



SUSTAINABILITY REPORT 2016

Building together®

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

To Whom it May Concern,

I am very pleased to share the 2016 Sustainability Report; framed within the ongoing celebration of GCC's 75th anniversary and 40 years after my father, Federico Terrazas Torres, initiated an environmental stewardship and a solid cornerstone in the way our company conducts business.

“

The business environment has certainly changed in the last 75 years and pursuit for sustainability has not been an exception for GCC. Today, we are not only focused on producing and offering the highest quality products and services for our customers, but also on working and collaborating with our stakeholders to contribute toward the continual progress of the communities where we are located; while simultaneously being conscientious of our environment at all times.

The Board of Directors and our entire personnel at GCC have 4 commitments:

- I. Implementing creative solutions to improve our production processes; hence improve efficiency, make the best use of resources and observe all the environmental standards.
- II. Research and develop durable products and solutions, which are both economically feasible and adhere to all the environmental standards.
- III. Upgrade our facilities to minimize any risk that could compromise our employees and contractors with respect to their safety and health.
- IV. Establish programs to improve our employees' quality of life and appropriately support the communities where we operate.

To such purpose, we have assigned teams and allocated investments to address each of these commitments. As part of these actions, GCC in 2012 became a member of the Cement Sustainability Initiative (CSI) launched by the World Business Council for Sustainable Development (WBCSD), where we strive for objectives that address climate and energy, health and safety, sustainable construction, local impacts and resources efficiency. In Mexico, GCC is a member of CESPEDS, the Mexican Chapter of WBCSD, whose purpose is implementing sustainability practices among its members.

GCC is currently a leading company in the regions where we operate. We will continue working on strengthening our leadership role through our dedication and commitments toward sustainability.

On behalf of the Board of Directors, the management team and all of GCC's employees, I want to wholeheartedly thank our customers, suppliers, organizations and communities with whom we work hand in hand for the sustainable development of our company and the regions where we operate.

Sincerely,

Federico Terrazas Becerra
Chairman of the Board of Directors
Grupo Cementos de Chihuahua



MESSAGE FROM THE CEO

To all our stakeholders,

We present you this report with the objective of sharing our results in the area of sustainability during 2016. During this same period, we were able to address immense challenges, we acquired great learning experiences that will be invaluable toward our future business endeavors, we defined our most critical goals and commitments as a means to achieve our 2020 vision in the most effective manner.

“

Every one of us working at GCC aims for our company's transcendence, by keeping an optimum balance between the financial, environmental and social objectives. As far as finances are concerned, we are aware that for a company to grow and generate jobs, it must be profitable and yield adequate economic benefits to its stockholders. With respect to the environment, we are focused on implementing best practices that mitigate any environmental impact. We are also aware that we need to collaborate with the communities where we are located, through the involvement by the company and our employees in designated social programs and the development of products that foster a better quality of life.

Financial Performance

In 2016, we made significant progress in our sustainable growth strategy. We acquired a cement plant in Odessa, Texas, 2 cement terminals, and a concrete and construction materials business in northern Texas and southern New Mexico. The corporation's total sales grew 16.8% by year ending 2016; the operating profit before other expenses went up 41.1%; EBITDA grew 33.6% and the net profit went up 40.3%. We also achieved a net leverage (net debt/EBITDA) of 2.57 times upon closing 2016; including the new financing for the acquisition of the assets mentioned above. Fitch Ratings and Standard and Poor's ratified GCC's credit rating.

Environmental Performance

GCC is devoted to the continuous enhancement of our environment. We have therefore implemented systems to prevent, control and reduce environmental impact throughout all our operating processes. We have set a goal for our cement plants to achieve a 9%¹ reduction of CO2 emissions per ton of cement by 2020. This goal will be achieved through the development and production of special cements, blended cements that are less intensive in power consumption, yield excellent results for resistance and durability and the processing of industrial residues to be used as alternate fuel instead of fossil fuels.

Social Performance

We are committed to participating in the integral development of the communities where we operate, through specific actions and programs focused on 4 major areas: education, infrastructure, social welfare and promoting culture. Throughout 2016 we offered our support to more than 65 institutions and organizations, giving preference to those with projects aimed to assist vulnerable populations and with explicit commitment to our society at large.

I thank each and all of our employees for their effort and dedication, to our customers for their preference and to the Board of Directors for their support and trust. I know that together we are converting GCC into a global and sustainable enterprise.

Sincerely,

Enrique Escalante
CEO
Grupo Cementos de Chihuahua

.....
1. Estimated reduction considering 2005 as the base year. For further details see the Emissions Sections in Chapter 4: Environment.

ABOUT THIS REPORT AND RELEVANT FIGURES

We present to our stakeholders our 2016 Sustainability Report, showing the corporation's main results and the way we have worked to achieve our sustainability goals.

REPORTING CYCLES **G4-29**

We started preparing GCC's sustainability reports in 2007, addressing topics related to our economic, environmental and social performance. For this report, we consolidated the information from all our operations in Mexico and the United States during 2016.

ALIGNED TO GLOBAL REPORTING INITIATIVE **G4-32**

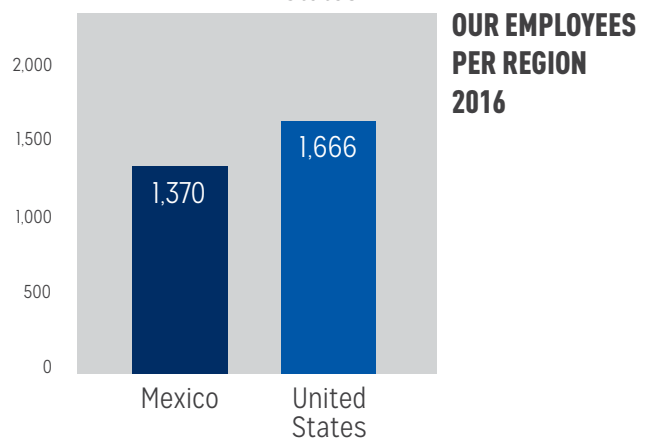
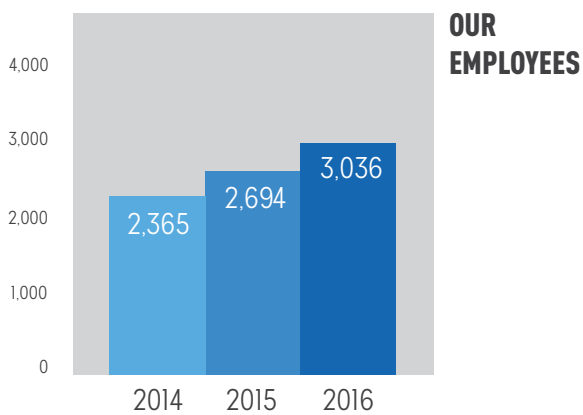
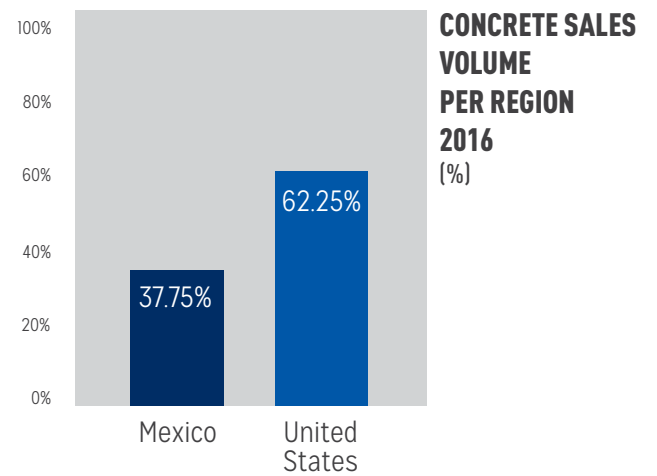
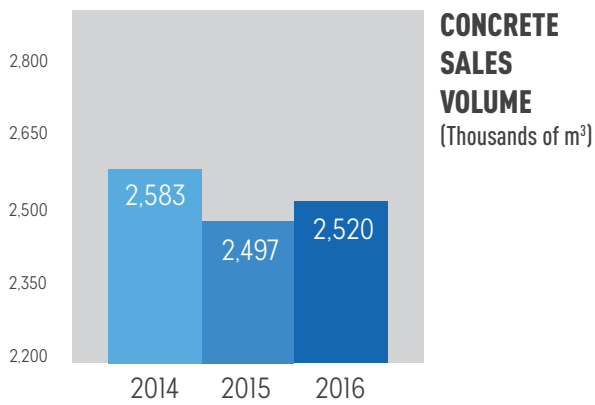
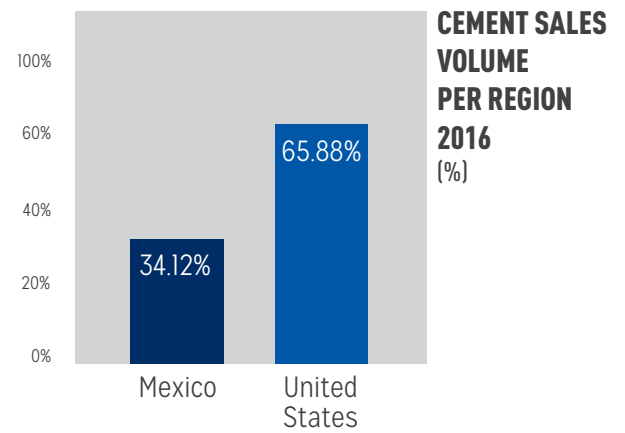
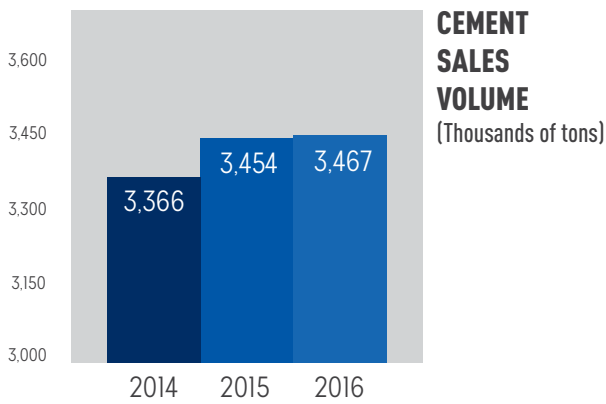
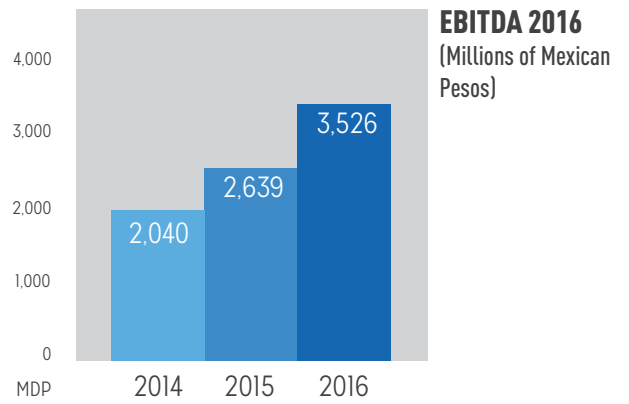
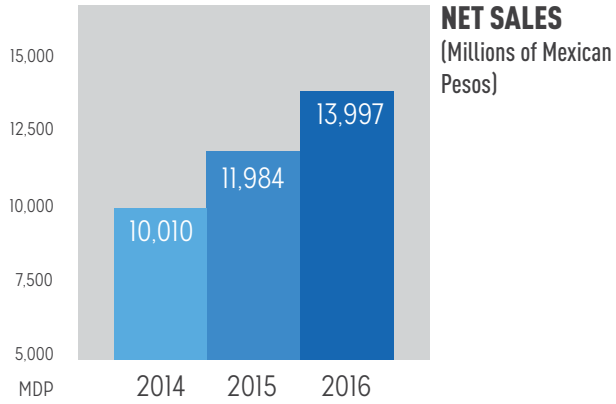
With the purpose of improving sustainability-related communication with our stakeholders, when preparing our Sustainability Report we apply the guidelines provided by the *Global Reporting Initiative* **GRI-4** using the "in accordance" core option, with no external verification.

The contents of this account are under the responsibility of GCC's Sustainability Committee, chaired by the CEO. The Committee analyses and approves each of the topics discussed in this document, ensuring the legitimacy of every aspect included in this Sustainability Report. **G4-48**



For a digital version of this Report, please go to:
www.gcc.com

GCC welcomes any feedback or questions from our stakeholders regarding this Report, to such purpose please contact:
Manuel Fernández, Corporate Affairs Manager,
at the email **mfernandez@gcc.com**. **G4-31**



01

ABOUT GCC



GCC is a company with a global and sustainable approach. Founded in 1941, it is a vertically integrated controlling company with operations in Mexico and the USA; its subsidiaries are mainly devoted to producing and selling gray Portland cement, mortar, ready-mix concrete, concrete blocks, plaster, aggregates and other construction materials.

ORGANIZATIONAL 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 to their construction projects. We're a sustainable growing company, a great place to work and a solid investment for our shareholders.



GCC VALUES G4-56

Our corporate values are present throughout the development of our activities and decision-making and guide us to achieve our vision.



HEALTH AND SAFETY

We are committed to perform all our actions responsibly, with the purpose of minimizing all risks that could endanger the safety of our employees and the general public that interact with our operations.



SERVICE ATTITUDE

For GCC, our customers are a priority. Our systems allow us to anticipate and search for optimal solutions that will constantly satisfy our customer's needs. Doing business with GCC is easier.



INTEGRITY

Our behavior is ruled by honesty, respect and ethics. We responsibly uphold and honor all our commitments; we are congruent with what we think, say and do, and stay open-minded to the ideas or reasons of others.



TEAM WORK

Our internal and external relationships are guided by the creation of synergies, always in search of mutually beneficial objectives and a continual and transparent dialogue. Collaboration is a fundamental element toward achieving our objectives.



INNOVATION

We create value by searching for new ways of developing our products, services and processes, which translates into better solutions. We encourage initiative and the implementation of improvements as if they were our own.



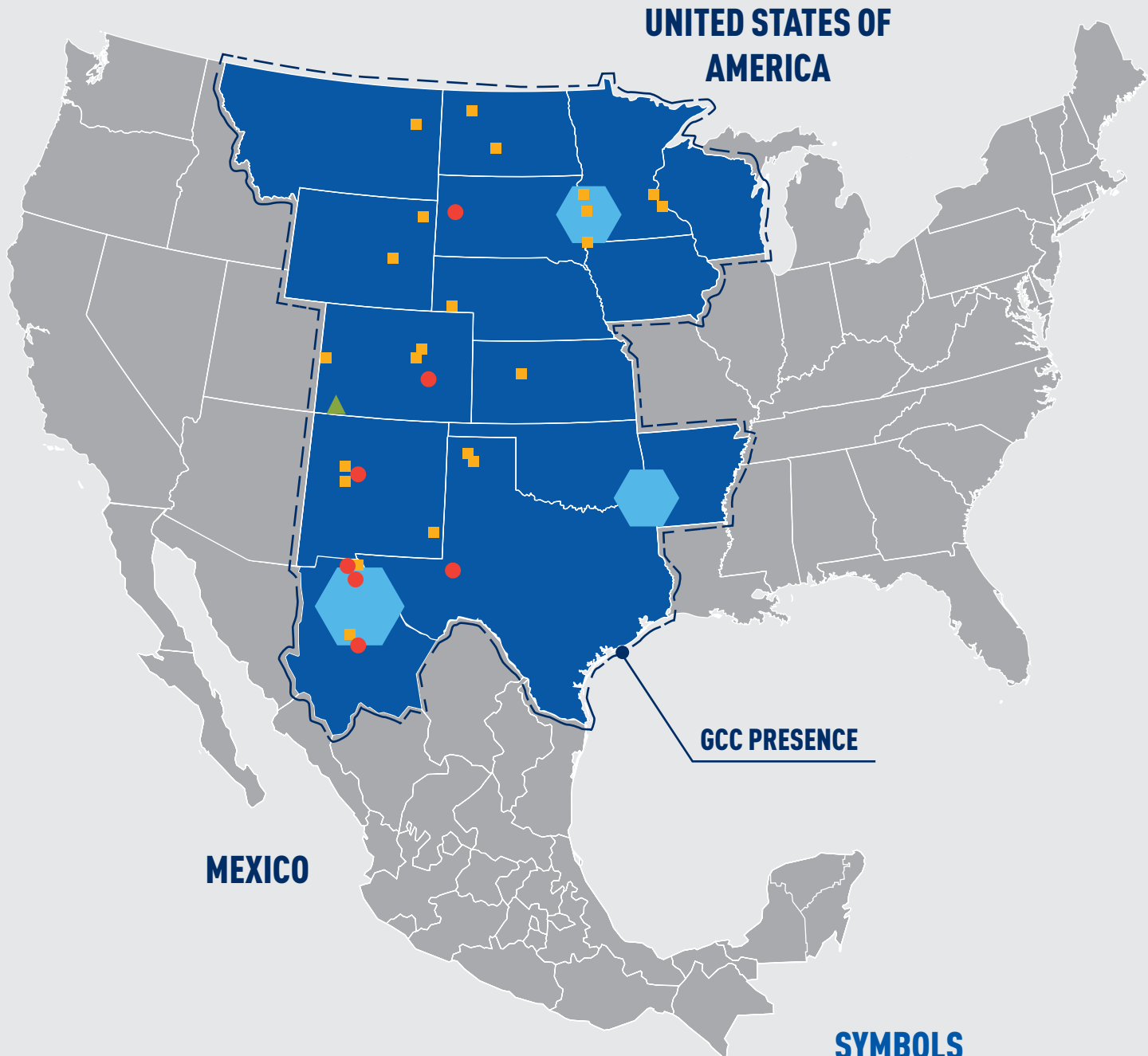
EXCELLENCE
















We feel proud of what we propose and do. We establish goals based on common agreement and commit to achieving results. In the quest of perfection, we execute our goals with passion, wholeheartedness and commitment.

OUR GEOGRAPHICAL FOOTPRINT AND OPERATIONS

G4-6

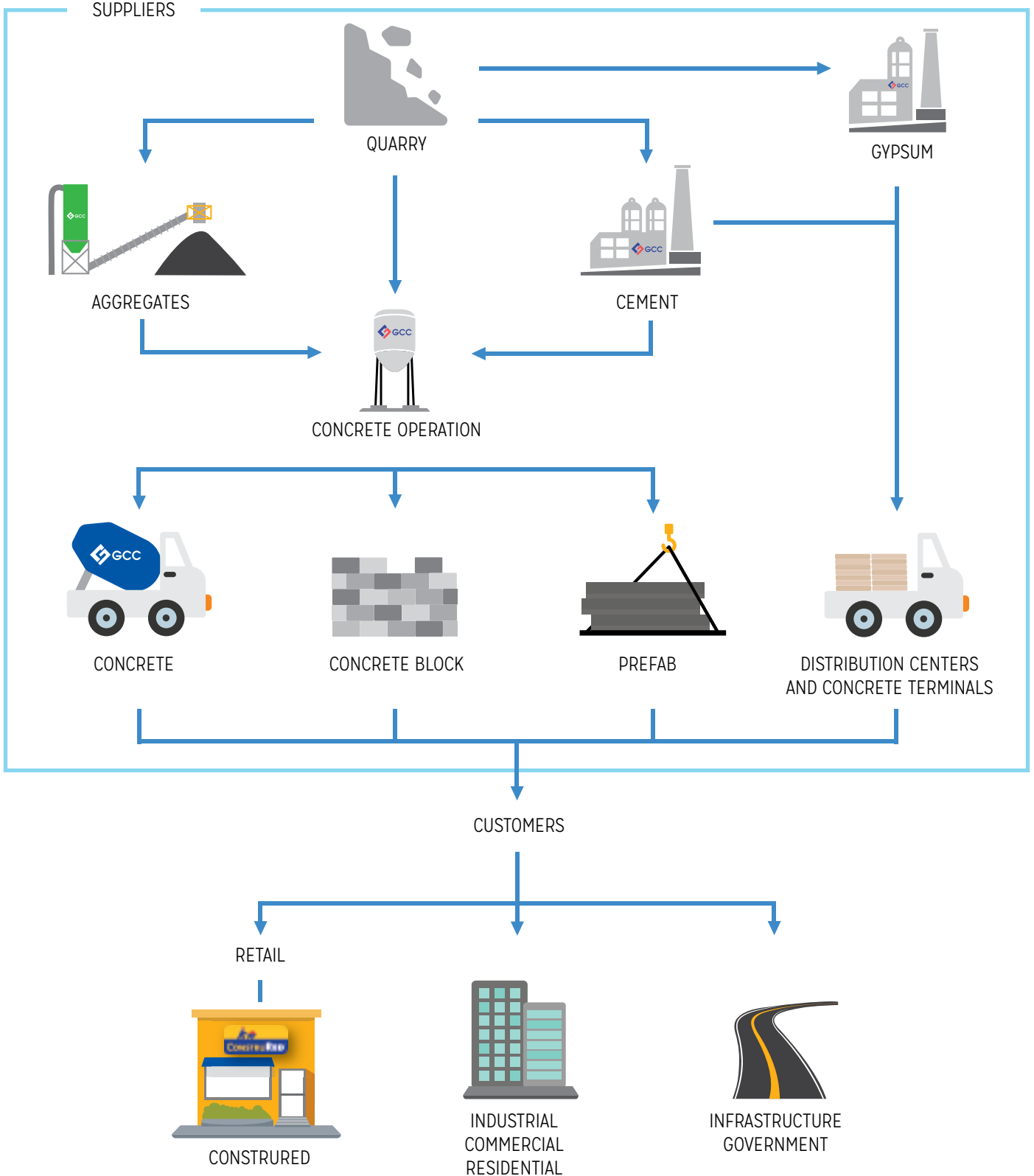
G4-8



		MEXICO	USA	TOTAL
	Cement production plants	3	4	7
		Located in: - Chihuahua, Chih. - Ciudad Juarez, Chih. - Samalayuca, Chih.	Located in: - Tijeras, New Mexico - Rapid City, South Dakota - Pueblo, Colorado - Odessa, Texas	
ANNUAL PRODUCTION CAPACITY		2.26 million tons per year	2.79 million tons per year	5.05 million tons per year
To distribute cement, the Company has:		22 Cement terminals		Located in: <ul style="list-style-type: none"> <li style="width: 25%;">- South Dakota <li style="width: 25%;">- Minnesota <li style="width: 25%;">- Nebraska <li style="width: 25%;">- Colorado <li style="width: 25%;">- Iowa <li style="width: 25%;">- Montana <li style="width: 25%;">- Texas <li style="width: 25%;">- North Dakota <li style="width: 25%;">- Kansas <li style="width: 25%;">- New Mexico <li style="width: 25%;">- Wyoming 
In addition, we have:				TOTAL
	Concrete plants	39	87	126
	Aggregates plants	6	6	12
	Gypsum plaster plant	1	-	1
	Concrete block plants	6	-	6
	Concrete prefabs plants	2	-	2
	Concrete mixer trucks	242	483	725
	Transportation trucks	131	276	407
	Distribution centers and terminals	-	22	22
	Construction materials distribution centers	-	5	5
	Coal mine	-	1	1
	Asphalt plants	-	5	5

FROM THE QUARRY TO CONSTRUCTION G4-12

The following chart shows the main elements in our chain of supply for the organization's activities, products and primary services:



OUR PORTAFOLIO G4-4

PRODUCTS

GCC produces and sells several types of products, designed for different applications, tailored to the needs of each of our customers.



CEMENTS

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



CONCRETE

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



AGGREGATES

Aggregates are materials, like stone, sand and gravel, used as the main ingredients in concrete.



CONCRETE BLOCK

Concrete block is a right rectangular prism-shaped pre-fabricated piece, with one or more vertical hollow cores to be used in simple or structural masonry systems.



PREFAB

Prefabs are made of pre-stressed concrete, offering solutions for the construction of infrastructure and commercial and industrial buildings.



SPECIAL CEMENTS

These cementing products were developed to provide special characteristics to concrete and therefore offer specific solutions to our customers.

THERMAL CONCRETE BLOCK

The use of concrete blocks arises from the need for easy placement for wall construction. Block is the modern material par excellence, taking into consideration that it is used in around 70% of constructions in Northern Mexico.

Isoblock is a concrete block with thermal polystyrene insulation instead of hollow cores. Isoblock thermal insulation system may be broadly used in the construction of houses, commercial and industrial buildings due to the following advantages:

- High thermal insulation for buildings
- Power savings in the building
- Excellent resistance to compression
- Good acoustic insulation
- Manufactured with state-of-the-art technology
- Fire resistant
- Qualifies for a LEED (Leadership in Energy and Environmental Design) System
- Thermal insulation

Due to its characteristics, Isoblock is a product made by GCC that makes a significant contribution to sustainability.



ALLIANCES AND ASSOCIATIONS G4-15 G4-16

	<h3>CEMENT SUSTAINABILITY INITIATIVE (CSI)</h3> <p>A global effort by 22 major cement producers with operations in more than 100 countries pursuing sustainable development. To this date, CSI is the initiative on cement industry sustainability with the highest global recognition.</p>
	<h3>CESPEDES, Mexican Chapter of the WBCSD.</h3> <p>Founded in 1994 by Mexican businessmen as a means to face the challenges on sustainable development posed by Mexico's incorporation to the global markets. CESPEDES currently consists of a Board of Directors from 33 companies representing the most important sectors in economy that provide guidance and resources.</p>
	<h3>SOCIALLY RESPONSIBLE COMPANY</h3> <p>The purpose of the Mexican Center for Philanthropy (Cemefi) and the Alliance for Social Business Responsibility (AliaRSE) is working in the strategic venues of business social responsibility. This is a voluntary effort by its members, companies committed to implementing socially responsible and continuous improvement management practices, as part of our culture and business strategy.</p>
	<h3>THE GLOBAL COMPACT</h3> <p>The United Nations Global Compact is an international initiative to encourage the adoption of 10 Principles, universally accepted to promote corporate social responsibility in the areas of Human Rights, Labor, Environment and Anti-corruption for the companies' activities and business strategies.</p>

Please refer to Exhibit A for a complete list of associations, awards and certifications.

IMPLEMENTING SUSTAINABILITY IN OUR BUSINESS

As an essential part of doing business at GCC, we focus on finding optimum balance among our economic, environmental and social goals. We will hence remain more competitive, resilient and supple for change.



ENVIRONMENT

We focus on implementing practices that mitigate any negative impacts on the environment, in order to continue producing and selling our products in the future.

ECONOMIC

We seek to be a profitable and growing company, which creates jobs and provides benefits to our shareholders.

COMMUNITY

We work on protecting the health and safety of anyone interacting with our operations; we also support the community with programs and solutions that help them improve their construction projects.

ACHIEVEMENTS

ECONOMIC



EXPANSION OF OUR GEOGRAPHICAL FOOTPRINT G4-13

In 2016, we invested

US\$306 million in the acquisition of assets located in the United States.

The assets consist of a cement plant located in Odessa, Texas; two cement distribution terminals in Amarillo and El Paso, Texas and one construction materials business located in El Paso, Texas and Las Cruces, New Mexico.

The transaction was financed with our

own resources and a new bank loan; we simultaneously refinanced the syndicated bank loan.

This new financial structure provides GCC greater flexibility with better contractual terms and an improved maturity profile, more suitable for the company which, in conjunction with the acquisition, contribute to GCC's steady effort to significantly improve its operational and financial results.



MODERNIZATION OF ONE OF OUR PLANTS

In September 2015, we announced **the modernization of the Rapid City Cement Plant**, located in South Dakota, USA, as part of our capital investments. Since 2015, we have been investing up to **\$90 million US Dollars**, of our own resources in this project, which is expected to be completed.

With this project, plans are to increase **cement production capacity by 440,00 metric tons per year (from 773,00 to 1,173,00)**, which will allow strengthening our distribution network.



CORPORATE RESTRUCTURE G4-13

GCC's main shareholders made the decision to make a shareholding restructure. Please note that this shareholding restructure has no effect on GCC's management and operation.

The corporate restructure consisted on **GCC's merge into two entities**, being GCC the surviving corporation. With this corporate restructure, GCC's major direct shareholder is **CAMCEM, S.A. de C.V. ("CAMCEM")**, which holds a controlling interest on GCC's capital stock.

In addition, as a result of the corporate restructure, approved in the proposed terms, **CEMEX, S.A.B. de C.V. ("CEMEX", NYSE:CM)** became a direct shareholder of 23% of GCC's capital stock and minority shareholder of CAMCEM. Later, CEMEX decided to sell part of such 23% among their investors.

This shareholding restructure proposal was approved by Mexico's Federal Commission for Economic Competition and by GCC's general stockholders meeting.

ACHIEVEMENTS

TALENT MANAGEMENT

A GREAT PLACE TO WORK

The Great Place to Work Institute ranks the companies with the best labor environment, based on a survey and a culture audit. This assessment provides valuable information about: Credibility, Respect, Fairness, Pride and Companionship, which allows us to prepare work plans that help improve and create a great place to work, aligned with our business vision.

In 2016, we ranked among the 100 best companies to work in Mexico, due to the following characteristics that distinguish us:

- The confidence we have toward our employees.
- The pride and commitment for the job we do.
- The collaboration and companionship environment lived day after day.

GCC PEOPLE MODEL

In GCC we acknowledge that our people are our most important asset; we are therefore firmly committed to fostering a safe, healthy and productive work environment. We offer professional development opportunities to all our employees, we practice internal promotion and encourage continuous improvement and high performance culture.

We are currently implementing our new GCC People Model, aimed at transforming Human Resources' role throughout the organization.

GCC People Model pursues the following goals:

- Be recognized as a great place to work.
- Make sure we have the right people at the right place; we want to attract and retain the best employees.
- Develop talent through GCC University and mobility programs among the several areas and sites.
- Standardize and strengthen the Human Resources processes.



“

In GCC we are aware that keeping a competitive position in the market, ensuring permanence and growing, requires a positive work environment that makes our personnel proud and willing to do their very best in their day-to-day tasks.

As part of the Model, we have started the implementation of “Successfactors”, an enabling system for GCC People Model, whose main purposes are:

- Consolidating the talent information and processes in a single platform.
- Talent information, optimization and predictive tools availability.
- Aligning the employees' goals with the company's and monitoring performance.
- Establishing goal-based variable compensation systems.
- Consolidating coaching management at GCC.
- Improving the recruitment process.
- Preparing the future with succession and track record plans.

02

ECONOMIC MANAGEMENT



At GCC we are constantly monitoring and analyzing growth opportunities through expansions, acquisitions and the development of strategic alliances that strengthen our company's presence and generate greater profitability and business value.

“ We work on improving our business’s profitability to maximize value for the shareholders, continue offering the best products to our customers and be a competitive employer. To such purpose, we have specific processes focused on improving our sales strategies and our production processes, as well as efficient administration policies, which provide for a stringent control on expenditures and investments, as well as proper working capital management.

FINANCIAL RESULTS G4-9

The consolidated net sales totaled \$13,996.8 millions of Mexican Pesos in 2016, a 16.8% increase over 2015. This increase was due to a better price scenario in both divisions, larger volumes for cement in Mexico and for concrete in the USA, in addition to the US Dollar appreciation. Compared to 2015, sales in the United States grew 20.6% and represented 73.6% of total consolidated sales.

Sales in Mexico represented 26.4% of total sales and went up 7.4%.

The Operating Profit was increased by 36.0% over 2015 and the operating margin went up 2.2% to reach 16.0%. EBITDA grew 33.6%, amounting to \$3,525.6 Million Mexican Pesos, with a 25.2% margin on sales, 3.2% more than the 2015 margin.



Net Sales in 2016

\$13,996.8

millions of mexican pesos



Went up

16.8 %

over 2015.



Sales in the USA

20.6 %

over 2015.

Represented

73.6 %

of total consolidated sales



Sales in Mexico

7.4 %

over 2015.

Represented

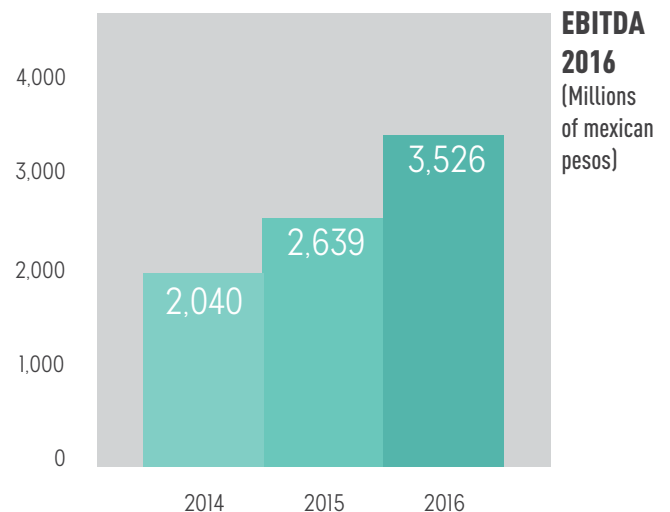
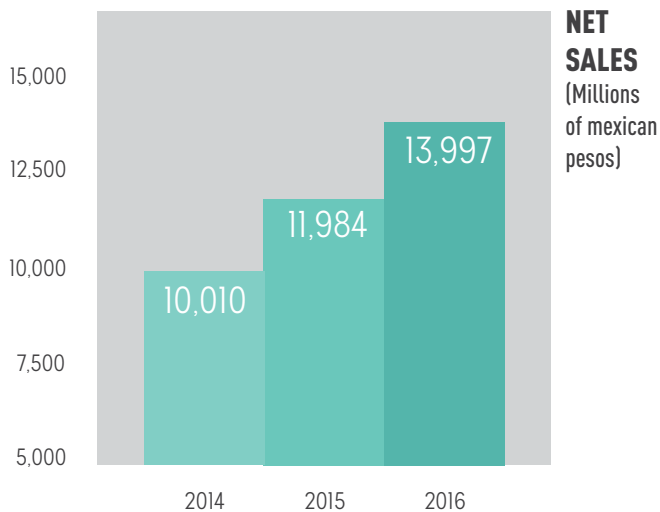
26.4 %

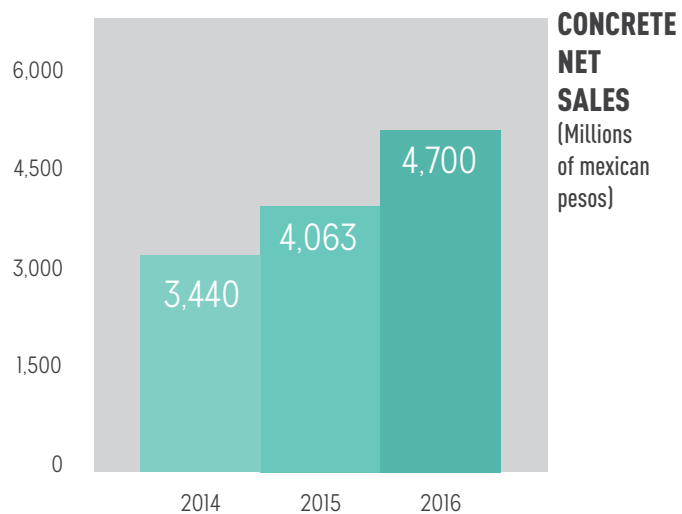
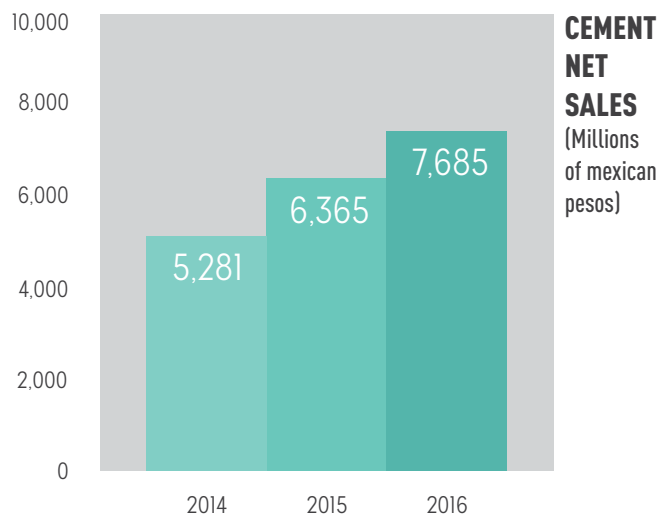
of total consolidated sales



For further information, please see our 2016 Annual Report, available at:

www.gcc.com





ECONOMIC VALUE **G4-EC1**

MILLIONS OF MEXICAN PESOS	2014	2015	2016
NET SALES	10,009.7	11,983.8	13,996.8
SELLING GENERAL AND ADMINISTRATIVE EXPENSES	6,407.8	7,535.6	8,434.4
EMPLOYEE'S BENEFITS EXPENSES	2,412.6	2,773.7	3,200.3
PAYMENTS TO CAPITAL SUPPLIERS	605.6	651.5	785.3
PAYMENTS TO GOVERNMENT AGENCIES	50.7	146.8	160.4
DONATIONS	11.1	10.1	15.4
RETAINED ECONOMIC VALUE	521.9	866.1	1,400.9

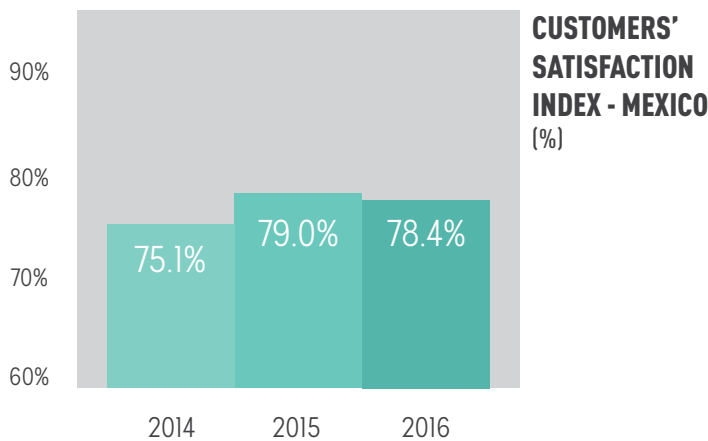
INVESTMENT IN INFRASTRUCTURE AND TYPES OF SERVICES **G4-EC7**

MILLONES DE PESOS	2014	2015	2016
COAL MINE	95	71	96
DISTRIBUTION CENTERS	11	12	34
CEMENT PLANT'S MODERNIZATION AND AUTOMATION	398	417	524
AGGREGATES PLANTS	36	38	5
TRANSPORTATION EQUIPMENT	117	216	378
INFORMATION TECHNOLOGY	19	35	53
LAND AND BUILDINGS	6	17	17
TOTAL	682	806	1107

CUSTOMER RELATIONS G4-PR5

Customers are of great value to GCC. We are aware that the construction industry offers them several options to meet their needs. That is why we focus our efforts on strengthening our leadership in service and quality, by offering integrated and innovative solutions and a specialized consulting service. We have systems that allow us to fully understand our customers and the markets where we do business, to continuously, promptly and systematically identify their needs and expectations.

The average results obtained from the surveys made in 2016 show that we reached a customers' satisfaction index close to 80/100 points.



VALUE CHAIN

With the purpose of creating value and generating a better relationship with our customers, the project Value Chain was developed in Mexico. Personnel from the Sales, Production and Administration areas are involved in this project.

This program has led to the implementation of initiatives for the development of new products and services and the improvement of our processes, to support the increase in our customers' satisfaction index.

SUCCESS STORY

An inter-disciplinary innovation team developed an application to provide real-time information to our customers about the status of their ready-mix concrete orders. This app, which will be fully implemented in Mexico and the United States will also serve as a permanent communication channel.



SUPPLIER AND CONTRACTOR RELATIONS G4-EC9

Developing long-term trust and mutually beneficial relationships with our suppliers and contractors has contributed to our company's success. We therefore make sure our relations are always transparent, properly grounded on equal opportunities, respect and integrity, as stated in our Code of Ethics.

Framed by confidentiality and respect, GCC offers our vendors the same opportunities to engage their services, avoiding false expectations and always adhere to congruence and consistency in the procurement process.

In 2016, our operations in the **United States** had **3,042 active vendors, of which 342 joined our network throughout the year**; 99% of the expenses were paid to local and regional vendors.

In **Mexico** we have **1,773 active vendors of which 271 were enrolled in 2016**. 95% of the expenses were paid to Mexican vendors; 48% from the State of Chihuahua. We are currently implementing a program with our contractors to improve health and safety. The purpose is to reduce and control risks and keeping safe every outsider interacting with the company's operations.

SUPPLIERS DEVELOPMENT PROGRAM (SDP)

Since 2007, GCC has participated in the United Nations Development Program through the Suppliers Development Program in productive chains. We are strongly committed to improving competitiveness through the generation of strategic relations and continuous improvement processes.

International experience shows that productive linkage is one of the most effective ways to insert SMC's into the globalized economy.

In addition, innovation is favored, new projects are jointly developed and the volume of domestic purchases is increased.

GCC has worked with more than 20 vendors incorporating them to the productive chains, achieving:

At Company level:

- Transfer operating, commercial and financial practices to the local vendor network.
- Align corporate and business purposes.
- Implement a certification system that favors an objective evaluation of our vendors' performance.

A Government level:

- Integrate small and medium companies to world-wide large-scale commercial and financial flows.
- Identify restrictions in the productive chains, understand sectors' needs and trigger public policies for the country's economic development.



03

CORPORATE GOVERNANCE



We at GCC believe that our business success greatly rely on honest, clear and open interaction with our stakeholders. We encourage plurality in cultures and opinions.

“

We strive to develop and implement strategies that ensure excellence in creating value for our customers, shareholders, personnel, suppliers and communities where we operate. We are convinced that corporate governance is to be practiced with each of our stakeholders.

GOVERNANCE STRUCTURE

GCC has seen to providing our shareholders information and results that boost confidence, showing that their investment is under sound management.

BOARD OF DIRECTORS G4-34 G4-38

GCC's management has been entrusted to a CEO and a Board of Directors. The Board of Directors sets the guidelines and general strategy for our business, supervising its implementation.

The Board of Directors Meetings are considered legally held with the attendance of a majority of the members. The resolutions passed in such meetings are valid when approved by the majority of the members of the Board of Directors.

DIRECTORS		ALTERNATE DIRECTORS	
Chairman: Federico Terrazas Becerra			
Federico Terrazas Becerra	P	Alberto Terrazas Seyffert	P
Federico Terrazas Torres	P	Manuel Antonio Milán Reyes	P
Miguel Márquez Prieto	P	Martha Márquez de Corral	P
Enrique G. Terrazas Torres	P	Luis Enrique Terrazas Seyffert	P
Ana Cecilia Márquez Villalobos	P		
Luis Márquez Villalobos	P	Martha Soledad Rodríguez Rico	PR
Ramiro Gerardo Villareal Morales	P	Luis Miguel Cantú Pinto	P
Fernando Ángel González Olivieri	P	Sergio Mauricio Menéndez Medina	P
Luis Hernández Echávez	P	Rafael Garza Lozano	P
José Antonio González Flores	P	Ignacio Alejandro Mijares Elizondo	P
Juan Romero Torres P	I	Ricardo Naya Barba	P
Fernando Ruiz Sahagún	I	José Alberto Araujo Saavedra	I
Héctor Medina Aguilar	I	Armando J. García Segovia	I
Rómulo Jaurrieta Caballero	I	Manuel Esparza Zuberza	I
Pedro Miguel Escobedo Cónover	I	Gilles Alain Boud'hors Leautad	I

NOMINATION AND APPOINTMENT **G4-40**

The members of the Board of Directors hold their position for one year; however, they may stay for up to 30 calendar days whenever their substitutes have not been appointed or have not taken office. The Board of Directors may appoint provisional directors, who will stay in office until such appointments are ratified or substitute directors are appointed in an Ordinary General Stockholders Meeting, in the understanding that any member of the Board of Directors may be reelected.

GCC's current members of the Board of Directors were appointed in the Ordinary General Stockholders Meeting held on April 28, 2016, by unanimous voting, based on the proposal made by a group of stockholders.

GCC's Board of Directors currently consists of 15 directors, and the corresponding alternate directors.

SUSTAINABILITY COMMITTEE **G4-35** **G4-36**

Within the Business Strategy, the decision was made in 2015 to formalize the Sustainability Department and create the Group's Sustainability Committee. This has provided support to focus our efforts and resources and include sustainability in decision-making processes.

The Board of Directors has entrusted the Sustainability Committee, as a superior governance body, with the tasks of identifying and managing any impacts, risks and opportunities in the environmental and social fields, supported by the management team for economic purposes.

The Committee generates a strategic working plan, which is updated every year. The Sustainability Committee holds meetings every three months to guide and monitor progress in the implementation of social and environmental practices. The strategies and economic results are analyzed in different meetings, held every month or quarter depending on each topic.

The Sustainability Department has provided a stronger inclusion of sustainability in decision-making, offering a comprehensive vision.



ETHICS AND TRANSPARENCY G4-56 G4-57 G4-58

At GCC, our corporate values are the basis of our work. We promote ethical behavior to reflect in the decisions made by our employees both inside and outside the company.

We prepared a Code of Ethics applicable throughout the organization, and everyone working for GCC has the responsibility to observe and enforce it.

To such purpose, several communication channels have been established, which any stakeholder may use to answer doubts about this Code, make suggestions, inform about cases promoting GCC's values, or denouncing improper behavior within the organization.

The communication channels are:

- Human Resources Department
- Corporate Audit
- Email
- Anonymous hotline
- Legal Department

In 2015, we implemented significant improvements to GCC's Code of Ethics, to guarantee that our work is always under a continuous improvement process, we currently have:

One sole Ethics Committee for the whole corporation, which confidentially receives complaints and consists of 7 members who analyze and solve the cases quarterly.

ETHICS COMMITTEE'S RESULTS G4-LA16

Concerns, suggestions, exemplarity cases and/or complaints about working practices that have been presented, discussed and solved through formal mechanisms:



17

cases reported in the Whistleblowing System.



14

cases solved by the Ethics Committee, related to conflicts of interest, safety and health, and use of assets and favoritism.

PREVENTING AND MANAGING POSSIBLE CONFLICTS OF INTEREST

GCC's employees must report actual and potential conflicts of interests to the Corporate Ethics Committee. To make reporting this type of situations easier, the employees, executives or directors **may report any conflict of interest anonymously** using the web portal created to such purpose. G4-41

The Ethics Committee is responsible for ensuring proper disclosure and enforcement of the Code of Ethics, which means:

- Promoting the values and behaviors encouraged in the Code of Ethics.
- Being a consultation body.
- Channeling cases as applicable.
- Approving corrective measures that guarantee consistency.
- Generating statistics and reports.
- Responding to inquiries.



“

We observe applicable labor laws, including proper payment of salaries, wages and fees, avoiding at all times forced or child labor. GCC believes in the power of acting with integrity and that is why we give special consideration to human rights. Furthermore, GCC emphasizes the observance of fundamental rights and complying at all times with legal provisions regarding slavery and child labor, as well as avoiding any kind of discrimination.

GCC'S COMMITMENT TO HUMAN RIGHTS

Making labor decisions taking only individual merits into consideration, avoiding discrimination for any reason, factor or individual characteristics, such as age, race, ethnic origin, religion, different capabilities, marital status or sexual orientation, among others.

Acknowledging the right to freedom of association.

Giving priority to providing a safe, healthy, productive and dignified labor environment.

Improving our processes and procedures to minimize any impact on the environment and the communities where we operate.



For further information about our Ethics and Behavior Policies, visit our webpage:

www.gcc.com

OUR STAKEHOLDERS G4-24 G4-25 G4-26 G4-27

GCC has identified 6 stakeholders, based on our interactions, requirements and needs.



Investors

We have adhered to safeguarding the interests of each of our stockholders, by providing information and results that boost their confidence, showing them that their investment is being properly managed through the analysis of effective risk management processes made by the Audit and Corporate Practices Committee.



Personnel

We acknowledge in our personnel the most important asset to building competitive advantage. Their expertise and knowledge applied to the implementation of the processes in our business is what has made GCC what we are today. That is why we promote a suitable environment for their comprehensive development. In addition, we are implementing an institutional safety, health and wellness program focused on our employees, which goals are optimizing and standardizing practices, improving occupational health and welfare and reducing and managing risks.



Customers

Our mission is to be the supplier of choice. That is why we count on the most effective professional treatment. We strive to act in an innovating and proactive way, to exceed our customers' expectations, anticipate their needs and ensure a long-term, mutually beneficial relationship.



Suppliers and Contractors

Within a framework of confidentiality and respect, we grant our vendors the same opportunities to engage their services, without generating false expectations and always keeping congruency and consistency in the procurement process. Offers' evaluation to select the suppliers and contractors is based on criteria that obey our values.



Government

GCC's operations require a broad interaction with government authorities at the regions where we operate. We observe at all times the designated regulations, principles and values promoted by our enterprise. We understand by government relations any interaction with GCC as either customer or vendor.



Community

GCC pursues synergies with society's organizations through projects that promote education, social welfare, infrastructure and culture.

Dialogue with our Stakeholders and Consultation Process **G4-37**

We are aware that our stakeholders' opinion is essential for our company's development; we therefore keep open dialogue channels, by electronic means, phone or personally, to receive their feedback and meet their expectations.

• Customers:

- Customer Services phone lines
- Surveys
- Exhibits
- Periodical visits

• Personnel:

- Work environment surveys
- Events, workshops and training
- Formal and informal meetings

• Investors:

- Conference calls and face-to-face meetings.
- Quarterly and annual reports.

• Suppliers and Contractors:

- Satisfaction surveys.
- Conference calls and face-to-face meetings.

• Government:

- Immediate response to requirements.
- Conference calls and face-to-face meetings.
- Agreements.

• Community:

- Visits to our facilities.
- Community engagement initiatives and forums.
- Support to designated social programs.



04+



ENVIRONMENT

G4-14 GCC is committed to mitigating our operations' environmental impact. We have therefore developed a system focused on four different areas: emissions, alternative materials and fuels, biodiversity and water.

“

As part of our organizational culture, these areas have specific programs, indicators and goals, which are systematically monitored, analyzed and updated. In this way, we are sure we are fulfilling our sustainability strategy and the environmental regulations in force at the regions where we operate.



CARBON EMISSIONS

G4-EN15 G4-EN16 G4-EN18 G4-EN19

According to the Cement Sustainability Initiative (CSI), cement production generates around 5% of the CO₂ emissions produced by human kind, and the demand for cement is expected to keep on growing, especially in the emerging economies.

Taking this data into consideration, the organization is implementing projects that will allow us to reduce CO₂ emissions.

We are working to reach our goal of reducing net specific CO₂ emissions by 9%, proposed for 2020, compared to 2005, our base year.

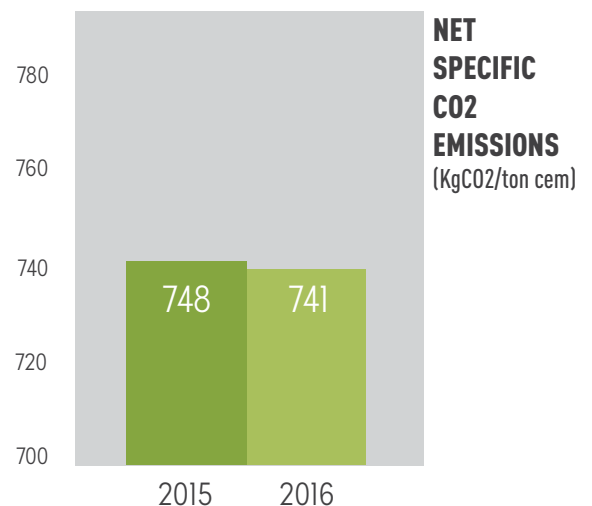
For the cement operations in 2016 we achieved a 7.15% reduction in the intensity of CO₂/ton of cement (798 to 741) as compared to the base year 2005.

We are achieving this through the development and production of blended cements, which are less intensive in power consumption and have high resistance and durability results; the decommissioning of less efficient kilns; special cements and the usage of industrial residues as alternative fuel instead of fossil fuels.

DIRECT GAS EMISSIONS

(Thousands of CO₂)

	UNITS	2015	2016
DIRECT CO ₂ EMISSIONS - NET	Ton CO ₂	2,575	2,558
INDIRECT CO ₂ EMISSIONS - NET	Ton CO ₂	312	325
SPECIFIC CO ₂ EMISSIONS - NET	KgCO ₂ / ton cem	748	741





RESEARCH AND DEVELOPMENT

The Research and Development area was formally established in 2000 with a multi-disciplinary team of researchers and engineers. Their purpose was the development of new products and specialized services for the construction industry.

R&D is currently focused on improving and developing products, providing support to the production plants through physiochemical analyses and processes optimization, standardizing and monitoring the quality indexes and providing training to our technical assistance areas. The development of special products and solutions not only increase GCC's profitability but also generate added value for our customers and reinforce our leadership in the industry.

We have labs for materials characterization, development and tests, in addition to a one of a kind pilot plant which integrates the unitary operations of a cement plant and has also been a key element for both testing and quick transference of knowledge in products development.

To date, the joint work by the R&D area and the technical personnel at the plants has generated 7 families of patents related to cement micrometric refining processes, cementing products manufactured with industrial byproducts, mortars and concretes improved with micrometric particles, manufacturing process and use of micro-silica as pozzolan material in cement and concrete, and monolithic structures and manufacturing methods.

Also as a result from the joint lab work, we have been able to launched to the market products such as Microsillex®, Versabind®, EarlyCem®, Thermalcrete®, pumice bricks and Metaforce®. These products in addition to our special mortar and concrete mixtures like Lanzamix®, Tecnogrout®, Expan500®, Dinamix®, Mortermix®, Isoblock, Yeso Chuvíscar®, Arquicreto®, Preforte® and Technovia Express® make GCC, one of the most prolific cement companies in the development of solutions specialized on construction.

RAW MATERIALS

G4-EN1 G4-EN2

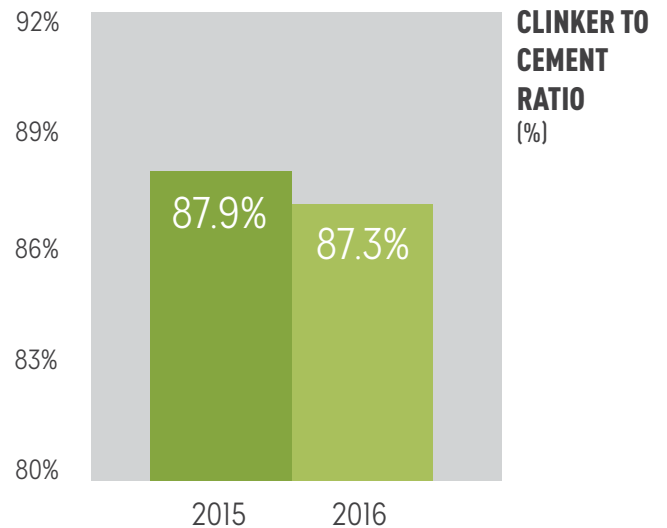
To insure consistency with our environmental stewardship goals, we have adopted plans and programs aimed at optimizing and rationalizing natural resources.

Our corporation contributes to the preservation of natural resources through a responsible use of raw materials. **To manufacture cement, we use natural materials that contain the chemical elements required for cement processing, such as limestone, siltstone, clay, sand and gypsum.**

For raw materials substitution, we use byproducts from other industrial processes. This allows us to produce highly resistant and durable cement, while consuming less energy. We will keep on working to enhance such substitution to produce more with fewer resources.

RAW MATERIALS USED TO MANUFACTURE CEMENT (Thousands of tons)

	2015	2016
CLINKER / CEMENT RATIO	87.9%	87.3%
NATURAL RAW MATERIALS	5,443	5,358
NON-NATURAL RAW MATERIALS	91	90
PERCENTAGE OF REUSED MATERIALS	1.7%	1.7%



ENERGY AND CO-PROCESSING

G4-EN3 G4-EN5 G4-EN6

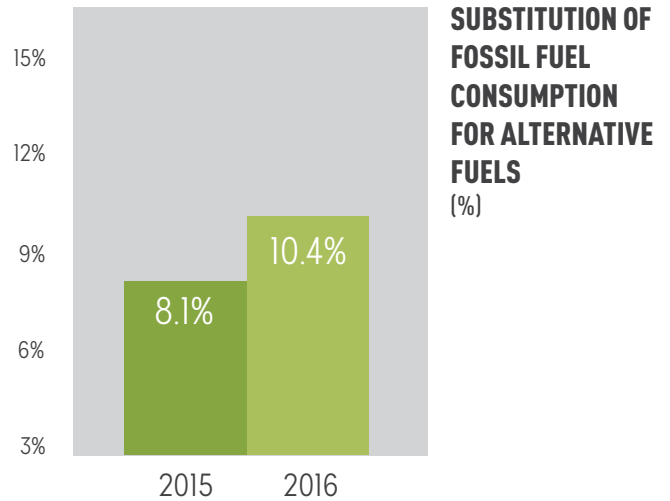
In the cement industry, the use of heat and electric energy is essential in transforming raw materials into a cementing product. GCC pursues the greatest efficiency from this input to boost our competitiveness and reduce our CO2 emissions.

Throughout 2016, our specific electric power consumption was 125.8 kWh per ton of cement, including electric power consumed from crushing activities at the quarry all the way to the cement silo. Total electric power consumption was 441 thousand MWh.

In this term, the specific thermal power consumption at the cement kilns was 3,769 MJ per ton of clinker. Total heat energy consumption was 11.5 thousand TJ, of which 1.1 thousand TJ were generated through alternative fuels, which replaced 10.4% of fossil fuels such as coal and natural gas.

The Samalayuca Plant achieved in 2016 a 40.0% substitution of fossil fuels with alternative fuels, thanks to the implementation of the project named Energy

Efficiency through and Organic Residual Fraction (FROEE, the acronym of its name in Spanish: Fraccion Residual Organica de Eficiencia Energetica), which includes receiving materials, crushing, classification by density, storage and injection from the main burner and the pre-heater.



TIRES CO-PROCESSING

The United States Environment Protection Agency (EPA) has endorsed tires co-processing as one of the best uses for waste tires. **Ash residues in the fuel obtained from the tires have lower heavy metals contents and produce lower nitrogen oxides emissions.**

Through this mechanism, GCC reduces its dependence on fossil fuels such as coal to manufacture cement. **The Pueblo Plant in Colorado has a crushing equipment that provides for the reuse of approximately 36 tons of tires per day.** With this process, GCC reuses a large portion of tires which would otherwise become a risk of fire and a nuisance to the community, while reducing our carbon footprint.

The Pueblo Plant started using tires as fuel in 2014, and **in 2016 7% of the fossil fuels were substituted. The replacement goal for 2017 is 20%.**

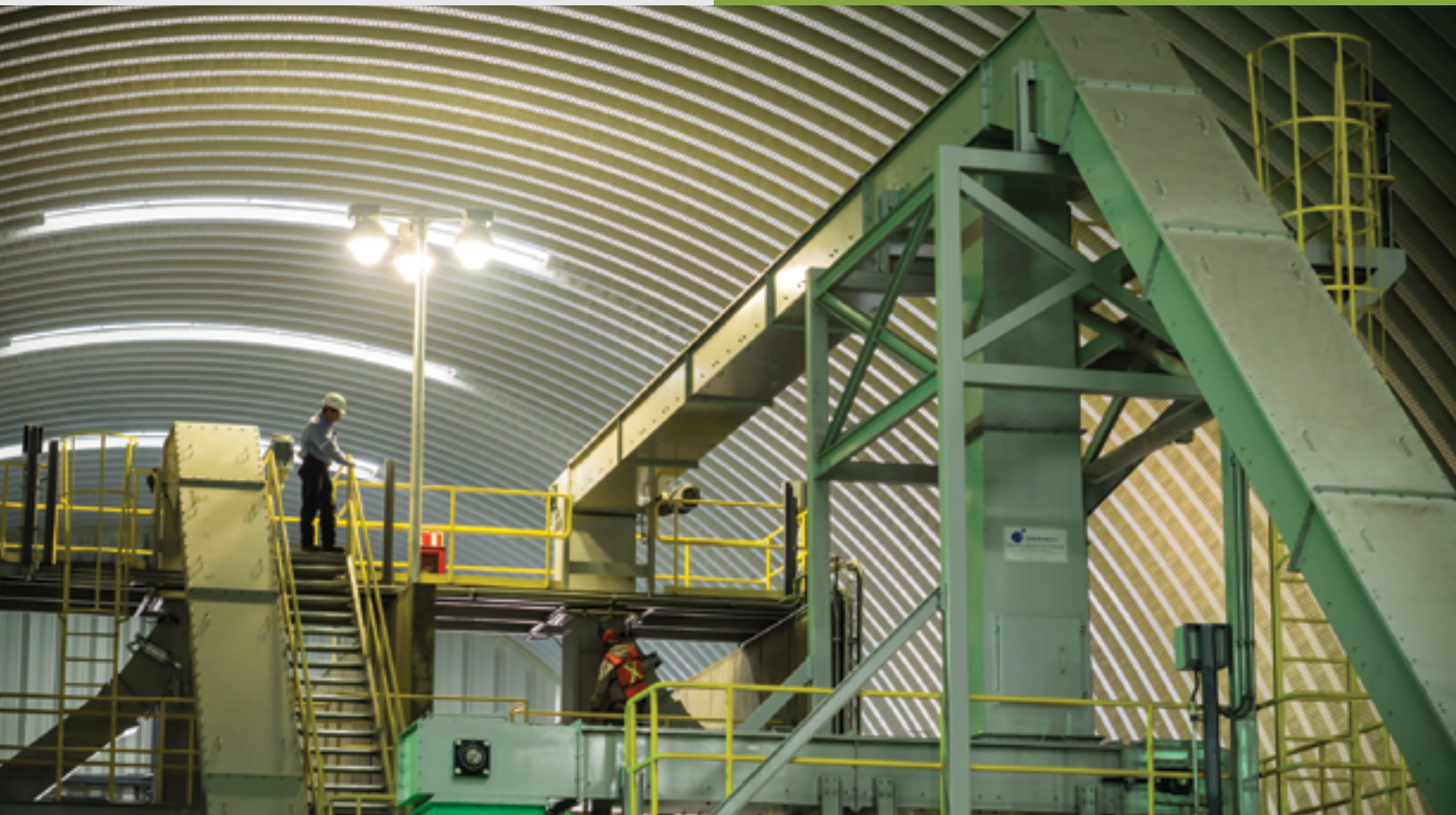
A NEW FUEL ALTERNATIVE FOR GCC

The use of residues as alternative fuel in the cement manufacturing processes is an environment friendly way to manage a broad range of such materials flows, through a regulated, controlled and stable process.

With a US\$6 million investment in the Samalayuca Plant, we are already working on escalating the FROEE Project (Energy Efficiency Organic Residual Fraction) for industrial residues co-processing to be used as alternative fuel. This will provide for an increase in fossil fuels substitution from 33% to 45%, which represents a reduction of up to 15% in the cost of fuels.

This project has provided for:

- The generation of regional environmental infrastructure for the sustainable management and recovery of non-recyclable or non-reusable residues.
- An increase in the useful life of local landfills.
- Value generation in the Generator-Collector/Recycler-Co-processing chain.
- Efficient management and use of a large amount of residues at the region (around 50,000 tons/year).



BIODIVERSITY G4-EN11

Our cement plants currently have reclamation plans and 57% are under the implementation stage. None of the quarries are located in a protected area or an area that has been designated as having a high biodiversity value.

In Mexico, we have two nurseries to grow and transplant trees and plants found in the northern and central regions of the State of Chihuahua.



SAMALAYUCA PLANT NURSERY

The nursery is an area with the fundamental purpose of planting trees and vegetation. Observing our commitment to protect the environment, we have special facilities that provide favorable environmental conditions to grow several plants, aimed at preventing and controlling the effects from predators and disease, therefore achieving the survival and adaptation of the plants when transplanted to their permanent location.

Our nurseries play an especially important role, because plants belonging in each ecosystem are produced there to be later transplanted.

At GCC we care for our plants' growth and quality, because this is a very important step to guarantee reforestation success.

To achieve these purposes, we have a nursery, which has been steadily growing since 1999, increasing the recollection and planting of native species in the region, producing especially species for the arid-semi-arid climate.

Species in our nursery:

Sotol		Californian Mesquite
Yucca		Greenwood
Palmilla		Californian Greenwood
Afghan Pine		Acacia Tree Spines
Gatuno		Ocotillo
Hizache		Nopal
Chilean Mesquite		Biznaga
Argentinean Mesquite		



WATER **G4-EN8** **G4-EN22**

The cement production process requires water supply for several applications. **GCC works on the efficient and responsible use of this resource**, we are therefore implementing the guidelines from the Cement Sustainability Initiative (CSI), to find areas of opportunity and make plans to reduce, reuse and recycle water.

Most of the water used by the cement plants is groundwater. At the sites where we have major discharges we collect monthly samples for analysis, to take any actions required. **During 2016 we used 768 thousand cubic meters to manufacture cement, with a specific consumption of 219L/ton of cement produced.**

In our Samalayuca Plant we have a wastewater treatment plant (aerobic and chlorine system), observing the Mexican rules for reuse in green areas irrigation.

WATER RECYCLING IN THE SPRINGDALE CONCRETE PLANT

Our Springdale Concrete Plant in Arkansas previously discharged most of the rainwater through a dewatering area, while any process water from the plant's operations ponded in a paved area behind the plant.

In 2016, we started developing a new way to recycle process water and rainwater. The concrete pavement was removed by the plant's personnel to create a draining field. A perforated pipe was then inserted to transfer all the water to two tanks, which were installed in the corresponding zone.

Through this process, we are now able to separate solids from liquids; therefore, the clean water in the tank may be pumped to the mixer or used as water accumulation.

The plant is connected to a washing zone, so it may also be used in the production process. Even if we are in the first stages of the process, a reduction in consumption and reuse of water may already be observed.





05

OUR PEOPLE



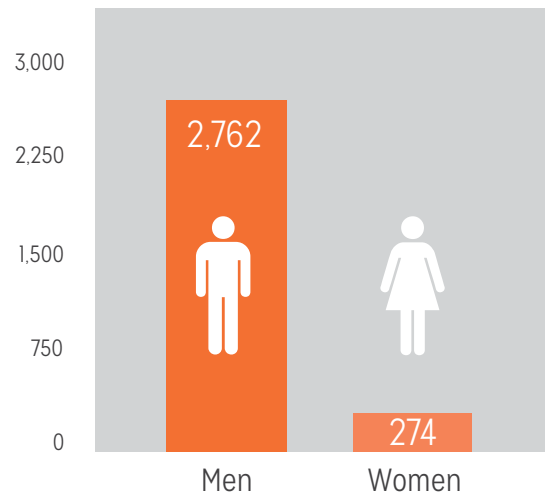
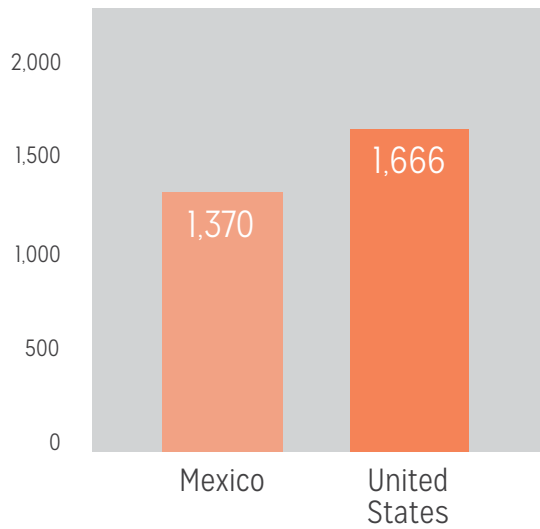
People are our most valuable resource; we therefore recruit the best talent, encouraging personal and professional development.

“ We work hard on our talent attraction process to always have the best candidates, considering only individual merit and avoiding discrimination for any reason, factor or individual characteristics, such as age, race, ethnic origin, religion, different capabilities, marital status or sexual orientation, among others.

LABOR FORCE 2016

OUR EMPLOYEES BY GENDER IN 2016 G4-9 G4-10

	MEN	WOMEN	TOTAL	
MEXICO	1,213	157	1,370	45%
UNITED STATES	1,549	117	1,666	55%
TOTAL	2,762	274	3,036	100%





MEXICO

EMPLOYEES BY ORGANIZATIONAL LEVEL AND GENDER

	MEN		WOMEN	
EXECUTIVES AND MANAGERS	63	5%	4	3%
SPECIALISTS	478	39%	153	97%
OPERATORS	672	56%	0	0%
TOTAL	1,213		157	



UNITED STATES

EMPLOYEES BY LEVEL AND GENDER

	MEN		WOMEN	
EXECUTIVES AND MANAGERS	110	7%	13	11%
SPECIALISTS	214	14%	59	55%
OPERATORS	1,225	80%	45	38%
TOTAL	1,549		117	

NEW HIRES BY GENDER G4-LA1

	MEN		WOMEN		TOTAL	
MEXICO	42		14		56	
UNITED STATES	203		13		216	
TOTAL	245		27		272	

	MEXICO		UNITED STATES	
	MEN	WOMEN	MEN	WOMEN
20-29	17	9	51	2
30-39	18	3	58	5
40-49	6	2	44	2
50-59	1	0	44	4
60	0	0	6	0
TOTAL	42	14	203	13



BENEFITS G4-LA2

GCC is aware of the importance of offering relevant benefits to our employees. We therefore grant competitive benefits to offer them protection, peace of mind and a savings fund that provides not only for basic necessities but also for improving their quality of life.



Some of the benefits offered to our non-unionized employees in addition to those required by law are:



Savings fund



Paying Social Security Fees



Seniority awards



Retirement fund



School grants



Materials sold at discount



Payment of funeral expenses



Major Medical expenses



Food coupons



Cafeteria



Life insurance

SAFETY, HEALTH AND WELFARE G4-LA5 G4-LA6

HEALTH, SAFETY AND WELLBEING

At GCC, we are committed to performing our tasks in a safe and efficient way, as well as procuring the well-being of anyone inside our premises.

GCC's safety and health practices focus on keeping safe (1) people's integrity and (2) the equipment and facilities. Any employee, vendor or contractor may stop any activity that could be considered risky. We are responsible for behaving in a way that fosters health and safety, as well as reporting any potential risk.

We are committed to carrying out every action responsibly, to minimize the number of incidents; our goal is zero fatalities. In 2016, we reported zero fatalities and 50 labor incidents, which led to 1,541 incident-leave days.

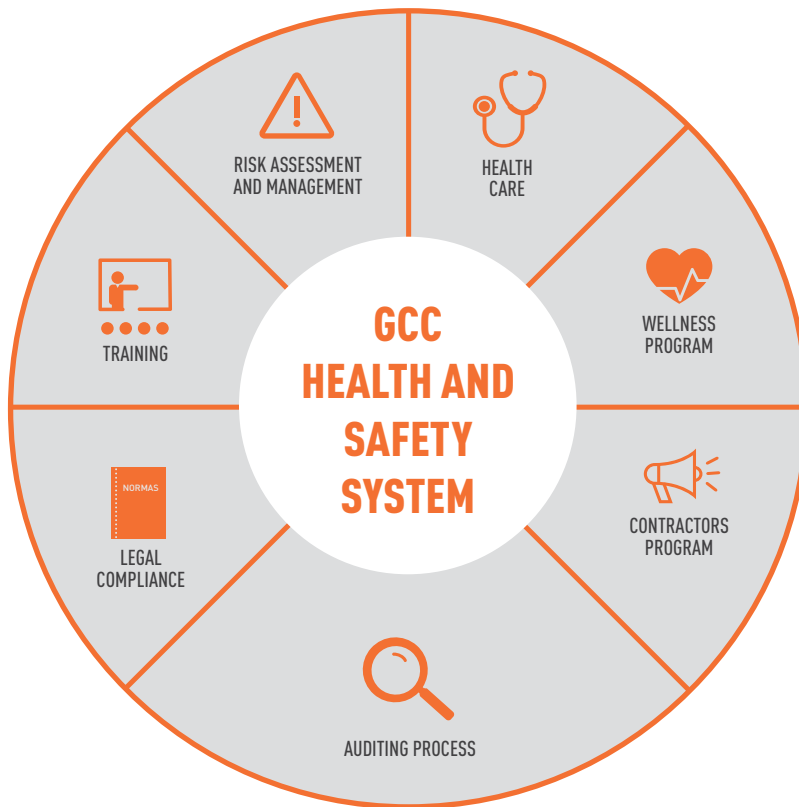
HEALTH AND SAFETY MODEL

In 2016, we started the implementation of our global Health and Safety Model, with the support from our executives, managers and supervisors, who are responsible for promoting that activities are carried out observing our safety and health standards.

Our goals are:

- Improving our employees' and contractors' health and well-being.
- Reducing and controlling risks.
- Become "A Great Place to Work".
- Improving our financial results.





DEFENSIVE DRIVING TRAINING PROGRAM

Within our Health and Safety Model we have implemented in 100% of our concrete plants in the United States a Defensive Driving Training Program, with the purpose of reducing and controlling the risk of incidents for those who drive GCC's vehicles. Defensive Driving is an advanced training program, designed to improve drivers' abilities and habits

through a combination of theory and safe driving field practice.

The system used is Smith Driver System, with no more than five students per class, during five consecutive hours, discussing five key attitudes that should be exercised when driving. This has helped increase drivers' responsibility through a certification in the system and the designation of specific communication roles.

- Stating that each employee is responsible for his/her own safety.
- Provide our employees the training tools required to do their job.
- Regular monitoring of safety performance.
- Providing continuous and individual feedback.

During 2017 we will work to complete the implementation of this program in Mexico and the United States.



Defensive Driving Trainer.

TRAINING

GCC UNIVERSITY G4-LA9 G4-LA10

GCC University was born from our commitment to our employees' development. GCC University identifies and strengthens every year the leadership, technical expertise and specific abilities of the Group through several online courses and workshops, available for all GCC Divisions and sites through the administration of three main processes:

Institutional training

Development training

Technical training

This standardized training program provides the development of the abilities we want everybody in GCC to have, reinforcing those behaviors and attitudes that we expect from our employees.

This is all done through two platforms that help strengthen our people's professional development:

Harvard ManageMentor

Designed to assist in the development of business management and leadership abilities by promoting six skills to be developed:

1. Innovation and creativity
2. Time management
3. Setting goals
4. Decision-making
5. Persuasion
6. Leadership and motivation

From July 2015 to June 2016, 3,690 skills were certified. Each skill with 3-hour contents, equal to 11,070 hours of training.

GCC e-learning

Mandatory institutional training program for 2016:

1. Code of Ethics. 8-hour program
2. Loyalist Model: Program focused on improving team work, 1.5 hour
3. Introduction to Portland cement manufacturing process: 14-hour program

The positive response from our employees allowed training, revitalizing and adhering to the Code of Ethics 1,393 associates in the United States and 1,335 in Mexico. In 2016, 9.13% of our training was given face-to-face and 90.87% was on-line, reaching 14,849.5 hours of training for our employees.

In addition, the operating and administrative areas have technical and abilities training programs.



06

COMMUNITY

An aerial night photograph of a city, likely a mining town, with a large industrial complex in the foreground. The city is densely packed with lights, and the industrial facility features a prominent white dome and several tall structures. The background shows a range of mountains under a dark blue sky.

We are actively involved through programs that support education, sports, infrastructure, social welfare and culture.

GCC FOUNDATION

In 2006 we created GCC Foundation, an initiative aimed at contributing to the integral development of our State and the communities where we operate, through specific actions and programs.

PLAZA RAÍCES IN EL PASO, TEXAS

With support from GCC and other businessmen, the Plaza Raíces a land parcel adjacent to the Mexico's Consulate in El Paso, Texas, was drastically resurfaced. The proposed development will be used by the community for art exhibits, health fairs, citizenship clinics and advertising educational programs.

The main purpose is to strengthen the friendship bonds that join the sister-cities of Juarez and El Paso.



Every year we organize Health Fairs and prevention programs. We have also held breast cancer awareness campaigns at some of our communities, in Mexico through Grupo Reto and Cancer Survivor and in the United States through the Susan G. Komen Foundation. We have made donations and painted pink ready-mix concrete trucks as a token of GCC's solidarity to this cause.



GCC in support of sports, promotes in-house tournaments and externally sponsors state and local teams.

We are currently implementing an institutional program to improve safety, occupation health and wellness for our employees and contractors. Our goal is not only complying with the regulations where we operate, but also improving our wellness, vehicle driving, training and safety practices for anyone entering our premises.



BREAST CANCER PREVENTION CAMPAIGN IN CIUDAD JUÁREZ

As part of our effort to raise awareness at the communities on breast cancer prevention, in October 2014 we joined “Cancer Survivor” (C/S), an organization devoted to offering support to cancer patients in Ciudad Juarez.

As a token of our solidarity, we designated one pink ready-mix concrete truck as a reminder of the importance of health care, to have a positive impact on society.

In addition, in 2016 we participated in two specific programs:

- **Braiding Hearts:**

Program held every May inviting people to donate their hair to make oncological wigs to be donated to cancer patients in the city.

- **Foot races: “Pink Impulse” and “My life, my impulse”:**

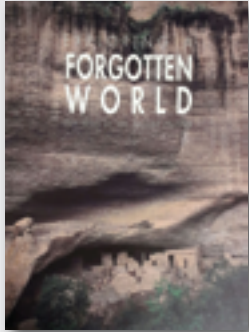
Held to promote the timely detection of breast cancer and celebrate the life of survivors and patients. Cancer Survivor acknowledges that the pink truck is a reminder for women to schedule a timely medical check-up.



José Rubén Fernández; Ready-mix concrete truck driver and proud promotor of this cause.

GCC EDITORIAL COLLECTION

To support the preservation of the State of Chihuahua's historical and cultural heritage, in 1997 we decided to publish the book Exploring a Forgotten World - Lost Sites from Paquime Culture. From that year on, we have promoted the historical and artistic wealth and culture, leading to what we now know as GCC Editorial Collection, which today consists of 20 books and will continue growing. Below the titles in our Library.



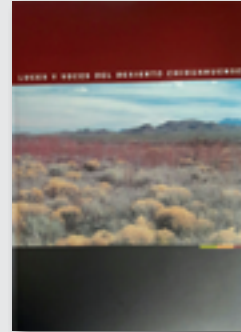
Exploring a Forgotten World. Lost Sites from Paquime Culture (1997)



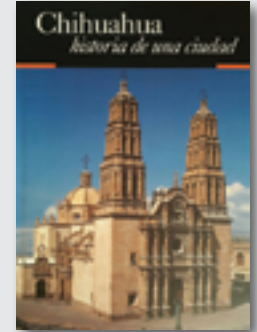
Sebastian, the Language of the Universe (1998)



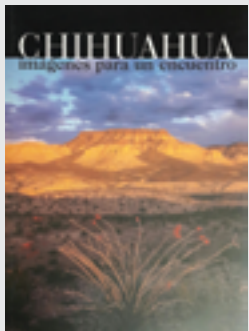
Southern Chihuahua, Itineraries from the Past (1999)



Lights and Voices from Chihuahua Desert (2000)



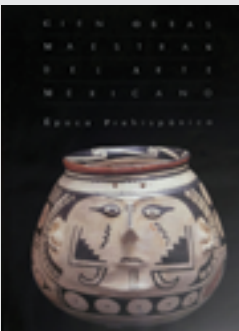
Chihuahua, History of a City (2001)



Chihuahua, Images for an Encounter (2002)



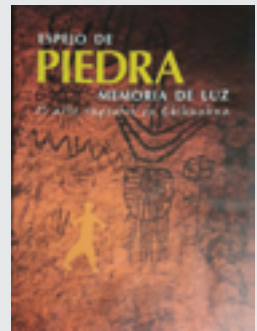
Missions for Chihuahua (2003)



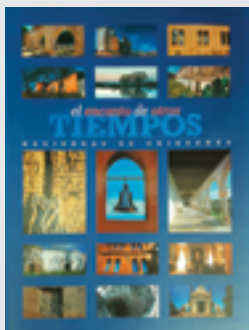
One Hundred Masterworks of Mexican Art, Pre-Hispanic Times (2004)



Ciudad Juarez, Mirror to the Future (2005)



Stone Mirror, Light Memoir. Cave Paintings in Chihuahua (2006)



The Enchantment of Other Times. Chihuahua Haciendas (2007)



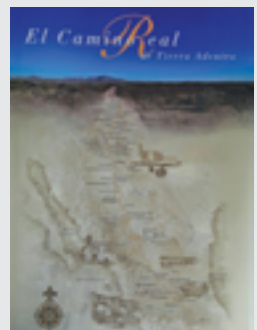
Privilege of Light. Mexico's Underground Marvels (2008)



Chihuahua City History Atlas (2009)



Mining Ghost Towns (2010)



Inland Royal Road (2011)



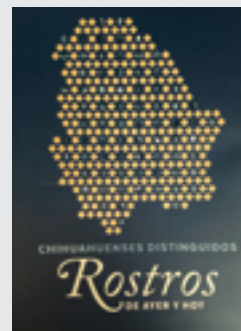
Millenary Chihuahua (2012)



Missionaries. Chihuahua Founders (2013)



Chihuahua Traditions and Customs (2014)



Distinguished Chihuahua Citizens. Faces from Yesterday and Today (2015)



Water. A Challenge of Our Times (2016)

BUILDING A SUSTAINABLE CHIHUAHUA

GCC has risen as a relevant protagonist in the construction of infrastructure that has provided for the development of the communities and is always committed to sustainability.

Consistent with this commitment and aware of the need for sustainable progress, in 2015 GCC supported the initiative “Building a Sustainable Chihuahua”. **With the joint effort from 30 organizations, we worked on solving the community’s needs on sustainable construction, through a shared vision, economically feasible and environmentally responsible.**

We have focused on 4 strategic areas:



Water



Urban development,
housing and mobility



Energy



Education



In 2016, the Second Sustainable Construction Forum was held, where topics related to water and mobility were addressed. In addition, the first call was launched for 6 projects by the society to be supported by GCC:

Installation of 20 rainwater harvesting systems in indigenous people’s houses at communities from Sierra Tarahumara. (CAPTAR).

Construction of a sustainable building that will allow the implementation of representative pilot projects and practices, together with indigenous communities from Sierra Tarahumara. (CEDAIN).

Implementation of an “Applied Sustainability Didactic Lab” available to the society. (COLEGIO ARQUITECTOS).

Dehydrator for tropical fruit and vegetables produced in Copper Canyon. Operated by mestiza women from Guapalayna Community in Urique, Chihuahua, Mexico. (ECOS).

Water treatment plant and didactic method to use wastewater in green and service areas. (COLEGIO BELMONT).

Natural air conditioning system for single-family housing, to reduce discomfort hours due to low or high temperatures, while saving water and power. (MARIO ECHANOVE).

The actions accomplished, arising from this project, have the support of those involved who are committed to building a better Chihuahua.

07

EXHIBITS



EXHIBIT A

ASSOCIATIONS

MEXICO:

- Asociación Nacional de Industriales de Vigueta Pretensada.
- Asociación Nacional de Industriales del Presfuerzo y la Prefabricación.
- Bolsa Mexicana de Valores.
- Cámara Mexicana de la Industria de la Construcción.
- Cámara Nacional de Comercio Servicios y Turismo.
- Cámara Nacional de la Industria de la Construcción
- Cámara Nacional de la Industria de Transformación.
- Cámara Nacional del Cemento.
- Centro Chihuahuense para la Calidad y la Productividad.
- Colegio de Arquitectos de la Ciudad de México.
- Colegio de Ingenieros Civiles de México.
- Confederación Patronal de la República Mexicana.
- Consejo Coordinador Empresarial.
- Great Place to Work.
- Instituto Mexicano del Cemento y del Concreto.

UNITED STATES:

- American Association of State Highway Transportation and Organizations.
- American Concrete Institute.
- American Society for Testing Materials.
- Associated General Contractors of America.
- Cámaras de Comercio de Colorado, Nuevo México y Dakota del Sur.
- Cement and Concrete Reference Laboratory regulatory body for lab certification.
- Cement Association of Canada.
- Cement Employers Association.
- Cement Sustainability Initiative.
- Department of Labor and Transportation.
- Environmental Management System.
- Environmental Management System.
- Environmental Protection Agency.
- Equal Employment Opportunity Commission.
- International Organization for Standardization- worldwide federation of national standards bodies to facilitate exchange of goods and services.
- Malcolm Baldrige National Quality.
- National Ready Mix and Concrete Association.
- Occupational Safety and Health Administration.
- The Portland Cement Association.

AWARDS AND CERTIFICATIONS

MEXICO

- Socially Responsible Company from 2004 to date.
- Great Place to Work 2016.
- National Quality Award 2007 and 2008.
- National Technology Award 2004.
- SEMARNAT acknowledgement for the public inventory of greenhouse gas emissions from our operations 2004 to 2008.
- NMX-SAST-001-2000 en 2007.
- National Exports Award

SAMALAYUCA PLANT

- State Award for Science, Technology and Innovation 2014, in Area 7 “Biology, Chemistry and Environment and Natural Resources”
- “Environmental Excellence” Award 2005.
- “Clean Industry” certificate granted by the Federal Environment Protection Agency since 1999 (PROFEPA)
- Environmental Management System under ISO 14001 International Standard, certified since January 2002.

CHIHUAHUA PLANT

- “Clean Industry”, certified since 1999.
- ISO 14001, certified since 2001.
- ISO 9000: 2008 certified Quality Management.
- XVI National Energy Savings Award in 2010.
- “Environmental Compliance” 2010 certificate, granted by the State of Chihuahua Ministry of Urban Development and Ecology and Instituto Tecnológico de Monterrey, Chihuahua Campus (2009-2010)

GCC CONCRETE / HOMERO

- “Clean Industry” certificate since 2009, granted by PROFEPA.
- “Environmental Compliance” 2010 certificate, granted by the State of Chihuahua Ministry of Urban Development and Ecology and Instituto Tecnológico de Monterrey, Chihuahua Campus
- NMX-414-ONNCCE200 certificates for product quality
Granted by Organismo Nacional de Normalización y Certificación de la Construcción y Edificación
- NMX-EC-17025-IMNC-2006 (ISO/IEC 17025:2005).
- Certified in lab quality by EMA

GCC CONCRETO / JUAREZ

- “Clean Industry” certificate since 2009, granted by PROFEPA
- “Environmental Compliance” 2010 certificate, granted by the State of Chihuahua Ministry of Urban Development and Ecology and Instituto Tecnológico de Monterrey, Chihuahua Campus

GCC TRANSPORTE JUAREZ

- Recognition as founding partner of the Clean Transportation Program sponsored by the Ministry of the Environment and Natural Resources and the Ministry of Communications and Transport

AWARDS AND CERTIFICATIONS

UNITED STATES

RAPID CITY PLANT

GCC Dacotah, Inc.

Read-a-thon Program at SES 2015 and 2016

Blue Knights (Police Organization)

South Dakota Corporate Contributor 2008-2015

National Guard

Association South Dakota

Associate Member

Presented to GCC Dacotah, Inc.

2007 Corporate Sponsor

City of Rapid City Sustainability Award

Project Blizzard Atlas Debris Management GCC Dacotah

Presented by Mayor Sam Kooiker & City of Rapid

City Sustainability Committee 2-18-2014

Wyoming Contractors Association Zero Incident Rate Safety Award

For the Materials Division 2011 - 2015

Certificate of Appreciation

Present to GCC Dacotah Cement

As recognition for their generous support and service in encouraging excellence in Math.

2003 CSF Merit Award

Presented to GCC Dacotah for their continuous support to CSF and BHSS.

PCA Safety Innovation Awards

2004 Wiggins Fueling System Quarry

2005 Radio Control for Crane

2006 Water Spray System to Clean Coal Dust Tunnel Pyroprocessing

2008 Snap on Guards Pyroprocessing

PCA Safety Record Awards

Safety Commendation-2008

Presented to GCC America, Rapid City, South Dakota for one incident-free year.

United States DOL MSHA Certificate of Achievement in Safety Awarded to GCC Dacotah

Large Quarry Group Sentinels of Safety Program

For their outstanding safety record from 2005 to 2007

FM Global Highly Protected Risk Award 2015

Presented to Grupo Cementos de Chihuahua, Rapid City, SD. As recognition for their commitment to safety, reducing risks and preventing fatalities.

The Wyoming Chapter of the Associated General Contractors of America (AGC) presented to GCC Dacotah a Safety Award for achieving a Zero Incident Rate for 25,000 hours worked.

HPR Award from FM Global

This award is granted to the sites where all loss-prevention critical measures have been implemented to protect buildings, machinery and their contents from possible losses due to human factors or natural hazards, making of Rapid City Plant the first cement plant from Latin America and Mexico in receiving this award and one of the few cement plants in the United States receiving such recognition from FM Global. 2016.

TIJERAS PLANT

U.S Environmental Protection Agency (EPA) - Energy Star Award

New Mexico Quality Awards: GCC Rio Grande was presented in 2003 the ZIA Award to Excellence in Performance, recognizing the company's commitment to progress towards excellence in business, education, government and medical care.

2003 GCC Tijeras earned the New Mexico Performance Excellence Award in Zia Category, the highest in the State, after winning in 2001 the Roadrunner Category.

PLANTA PUEBLO

2008 Colorado Performance Excellence Award in the Peak category, GCC Pueblo together with GCC / US have earned the Peak Award, the most prestigious recognition.

Environmental Protection Agency (EPA)

CSSGA Safety Award- 1st Place - 2009

Stone, Sand and Gravel Association in Colorado.

DENVER CORPORATE OFFICES

Award of Excellence for Mix Design Innovation (ACI).

GCC received an award in the 42nd Annual ACI Awards Program. GCC was presented the "Excellence Award for Innovation in the Design of Mixtures" for an experimental demonstration of soil which proved to be a thin layer of a commercial slab using our expansive cement (Komponent) and internal curing.

GRI TABLE OF CONTENTS GR1 - G4

IN.	DESCRIPTION	PAGE	ANSWER
GENERAL BASIC CONTENTS			
CLIMATE PROTECTION			
G4-1	CEO statement on sustainability	4.6	Message from the Chairman of the Board and the CEO
G4-2	Description of key impacts, risks and opportunities.		Our Report to the Mexican Stock Exchange (Bolsa Mexicana de Valores) 201
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization		Grupo Cementos de Chihuahua, S.A.B. de C.V
G4-4	Primary brands, products and/or services	17	In this report.
G4-5	Location of organization's headquarters		Chihuahua, Chih. Mexico.
G4-6	Countries where the organization operates	14	In this report.
G4-7	Nature of ownership and legal form		Grupo Cementos de Chihuahua, S.A.B. de C.V (BMV:GCC)
G4-8	Markets served	15	In this report.
G4-9	Scale of the organization	24.48	In this report.
G4-10	Employees by employment contract, region and gender	48	In this report.
G4-11	Employees covered by collective bargaining agreements		The total number of employees covered by the collective bargaining agreement is 817 people in Mexico and 93 people in the United States.
G4-12	Organization's supply chain	16	In this report.
G4-13	Significant changes during the reporting period	20	Expansion of our geographical footprint - Corporate Restructure - Fitch Ratings and Standard and Poor's affirmed GCC's rating as BB globally
G4-14	Precautionary principle	37	In this report.
G4-15	Economic, environmental and social charters or initiatives	18	In this report.
G4-16	Memberships in national and international associations	18	In this report.
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statements and any not included.		All the entities. For further information see the Annual Report to the Mexican Stock Exchange 2016.
G4-18	Process for defining report content and aspect boundaries.		Unavailable.
G4-19	List of material aspects identified in the process for Defining Report Content.		Unavailable.
G4-20	Boundary for each material aspect within the organization.		Unavailable.
G4-21	Boundary for each material aspect outside the organization.		Unavailable.
G4-22	Restatements of information provided in previous reports and their reasons.		No significant changes.
G4-23	Significant changes from previous reporting periods in scope and aspect boundaries.		In this report.
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organization.	34	In this report.
G4-25	Basis for identification and selection of stakeholders with whom to engage.	34	In this report.
G4-26	Approaches to stakeholders by the organization	34	In this report.
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	34	In this report.
REPORT PROFILE			
G4-28	Reporting period.		In this report.
G4-29	Date of most recent previous report (if any)	8	2013, mainly focused on Mexico
G4-30	Reporting cycle (annual, biennial, etc.)		We retake the annual presentation of our report.
G4-31	Contact point for questions regarding the report.	8	In this report.
G4-32	GRI Table of Contents	8	"In accordance" core option.
G4-33	External assurance for the report.		The report was not submitted to external assurance.
GOVERNANCE			
G4-34	Governance structure of the organization.	30	In this report.
G4-35	Process followed by the highest governance body to delegate responsibility on economic, environmental and social topics.	31	In this report.

IN.	DESCRIPTION	PAGE	ANSWER
G4-36	Executive level positions with responsibility for economic, environmental and social topics.	31	In this report.
G4-37	Process for consultation between stakeholders and the highest governance body.	35	In this report.
G4-38	Composition of the highest governance body and its committees.	30	In this report.
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer.		The chair of the highest governance body is the Chairman of the Board and the chair of the highest sustainability body is the CEO.
G4-40	Nomination and selection process for highest governance body and its committees.	31	In this report.
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided and managed.	32	In this report.
G4-42	Highest governance body's and top management's role in the mission statement, strategies, policies and objectives in economic, environmental and social aspects.		Unavailable.
G4-43	Measures taken to develop and improve collective knowledge of the highest governance body on economic, environmental and social topics.		Unavailable.
G4-44	Processes for the evaluation of the highest governance body's performance on economic, environmental and social topics.		Comité de sustentabilidad reporta al Director General.
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities.		Unavailable.
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes.		The Board of Directors has the support from the Audit and Corporate Practice Council. For further information, please see the Report to the Mexican Stock Exchange.
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.		In this report.
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report.		Sustainability Committee.
G4-49	Process for communicating critical concerns to the highest governance body.		Board of Directors meetings.
G4-50	Concerns that were communicated to the highest governance body.		Unavailable.
G4-51	Report the remuneration policies for the highest governance body and senior executives.		Unavailable.
G4-52	Process for determining remuneration.		Unavailable.
G4-53	How stakeholders' views are sought and taken into account regarding remuneration.		Unavailable.
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees.		Unavailable.
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees.		Unavailable.
ETHICS AND INTEGRITY			
G4-56	Organization's values, principles, standards and norms of behavior	13,32	In this report.
G4-57	Internal and external mechanisms for seeking advice on ethical behavior.	32	In this report.
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	32	In this report.
SPECIFIC ECONOMIC STANDARD DISCLOSURES			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Information on management approach.		In this report.
G4-EC1	Direct economic value generated and distributed.	25	In this report.
G4-EC2	Consequences and other risks and opportunities due to climate change.		Unavailable.
G4-EC3	Coverage of the organization's defined benefit plan obligations.		Obligations coverage reported annually. For further detail see the Annual Report.
G4-EC4	Financial assistance received from government.		Support from CONACYT for several projects.

IN.	DESCRIPTION	PAGE	ANSWER
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage.		Unavailable.
G4-EC6	Proportion of senior management hired from the local community		100% in Mexico and 73% in the United States.
G4-EC7	Development and impact of infrastructure investments and services supported.	25	In this report.
G4-EC8	Significant indirect economic impacts, including the extent of impacts.		Unavailable.
G4-EC9	Proportion of spending on local suppliers	27	In this report.
SPECIFIC ENVIRONMENTAL STANDARD DISCLOSURES			
ASPECT: ENERGY			
G4-DMA	Information on management approach.	40	In this report.
G4-EN1	Materials by weight or volume.	40	In this report.
G4-EN2	Percentage of materials used that are recycled input materials.	41	In this report.
G4-EN3	Energy consumption within the organization.		In this report.
G4-EN4	Energy consumption outside of the organization.		Unavailable.
G4-EN5	Energy intensity	41	In this report.
G4-EN6	Reduction of energy consumption.	41	In this report.
G4-EN7	Reductions in energy requirements of products and services.		Unavailable.
ASPECT: WATER			
G4-EN8	Total water withdrawal by source.	44	In this report.
G4-EN9	Water sources significantly affected by withdrawal of water.		Unavailable.
G4-EN10	Percentage and total volume of water recycled and reused		Unavailable.
ASPECT: BIODIVERSITY			
G4-EN11	Operational sites in protected areas and areas of high biodiversity value outside protected areas.	43	In this report.
G4-EN12	Impacts on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		Our quarries are not located in protected areas.
G4-EN13	Habitats protected or restored		Protected habitats, none. Reclamation is done based on each quarry's reclamation plans.
G4-EN14	Affected species and habitats		No species or habitat have been affected by our operations.
ASPECT: EMISSIONS			
G4-EN15	Direct greenhouse gas emissions (Scope 1)	38	In this report.
G4-EN16	Energy generation indirect greenhouse gas emissions (Scope 2)	38	In this report.
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)		Unavailable.
G4-EN18	Greenhouse gas emissions intensity	38	In this report.
G4-EN19	Reduction of greenhouse gas emissions.	38	In this report.
G4-EN20	Emissions of ozone-depleting substances.		Unavailable.
G4-EN21	Nox, Sox and other significant atmospheric emissions.		In this report. CSI Table provides information on Pueblo, Rapid City and Tijeras plants
ASPECT: EFFLUENTS AND WASTE			
G4-EN22	Total water discharge by quality and destination.	44	In this report.
G4-EN23	Total weight of waste by type and disposal method.		Unavailable.
G4-EN24	Total number and volume of significant spills.		No significant spills.
G4-EN25	Weight of transported, imported waste.		Unavailable.
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.		Unavailable.
ASPECT: PRODUCTS AND SERVICES			
G4-EN27	Extent of mitigation of environmental impacts of products and services.		Unavailable.
G4-EN28	Packaging materials reclaimed.		Unavailable.
ASPECT: COMPLIANCE			
G4-EN29	Fines for non-compliance with environmental laws and regulations.		No significant fines.

IN.	DESCRIPTION	PAGE	ANSWER
ASPECT: TRANSPORT			
G4-EN30	Significant environmental impacts of transporting products and personnel		No significant environmental impacts of transporting products and personnel
ASPECT: OVERALL			
G4-EN31	Environmental expenditures and investments breakdown.		Unavailable.
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.		Unavailable.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain.		Unavailable.
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-EN34	Number of environment-related grievances.		No significant environment-related grievances.
SPECIFIC SOCIAL STANDARD DISCLOSURES			
ASPECT: EMPLOYMENT			
G4-LA1	Total number of new employee hires and employee turnover by age group, gender and region.	49	In this report.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	50	Unavailable.
G4-LA3	Return to work and retention rates after parental leave.		Unavailable.
ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-LA4	Minimum notice periods regarding operational changes.		Unavailable.
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees.	51	All GCC employees. Corporate Safety and Health and other local committees in different operations.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	51	In this report.
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.		Unavailable.
G4-LA8	Health and safety topics covered in formal agreements with trade unions.		All the formal safety and health agreements are covered in the Collective Labor Agreement and the Internal Working Rulings.
ASPECT: TRAINING AND EDUCATION			
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	53	In this report.
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	53	In this report.
G4-LA11	Employees receiving regular performance reviews.		All the non-unionized employees.
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-LA12	Composition of governance bodies.		Unavailable.
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-LA13	Ratio of basic salary and remuneration of women to men.		Unavailable.
ASPECT: SUPPLIER MANAGEMENT			
G4-LA14	Percentage of new suppliers that were screened using environmental criteria.		Unavailable.
G4-LA15	Impacts for labor practices in the supply chain and actions taken.		Unavailable.

IN.	DESCRIPTION	PAGE	ANSWER
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-LAI6	Number of grievances about labor practices, performance and professional development.		No significant environmental impacts from products and personnel transportation.
ASPECT: INVESTMENT			
G4-HR1	Number and percentage of significant investment agreements and contracts that include human rights clauses.		Unavailable.
G4-HR2	Training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.		Unavailable.
ASPECT: NON-DISCRIMINATION			
G4-HR3	Number of incidents of discrimination and corrective actions taken.		No incidents of discrimination
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated.		GCC acknowledges, supports and respects the workers' right to freedom of association, provided all the actions are lawful and do not interfere with the employees' duties and responsibilities.
ASPECT: CHILD LABOR			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		We have not identified any significant case of child labor or exploitation. GCC seeks that our suppliers share our principles and values.
ASPECT: FORCED LABOR			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		We have not identified any significant risk related to forced labor. GCC procures operations and suppliers that adhere to our Code.
ASPECT: SECURITY PRACTICES			
G4-HR7	Training in the organization's Human Rights Policies or procedures that are relevant to operations.		All the operations and unionized personnel through the Ethics Code, in Mexico and the Code of Conduct and Ethics in the United States.
ASPECT: INDIGENOUS RIGHTS			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.		There are no incidents of violation.
ASPECT: ASSESSMENT			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		Unavailable.
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.		Unavailable.
G4-HR11	Negative human rights impacts.		Unavailable.
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		No grievances about human rights were received.
ASPECT: LOCAL COMMUNITIES			
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		Unavailable.
G4-S02	Operations with significant actual and potential negative impacts on local communities.		No operations center with effects has been identified.
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.		Unavailable.
G4-S04	Communication and training on anti-corruption policies and procedures.		Our Code of Ethics includes a chapter on anti-corruption.
G4-S05	Confirmed incidents of corruption and actions taken.		No formal corruption report filed.

IN.	DESCRIPTION	PAGE	ANSWER
ASPECT: PUBLIC POLICY			
G4-S06	Total value of political contributions by country and recipient/beneficiary		Unavailable
ASPECT: ANTI-COMPETITIVE BEHAVIOR			
G4-S07	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		No legal action related to this topic.
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		No significant fines imposed for non-compliance with laws and regulations.
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-S09	Percentage of new suppliers that were screened using criteria of impacts on society.		Unavailable
G4-S010	Negative impacts on society in the supply chain and actions taken.		No tenemos algún caso de impacto social negativo con nuestros proveedores. No tenemos ninguna reclamación.
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		No recibieron reclamaciones sobre impactos sociales.
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement.		Unavailable
G4-PR2	Non-compliance with regulations and voluntary codes concerning the health and safety.		Unavailable
ASPECT: PRODUCT AND SERVICE LABELING			
G4-PR3	Information and labeling, and percentage of significant product and service categories subject to such information requirements		Safety sheet with the information required attached to our main products.
G4-PR4	Non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		We have no knowledge of any type of non-compliance with regulations for product labeling in 2016.
G4-PR5	Results of surveys measuring customer satisfaction.	26	En el presente informe.
ASPECT: MARKETING COMMUNICATIONS			
G4-PR6	Sale of banned or disputed products.		Unavailable
G4-PR7	Incidents of non-compliance concerning marketing communications		No non-compliance incidents registered.
ASPECT: CUSTOMER PRIVACY			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		No substantiated complaint on breaches to customer privacy and losses of customer data.
ASPECT: COMPLIANCE			
G4-PR9	Monetary value of significant fines concerning the provision and use of products and services.		No significant fines imposed in 2016.

CSI TABLE (CEMENT SUSTAINABILITY INICIATIVE)

INDICATOR	UNIT	2016
CLIMATE PROTECTION		
TOTAL CO2 EMISSIONS – GROSS	MILLION TON CO2 / YEAR	2.63
TOTAL CO2 EMISSIONS – NET	MILLION TON CO2 / YEAR	2.59
SPECIFIC CO2 EMISSIONS – GROSS	KgCo2 / CEMENTING MATERIAL TON	754
SPECIFIC CO2 EMISSIONS – NET	KGCO2 / CEMENTING MATERIAL TON	741
FUELS AND MATERIALS		
SPECIFIC ENERGY CONSUMPTION IN CLINKER PRODUCTION	MJ / TON CLINKER	3,769
ALTERNATIVE FUELS USE (% OF THERMAL ENERGY CONSUMPTION)	%	4.8%
USE OF BIOMASS AS FUEL (% OF THERMAL ENERGY CONSUMPTION)	%	5.6%
USE OF ALTERNATIVE MATERIALS (% OF TOTAL RAW MATERIALS USED TO PRODUCE CEMENT)	%	1.6%
CLINKER / CEMENTRATIO	%	87.4%
OCUPATIONAL HEALTH AND SAFETY		
NUMBER OF FATALITIES IN DIRECT EMPLOYEES	#	0
FATALITY INDEX FOR DIRECT EMPLOYEES	NUMBER OF FATALITIES IN ONE YEAR / NUMBER OF DIRECT EMPLOYEES X 10,000	0
NUMBER OF FATALITIES IN CONTRACTORS (INDIRECT EMPLOYEES)	#	0
NUMBER OF THIRD PARTY FATALITIES	#	0
NUMBER OF DIRECT EMPLOYEES' LTI'S	#	50
LOST TIME INJURY FREQUENCY RATE (LTIFR) FOR DIRECT EMPLOYEES	NUMBER OF LOST TIME INJURIES X 1,000.00 HOURS / TOTAL ACTUAL HOURS WORKED IN THE YEAR	9.46
NUMBER OF LTI'S (INDIRECT EMPLOYEES AND CONTRACTORS)	#	NA
LOST TIME INJURY FREQUENCY RATE (LTIFR) FOR INDIRECT EMPLOYEES	NUMBER OF LOST TIME INJURIES X 1,000.00 HOURS / TOTAL ACTUAL HOURS WORKED IN THE YEAR	NA
TOTAL NUMBER OF LOST TIME INJURIES	#	NA
VERIFICATION OF OCCUPATIONAL SAFETY AND HEALTH DATA		NA
EMISSIONS REDUCTION		
ABSOLUTE NOX EMISSIONS	TON NOX / YEAR	2,897
SPECIFIC NOX EMISSIONS	g TON NOX / TON CLINKER	1,569
ABSOLUTE SO2 EMISSIONS	TON SO2 / YEAR	274
SPECIFIC CO2 EMISSIONS	g TON PM / TON CLINKER	148
ABSOLUTE PARTICULATE MATERIAL EMISSIONS	TON PM / YEAR	94
SPECIFIC PARTICULATE MATERIAL EMISSIONS	%	51
TOTAL COVERAGE (CLINKER PRODUCTION PERCENTAGE IN KILNS WITH CONTINUOUS OR DISCONTINUOUS MONITORING SYSTEMS FOR PARTICULATE MATERIAL, NOX, SO2, VOC/THC, HEAVY METALS)		80.5%
CONTINUOUS MONITORING COVERAGE FOR EMISSIONS (CLINKER PRODUCTION PERCENTAGE IN KILNS WITH CONTINUOUS MONITORING SYSTEMS FOR PARTICULATE MATERIAL, NO, SO2)	%	61.7%
EMISSION DATA VERIFIED BY A THIRD PARTY		NA
LOCAL IMPACTS		
ACTIVE QUARRIES WITH A CLOSURE PLAN	%	57%
OPERATIONS WITH COMMUNITY-RELATIONS PLANS	%	100%
BIODIVERSITY		
NUMBER OF ACTIVE QUARRIES LOCATED WITHIN, ADJACENT TO OR CONTAINING PROTECTED AREAS OR UNPROTECTED AREAS OF GREAT VALUE FOR BIODIVERSITY (NUMBER AND COVERAGE) "GRI-EN11"	#	0
PERCENTAGE OF ACTIVE QUARRIES OF GREAT VALUE FOR BIODIVERSITY THAT HAVE A BIODIVERSITY MANAGEMENT PLAN.	%	0
WATER		
TOTAL WATER CATCHMENT "GRI-EN8"	lt / TON CEMENT	505.3
TOTAL WATER DISCHARGE "GRI-EN22"	lt / TON CEMENT	286.1
TOTAL WATER CONSUMPTION	lt / TON CEMENT	219.2
FACILITIES WITH A WATER RECIRCULATION SYSTEM	%	14.3%



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