long-term trust relationships with our internal employee; that is why **100% of our contracts** are permanent.

 Cement Division	2015	2014
Number of employees	460	386
Directors	5	3
Managers	22	21
Departments	73	41
Other levels	360	321
Women	81	74
Men	379	312

 Construsistemas Division	2015	2014
Number of employees	2,487	2,630
Directors	22	20
Managers	68	73
Departments	228	236
Other levels	2,169	2,301
Women	266	257
Men	2,221	2,373

 Metals Division	2015	2014
Number of employees	2,655	2,683
Directors	3	5
Managers	53	52
Departments	98	102
Other levels	2,501	2,524
Women	370	328
Male	2,285	2,355

 Corporate	2015	2014
Number of employees	119	117
Directors	7	8
Managers	23	24
Departments	24	25
Other levels	65	60
Women	41	40
Male	78	77

In each of the countries where Elementia operates, we try to maintain strict relationships with the Construction Industry Unions.



We respect the rights of all our workers to collective bargaining; therefore, 66% of our workforce, i.e., 3,788 employees, has collective employment agreements. The collective employment agreements contain a clause that stipulates an average of 1.33 weeks' advance notice to employees of any organizational change or new process that may affect their interests. This varies depending on the provisions established by the authorities and the labor legislation applicable in each country where we have operations.

 Cement Division	 Construsistemas Division	 Metals Division	 Corporate
57% Individual contract	42.5% individual contract	19% Individual contract	100% Individual contract
43% Collective contract	57.5% Collective contract	81% Collective contract	0% Collective contract
Total 460	Total 2,487	Total 2,655	Total 119

2015 workforce broken down


1,933
Individual contract
34%


3,788
Collective contract
66%

[G4-LA7]

[G4-LA6]

Health and Safety

At Elementia, employee occupational health and safety is our priority; therefore, we foster professional development and a culture of prevention and control of the risks inherent to each of our operations.

The commitment of each of our Divisions and the strict monitoring of the safety practices were key factors in our operative management in 2015. At Elementia, our target of zero accidents is a driver to strengthen and innovate safety process.

This is how over the years, measurement indices, risk and accident prevent criteria, audits, programs, work stress talks, training sessions, periodic control

examinations to work at heights, relaxation massages, work pauses and workshops were established that generated a culture of safety in the light of possible risks and accidents.

At Elementia, we are aware that we have a health and safety responsibility that does not end with the people we work with here. Under this premise, in 2015, we ensured that both our suppliers and customers are protected and operated under the high safety standards that we have at our plants and operating centers by providing them with training sessions. We also place emphasis on standardizing the safety evaluations and audits in order to apply them uniformly to all our countries of operation.

Through different internal communication channels, we transmitted the importance of prevention and safety, as well as communicating the results of follow-up and audits in all our Divisions.

It is important to mention that 6% of the workforce (341 colleagues) are represented on formal Health and Safety Committees. We must emphasize that each one of us has the Safety indicator within our objectives and evaluations.

- All our contractors, suppliers, customers and transporters take a course on the safety conditions in buildings, premises, installations and areas in the work centers in order to prevent risks.
- Throughout the year, 90% of our employees attended the health and safety training sessions arranged.
- Each one of our plants organized and held the Health, Safety and Environment Week. This event reinforced knowledge of each of the important concepts of safety, as well as promotion of health care.
- All our plants are equipped with first aid kits, medications and health care personnel. On-going health campaigns, vaccination sessions, hearing tests and medical check-ups are provided free of charge to all our employees.



6% of the workforce participate on the Health and Safety Committees.



Safety audits were conducted in all Elementia's Divisions.



My Safety Journal is a book used to evaluate employees' health and safety actions.

Safe Hands (Manos Seguras) is a program that promotes hand safety and care in work areas.

All these achievements contributed to generating greater awareness of the prevention of incidents and reinforcing the culture of safety in all our Divisions. At some plants, the following achievement also stood out:

- At Eternit, in Colombia, training was given to raise awareness of the emergency plan and the duties of the brigade members. **All the employees attended this training.**
- In 2015, in Mexico, the first meeting and signing of the Mutual Help **Plan Agreement of the Companies** of Ciudad Industrial was held with the participation of Mexalit and other companies in order to help in cases of emergency and develop joint training plans and exchange experiences.
- A **natural gas leak drill** was held at the Nacobre Plant with the participation of 298 plant employees.
- At Cementos Fortaleza, **the Health and Safety Leader recognition** was awarded to seven employees for their outstanding involvement in safety procedures.



Communication and Awareness

We have several communication channels for health and safety matters in order to share a common risk prevention and attention culture. The most notable channels are:

A monthly Health and Safety Bulletin (5th day of the month).

This Bulletin reports the relevant information on the organization's management.

Important and urgent notices.

Each notice sent contains the relevant information generated daily that is not scheduled.

Seguriflash (When information is generated in the plants).

The communication channel is used to inform our employees of risk situations in the plants.

Relevant events (In the event of accidents or incidents).

If an accident or incident does occur, our CEO, Directors, Managers, Safety Coordinator or Human Resources (depending on the situation) are informed by e-mail of the events occurred in our installations and the actions taken.

Best practices (When information is generated in the plants).

The strategies implemented are communicated by e-mail to be replicated in other plants in order to obtain similar results.



Road safety training through talks and on-line courses.

[G4-LA7]

Health and Safety Indicators

In comparison with 2014, during 2015, there were 81 less incapacitating accidents at Elementia, which represented a 44% decrease. The OSHA1 frequency index at general level reduced from 3 in 2014 to 1.72 in 2015, whereas the OSHA2 severity index fell by 82%. The foregoing indicates a reduction of days lost due to occupational accidents from 5,306 in 2014 to 4,266 in 2015; i.e., 1,040 safer work days.



Cement Division

Occupational sicknesses	0
Fatalities	0
Days lost due to occupational accidents	39
Hours worked	838,674
Incapacitating accidents	3
OSFA frequency index	0.72
Índice de gravedad Osha	9.30



Metals Division

Occupational sicknesses	0
Fatalities	0
Days lost due to occupational accidents	2,660
Hours worked	5,325,630
Incapacitating accidents	37
OSFA frequency index	1.39
OSFA severity index	99.89



Construsistemas Division

Occupational sicknesses	2
Fatalities	0
Days lost due to occupational accidents	1,567
Hours worked	5,311,268
Incapacitating accidents	61
OSFA frequency index	2.30
Índice de gravedad Osha	59.01

Total

Occupational sicknesses	2
Fatalities	0
Days lost due to occupational accidents	4,266
Hours worked	11,712,879
Incapacitating accidents	101
OSFA frequency index	1.72
OSFA severity index	72.84

¹According to OSHA: (100 employees) Frequency Index= Nº Acc. X 200000 hours worked Severity Index =Days Lost X 200000 hours worked.

²According to OSHA: the Severity Index, also known as the rate of days lost, is used to indicate the severity of occupational injuries or sickness.

Quality of Life and Comprehensive Development

Prevention activities, tournaments, sharing, sports meetings and health programs, to mention a few were held in order to enrich the quality of life and the professional development of our employees.

The most important program in 2015 was +Km, the purpose of which is to accumulate social benefit kilometers. + Km consists of inviting the employees of each plant to participate in athletic races and all the kilometers they accumulate are added up to be converted into economic aid to social projects. These events encourage participation in sports, support to Fundación Kaluz and Redoblando Esfuerzos por mi Comunidad projects and they foster interaction among employees and their families.

Other programs were also implemented:

- The Food Training Center (Centro de Adiestramiento Alimenticio) organized talks at each Cementos Fortaleza plant to encourage healthy eating habits.
- The deparasite treatment sessions were held from May 25 to 27.
- We held an internal HIV/AIDS awareness campaign to explain how the virus is transmitted.



The Cementos Fortaleza Open High School encourages employee development through the PCT-FORMA program, which provides the possibility to study high school on an open basis via the Tula Tepeji Technological University – Ministry of Education (SEP). **In 2015, 32 unionized workers from the Vito Plant commenced their studies. The Plant paid the entire cost (\$20,462).**

Training and Development

The quality of working life and the performance of the organization are aligned with the training offered to employees. 2015 saw a renewal of the internal training processes to create the Elementia Institute in 2016, the purpose of which will be to strengthen employees' talents to benefit their personal and professional development.

In 2015, 107,140 hours of training were given with an investment of \$4,124,271.

 Cement Division	 Construsistemas Division	 Metals Division
16,811 Hours of Training	55,351 Hours of Training	34,978 Hours of Training
\$1,028,850 Amount Invested	\$2,450,813 Amount Invested	\$644,608 Amount Invested

*Figures expressed in millions of Mexican Pesos

Total		\$4,124,271 
107,140 Hours of training		Amount Invested

We Recognize our Talent

At Elementia, the people who form part of the organization are highly valued. The leaders of each of the business areas and divisions use the Recognition and Rewards Operation Manual to identify employees' outstanding achievements and performance. Recognitions and rewards are awarded following an evaluation process. These may be monetary or otherwise, as shown in the charts below.



Non-monetary incentives

1. Thank You
2. Written recognition
3. Public recognition
4. Recognition in-kind
5. Career development plans
6. Assignments to projects
7. Participation in symposia
8. Subscriptions/Memberships
9. Access to leaders
10. Supported community award



Monetary incentives

1. Paid vacation award
2. Productivity recognition
3. Seniority recognition
4. Merit scholarship program
5. Bonuses (variable compensation)
6. Job enrichment
7. Promotions
8. Promotions due to merit
9. Base salary payment
10. Customer service
11. Gold distinction

Our employees may receive awards for productivity and seniority, customer service or merit scholarships. Co-workers who receive any of these awards, they can be recognized in three different ways: in writing, publicly or in kind.

We also have Career Plans that foster the growth of our employees within the organization and thus, we contribute to their personal, professional and economic development.

[G4-PR5]

[G4-PR5]



Customer Satisfaction

Our objective is to ensure the entire satisfaction to our 5,985 customers, distributed in each of the countries in which we operate, offering the highest quality in products and services to be the preferred supplier in the construction industry

90,260 likes on Facebook, **4,246 followers** on Twitter and **412 followers** on Instagram, **17,375 subscribers** on YouTube.

Therefore, we have consolidated an efficient and dynamic Customer Service Department responsible for receiving purchase orders, checking the availability of products and requesting the release of orders, as well as dealing with claims and returns.

Through different communication channels, the Customer Service and the Corporate Marketing Departments make feedback calls, conduct satisfaction surveys and evaluations on customers' perceptions of our products and our Company.

In 2015, no customer perception surveys were conducted, as in previous years. However, an event was held for each of Elementia's eleven brands with the participation of their main customers and distributors. Here, we could find out, at first hand, the needs and expectations of our organization and its products and services.

We used electronic and traditional media to offer free training on the best use of all the products we sell and the construction techniques useful for bricklayers, plumbers and other tradesmen, which contributes significantly to personal economic growth.

The social networks provide another efficient tool to always be close to our customers. At Elementia, we use five: Facebook, Twitter, YouTube, LinkedIn and Instagram for the different brands. We also use mobile applications, telephone numbers and electronic in-boxes, which are available to deal with complaints and suggestions.

In 2015, the total expenditure in Mexico for payments to suppliers amounted to **USD \$690,386,251** and we have a total of **3,930 of commercial allies in all our Divisions.**

Suppliers

We have a principle of generating and maintaining relationships of trust with our stakeholders, which is strategically relevant for our suppliers, since they form a key piece in our operative efficiency.

In the first quarter of 2015, we conducted an annual general evaluation of all the suppliers that render their services to us. As a relevant result of this process, we can point out that no risks or negative impacts were detected in terms of unfair or illegal labor practices, corruption, environmental damage, child labor or any human rights infringements.

The evaluation process considered both existing and new suppliers, from the critical supplier point of view (raw materials) to service providers and contractors. The evaluation considered criteria that varied from quality and delivery conditions of the product or service supplied to the perceptions of end users.

Prior to the evaluation process, suppliers are informed of the results and we indicate any deviations promptly via a physical communication, the receipt of which must be stamped by the supplier company.

It is important to note that when a user requires a random audit once a year, they are conducted in the installations of critical suppliers.

We support local commerce because we are aware that this what drives the country's economy. Therefore, most of our purchases are from domestic suppliers and only 6% of our suppliers are foreign.



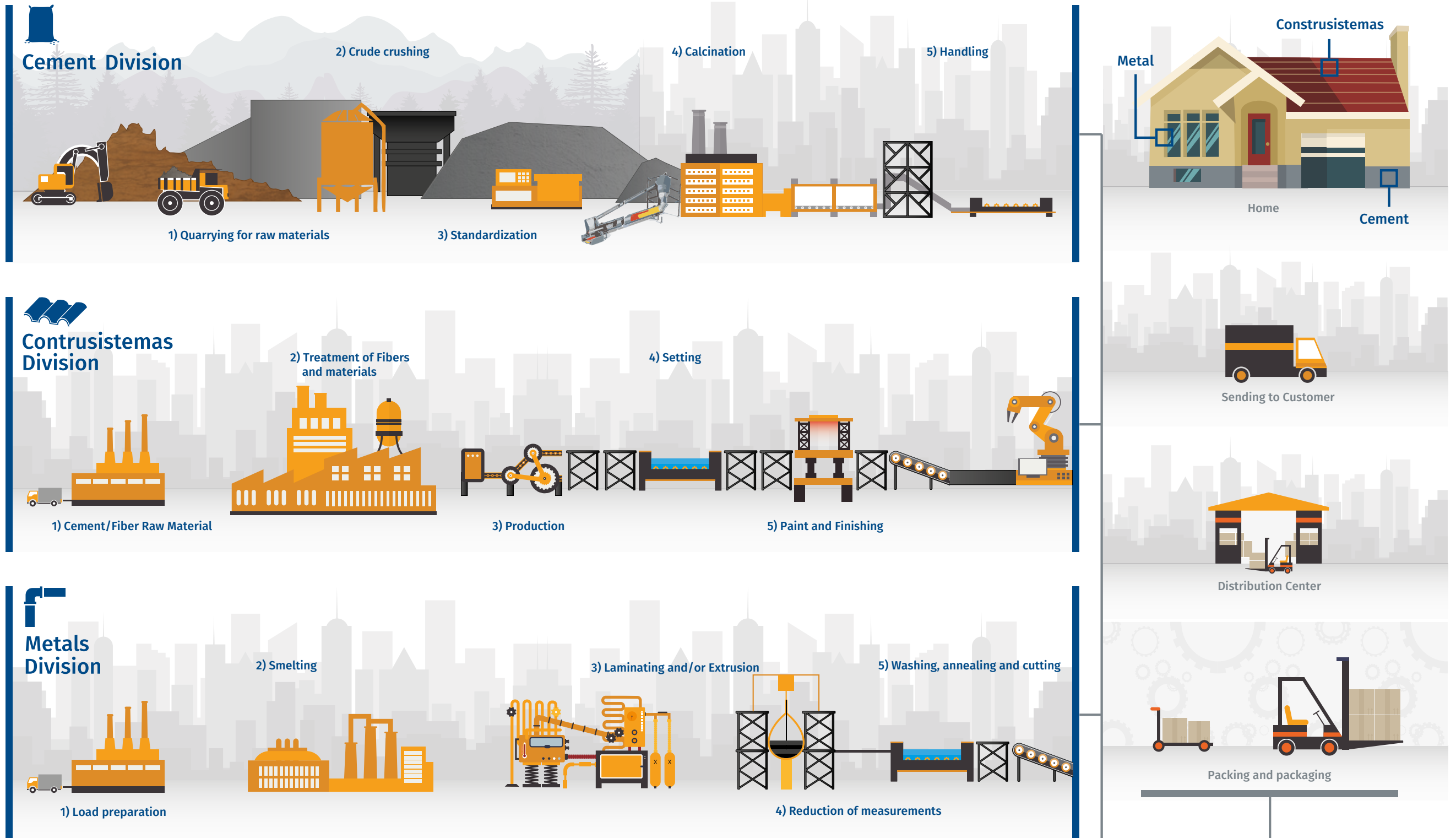
[G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR10, G4-S09, G4-S010]

[G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR10, G4-S09, G4-S010]

Company

The following graphs illustrate the production process of each Elementia Division and how our supply and distribution chain is constituted.

USD \$690,386,251 payment to suppliers, 9% of which were to foreign suppliers.
3,930 suppliers in 2015, 19,219 less than in 2014.
6% foreign and **94%** domestic suppliers.



Environment



Our commitment to the environmental care and conservation is the strategic pillar of our operation. Therefore, we manage, measure and control the impact of our economic activities have on the environmental through constant investment in and the consolidation of a respective environmental culture through the Company.

Management

Each of our plants has staff responsible for managing, reviewing and implementing environmental projects. This personnel also supervises compliance with the applicable environmental standards. They are responsible for providing environmental analyses and report to the plant leaders, as well as concentrating the information on the indicators, advances and achievements in the area for the Sustainability Department.

In 2015, we maintained the Clean Industry Environmental Certificate at six of our plants and the ISO 14001 Certification for 11 Plants. This is proof of the congruence of our environmental and social management, with which not only did we comply with the environmental standards applicable to our operations in each of the countries where we are present, but also we drove the on-going improvement of our processes in order to make them more environmentally friendly and sustainable.

The Metals Division uses the Lean Manufacturing management system, which increases efficiency, reduces costs and improves product quality.

In 2015, all Elementia's Divisions proudly held several certifications that enabled them to reach both national and international standards.

In all our Divisions, we ensured that all the operations performed complied with the standards set by the Global Compact. All the plants achieved the SRC Distinction, which is an award granted annually by the Mexican Philanthropy Center (CEMEF) and AliaRSE.

Our Vito, Tula, Mexalit Santa Clara and Guadalajara plants hold the Clean Industry recognition.

Our Construsistemas and Metals Divisions, specifically, the Mexalit Santa Clara y Guadalajara; Plycem Costa Rica, El Salvador and Honduras; Etemit Colombiana, Atlántico, Pacífico and Ecuatoriana, as well as the Nacobre Vallejo and Celaya complied 100% with the ISO 14001 certification.

Also, all the plants, with the exception of Frigocel Extrusión, Cuautitlam Izcalli, Mexico), of Construsistemas and Metals, gained the ISO 9001 certification.



Metering

Using SAP and based on the criteria established by Elementia and the Global Reporting Initiative (GRI), we collect, centralize, review and analyze the environmental indicators most relevant for the operation of each plant. With this, we seek, in a standardized and organized manner, to acquire all the information required for decision making and the development of projects, which allow is to reduce environmental impacts and risks.




Control

We supervise our consumption of materials and the generation of waste/ emissions in compliance with the applicable legislation. Thanks to this, in 2015, no environmental claims were reported and no fines were imposed at any of our plants.

Materials

Our consumption of materials increased in 2015 to reach 7,108,784 tons, in line with the rise in our sales (11%) and the tons of products manufactured (12%). Of the total of the materials consumed in the production and packing processes, 99% came from non-renewable sources and the remaining 1% came from renewable sources.

Of all the 7,108,784 tons of materials, 1% are recycled; i.e., 56,179 tons. The Metals Division uses the highest percentage of recycled materials in its production and packing processes with 10%, followed by the Construsistemas Division with 9%.

 Cement Division	 Construsistemas Division	 Metals Division
6,490,308 ton	518,342 ton	100,134 ton
Materials recycled 0%	Materials recycled 9%	Materials recycled 10%
	Renewable materials 15%	Renewable materials 98%
Non-renewable materials 100%	Non-renewable materials 85%	Non-renewable materials 2%

Total	
7,108,784 ton	
Materials recycled	1%
Renewable materials	1%
Non-renewable materials	99%

Water

We make our best efforts to ensure that in our production cycle, the water capture, treatment, extraction and recirculation processes are as efficient as possible in order to reduce our water consumption and discharges. Our water consumption increased in 2015 to reach 1,268,117 m³. The main source is underground, which represents 73% of consumption with 923,431 m³.

By Division, Construsistemas consumed the most water in 2015, with a total of 634,358 m³. The Metals Division follows, with a consumption of 418,420 m³ and then the Cement Division with 215,339 m³.

The supply of water for our operation does not significantly affect the sources of surface water and the use of wells is concessioned; i.e., our water consumption is supported and controlled in order not to affect the natural balance of this valuable resource.

Of the total amount of water consumed in 2015, 29% was recycled and reused; i.e., 349,252 m³. The total amount of water discharged into the sewerage system in 2015 reached 73,560 m³, which represents a decrease of 224,652 m³, compared to 2014. It is worth mentioning that this water passes through a treatment process that meets the environmental standards applicable in each location where we operate.

 Cement Division	 Construsistemas Division	 Metals Division
215,339 m³	634,358 m³	418,420 m³
Underground sources 208,466 m³	Underground sources 526,165 m³	Underground sources 188,799 m³
Supply of municipal water 6,873 m³	Surface sources 10,305 m³	Waste water 133,305 m³
	Capture of rainwater 40 m³	Supply of municipal water 96,315 m³
	Supply of municipal water 97,847 m³	

Total capture of rainwater	
1,268,117 m³	
Underground sources	923,431 m³
Surface sources	10,305 m³
Capture of rainwater	40 m³
Waste water	133,306 m³
Supply of municipal water	201,035 m³

[G4-EN3, G4-EN15, G4-EN16, G4-EN17, G4-EN19]

[G4-EN23, G4-EN25 y G4-EN28]

Internal energy consumption:
1,383,240,460 MJ






Indirect energy consumption:
0 MJ

Energy

Electricity is one of our main supplies. In 2015, a total of 1,383,240,460 MJ was consumed, of which 99% came from fixed sources (electricity) and the remaining 1% came from mobile sources (diesel, gasoline and LPG).

It is worth mentioning that the Cement Division used coke and alternative fuels to obtain energy in its production process, generating 3,366 MJ, which is included in the Division's general consumption from fixed sources. Moreover, the Construsistemas Division reduced its energy consumption and achieved savings of 799,382 MJ over year.

The design and technology of the refurbishment and extension projects of the Tula cement plant contemplate optimizing the use of energy by using auto-electricity generation and heat recovery elements, among other processes.

 Cement Division	 Construsistemas Division	 Metals Division
41%	23%	36%
565,370,143 MJ Direct energy consumption (fixed sources)	324,203,931 MJ Direct energy consumption (fixed sources)	493,659,799 MJ Direct energy consumption (fixed sources)
6 MJ Direct energy consumption (mobile sources)	2,806 MJ Direct energy consumption (mobile sources)	3,774 MJ Direct energy consumption (mobile sources)
Total		
 Direct energy consumption (fixed sources) 1,383,233,873 MJ		
 Direct energy consumption (mobile sources) 6,586 MJ		



Waste

At Elementia, we have a commitment to reduce industrial waste. Under this premise, we work to optimize better processes and implement actions to minimize the volumes of waste generated, thus reducing the environmental impact of each of our Divisions. In 2015, we generated 11,332 tons of waste.

 Cement Division	 Construsistemas Division
92 ton	10,130 ton
 Metals Division	Total weight of waste
1,110 ton	11,332 ton

We have managed to recover 14% of products sold and their packing materials at the end of their useful lives to be disposed of correctly.




Only 15% of Elementia's waste is considered to be hazardous and therefore we are below the environmental standards and procedures established in each of the nine countries where we operate.

Hazardous waste transported to/from the organization	Ton	1,662
Hazardous waste imported (to the Plant)	Ton	1,526
Hazardous waste exported (from the Plant)	Ton	136
Hazardous waste treated	Ton	14,664
Hazardous waste transported internationally	%	0

Emissions

We excel in the search for improvements to optimize our operations. That is why we make sure that in every step we take, we are aligned to the Company's sustainability strategy and to our global commitments.

Direct GEG emissions increased by 14% in comparison to 2014, Metals being the Division that generated the most, with 41% of total direct emissions. The Construsistemas Division was next with 40%, followed lastly by the Cement Division with 29%.

 Cement Division	 Construsistemas Division	 Metals Division
Direct GEG emissions (tons CO₂)	Emisiones directas de GEI (ton CO₂)	Emisiones directas de GEI (ton CO₂)
83,061	114,076	117,477
Fixed sources (ton CO ₂) 81,157	Fixed sources (ton CO ₂) 62,372	Fixed sources (ton CO ₂) 116,538
Moving sources (ton CO ₂) 1,904	Moving sources (ton CO ₂) 51,703	Moving sources (ton CO ₂) 939

At Elementia, no indirect greenhouse effect gas emissions were reported (Scope 2).

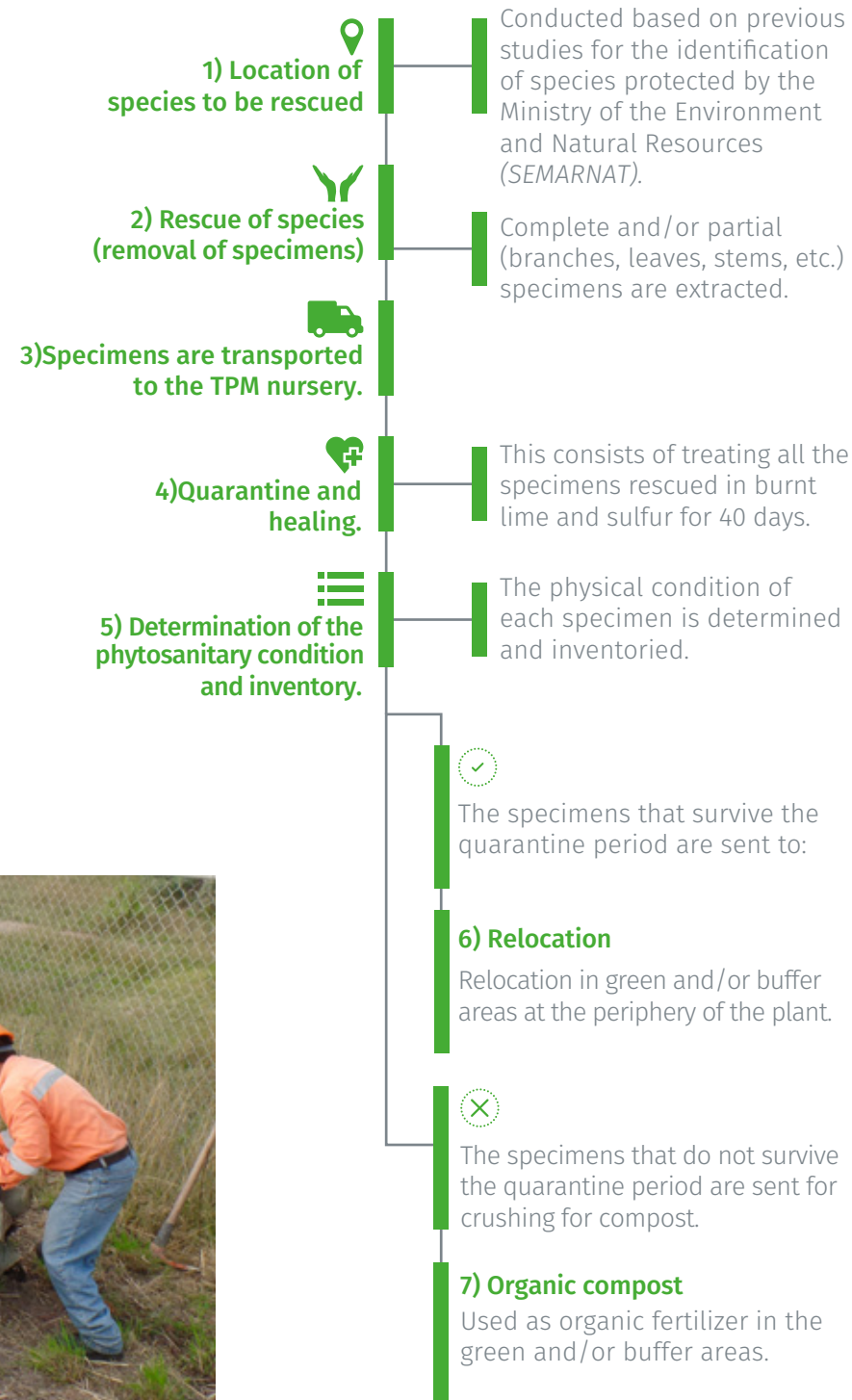
Biodiversity

In order to care for and protect the biodiversity of the eco-systems, at Elementia, we manage the sites where our plants are located with the utmost responsibility.

In 2015, we launched environmental programs to rescue and relocate endemic species in the areas surrounding Cementos Fortaleza's El Palmar plant in the state of Hidalgo. Our Species Rescue and Relocation process consists of six stages:

- 1) Training of personnel
- 2) On-site rescue
- 3) Transport
- 4) Inventory and healing
- 5) Quarantine period
- 6) Relocation





Investment

We invest human capital, time, systems infrastructure and economic resources to guarantee that our operation complies with the strictest environmental standards, which in turn reduces the impact of our operations. In 2015, Elementia's environmental investment increased by 101%; i.e., we went from investing \$20,940,640 in 2014 to \$42,194,873 in 2015. 78% of these funds were allocated to environmental prevention and management tasks and the remaining 22% was used to treat waste, emissions and for repairs.

85% of the environmental investment in 2015 was made by the Construsistemas Division; i.e., \$36,054,874, while the Metals Division invested 8% and the Cement Division the remaining 7%.



Total
\$42,194,874

A **101%** increase compared to 2014.

78% of the total was allocated to environmental prevention and management.

22% of the total was used to treat waste, emissions and for repairs.

* Amounts shown in Mexican pesos.

Environmental Awareness

We seek to instill environmental awareness and respect among our personnel through internal campaigns, bulletins and even training focused on the environmental needs or impacts of our plants in order to identify and mitigate them and this conserve the ecological balance.

The Hydros project is an initiative that we have been running for the last seven years in alliance with the Fundacion Kaluz. Its purpose is to raise awareness of the care and conservation of water resources. At Elementia, in 2015, we participated in the different events to raise the awareness of others of the care and responsible use of water.



Hydros Project



146 Water Ambassadors took part; **35%** more than in 2014.



Hydros reached **424 schools**; **41%** more than in 2014.



The awareness and education activities in 2015 reached **193,142 people**; **more than double the amount** in 2014.



56,685 students



12,343 employees



124,114 community, customers and suppliers.



3 campaigns run in 2015.

March 22. **World Water Day**
June 5. **World Environment Day**
September. **Hydros Month / Photography competition**

Society



Meeting the expectations and needs of the society that surrounds us is a key piece of our sustainability. To achieve it, at Elementia, we liaise with our plants' neighboring communities through volunteering activities, recreational and sporting events. Also, in order to ensure our support to all the countries in which we operate, we support the Kaluz Foundation.

Community Links

The only way to achieve viability of the business and its integration with the community is to have a community development strategy. That is why at Elementia, we have developed support programs in the communities where we have installations by establishing agreements with different organizations to be able to respond coherently and fully to the community.

[G4-S01]

[G4-S01]

- **Community award**

At Elementia, we reward employees who are involved in voluntary and support work to the community outside their normal working hours. This recognition is made public to motivate other employees to participate in this type of community benefit activities.

- **+ Km Program**

This running and marathons programs promotes sport among our employees, their families and friends as a healthy way of life and family life. The target set for all the Divisions was 7,050 km, which we beat by reaching 20,920 km run.

- **Volunteer Work**

Cementos Fortaleza and its Sustainable Development Department encourage employees to do voluntary work to support the activities scheduled for the benefit of the communities in which we operate and they reside.

These activities were completed in order that all of our volunteers could develop their talents and put the knowledge they acquires in their academic and employment training into practice. This results in a substantial difference in the comprehensive development of our neighboring communities.

- **Plycem Expert Club**

Plycem promotes the responsible construction model through the flagship Corporate Social Responsibility project, known as Plycem Expert Club.

This initiative helps more than 5,000 contractors in Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua and Panama to train for free and gain technical updates in light construction systems. In parallel, the project seeks to generate productive links among public and private institution to achieve the activation of enterprise in this segment of the population.



Social Support

We are aware of our co-responsibility in the social development of Mexico and all the countries where we operate; therefore, we allied with the Kaluz Foundation to provide comprehensive support to the communities where we are present. In 2015, we donated \$12,000,000 in support of the Foundation's social causes, which are in complete alignment with the principles and values we foster at Elementia.

Kaluz Foundation

Kaluz Foundation was created to improve people's lives through the implementation of high impact economic and social programs in the communities where its allied companies operate, among them, us, Elementia. The four lines of action under which the Foundation performs its social work are as follows:

Housing

In the issue of housing, Fundación Kaluz participates in home building through the construction of sustainable houses in order to improve the quality of the lives of the families in different communities. These are energy-saving, thermal, acoustic and protective house. They are also built from sturdy materials with possibilities for extensions. They are low maintenance with quality finishings and fit in with their surroundings.



Housing Donations
\$7,817,326



Number of actions
1,265



Direct beneficiaries
9,219

[G4-S01]

[G4-S01]

Water

The purpose of this program is to work in favor of the environment by supporting projects related to water redoubling efforts with the communities, the government authorities and social organizations. Its priorities include conveying and storing drinking and residual water.



Donations

\$2,598,617



Number of actions

320



Direct beneficiaries

9,444

Natural Disasters

In this category, the Fundación Kaluz helps in the reconstruction of housing and in the supply of drinking water to communities that have been damaged by natural disasters.



Donations

\$423,981



Number of actions

49



Direct beneficiaries

295

Kaluz Foundation Award

The Kaluz Foundation encourages participation and commitment for the integral development and well-being of people and communities. The Award was born in 2009 with the aim of involving employees of the *Grupo Kaluz* companies with the authorities and communities for the creation and implementation of projects that have a positive and transforming impact on them.



This year, Elementia participated in 12 projects, of which the Roof for my School (*Un Techo para mi Escuelita*), run by the Plycem Plant in El Salvador, was a winner. Its objective was to improve the lives of the children who attend the San Felipe Education Center.



Projects

12



Countries

7

(Mexico, Colombia, El Salvador, Peru, Bolivia, Honduras and Costa Rica)



Plants

10

(Fibraforte, Plycem, Honduras, Plycem El Salvador, Plycem CR, Nacobre San Luis Potosí, Duralit, Plycem Honduras, Nacobre Vallejo, Etermit Colombia, C. Lafrage-Vito)



Categories

3

(Education, environmental care and housing)



Direct beneficiaries

20,250

Indirect beneficiaries

19,706

Dialog and Communication with our Stakeholders

We have different communication channels to reach our key publics through which we identify their perceptions and needs in order to be able to offer then timely and efficient response and in this manner, contribute as the preferred supplier in the construction industry.



Stakeholders	Expectations
Employees	Maintain balance between domestic and working lives, as well as safe employment conditions apt for personal and professional
Authorities	We comply with the standards applicable in each country where we operate
Suppliers	Equality in the administration of the purchasing process and long-term relationships.
Customers	Coverage, efficient service and competitive costs.
Community	Drive social development and environmental care in the countries where we operate.
Associations and Guilds	Institutional support to volunteer-led social causes, in-kind and financial donations.
Shareholders	Access to relevant transparent and timely financial information.

[G4-15, G4-16, G4-EC4 y G4-S06]

[G4-15 y G4-16]

Society

We are a member of several association that **foster integrity and healthy competition** of people and companies in the domestic market.

Business Organizations to which Belong

In alignment with our business objectives, we seek to promote and exercise honest negotiation practices in the sector. This is why we participate in different associations and organizations that, in the same manner, seek to promote and encourage practices for the benefit of the development of the industry.

Through these institutions, we take a joint stance as an industry in terms of the government and the public policies that affect us because we have as a principle not to lobby, receive or give economic contributions to parties of governments.



Acronym	Organization	Metals
AI	Asociaciones de Industriales Cobre/FC*	Metals
AMEDIRH	Asociación Mexicana en Dirección de Recursos Humanos Cobre/FC	Metals
AMEXVAL	Asociación Mexicana de Fabricantes de Válvulas y Conexos, A.C. Cobre	Metals
AMIC	Asociación Mexicana de la Industria del Concreto	Cement
AMPYCPE	Asociación Mexicana de Productores y Cortadores de Polietileno Expandible Plásticos	Construsistemas
ANIQ	Asociación Nacional de la Industria Química, A.C. Plásticos	Construsistemas
ASCOLFIBRAS	Asociación Colombiana de Fibras Fibrocemento	Construsistemas
ATCO	Asociación de Fabricantes de Tubos de Concreto, A.C. Concreto	Cement
AWWA	American Water Works Association Fibrocemento	Construsistemas
CANACINTRA	Cámara Nacional de la Industria de Transformación Cobre/FC	Metals and Cement
CANACEM	Cámara Nacional del Cemento	Cement
CCE	Consejo Coordinador Empresarial Elementia	Elementia
CEMEFI	Centro Mexicano para la Filantropía Responsabilidad social	Elementia
CNCP	Centro de Normalización y Certificación de Producto, A.C. Fibrocemento	Cemento
DGN	Productos de Cobre Cobre	Metals
EMA	Acreditación de Laboratorios Concreto	Cement
GSI	Asociación Regulatoria del Manejo del Códigos de Barra Plásticos	Construsistemas
ICONTEC	Instituto Colombiano de Normas Técnicas Fibrocemento	Construsistemas
IMFI	Instituto Mexicano de Fibroindustrias, A.C. Fibrocemento	Construsistemas
ISO/TC 77	Fibrocemento Fibrocemento	Construsistemas
ONNCCE	Organismo Nacional de Normalización y Certificación de la Construcción y la Edificación, S.C. Fibrocemento	Construsistemas
UN	United Nations' Global Compact Organization Social Responsibility	Elementia
IMCYC	Instituto Mexicano del Cemento y el Concreto Cemento	Cement
UNIDEM	Unión de Industriales del Estado de México	Construsistemas

Support for the Global Compact

At Elementia, we align our strategies and operations with the 17 Sustainable Development Goals.

We joined the UN Global Compact in October 2011 with a single corporate vision and guideline: to achieve a better future for all.

The new objectives depends on the inclusion of all the players involved. We believe that these are the result of an inclusive process, in which governments, companies and society all participate.

At Elementia, through responsible commercial operations, new business models, investment, innovation, technology and collaboration, we ensure and promote compliance with the objectives.



	Purpose	Actions
1	No poverty	Kaluz Foundation Award– investments with a social impact
3	Health and well-being	+ Km Program Health, Safety and Environment Week
4	Quality education	Open High School Program for our employees at the Vito Plant Elementia Institute Internal training sessions
5	Gender equality	Code of Ethics Equal opportunities; no discrimination, harassment prohibition
6	Potable water and sanitation	PWater treatment plants at the Metals and Cement Divisions and a closed water reuse circuit at the Construsistemas Division Cementos Fortaleza - Rainwater collectors, dry urinals
7	Affordable and non-contaminating energy	Use of solar power to heat water in the shower areas of the El Palmar Plant 1% reduction in energy consumption in the Construsistemas Division
8	Decent work and economic growth	Promotion and recognition of our employees Internal training sessions 11% growth - Elementia: financial report
9	Industry, innovation and infrastructure	Merger of Construsistemas and Plastics State-of-the-art technology for efficient energy use
12	Responsible production and consumption	Responsible product manufacture
13	Action for the climate	Reduction of CO ₂ emissions
15	Life of land eco-systems	Endemic species rescue and relocation process Installation of nurseries Soil conservation Reforestation Environmental mitigation measures
16	Peace, justice and strong institutions	Support and follow-up with authorities
17	Alliances to achieve objectives	Participation in the sector's associations and guilds

[G4-18, G4-19, G4-20, G4-21, G4-28, G4-29, G4-30 y G4-32]

[G4-18, G4-19, G4-20, G4-21, G4-33 y G4-DMA]

Report Preparation Process

For the fourth consecutive year, we adopted the Global Reporting Initiative (GRI) methodology for the preparation of our Annual Sustainability Report. This year we considered GRI version 4.0 in its essential conformity option.

All the entities that form part of Elementia have been included in this report; therefore, the material actions and issues described herein cover the most relevant achievements and challenges in terms of sustainability in the year reported (January through December 2015). Reports are prepared annually, and the most recent was last published in June 2015.



Materiality Study

For Elementia, knowing the material aspects of our Company is relevant because it allows us to correct the course of our sustainability strategy, which in 2015, was reconfigured under our sustainability model.

We prepared this report and an in-depth materiality study with the guidance of an external consultations. The work process consisted of:



Identification

Identification of the relevant issues through interviews with executive and directors from key departments. Analysis of public opinion, a benchmark was made of the best sustainability practices and the GRI Guide and the relevant industry indicators were consulted.



Prioritization

Based on the information collected, we determined which themes were the most relevant for Elementia and its stakeholders.



Validation

The contents were submitted for the evaluation of the Sustainability Department to select the approaches and indicators to report in Elementia's 2015 Sustainability Report.



Sustainability Report

Writing of Elementia's 2015 Sustainability Report



Review [G4-33]

The review of the report was entrusted to an external auditor, Redes Sociales, who validated the correct application to the methodology, the transversal nature of the information reported and the materiality study-

[G4-18, G4-19, G4-20, G4-21, G4-EC9]

[G4-18, G4-19, G4-20, G4-21, G4- 26, G4- 31, G4-33, G4- DMA y G4-EC9]



The material issues established in study are illustrated in the chart below, all of which have an internal coverage.



Also, the participation process of the stakeholders in the preparation of this report and the materiality was not conducted through direct dialog, but instead through the consultation of different tools and internal means of communication through which Elementia obtains the options, expectations and needs of each of its publics. These are described in depth in the Stakeholders' Matrix on pages 70 and 71.

The material aspects identified and prioritized in the materiality study was submitted for the validation of the Sustainability Department and converted into GRI Indicators, which were collected using an internal system in each of our operations centers (SAP).

We have an external verification process of our report. This year, it was conducted by Redes Sociales, who rectified the correct application of the methodology.

For further information on this report or about Elementia 's sustainability issues, you can contact us through the following channels:

Mail: jsanchezk@elementia.com
jrsolis@elementia.com

Web: <http://www.elementia.com/>

GRI Index Content



Basic General Content

Indicator	Reference	Omission	Verification
Estrategía y análisis			
G4- 1	6-7		Yes, page 87
G4- 2	6 y 9		Yes, page 87
Organizational Profile			
G4- 3	Elementia, S.A. de C.V.		Yes, page 87
G4- 4	4-5		Yes, page 87
G4- 5	3rd. of forros		Yes, page 87
G4- 6	4-5		Yes, page 87
G4- 7	Variable Capital Limited Company		Yes, page 87
G4- 8	4-5		Yes, page 87
G4- 9	4-5		Yes, page 87
G4- 10	4, 5, 33 y 34		Yes, page 87
G4- 11	35		Yes, page 87
G4- 12	48-49		Yes, page 87
G4- 13	10-11		Yes, page 87
Participation in External Initiatives			
G4- 14	Mexico and the countries in which we operate adhere to the 1992 Earth Summit. By complying with the applicable standards, we are able to monitor the precautionary approach.		Yes, page 87

Indicator	Reference	Omission	Verification
G4- 15	72-75		Yes, page 87
G4- 16	72-73		Yes, page 87
Material aspects and boundaries			
G4- 17	Nacional de Cobre, S.A. de C.V., Productos Nacobre, S.A. de C.V., Mexalit Industrial, S.A. de C.V., Compañía Mexicana de Concreto Pretensado Comecop, S.A. de C.V., Frigoce, S.A. de C.V., and The Plycem Company, Inc		Yes, page 87
G4- 18	76-79		Yes, page 87
G4- 19	76-79		Yes, page 87
G4- 20	76-79		Yes, page 87
G4- 21	76-79		Yes, page 87
G4- 22	No reformulations made in comparison with 2014		Yes, page 87
G4- 23	No changes made to scope. The material issues were covered internally		Yes, page 87
Stakeholder engagement			
G4- 24	70-71		Yes, page 87
G4- 25	70-71		Yes, page 87
G4- 26	70-71 and 79		Yes, page 87
G4- 27	70-71		Yes, page 87
Report profile			
G4- 28	76		Yes, page 87
G4- 29	76		Yes, page 87
G4- 30	76		Yes, page 87
G4- 31	79		Yes, page 87
GRI Index			
G4- 32	76		Yes, page 87
Verification			
G4- 33	77 and 79		Yes, page 87
GOVERNANCE			
Governance structure and composition			
G4- 34	14-19		Yes, page 87
G4- 35	16-20		Yes, page 87

Indicator	Reference	Omission	Verification
G4- 36	19		Yes, page 87
G4- 37	16-20		Yes, page 87
G4- 38	16-19		Yes, page 87
G4- 39	19		Yes, page 87
G4- 40	20		Yes, page 87
G4- 41	24-25		Yes, page 87
The role of the upper governance body when setting objectives, the values and strategy of the organization			
G4- 42	16 and 18		Yes, page 87
Evaluation of the skills and performance of the upper governance body.			
G4- 43	20		Yes, page 87
G4-44	No performance evaluation of the Board was conducted		Yes, page 87
Highest governance body's role in risk management			
G4- 45	14-20		Yes, page 87
G4-46	20		Yes, page 87
G4-47	Evaluated at each Committee and Board meeting, which meets at least twice a year		Yes, page 87
The function of the upper governance body in the preparation of the sustainability record			
G4- 48	Chief Executive Officer		Yes, page 87
Functions of the upper governance body in the evaluation of economic, environmental and social performance.			
G4- 49	20		Yes, page 87
G4- 50	There is no quantification of the concerns transmitted		Yes, page 87
Remuneration and incentives			
G4- 51	20		Yes, page 87
G4- 52	20		Yes, page 87
G4- 53	20		Yes, page 87
Ethics and integrity			
G4- 56	3, 21-23		Yes, page 87
G4-57	22		Yes, page 87

Specific Basic Disclosures

Indicator	Reference	Omission	Verification
G4-58	24-25		Yes, page 87
General content of the management approach			
G4- DMA	79		Yes, page 87
ECONOMIC			
Aspect: Economic performance			
G4- EC1	32		Yes, page 87
G4- EC2	61		Yes, page 87
G4- EC4	72		Yes, page 87
Aspect: Indirect economic consequences			
G4- EC7	31		Yes, page 87
G4- EC8	30-32		Yes, page 87
Aspect: Acquisition practices			
G4- EC9	78-79		Yes, page 87
ENVIRONMENT			
Aspect: Materials			
G4-EN1	54		Yes, page 87
G4-EN2	54		Yes, page 87
Aspect: Energy			
G4-EN3	56		Yes, page 87
	Heating, refrigeration, steam or electricity consumed		
G4-EN4	None		Yes, page 87
G4-EN6	No reduction recorded in 2015		Yes, page 87
Aspect: Water			
G4-EN8	55		Yes, page 87
G4-EN9	55		Yes, page 87
G4-EN10	55		Yes, page 87
Aspect: Biodiversity			
G4-EN11	None		Yes, page 87
G4-EN12	59-60		Yes, page 87
G4-EN13	59		Yes, page 87

Indicator	Reference	Omission	Verification
G4-EN14	No species		Yes, page 87
Aspect: Emissions			
G4-EN15	58		Yes, page 87
G4-EN16	58		Yes, page 87
G4-EN17	58		Yes, page 87
G4-EN19	58		Yes, page 87
G4-EN20	Not issued		Yes, page 87
G4-EN21	Significant atmospheric emissions of NOx 4,151,776 Kg Significant atmospheric emissions of SOx 2,183,182 Kg Volatile organic compounds (VOC) 304 Kg Particles (MP) 64,051 Kg		Yes, page 87
Aspect: Effluents and waste			
G4-EN22	55		Yes, page 87
G4-EN23	57		Yes, page 87
G4-EN24	No spillages reported in 2015		Yes, page 87
G4-EN25	57-58		Yes, page 87
G4-EN26	No habitats affected by the disposal of waste and water		Yes, page 87
Aspect: Products and services			
G4-EN27	61		Yes, page 87
G4-EN28	57		Yes, page 87
Aspect: Regulatory compliance			
G4-EN29	51		Yes, page 87
Aspect: Transport			
G4-EN30	58		Yes, page 87
Aspect: General			
G4-EN31	61		Yes, page 87
Aspect: Environmental evaluation of suppliers			
G4-EN32	46-49		Yes, page 87
G4-EN33	46-49		Yes, page 87
Aspect: Environmental claims mechanisms			
G4-EN34	51		Yes, page 87

Indicator	Reference	Omission	Verification
CATEGORY: SOCIAL PERFORMANCE			
SUB-CATEGORY: DECENT LABOR AND WORK PRACTICES			
Aspect: Employment			
G4-LA1	Partial	Insert analysis of turnover	Yes, page 87
Aspect: Employee-management relations			
G4-LA4	34-35		Yes, page 87
Aspect: Occupational health and safety			
G4-LA5	34-35		Yes, page 87
G4-LA6	37		Yes, page 87
G4-LA7	36 and 40		Yes, page 87
G4-LA8	The occupational health and safety programs, agreements and policies apply to all personnel, regardless of type of contract. All training processes include contractors and transporters		Yes, page 87
Aspect: Training and education			
G4-LA9	42		Yes, page 87
G4-LA10	42-43		Yes, page 87
G4-LA11	43		Yes, page 87
Aspect: Diversity and Equal Opportunities			
G4-LA12	Partial		Yes, page 87
Aspect: Evaluation of suppliers' social practices			
G4-LA14	46-49		Yes, page 87
G4-LA15	46-49		Yes, page 87
Aspect: Employment practices claims mechanisms			
G4-LA16	No claims filed		Yes, page 87
SUB-CATEGORY: HUMAN RIGHTS			
Aspect: Supplier human rights assessment			
G4-HR10	46-49		Yes, page 87
SUB-CATEGORY: SOCIETY			
Aspect: Local communities			
G4-SO1	65-69		Yes, page 87
Aspect: public policy			
G4-SO6	72		Yes, page 87

Indicator	Reference	Omission	Verification
Aspect: Unfair competition practices			
G4-S07	None identified		Yes, page 87
Aspect: Regulatory compliance			
G4-S08	7		Yes, page 87
Aspect: Evaluation of suppliers' social repercussions			
G4-S09	46-49		Yes, page 87
G4-S010	46-49		Yes, page 87
Aspect: Social impact claims mechanisms			
G4-S011	7		Yes, page 87
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
Aspect: Labeling of products and services			
G4-PR4	7		Yes, page 87
G4-PR5	44-45		Yes, page 87
Aspect: Marketing communications			
G4-PR6	None of our products are subject to litigation		Yes, page 87
G4-PR7	7		Yes, page 87
Aspect: Customer privacy			
G4-PR8	7		Yes, page 87
Aspect: Regulatory compliance			
G4-PR9	7		Yes, page 87

Verification Letter



Independent Letter of Confirmation of the Elementia's 2015 Sustainability Report.

Scope of our Work

I am pleased to inform the readers of Elementia's 2015 Sustainability Report that Redes Sociales LT has conducted an independent and impartial review of the preparation processes of the report, as well as of the presentation of its contents. Our work consisted of a limited review of the content of the report considering the level of coverage of the performance indicators as determined by the materiality study conducted by the organization, and in compliance with the standards of version G4 of the Global Reporting Initiative, (GRI). We considered the following reports and standards: The ISAE 3000 ethical principles of independence, the activities stipulated in standard AA1000AS and the GRI publication "The External Assurance of Sustainability Reporting".

Conclusions

Elementia's 2015 Sustainability Report complies with the general basic and specific contents to comply with the 'Exhaustive' option of the Guide of version G of the Global Reporting Initiative for the preparation of Sustainability Reports.

There was no evidence that the content of the indicators reviewed. There is also no evidence in the data bases to indicate that the information presented by Elementia in its report contains errors.

During the review process, no situations arose that led one to think that the information collection, validation and analysis processes performed through interviews and formal written requests for information failed to comply with the principles of traceability, exhaustiveness, comparability and confirmation.

Recommendations

Elementia has been provided with a report of the specific areas of opportunity in each phase of the Report preparation process for internal consultation purposes.

Statement of independence, competence and responsibility of Redes Sociales LT

Redes Sociales' employees have the levels of skills necessary to confirm the due compliance of the standards used in the preparation of Sustainability Reports; therefore, they are qualified to issue professional opinions on companies' reports. Redes Sociales' responsibility consisted of conducting a limited review of the report. Under no circumstance may our confirmation statement be understood as being an audit report; therefore, we not assume any liability whatsoever on the management and internal control systems and processes from which the information is obtained. This Review Letter is issued in April 2016 and will remain valid provided that no subsequent modifications are made to Elementia's 2015 Sustainability Report.

Summary of Activities

- The information on the Materiality Study was reviewed for clarity and that the results were in line with the contents of the Report.
- The data provided by the staff in charge of the report preparation process was reviewed.
- We compared the 2015 Report with the 2014 Report in terms of the implementation of the recommendations made in the previous review process.
- Finally, we review the level of coverage of the indicators included in the Report and the congruence with the GRI Index Table.

Mariana Martínez Valerio

Redes Sociales en LT S.A. de C.V

T. (55) 54 46 74 84 / contacto@redsociales.com



Corporate Offices

Poniente 134 #719
Colonia Industrial Vallejo
02300, Azcapotzalco, Mexico, D.F.
Te. 52 (55) 5728 5512
www.elementia.com

Investor Relations:

Juan Francisco Sanchez Kramer
Investor Relations Director
Tel. 52 (55) 4124 1133
jsanchezk@elementia.com
jrsolis@elementia.com

Writing and editing: McBride Sustainability
Design: DDMerc Diseño Integral

