

GCC S.A.B. De C.V

# 2024 CDP Corporate Questionnaire 2024

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

# Contents

**C1. Introduction..... 9**

(1.1) In which language are you submitting your response? ..... 9

(1.2) Select the currency used for all financial information disclosed throughout your response. .... 9

(1.3) Provide an overview and introduction to your organization. .... 9

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.... 10

(1.4.1) What is your organization’s annual revenue for the reporting period? ..... 11

(1.5) Provide details on your reporting boundary. .... 11

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)? ..... 11

(1.7) Select the countries/areas in which you operate. .... 13

(1.8) Are you able to provide geolocation data for your facilities? ..... 13

(1.12) Which part of the concrete value chain does your organization operate in? ..... 14

(1.22) Provide details on the commodities that you produce and/or source. .... 14

(1.24) Has your organization mapped its value chain? ..... 16

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of? ..... 17

**C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities ..... 18**

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities? ..... 18

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts? ..... 19

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities? ..... 19

(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities. .... 20

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed? ..... 32

(2.3) Have you identified priority locations across your value chain? ..... 33

(2.4) How does your organization define substantive effects on your organization? ..... 34

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health? ..... 41

**C3. Disclosure of risks and opportunities ..... 42**

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?.....	42
(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future. ....	44
(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks. ....	55
(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent? .....	58
(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations? .....	59
(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)? .....	59
(3.5.1) Select the carbon pricing regulation(s) which impact your operations. ....	59
(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by. ....	59
(3.5.3) Complete the following table for each of the tax systems you are regulated by. ....	61
(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by? .....	62
(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future? .....	62
(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future. ....	63
(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities. ....	72

## **C4. Governance ..... 74**

(4.1) Does your organization have a board of directors or an equivalent governing body? .....	74
(4.1.1) Is there board-level oversight of environmental issues within your organization? .....	75
(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues. ....	75
(4.2) Does your organization's board have competency on environmental issues? .....	81
(4.3) Is there management-level responsibility for environmental issues within your organization? .....	83
(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals). ....	83
(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets? .....	89
(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals). ....	90
(4.6) Does your organization have an environmental policy that addresses environmental issues? .....	99
(4.6.1) Provide details of your environmental policies. ....	99

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives? .....	101
(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment? .....	101
(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year. ....	103
(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response? .....	110
(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication. ....	110

## **C5. Business strategy..... 113**

(5.1) Does your organization use scenario analysis to identify environmental outcomes? .....	113
(5.1.1) Provide details of the scenarios used in your organization's scenario analysis. ....	114
(5.1.2) Provide details of the outcomes of your organization's scenario analysis. ....	122
(5.2) Does your organization's strategy include a climate transition plan? .....	123
(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning? .....	125
(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy. ....	126
(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning. ....	128
(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition? .....	130
(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition. ....	130
(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.....	132
(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment. ....	135
(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities? .....	136
(5.5.1) Provide details of your organization's investments in low-carbon R&D for cement production activities over the last three years. ....	136
(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?.....	141
(5.10) Does your organization use an internal price on environmental externalities? .....	142
(5.10.1) Provide details of your organization's internal price on carbon. ....	142
(5.11) Do you engage with your value chain on environmental issues? .....	145
(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment? .....	147
(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues? .....	147

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process? .....	148
(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place. ....	148
(5.11.7) Provide further details of your organization's supplier engagement on environmental issues. ....	152
(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain. ....	153
(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members. ....	159
(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement? .....	160
<b>C6. Environmental Performance - Consolidation Approach .....</b>	<b>162</b>
(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.....	162
<b>C7. Environmental performance - Climate Change.....</b>	<b>163</b>
(7.1) Is this your first year of reporting emissions data to CDP?.....	163
(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?.....	163
(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year? .....	163
(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions. ....	164
(7.3) Describe your organization's approach to reporting Scope 2 emissions. ....	164
(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure? .....	165
(7.5) Provide your base year and base year emissions. ....	165
(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO <sub>2</sub> e? .....	173
(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO <sub>2</sub> e? .....	174
(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions. ....	176
(7.8.1) Disclose or restate your Scope 3 emissions data for previous years. ....	184
(7.9) Indicate the verification/assurance status that applies to your reported emissions. ....	191
(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements. ....	191
(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements. ....	192
(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements. ....	193
(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year? .....	195

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year. ....	195
(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure? .....	201
(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization? .....	201
(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2. ....	202
(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type? .....	202
(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area. ....	202
(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide. ....	202
(7.17.1) Break down your total gross global Scope 1 emissions by business division. ....	203
(7.17.3) Break down your total gross global Scope 1 emissions by business activity. ....	203
(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e. ....	203
(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide. ....	204
(7.20.1) Break down your total gross global Scope 2 emissions by business division. ....	204
(7.20.3) Break down your total gross global Scope 2 emissions by business activity. ....	204
(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e. ....	205
(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response. ....	205
(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response? .....	206
(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary. ....	206
(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period. ....	208
(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges? .....	210
(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future? .....	211
(7.29) What percentage of your total operational spend in the reporting year was on energy? .....	211
(7.30) Select which energy-related activities your organization has undertaken. ....	211
(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh. ....	212
(7.30.2) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh. ....	214
(7.30.6) Select the applications of your organization's consumption of fuel. ....	215
(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type. ....	216
(7.30.8) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.....	219

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year. ....	225
(7.30.10) Provide details on the electricity and heat your organization has generated and consumed for cement production activities. ....	227
(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7. ....	227
(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year. ....	230
(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations. ....	231
(7.47) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities. ....	233
(7.52) Provide any additional climate-related metrics relevant to your business. ....	233
(7.53) Did you have an emissions target that was active in the reporting year? ....	235
(7.53.1) Provide details of your absolute emissions targets and progress made against those targets. ....	235
(7.53.2) Provide details of your emissions intensity targets and progress made against those targets. ....	239
(7.54) Did you have any other climate-related targets that were active in the reporting year? ....	247
(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production. ....	247
(7.54.2) Provide details of any other climate-related targets, including methane reduction targets. ....	250
(7.54.3) Provide details of your net-zero target(s). ....	252
(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases. ....	255
(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings. ....	256
(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below. ....	256
(7.55.3) What methods do you use to drive investment in emissions reduction activities? ....	260
(7.64) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity. ....	262
(7.73) Are you providing product level data for your organization's goods or services? ....	262
(7.74) Do you classify any of your existing goods and/or services as low-carbon products? ....	262
(7.74.1) Provide details of your products and/or services that you classify as low-carbon products. ....	262
(7.79) Has your organization canceled any project-based carbon credits within the reporting year? ....	264
<b>C8. Environmental performance - Forests .....</b>	<b>265</b>
(8.1) Are there any exclusions from your disclosure of forests-related data? ....	265
(8.2) Provide a breakdown of your disclosure volume per commodity. ....	265

(8.5) Provide details on the origins of your sourced volumes. ....	265
(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year? .....	267
(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used. ....	268
(8.8.1) Provide details of the point to which your organization can trace its sourced volumes. ....	269
(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities. .	270
(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities. ....	271
(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes. ....	271
(8.12) Indicate if certification details are available for the commodity volumes sold to requesting CDP Supply Chain members. ....	272
(8.13) Does your organization calculate the GHG emission reductions and/or removals from land use management and land use change that have occurred in your direct operations and/or upstream value chain? .....	272
(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details. ....	273
(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals? .....	274
(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains? .....	274
(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection? .....	275
(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s). ....	275

## **C9. Environmental performance - Water security..... 280**

(9.1) Are there any exclusions from your disclosure of water-related data? .....	280
(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored? .....	280
(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change? .....	286
(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change. ....	288
(9.2.7) Provide total water withdrawal data by source. ....	290
(9.2.8) Provide total water discharge data by destination. ....	293
(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities? .....	296
(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member? .....	297



(9.5) Provide a figure for your organization's total water withdrawal efficiency. ....	297
(9.12) Provide any available water intensity values for your organization's products or services. ....	297
(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority? ....	298
(9.14) Do you classify any of your current products and/or services as low water impact? ....	298
(9.15) Do you have any water-related targets? ....	299
(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?.....	299
<b>C11. Environmental performance - Biodiversity .....</b>	<b>301</b>
(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments? .....	301
(11.3) Does your organization use biodiversity indicators to monitor performance across its activities? .....	301
(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year? .....	301
(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity. ....	304
<b>C13. Further information &amp; sign off .....</b>	<b>306</b>
(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party? .....	306
(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used? .....	306
(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored. ....	309
(13.3) Provide the following information for the person that has signed off (approved) your CDP response. ....	309
(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.....	310

## C1. Introduction

### (1.1) In which language are you submitting your response?

Select from:

☒ English

### (1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.2) Organization type

Select from:

☒ Publicly traded organization

#### (1.3.3) Description of organization

*GCC is an international construction materials company founded in 1941 in Chihuahua, Mexico. We produce Ordinary Portland Cement (OPC), and Portland Limestone Cement (PLC), mortar, ready-mix concrete, concrete blocks, aggregates, and a range of innovative construction solutions, including specialty cements. Cement, a fine powder with hydraulic, aesthetic, and durability properties, is essential in the construction industry. It acts as a bonding agent, and when mixed with aggregates and water, it forms ready-mixed concrete. Concrete is highly valued for its high compressive strength and ease of casting, making it one of the most attractive building materials. We are a vertically integrated company and our operations stretch from the state of Chihuahua in northern Mexico through the U.S. Our distribution network and sales territory reaches Canada and spreads throughout Latin America. In 2020, GCC committed to continuing to drive down the CO2 footprint of our operations and products while delivering Net Zero Carbon concrete by 2050. It is the first time the industry has come together globally to state a collective ambition for a Net Zero Carbon future. GCC is committed to sustainable development and moving towards Net Zero Carbon concrete production. This ambition complements our existing actions as a member of the Global Cement and Concrete Association (GCCA), the Camara Nacional del Cemento (CANACEM), and the Portland Cement Association (PCA). Doing our part to create a more sustainable construction materials industry, in 2022, GCC issued a sustainability-linked bond that leverages a core, relevant, and material sustainability performance target. In 2023, we invested US\$9.2 million to introduce more flexible energy sourcing into our cement plants. As a result, approximately 48% of our total thermal energy came from natural gas, an increase of 13 percentage points from 2022, demonstrating our capacity for fuel switching. As a result of our energy optimization efforts, two of our plants—Pueblo, Colorado, and Rapid City, South Dakota—were awarded the*

ENERGY STAR certification by the United States Environmental Protection Agency (EPA) in 2023. This certification is granted to the top 25% of facilities nationwide with the lowest electricity consumption among similar operations. GCC plans to continue progressing these efforts and others as we strive to reach our Net Zero goal by 2050.

[Fixed row]

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

**(1.4.1) End date of reporting year**

12/31/2023

**(1.4.2) Alignment of this reporting period with your financial reporting period**

Select from:

☒ Yes

**(1.4.3) Indicate if you are providing emissions data for past reporting years**

Select from:

☒ Yes

**(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for**

Select from:

☒ 3 years

**(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for**

Select from:

☒ 3 years

**(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for**

Select from:

☒ 3 years

[Fixed row]

#### (1.4.1) What is your organization's annual revenue for the reporting period?

1363916407.81

#### (1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

##### ISIN code - bond

##### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

##### (1.6.2) Provide your unique identifier

US36165RAC97

##### ISIN code - equity

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

**CUSIP number**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

MX01GC2M0006

**Ticker symbol**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

GCC

**SEDOL code**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

**LEI number**

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

### (1.6.2) Provide your unique identifier

254900WY9XL8033CKX68

### D-U-N-S number

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

### Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

### (1.7) Select the countries/areas in which you operate.

Select all that apply

☒ Mexico

☒ United States of America

### (1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: <input checked="" type="checkbox"/> No, this is confidential data	At GCC we keep a track of the geolocation data for each facility; hence, we just disclose part of this information in our reports.

[Fixed row]

## (1.12) Which part of the concrete value chain does your organization operate in?

Select all that apply

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Blended cement        | <input checked="" type="checkbox"/> Portland cement manufacturing                           |
| <input checked="" type="checkbox"/> Clinker production    | <input checked="" type="checkbox"/> Concrete pavement / asphalt / tarmac                    |
| <input checked="" type="checkbox"/> Limestone quarrying   | <input checked="" type="checkbox"/> Alternative 'low CO2' cementitious materials production |
| <input checked="" type="checkbox"/> Concrete production   |   |
| <input checked="" type="checkbox"/> Aggregates production |   |

## (1.22) Provide details on the commodities that you produce and/or source.

### Rubber

#### (1.22.1) Produced and/or sourced

Select from:

- ☒ Sourced

#### (1.22.2) Commodity value chain stage

Select all that apply

- ☒ Processing

#### (1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

☒ Yes, we are providing the total volume

#### (1.22.5) Total commodity volume (metric tons)

5183.97

#### (1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

☒ No

#### (1.22.11) Form of commodity

Select all that apply

☒ Other, please specify :Recycled tire materials

#### (1.22.12) % of procurement spend

Select from:

☒ Less than 1%

#### (1.22.13) % of revenue dependent on commodity

Select from:

☒ Less than 1%

#### (1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

☒ Yes, disclosing

#### (1.22.15) Is this commodity considered significant to your business in terms of revenue?



Select from:

☒ No

### (1.22.19) Please explain

*At GCC we use rubber in our operations to improve thermal energy efficiency by using it as an alternative fuel and promote circular economy. A commodity would be considered significant to our organization if it represented more than 3% amount of spend. Additionally, we monitor commodities that are highlighted in our biennial materiality assessments.*

*[Fixed row]*

## (1.24) Has your organization mapped its value chain?

### (1.24.1) Value chain mapped

Select from:

☒ No, but we plan to do so within the next two years

### (1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 3 suppliers

### (1.24.8) Primary reason for not mapping your upstream value chain or any value chain stages

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (1.24.9) Explain why your organization has not mapped its upstream value chain or any value chain stages

*GCC has aligned its priorities with organizational goals and impact. We have initiated efforts related to the value chain and expect to share more information in the coming years.*

*[Fixed row]*

## (1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

### (1.24.1.1) Plastics mapping

Select from:

☒ No, but we plan to within the next two years

### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (1.24.1.6) Explain why your organization has not mapped plastics in your value chain

*GCC has always focused on cement, ready-mixed concrete, aggregate products, and related construction solutions. As a result, we've based our environmental impact studies and sustainability work on key materials and processes tied to these main products. Although we haven't considered plastics to play a big role in our main value chain, we know that cutting down on plastic use and waste matters to every industry. As we continue working towards our efforts of replacing fossil fuels in our operations with alternative fuels this includes taking a closer look at all the materials we use in our operations and supply chains, plastics included. We'll keep talking to our stakeholders about how plastics fit into our larger value chain and look for chances to cut down on sources and manage waste better. We aim to make sure our sustainability work matches up with environmental goals and what other industries do best to build a more sustainable future.*

*[Fixed row]*

## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

**(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?**

### Short-term

**(2.1.1) From (years)**

0

**(2.1.3) To (years)**

5

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*Our short-term time horizon aligns with our routine financial and business planning. It helps us identify the necessary actions to be taken before 2030 and ensures we meet our sustainable development performance targets.*

### Medium-term

**(2.1.1) From (years)**

6

**(2.1.3) To (years)**

15

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*The medium-term time horizon extends beyond our regular business planning, enabling us to consider the transitions needed between 2030 and 2050.*

Long-term

(2.1.1) From (years)

16

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

*This time frame is dedicated to our long-term investments, such as carbon capture and utilization/storage research and technology. It focuses on needs beyond 2050 to ensure a world below 1.5C.*  
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both risks and opportunities	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Row 1**

#### **(2.2.2.1) Environmental issue**

*Select all that apply*

☒ Climate change

#### **(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue**

*Select all that apply*

☒ Dependencies

#### **(2.2.2.3) Value chain stages covered**

*Select all that apply*

☒ Direct operations

#### **(2.2.2.4) Coverage**

*Select from:*

☒ Full

#### (2.2.2.7) Type of assessment

*Select from:*

☒ Qualitative and quantitative

#### (2.2.2.8) Frequency of assessment

*Select from:*

☒ More than once a year

#### (2.2.2.9) Time horizons covered

*Select all that apply*

☒ Short-term

☒ Medium-term

#### (2.2.2.11) Location-specificity used

*Select all that apply*

☒ Site-specific

#### (2.2.2.12) Tools and methods used

**Enterprise Risk Management**

☒ Enterprise Risk Management

#### (2.2.2.14) Partners and stakeholders considered

*Select all that apply*

☒ Customers

#### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

### (2.2.2.16) Further details of process

*In 2023, GCC completed the first set of climate scenario analyses. As part of these analyses, GCC conducts a quarterly climate risk report. This risk report highlights the key climate risk by peril, location, location, and insured value. These scenario analyses were conducted in accordance with TCFD. The Chief Sustainability Officer oversees this annual analysis and involves participation from legal, operations, procurement, sales, planning, energy, finance, mining, and sustainability departments. The scenario analysis is embedded in the organization's decision-making and strategic management processes. The results are compiled into a report and discussed in an integration workshop with key stakeholders to incorporate the findings into the business strategy. These results, which include identified climate-related risks and opportunities, an assessment of GCC's business strategy resilience under different climate scenarios, and management recommendations, are then presented to upper management.*

## Row 2

### (2.2.2.1) Environmental issue

Select all that apply

☒ Water

### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Risks

### (2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

### (2.2.2.4) Coverage

Select from:

☒ Full

#### (2.2.2.7) Type of assessment

*Select from:*

- ☒ Qualitative only

#### (2.2.2.8) Frequency of assessment

*Select from:*

- ☒ Annually

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- ☒ Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- ☒ Not location specific

#### (2.2.2.12) Tools and methods used

##### **Commercially/publicly available tools**

- ☒ WRI Aqueduct

##### **International methodologies and standards**

- ☒ ISO 14001 Environmental Management Standard



## Other

- ☒ Materiality assessment

### (2.2.2.13) Risk types and criteria considered

#### Policy

- ☒ Poor enforcement of environmental regulation
- ☒ Regulation of discharge quality/volumes

### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Investors

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

### (2.2.2.16) Further details of process

*GCC's operations are subject to strict laws and regulations governing environmental protection, health, and safety in the United States and Mexico. These environmental, health, and safety laws and regulations generally require the Company to obtain and comply with various permits, licenses, registrations, and other approvals including environmental protection standards regarding, among other things, emission of air pollutants, wastewater discharges, use and handling of hazardous materials or waste, as well as incur capital expenditures in connection with its compliance efforts.*

## Row 3

### (2.2.2.1) Environmental issue

Select all that apply

- ☒ Biodiversity

#### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

- ☒ Impacts
- ☒ Opportunities

#### (2.2.2.3) Value chain stages covered

*Select all that apply*

- ☒ End of life management

#### (2.2.2.7) Type of assessment

*Select from:*

- ☒ Qualitative only

#### (2.2.2.8) Frequency of assessment

*Select from:*

- ☒ Annually

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- ☒ Site-specific

#### (2.2.2.12) Tools and methods used

### International methodologies and standards

☒ ISO 14001 Environmental Management Standard

### Other

☒ Internal company methods

☒ Materiality assessment

### (2.2.2.14) Partners and stakeholders considered

*Select all that apply*

☒ Employees

☒ Local communities

### (2.2.2.15) Has this process changed since the previous reporting year?

*Select from:*

☒ No

### (2.2.2.16) Further details of process

*Annually, the Sustainability Committee oversees the development and implementation of GCC's sustainability strategy and advises GCC's Board on related matters. Biodiversity is considered in our strategy, and we plan to integrate a more specific and defined strategic route in the next two years.*

## Row 4

### (2.2.2.1) Environmental issue

*Select all that apply*

☒ Climate change

### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

☒ Impacts

### (2.2.2.3) Value chain stages covered

*Select all that apply*

☒ Direct operations

### (2.2.2.4) Coverage

*Select from:*

☒ Full

### (2.2.2.7) Type of assessment

*Select from:*

☒ Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

*Select from:*

☒ More than once a year

### (2.2.2.9) Time horizons covered

*Select all that apply*

☒ Short-term

☒ Medium-term

☒ Long-term

### (2.2.2.11) Location-specificity used

*Select all that apply*

☒ Site-specific

☒ National

## (2.2.2.12) Tools and methods used

### International methodologies and standards

☒ IPCC Climate Change Projections

## (2.2.2.14) Partners and stakeholders considered

Select all that apply

☒ Employees

## (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

## (2.2.2.16) Further details of process

*The Audit and Corporate Practices Committee is composed of three independent members and three alternate directors appointed by the Board of Directors, with the exception of the committee chair, who is elected by GCC's shareholders. This Committee advises the Board on audit matters, best corporate practices, risk management, compliance, evaluation, and compensation. Recognizing the various risks and uncertainties associated with its operations and the countries in which it operates, GCC has developed a risk management process to monitor, analyze, and mitigate risk exposures, ensuring the company's long-term stability and success. This enterprise risk management process includes climate-related risks, focusing on enhancing business resilience, addressing key human and physical elements, improving the risk quality of all plants, reinforcing loss prevention programs, optimizing premium discounts related to risk improvement achievements, and positioning the company for future insurance renewals. GCC employs a coordinated, comprehensive approach to overseeing enterprise-wide risk management responsibilities, including identifying, assessing, monitoring, and managing risk exposure. The Board regularly reviews strategic threats, opportunities, and risks, with leadership fully engaged in making risk management a fundamental aspect of company strategy, operations, and culture. The Board receives updates from committees that advise on economic, environmental, and social impacts, which are discussed at Board meetings. The CEO reviews and approves reports, while the Vice President for Energy and Sustainability ensures that material topics are covered. Risk Identification: GCC continuously identifies risks and scenarios that could materially and negatively impact the company's business, operations, or financial condition. A dedicated department focuses on analyzing and preventing risks. Additionally, FM Global conducts an annual third-party verification visit to each plant to assess measures related to climate-related situations. Following each visit, GCC receives a quarterly detailed report from FM Global outlining areas that need to be addressed to mitigate climate-related risks. Risk Assessment: GCC regularly assesses identified risks based on their likelihood and impact to stay aware of any changes in relevance. Risk Management: GCC creates heat maps to review risk materiality, improve visualization, and develop risk management strategies. Risk Control: GCC constantly monitors the implementation and execution of strategies to reduce or eliminate threats, prevent losses, and optimize resources.*

Row 5

### (2.2.2.1) Environmental issue

*Select all that apply*

☒ Climate change

### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

☒ Risks

☒ Opportunities

### (2.2.2.3) Value chain stages covered

*Select all that apply*

☒ Direct operations

☒ Downstream value chain

### (2.2.2.4) Coverage

*Select from:*

☒ Full

### (2.2.2.7) Type of assessment

*Select from:*

☒ Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

*Select from:*

☒ More than once a year

### (2.2.2.9) Time horizons covered

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- ☒ Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- ☒ Site-specific
- ☒ National

#### (2.2.2.12) Tools and methods used

##### **Enterprise Risk Management**

- ☒ Enterprise Risk Management

##### **International methodologies and standards**

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard
- ☒ Life Cycle Assessment

##### **Other**

- ☒ Internal company methods
- ☒ Scenario analysis

#### (2.2.2.13) Risk types and criteria considered

**Acute physical**

- ☒ Drought
- ☒ Wildfires
- ☒ Heat waves
- ☒ Cold wave/frost
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)

**Chronic physical**

- ☒ Heat stress
- ☒ Water stress

**Policy**

- ☒ Carbon pricing mechanisms
- ☒ Changes to national legislation

**Market**

- ☒ Availability and/or increased cost of raw materials

**Technology**

- ☒ Transition to lower emissions technology and products

**Liability**

- ☒ Exposure to litigation
- ☒ Non-compliance with regulations

### (2.2.2.14) Partners and stakeholders considered

*Select all that apply*

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers



### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

### (2.2.2.16) Further details of process

GCC identifies climate-related risks and opportunities through several methods. These include scenario analysis, company-specific techniques, IPCC forecasts, ISO 14001 guidelines, and life cycle assessment (LCA). This process involves input from employees, customers, investors, and suppliers across our operations and value chains. Scenario analysis looks at how different levels of global warming could affect our business. It helps us spot potential issues like higher costs and supply problems as well as chances to sell low-carbon products and save energy, this also helps us identify the potential opportunities we could have. Inside the company, we collect and study data on our emissions and resource use. We get everyone involved: our staff helps gather data and put plans into action, customers tell us what they want in terms of sustainability as we work to deliver our EPD (Environmental product declarations), and we inform our stakeholders about risks and opportunities. GCC evaluates the exposure of its main locations to physical risks and natural hazards through a "Property Loss Prevention Program" (PLPP). This program is conducted by FM Global, GCC's global property insurer, in collaboration with site experts and operations staff. Each location's probability of occurrence and financial impact of identified risks are assessed. To determine the likelihood of climate-related events (natural hazards), FM Global utilizes proprietary maps of windstorms, flooding, seismic activity, wildfires, etc., based on data from NASA, research centers, universities, and other governmental sources, primarily based in the United States. The financial impact is categorized into two terms: "Loss Expectancies-Property Damage" and "Loss Expectancies-Time Element." "Loss Expectancies-Property Damage" estimates the cost of physical damage to equipment or infrastructure, while "Loss Expectancies-Time Element" evaluates production loss and the cost of restoring original production. The recovery time and collateral damage are calculated using the formula:  $LE-TE = (BI * (T/12 \text{ months}) * \% \text{ Exposure})$ . LE-TE: Loss-Expectancy Time-Element BI: Annual reported Incomes T: Estimated stoppage time % Exposure: percentage of participation of the specific equipment/building over the total site's production. FM Global also considers historical loss data, average recovery times, and research on building reconstruction and equipment replacement. Additionally, FM Global provides recommendations to mitigate financial impacts, along with remediation costs to eliminate or reduce the risk of physical damage from acute or chronic climate-related events. Recommendations from the PLPP are prioritized and evaluated based on three criteria: 1. Financial loss expectancy should the risk occur 2. Risk improvement ratios, defined as the ratio of loss expectancy to the cost of implementing the recommendation 3. Specific catastrophe risks Once a recommendation is implemented, the loss expectancy for property damage and time element can be reduced or eliminated. The completion of recommendations is followed up on annually and re-evaluated when accomplished. Industry Scrutiny and Litigation: GCC recognizes that the cement industry is under increased scrutiny due to its high levels of greenhouse gas emissions. This scrutiny and overall stigmatization of the cement industry poses a risk as investors and stakeholders more deeply examine the sector.

[Add row]

### (2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

#### (2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

## (2.2.7.2) Description of how interconnections are assessed

*Oversight and assessment of environmental dependencies, impacts, risks, and opportunities ultimately lie with GCC's Board of Directors. In 2023, climate-related topics discussed during board meetings included budgeting, expenditures, corporate targets, transition plans, and risk management. The Chairman of the Board leads the review of strategic threats, opportunities, and risks, including environmental and climate-related considerations. One Board member oversees the integration of sustainability and climate-related issues into the company's overall business strategy. GCCA's Board of Directors is committed to reducing the impacts of cement production and advancing the industry-wide roadmap for net-zero cement and concrete. GCC's management plays a significant role in assessing and managing environmental dependencies, impacts, risks, and opportunities. The Sustainability Committee oversees the development and implementation of GCC's sustainability strategy and advises the Board on related matters. In 2020, the Sustainability Committee oversaw GCC's commitment to and publication of our carbon intensity reduction goal by the Science Based Targets Initiative (SBTi), which was verified in 2023. The Committee also oversees our broader CO2 strategy, considering GCC's environmental dependencies, impacts, risks, and opportunities. The Sustainability Committee is led by our CEO and CSO and includes seven other members: the Presidents of our US and Mexico divisions, the Chief Technical Operations Officer, the Chief Financial and Planning Officer, the VP of Expansion Projects, the Energy and Procurement Director, and the Sustainability Manager. The Committee meets monthly to discuss the progress of GCC's climate strategy and reviews and approves sustainability performance. In 2022, the Board received quarterly updates from this committee on GCC's key climate-related metrics and initiatives, which are discussed as an agenda item in three Board meetings.*

[Fixed row]

## (2.3) Have you identified priority locations across your value chain?

### (2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

### (2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

### (2.3.3) Types of priority locations identified

**Sensitive locations**

☒ Areas important for biodiversity

### (2.3.4) Description of process to identify priority locations

*We recognize the essential importance of natural capital and our relationship with nature for a sustainable world. Therefore, we have stated our climate ambitions and strive to incorporate good land stewardship and biodiversity practices into our actions. As active members of the GCCA, we apply the mitigation hierarchy approach to managing biodiversity risks and opportunities in our cement, concrete, and aggregates operations. This means our biodiversity principles aim to avoid unacceptable impacts, minimize any impacts that may occur, and mitigate any residual impacts on local biodiversity through rehabilitation. Due to GCC's dedication to mitigating negative impacts on biodiversity, we have implemented a rehabilitation plan for 48.1% of the quarries at our cement plants. For example, we recently completed a five-year reclamation project at Tijeras' oldest quarry. This 22-acre project, designed jointly with the local community, transformed the area into a recreational space that fosters biodiversity and helps bring wildlife back. Reclamation and close-out plans are required by state law, and this project was effectively finished in December 2023. The project included intentional designs to preserve wildlife habitats, such as high walls to promote bird nesting and lizard habitation, wildlife dens for animal shelter, and a main sediment pond that retains water and serves as a water source for local wildlife. For reporting local impacts, we use the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management. To report the number of locations in physical climate risk (drought severity), we identify the number of locations (using prior year location geocoordinate data) at "High" risk of drought severity, expressed as a percentage of the total number of locations, using the World Resource Institute's (WRI) Aqueduct Risk Atlas.*

### (2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

## (2.4) How does your organization define substantive effects on your organization?

### Risks

#### (2.4.1) Type of definition

Select all that apply

☒ Qualitative

#### (2.4.6) Metrics considered in definition

Select all that apply

☒ Other, please specify :Definition of effect by Executive Committee or shareholder request

#### (2.4.7) Application of definition

*An negative effect is considered to be substantive if it is defined as such by the Executive Committee or shareholder request.*

### Opportunities

#### (2.4.1) Type of definition

*Select all that apply*

☒ Qualitative

#### (2.4.6) Metrics considered in definition

*Select all that apply*

☒ Other, please specify :Definition of effect by Executive Committee or shareholder request

#### (2.4.7) Application of definition

*An positive effect is considered to be substantive if it is defined as such by the Executive Committee or shareholder request.*

### Risks

#### (2.4.1) Type of definition

*Select all that apply*

☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

*Select from:*

☒ EBITDA

#### (2.4.3) Change to indicator

Select from:

☒ % decrease

#### (2.4.4) % change to indicator

Select from:

☒ 1-10

#### (2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

#### (2.4.7) Application of definition

*The negative effect is considered to be substantive if it is lower than 2% over the total expected yearly EBITDA results every year within a 10-year period or affects GCC's competitiveness.*

### Opportunities

#### (2.4.1) Type of definition

Select all that apply

☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

☒ EBITDA

#### (2.4.3) Change to indicator

Select from:

☒ % increase

#### (2.4.4) % change to indicator

Select from:

☒ 1-10

#### (2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

#### (2.4.7) Application of definition

*The positive effect is considered to be substantive if it is higher than 2% over the total expected yearly EBITDA results every year within a 10-year period or affects GCC's competitiveness.*

### Risks

#### (2.4.1) Type of definition

Select all that apply

☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

☒ EBITDA

#### (2.4.3) Change to indicator

Select from:

☒ % decrease

#### (2.4.4) % change to indicator

Select from:

☒ 11-20

#### (2.4.6) Metrics considered in definition

*Select all that apply*

☒ Frequency of effect occurring

#### (2.4.7) Application of definition

*The negative effect is considered to be substantive if it is lower than 10% over the total expected yearly EBITDA results.*

### Opportunities

#### (2.4.1) Type of definition

*Select all that apply*

☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

*Select from:*

☒ EBITDA

#### (2.4.3) Change to indicator

*Select from:*

☒ % increase

#### (2.4.4) % change to indicator

*Select from:*

☒ 11-20

#### (2.4.6) Metrics considered in definition

*Select all that apply*

☒ Frequency of effect occurring

## **(2.4.7) Application of definition**

*The positive effect is considered to be substantive if it is higher than 10% over the total expected yearly EBITDA results.*

## **Opportunities**

## **(2.4.1) Type of definition**

*Select all that apply*

☒ Qualitative

☒ Quantitative

## **(2.4.2) Indicator used to define substantive effect**

*Select from:*

☒ EBITDA

## **(2.4.3) Change to indicator**

*Select from:*

☒ % increase

## **(2.4.4) % change to indicator**

*Select from:*

☒ 1-10

## **(2.4.6) Metrics considered in definition**

*Select all that apply*

☒ Frequency of effect occurring



## (2.4.7) Application of definition

*The positive effect is considered to be substantive if it is higher than 5% over the expected EBITDA of a business unit, every year within a 10-year period or affects GCC's competitiveness.*

### Risks

## (2.4.1) Type of definition

*Select all that apply*

☒ Qualitative

☒ Quantitative

## (2.4.2) Indicator used to define substantive effect

*Select from:*

☒ EBITDA

## (2.4.3) Change to indicator

*Select from:*

☒ % decrease

## (2.4.4) % change to indicator

*Select from:*

☒ 1-10

## (2.4.6) Metrics considered in definition

*Select all that apply*

☒ Frequency of effect occurring

## (2.4.7) Application of definition

*The negative effect is considered to be substantive if it is lower than 5% over the expected EBITDA of a business unit, every year within a 10-year period or affects GCC's competitiveness.*  
[Add row]

## **(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

### **(2.5.1) Identification and classification of potential water pollutants**

Select from:

☒ Unknown

### **(2.5.3) Please explain**

*GCC fully complies with water regulations in all jurisdictions where we operate. In Mexico, we adhere to the guidelines set by the National Water Commission, while in the U.S., we follow the regulations outlined in the Clean Water Act. Both countries require sites to operate under either a general permit, applicable to all similar facilities, or a site-specific permit, such as those issued by the National Pollutant Discharge Elimination System (NPDES). These permits set site-specific limits to maintain the health of the receiving water bodies and their aquatic species. Additionally, sites must maintain a Storm Water Pollution Prevention Plan and conduct periodic sampling and reporting. Currently, GCC does not publicly disclose its water pollutant tracking, but we plan to include this information in future disclosures.*  
[Fixed row]

## C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

### Climate change

#### (3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

### Forests

#### (3.1.1) Environmental risks identified

Select from:

☒ No

#### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

#### (3.1.3) Please explain

*This year marks GCC's inaugural response to CDP Forest. Over the coming years, we aim to explore the relationship between forest-related issues and our value chain, and we will share our findings. According to our comprehensive 2022 materiality assessment, forest-related performance was not deemed material for GCC. Therefore, we have prioritized water- and climate-related concerns, though we will continue to reevaluate this stance as we progress in our reporting.*

### Water

### (3.1.1) Environmental risks identified

Select from:

☒ Yes, only within our direct operations

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Evaluation in progress

### (3.1.3) Please explain

*GCC is working to identify and assess more water-related risks in our value chain. As our value chain mapping matures over the coming years, we plan to report water related risks. Based on our recent materiality assessment, we have prioritized climate concerns over water and forest at this time.*

## Plastics

### (3.1.1) Environmental risks identified

Select from:

☒ No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*Plastic-related risks do not significantly impact our operating costs or sales; therefore, we do not consider them to have a substantive effect on the company.*  
[Fixed row]

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## **Climate change**

### **(3.1.1.1) Risk identifier**

*Select from:*

☒ Risk3

### **(3.1.1.3) Risk types and primary environmental risk driver**

#### **Policy**

☒ Carbon pricing mechanisms

### **(3.1.1.4) Value chain stage where the risk occurs**

*Select from:*

☒ Direct operations

### **(3.1.1.6) Country/area where the risk occurs**

*Select all that apply*

☒ Mexico

☒ United States of America

### **(3.1.1.9) Organization-specific description of risk**

*In both Mexico and the US, there is a growing emphasis on reducing carbon emissions, with carbon pricing mechanisms being implemented or planned to incentivize emission reductions. This is especially true at the sub-national level where specific Mexican and US states are enacting carbon taxation laws. Given that carbon pricing poses a substantial financial risk for GCC, we assess the risk associated with transitioning to carbon pricing regulations in both countries. The establishment of a carbon price, as outlined in various scenarios, or the implementation of more stringent emissions trading systems than currently in place, presents a risk to our bottom line.*

#### (3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased direct costs

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Very likely

#### (3.1.1.14) Magnitude

Select from:

☒ High

#### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

78000000

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

#### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

3500000

#### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

### (3.1.1.25) Explanation of financial effect figure

*As government institutions in our operational areas start to implement carbon taxes, GCC is still assessing the overall impact of these evolving laws on our operations. Many of these carbon taxes are currently proposed and have not yet been enacted into law, which we consider short-term risks. We believe that several state-level laws in Mexico are likely to affect us in the near future. Our financial impact calculations account for those taxes that are most likely to be implemented.*

### (3.1.1.26) Primary response to risk

#### Compliance, monitoring and targets

- ☒ Greater compliance with regulatory requirements

### (3.1.1.27) Cost of response to risk

52200000

### (3.1.1.28) Explanation of cost calculation

*To estimate our cost of responding to the risk, we used a case study conducted by our internal team, which evaluated an 11% return on investment capital for U.S. blended cements. We assumed 85% uptime and a clinker capacity of 410,000 tons per year, with a 1P rate on finish mills of 22 stph and a PLC rate on finish mills of 24 stph. The design capability to produce all products on all mills totaled 7 million. This resulted in a 7 price increase to recover variable cost increases and 2 per ton for capital recovery, leading to a total price change of 9 per ton for financial recovery. Our current annual cement production capacity is 5.8 million metric tons (MMT), so the annual cost of responding to the risk was calculated by multiplying production capacity by 9 per ton. We are working on improving our financial impact figures and estimates in future reports to better capture additional costs and trade-offs.*

### (3.1.1.29) Description of response

*We are actively working to reduce our emissions, thereby mitigating the financial impact risk of current and emerging carbon pricing regulations. Our Scope 1 and 2 emission reduction initiatives include accelerating our efforts on alternative fuels by targeting a fuel substitution rate of at least 40% in all our precalciner kilns. This involves investing in co-processing equipment, permits, and process improvements. By substituting coal with non-recyclables and biomass fuels, we aim to reduce our carbon emissions by 42 kg CO<sub>2</sub>/ton of cement by 2030. Regarding our fuel mix, we anticipate a further reduction of 133 kg CO<sub>2</sub>/ton of cement by switching our plants from coal to natural gas by 2030. Increasing the production of blended cement will reduce our clinker content from the current 88% to 80% by 2030. Replacing clinker in our final product with alternative materials such as limestone and/or calcined clay will result in a 37 kg CO<sub>2</sub>/metric ton reduction in our carbon emissions, helping us achieve our 2030 target. While we are focused on our 2030 target in the short to mid-term, we are also committed to our 2050 net-zero ambition. Achieving this goal will require effective carbon capture, usage, and storage (CCUS) technologies, as approximately 48% of our total CO<sub>2</sub> footprint is generated from the*

chemical reaction when limestone is calcined in the kiln. We are actively researching and engaging with various CCUS companies to ensure that when new technologies become available, we can quickly implement the best solutions for each of our plants.

## Water

### (3.1.1.1) Risk identifier

Select from:

☒ Risk1

### (3.1.1.3) Risk types and primary environmental risk driver

#### Policy

☒ Introduction of regulatory standards for previously unregulated contaminants

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Mexico

☒ United States of America

### (3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Unknown

### (3.1.1.9) Organization-specific description of risk



*GCC's operations are subject to strict laws and regulations governing environmental protection, health, and safety in the United States and Mexico. These environmental, health, and safety laws and regulations generally require the Company to obtain and comply with various permits, licenses, registrations, and other approvals (including environmental protection standards regarding, among other things, emission of air pollutants, wastewater discharges, use and handling of hazardous materials or waste), as well as incur capital expenditures in connection with its compliance efforts. Even though GCC continuously strives to comply with environmental, health, and safety laws and regulations, related permits, and other requirements, there can be no assurance that its operations will at all times comply. The enactment of new environmental, health and safety laws and regulations, the more stringent interpretation or enforcement of existing requirements, or the imposition of liabilities under such laws and regulations, could force GCC to incur costs for compliance, capital expenditures, or liabilities relating to damages claims or limit its current or planned operations, any of which could have a material adverse effect on its business, results of operations, and financial condition.*

#### **(3.1.1.11) Primary financial effect of the risk**

*Select from:*

☒ Increased compliance costs

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

*Select all that apply*

☒ Short-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

*Select from:*

☒ Very likely

#### **(3.1.1.14) Magnitude**

*Select from:*

☒ High

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*GCC realizes that lack of water means a big threat to our direct activities in the United States and especially on both sides of Mexico, creating higher regulatory pressure as water gets less. A situation, when it comes to the world's climate and population rise, is causing water stress more and more regions, and they expect that the governments will bring in stricter rules to manage water resources most properly. The possible rigidity of such legislation is a risk which may entail costs and problems at our end, as it requires new methods that we could apply to meet the new standard. One of the expected outcomes of the new water regulations and the*

*real chance of water deficiency threatening the activities of GCC could aim for higher operational costs due to investments in water-saving technologies and infrastructure upgrades. In terms of production, inability of water due to restriction of water to uses may necessitate production schedules to be set up. The company's requirement to meet the compliance guidance could become a hurdle that might require additional control systems and reporting mechanisms. Besides, the lack of water resources could even interrupt the supply chain if companies involved the problem, the raw materials could be readily available. Risk of GCC failing to tackle these threats indeed its reputation and relationships with investors, however, it could also serve as a turning point for setting up something new to drive more sustainable practices and improve the durability and competitiveness. One of the expected outcomes of the new water regulations and the real chance of water deficiency threatening the activities of GCC could aim for higher operational costs due to investments in water-saving technologies and infrastructure upgrades. In terms of production, inability of water due to restriction of water to uses may necessitate production schedules to be set up. The company's requirement to meet the compliance guidance could become a hurdle that might require additional control systems and reporting mechanisms. Besides, the lack of water resources could even interrupt the supply chain if companies involved the problem, the raw materials could be readily available. Risk of GCC failing to tackle these threats indeed its reputation and relationships with investors, however, it could also serve as a turning point for setting up something new to drive more sustainable practices and improve the durability and competitiveness.*

### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

☒ No

### **(3.1.1.26) Primary response to risk**

**Compliance, monitoring and targets**

☒ Greater compliance with regulatory requirements

### **(3.1.1.27) Cost of response to risk**

223407.73

### **(3.1.1.28) Explanation of cost calculation**

*The calculations of costs for the water-related risks represent potential capital expenditures that GCC has evaluated as part of our strategy in an intend to prevent these risks. As water scarcity and regulatory pressures increase, we will continue exploring investments in technologies and infrastructure designed to enhance water efficiency and sustainability in our operations.*

### **(3.1.1.29) Description of response**

*To prepare for upcoming wastewater regulations, GCC is implementing comprehensive strategies to ensure compliance and environmental sustainability. We are exploring investments in wastewater treatment systems that effectively neutralize high pH levels and remove contaminants such as stone, sand, and toxic metals. GCC is also adopting on-site filtration techniques to treat and reuse water, reducing the need for third-party treatment services. Additionally, we are closely monitoring regulatory updates and training staff on best practices for wastewater management to avoid fines and enhance operational efficiency. By taking these proactive measures, we aim to minimize environmental impact and align with stringent regulatory standards.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

☒ Risk1

### (3.1.1.3) Risk types and primary environmental risk driver

#### Policy

☒ Changes to regulation of existing products and services

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Mexico

☒ United States of America

### (3.1.1.9) Organization-specific description of risk

*Governments worldwide are implementing policies and regulations to reduce greenhouse gas emissions and transition to cleaner energy sources. This could lead to increased compliance costs or penalties, making some of GCC's assets unviable. GCC aims to reduce emissions to 530 kg CO2/kg clinker by 2030, and failing to meet this target could result in a loss of sales. Low thermal efficiency kilns, particularly, could become unviable as emission regulations tighten. GCC has one wet kiln at its Trident plant. The wet process of cement manufacturing involves grinding raw materials into slurry, mixing with water, and then feeding them into the kiln for*

drying and calcination to form clinker. This technology is outdated and less efficient compared to modern dry kiln technologies. The cement industry has shifted towards dry kiln processes, which offer better energy efficiency, lower emissions, and higher product quality. Lower thermal efficiency is linked to higher emissions of air pollutants, and the additional energy required to remove moisture increases fuel consumption, leading to higher greenhouse gas emissions.

#### **(3.1.1.11) Primary financial effect of the risk**

Select from:

☒ Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

☒ Medium-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

☒ Virtually certain

#### **(3.1.1.14) Magnitude**

Select from:

☒ Medium-high

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

131,000,000.00

#### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

☒ Yes

#### **(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)**

33000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

131000000

### (3.1.1.25) Explanation of financial effect figure

*The financial impact figure represents the potential loss in EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) that we could anticipate if these plants become obsolete and cease functioning. It serves as an important indicator to assess the potential risks associated with the plant's operational status and highlights the significance of investing in upgrades and efficient technology to mitigate any adverse financial consequences.*

### (3.1.1.26) Primary response to risk

#### **Compliance, monitoring and targets**

☒ Implementation of environmental best practices in direct operations

### (3.1.1.27) Cost of response to risk

650000000

### (3.1.1.28) Explanation of cost calculation

*The cost of calculations is based on proposals from suppliers, which allows us to determine the expenses involved in updating these plants with newer and more efficient technology. We anticipate that this would be a one-time cost.*

### (3.1.1.29) Description of response

*Our strategy focuses on enhancing the thermal energy efficiency of our cement kilns through continuous improvement. We will leverage our long-standing partnership with the US Environmental Protection Agency's (EPA) ENERGY STAR Industrial Program, which allows us to monitor energy consumption, set short-term goals, and benchmark against peer performance. Additionally, we plan to increase the use of biogenic fuels, reduce the carbon-intensive clinker factor, and implement carbon capture technologies.*

## **Climate change**

### (3.1.1.1) Risk identifier

Select from:

☒ Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

**Acute physical**

☒ Other acute physical risk, please specify :Extreme weather

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Mexico

☒ United States of America

### (3.1.1.9) Organization-specific description of risk

*If the operations of any production unit are unexpectedly interrupted, either partially or completely, by floods, cyclones, or other catastrophes, sales and financial results could be significantly impacted. The inventory required at each plant is determined based on the production schedule and cycles. An unplanned outage at any plant could reduce inventory levels to a point that compromises service in the market that plant serves. Similarly, inefficient management of supply inventory to ensure adequate supply during peak periods and minimize excess expenses during slower periods could significantly adversely affect the company's operations, operating results, and financial situation due to the inability to meet production orders for cement, ready-mix concrete, or other products. This risk also extends to supply chain issues, and we are working on determining the financial impact of physical risks in our supply chain.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

☒ Disruption in production capacity

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Very likely

### (3.1.1.14) Magnitude

Select from:

☒ Medium-low

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

497000000.00

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

105000000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

497000000

### (3.1.1.25) Explanation of financial effect figure

*GCC assesses their main locations' exposures to physical risks and natural hazards with a "Property Loss Prevention Program" (PLPP). This program is conducted by FM Global, GCCs global property insurer, with the collaboration of site experts and operations staff. The potential financial impact figure was provided by FM Global as the value of business interruption exposed to physical risks. We are actively working on improving our financial analysis for climate-related risks to improve our potential financial impact figures in the future.*

#### **(3.1.1.26) Primary response to risk**

##### **Infrastructure, technology and spending**

☒ Improve maintenance of infrastructure

#### **(3.1.1.27) Cost of response to risk**

10900000

#### **(3.1.1.28) Explanation of cost calculation**

*Our insurance provider, FM Global, completes an annual study on GCC's operations to determine potential costs associated with responding to these physical risks. The cost to respond to this risk is an estimation based on FM Global's findings.*

#### **(3.1.1.29) Description of response**

*GCC will need to invest in both physical infrastructure updates and company-wide policy changes. For instance, additional roof seals and waterproofing may be necessary. On the policy side, emergency response procedures must be developed for floods, freezes, and snowstorms. We also plan to implement a comprehensive Flood Emergency Response plan.*

*[Add row]*

### **(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.**

#### **Climate change**

##### **(3.1.2.1) Financial metric**

Select from:



☒ Revenue

### (3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

131000000

### (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 91-99%

### (3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

254600000

### (3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ 91-99%

### (3.1.2.7) Explanation of financial figures

*GCC faces a climate-related financial risk, both transition and physical, affecting plants that generate certain streams of revenues. Transition risks—a potential USD131 million—with plants running older technology that may be facing new emissions or environmental controls that would require experienced upgrading to meet the requirements and sustain them. The 254.6 million of physical risk can be estimated as a potential impact on revenues from climatic events that may disrupt operations or supply chains due to extreme weather conditions or water shortages. These risks are overcome by modernization in technology, improvement in sustainability practices, and protection of the GCCs' financial stability through infrastructure resilience in order to assure long-term operational continuity.*

## Water

### (3.1.2.1) Financial metric

Select from:

☒ CAPEX

**(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)**

223407.73

**(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue**

Select from:

☒ 100%

**(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

0

**(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue**

Select from:

☒ Less than 1%

**(3.1.2.6) Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue**

223407.73

**(3.1.2.7) Explanation of financial figures**

*GCC is also funding the infrastructure and water management. GCC incurred 223,407.73 in 2023 for water Capital Expenditure (CapEx) which is aimed at improving our water efficiency and resiliency in our operations. Those are risk mitigating, regulatory compliant, revenue protecting investments in our more sustainable and resilient facilities.*

*[Add row]*

**(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?**

**Row 1**

**(3.2.1) Country/Area & River basin**

**United States of America**

☒ Mississippi River

**(3.2.2) Value chain stages where facilities at risk have been identified in this river basin**

*Select all that apply*

☒ Direct operations

**(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin**

1

**(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin**

*Select from:*

☒ 1-25%

**(3.2.10) % organization's total global revenue that could be affected**

*Select from:*

☒ 1-10%

**(3.2.11) Please explain**

*The location near this major river system highlights how crucial it is to manage water, to use water, and to follow environmental rules in this specific location. The Missouri River Basin one of the biggest river systems in the US, provides water for farming, industry, and homes across many states. For GCC's cement plant, handling water resources well is key not just to keep things running, but also to lower possible risks tied to water shortages and stricter regulations.*

[Add row]

**(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

### **(3.3.1) Water-related regulatory violations**

Select from:

☒ No

### **(3.3.3) Comment**

*We fully comply with water regulations in the jurisdictions where we operate. In Mexico, we comply with National Water Commission (CONAGUA, by its acronym in Spanish) about water quality requirements, and we also report our water extraction in cubic meters on a quarterly basis. Additionally, we strictly adhere to the national water law, federal rights law, applicable provisions on national water matters, and the regulation of national water. In the U.S., we adhere to regulations outlined in the Clean Water Act (CWA), which establishes the basic framework for water pollution regulation in the country.*

[Fixed row]

**(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Select from:

☒ Yes

**(3.5.1) Select the carbon pricing regulation(s) which impact your operations.**

Select all that apply

☒ Mexico carbon tax

☒ Mexico pilot ETS

**(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.**

## Mexico pilot ETS

### (3.5.2.1) % of Scope 1 emissions covered by the ETS

31.43

### (3.5.2.2) % of Scope 2 emissions covered by the ETS

39.75

### (3.5.2.3) Period start date

01/01/2023

### (3.5.2.4) Period end date

12/31/2023

### (3.5.2.5) Allowances allocated

1066226.45

### (3.5.2.6) Allowances purchased

0

### (3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

1066226.45

### (3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

84181

### (3.5.2.9) Details of ownership

Select from:

☒ Facilities we own and operate

### (3.5.2.10) Comment

*Our plants in Chihuahua are part of the Mexican Pilot ETS*

*[Fixed row]*

**(3.5.3) Complete the following table for each of the tax systems you are regulated by.**

### **Mexico carbon tax**

#### (3.5.3.1) Period start date

01/01/2023

#### (3.5.3.2) Period end date

12/31/2023

#### (3.5.3.3) % of total Scope 1 emissions covered by tax

2.55

#### (3.5.3.4) Total cost of tax paid

88298.18

#### (3.5.3.5) Comment

*The Mexico carbon tax, applicable to all fossil fuels (Coal, Diesel, Gasoline), is calculated as CO2 emissions related to fossil fuels to determine the percent covered by the tax on Scope 1 GHG emissions. The % of total Scope 1 missions covered basically come from the consumption of coal in our Mexico plants.*

*[Fixed row]*

### **(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

*GCC has developed an emissions reduction strategy for the Mexico Division, creating a CO2 reduction roadmap for each kiln in our cement facilities. We have formed a dedicated team with members from corporate planning, energy, technical, cement operations, and sustainability to monitor and track the progress of this strategy. The strategy focuses on four key areas: Thermal and electric efficiency Alternative fuel utilization Blended cement Carbon capture and storage The team also identifies mitigation initiatives from a technical perspective and evaluates the economic viability of each initiative at each facility, classifying them into short-, medium-, and long-term execution. This effort is coordinated by our Chief Sustainability Officer, who has allocated resources to consolidate all emissions and energy information at the corporate level. Managing a climate change strategy under CO2 regulation requires close monitoring of all actions within the plants, including the use of different types of fuels, raw materials for clinker production, and the mix of cementitious products in the portfolio. For example, the Mexican Pilot ETS provides a framework for close monitoring of emissions and a verification process that translates into adaptation and mitigation initiatives at plants. In addition to the mandatory monitoring, reporting, and verification required by the Mexican Pilot ETS, cement plants track their CO2 emissions using the GCCA protocol. All monitoring activities are subject to internal control and third-party verification annually. To comply with and anticipate regulations, GCC continues to implement an environmental management system that involves continuous monitoring and evaluation of activities to minimize their environmental impact. As a case study, GCC's Chihuahua Plant, part of the Mexican Pilot ETS program, has a history of environmental certifications and achievements that have prepared GCC for mitigating and managing risks from developing regulations. These certifications and achievements include: Certificate of Verification of GHG Calculation 2022 by Address Green Company certification by the Government of the State of Chihuahua since 2009 Socially Responsible Enterprise since 2004 ISO 9001 and ISO 14001 certified since 2001*

### **(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### **Climate change**

##### **(3.6.1) Environmental opportunities identified**

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized

#### **Forests**

##### **(3.6.1) Environmental opportunities identified**

Select from:

☒ No

##### **(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities**

Select from:

☒ Evaluation in progress

### (3.6.3) Please explain

*This year marks GCC's inaugural response to CDP Forest. Over the coming years, we aim to explore the relationship between forest and our opportunities, and we will share our findings. According to our comprehensive 2022 materiality assessment, forest-related performance was not deemed material for GCC. Therefore, we have prioritized water- and climate-related concerns at this time, though we will continue to reevaluate as new data becomes available.*

## Water

### (3.6.1) Environmental opportunities identified

Select from:

☒ No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Evaluation in progress

### (3.6.3) Please explain

*As a responsible cement and concrete producer, we understand that our water use, diversion, and discharge practices have significant implications for water availability in the future, for the sustainability of our operations, as well as for the well-being of our communities and surrounding ecosystems. We are committed to responsible and efficient water management and continuously seek opportunities to use renewable and recycled sources in our operations.*  
[Fixed row]

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## Climate change

### (3.6.1.1) Opportunity identifier



Select from:

☒ Opp1

### (3.6.1.2) Commodity

Select all that apply

☒ Not applicable

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Energy source

☒ Use of carbon capture and storage

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

### (3.6.1.8) Organization specific description

*A technology risk of GCC's is related to the adoption of carbon capture technologies. GCC has been working and will invest in feasibility studies for the adoption of carbon capture technology and has made important initial steps to date. According to the initial evaluation of CO2 capture technologies, the cryogenic technology was identified as the most suitable for our plants. This technology has the benefit of lower water consumption, and the equipment does not take up much space, in addition to trapping all major pollutants from the kiln stack. The early adoption of new technologies like this one implies risks such as potential limitations in functionality and performance, higher costs, compatibility issues with existing systems and infrastructure lack of available support and expertise, and risk of market uncertainty, as the technology landscape can rapidly evolve, potentially rendering an early adopted solution obsolete or replaced by newer alternatives.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Returns on investment in low-emission technology

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ More likely than not (50–100%)

#### (3.6.1.12) Magnitude

Select from:

☒ High

#### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*GCC is currently exploring various partnerships, including those with researchers, consultants, carbon capture technology providers, carbon transportation companies, carbon storage companies, and utilities. Achieving our ambition will require effective carbon capture, utilization, and storage (CCUS) since about 48% of our total CO2 footprint is generated from the chemical reaction when limestone is calcined in the kiln. We are actively researching and engaging with different CCUS companies to ensure that when new technologies become available, we can quickly implement the best solutions for each of our plants. The estimated cost could be 65,500,000*

#### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

#### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

9500000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

65500000

### (3.6.1.23) Explanation of financial effect figures

*GCC has the option to implement carbon capture technology at one or more of its facilities. The potential financial impact is illustrated by the following scenario: If a plant produces one million tonnes of cement annually with an emissions factor of 690 kg of CO<sub>2</sub> per tonne of cement, it would generate approximately 690,000 tonnes of CO<sub>2</sub>. With the 45Q tax credit, which offers 85 per tonne for sequestered carbon, and the possibility of selling a portion of these offsets on the voluntary carbon market (estimated at 10 per tonne), the facility could generate around 95 in tax credits and revenue per tonne of CO<sub>2</sub> captured. Although the 45Q credits expire after 12 years, the combination of tax credits and potential sale of credits makes revenue generation from this project feasible. The difference between annual revenue and maintenance costs is approximately 15 per tonne. This estimate does not include any additional revenue from selling zero-carbon cement, which could attract a green premium from consumers.*

### (3.6.1.24) Cost to realize opportunity

55200000

### (3.6.1.25) Explanation of cost calculation

*The company is currently exploring different vendors for the technology and the estimate is based on early bids for technology vendors. The cost figure does not include fixed CAPEX through the construction of these facilities as prices vary with vendors and technology. One vendor estimated a high-end cost of 50 annually per tonne of CO<sub>2</sub> captured through increased electricity, operations, permitting, and maintenance. Also included is a 30 transportation cost per tonne, derived from numbers published by the U.S. Government's OSTI. For a 690,000 capture facility with those numbers, annual costs would be around 55,200,000. All our financial figures are currently estimates. We are actively working with various technology vendors to establish a price for the implementation. Additionally, we are diligently developing calculations that are closely aligned with our operations and the reality of our business. This presents an opportunity that we will address in the coming year. As we progress with these efforts, we aim to ensure accuracy and transparency in our financial projections and technological advancements."*

### (3.6.1.26) Strategy to realize opportunity

*GCC made a screening study and technology selection by exploring different partnerships including researchers, consultants, carbon capture technology providers, carbon transportation companies, carbon storage companies and utilities companies. Currently, we successfully completed the design and pre-FEED (Front End Engineering Design) study so now we are moving to the FEED phase.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Energy source

☒ Use of low-carbon energy sources

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Upstream value chain

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Mexico

☒ United States of America

### (3.6.1.8) Organization specific description

*GCC is shifting its electrical needs towards renewable energy sources such as wind and solar. We are also developing an alternative fuel strategy to reduce coal consumption and increase the use of alternative fuels. Additionally, we are investing in permits and processing equipment to enhance our use of alternative fuels, thereby reducing our overall carbon footprint.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

☒ High

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Opportunities arise from our fifteen-year fixed-price wind energy agreement and cost savings from optimizing fuel mixes in each plant while pursuing emission reduction. These strategies—boosting renewable electricity and increasing fuel substitution for cement production—will reduce scope 1 and 2 emissions and support our climate strategy and goals. Furthermore, using alternative fuels like biomass and non-recyclables can provide a lower cost of thermal energy for the kilns. The anticipated effect could be 63,919,379*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

### (3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

20000000

### (3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

63919379

### (3.6.1.23) Explanation of financial effect figures

*To estimate the potential financial impact, GCC conducted a case study exploring fuel mix scenarios for our 2030 sustainability roadmap and SBTi targets. This study examined the total fuel cost for each plant, both currently and for our 2030 sustainability roadmap. The potential financial impact figure is the sum of the fuel mix savings for the current fuel cost for our 2030 sustainability roadmap for each facility, reflecting potential savings between now and 2030. GCC currently utilizes*

renewable energy at the Rapid City, Trident, and Samalayuca plants. In 2023, we signed a PPA agreement with a supplier in Odessa, ensuring 100% of our electricity at this site comes from renewable energy. Additionally, in 2020, GCC signed a fifteen-year fixed-price wind energy agreement to supply 50% of the electricity consumed at our Rapid City cement plant, reducing the plant's annual CO2 emissions by 50,000 metric tons. A wind farm is actively providing power to this site.

#### (3.6.1.24) Cost to realize opportunity

19916052

#### (3.6.1.25) Explanation of cost calculation

*In previous years, total employee benefit expenses were approximately 196,200,000 for about 3,100 employees, averaging 63,208 per employee. The annual cost to realize this opportunity was calculated as 13 new employees multiplied by 63,208 per employee, multiplied by 2 (for each GCC division). We are working on improving our financial impact figures and estimates in future reporting to better capture additional costs and trade-offs. Also to consider integrating renewable energy into our operations we calculated an estimation to cover one of our plants with 100% renewable energy, figuring out the cost to cover a yearly energy use of 35,586 MWh from our Trident plant in the USA with solar panels, a rough estimation about how many we'll need and how much they'll cost to buy. If each solar panel can produce 350 watts and works for about 5 hours of peak sunlight each day, considering the whole system working at 80% efficiency. This would mean each panel can generate about 511.25 kWh in a year. To meet the total energy need, we'd need around 69,610 panels. On average if each watt costs about 0.75, and we need a total of 24,363,500 watts (or 24.36 MW), we're considering spending about 18,272,625 just on the panels.*

#### (3.6.1.26) Strategy to realize opportunity

*GCC is investing in permits and processing equipment to increase our use of natural gas, biogenic fuels and in the long term the use of hydrogen, which will reduce our overall carbon footprint. Also, Our 2030 alternative fuel strategy includes short-, medium-, and long-term internal milestones. These milestones involve developing a corporate business unit (one company per division) to manage alternative fuels. These units will drive the development of our waste management strategy, increase the thermal substitution rate, maximize alternative fuel usage, and support our 2030 sustainability goals across all plants. We have a phased approach to implement our alternative fuel corporate management team, which includes plans to hire three salaried managers (a US fuel marketer and two fuel operations managers) and ten hourly employees in operations and maintenance. This plan will be adopted locally for each of our divisions.*

### Climate change

#### (3.6.1.1) Opportunity identifier

Select from:

☒ Opp3

#### (3.6.1.3) Opportunity type and primary environmental opportunity driver

## Markets

- ☒ Increased demand for certified and sustainable materials

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Downstream value chain

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ Mexico
- ☒ United States of America

### (3.6.1.8) Organization specific description

*There is a significant gap between the demand for low-carbon cement and its supply. GCC would benefit from a more established low-carbon product line. Our blended cement expands our product offering and enables us to meet anticipated customer and market demand. The production process for Portland limestone cement (PLC) emits 7% less CO2 than general-use cement. GCC's PLC has been approved by the Texas Department of Transportation for use on Texas roadways. The Infrastructure Investment and Jobs Act is a 1.2 trillion infrastructure package, which includes approximately 550 billion in new surface transportation spending. This five-year plan encompasses transformational efforts in roads, bridges, railroads, and domestic building, all of which require cement. According to the GCCA, the societal need for concrete is expected to grow due to population growth and urbanization, concrete's role in sustainable development, and its contribution to resilience and climate adaptation plans. Consequently, GCC anticipates increased revenue and sales from low-carbon cement alternatives.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

☒ Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*GCC sees opportunity in the development of low-carbon product offerings. Creating low-carbon cement presents numerous opportunities. It allows companies to meet growing market demand for sustainable building materials, aligning with global trends towards greener construction practices. By reducing CO<sub>2</sub> emissions, our customers can also achieve regulatory compliance and benefit from potential tax incentives. Additionally, low-carbon cement may enhance GCC's reputation as an environmentally responsible leader, attracting eco-conscious customers and investors. This innovation supports long-term sustainability goals and contributes to the fight against climate change. Increasing the production of blended cement will reduce our clinker content from the current 88% to 80% by 2030. By replacing clinker in our final product with alternative materials such as limestone and Supplementary Cementitious Materials (SCMs), we will avoid 37 kg of CO<sub>2</sub> emissions per metric ton of cement, helping us achieve our 2030 target.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

### (3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

30000000

### (3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

836895000

### (3.6.1.23) Explanation of financial effect figures

*GCC plans to continue growing revenue from low-carbon cement in the coming years. We aim to transition 100% of our cement operations to Portland limestone cement (PLC) by 2024. To estimate the annual potential financial impact, we assumed all cement capacity is converted to PLC. We multiplied our total cement*



capacity of 5.8 million metric tons (MMT) by 120 per ton to estimate revenue from low-carbon cement. Additionally, we included an extra 10% capacity at the same rate (120 per ton) to account for limestone sales. Growing markets will not only impact our low-carbon cement production but also present additional opportunities from increased sales and revenue from projects associated with sustainable development plans. For instance, GCC and Van Eaton Ready Mix partnered to supply the largest single-phase renewable power buildout in U.S. history, the Western Spirit Wind Project. This project will feature 377 GE wind turbines, each requiring about 350 cubic yards of concrete for the base. To reduce the carbon footprint of this project, GCC and Van Eaton will set up portable plants, similar to those used for wind farm buildouts in the north-central region. The wind project will be constructed alongside the Western Spirit Transmission Line, a 150-mile, 345kV AC transmission line that will enhance accessibility for New Mexico's wind resources to the electricity grid in New Mexico and the broader western markets. This is just one example of how we grow revenue and identify opportunities for our products to contribute to global climate solutions. We are working on improving our financial impact figures and estimates in future reporting to better capture additional costs and trade-offs.

#### **(3.6.1.24) Cost to realize opportunity**

522000000

#### **(3.6.1.25) Explanation of cost calculation**

To estimate the cost of realizing this opportunity, we conducted a case study evaluating an 11% return on investment capital for U.S. blended cements. We assumed 85% uptime, a clinker capacity of 410,000 tons per year, a 1P rate on finish mills of 22 stph, and a PLC rate on finish mills of 24 tph. The design ability to produce all products on all mills totaled 7 million. This resulted in a 7 price increase to recover variable costs and 2 per ton for capital recovery, leading to a total price change of 9 per ton for financial recovery. With our current cement production capacity at 5.8 million metric tons (MMT), the annual cost of realizing this opportunity was calculated by multiplying the production capacity by 9 per ton. We are working on improving our financial impact figures and estimates in future reporting to better capture additional costs and trade-offs.

#### **(3.6.1.26) Strategy to realize opportunity**

GCC is accelerating our efforts on alternative fuels by targeting a fuel substitution rate of at least 40% in all our precalciner kilns. We are investing in co-processing equipment, permits, and process improvements to achieve this goal. By substituting coal with non-recyclables and biomass fuels, we aim to reduce our carbon emissions by 42 kg CO<sub>2</sub> per ton of cement by 2030. Additionally, we anticipate a further reduction of 133 kg CO<sub>2</sub> per ton of cement by switching our plants from coal to natural gas by 2030. Increasing the production of blended cement will reduce our clinker content from the current % to 84.2% by 2030. Replacing clinker with alternative materials such as limestone and calcined clay will help us avoid 37 kg CO<sub>2</sub> per metric ton of cement, aiding in achieving our 2030 target. While we are focused on our 2030 targets in the short to midterm, we are also committed to our 2050 net-zero ambition. Achieving this goal will require effective carbon capture, usage, and storage (CCUS) since about 48% of our total CO<sub>2</sub> footprint comes from the chemical reaction when limestone calcinates within the kiln. We are actively researching and engaging with various CCUS companies to quickly implement the best solutions for each of our plants as new technologies become available.

[Add row]

**(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

Climate change

(3.6.2.1) Financial metric

Select from:

☒ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

87200000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 51-60%

(3.6.2.4) Explanation of financial figures

*Our total CAPEX investments in 2023 amounted to 163.5 million, of which 87.2 million was dedicated to low-carbon decarbonization projects. Our key decarbonization initiatives focused on alternative fuels at Samalayuca and renewable energy at Trident. As a result of these efforts, we achieved a record 4.7% reduction in CO2 emission intensity compared to 2022. This was accomplished by increasing the production of 1L Cement at our Pueblo, Rapid City, Trident, and Samalayuca plants. Additionally, in 2023, we increased our use of natural gas in Mexico to reduce the use of coal for our operations.*  
[Add row]

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

#### (4.1.5) Briefly describe what the policy covers

*GCC's inclusion policy has the objective of creating a culture in our workplace that embraces all diversity and rejects any discrimination. The policy sets out rules to ensure fairness, dignity and equal opportunities at work. It clarifies the roles of DE&I and Ethics Committees, employees, & supervisors in promoting an inclusive culture. The document does home in on the vital role of training and growth when it comes to DE&I values, has a process for dealing with violations as well as harassment reporting. It strives to overall ensure that all employees have equal ability and opportunity for growth, success, recognition in the workplace with no bias based on individual-specific attributes such as race, gender sexual orientation. <https://cdn.investorcloud.net/gcc/GobiernoCorporativo/23-07-2024-politica-diversidad-equidad-inclusion.pdf>*

#### (4.1.6) Attach the policy (optional)

23-07-2024-politica-diversidad-equidad-inclusion.pdf  
[Fixed row]

#### (4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

##### Climate change

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Chief Operating Officer (COO)
- ☒ Chief Sustainability Officer (CSO)
- ☒ Other C-Suite Officer

#### **(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**

*Select from:*

- ☒ Yes

#### **(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**

*Select all that apply*

- ☒ Individual role descriptions

#### **(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item**

*Select from:*

- ☒ Scheduled agenda item in every board meeting (standing agenda item)

#### **(4.1.2.5) Governance mechanisms into which this environmental issue is integrated**

*Select all that apply*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Reviewing and guiding annual budgets   | <input checked="" type="checkbox"/> Reviewing and guiding innovation/R&D priorities               |
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis   | <input checked="" type="checkbox"/> Approving and/or overseeing employee incentives               |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets  | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures             |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets  | <input checked="" type="checkbox"/> Monitoring the implementation of a climate transition plan    |
| <input checked="" type="checkbox"/> Approving corporate policies and/or commitments  | <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy |
| <input checked="" type="checkbox"/> Overseeing and guiding acquisitions, mergers, and divestitures                                   |   |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a climate transition plan                              |   |
| <input checked="" type="checkbox"/> Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities |   |

#### (4.1.2.7) Please explain

*During 2023, the board held a total of six meetings, with climate-related matters on the agenda of four of them. These discussions included sustainability metrics, targets, performance, and progress on CCUS projects, as well as reports and ratings. Additionally, the Board of Directors receives quarterly reports from the CEO. The Sustainability Executive Committee is integrated by our CEO, seven SLT members, and our Sustainability Corporate Manager. Additionally, we have a corporate Sustainability Team consisting of the R&D, Innovation and Climate Change Managers, as well as the U.S. and Mexican Environmental Directors. This team is responsible for overseeing and helping implement our low-carbon transition, led by our CSO, who is part of our Senior Leadership Team. Sustainability topics, including emissions reductions activities, are stated responsibilities for our senior leadership team and included in individuals' performance evaluation. Given our organization's prioritization of decarbonization, we have integrated relevant considerations into numerous governance routines.*

### Forests

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Chief Operating Officer (COO)
- ☒ Chief Sustainability Officer (CSO)

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

- ☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

- ☒ Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

- ☒ Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Reviewing and guiding innovation/R&D priorities
- ☒ Overseeing and guiding major capital expenditures
- ☒ Overseeing and guiding acquisitions, mergers, and divestitures
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### (4.1.2.7) Please explain

*Sustainability, including forests, is a stated responsibility for our senior leadership team and included in individuals' performance evaluation. Although GCC's impact on Forests is minimal, it is in our key governance mechanisms — including, for example, our strategic plan where we discuss the centrality of reforestation.*

### Water

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Chief Operating Officer (COO)
- ☒ Chief Sustainability Officer (CSO)

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing the setting of corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Reviewing and guiding innovation/R&D priorities
- ☒ Overseeing and guiding major capital expenditures
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### (4.1.2.7) Please explain

*Sustainability topics, including water management activities, are stated responsibilities for our senior leadership team and included in individuals' performance evaluation. We are continuing to develop the integration of water into our processes in a robust and meaningful manner, but already consider this issue in many of our key governance mechanisms.*

### Biodiversity

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Chief Operating Officer (COO)
- ☒ Chief Sustainability Officer (CSO)



#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Reviewing and guiding innovation/R&D priorities
- ☒ Overseeing and guiding major capital expenditures
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### (4.1.2.7) Please explain

*Sustainability, including biodiversity, is a stated responsibility for our senior leadership team and is included in individual performance evaluations. GCC's impact on biodiversity is minimal, but it's within our governance mechanisms to include and strategically plan for biodiversity topics.*

*[Fixed row]*

## **(4.2) Does your organization's board have competency on environmental issues?**

### **Climate change**

#### **(4.2.1) Board-level competency on this environmental issue**

*Select from:*

☒ Yes

#### **(4.2.2) Mechanisms to maintain an environmentally competent board**

*Select all that apply*

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

#### **(4.2.3) Environmental expertise of the board member**

##### **Academic**

☒ Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify

##### **Experience**

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues
- ☒ Active member of an environmental committee or organization

### **Forests**

#### **(4.2.1) Board-level competency on this environmental issue**

Select from:

☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Having at least one board member with expertise on this environmental issue

#### (4.2.3) Environmental expertise of the board member

##### Academic

- ☒ Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify

##### Experience

- ☒ Executive-level experience in a role focused on environmental issues

## Water

#### (4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

#### (4.2.3) Environmental expertise of the board member

**Academic**

☒ Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify

**Experience**

☒ Executive-level experience in a role focused on environmental issues

[Fixed row]

**(4.3) Is there management-level responsibility for environmental issues within your organization?**

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).**

**Climate change**

#### (4.3.1.1) Position of individual or committee with responsibility

##### **Executive level**

- ☒ Chief Executive Officer (CEO)

#### (4.3.1.2) Environmental responsibilities of this position

##### **Dependencies, impacts, risks and opportunities**

- ☒ Managing environmental dependencies, impacts, risks, and opportunities

##### **Policies, commitments, and targets**

- ☒ Measuring progress towards environmental science-based targets

##### **Strategy and financial planning**

- ☒ Developing a business strategy which considers environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues

#### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

#### (4.3.1.6) Please explain

*Our CEO evaluates the progress of climate and sustainability initiatives across our organization, leads the Sustainability Committee and reports directly to the Board. He is also responsible for overseeing the execution of our CO2 reduction plans and projects while also monitoring our global CO2 emissions and tracking progress toward our corporate climate goals. He also plays a key role in assessing and managing climate-related risks and opportunities at GCC.*

## Forests

### (4.3.1.1) Position of individual or committee with responsibility

#### Executive level

- ☒ Chief Sustainability Officer (CSO)

### (4.3.1.2) Environmental responsibilities of this position

#### Engagement

- ☒ Managing public policy engagement related to environmental issues

#### Strategy and financial planning

- ☒ Implementing the business strategy related to environmental issues

### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

### (4.3.1.6) Please explain

*While GCC primarily concentrates on climate issues, the CSO also keeps an eye on compliance with relevant regulations and collaborates with key stakeholders to tackle any forest-related concerns. The CSO role is important in weaving these considerations into GCC's broader business strategy, ensuring that environmental commitments are upheld and that the impact on forest ecosystems is kept to a minimum.*

## Water

#### (4.3.1.1) Position of individual or committee with responsibility

##### **Executive level**

- ☒ Chief Sustainability Officer (CSO)

#### (4.3.1.2) Environmental responsibilities of this position

##### **Engagement**

- ☒ Managing public policy engagement related to environmental issues

##### **Strategy and financial planning**

- ☒ Implementing the business strategy related to environmental issues

#### (4.3.1.4) Reporting line

*Select from:*

- ☒ Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

*Select from:*

- ☒ Half-yearly

#### (4.3.1.6) Please explain

*GCC's Chief Sustainability Officer (CSO) is responsible for integrating water-related risks and opportunities into the company's overall business strategy. We are actively working to integrate a more defined and comprehensive water program to develop effective strategies.*

### **Biodiversity**

#### (4.3.1.1) Position of individual or committee with responsibility

## Executive level

- ☒ Chief Sustainability Officer (CSO)

### (4.3.1.2) Environmental responsibilities of this position

#### Engagement

- ☒ Managing public policy engagement related to environmental issues

#### Strategy and financial planning

- ☒ Implementing the business strategy related to environmental issues

### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

### (4.3.1.6) Please explain

*While we primarily concentrate on climate and water challenges, the CSO makes sure that fundamental biodiversity factors are woven into our operations. This involves keeping an eye on how quarrying activities affect local ecosystems and ensuring adherence to applicable regulations.*

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

#### Executive level

- ☒ Chief Sustainability Officer (CSO)



#### (4.3.1.2) Environmental responsibilities of this position

##### Engagement

- ☒ Managing public policy engagement related to environmental issues

##### Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental targets

##### Strategy and financial planning

- ☒ Implementing a climate transition plan
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

#### (4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

#### (4.3.1.6) Please explain

*GCC's Chief Sustainability Officer (CSO) sets the strategic direction for addressing climate-related issues, advancing sustainability initiatives within the organization, and engaging with key stakeholders on critical sustainability topics. The CSO drives the integration of climate-related risks and opportunities into GCC's overall business strategy through assessment, management, and scenario analysis. The CSO spearheaded the establishment of GCC's Science-based Targets and developed a transition plan to achieve these goals, leading initiatives to implement this plan and track progress. In addition, the CSO oversees major capital and operational expenditures related to low-carbon products and services, including research and development, and leads the carbon capture, utilization, and storage*

research team to reduce GCC's carbon footprint. The CSO actively engages with policymakers and value chain members to address climate-related issues and shape CO2 regulatory considerations. They also manage climate-related acquisitions, mergers, and divestitures as needed.  
[Add row]

## **(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?**

### **Climate change**

#### **(4.5.1) Provision of monetary incentives related to this environmental issue**

Select from:

☒ Yes

#### **(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue**

15

#### **(4.5.3) Please explain**

*GCC recognizes the significant risks and opportunities that climate change presents to our business model, making it a top priority. Consequently, GCC has introduced climate-focused financial incentives to motivate senior leadership and board members to take proactive measures against climate change. At GCC, compensations are aligned with a long-term strategy and each year the Executive Team's compensation scheme and the objectives settled to contribute this strategy are reviewed and approved by the Board of Directors, and employees are reward with short and long-term incentives depending on their achievement.*

### **Forests**

#### **(4.5.1) Provision of monetary incentives related to this environmental issue**

Select from:

☒ Yes

#### **(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue**

5

### (4.5.3) Please explain

*GCC acknowledges the significance of forest governance and actively engages in natural habitat restoration and reforestation initiatives. Executive management's responsibilities encompass overseeing forest-related issues as part of our corporate strategic plan. Specifically, our strategic plan calls out "reforestation through nurseries" as a key area of operation. Our strategic leadership's long-term employee incentive plan is tied to our strategic plan.*

## Water

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

### (4.5.3) Please explain

*GCC understands the importance of water governance and engages in activities related to water conservation and water reduction in our products. Specifically, our strategic plan identifies eco-efficiency associated with lower water consumption as being key to our success. Our strategic leadership's long-term employee incentive plan is tied to our strategic plan.*

[Fixed row]

**(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).**

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

**Board or executive level**

☒ Chief Executive Officer (CEO)

### (4.5.1.2) Incentives

*Select all that apply*

- ☒ Bonus - % of salary

### (4.5.1.3) Performance metrics

#### Targets

- ☒ Achievement of environmental targets
- ☒ Reduction in absolute emissions in line with net-zero target

#### Strategy and financial planning

- ☒ Board approval of climate transition plan

#### Emission reduction

- ☒ Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

- ☒ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

### (4.5.1.5) Further details of incentives

*The CEO's pay is tied to meeting sustainability goals. In 2022, we implemented our existing plan for sustainability metrics, which involved executing CO2 reduction initiatives, budgeting global GCC CO2 emissions, and creating a 5-year strategic roadmap. Performance related to these targets is assessed annually.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CEO is fully aligned and stays deeply involved in GCC's climate performance. Because his pay is aligned with GCC's climate performance, he is incentivized to review projects that are needed to meet our Science-Based reduction targets. As part of its commitment to contribute to the continuous improvement of communities in which it operates, GCC focuses on identifying, preventing and controlling the environmental effects of its processes through an environmental management system and disciplined compliance with environmental regulations applicable to the GCC's processes.*

## Forests

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- ☒ Chief Executive Officer (CEO)

### (4.5.1.2) Incentives

Select all that apply

- ☒ Profit share

### (4.5.1.3) Performance metrics

#### Policies and commitments

- ☒ Restoration and compensation to address past deforestation and conversion

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

### (4.5.1.5) Further details of incentives

*GCC has two types of long-term incentive plans in order to align the employees' objectives and results and to retain talent to positively impact the Company's culture focus, which are described below: Real stock plan (Performance Shares) linked with a criterion of number of months of salary of the executive and a minimum level of performance that will direct the efforts to achieve the expected results. This plan is granted annually, with the vesting period between four years and five years for which the executive must have an employment relationship with the Company and / or its subsidiaries to receive the shares. The performance indicator is designated annually by the Chairman of the Board of Directors, with is linked to the creation of value and growth of the Company. For 2022, 2021 and 2020, the "Return on Capital Investment" (ROIC) was established for this purpose. This indicator may change annually and can consider both quantitative and qualitative criteria. The total shares allocated for this plan and the related expense for 2023, 2022 and 2021 were 428,722, 502,964 and 476,447, and 5,012, 1,774, and 2,060, respectively. Additional option plan "Matching" provides benefits linked to the short-term incentive plan whereby an employee can choose the option to purchase in shares of GCC with the Company matching a certain percentage. The purchase of shares, by the eligible employee, will be utilized through the use of part or the total cash value of their short-term incentive benefit, with a three-year sale restriction period. This plan is also granted annually.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*Our senior leadership's incentives are based on our strategic plan, which highlights the importance of reforestation efforts. To this end, GCC understands the centrality of forestry and land reclamation, which is recognized in our financial statements. Our strategic plan incorporates "reforestation through nurseries" and pushes our leadership team to be attentive to reforestation projects. GCC seeks the transcendence of the company by maintaining the essential balance between economic, social and environmental objectives. To achieve this, GCC focuses on the implementation of global best practices related to sustainability throughout the organization.*

### Water

#### (4.5.1.1) Position entitled to monetary incentive

##### Board or executive level

☒ Chief Executive Officer (CEO)

#### (4.5.1.2) Incentives

*Select all that apply*

☒ Profit share

#### (4.5.1.3) Performance metrics

##### Targets

☒ Progress towards environmental targets

#### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

☒ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

#### (4.5.1.5) Further details of incentives

GCC has two types of long-term incentive plans in order to align the employees' objectives and results and to retain talent to positively impact the Company's culture focus, which are described below: Real stock plan (Performance Shares) linked with a criterion of number of months of salary of the executive and a minimum level of performance that will direct the efforts to achieve the expected results. This plan is granted annually, with the vesting period between four years and five years for which the executive must have an employment relationship with the Company and / or its subsidiaries to receive the shares. The performance indicator is designated annually by the Chairman of the Board of Directors, with is linked to the creation of value and growth of the Company. For 2022, 2021 and 2020, the "Return on Capital Investment" (ROIC) was established for this purpose. This indicator may change annually and can consider both quantitative and qualitative criteria. The total shares allocated for this plan and the related expense for 2023, 2022 and 2021 were 428,722, 502,964 and 476,447, and 5,012, 1,774, and 2,060, respectively. Additional option plan "Matching" provides benefits linked to the short-term incentive plan whereby an employee can choose the option to purchase in shares of GCC with the Company matching a certain percentage. The purchase of shares, by the eligible employee, will be utilized through the use of part or the total cash value of their short-term incentive benefit, with a three-year sale restriction period. This plan is also granted annually.

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

Our senior leadership's incentives are based on our strategic plan, which highlights the importance of water consumption. To this end, GCC understands the centrality of water, which is recognized in our financial statements as the pursuit of "eco-efficiency, lower water consumption." GCC seeks the transcendence of the company by maintaining the essential balance between economic, social and environmental objectives. To achieve this, GCC focuses on the implementation of global best practices related to sustainability throughout the organization.

### **Climate change**

#### **(4.5.1.1) Position entitled to monetary incentive**

##### **Board or executive level**

☒ Chief Sustainability Officer (CSO)

#### **(4.5.1.2) Incentives**

Select all that apply

☒ Bonus - % of salary

#### **(4.5.1.3) Performance metrics**

##### **Targets**

☒ Progress towards environmental targets

- ☒ Achievement of environmental targets
- ☒ Organization performance against an environmental sustainability index

#### **Emission reduction**

- ☒ Implementation of an emissions reduction initiative

#### **Engagement**

- ☒ Implementation of employee awareness campaign or training program on environmental issues

### **(4.5.1.4) Incentive plan the incentives are linked to**

*Select from:*

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### **(4.5.1.5) Further details of incentives**

*The Chief Sustainability Officer at GCC received financial incentives for nine sustainability-related initiatives. These initiatives encompassed training and communicating our sustainability and reduction strategies, involving key stakeholders in climate-related strategic planning, and developing and promoting CO2 reduction strategies to support the organization's 1.5-degree transition, among other efforts.*

### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

*The projects that our CSO is incentivized on are integral to our engagement strategy, ensuring that GCC employees and key stakeholders are well-informed about our sustainability initiatives and our goals to achieve Science-Based Targets. The Chief Sustainability Officer at GCC leads the organization's climate strategy, with each performance indicator directly supporting this objective.*

## **Climate change**

### **(4.5.1.1) Position entitled to monetary incentive**

#### **Senior-mid management**

- ☒ Management group



#### (4.5.1.2) Incentives

*Select all that apply*

☒ Bonus - % of salary

#### (4.5.1.3) Performance metrics

##### Targets

☒ Achievement of environmental targets

##### Emission reduction

☒ Implementation of an emissions reduction initiative

#### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

#### (4.5.1.5) Further details of incentives

*The variable compensation for Divisional Presidents is tied to achieving our emissions reduction targets. Performance related to these incentives is reviewed annually.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*Incentivized projects are integral to our overall reduction strategy aimed at meeting our Science-Based Targets. By supporting and encouraging leadership through these incentives, GCC is better positioned to achieve our climate targets.*

#### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

## Board or executive level

☒ Other C-Suite Officer, please specify

### (4.5.1.2) Incentives

*Select all that apply*

☒ Bonus - % of salary

### (4.5.1.3) Performance metrics

#### Targets

☒ Progress towards environmental targets

#### Strategy and financial planning

☒ Achievement of climate transition plan

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*Our CTO's variable pay was tied to several sustainability-related KPIs. These included meeting specific CO2 reduction targets as part of our climate transition plan, advancing the organization's CO2 reduction roadmap, and refining GCC's KPIs to monitor and manage our global CO2 emissions. Performance against these incentives is reviewed at least annually.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*Incentivized projects are integral to our overall reduction strategy aimed at meeting our Science-Based Targets. By supporting and encouraging leadership through these incentives, GCC is better positioned to achieve our climate targets.*

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

#### Facility/Unit/Site management

- ☒ Facilities manager

### (4.5.1.2) Incentives

*Select all that apply*

- ☒ Bonus - % of salary

### (4.5.1.3) Performance metrics

#### Targets

- ☒ Achievement of environmental targets

#### Emission reduction

- ☒ Implementation of an emissions reduction initiative

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The variable compensation for GCC's business unit managers is tied to achieving our emissions reduction and efficiency improvement targets, which include alternative fuel utilization and clinker ratio considerations. Performance related to these incentives is reviewed annually.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Incentivized projects are integral to our overall reduction strategy aimed at meeting our Science-Based Targets. By supporting and encouraging leadership through these incentives, GCC is better positioned to achieve our climate targets.

[Add row]

**(4.6) Does your organization have an environmental policy that addresses environmental issues?**

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.6.1) Provide details of your environmental policies.**

**Row 1**

**(4.6.1.1) Environmental issues covered**

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

**(4.6.1.2) Level of coverage**

Select from:

- ☒ Organization-wide

**(4.6.1.3) Value chain stages covered**

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

#### (4.6.1.4) Explain the coverage

*GCC's environmental policy is implemented organization-wide, covering all geographic locations and extending to both our upstream and downstream value chains. We are dedicated to reducing the environmental impact of our plants, quarries, and logistics operations by monitoring and controlling air emissions, managing land and conserving biodiversity, minimizing noise, vibration, and traffic disturbances, optimizing water usage, and reducing and recycling waste. Through this policy, we continuously monitor, review, and update our internal targets. Additionally, we train and supervise our employees to effectively manage the environmental aspects of our operations.*

#### (4.6.1.5) Environmental policy content

##### Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals
- ☒ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ No, but we plan to align in the next two years

#### (4.6.1.7) Public availability

Select from:

- ☒ Not publicly available

#### (4.6.1.8) Attach the policy

**(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?****(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

Select from:

☒ Yes**(4.10.2) Collaborative framework or initiative**

Select all that apply

☒ UN Global Compact☒ World Business Council for Sustainable Development (WBCSD)☒ Other, please specify :GCCA, PCA and CANACEM**(4.10.3) Describe your organization's role within each framework or initiative**

*Global Cement and Concrete Association (GCCA) Climate Ambition: GCC is a founding member of the GCCA, with our CEO serving on its Board of Directors. In 2020, the GCCA introduced its 2050 Climate Ambition, reflecting the commitment of its member companies to reduce the CO2 footprint of their operations and products, aiming for carbon-neutral concrete by 2050. In 2021, the GCCA launched the GCCA Concrete Future and published the 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete. GCC fully supports both the 2050 Climate Ambition and the 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete. Portland Cement Association (PCA) Roadmap to Carbon Neutrality: GCC is also a member of the PCA. The President of GCC of America is on the PCA's Board of Directors and was the Chairman of the PCA Board when the PCA released its Roadmap to Carbon Neutrality. GCC aligns with this Roadmap and the PCA's climate initiatives. World Business Council for Sustainable Development: GCC is a member of the Private Sector Studies Commission for Sustainable Development (CESPEDES), the Mexican chapter of the World Business Council for Sustainable Development (WBCSD), and part of the Business Coordinating Council (CCE). CESPEDES was established to address the sustainable development challenges arising from Mexico's integration into global markets. It represents various extraction, manufacturing, and consumer businesses united in tackling sustainable development challenges.*

[Fixed row]

**(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

#### **(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

*Select all that apply*

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

#### **(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

#### **(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement**

*Select all that apply*

☒ Paris Agreement

☒ Another global environmental treaty or policy goal, please specify :GCCA, PCA, CANACEM

#### **(4.11.4) Attach commitment or position statement**

*GCC\_Integrated-Report\_2023 (GOVERNANCE SECTION).pdf*

#### **(4.11.5) Indicate whether your organization is registered on a transparency register**

*Select from:*

☒ No

#### **(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan**

*GCC's part of its commitments and transition plan is by participating and engaging with industry-leading initiatives on climate change through leadership and collaboration to develop industry roadmaps for carbon-neutral cement and concrete. Our CEO and Board Member is on the Board of the Global Cement and Concrete Association. GCCA's Board of Directors is committed to reducing the impacts of cement production, including advancing the industry-wide roadmap for net*

zero cement and concrete. The President of GCC America is a member of the board for PCA and played an integral role in the visionary leadership to develop a carbon-neutral roadmap for the industry. Our Chief Sustainability Officer was one of five Task Group Leaders for PCA's Climate and Sustainability Council, driving PCA member companies' commitments to achieve carbon neutrality across the cement and concrete value chain. Other organizations that GCC has collaborated is with the Science Based Targets initiative and other leaders in the industry, participating in working group sessions to align on SBTi's Net Zero Standard and what it means for the cement industry. Also has worked with CANACEM in its Emission Trading System (ETS).

[Fixed row]

## **(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

### **Row 1**

#### **(4.11.2.1) Type of indirect engagement**

Select from:

☒ Indirect engagement via a trade association

#### **(4.11.2.4) Trade association**

##### **South America**

☒ Other trade association in South America, please specify :CANACEM

#### **(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Select all that apply

☒ Climate change

#### **(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with**

Select from:

☒ Consistent



#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, and they have changed their position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*GCC influence was achieved by being in alignment with World Business Council and with the GRI standards. Also the company has a consistent position at La Cámara Nacional del Cemento (CANACEM) that represents, promotes, and defends the interests of the national cement industry and adopts programs that contribute to the development and expansion of economic activities, safety, sustainability, and innovation.*

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

18636.13

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*GCC's role in the CANACEM initiative demonstrates the company's dedication to sustainability and environmental stewardship in the cement industry. Being a CANACEM member, GCC is teaming with other industry giants to initiate programs that will help promote sustainable practices and innovation. This alliance made them an integral part of monitoring the new rules and laws in Mexico. As an example of this GCC participated actively in the Roadmap design along with other Cement companies. With CANACEM, GCC supports the "balancing of industrial growth and environmental protection" which is aimed at keeping the company in step with national and international environmental sustainability targets while also helping the sustainability of the cement industry to improve.*

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is not aligned

Row 2

#### (4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via a trade association

#### (4.11.2.4) Trade association

North America

- ☒ Portland Cement Association

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ Yes, and they have changed their position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*In 2021, the Portland Cement Association (PCA) published a roadmap aiming for carbon-neutral concrete by 2050. The President of GCC America, who also serves on the PCA board of directors, played a key role in developing this roadmap. We have aligned our approach to net-zero CO2 with the PCA roadmap. Our Chief Sustainability Officer serves as the PCA's Environmental and Energy Committee chairperson, spearheading efforts to achieve carbon neutrality across the cement*

and concrete value chain. The roadmap outlines opportunities and impacts throughout the cement life cycle, monitoring progress, and specific policy levers to drive industry changes. Additionally, we have included educational resources, such as specific policies and positions from the PCA CEO, to mitigate the climate impact of our products and services in internal communication materials and newsletters.

#### **(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

622696.81

#### **(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*We collaborate with other PCA (Portland Cement Association) member companies to lobby the government for regulations aligned with our sustainability goals. By doing so, we aim to encourage the United States to fund green initiatives, including advancements in low-carbon and low-water innovations within the cement sector.*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

☒ Paris Agreement

### **Row 3**

#### **(4.11.2.1) Type of indirect engagement**

Select from:

☒ Indirect engagement via a trade association

#### **(4.11.2.4) Trade association**

**Global**

☒ Other global trade association, please specify :Global Cement and Concrete Association

**(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

*Select all that apply*

☒ Climate change

**(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with**

*Select from:*

☒ Consistent

**(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

*Select from:*

☒ Yes, and they have changed their position

**(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*GCC, as an active member of the Global Association of Cement and Concrete Producers (GCCA), joined our industry peers in declaring a collective ambition for carbon-neutral concrete by 2050 to address the global climate challenge. GCCA members are collaborating with various stakeholders, including policymakers, governments, investors, researchers, and end-users, to develop a realistic road map that aligns with global expectations and promotes effective climate action. Currently, our CEO is on the GCCA Board of Directors, and our Chief Sustainability Officer co-chairs the Best Practices Group, which focuses on sustainability aspects. We have also adopted GCCA's guideline indicators, covering carbon emissions, other emissions, biodiversity, water, and health & safety.*

**(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

34037

#### **(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*We recognize the significance of the Paris Agreement and, as GCC, are dedicated to safeguarding our planet. By being part of the Global Cement and Concrete Association (GCCA), we align with the global industry to achieve the shared objective of carbon-neutral concrete by 2050.*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

*Select all that apply*

☒ Paris Agreement

### **Row 4**

#### **(4.11.2.1) Type of indirect engagement**

*Select from:*

☒ Indirect engagement via a trade association

#### **(4.11.2.4) Trade association**

**Global**

☒ Other global trade association, please specify :Global Cement and Concrete Association

#### **(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Select all that apply

☒ Water

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, and they have changed their position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*GCC, as an active member of the Global Association of Cement and Concrete Producers (GCCA), joined our industry peers in declaring a collective ambition for water-related reporting. GCCA members are collaborating with various stakeholders, including policymakers, governments, investors, researchers, and end-users, to develop a realistic road map that aligns with global expectations and promotes effective water reduction targets. Currently, our CEO is on the GCCA Board of Directors, and our Chief Sustainability Officer co-chairs the Best Practices Group, which focuses on sustainability aspects. We have also adopted GCCA's guideline indicators, covering carbon emissions, other emissions, biodiversity, water, and health & safety.*

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

34037

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*GCCA promotes industry-wide standards and best practices related to water stewardship, and foster policy advocacy for sustainable cement and concrete use of water. In supporting the endeavors of the GCCA, we impact majorly on associated water regulations positively, focusing on water conservation, enhancements in water productivity, and minimization of our operations' influence on local water resources. Thus, this engagement enables us to collaborate with other industry leaders and stakeholders in driving real change to see that the cement industry continues to operate responsibly and sustainably in relation to water resources.*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

*Select from:*

☒ Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

*Select all that apply*

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[\[Add row\]](#)

#### **(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?**

*Select from:*

☒ Yes

**(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

##### **Row 1**

#### **(4.12.1.1) Publication**

*Select from:*

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

#### **(4.12.1.2) Standard or framework the report is in line with**

*Select all that apply*

- ☒ GRI
- ☒ IFRS
- ☒ TCFD

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

#### (4.12.1.4) Status of the publication

Select from:

- ☒ Complete

#### (4.12.1.5) Content elements

Select all that apply

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Strategy                 | <input checked="" type="checkbox"/> Risks & Opportunities    |
| <input checked="" type="checkbox"/> Governance               | <input checked="" type="checkbox"/> Value chain engagement   |
| <input checked="" type="checkbox"/> Emission targets         | <input checked="" type="checkbox"/> Dependencies & Impacts   |
| <input checked="" type="checkbox"/> Emissions figures        | <input checked="" type="checkbox"/> Biodiversity indicators  |
| <input checked="" type="checkbox"/> Commodity volumes        | <input checked="" type="checkbox"/> Public policy engagement |
| <input checked="" type="checkbox"/> Water accounting figures |  |

#### (4.12.1.6) Page/section reference

FROM THE INTEGRATED REPORT Emission targets: 123-124 Strategy: 125-127, 20-22 Governance: 129 Value chain: 131 Emission figures: 175,177 Energy: 176 Water: 178 Waste: 179 Biodiversity: 179 FROM THE TCFD Strategy: 11-25 Governance: 5 -10 Emissions figures: 29-31 FROM CSA Pag. 7 Question 1.1.1

#### (4.12.1.7) Attach the relevant publication

2023-TCFD-Report.pdf



#### (4.12.1.8) Comment

*We attached past years' integrated report. The 2023 integrated report will be available on our official website at the following link <https://ir.gcc.com/en> and can be downloaded via this link: <https://investorcloud.s3.amazonaws.com/gcc/InformacionFinanciera/InformacionAnual/GCC-integrated-report-2023.pdf>*

*[Add row]*

## C5. Business strategy

### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

#### Climate change

##### (5.1.1) Use of scenario analysis

Select from:

☒ Yes

##### (5.1.2) Frequency of analysis

Select from:

☒ Every two years

#### Forests

##### (5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

##### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ No standardized procedure

##### (5.1.4) Explain why your organization has not used scenario analysis

*We use scenario analysis in relation to climate change, which we consider more impactful for our business. At GCC, we are committed to environmental sustainability at all stages of our operations and we set a clear strategic route for the issues considered of critical importance by both the company and our stakeholders. Hence,*

*we are cognizant that it is relevant to work on preservation of forests as we are an indirect consumer. We are conscious of our impact, and we are working on an evaluation to identify opportunities to mitigate our carbon footprint and within the following years we will include a forest scenario analysis.*

## Water

### (5.1.1) Use of scenario analysis

*Select from:*

☒ No, but we plan to within the next two years

### (5.1.3) Primary reason why your organization has not used scenario analysis

*Select from:*

☒ No standardized procedure

### (5.1.4) Explain why your organization has not used scenario analysis

*In this reporting year, the water topic was included in our clear strategic route for the issues considered of critical importance by both the company and our stakeholders. Till day, we are still working on methodologies and stating an evaluation to identify opportunities to manage water consumption and therefore create a scenario analysis.*

*[Fixed row]*

### (5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

## Climate change

### (5.1.1.1) Scenario used

**Climate transition scenarios**

☒ IEA NZE 2050

### (5.1.1.3) Approach to scenario

*Select from:*

- ☒ Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Policy
- ☒ Market
- ☒ Reputation
- ☒ Technology

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 1.5°C or lower

#### (5.1.1.7) Reference year

2023

#### (5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040
- ☒ 2050

#### (5.1.1.9) Driving forces in scenario

### Stakeholder and customer demands

☒ Other stakeholder and customer demands driving forces, please specify :Stakeholder and customer demands

### Regulators, legal and policy regimes

☒ Global regulation

### Relevant technology and science

☒ Other relevant technology and science driving forces, please specify :Relevant technology and science

## (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The following main parameters and assumptions from IEA were used to conduct a qualitative analysis of this scenario: - Much lower demand for fossil fuels - Fast decarbonization of the electric system accompanied by high electrification of many sectors - Significant cost imposed on carbon - For the cement industry, much lower emissions are expected along with a stabilizing or decline in demand. - Key levers to lowering emissions are: Fuel switching; Including renewables, biofuels, waste-to-fuel, and biomass; Electrification of many aspects of the production and supply chain; Lowering the carbon intensity of production through lower clinker ratios, new materials or production routes such as pozzolans and clays, CCUS.*

## (5.1.1.11) Rationale for choice of scenario

*In difference with IEA STEPS, we chose IEA NZE 2050 to better align our targets and state actions and to focus on transitional risks.*

## Climate change

### (5.1.1.1) Scenario used

#### Climate transition scenarios

☒ IEA STEPS (previously IEA NPS)

### (5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

#### (5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.5°C - 2.9°C

#### (5.1.1.7) Reference year

2023

#### (5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

#### (5.1.1.9) Driving forces in scenario

##### Stakeholder and customer demands

☒ Other stakeholder and customer demands driving forces, please specify :Stakeholder and customer demands

## Regulators, legal and policy regimes

☒ Global regulation

## Relevant technology and science

☒ Other relevant technology and science driving forces, please specify :Relevant technology and science

## Macro and microeconomy

☒ Other macro and microeconomy driving forces, please specify :Macro and microeconomy

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The following main parameters and assumptions from IEA were used to conduct a qualitative analysis of this scenario: - Emissions growth driven by emerging economies but stabilized by 2050. - Energy demand continues to grow. - Electricity demand grows by 80%. - The matrix shifts largely to renewables. - Coal and oil demand is reduced but natural gas demand increases. - Demand for cement increases due to a growth in population and urbanization. - Policies are implemented that hold US and Mexican governments to significant decreases in GHG emissions by 2030 (Mexico to reduce by 35%. US to reduce by 50%). - Other policies have been established to incentivize a transition (in Mexico ETS, heavy-duty transport changes, and energy efficiency; in the US many incentives were established to adopt energy efficiency, renewables, alternative fuels, CCUS, and low carbon materials). - Key technologies are expected to provide momentum if adopted such as green hydrogen, CCUS, and alternative materials in the cement industry.*

### (5.1.1.11) Rationale for choice of scenario

*We chose IEA STEPS to brought up several areas of focus for the company in the near future and be worked over the time so we can be prepared for the implementations of new technologies and regulations in base of pricing mechanisms due to demand and climate change resilience.*

## Climate change

### (5.1.1.1) Scenario used

#### Physical climate scenarios

☒ RCP 1.9

### (5.1.1.2) Scenario used    SSPs used in conjunction with scenario

Select from:

☒ No SSP used

#### (5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

#### (5.1.1.7) Reference year

2023

#### (5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

☒ 2070

☒ 2080

☒ 2090

☒ 2100



☒ 2060

#### (5.1.1.9) Driving forces in scenario

##### Local ecosystem asset interactions, dependencies and impacts

☒ Climate change (one of five drivers of nature change)

##### Stakeholder and customer demands

☒ Consumer attention to impact

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Representative Concentration Pathway (RCP) 1.9 scenario, published in IPCC's Sixth Assessment Report, focuses on limiting warming to below 1.5C by 2100 to meet the aspirational goal of the Paris Agreement. It considers emissions aggressively decreasing starting between 2020 and 2030, and there is no peak in emissions after 2020. This physical climate scenario is aligned with the IEA NZE 2050 transition scenario's temperature outcome.*

#### (5.1.1.11) Rationale for choice of scenario

*We chose RCP 1.9 scenario to analyzed the best case to qualitatively assess GCC's resilience to the corresponding chronic and acute physical climate consequences.*

### Climate change

#### (5.1.1.1) Scenario used

##### Physical climate scenarios

☒ RCP 4.5

#### (5.1.1.2) Scenario used    SSPs used in conjunction with scenario

Select from:

☒ No SSP used

### (5.1.1.3) Approach to scenario

Select from:

- ☒ Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical  
☒ Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 2.5°C - 2.9°C

### (5.1.1.7) Reference year

2023

### (5.1.1.8) Timeframes covered

Select all that apply

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> 2025 | <input checked="" type="checkbox"/> 2070 |
| <input checked="" type="checkbox"/> 2030 | <input checked="" type="checkbox"/> 2080 |
| <input checked="" type="checkbox"/> 2040 | <input checked="" type="checkbox"/> 2090 |
| <input checked="" type="checkbox"/> 2050 | <input checked="" type="checkbox"/> 2100 |
| <input checked="" type="checkbox"/> 2060 |  |

### (5.1.1.9) Driving forces in scenario

#### Local ecosystem asset interactions, dependencies and impacts

- ☒ Speed of change (to state of nature and/or ecosystem services)
- ☒ Climate change (one of five drivers of nature change)

#### Stakeholder and customer demands

- ☒ Consumer attention to impact

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Representative Concentration Pathway (RCP) 4.5 scenario, published in IPCC's Fifth Assessment Report, describes an intermediate stabilization pathway where emissions slowly decrease over time and temperature stays below 2.4C by 2100. This physical climate scenario is aligned with the IEA STEPS transition scenario's temperature outcome.*

### (5.1.1.11) Rationale for choice of scenario

*On the contrary from RCP 1.9, the RCP 4.5 was used as a worst-case to qualitatively assess GCC's resilience to the corresponding chronic and acute physical climate consequences.*

*[Add row]*

## (5.1.2) Provide details of the outcomes of your organization's scenario analysis.

### Climate change

#### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

*Select all that apply*

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Resilience of business model and strategy
- ☒ Capacity building
- ☒ Target setting and transition planning

### (5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*This exercise demonstrated GCC's stated business and sustainability strategies are resilient to the scenarios analyzed. Emissions reduction efforts and a goal of Net Zero CO2 are integrated into our business strategy which ensures we monitor our transition to a low-carbon economy as part of our core practices and not as a separate effort. Our sustainability strategy and roadmap also supported the resilience of our business strategy as we move the company towards lower dependence on fossil fuels, higher energy efficiencies, and technologies that will allow us to mitigate transitional risks. GCC also has a strong program to identify, reduce and manage physical risks in partnership with our insurance provider. Based on this exercise, GCC plans to further evaluate next steps in the following areas to ensure proper preparedness measures are in place: •Fuel switching •Monitoring risks of extreme regulations for coal •Accelerating applications of CCUs •Intensifying sustainability strategy communication and climate disclosure efforts •Use of renewable energy*  
[Fixed row]

## (5.2) Does your organization's strategy include a climate transition plan?

### (5.2.1) Transition plan

Select from:

☒ Yes, we have a climate transition plan which aligns with a 1.5°C world

### (5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

### (5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ No, but we plan to add an explicit commitment within the next two years

### **(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion**

*GCC owns and operates a coal mine, providing a reliable energy source for our operations. A relevant factor that differentiates our coal is its thermal efficiency. It is a specialized, high heat value coal, ideal for this specific industrial process. While the use of coal provides an important advantage protecting margins from price volatility, we're fully committed to our vision of mining our coal reserves to depletion, aligned with our long-term sustainability goals.*

### **(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan**

*Select from:*

☒ We have a different feedback mechanism in place

### **(5.2.8) Description of feedback mechanism**

*We discuss our climate strategy in every interaction with investors. Our shareholders are represented through the Board and at the annual shareholder meeting. Additionally, investor feedback is obtained during meetings with our Senior Management and Investor Relations Department throughout the year. GCC included details on the company's low carbon transition plan in our Sustainability-Linked Financing quarterly presentations, our 2023 TCFD report, and the 2023 Integrated Report.*

### **(5.2.9) Frequency of feedback collection**

*Select from:*

☒ More frequently than annually

### **(5.2.10) Description of key assumptions and dependencies on which the transition plan relies**

*In alignment with the GCCA Roadmap to net zero concrete and the PCA Roadmap to Carbon Neutrality, we are working on clinker and cement mitigation levers. In the mid-term, we focus on ready-mix production, construction, and re-carbonation of concrete. In the future, our strategy includes the potential to incorporate CO2 capture and more circular economy solutions, not only for energy, but also for intermediate and end products.*

### **(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period**

*Our decarbonization efforts are concentrated on four areas of improvement, three of them in the mid-term - improving thermal energy efficiency, lowering our clinker factor with blended cements, and increasing the use of alternative fuels - and carbon capture in the long-term. Thermal efficiency - Lowering our clinker factor - We reduced our clinker factor to a record 84.2% in 2023, 2 percentage points less than 2022 and 4 percentage points lower in the last three years. We continue to explore innovative materials like natural pozzolans, by-products, and clays with the potential to substitute clinker while maintaining performance and enhancing the*

durability of our low-clinker cements. Increasing the use of alternative fuels, with a focus on biogenic content - We holistically explore ways to increase our fuel substitution rate, examining a variety of fuel sources and the infrastructure changes necessary to effectively utilize them. In 2023, we made investments to process different alternative materials to incorporate new streams of alternative fuels such as plastics and plastic purges, sorghum and resinated wood. We also focused on amplifying our plants' capacities to process these materials, achieving an average substitution rate of approximately 7.1% of fossil fuels with AF, with some plants reaching up to 38% substitution. We have developed and alternative fuels (AF's) strategy for each plant based on available materials in each region. Adopting carbon capture - We believe carbon capture is a viable long-term solution for the cement industry. Having already performed our research into carbon capture, utilization, and storage technologies (CCUS), we have finished the screening study and technology selection and conducted a comprehensive study to identify the plants best suited for testing CCUS technology and to find suitable technology developers. In early 2023, we successfully completed the design and pre-FEED (Front End Engineering Design) study, and we identified our Odessa and Pueblo plants as the best suited to move forward with CCUS process design and FEED phase.

#### **(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)**

*GCC-2022-Sustainability-Linked-Financing-Framework.pdf*

#### **(5.2.13) Other environmental issues that your climate transition plan considers**

Select all that apply

- ☒ Water
- ☒ Biodiversity
- ☒ Other, please specify :Circular Economy - waste reduction

#### **(5.2.14) Explain how the other environmental issues are considered in your climate transition plan**

Our stated climate ambitions incorporate good land stewardship and biodiversity practices into our actions. We apply the mitigation hierarchy approach to the management of biodiversity risks and opportunities in our cement, concrete and aggregates operations, meaning our biodiversity principles are aimed at avoiding unacceptable impacts, minimizing any impacts that may occur and mitigating any residual impacts through rehabilitation. We are committed to responsible and efficient water management. This includes leveraging technology that reduces emissions and water consumption, such as dry kiln technology and cryogenic carbon capture, utilization and sequestration technology. Additionally, our quarry reclamation efforts, which restore natural ecosystems, provides carbon mitigation and establishes clean water sources for wildlife. GCC works with local and regional companies to use their waste materials as alternative raw materials and fuel for the production of cement. Our transition plan includes increasing the amount of alternative fuel used in the kiln for clinker production. Sourcing these waste materials from local businesses diverts waste from landfills, decreases CO2 emissions by substituting waste for fossil fuels and reduces our dependency on non-renewable energy sources.

[Fixed row]

### **(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?**

### (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- ☒ Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ☒ Products and services  
☒ Upstream/downstream value chain  
☒ Investment in R&D  
☒ Operations

[Fixed row]

### (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

#### Products and services

#### (5.3.1.1) Effect type

Select all that apply

- ☒ Risks  
☒ Opportunities

#### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*In a low carbon future, changing customer behavior may result in decreased demand for cement and concrete. Additionally the reduction in fossil fuel activity may result in a reduction in oil-well cement demand. This has presented an opportunity, as there is a significant gap in the supply and demand for low-carbon cement. We*

*continue to invest in low-carbon blended cement and believe there will be growing markets associated with sustainable development plans, resulting in additional sales and revenue potential.*

## Upstream/downstream value chain

### (5.3.1.1) Effect type

*Select all that apply*

- ☒ Risks
- ☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

*Select all that apply*

- ☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We could be significantly impacted by increased plant interruptions due to extreme weather. If our supply chain was unexpectedly interrupted - whether fully or partially - due to floods, cyclones, or other catastrophes, sales and financial results could be significantly affected. We have identified significant opportunity to use low carbon and/or low emissions raw materials. This includes utilizing materials such as biomass or waste for our thermal energy mix and innovative materials like pozzolans, by-products and clays to reduce our clinker factor in our product.*

## Investment in R&D

### (5.3.1.1) Effect type

*Select all that apply*

- ☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

*Select all that apply*

- ☒ Climate change



### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We are prioritizing R&D related to developing a low-carbon and low-water consumption product line, as we have identified a gap that will continue to grow between the supply and demand for low-carbon and water-efficient cement production. We also invest significantly in alternative fuel technology to increase the proportion of waste products in our fuel mix, thereby avoiding disposal or pollution via landfills and waterways and lowering our Scope 1 emissions. Finally, we are actively investing in carbon capture utilization and sequestration technology to help us address unavoidable process emission in the cement manufacturing process.*

## Operations

### (5.3.1.1) Effect type

*Select all that apply*

- ☒ Risks
- ☒ Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

*Select all that apply*

- ☒ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We could be significantly impacted by increased plant interruptions due to extreme weather. If operations at any production unit were unexpectedly interrupted - whether fully or partially - due to floods, cyclones, or other catastrophes, sales and financial results could be significantly affected. GCC assesses its main locations' exposure to physical risks and natural hazards through the "Property Loss Prevention Program" (PLPP). This program, conducted by FM Global, our global property insurer, involves collaboration with site experts and operations staff. The potential financial impact figure provided by FM Global reflects the value of business interruption due to physical risks. We continue to increase our use of renewable energy, which provides an opportunity to negotiate advantageous contracts. Additionally, we are presented with the opportunity to optimize our fuel mix, resulting in cost savings and emissions reductions.*

*[Add row]*

## (5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

### Row 1

#### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☒ Revenues
- ☒ Direct costs
- ☒ Indirect costs
- ☒ Access to capital
- ☒ Capital allocation

- ☒ Capital expenditures

### (5.3.2.2) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☒ Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*Environmental risks and opportunities have influenced our financial planning in many ways including: -Renewable energy supply: We have long-term agreements in place with renewable energy suppliers, providing 100% solar energy for electricity for our Odessa plant and approximately 40% wind energy for electricity consumed at our Rapid City plant. Accordingly to our supplier, roughly 85% of the electricity consumed at the Trident plant comes from hydropower generation and 11% of its power requirements are now fulfilled by solar due to a recent investment, which we plan to increase further. Additionally, we are focused on installing solar distributed generated energy in Mexico. -Fuel Mix Composition: We have adopted a flexible fuel strategy and invested in our cement plants to use a variety of fuels, dependent on a variety of considerations such as technical feasibility, availability, cost of fuels, and cost of emissions. We now have five plants within our system adopting this capability, which resulted in reduced emissions and 12.2 million saved in fuel costs in 2023. -Clinker factor: We are working to lower our clinker factor to lower our emissions, but also to address customer needs. For example, the blended cement at our Tijeras plant in New Mexico, provides a higher quality final product, which reduces the need for customers to add fly ash to their mix as a mitigant. This has the added dual benefit of lowering our CO2 intensity and aligning with our profitability objective. -Carbon Capture: We believe carbon capture is a viable long-term solution for the cement industry and have invested in developing a carbon capture strategy, including conducting research, a screening study and technology selection. We also performed a comprehensive study of plant suitability and have identified our Odessa and Pueblo plants as best suited to move forward with the carbon capture process design and engineering study. We have partnered with two developers to build pilot carbon capture plants at these two facilities. -Carbon pricing: A market-based price on carbon scheme has already impacted our financial*

planning with respect to direct costs. Currently, our operations in Mexico are influenced by an Emissions Trading System where a price on carbon is being established. Accordingly, we have incorporated a carbon price of 30/metric ton of Scope 1 emissions into our financial planning.  
[Add row]

#### (5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> A sustainable finance taxonomy <input checked="" type="checkbox"/> Other methodology or framework	Select from: <input checked="" type="checkbox"/> At both the organization and activity level

[Fixed row]

#### (5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

##### Row 1

##### (5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

##### (5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ Other, please specify :Mexico

### (5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

### (5.4.1.5) Financial metric

Select from:

☒ Revenue/Turnover

### (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

91723445.28

### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

6.7

### (5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

40

### (5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

70

### (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

*GCC categorizes certain products as low CO2 products, which include Portland limestone cement (PLC) and other blended cement. To identify revenue that aligns with our transition plan, we employ a methodology that captures the percentage of sales from low CO2 products divided by our total sales from all products. This approach allows us to track the progress of our transition towards more sustainable product offerings. Additionally, we align our product classification with Mexico's cement taxonomy, which provides a standardized framework for defining and categorizing low-emission cement products. This taxonomy helps ensure consistency in reporting and demonstrates our commitment to meeting national sustainability standards.*

**Row 2**

#### (5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ Other, please specify :CAPEX

#### (5.4.1.5) Financial metric

Select from:

☒ CAPEX

#### (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

87200000

#### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

53.33

#### (5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

70

#### (5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

100

#### (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

*Low-carbon and decarbonization CAPEX relates to projects focused on thermal energy efficiency, alternative fuels and renewable energy.*

*[Add row]*

**(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.**

## Row 1

### (5.4.2.1) Economic activity

Select from:

☒ Manufacture of cement

### (5.4.2.2) Taxonomy under which information is being reported

Select from:

☒ Other, please specify :Mexico's Sustainable Taxonomy

### (5.4.2.3) Taxonomy alignment

Select from:

☒ Taxonomy-aligned

### (5.4.2.4) Financial metrics

Select all that apply

☒ Turnover

### (5.4.2.5) Types of substantial contribution

Select all that apply

☒ Own performance

### (5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

20208048.38

### (5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

1.48

#### (5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

#### (5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

#### (5.4.2.27) Calculation methodology and supporting information

*To determine the elemental alignment of our products with climate transition goals, GCC creates an approach that is in the Mexican sustainable taxonomy, which is a definition of cement products that produce carbon dioxide at a lower intensity than 0.60 tCO<sub>2</sub> per ton. To our portfolio we add up the total turnover of those products and we check if they account for the overall sales of ours. For the reporting period, the sales of products of GCC with a low-carbon level totaling 20,208,048.38, constituted 1.48% of the entire sales, i.e., 1,363,916,407.81 that the company posted. This calculation allows us to both quantify and come up with clear and effective ways to measure and report progress to ourselves and to our stakeholders that we are increasing the share of sustainable product offerings in our portfolio.*

#### (5.4.2.28) Substantial contribution criteria met

Select from:

☒ Yes

#### (5.4.2.29) Details of substantial contribution criteria analysis

*If GCC aligns with the substantial contribution criteria imposed by Mexico's sustainable taxonomy, it demonstrates our steadfast commitment to sustainability and leadership in producing low-carbon cement products. The benchmark of 0.60 tCO<sub>2</sub> per ton is evidence of our success in reducing emissions through process optimization, technology research and development, and the use of alternative materials. We maintain transparency by complying with environmental regulations and playing a pivotal role in transforming sustainability within the construction sector. Through regular checks, we uphold these standards while engaging with stakeholders on legislative changes and emerging themes. This approach further solidifies our position as an accountable and forward-thinking leader in the cement industry.*

#### (5.4.2.30) Do no significant harm requirements met

Select from:

☒ No

#### (5.4.2.31) Details of do no significant harm analysis

*Our investment strategy is currently being scrutinized to make sure that new activities are relevant to lessen environmental degradation. By introducing clear goals and including industry and stakeholder feedback, we intend to magnify our compliance with sustainability criteria and announce our commitment to environmental impact reduction.*

#### (5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☒ No

#### (5.4.2.33) Attach any supporting evidence

*Taxonomia Sostenible de Mexico.pdf*

[Add row]

### (5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

#### (5.4.3.1) Details of minimum safeguards analysis

*Each economic activity must comply with detailed technical criteria that ensure its positive contribution to the environment and society, for which exhaustive evaluations are carried out to determine its impact.*

#### (5.4.3.2) Additional contextual information relevant to your taxonomy accounting

*Mexico's Sustainable Taxonomy is a tool to classify transparency in practices related to social activities and human rights, environment and climate change, and governance.*

#### (5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☒ No



#### (5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

*Mexican taxonomy is in early stages of implementation and does not directly provide official verification or certification for companies. However, companies can demonstrate their alignment with the taxonomy through various mechanisms such as sustainability reporting, obtaining some external verification, and by disclosing their progress.*

[Fixed row]

#### (5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

##### (5.5.1) Investment in low-carbon R&D

Select from:

☒ Yes

##### (5.5.2) Comment

*GCC has an R&D department that reports directly to the Chief of Sustainability and Innovation. This team works in conjunction with the Innovation, and operations and sales teams to incorporate innovative technologies and materials into production units and develop new, more sustainable products and processes aimed to achieve our 2030 and 2050 CO2 reduction and net-zero concrete targets.*

[Fixed row]

#### (5.5.1) Provide details of your organization's investments in low-carbon R&D for cement production activities over the last three years.

Row 1

##### (5.5.1.1) Technology area

Select from:

☒ Low clinker cement

#### (5.5.1.2) Stage of development in the reporting year

Select from:

☒ Large scale commercial deployment

#### (5.5.1.3) Average % of total R&D investment over the last 3 years

30

#### (5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

2972112.93

#### (5.5.1.5) Average % of total R&D investment planned over the next 5 years

30

#### (5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*The increased production of blended cement is projected to reduce our clinker content from its current 88% to 80% by 2030. In our journey to reduce CO2 emissions, our technical teams are constantly exploring innovative materials like natural pozzolans, by-products, and clays with the potential to substitute clinker while maintaining performance and enhancing the durability of our low-clinker cements. Our ongoing quest of materials is aligned with our overarching philosophy of reducing emissions throughout the entire lifecycle — from the extraction and production of raw materials, to their transportation, storage, and processing. These concerted efforts are in line with our commitment to the scope 3 methodology. We are committed to sourcing materials and implementing processes that minimize environmental impact at every stage, ensuring sustainability and responsibility in our operations. Internal validation of selected blended cements with enhanced performance for clinker factor reduction or ASR mitigation is in progress for Vitrophyre quarry (besides El Gato) and Geofortis. Selected pozzolans from US were chosen for further testing. Test with admixtures in progress.*

### Row 4

#### (5.5.1.1) Technology area

Select from:

☒ Fuel switching

#### (5.5.1.2) Stage of development in the reporting year

Select from:

☒ Applied research and development

#### (5.5.1.3) Average % of total R&D investment over the last 3 years

15

#### (5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

1486056.47

#### (5.5.1.5) Average % of total R&D investment planned over the next 5 years

15

#### (5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*We are continuously innovating to introduce reliable, lower carbon and optimal cost energy alternatives to our operations to replace carbon-intensive fuels. We are particularly focused on investing to provide all our plants with the option of using natural gas, alternative fuels that contain carbon-neutral biomass, as well as renewable energy sources. In 2023 we made significant advancements in our CO2 emissions reduction strategy, with approximately 48% of our total thermal energy coming from natural gas, an improvement of 13 percentage points compared to 2022. We have the goal of providing all our cement plants with the capacity to work 100% powered by natural gas by early 2026, and the flexibility to burn various types of fuels (coal, natural gas, biomass or alternative fuels), which contributes not only to our goal of lower emissions but also improves our competitiveness. This semester evaluation finished for the 3 projects with good results on research topics explored by master or doctorate thesis (Alternative fuels blends, Rheology improvement, Reactivity tests for pozzolans, etc.). Reactivity tests for pozzolans (Master thesis) will be done by December. Work of Master thesis and Alternative fuels project (PhD thesis) will be presented in International seminar in Cancun, MX in August.*

### Row 5

#### (5.5.1.1) Technology area

Select from:

☒ Carbon capture, utilization, and storage (CCUS)

#### (5.5.1.2) Stage of development in the reporting year

Select from:

☒ Applied research and development

#### (5.5.1.3) Average % of total R&D investment over the last 3 years

30

#### (5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

2972112.93

#### (5.5.1.5) Average % of total R&D investment planned over the next 5 years

30

#### (5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*Due to high and unavoidable process emissions in the cement manufacturing process, GCC views carbon capture as a critical tool in reaching our net-zero ambitions. We believe carbon capture is a viable long-term solution for the cement industry and have invested in developing a carbon capture strategy, including conducting research, a screening study and technology selection.*

### Row 6

#### (5.5.1.1) Technology area

Select from:

☒ Fuel switching

#### (5.5.1.2) Stage of development in the reporting year

Select from:

☒ Large scale commercial deployment

#### (5.5.1.3) Average % of total R&D investment over the last 3 years

10

#### (5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

1486056.47

#### (5.5.1.5) Average % of total R&D investment planned over the next 5 years

15

#### (5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*We are accelerating our efforts on alternative fuels by targeting a fuel substitution rate of at least 40% in all our precalciner kilns by investing in co-processing equipment, permits, and process improvements. This circular approach of substituting coal with nonrecyclables and biomass fuels will reduce our carbon emissions by 42 kg CO<sub>2</sub>/ton of cement by 2030. In 2018, GCC finalized the implementation of the Organic Fraction Of Waste for Energy Efficiency (FROEE) project at its Chihuahua cement plant, which consists of the co-processing of industrial waste and further uses it as an alternative fuel. The substitution rate reached in the Samalayuca plant is the result of the execution of the FROEE project which consists of the characterization, re-definition, and acquisition of industrial, commercial, and/or domestic solid waste, and its preparation and processing, to be mixed through an appropriate process.*

### Row 7

#### (5.5.1.1) Technology area

Select from:

☒ Alternative low-CO<sub>2</sub> cements/binders

#### (5.5.1.2) Stage of development in the reporting year

Select from:

☒ Applied research and development

### (5.5.1.3) Average % of total R&D investment over the last 3 years

15

### (5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

990704.31

### (5.5.1.5) Average % of total R&D investment planned over the next 5 years

10

### (5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*Portfolio of new technologies/research projects to improve CO2 footprint, financial margins or number of innovative products in GCC such as cellular concrete, concrete recycling, new cementitious materials, etc. Need goal definition, budget, resources, etc. Some examples: Graphene, Fero, cellular concrete, etc.  
[Add row]*

## (5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

### (5.9.1) Water-related CAPEX (+/- % change)

5

### (5.9.2) Anticipated forward trend for CAPEX (+/- % change)

10

### (5.9.3) Water-related OPEX (+/- % change)

0

#### (5.9.4) Anticipated forward trend for OPEX (+/- % change)

10

#### (5.9.5) Please explain

*In the reporting year, GCC has put in considerable effort to develop and meet our water-related goals, with a strong emphasis on reducing our water consumption. We have made several capital expenditure (CAPEX) investments to back these initiatives. As a result, our water-related CAPEX and operating expenditure (OPEX) are set to rise as we focus on these objectives. Looking forward to the next reporting year, we expect to see a continued increase in our investment in water-related CAPEX. Over the next two years, we plan to make additional investments to improve our water management strategies.*

[Fixed row]

#### (5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

#### (5.10.1) Provide details of your organization's internal price on carbon.

##### Row 1

#### (5.10.1.1) Type of pricing scheme

Select from:

☒ Internal fee

#### (5.10.1.2) Objectives for implementing internal price

*Select all that apply*

- ☒ Drive energy efficiency
- ☒ Drive low-carbon investment
- ☒ Influence strategy and/or financial planning
- ☒ Navigate regulations
- ☒ Stress test investments

#### **(5.10.1.3) Factors considered when determining the price**

*Select all that apply*

- ☒ Alignment with the price of allowances under an Emissions Trading Scheme

#### **(5.10.1.4) Calculation methodology and assumptions made in determining the price**

*Aligned with price allowance under the Mexican ETS.*

#### **(5.10.1.5) Scopes covered**

*Select all that apply*

- ☒ Scope 1

#### **(5.10.1.6) Pricing approach used – spatial variance**

*Select from:*

- ☒ Uniform

#### **(5.10.1.8) Pricing approach used – temporal variance**

*Select from:*

- ☒ Evolutionary

#### **(5.10.1.9) Indicate how you expect the price to change over time**



*Overtime, the expectation is that the cost of carbon will increase. As an entity covered by the Mexico ETS, as the cap for allowed emissions decreases there will be less allowances for emitting facilities. Simple supply and demand economics would indicate that as the supply of allowances decreases the cost of those allowances will increase. The rate and level of that increase will be explored through future scenario analyses.*

#### **(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)**

10

#### **(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)**

30

#### **(5.10.1.12) Business decision-making processes the internal price is applied to**

*Select all that apply*

- ☒ Capital expenditure
- ☒ Dependencies management

#### **(5.10.1.13) Internal price is mandatory within business decision-making processes**

*Select from:*

- ☒ Yes, for some decision-making processes, please specify :Depending on the business activity and if its integrated within the planning process

#### **(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers**

100

#### **(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives**

*Select from:*

- ☒ Yes

#### **(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives**

*We have implemented a price on carbon that is integrated into our mid-term corporate planning process for several reasons. This allows us to better understand the impacts of carbon on our business to evaluate the impact of a potential regulation (risk). It also allows us to evaluate the emissions mitigation initiatives, investments*

related to decreased emissions, and acquisitions. We are currently in the learning process of carbon pricing, as this is the first time our plants are part of an ETS program. GCC is deploying a CO2 Reduction Strategy in all our cement operations which requires the evaluation of new reduction initiatives in each location, regardless of carbon regulations in place, all of which will be analyzed considering the CO2 cost. This price on carbon is also used to raise awareness within the company on the social cost of climate change. Furthermore, the application of an internal price on carbon in all our markets will help us to anticipate financial risks and implications. We perform sensitivity analysis for different CO2 prices - 10, 15, 20, and 30 USD/Mton CO2 - to assess the robustness of the investment.  
[Add row]

## **(5.11) Do you engage with your value chain on environmental issues?**

### **Suppliers**

#### **(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

☒ Yes

#### **(5.11.2) Environmental issues covered**

Select all that apply

☒ Climate change

### **Smallholders**

#### **(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

☒ No, and we do not plan to within the next two years

#### **(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues**

Select from:

☒ Other, please specify :We do not have a small-scale supplier

#### **(5.11.4) Explain why you do not engage with this stakeholder on environmental issues**

*GCC does not engage with certain stakeholders, such as small-scale suppliers, on environmental issues primarily because we do not currently have small-scale suppliers within our supply chain. Our operations are structured to work with larger suppliers that meet our stringent sustainability criteria and have the capacity to align with our environmental goals.*

## Customers

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

### (5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

## Investors and shareholders

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

### (5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

## Other value chain stakeholders

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

## (5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

[Fixed row]

### (5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

### (5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

#### Climate change

#### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ No, we do not prioritize which suppliers to engage with on this environmental issue

#### (5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

☒ We engage with all suppliers

#### (5.11.2.4) Please explain

*Climate-related requirements are included in our supplier contracts. Additionally, climate-related content is gathered through our COUPA supplier portal.*  
[Fixed row]

#### (5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

##### Climate change

##### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

##### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

##### (5.11.5.3) Comment

*GCC requires our suppliers to adhere to all ecological standards and laws related to sustainability and corporate social responsibility. Suppliers must comply with specific environmental duties, ensuring alignment with national and international standards for various environmental aspects. While our current policy is straightforward, it serves as the fundamental rule that all vendors must follow. We recognize that a detailed and comprehensive vendor policy will be a powerful tool, and we are in the process of updating it to include more environmental criteria and expectations. Failure to adhere to this code may result in the suspension or termination of the vendor's business relationship with GCC*  
[Fixed row]

#### (5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

##### Climate change

#### **(5.11.6.1) Environmental requirement**

*Select from:*

☒ Compliance with an environmental certification, please specify :Compliance with an environmental certification, please specify (ISO 14001).

#### **(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement**

*Select all that apply*

☒ Second-party verification

#### **(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement**

*Select from:*

☒ 100%

#### **(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

*Select from:*

☒ 100%

#### **(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement**

*Select from:*

☒ 100%

#### **(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement**

*Select from:*

☒ 100%

#### **(5.11.6.9) Response to supplier non-compliance with this environmental requirement**

Select from:

☒ Retain and engage

#### (5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ 1-25%

#### (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

#### (5.11.6.12) Comment

*Environmental responsibility is embedded in our Supplier Code of Conduct, which all suppliers must comply with. Our policy states all GCC suppliers are expected to comply with environmental laws and regulations. At GCC we required from our suppliers to adhere to GCC policies and norms ISO 14001 and ISO 9001, as well as our 5S system*

### Climate change

#### (5.11.6.1) Environmental requirement

Select from:

☒ Other, please specify :Conduct operations in a way that protects the environment

#### (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Grievance mechanism/ Whistleblowing hotline

☒ Supplier scorecard or rating

☒ Supplier self-assessment

#### (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 100%

**(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

Select from:

☒ 100%

**(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement**

Select from:

☒ 100%

**(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement**

Select from:

☒ 100%

**(5.11.6.9) Response to supplier non-compliance with this environmental requirement**

Select from:

☒ Retain and engage

**(5.11.6.10) % of non-compliant suppliers engaged**

Select from:

☒ 1-25%

**(5.11.6.11) Procedures to engage non-compliant suppliers**

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance



#### (5.11.6.12) Comment

*Environmental responsibility is embedded in our Supplier Code of Conduct, which all suppliers are required to comply with. Our policy states all GCC suppliers are expected to comply with environmental laws and regulations. At GCC we required from our suppliers to adhere to GCC policies and norms ISO 14001 and ISO 9001, as well as our 5S system*

*[Add row]*

#### (5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

##### Climate change

#### (5.11.7.2) Action driven by supplier engagement

*Select from:*

☒ Emissions reduction

#### (5.11.7.3) Type and details of engagement

##### Information collection

☒ Other information collection activity, please specify :Supplier procurement policies and sustainability survey

#### (5.11.7.4) Upstream value chain coverage

*Select all that apply*

☒ Tier 1 suppliers

#### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

*Select from:*

☒ 51-75%

#### (5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ 51-75%

#### **(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action**

*GCC is actively enhancing its engagement with suppliers. Currently, our primary method of interaction involves gathering information through supplier surveys, which play a crucial role in shaping our sustainable supply chain strategy. Additionally, our procurement processes include screening suppliers based on environmental assessments. In 2023, we evaluated 550 new suppliers against sustainable environmental criteria.*

#### **(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue**

Select from:

☒ Yes, please specify the environmental requirement :Regulatory compliance

#### **(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action**

Select from:

☒ Unknown

[Add row]

### **(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.**

#### **Climate change**

##### **(5.11.9.1) Type of stakeholder**

Select from:

☒ Customers

##### **(5.11.9.2) Type and details of engagement**

###### **Education/Information sharing**

☒ Share information about your products and relevant certification schemes

- ☒ Share information on environmental initiatives, progress and achievements

#### **Innovation and collaboration**

- ☒ Align your organization's goals to support customers' targets and ambitions
- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

#### **(5.11.9.3) % of stakeholder type engaged**

Select from:

- ☒ 100%

#### **(5.11.9.4) % stakeholder-associated scope 3 emissions**

Select from:

- ☒ 76-99%

#### **(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement**

*Engaging with our customers and listening to their needs leads us to deliver innovative solutions and develop products that meet their sustainability goals. During 2023, this exchange was particularly important as we assisted our clients in understanding blended cement performance.*

#### **(5.11.9.6) Effect of engagement and measures of success**

*In 2023 we doubled the supply of blended cements within our cement production portfolio and took a proactive approach to helping clients understand and use the product. We created a proprietary program, including seminars, to clearly communicate the adjustments and facilitate working with new products. In our Mexican Division, we perform monthly customer surveys and received client satisfaction of 73%*

### **Climate change**

#### **(5.11.9.1) Type of stakeholder**

Select from:

- ☒ Investors and shareholders

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Share information on environmental initiatives, progress and achievements

#### Innovation and collaboration

- ☒ Collaborate with stakeholders in creation and review of your climate transition plan

### (5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Our investors help us to understand their expectations regarding our ESG performance and risk management. We held four earnings calls, 13 conferences and broker events, and attended 120 meetings.*

### (5.11.9.6) Effect of engagement and measures of success

*To provide greater transparency related to our environmental performance, we launched our first TCFD report in 2023. Additionally, we streamlined our reporting by releasing our first Integrated Report in 2024.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Employees

#### (5.11.9.2) Type and details of engagement

##### Education/Information sharing

☒ Share information on environmental initiatives, progress and achievements

##### Innovation and collaboration

☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

☒ Other innovation and collaboration, please specify :Internal communications

#### (5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Engaging with our employees helps us to attract, develop, motivate and retain our most important asset, our people.*

#### (5.11.9.6) Effect of engagement and measures of success

*During 2023, use of our internal communications platform Humand ascended to 1,360 new active users. new initiatives and compnay-wide engagement and synergies resulted from the exchange of information and projects on Humand.*

### Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Community

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

#### Innovation and collaboration

☒ Collaborate with stakeholders in creation and review of your climate transition plan

### (5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*GCC Foundation, along with our volunteer program and through our partnerships and memberships, developed a considerable number of events, donations and impacts.*

### (5.11.9.6) Effect of engagement and measures of success

*In 2023 our foundation supported more than 54 associations, distributed more than 1.4 million, granted 9 college scholarships, and volunteered more than 474 hours. We participate in the well-being of our community by actively investing in community development projects that support vulnerable groups, education and sustainable development.*

## Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

- ☒ Other value chain stakeholder, please specify :Government Relations and NGOs

#### (5.11.9.2) Type and details of engagement

##### Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Engage with stakeholders to advocate for policy or regulatory change
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

#### (5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Our engagement with local and national regulators, governments and industry associations, ensures that we contribute to issues relevant to our activities and improved our sustainability performance. We also discussed our Health and Safety program with union leaders.*

#### (5.11.9.6) Effect of engagement and measures of success

*Union leaders agreed with the changes we are implementing. We signed Collective Bargaining Agreements at 3 of our Mexican plants and 3 out of 5 of our U.S. Plants. Additional detail related to our work with associations and associated political influence can be found in our responses to questions nested under 4.11.*

[Add row]

**(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.**

**Row 1**

**(5.12.1) Requesting member**

*Select from:*

**(5.12.2) Environmental issues the initiative relates to**

*Select all that apply*

☒ Climate change

**(5.12.4) Initiative category and type**

**Other**

☒ Other initiative type, please specify :Lower carbon Cement

**(5.12.5) Details of initiative**

*Lower carbon cement*

**(5.12.6) Expected benefits**

*Select all that apply*

☒ Reduction of customers' operational emissions (customer scope 1 & 2)

☒ Reduction of own operational emissions (own scope 1 & 2)

**(5.12.7) Estimated timeframe for realization of benefits**

*Select from:*

☒ 3-5 years



### (5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☒ Yes, lifetime CO2e savings only

### (5.12.9) Estimated lifetime CO2e savings

190660

### (5.12.11) Please explain

*At GCC, we are committed to reducing our greenhouse gas (GHG) emissions, aligned with our SBTi (Science-Based Targets initiative) goals. To achieve this, we continue to innovate our processes to supply customers with significantly lower carbon emission products. As part of our initiatives, we are analyzing the implementation of Carbon Capture, Utilization, and Storage (CCUS) technology at our Odessa plant, which would directly lower our emissions per kilogram of cement produced. Additionally, we have plans to upgrade the plant to improve its thermal efficiency, resulting in a lower intensity of production. This improvement will enable us to supply a much lower emission oilwell cement to our customer, Schlumberger, thereby reducing our emissions in line with our SBTi targets and supporting our customers in reaching their sustainability goals.*

[Add row]

## (5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

### (5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

☒ No, but we plan to within the next two years

### (5.13.2) Primary reason for not implementing environmental initiatives

Select from:

☒ Other, please specify :Implementation in progress

### (5.13.3) Explain why your organization has not implemented any environmental initiatives

*As part of our initiatives, we are analyzing the implementation of Carbon Capture, Utilization, and Storage (CCUS) technology at our Odessa plant, which would directly lower our emissions per kilogram of cement produced. Additionally, we plan to upgrade the plant to improve its thermal efficiency, resulting in lower production intensity. This improvement will enable us to supply lower-emission oilwell cement to our customer, Schlumberger, thereby reducing our emissions in line with our SBTi targets and supporting our customers in reaching their sustainability goals. These projects are currently being implemented, and we expect to have the Odessa kiln ready in the next two years and the carbon capture technology in the next six years.*

*[Fixed row]*

## C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	Select from: <input checked="" type="checkbox"/> Financial control	<i>Aligns with consolidation approach used for financial statements</i>
Forests	Select from: <input checked="" type="checkbox"/> Financial control	<i>Aligns with consolidation approach used for financial statements</i>
Water	Select from: <input checked="" type="checkbox"/> Financial control	<i>Aligns with consolidation approach used for financial statements</i>
Plastics	Select from: <input checked="" type="checkbox"/> Financial control	<i>Aligns with consolidation approach used for financial statements</i>
Biodiversity	Select from: <input checked="" type="checkbox"/> Financial control	<i>Aligns with consolidation approach used for financial statements</i>

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

## **(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

*Select all that apply*

- ☒ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- ☒ US EPA Emissions & Generation Resource Integrated Database (eGRID)
- ☒ WBCSD: The Cement CO2 and Energy Protocol

## **(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### **(7.3.1) Scope 2, location-based**

*Select from:*

- ☒ We are reporting a Scope 2, location-based figure

### **(7.3.2) Scope 2, market-based**

*Select from:*

- ☒ We are reporting a Scope 2, market-based figure

### **(7.3.3) Comment**

*We calculate Scope 2 CO2 emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using Environmental Protection Agency (EPA). (2023). Power Profiler Zip Code Tool and Factor de Emisión de la Secretaría de Energía (FESEN, for its acronym in spanish) in 2023 for emissions factors.*

[Fixed row]

**(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Select from:

☒ No

**(7.5) Provide your base year and base year emissions.**

### **Scope 1**

#### **(7.5.1) Base year end**

12/31/2015

#### **(7.5.2) Base year emissions (metric tons CO2e)**

3277040.0

#### **(7.5.3) Methodological details**

*GCCs had established a comprehensive baseline for our Scope 1 emissions. The base year we have selected for this purpose is 2015. This year was chosen based on the Science-Based Targets initiative (SBTi) guidelines, ensuring that our baseline aligns with best practices for setting ambitious yet achievable emission reduction targets.*

### **Scope 2 (location-based)**

#### **(7.5.1) Base year end**

12/31/2015

#### **(7.5.2) Base year emissions (metric tons CO2e)**

324026.0

#### **(7.5.3) Methodological details**

*By establishing 2015 as our base year, we ensure that our targets for reducing Scope 2 emissions are grounded in a realistic and representative starting point. This allows us to track our progress accurately and demonstrate our commitment to sustainability.*

## **Scope 2 (market-based)**

### **(7.5.1) Base year end**

12/31/2015

### **(7.5.2) Base year emissions (metric tons CO2e)**

324026

### **(7.5.3) Methodological details**

*By establishing 2015 as our base year, we ensure that our targets for reducing Scope 2 emissions are grounded in a realistic and representative starting point. This allows us to track our progress accurately and demonstrate our commitment to sustainability.*

## **Scope 3 category 1: Purchased goods and services**

### **(7.5.1) Base year end**

12/31/2015

### **(7.5.2) Base year emissions (metric tons CO2e)**

42694

### **(7.5.3) Methodological details**

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance. Category 4 uses the Mobile Combustion GHG Emissions Calculation Tool Version 2.6.*

## **Scope 3 category 2: Capital goods**

### **(7.5.1) Base year end**

12/31/2015

## **(7.5.2) Base year emissions (metric tons CO2e)**

0

## **(7.5.3) Methodological details**

*Category 2 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Capital goods in the cement industry are used for a very long time period (often 40 or 50 years). Allocated emissions from capital goods in a reporting year are insignificant for many companies in this industry, including GCC.*

## **Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **(7.5.1) Base year end**

12/31/2015

## **(7.5.2) Base year emissions (metric tons CO2e)**

6079

## **(7.5.3) Methodological details**

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance. Category 4 uses the Mobile Combustion GHG Emissions Calculation Tool Version 2.6.*

## **Scope 3 category 4: Upstream transportation and distribution**

### **(7.5.1) Base year end**

12/31/2015

## **(7.5.2) Base year emissions (metric tons CO2e)**

29205



### (7.5.3) Methodological details

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance.*

## Scope 3 category 5: Waste generated in operations

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Category 5 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance) as cement production processes generate negligible amounts of waste.*

## Scope 3 category 6: Business travel

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*Category 6 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

## Scope 3 category 7: Employee commuting

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Category 7 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

### Scope 3 category 8: Upstream leased assets

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Category 8 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Cement companies mostly own their production facilities, as does GCC, and emissions from these sources are negligible.*

### Scope 3 category 9: Downstream transportation and distribution

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

### (7.5.3) Methodological details

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance. Category 9 uses the Mobile Combustion GHG Emissions Calculation Tool Version 2.6.*

## Scope 3 category 10: Processing of sold products

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

0

### (7.5.3) Methodological details

*Category 10 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). According to the WBCSD, category 10 emissions are difficult to measure for companies making intermediate products like cement. The diversity and use of cement products are wide and in general unknown to the producer. In addition, it is difficult for producers to determine how the products are used, which would limit the use of data collected to report this category.*

## Scope 3 category 11: Use of sold products

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

1238290

### (7.5.3) Methodological details

Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance.

## Scope 3 category 12: End of life treatment of sold products

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

0

### (7.5.3) Methodological details

Category 12 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). According to the WBCSD, category 12 emissions are difficult to measure for companies making intermediate products like cement. The diversity and use of cement products is wide and in general unknown to the producer. In addition, it is difficult for producers to determine how the products are used, which would limit the use of data collected to report this category.

## Scope 3 category 13: Downstream leased assets

### (7.5.1) Base year end

12/31/2015

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

0

### (7.5.3) Methodological details

Category 13 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Emissions in this category are only relevant if assets owned by the company are leased to another company. CDP

## Scope 3 category 14: Franchises

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Category 14 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

### Scope 3 category 15: Investments

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

#### (7.5.3) Methodological details

*Category 15 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

### Scope 3: Other (upstream)

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*GCC does not have any other downstream Scope 3 emissions to account for*

### Scope 3: Other (downstream)

#### (7.5.1) Base year end

12/31/2015

#### (7.5.2) Base year emissions (metric tons CO2e)

0

### (7.5.3) Methodological details

*GCC does not have any other upstream Scope 3 emissions to account for*  
*[Fixed row]*

### (7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

	Gross global Scope 1 emissions (metric tons CO2e)	End date	Methodological details
Reporting year	3385924.219	Date input [must be between [10/01/2015 - 10/01/2023]	Total Scope 1 emissions for GCC's cement operations
Past year 1	3555343.612	12/31/2022	Total Scope 1 emissions for GCC's cement operations

	Gross global Scope 1 emissions (metric tons CO2e)	End date	Methodological details
Past year 2	3566683.919	12/31/2021	Total Scope 1 emissions for GCC's cement operations
Past year 3	3266068.254	12/31/2020	Total Scope 1 emissions for GCC's cement operations

[Fixed row]

## (7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

### Reporting year

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

259788

#### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

211767

#### (7.7.4) Methodological details

We calculate Scope 2 CO2 emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using Environmental Protection Agency (EPA). (2023). Power Profiler Zip Code Tool and Factor de Emisión de la Secretaría de Energía (FESEN, for its acronym in spanish) in 2023 for emissions factors.

### Past year 1

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

273793.93

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

234191

### (7.7.3) End date

12/31/2022

### (7.7.4) Methodological details

*We calculate Scope 2 CO2 emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using Environmental Protection Agency (EPA). (2023). Power Profiler Zip Code Tool and Factor de Emisión de la Secretaría de Energía (FESEN, for its acronym in spanish) for emissions factors.*

### Past year 2

### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

260995.144

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

260995.144

### (7.7.3) End date

12/31/2021

### (7.7.4) Methodological details

*We calculate Scope 2 CO2 emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using Environmental Protection Agency (EPA). (2023). Power Profiler Zip Code Tool and Factor de Emisión de la Secretaría de Energía (FESEN, for its acronym in spanish) for emissions factors. Location-based and market-based figures are the same, as we did not account for PPAs or RECs.*

### Past year 3



### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

278311

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

278311

### (7.7.3) End date

12/31/2020

### (7.7.4) Methodological details

*We calculate Scope 2 CO2 emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using Environmental Protection Agency (EPA). (2023). Power Profiler Zip Code Tool and Factor de Emisión de la Secretaría de Energía (FESEN, for its acronym in spanish) for emissions factors. Location-based and market-based figures are the same, as we did not account for PPAs or RECs.*

*[Fixed row]*

## (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

30910.3

#### (7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Average data method
- ☒ Spend-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

#### (7.8.5) Please explain

*Category 1 includes emissions related to purchased goods and services used in the cement sites. This category covers GCC's purchase of raw material (e.g. limestone) used in our cement-making process and clinker purchased. Purchase quantities serve as activity data and are provided via supplier documentation.*

### Capital goods

#### (7.8.1) Evaluation status

Select from:

- ☒ Not relevant, explanation provided

#### (7.8.5) Please explain

*Category 2 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Capital goods in the cement industry are used for a very long time period (often 40 or 50 years). Allocated emissions from capital goods in a reporting year are insignificant for many companies in this industry, including GCC.*

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### (7.8.1) Evaluation status

Select from:

- ☒ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

9470

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Average product method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

Category 3 accounts for fossil fuels associated with GCC's coal mining operation, which provides coal for our cement production plants. Emissions accounted for in this category include emissions from fossil fuels such as natural gas, diesel, gasoline, and liquified petroleum used to produce coal on-site.

## Upstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

50978.308

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

Category 4 accounts for emissions from the transportation (by trucks and rail) of raw materials purchased by GCC, including transportation by means outside the control of GCC. Transportation data has been collected in the following ways: (a) data on raw materials consumption in cement plants was obtained from internal software, (b) data on overseas transportation and the distance from the quarry to the cement plant was calculated by looking at our raw material corporate area, (c) our emissions were calculated using the sbcsb tool.

## Waste generated in operations

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

Category 5 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance) as cement production processes generate negligible amounts of waste.

## Business travel

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

Category 6 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).

## Employee commuting

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 7 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

## Upstream leased assets

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 8 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Cement companies mostly own their production facilities, as does GCC, and emissions from these sources are negligible.*

## Downstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

79399

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

### (7.8.5) Please explain

*Category 9 emissions refer to downstream transportation and distribution only. It includes emissions from the transportation and distribution of GCC's products, including transportation by means outside the control of GCC (downstream transportation and distribution). Transportation means considered are trucks and rail. Methodology: Transportation data has been collected in the following ways: (a) data on sales average transported by cement plants were obtained from internal software, (b) data on overseas transportation and the distance from the site to the customer was calculated from our sales area, (c) emissions based on transportation method and tonne. km or tonne. mile calculated from (a) and (b) were calculated using the sbcsb tool based on transportation method and tonne. km or tonne.*

## Processing of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 10 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). According to the WBCSD, category 10 emissions are difficult to measure for companies making intermediate products like cement. The diversity and use of cement products are wide and in general unknown to the producer. In addition, it is difficult for producers to determine how the products are used, which would limit the use of data collected to report this category.*

## Use of sold products

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

970118

### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*We take into account the sales of the GCCs coal business to the external customer, sum the total quantity of fuel sold, and then multiply y by the emission factor for that fuel. Emission factor from the GHG Protocol website.*

## End of life treatment of sold products

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 12 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). According to the WBCSD, category 12 emissions are difficult to measure for companies making intermediate products like cement. The diversity and use of cement products is wide and in general unknown to the producer. In addition, it is difficult for producers to determine how the products are used, which would limit the use of data collected to report this category.*

## Downstream leased assets

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 13 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance). Emissions in this category are only relevant if assets owned by the company are leased to another company.*

## Franchises

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 14 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

## Investments

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*Category 15 has been determined as not relevant in an assessment by the Cement Sustainability Initiative within the World Business Council for Sustainable Development (sector-specific Scope 3 Guidance).*

## Other (upstream)

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided



### (7.8.5) Please explain

*GCC does not have any other upstream Scope 3 emissions to account for*

### Other (downstream)

### (7.8.1) Evaluation status

*Select from:*

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*GCC does not have any other downstream Scope 3 emissions to account for*  
*[Fixed row]*

### (7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

### Past year 1

#### (7.8.1.1) End date

*12/31/2022*

#### (7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

*112576.053*

#### (7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

*0*

#### (7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

*4254.588*

**(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)**

88934.072

**(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)**

0

**(7.8.1.7) Scope 3: Business travel (metric tons CO2e)**

0

**(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)**

0

**(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)**

0

**(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)**

42191.432

**(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)**

0

**(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)**

994396

**(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)**

0

#### (7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

#### (7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

#### (7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

#### (7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

#### (7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

#### (7.8.1.19) Comment

*In 2023, we reassigned emissions previously categorized under category 4 to category 3 to reflect the transport associated with fuel consumption within the process.*

### Past year 2

#### (7.8.1.1) End date

12/31/2021

#### (7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

122353

#### (7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

**(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

5034

**(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)**

73906

**(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)**

0

**(7.8.1.7) Scope 3: Business travel (metric tons CO2e)**

0

**(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)**

0

**(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)**

0

**(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)**

12955

**(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)**

0

**(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)**

**(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)**

0

**(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)**

0

**(7.8.1.15) Scope 3: Franchises (metric tons CO2e)**

0

**(7.8.1.16) Scope 3: Investments (metric tons CO2e)**

0

**(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)**

0

**(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)**

0

**(7.8.1.19) Comment**

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance.*

**Past year 3****(7.8.1.1) End date**

12/31/2020

**(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)**

82825

**(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)**

0

**(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

6349

**(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)**

56435

**(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)**

0

**(7.8.1.7) Scope 3: Business travel (metric tons CO2e)**

0

**(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)**

0

**(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)**

0

**(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)**

44753.35

**(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)**

0

**(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)**

716435.42

**(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)**

0

**(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)**

0

**(7.8.1.15) Scope 3: Franchises (metric tons CO2e)**

0

**(7.8.1.16) Scope 3: Investments (metric tons CO2e)**

0

**(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)**

0

**(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)**

0

**(7.8.1.19) Comment**

*Scope 3 emissions are calculated based on GHG Protocol and calculation methodologies are determined using the Cement Sector Scope 3 GHG Accounting and Reporting Guidance.*

[Fixed row]

**(7.9) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

**(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Row 1**

**(7.9.1.1) Verification or assurance cycle in place**

Select from:

☒ Annual process

**(7.9.1.2) Status in the current reporting year**

Select from:

☒ Complete



### (7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

### (7.9.1.4) Attach the statement

202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf

### (7.9.1.5) Page/section reference

Emission figure: 175 Assurance Statement: 181-183 From our integrated report

### (7.9.1.6) Relevant standard

Select from:

☒ ISAE3000

### (7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

#### Row 1

### (7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

### (7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

#### (7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

#### (7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

#### (7.9.2.5) Attach the statement

202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf

#### (7.9.2.6) Page/ section reference

Emission figure: 175 Assurance Statement: 181-183 from our integrated report

#### (7.9.2.7) Relevant standard

Select from:

☒ ISAE3000

#### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

## Row 1

### (7.9.3.1) Scope 3 category

*Select all that apply*

- ☒ Scope 3: Purchased goods and services
- ☒ Scope 3: Upstream transportation and distribution

### (7.9.3.2) Verification or assurance cycle in place

*Select from:*

- ☒ Annual process

### (7.9.3.3) Status in the current reporting year

*Select from:*

- ☒ Complete

### (7.9.3.4) Type of verification or assurance

*Select from:*

- ☒ Limited assurance

### (7.9.3.5) Attach the statement

202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf

### (7.9.3.6) Page/section reference

Emission figure: 175 Assurance Statement: 181-183

### (7.9.3.7) Relevant standard

*Select from:*

- ☒ ISAE3000

#### (7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Select from:

☒ Decreased

**(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

**Change in renewable energy consumption**

#### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

55184

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

#### (7.10.1.3) Emissions value (percentage)

20.6

#### (7.10.1.4) Please explain calculation

*In 2023, our organization made significant accomplishments in reducing CO<sub>2</sub> emissions by increasing the use of renewable energy. In 2022, we emitted 266,951.70 tons of CO<sub>2</sub>, which went down to 211,767.20 tons in 2023. This reduction of 55,184.50 tons, representing a 20.6% decrease, was accomplished by installing solar*

panels in two of our plants and purchasing renewable energy from wind and solar power. These initiatives have helped lower our carbon footprint and demonstrate our dedication to sustainability and environmental stewardship.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:  
☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:  
☒ No change

(7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

### Acquisitions

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

### Mergers

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

### Change in output

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

### Change in methodology

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

#### Change in boundary

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

#### Change in physical operating conditions



#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.*

### Unidentified

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

GCC will continue to work relentlessly to find new ways to decarbonize our operations through various methods and opportunities. As we make progress in achieving our goals, we will share more information about our advancements in the coming years.

## Other

### (7.10.1.1) Change in emissions (metric tons CO2e)

165207

### (7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

### (7.10.1.3) Emissions value (percentage)

4.7

### (7.10.1.4) Please explain calculation

*In 2023, GCC made significant progress toward meeting our SBTi goals by reducing a total of 165,207 tons of gross CO2 in our cement operations from the previous year, representing a 4.7% reduction. In 2022, our total emissions were 3,551,130.93 tons, and in 2023, our total gross emissions were 3,385,924.22 tons. This reduction was achieved through various measures, including the use of lower-carbon fuels such as natural gas and alternative fuels, which have significantly contributed to reaching these goals.*

[Fixed row]

### (7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

### (7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ Yes

**(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.**

**(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)**

65612

**(7.12.1.2) Comment**

*According to the WBCSD Cement CO2 and Energy Protocol, GCC does not include emissions from biogenic carbon in our Scope 1 or Scope 3 calculations. Our gross emissions calculations encompass emissions from fossil fuels and alternative fuels, excluding those from biomass (biogenic carbon) for our cement operations.*  
[Fixed row]

**(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Select from:

☒ No

**(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.**

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mexico	1158001	94155	94078
United States of America	2227923	165633	117690

[Fixed row]

**(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

Select all that apply

☒ By business division

☒ By activity

**(7.17.1) Break down your total gross global Scope 1 emissions by business division.**

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	Mexico Division - GCC Cemento S.A. de C.V.	1158001
Row 3	US Division - GCC of America, Inc.	2227923

[Add row]

**(7.17.3) Break down your total gross global Scope 1 emissions by business activity.**

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	Cement	3385924.219

[Add row]

**(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	3385924	3344239	All activities are related to cement production

[Fixed row]

## (7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

☒ By activity

### (7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	US Division - GCC of America, Inc.	94155	94078
Row 3	Mexico Division - GCC Cemento S.A. de C.V.	165633	117690

[Add row]

### (7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Cement	259788	211767

[Add row]

**(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	259788	211767	All activity is related to cement production

[Fixed row]

**(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.**

**Consolidated accounting group**

**(7.22.1) Scope 1 emissions (metric tons CO2e)**

3385924

**(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

259788

### (7.22.3) Scope 2, market-based emissions (metric tons CO2e)

211767

### (7.22.4) Please explain

*Our emissions reporting boundary is the same as our financial reporting boundary.*

### All other entities

### (7.22.1) Scope 1 emissions (metric tons CO2e)

0

### (7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

### (7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

### (7.22.4) Please explain

*GCC does not include other entities in our emissions reporting.*

*[Fixed row]*

## (7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Yes

### (7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

## Row 1

### (7.23.1.1) Subsidiary name

*GCC Cemento SAB de CV*

### (7.23.1.2) Primary activity

*Select from:*

☒ Cement

### (7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

*Select all that apply*

☒ No unique identifier

### (7.23.1.12) Scope 1 emissions (metric tons CO2e)

*1158001*

### (7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

*94155*

### (7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

*94078*

### (7.23.1.15) Comment

*Subsidiary includes Mexican cement facilities,*

## Row 2

### (7.23.1.1) Subsidiary name



(7.23.1.2) Primary activity

Select from:

☒ Cement

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

937563

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

70052

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

70052

(7.23.1.15) Comment

Subsidiary includes two of our U.S. cement facilities.  
[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

### (7.26.1) Requesting member

Select from:

### (7.26.2) Scope of emissions

Select from:

☒ Scope 1

### (7.26.4) Allocation level

Select from:

☒ Company wide

### (7.26.6) Allocation method

Select from:

☒ Allocation based on the volume of products purchased

### (7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Metric tons

### (7.26.8) Market value or quantity of goods/services supplied to the requesting member

21110

### (7.26.9) Emissions in metric tonnes of CO<sub>2</sub>e

17463.41

### (7.26.10) Uncertainty (±%)

5

### (7.26.11) Major sources of emissions

*Our primary source of emissions is basically the production process, that considers the clinker production and the cement manufacturing. CO2 is mainly emitted from the process of limestone calcination in the kiln for clinker manufacture. Clinker is manufactured at high temperatures, and therefore huge levels of CO2 are discharged into the atmosphere as a by-product, hence constituting the most significant source of emissions in cement production.*

### (7.26.12) Allocation verified by a third party?

Select from:

☒ No

### (7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

*Identification of GHG sources in our operations involves an analysis of the whole cement production process. In particular, it focuses on clinker production, which is the main source of CO2 emissions. We apply standard methodologies from WBCSD, GHG protocol, and IPCC for robust quantification of emissions at different stages, which covers energy usage and raw material processing. Data accuracy in this process is limited, especially regarding Scope 2 and 3 indirect emissions, variability in emission factors brought by regional differences, and the dynamics of production processes. but we will continue to focus on improving our data collection and reporting practices to further enhance accuracy and completeness in our greenhouse gas inventory assessment.*

### (7.26.14) Where published information has been used, please provide a reference

*No published information has been used*  
[Add row]

## (7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

### Row 1

#### (7.27.1) Allocation challenges

Select from:

☒ We face no challenges

### **(7.27.2) Please explain what would help you overcome these challenges**

*We did not faced any challenges.*

*[Add row]*

### **(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

#### **(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

*Select from:*

☒ Yes

#### **(7.28.2) Describe how you plan to develop your capabilities**

*As we refine our GHG Scope 3 accounting and finish the Environmental Product Declarations (EPDs) for all our products—which are likely to become available this year—our customers will begin to have a much more accurate picture of the emissions associated with the products they've bought from us. This is going to help us allocate better and pass through those specific emissions to each product in our communication that would be helpful to customers in their sustainable reports.*

*[Fixed row]*

### **(7.29) What percentage of your total operational spend in the reporting year was on energy?**

*Select from:*

☒ More than 15% but less than or equal to 20%

### **(7.30) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

#### Consumption of fuel (excluding feedstock)

##### (7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

##### (7.30.1.2) MWh from renewable sources

140195.57

**(7.30.1.3) MWh from non-renewable sources**

4412757.52

**(7.30.1.4) Total (renewable and non-renewable) MWh**

4552953.09

**Consumption of purchased or acquired electricity**

**(7.30.1.1) Heating value**

Select from:

☒ LHV (lower heating value)

**(7.30.1.2) MWh from renewable sources**

113739.93

**(7.30.1.3) MWh from non-renewable sources**

482694

**(7.30.1.4) Total (renewable and non-renewable) MWh**

596433.93

**Consumption of self-generated non-fuel renewable energy**

**(7.30.1.1) Heating value**

Select from:

☒ LHV (lower heating value)

#### (7.30.1.2) MWh from renewable sources

206.07

#### (7.30.1.4) Total (renewable and non-renewable) MWh

206.07

### Total energy consumption

#### (7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

#### (7.30.1.2) MWh from renewable sources

254141.57

#### (7.30.1.3) MWh from non-renewable sources

4895451.52

#### (7.30.1.4) Total (renewable and non-renewable) MWh

5149593.09

[Fixed row]

**(7.30.2) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh.**

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	<i>Select from:</i> <input checked="" type="checkbox"/> LHV (lower heating value)	4552953.09
Consumption of purchased or acquired electricity	<i>Select from:</i> <input checked="" type="checkbox"/> LHV (lower heating value)	596640
Total energy consumption	<i>Select from:</i>	5149593.09

[Fixed row]

### (7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of heat	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	<i>Select from:</i>



	Indicate whether your organization undertakes this fuel application
	<input checked="" type="checkbox"/> No

[Fixed row]

**(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Sustainable biomass**

#### **(7.30.7.1) Heating value**

Select from:

☒ Unable to confirm heating value

#### **(7.30.7.2) Total fuel MWh consumed by the organization**

0

#### **(7.30.7.8) Comment**

*GCC does not use sustainable biomass*

### **Other biomass**

#### **(7.30.7.1) Heating value**

Select from:

☒ LHV

#### **(7.30.7.2) Total fuel MWh consumed by the organization**

173612.5

#### (7.30.7.8) Comment

*Alternative biomass kiln fuel*

### Other renewable fuels (e.g. renewable hydrogen)

#### (7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

#### (7.30.7.2) Total fuel MWh consumed by the organization

0

#### (7.30.7.8) Comment

*GCC does not use other renewable energy sources such as Hydrogen, but we are exploring the possibility to start using those fuels in the next years*

### Coal

#### (7.30.7.1) Heating value

Select from:

☒ LHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

1986682.56

#### (7.30.7.8) Comment

*Includes kiln fuel and other*

## Oil

### (7.30.7.1) Heating value

Select from:

☒ LHV

### (7.30.7.2) Total fuel MWh consumed by the organization

68889.44

### (7.30.7.8) Comment

*We use petrol coke as a fuel in a few of our kilns*

## Gas

### (7.30.7.1) Heating value

Select from:

☒ LHV

### (7.30.7.2) Total fuel MWh consumed by the organization

2220851.1

### (7.30.7.8) Comment

*Includes kiln fuel and other*

## Other non-renewable fuels (e.g. non-renewable hydrogen)

### (7.30.7.1) Heating value

Select from:

☒ LHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

140278.9

#### (7.30.7.8) Comment

*We use other Alternative fuels as substitute for the use of coal and gas*

### Total fuel

#### (7.30.7.1) Heating value

Select from:

☒ LHV

#### (7.30.7.2) Total fuel MWh consumed by the organization

4590314.5

#### (7.30.7.8) Comment

*Represents total energy related to Scope 1 emissions  
[Fixed row]*

**(7.30.8) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.**

### Sustainable biomass

#### (7.30.8.1) Heating value

Select from:

☒ Unable to confirm heating value

**(7.30.8.2) Total MWh fuel consumed for cement production activities**

0

**(7.30.8.3) MWh fuel consumed at the kiln**

0

**(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln**

0

**(7.30.8.7) Comment**

*GCC does not use sustainable biomass (All activities related to cement production)*

**Other biomass**

**(7.30.8.1) Heating value**

Select from:

☒ LHV

**(7.30.8.2) Total MWh fuel consumed for cement production activities**

173612.5

**(7.30.8.3) MWh fuel consumed at the kiln**

173612.5

**(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln**

0

### (7.30.8.7) Comment

*Alternative biomass kiln fuel (All activities related to cement production)*

### Other renewable fuels (e.g. renewable hydrogen)

#### (7.30.8.1) Heating value

Select from:

☒ Unable to confirm heating value

#### (7.30.8.2) Total MWh fuel consumed for cement production activities

0

#### (7.30.8.3) MWh fuel consumed at the kiln

0

#### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

### (7.30.8.7) Comment

*GCC does not use other renewable energy sources such as Hydrogen, but we are exploring the possibility to start using those fuels in the next years (All activities related to cement production)*

### Coal

#### (7.30.8.1) Heating value

Select from:

☒ LHV

#### (7.30.8.2) Total MWh fuel consumed for cement production activities

1986682.56

#### (7.30.8.3) MWh fuel consumed at the kiln

1983071.42

#### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

3611.14

#### (7.30.8.7) Comment

*Includes kiln fuel and other (All activities related to cement production)*

### Oil

#### (7.30.8.1) Heating value

Select from:

☒ LHV

#### (7.30.8.2) Total MWh fuel consumed for cement production activities

68889.44

#### (7.30.8.3) MWh fuel consumed at the kiln

15555.68

#### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

#### (7.30.8.7) Comment

*We use petrol coke as a fuel in a few of our kilns (All activities related to cement production)*

## Gas

### (7.30.8.1) Heating value

*Select from:*

☒ LHV

### (7.30.8.2) Total MWh fuel consumed for cement production activities

2220851.1

### (7.30.8.3) MWh fuel consumed at the kiln

2104461.28

### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

34444.72

### (7.30.8.7) Comment

*Includes kiln fuel and other (All activities related to cement production)*

## Other non-renewable fuels (e.g. non-renewable hydrogen)

### (7.30.8.1) Heating value

*Select from:*

☒ LHV

### (7.30.8.2) Total MWh fuel consumed for cement production activities

140278.9



### (7.30.8.3) MWh fuel consumed at the kiln

140278.9

### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

### (7.30.8.7) Comment

*We use other Alternative fuels as substitute for the use of coal and gas (All activities related to cement production)*

### Total fuel

### (7.30.8.1) Heating value

Select from:

☒ LHV

### (7.30.8.2) Total MWh fuel consumed for cement production activities

4590314.5

### (7.30.8.3) MWh fuel consumed at the kiln

4416979.78

### (7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

38055.86

### (7.30.8.7) Comment

*Represents total energy related to Scope 1 emissions (All activities related to cement production)*

*[Fixed row]*

**(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

**Electricity**

**(7.30.9.1) Total Gross generation (MWh)**

206

**(7.30.9.2) Generation that is consumed by the organization (MWh)**

206

**(7.30.9.3) Gross generation from renewable sources (MWh)**

206

**(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)**

206

**Heat**

**(7.30.9.1) Total Gross generation (MWh)**

4416979.78

**(7.30.9.2) Generation that is consumed by the organization (MWh)**

4416979.78

**(7.30.9.3) Gross generation from renewable sources (MWh)**

0

**(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)**

0

## **Steam**

**(7.30.9.1) Total Gross generation (MWh)**

0

**(7.30.9.2) Generation that is consumed by the organization (MWh)**

0

**(7.30.9.3) Gross generation from renewable sources (MWh)**

0

**(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)**

0

## **Cooling**

**(7.30.9.1) Total Gross generation (MWh)**

0

**(7.30.9.2) Generation that is consumed by the organization (MWh)**

0

**(7.30.9.3) Gross generation from renewable sources (MWh)**

0

#### (7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

**(7.30.10) Provide details on the electricity and heat your organization has generated and consumed for cement production activities.**

	Total gross generation (MWh) inside the cement sector boundary	Generation that is consumed (MWh) inside the cement sector boundary
Electricity	206	206
Heat	4416979.78	4416979.78
Steam	0	0

[Fixed row]

**(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.**

#### Row 1

#### (7.30.14.1) Country/area

Select from:

☒ Mexico

#### (7.30.14.2) Sourcing method

Select from:

☒ Other, please specify :Own solar panels

#### (7.30.14.3) Energy carrier

Select from:

☒ Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

☒ Solar

#### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

177

#### (7.30.14.6) Tracking instrument used

Select from:

☒ No instrument used

#### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Mexico

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

#### (7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

#### (7.30.14.10) Comment

*GCC's installation of solar panels at one of our plants in Mexico is a significant advancement in our commitment to sustainability and reducing our carbon footprint. By generating renewable energy on-site we are able to reduce directly our Scope 2 emissions.finish the installation of Solar panels in one of our Mexico plants*

#### Row 2

#### (7.30.14.1) Country/area

Select from:

☒ United States of America

#### (7.30.14.2) Sourcing method

Select from:

☒ Other, please specify :Own solar panels

#### (7.30.14.3) Energy carrier

Select from:

☒ Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

☒ Solar

#### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

29

#### (7.30.14.6) Tracking instrument used

Select from:

☒ No instrument used

#### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ Yes

#### (7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2023

#### (7.30.14.10) Comment

*The full-scale installation of solar panels at one of our US plants by the end of 2023 represents a significant marker on the journey that GCC is undertaking with now 11% of its overall plant energy.*

[Add row]

#### (7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

##### Mexico

#### (7.30.16.1) Consumption of purchased electricity (MWh)

214789

#### (7.30.16.2) Consumption of self-generated electricity (MWh)

177

#### (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

1618485.17

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

1833451.17

**United States of America**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

267901

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

29

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

2836550.47

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

3104480.47

[Fixed row]

**(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Row 1**



#### (7.45.1) Intensity figure

0.0026377639

#### (7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

3597691

#### (7.45.3) Metric denominator

Select from:

☒ unit total revenue

#### (7.45.4) Metric denominator: Unit total

1363917000

#### (7.45.5) Scope 2 figure used

Select from:

☒ Market-based

#### (7.45.6) % change from previous year

19.6

#### (7.45.7) Direction of change

Select from:

☒ Decreased

#### (7.45.8) Reasons for change

Select all that apply

☒ Change in renewable energy consumption

☒ Change in revenue

#### (7.45.9) Please explain

*GCC increased its percentage of renewable energy, while also increasing revenue, resulting in a reduction in our intensity.*

*[Add row]*

#### (7.47) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities.

	Gross Scope 1 emissions intensity, metric tons CO2e per metric ton	Net Scope 1 emissions intensity, metric tons CO2e per metric ton	Scope 2, location-based emissions intensity, metric tons CO2e per metric ton
Clinker	0.8357	0.8254	0.0523
Cement equivalent	0.7039	0.6952	0.044
Cementitious products	0.7061	0.6974	0.0442
Low-CO2 materials	0.6703	0.6	0.04

*[Fixed row]*

#### (7.52) Provide any additional climate-related metrics relevant to your business.

##### Row 1

#### (7.52.1) Description

Select from:

☒ Energy usage

#### (7.52.2) Metric value

113946

### (7.52.3) Metric numerator

*MWh of renewable electrical energy*

### (7.52.4) Metric denominator (intensity metric only)

0

### (7.52.5) % change from previous year

28

### (7.52.6) Direction of change

Select from:

☒ Decreased

### (7.52.7) Please explain

*GCC is transitioning electrical needs towards renewable energy sources such as wind and solar as a part of our Scope 2 reduction strategy. We have long-term agreements in place with renewable energy suppliers, covering 99% of the electricity consumed by our Odessa plant with solar energy and approximately 40% of the electricity consumption at our Rapid City plant with wind energy.*

## Row 3

### (7.52.1) Description

Select from:

☒ Waste

### (7.52.2) Metric value

54577

### (7.52.3) Metric numerator

tons of non-hazardous waste from other industries

#### (7.52.4) Metric denominator (intensity metric only)

0

#### (7.52.5) % change from previous year

15

#### (7.52.6) Direction of change

Select from:

☒ Decreased

#### (7.52.7) Please explain

*GCC is working on reducing the use of Hazardous waste*

[Add row]

### (7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Absolute target

☒ Intensity target

#### (7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

##### Row 1

#### (7.53.1.1) Target reference number

Select from:

☒ Abs 1

### (7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

### (7.53.1.3) Science Based Targets initiative official validation letter

*GCC-MEX-001-OFF Report.pdf*

### (7.53.1.4) Target ambition

Select from:

☒ Well-below 2°C aligned

### (7.53.1.5) Date target was set

*01/01/2021*

### (7.53.1.6) Target coverage

Select from:

☒ Business activity

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

### (7.53.1.8) Scopes

Select all that apply

☒ Scope 3

### (7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 11 – Use of sold products

**(7.53.1.11) End date of base year**

12/31/2015

**(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

1238290

**(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)**

1238290.000

**(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

1238290.000

**(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

100

**(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

90.9

**(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

90.9

**(7.53.1.54) End date of target**

12/31/2030

**(7.53.1.55) Targeted reduction from base year (%)**

37.5

**(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

773931.250

**(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

970118

**(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

970118.000

**(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

970118.000

**(7.53.1.78) Land-related emissions covered by target**

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.1.79) % of target achieved relative to base year**

57.75

**(7.53.1.80) Target status in reporting year**

Select from:

☒ Underway

### (7.53.1.82) Explain target coverage and identify any exclusions

*This target includes emissions related to the use of the coal we sell from our mine that others utilize. We calculate this by finding the total coal produced and subtracting the coal we use in our own plants. Scope 3 emissions beyond Category 11 (use of sold products) have been excluded from this target. In the past, Category 11 has represented 80-90% of our total relevant Scope 3 emissions and GCC feels this target covers our most material Scope 3 emission source.*

### (7.53.1.83) Target objective

*Minimize emissions*

### (7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

*GCC is fully committed to operating its coal mine in alignment with our long-term sustainability goals. While we currently utilize and sell coal, it is a specialized, high heat value coal, having an improved thermal efficiency, which is ideal for industrial processes. In 2023, our own use of coal decreased, as well as emissions from sold product.*

### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ Yes

[Add row]

## (7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

### Row 1

#### (7.53.2.1) Target reference number

Select from:

☒ Int 1

#### (7.53.2.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative



### (7.53.2.3) Science Based Targets initiative official validation letter

*GCC-MEX-001-OFF Report.pdf*

### (7.53.2.4) Target ambition

*Select from:*

☒ Well-below 2°C aligned

### (7.53.2.5) Date target was set

*01/01/2021*

### (7.53.2.6) Target coverage

*Select from:*

☒ Business activity

### (7.53.2.7) Greenhouse gases covered by target

*Select all that apply*

☒ Carbon dioxide (CO2)

### (7.53.2.8) Scopes

*Select all that apply*

☒ Scope 1

### (7.53.2.11) Intensity metric

*Select from:*

☒ Metric tons CO2e per metric ton of cement

### (7.53.2.12) End date of base year

12/31/2015

**(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**

766.8

**(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

766.8000000000

**(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

100

**(7.53.2.55) End date of target**

12/31/2030

**(7.53.2.56) Targeted reduction from base year (%)**

30.7

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)**

531.3924000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

-5

**(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

706.1

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

706.1000000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

☒ Yes, it covers land-related emissions only (e.g. FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

25.79

**(7.53.2.83) Target status in reporting year**

Select from:

☒ Underway

**(7.53.2.85) Explain target coverage and identify any exclusions**

*This target covers all Scope 1 and biogenic CO2 emissions associated with cement operations under GCC's financial control.*

**(7.53.2.86) Target objective**

*Reduce emissions*

**(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year**

*To reduce gross Scope 1 CO2 emission intensity per on of cementitious material by 2030, GCC is aiming to implement the following measures: (1) increasing the use of alternative fuels (biofuels); (2) increasing the production of blended cement to reduce the clinker factor; (3) optimizing the use of electric and thermal energy; and (4) replacing the use of coal with natural gas. In 2023, GCC took the following steps to implement these measures: •Diverted over 54,000 tons of material were diverted from landfills and converted into alternative fuel •Reduced clinker factor 4.9% compared to 2015 baseline •Achieved ENERGY STAR certification at two of our facilities, an achievement granted to the top 25% of companies with lower electricity consumption among similar facilities nationwide •Increased use of natural gas by 32%. The supporting strategy and action plan contemplated by GCC is aligned with International Energy Agency recommendations. This action plan was also*

reviewed by Institutional Shareholder Services (ISS) for a third-party opinion, which concluded the action plan to be perceived as credible to support the achievement of the sustainability performance target set by GCC. GCC communicates annually on the relevant KPI and sustainability performance target, making up-to-date information readily available on its website and/or publicly disclosed. GCC's annual report and sustainability performance report includes: (1) up-to-date information on the performance of the selected KPI; (2) a verification assurance report relative to the SBT outlining the performance against the SBT and the related impact, and timing of such impact, on an instruments' financial performance; and (3) any relevant information enabling investors to monitor the progress of the SBT. Information may also include, when feasible and possible: (4) a qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis; and (5) an illustration of the positive sustainability impacts of the performance improvement.

### **(7.53.2.88) Target derived using a sectoral decarbonization approach**

Select from:

☒ Yes

### **Row 2**

### **(7.53.2.1) Target reference number**

Select from:

☒ Int 2

### **(7.53.2.2) Is this a science-based target?**

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

### **(7.53.2.3) Science Based Targets initiative official validation letter**

*GCC-MEX-001-OFF Report.pdf*

### **(7.53.2.4) Target ambition**

Select from:

☒ Well-below 2°C aligned

### **(7.53.2.5) Date target was set**

01/01/2021

#### (7.53.2.6) Target coverage

Select from:

☒ Business activity

#### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

#### (7.53.2.8) Scopes

Select all that apply

☒ Scope 2

#### (7.53.2.9) Scope 2 accounting method

Select from:

☒ Market-based

#### (7.53.2.11) Intensity metric

Select from:

☒ Metric tons CO2e per metric ton of cement

#### (7.53.2.12) End date of base year

12/31/2015

#### (7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

76.99

**(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

76.9900000000

**(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

100.0

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

100.0

**(7.53.2.55) End date of target**

12/31/2030

**(7.53.2.56) Targeted reduction from base year (%)**

57

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)**

33.1057000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

-5

**(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

44.2

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

44.2000000000

### (7.53.2.81) Land-related emissions covered by target

Select from:

☒ Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

### (7.53.2.82) % of target achieved relative to base year

74.72

### (7.53.2.83) Target status in reporting year

Select from:

☒ Underway

### (7.53.2.85) Explain target coverage and identify any exclusions

*This target covers all Scope 2 emissions associated with cement operations under GCC's financial control.*

### (7.53.2.86) Target objective

*Reduce emissions*

### (7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

*To reduce gross Scope 2 CO<sub>2</sub> emission intensity per ton of cementitious material by 2030, GCC is aiming to incorporate 100% of electrical energy from renewable sources. We have defined a roadmap for every site at the company to drive our 2030 roadmap and meet our climate targets. We continue to increase our renewable energy consumption through the use of PPAs and RECs, as well as investing in owned renewable energy assets. In 2023, we achieved the following: •100% of electricity for Odessa facility provided by solar energy •40% of electricity for Rapid City facility provided by wind energy •Installed solar energy at Trident facility, supplementing the 85% hydropower generation provided by our utility provider. The supporting strategy and action plan contemplated by GCC is aligned with International Energy Agency recommendations. This action plan was also reviewed by Institutional Shareholder Services (ISS) for a third-party opinion, which concluded the action plan to be perceived as credible to support the achievement of the sustainability performance target set by GCC. GCC communicates annually on the relevant KPI and sustainability performance target, making up-to-date information readily available on its website and/or publicly disclosed. GCC's annual report and sustainability performance report includes: (1) up-to-date information on the performance of the selected KPI; (2) a verification assurance report relative to the SBT outlining the performance against the SBT and the related impact, and timing of such impact, on an instruments' financial performance; and (3) any relevant information enabling investors to monitor the progress of the SBT. Information may also include, when feasible and possible: (4) a qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis; and (5) an illustration of the positive sustainability impacts of the performance improvement.*

### (7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☒ Yes

[Add row]

### (7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Targets to increase or maintain low-carbon energy consumption or production

☒ Net-zero targets

☒ Other climate-related targets

### (7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

#### Row 1

#### (7.54.1.1) Target reference number

Select from:

☒ Low 1

#### (7.54.1.2) Date target was set

01/01/2019

#### (7.54.1.3) Target coverage

Select from:

☒ Organization-wide

#### (7.54.1.4) Target type: energy carrier

Select from:



☒ Electricity

#### (7.54.1.5) Target type: activity

Select from:

☒ Consumption

#### (7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

#### (7.54.1.7) End date of base year

12/31/2018

#### (7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

28556

#### (7.54.1.9) % share of low-carbon or renewable energy in base year

5

#### (7.54.1.10) End date of target

12/31/2030

#### (7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

#### (7.54.1.12) % share of low-carbon or renewable energy in reporting year

19.1

#### (7.54.1.13) % of target achieved relative to base year

14.84

#### (7.54.1.14) Target status in reporting year

Select from:

☒ Underway

#### (7.54.1.16) Is this target part of an emissions target?

Yes, this target is associated with target: Int 2

#### (7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

#### (7.54.1.19) Explain target coverage and identify any exclusions

*This target covers all of our cement operations. The consumption of energy from renewable sources decreases GCC's Scope 2 emissions. The numerator is the amount of power consumed from renewable energy in cement plants (in MWh), and the denominator is the total amount of power consumed from electric energy in cement plants (in MWh). We have estimated that achieving this target will decrease our Scope 2 emissions by 53% against our 2018 baseline. Although this target is not directly part of the Science Based Targets Initiative, this target is a core component of achieving our Science Based Target to decrease Scope 2 emissions intensity by 57% per ton of cementitious material by 2030.*

#### (7.54.1.20) Target objective

*One of our key levers of our climate strategy is to increase the use of renewable energy.*

#### (7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

*We are leveraging renewable energy contracts and investing in owned renewable electricity assets to achieve this goal. We have long-term contracts in place covering 100% of the electricity consumed by our Odessa plant with solar energy and approximately 40% of the electricity consumption at our Rapid City plant with wind energy. Additionally, we have invested in solar energy at our Trident plant, with plans to increase generation capacity by the end of 2024. We are also focusing on installing solar distributed generated energy in Mexico.*

[Add row]

**(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.**

**Row 1**

**(7.54.2.1) Target reference number**

Select from:

☒ Oth 1

**(7.54.2.2) Date target was set**

01/01/2021

**(7.54.2.3) Target coverage**

Select from:

☒ Organization-wide

**(7.54.2.4) Target type: absolute or intensity**

Select from:

☒ Intensity

**(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)**

**Resource consumption or efficiency**

☒ Other resource consumption or efficiency, please specify :Metrics tons of clinker consumed

**(7.54.2.6) Target denominator (intensity targets only)**

Select from:

☒ metric ton of cement

**(7.54.2.7) End date of base year**

12/31/2015

**(7.54.2.8) Figure or percentage in base year**

88.8

**(7.54.2.9) End date of target**

12/31/2030

**(7.54.2.10) Figure or percentage at end of date of target**

80

**(7.54.2.11) Figure or percentage in reporting year**

84.2

**(7.54.2.12) % of target achieved relative to base year**

52.2727272727

**(7.54.2.13) Target status in reporting year**

Select from:

☒ Underway

**(7.54.2.15) Is this target part of an emissions target?**

Yes, this target is associated with Int 1

**(7.54.2.16) Is this target part of an overarching initiative?**

Select all that apply

☒ Science Based targets initiative - approved other

☒ Other, please specify :GCCA Roadmap

#### (7.54.2.17) Science Based Targets initiative official validation letter

*GCC-MEX-001-OFF Certificate.pdf*

#### (7.54.2.18) Please explain target coverage and identify any exclusions

*This target covers all of our cement production across our entire organization. GCC's strategy is aligned with the Global Cement and Concrete Association (GCCA) and the Portland Cement Association (PCA) roadmaps. The overall industry goal is a 35% reduction in CO2 per ton of cementitious material by 2030, which includes industry targets to increase blended cement by 9%. Increasing the use of Portland-limestone cement (PLC) is listed as PCA's roadmap to carbon neutrality.*

#### (7.54.2.19) Target objective

*Reduce the carbon intensity of our product.*

#### (7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

*The increased production of blended cement will reduce our clinker content. Replacing the clinker used in our final product with alternative materials such as limestone and/or calcined clay will result in a 37 kg CO2/metric ton cement avoidance in our carbon emissions helping us achieve our 2030 target. Our strategy to reduce our clinker factor includes mill dosage optimization, increasing limestone/gypsum, slag and fly ash, natural or synthetic pozzolanas, research and development, stakeholder lobbying, and internal supply chain evaluations. Our Sustainability Committee drives key initiatives at the board level to ensure progress on our targets. Increasing the use of Portland-limestone cement (PLC) is listed as a pathway in PCA's roadmap to carbon neutrality, which is one of our core strategic initiatives to achieve our target. By 2024, all of our cement operations will convert to 100% Portland Limestone Cement (PLC). GCC's resources are being allocated to fill customer demand and enable them to also reach their sustainability targets. In 2021, GCC announced that our Trident Plant in Montana is going convert to 100% Portland Limestone Cement (PLC or Type 1L[10]), and in 2022 GCC fully converted the Minnesota cement market to Portland Limestone Cement. The Minnesota transition to PLC represents approximately 300,000 tons of cement per year reaching this market. GCC estimates that this transition will reduce CO2 by almost 20,000 tons per year. PLC is very similar to our existing cement which is known as Ordinary Portland Cement (OPC or Type I/II/V). The difference is that we add 10% limestone to our cement which effectively lowers the CO2 per ton. GCC is investing in and optimizing cement plants to ensure PLC maintains the same strength and workability as OPC. Our research and development team continues to conduct trials and studies, which are reviewed by our Sustainability Committee, to increase blended cement and reduce our clinker factor.*

*[Add row]*

#### (7.54.3) Provide details of your net-zero target(s).

## Row 1

### (7.54.3.1) Target reference number

Select from:

☒ NZ1

### (7.54.3.2) Date target was set

01/01/2021

### (7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

### (7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

☒ Int1

☒ Int2

### (7.54.3.5) End date of target for achieving net zero

12/31/2050

### (7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

### (7.54.3.8) Scopes

Select all that apply

- ☒ Scope 1
- ☒ Scope 2
- ☒ Scope 3

#### (7.54.3.9) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO2)

#### (7.54.3.10) Explain target coverage and identify any exclusions

*This target includes our cement and concrete business. In 2021, GCC strengthened our commitment to reduce our CO2 emissions by committing to a Science Based Target to the well-below two-degree (Celsius) curve, joining the Business Ambition for 1.5 and UNFCCC Race to Zero, and committing to interim targets following SBTi recommendations and setting a long-term science-based target to reach a net-zero value chain. Aligning with our net zero strategy, GCC also joined an ambitious journey to achieve carbon neutrality across the cement and concrete value chain by signing onto the Portland Cement Association's (PCA) Roadmap to Carbon Neutrality and the Global Cement and Concrete Association's (GCCA) roadmap.*

#### (7.54.3.11) Target objective

*Reduce emissions*

#### (7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- ☒ Yes

#### (7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- ☒ No, but we plan to within the next two years

#### (7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

#### (7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

*Due to high and unavoidable process emissions in the cement manufacturing process, GCC views carbon capture as a critical tool in reaching our net-zero ambitions. We believe carbon capture is a viable long-term solution for the cement industry. We have already performed research, a screening study, technology selection and a comprehensive study to identify plant compatibility and suitable technology developers. We also completed the design and pre-FEED (Front End Engineering Design) study, and the initial phase of the FEED study. We have partnered with two developers to build pilot carbon capture plants at two of our facilities and continue with the FEED study to assess and analyze the technical, economic, environmental and regulatory aspects of implementing carbon capture, utilization, and storage technologies.*

#### (7.54.3.17) Target status in reporting year

Select from:

☒ Revised

#### (7.54.3.18) Explain the reasons for the revision, retirement, or replacement of the target

*The GCC is refreshing its Net Zero Target as part of the commitment to always look for Best Practice. Over the next few years, this will see us aligning our targets with the SBTi 1.5C Pathway in a way that ensures our climate goals are consistent with the highest levels of ambition required to meet the Paris Agreement. This update is also in line with our ambition to have our net-zero target officially validated by SBTi. Target revision and validation with SBTi mark the reaffirmation of our commitment to be a leader in the low-carbon transition and will be pursued with continued dedication toward sustainable development. In this proactive stance, we will be really determined to bring about really meaningful progress in the fight against climate change.*

#### (7.54.3.19) Process for reviewing target

*Our Sustainability Executive Committee oversees the development and implementation of GCC's sustainability strategy and advises the Board of Directors on climate-related risks and opportunities that have influenced our strategy. Ultimate oversight of climate-related risks and opportunities lies with through discussions including sustainability metrics, targets, performance and progress, and reports and ratings.*

[Add row]

**(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Select from:



☒ Yes

**(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	<i>Numeric input</i>
To be implemented	3	134652.24
Implementation commenced	1	19200
Implemented	3	68885.2
Not to be implemented	0	<i>Numeric input</i>

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

**Row 1**

#### **(7.55.2.1) Initiative category & Initiative type**

**Energy efficiency in production processes**

☒ Fuel switch

#### **(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)**

29332.17

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

500000

### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

2280088

### (7.55.2.7) Payback period

Select from:

☒ 4-10 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

### (7.55.2.9) Comment

*We expanded the pre-processing area at our Samalayuca facility to allow for processing of increased quantities of alternative fuels.*

## Row 2

### (7.55.2.1) Initiative category & Initiative type

## Waste reduction and material circularity

☒ Other, please specify :Clinker factor reduction

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

38476.37

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

500000

### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

2338983

### (7.55.2.7) Payback period

Select from:

☒ 4-10 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

### (7.55.2.9) Comment

*We invested in conditioning at our Pueblo facility to produce blended cement, which lowers our clinker factor and reduces emissions.*

### Row 3

### (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy generation

☒ Solar PV

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1076.66

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

☒ Scope 2 (market-based)

### (7.55.2.4) Voluntary/Mandatory

*Select from:*

☒ Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

50000

### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

3022950

### (7.55.2.7) Payback period

Select from:

☒ 4-10 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

### (7.55.2.9) Comment

*We installed solar panels at our Trident facility to provide renewable electricity, with plans to increase generation capacity over the next year.*  
[Add row]

## (7.55.3) What methods do you use to drive investment in emissions reduction activities?

### Row 1

#### (7.55.3.1) Method

Select from:

☒ Dedicated budget for low-carbon product R&D

#### (7.55.3.2) Comment

*We have a specific budget dedicated to low-carbon products research and development (R&D) assigned to our R&D area in Mexico's headquarters. The R&D team now reports to the CSO to drive innovation related to clinker factor reduction. We also invest in research through strategic partnerships and participate in Innovandi, the Global Cement and Concrete Research Network of the GCCA, which aims to accelerate global collaboration on cement and concrete innovation.*

### Row 2

#### (7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

### (7.55.3.2) Comment

*GCC complies with all relevant climate-related regulations. This includes compliance with emissions trading schemes such as the Mexican Pilot ETS that will be implemented in 2024.*

### Row 3

### (7.55.3.1) Method

Select from:

☒ Internal incentives/recognition programs

### (7.55.3.2) Comment

*Senior Leadership members have specific annual goals related to climate targets, strategy and emissions reduction projects. Performance against these targets, climate transition plan KPIs and implementation of employee awareness campaigns on climate-related issues, is reported and considered in relation to compensation.*

### Row 4

### (7.55.3.1) Method

Select from:

☒ Employee engagement

### (7.55.3.2) Comment

*In 2023, GCC initiated the design of our One Planet strategic communication program, designed to drive employee engagement, excitement and commitment for sustainability at GCC.*

### Row 5

### (7.55.3.1) Method

Select from:

☒ Internal price on carbon

### (7.55.3.2) Comment

*We have introduced an internal carbon price of USD 30, used for the main CAPEX projects associated with our company's strategic plan.*  
[Add row]

### (7.64) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity.

	Total production capacity coverage (%)
4+ cyclone preheating	19
Pre-calcliner	57

[Fixed row]

### (7.73) Are you providing product level data for your organization's goods or services?

Select from:

☒ No, I am not providing data

### (7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

### (7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

#### Row 1

### (7.74.1.1) Level of aggregation

Select from:

☒ Product or service

#### (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Other, please specify :Sustainable Taxonomy of Mexico and internal classification

#### (7.74.1.3) Type of product(s) or service(s)

**Cement and concrete**

☒ Other, please specify :Low Carbon Cement Products

#### (7.74.1.4) Description of product(s) or service(s)

*GCC produces various types of cement. The Sustainable Taxonomy of Mexico classifies cement with less than 600kg of CO2/ton of cement as low-carbon. We use this distinction for production at our Mexico facilities. The U.S. does not have a similar methodology, so we have used the internal benchmark of less than 700 kg of CO2/ton of cement to categorize low-carbon product at our U.S. facilities*

#### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

#### (7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :GHG Cement protocol

#### (7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Not applicable



#### (7.74.1.8) Functional unit used

*Ton of Cement*

#### (7.74.1.9) Reference product/service or baseline scenario used

*An ordinary Portland cement (Type I-II), with an average clinker ratio above 88%.*

#### (7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

*Select from:*

☒ Not applicable

#### (7.74.1.11) Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario

38476.37

#### (7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

*We calculate avoided emissions by finding the difference between emissions associated with the type I-II cement that has a clinker ratio higher than 88% and emissions associated with the reduced clinker ratio product.*

#### (7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

6.7

[Add row]

#### (7.79) Has your organization canceled any project-based carbon credits within the reporting year?

*Select from:*

☒ No

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Rubber	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Rubber	5183.97	Select all that apply <input checked="" type="checkbox"/> Sourced	15709

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Rubber

(8.5.1) Country/area of origin

Select from:

☒ United States of America

### (8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

### (8.5.3) Specify the states or equivalent jurisdictions

Texas

### (8.5.4) Volume sourced from country/area of origin (metric tons)

4837.73

### (8.5.5) Source

Select all that apply

☒ Contracted suppliers (processors)

### (8.5.7) Please explain

*We use scrap tires as one of the alternative fuels in our production facilities, keeping tires out of landfills while recovering energy and utilizing raw materials. For every 100 tires burned, we are able to save 400 pounds of iron ore and equivalent of 100 gallons of fuel. It is important to note that natural rubber is typically less than a 1/3 of the material in a finished tire.*

## Rubber

### (8.5.1) Country/area of origin

Select from:

☒ Mexico

### (8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

### (8.5.3) Specify the states or equivalent jurisdictions

Chihuahua

### (8.5.4) Volume sourced from country/area of origin (metric tons)

346.23

### (8.5.5) Source

Select all that apply

☒ Contracted suppliers (processors)

### (8.5.7) Please explain

*We use scrap tires as one of the alternative fuels in our production facilities, keeping tires out of landfills while recovering energy and utilizing raw materials. For every 100 tires burned, we are able to save 400 pounds of iron ore and equivalent of 100 gallons of fuel. It is important to note that natural rubber is typically less than a 1/3 of the material in a finished tire.*

[Add row]

**(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?**

**Rubber**

### (8.7.1) Active no-deforestation or no-conversion target

Select from:

☒ No, but we plan to have a no-deforestation or no-conversion target in the next two years

### (8.7.3) Primary reason for not having an active no-deforestation or no-conversion target in the reporting year

Select from:

☒ No standardized procedure

#### **(8.7.4) Explain why you did not have an active no-deforestation or no-conversion target in the reporting year**

*Rubber is an input into our process due to our use of waste tires as an alternative fuel source. This is a waste diversion activity and does not drive demand for tires and natural rubber. While we recognize the essential importance of natural capital and our relationship with nature for a sustainable world, our current operations do not necessitate targets related to no-deforestation or no-conversion.*

#### **(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target**

Select from:

☒ No, but we plan to have other targets related to this commodity in the next two years

#### **(8.7.6) Primary reason for not having other active targets in the reporting year**

Select from:

☒ Other, please specify :Use of commodity as a waste material

#### **(8.7.7) Explain why you did not have other active targets in the reporting year**

*We use scrap tires as one of the alternative fuels in our production facilities, keeping tires out of landfills while recovering energy and utilizing raw materials. We have a circular economy target to increase our percent substitution for alternative fuels to 25% by 2030, which may include use of waste rubber, but not specify the specific fuel mix.*

*[Fixed row]*

**(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.**

**Rubber**

#### **(8.8.1) Traceability system**

Select from:

☒ Yes

## (8.8.2) Methods/tools used in traceability system

Select all that apply

☒ Internal traceability system

## (8.8.3) Description of methods/tools used in traceability system

*To approach our objectives in reducing our emissions, four years ago, the company invested in creating a Corporate Energy department and later on the Alternative fuels team was integrated. Together they have worked with different technics to accomplish the improving in thermal energy. They have developed a form of method to serve the community and put the circular economy into practice through collecting over 54,000 tons of rubber that were diverted from landfill and converted into alternative fuels. All the material is weighed when it arrives at our facilities, the SAP is used to document the origin of the TDF (which contains rubber) and then each stream is characterized and once the material is considered acceptable for use as an ingredient, shipment approvals are sent to the generator.*

[Fixed row]

### (8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

#### Rubber

#### (8.8.1.1) % of sourced volume traceable to production unit

100

#### (8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

0

#### (8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0

#### (8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

**(8.8.1.5) % of sourced volume from unknown origin**

0

**(8.8.1.6) % of sourced volume reported**

100.00

[Fixed row]

**(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.**

**Rubber**

**(8.9.1) DF/DCF status assessed for this commodity**

Select from:

☒ No, but we plan to do so within the next two years

**(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?**

Select from:

☒ No

**(8.9.7) Primary reason for not assessing DF/DCF status**

Select from:

☒ No standardized procedure

**(8.9.8) Explain why you have not assessed DF/DCF status**

*We are diverting scrap tires from landfills and using it as an alternative fuel replacement in our kilns, thereby lowering our Scope 1 emissions. Because our role in the commodity life cycle is not driving demand and rather provides useful end-of-life treatment, the deforestation and deforestation- and conversion-free status of the rubber used is not relevant to our business.*

*[Fixed row]*

**(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.**

**Rubber**

**(8.10.1) Monitoring or estimating your deforestation and conversion footprint**

*Select from:*

☒ No, and we do not plan to monitor or estimate our deforestation and conversion footprint in the next two years

**(8.10.2) Primary reason for not monitoring or estimating deforestation and conversion footprint**

*Select from:*

☒ Judged to be unimportant or not relevant

**(8.10.3) Explain why you do not monitor or estimate your deforestation and conversion footprint**

*The commodity life cycle is not driving demand so it hasn't been relevant to our business; yet, We are diverting scrap tires from landfills and using it as an alternative fuel replacement in our kilns, thereby lowering our Scope 1 emissions.*

*[Fixed row]*

**(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.**



	Actions taken to increase production or sourcing of DCF volumes
Rubber	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to within the next two years

[Fixed row]

**(8.12) Indicate if certification details are available for the commodity volumes sold to requesting CDP Supply Chain members.**

**Rubber**

#### **(8.12.1) Third-party certification scheme adopted**

*Select from:*

☒ No, but we plan to adopt third-party certification within the next two years

#### **(8.12.5) Primary reason that third-party certification has not been adopted**

*Select from:*

☒ No standardized procedure

#### **(8.12.6) Explain why third-party certification has not been adopted**

*In our production the commodity is collected and not source by a supplier on which adopting a certification or verification has been complicated. This is because one of GCC's efforts of improving thermal efficiency is by applying circular economy by using rubber as an alternative fuel for the kilns.*

[Fixed row]

**(8.13) Does your organization calculate the GHG emission reductions and/or removals from land use management and land use change that have occurred in your direct operations and/or upstream value chain?**

	GHG emissions reductions and removals from land use management and land use change calculated	Primary reason your organization does not calculate GHG emissions reductions and removals from land use management and land use change	Explain why your organization does not calculate GHG emissions reductions and removals from land use management and land use change
Rubber	<i>Select from:</i> <input checked="" type="checkbox"/> No, but plan to do so in the next two years	<i>Select from:</i> <input checked="" type="checkbox"/> No standardized procedure	<i>We are working together with our suppliers to calculate the emissions captured by avoiding sending the material to landfills.</i>

[Fixed row]

**(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.**

#### **(8.14.1) Assess legal compliance with forest regulations**

*Select from:*

☒ Yes, from suppliers

#### **(8.14.2) Aspects of legislation considered**

*Select all that apply*

☒ Environmental protection

☒ Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting

☒ Labor rights

☒ Human rights protected under international law

#### **(8.14.3) Procedure to ensure legal compliance**

*Select all that apply*

☒ Supplier self-declaration

☒ Third party tools

☒ Third party databases

#### (8.14.5) Please explain

*Suppliers are required to comply with our Supplier Ethics Guidelines - aligned with our Code of Ethics and Conduct - in particular with our commitments to human rights, health and safety, and minimizing our impact on the environment and the communities where we operate. We also utilize a platform to oversee our suppliers, ensuring their compliance with required training and up-to-date obligations concerning health and safety. In the U.S. we utilize the International Suppliers Network (ISN) platform and in Mexico we utilize the Integrated Security and access Control platform (CISA, for its Spanish acronym).*

*[Fixed row]*

#### (8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

##### (8.15.1) Engagement in landscape/jurisdictional initiatives

*Select from:*

☒ No, we do not engage in landscape/jurisdictional initiatives, but we plan to in the next two years

##### (8.15.2) Primary reason for not engaging in landscape/jurisdictional initiatives

*Select from:*

☒ No standardized procedure

##### (8.15.3) Explain why your organization does not engage in landscape/jurisdictional initiatives

*We are committed to formulating and executing effective and progressive quarry rehabilitation plans, in line with our values and as required by state law. We use the GCCA 'Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management' to review and report local impacts. Additionally, we partner with local organizations to provide tree planting and local biodiversity support.*

*[Fixed row]*

#### (8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

*Select from:*

☒ No, but we plan to within the next two years

**(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**

*Select from:*

☒ Yes

**(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Row 1**

**(8.17.1.1) Project reference**

*Select from:*

☒ Project 1

**(8.17.1.2) Project type**

*Select from:*

☒ Biodiversity offsetting

**(8.17.1.3) Expected benefits of project**

*Select all that apply*

- ☒ Further transformative change through sharing of project design, implementation and lessons learnt
- ☒ Net gain in biodiversity and ecosystem integrity
- ☒ Restoration of natural ecosystem(s)

**(8.17.1.4) Is this project originating any carbon credits?**

*Select from:*

☒ No

#### (8.17.1.5) Description of project

*22-acre reclamation project at Tijeras' oldest quarry, designed jointly with the local community as a recreational area that fosters biodiversity and contributes to bringing wildlife back into the area.*

#### (8.17.1.6) Where is the project taking place in relation to your value chain?

*Select all that apply*

☒ Project based in sourcing area(s)

#### (8.17.1.7) Start year

2019

#### (8.17.1.8) Target year

*Select from:*

☒ 2023

#### (8.17.1.9) Project area to date (Hectares)

8.9

#### (8.17.1.10) Project area in the target year (Hectares)

8.9

#### (8.17.1.11) Country/Area

*Select from:*

☒ United States of America

#### (8.17.1.12) Latitude

35.071292

### (8.17.1.13) Longitude

-106.399317

### (8.17.1.14) Monitoring frequency

Select from:

☒ Annually

### (8.17.1.15) Total investment over the project period (currency)

2600000

### (8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

☒ Net gain in biodiversity and ecosystem integrity

☒ Restoration of natural ecosystem(s)

### (8.17.1.17) Please explain

*This project's monitoring process was centered on verifying the success of vegetation and plant life. \*\*As GCC is aiming for a transformative change by establishing quarry rehabilitation and future land-use plans for a majority of the company operating quarries, we are committed to the continued integration of the Global Cement and Concrete Association sustainability guidelines for quarry rehabilitation and ecosystem management into our present and future operations.*

## Row 2

### (8.17.1.1) Project reference

Select from:

☒ Project 2

### (8.17.1.2) Project type

Select from:

☒ Biodiversity offsetting

#### (8.17.1.3) Expected benefits of project

*Select all that apply*

☒ Further transformative change through sharing of project design, implementation and lessons learnt

#### (8.17.1.4) Is this project originating any carbon credits?

*Select from:*

☒ No

#### (8.17.1.5) Description of project

*\*\*Plants and trees donated by our Mexican plants in Juarez, Samalayuca and Chihuahua.*

#### (8.17.1.6) Where is the project taking place in relation to your value chain?

*Select all that apply*

☒ Project based elsewhere

#### (8.17.1.7) Start year

2023

#### (8.17.1.8) Target year

*Select from:*

☒ 2023

#### (8.17.1.9) Project area to date (Hectares)

49.1

#### (8.17.1.10) Project area in the target year (Hectares)

**(8.17.1.11) Country/Area***Select from:*☒ Mexico**(8.17.1.12) Latitude**

31.68724

**(8.17.1.13) Longitude**

-106.42687

**(8.17.1.14) Monitoring frequency***Select from:*☒ Every two years**(8.17.1.15) Total investment over the project period (currency)**

36446.5615

**(8.17.1.16) For which of your expected benefits are you monitoring progress?***Select all that apply*☒ Further transformative change through sharing of project design, implementation and lessons learnt**(8.17.1.17) Please explain**

*GCC seeks to promote a culture of sustainability within the organization and with our stakeholders showing a more sustainable mindset. As a result, more than 10,000 trees (huizaches, mesquites and some yuccas) were donated, achieving this in collaboration with the LEAR company. The project lasted about a year, since it began from the support of the planting of the seed, the care and finally until it had an adequate size for donation in the central park on Earth Day.*

*[Add row]*



## C9. Environmental performance - Water security

### (9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ No

### (9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

#### Water withdrawals – total volumes

##### (9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

##### (9.2.2) Frequency of measurement

Select from:

☒ Quarterly

##### (9.2.3) Method of measurement

*Invoices, water meters, and estimations*

##### (9.2.4) Please explain

*The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing has been used as a reference to measure the water performance of GCC. Withdrawals are tracked via invoices, water meters, and estimations where data is unavailable*

#### Water withdrawals – volumes by source

##### (9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

### (9.2.2) Frequency of measurement

Select from:

☒ Quarterly

### (9.2.3) Method of measurement

*Invoices, water meters, and estimations*

### (9.2.4) Please explain

*The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing have been used as a reference to measure the water performance of GCC. Withdrawals are tracked via invoices, water meters, and estimations where data is unavailable*

## Water withdrawals quality

### (9.2.1) % of sites/facilities/operations

Select from:

☒ Not relevant

### (9.2.4) Please explain

*GCC does not currently track data for the quality of water withdrawals but plans to add this capability in future years.*

## Water discharges – total volumes

### (9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

### (9.2.2) Frequency of measurement

Select from:

☒ Yearly

### (9.2.3) Method of measurement

*Invoices, water meters, and estimations*

### (9.2.4) Please explain

*The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing have been used as a reference to measure the water performance of GCC. A log of GCC's withdrawal and discharge volumes is kept for record.*

## Water discharges – volumes by destination

### (9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

### (9.2.2) Frequency of measurement

Select from:

☒ Yearly

### (9.2.3) Method of measurement

*Invoices, water meters, and estimations*

### (9.2.4) Please explain

*The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing has been used as a reference to measure the water performance of GCC. Discharges by destination are tracked via invoices, water meters, and estimations where data is unavailable. A log of GCC's withdrawal and discharge volumes is kept for record.*

## Water discharges – volumes by treatment method

### (9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

### (9.2.4) Please explain

*GCC does not currently track data for volumes of water discharges by treatment method but plans to add this capability in future years.*

## Water discharge quality – by standard effluent parameters

### (9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

### (9.2.2) Frequency of measurement

Select from:

☒ Quarterly

### (9.2.3) Method of measurement

*External lab testing*

### (9.2.4) Please explain

*We monitor water discharge quality by standard effluent parameters at some of the plants, each site has a different frequency of measurement, varying from biweekly, monthly, quarterly, and yearly.*

## Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

### (9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

#### (9.2.4) Please explain

*GCC does not currently track data on water discharge quality but plans to add this capability in future years.*

### Water discharge quality – temperature

#### (9.2.1) % of sites/facilities/operations

Select from:

☒ 1-25

#### (9.2.2) Frequency of measurement

Select from:

☒ Quarterly

#### (9.2.3) Method of measurement

*External lab testing*

#### (9.2.4) Please explain

*We monitor water discharge quality by standard effluent parameters at some of the plants, each site has a different frequency of measurement, varying from biweekly, monthly, quarterly, and yearly.*

### Water consumption – total volume

#### (9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

### (9.2.2) Frequency of measurement

Select from:

☒ Quarterly

### (9.2.3) Method of measurement

*Invoices, water meters, and estimations*

### (9.2.4) Please explain

*The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing has been used as a reference to measure the water performance of GCC. A log of GCC's withdrawal and discharge volumes is kept for record.*

## Water recycled/reused

### (9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

### (9.2.4) Please explain

*We are making water conservation efforts by reusing rainwater or introducing new products to reduce water usage. At our Pueblo plant, we received approval to use a dust suppressant product for paved roads, called Cementrol, which reduces our water usage for road watering.*

## The provision of fully-functioning, safely managed WASH services to all workers

### (9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

### (9.2.4) Please explain

*GCC ensures the health, safety, and wellbeing of all of our employees. We currently do not have a consolidated system to monitor all WASH systems but measures are in place to ensure the safety of each facility.*  
*[Fixed row]*

**(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

### **Total withdrawals**

#### **(9.2.2.1) Volume (megaliters/year)**

2977

#### **(9.2.2.2) Comparison with previous reporting year**

Select from:

☒ Lower

#### **(9.2.2.3) Primary reason for comparison with previous reporting year**

Select from:

☒ Increase/decrease in business activity

#### **(9.2.2.4) Five-year forecast**

Select from:

☒ Lower

#### **(9.2.2.5) Primary reason for forecast**

Select from:

☒ Increase/decrease in business activity

#### **(9.2.2.6) Please explain**

*GCC's decrease in water withdrawals is due to increased efficiency and water conservation efforts. Because GCC expects to see increased efficiency and continuation of water conservation efforts over the next five years, we also forecast that decrease in our water withdrawals.*

## Total discharges

### (9.2.2.1) Volume (megaliters/year)

782

### (9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

### (9.2.2.4) Five-year forecast

Select from:

☒ Higher

### (9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

### (9.2.2.6) Please explain

*GCC anticipates a rise in overall discharge and consumption as we ramp up production of our materials. Additionally, we are expanding our water efficiency operations to increasingly rely on rainwater harvesting and other in-situ methods.*

## Total consumption



#### (9.2.2.1) Volume (megaliters/year)

3089

#### (9.2.2.2) Comparison with previous reporting year

Select from:

☒ Lower

#### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

#### (9.2.2.4) Five-year forecast

Select from:

☒ Higher

#### (9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

#### (9.2.2.6) Please explain

*In our ongoing efforts, we are pinpointing factors that contribute to increased water consumption. One significant driver is our expanding cement production. As we scale up, we are enhancing water efficiency by emphasizing rainwater harvesting and other on-site methods. Our ultimate aim is to deliver products with reduced water usage per ton of materials.*

*[Fixed row]*

**(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.**

#### (9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Yes

#### (9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

1240.76

#### (9.2.4.3) Comparison with previous reporting year

Select from:

☒ Higher

#### (9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

#### (9.2.4.5) Five-year forecast

Select from:

☒ Lower

#### (9.2.4.6) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

#### (9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

41.68

#### (9.2.4.8) Identification tool

Select all that apply

☒ WRI Aqueduct

#### (9.2.4.9) Please explain

*In our reporting, GCC tracks the number of sites situated in areas with extremely high water risk, as assessed by the WRI Aqueduct tool. In 2023, approximately 66.2% of our cement sites fell into this category. Notably, our production in water-stressed regions has significantly risen compared to previous years due to the adoption of a new calculation methodology.*

*[Fixed row]*

#### (9.2.7) Provide total water withdrawal data by source.

**Fresh surface water, including rainwater, water from wetlands, rivers, and lakes**

##### (9.2.7.1) Relevance

Select from:

☒ Relevant

##### (9.2.7.2) Volume (megaliters/year)

0

##### (9.2.7.3) Comparison with previous reporting year

Select from:

☒ Lower

##### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Other

#### (9.2.7.5) Please explain

*GCC aims to reduce water usage and is recurring to different methods and tools to achieve this goal. In 2023, the company resorted to reuse rainwater instead of extracting from other high demanded water sources.*

#### Brackish surface water/Seawater

##### (9.2.7.1) Relevance

Select from:

☒ Relevant

##### (9.2.7.2) Volume (megaliters/year)

0

##### (9.2.7.3) Comparison with previous reporting year

Select from:

☒ Much lower

##### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Other

##### (9.2.7.5) Please explain

*Just a few extractions were made for this water source.*

#### Groundwater – renewable

##### (9.2.7.1) Relevance

Select from:

☒ Not relevant

#### (9.2.7.5) Please explain

*Not relevant*

### Groundwater – non-renewable

#### (9.2.7.1) Relevance

*Select from:*

☒ Relevant

#### (9.2.7.2) Volume (megaliters/year)

2895

#### (9.2.7.3) Comparison with previous reporting year

*Select from:*

☒ Higher

#### (9.2.7.4) Primary reason for comparison with previous reporting year

*Select from:*

☒ Other, please specify :Production activities

#### (9.2.7.5) Please explain

*GCC's increase in water from non-renewable groundwater sources is due to decreases in water withdrawal from other sources.*

### Produced/Entrained water

#### (9.2.7.1) Relevance

Select from:

☒ Not relevant

#### (9.2.7.5) Please explain

Not relevant

### Third party sources

#### (9.2.7.1) Relevance

Select from:

☒ Relevant

#### (9.2.7.2) Volume (megaliters/year)

7

#### (9.2.7.3) Comparison with previous reporting year

Select from:

☒ Lower

#### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

#### (9.2.7.5) Please explain

*GCC's decrease in water from third-party sources is due to decreases in production at our cement facilities.*

*[Fixed row]*

### (9.2.8) Provide total water discharge data by destination.

## Fresh surface water

### (9.2.8.1) Relevance

Select from:

☒ Relevant

### (9.2.8.2) Volume (megaliters/year)

762.44

### (9.2.8.3) Comparison with previous reporting year

Select from:

☒ Higher

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

### (9.2.8.5) Please explain

*GCC's increase in water discharge to surface is due to increases in production at our cement facilities, which increased discharge.*

## Brackish surface water/seawater

### (9.2.8.1) Relevance

Select from:

☒ Relevant

### (9.2.8.2) Volume (megaliters/year)

0.79

### (9.2.8.3) Comparison with previous reporting year

Select from:

☒ About the same

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

### (9.2.8.5) Please explain

*GCCs water discharge to brackish surface is about the same due to overall low discharge to this destination.*

## Groundwater

### (9.2.8.1) Relevance

Select from:

☒ Not relevant

### (9.2.8.5) Please explain

*Not relevant*

## Third-party destinations

### (9.2.8.1) Relevance

Select from:

☒ Relevant

### (9.2.8.2) Volume (megaliters/year)

18.66



### (9.2.8.3) Comparison with previous reporting year

Select from:

☒ Lower

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

### (9.2.8.5) Please explain

*GCCs decrease in water discharge to third-party destination is due to increases in production at our cement facilities, which reduced discharge.*  
[Fixed row]

**(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?**

#### Direct operations

### (9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

### (9.3.4) Please explain

*GCC is working individually and collaboratively with the GCCA to establish a baseline, a clear methodology and a sound strategic roadmap for water. We anticipate providing greater disclosure in the near-term.*

#### Upstream value chain

### (9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

#### (9.3.4) Please explain

*GCC is working individually and collaboratively with the GCCA to establish a baseline, a clear methodology and a sound strategic roadmap for water. We anticipate providing greater disclosure in the near-term.*

[Fixed row]

#### (9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☒ We do not have this data but we intend to collect it within two years

#### (9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	1363900000	458145.78	As GCC continues to prioritize water efficiency initiatives, we anticipate our total water withdrawal efficiency to increase.

[Fixed row]

#### (9.12) Provide any available water intensity values for your organization's products or services.

Row 1

##### (9.12.1) Product name

Cement

### (9.12.2) Water intensity value

457.9

### (9.12.3) Numerator: Water aspect

Select from:

☒ Water consumed

### (9.12.4) Denominator

*\*\*Per metric ton*

### (9.12.5) Comment

*Our data was verified by a third-party.*

*[Add row]*

### (9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	Not assessed

*[Fixed row]*

### (9.14) Do you classify any of your current products and/or services as low water impact?

### (9.14.1) Products and/or services classified as low water impact

Select from:

☒ Yes

### (9.14.2) Definition used to classify low water impact

*We consider a product to have low water impact if it reduces the amount of water used compared to the standard alternative.*

### (9.14.4) Please explain

*GCC recognizes that the cement industry consumes high volumes of water to produce products. At GCC, we are making water conservation efforts by reusing rainwater or introducing new products to reduce water usage. For example, we are currently selling a GCC innovative product called Cementrol, which reduces the need for roadway watering during the on-site construction process."*

*[Fixed row]*

### (9.15) Do you have any water-related targets?

Select from:

☒ No, but we plan to within the next two years

### (9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

#### (9.15.3.1) Primary reason

Select from:

☒ We are planning to introduce a target within the next two years

#### (9.15.3.2) Please explain

*In recent years, GCC has set Scope 1, 2, and 3 emissions reduction targets aligned with and approved by the Science Based Targets Initiative. Although GCC understands the importance of setting a water-related target, we have focused more closely on our emissions reductions. We continuously manage water-related risks and opportunities and disclose our progress annually in our Sustainability Report.*

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☒ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☒ Land/water management

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	<div>Select from:</div> <div><input checked="" type="checkbox"/> Yes, we use indicators</div>	<div>Select all that apply</div> <div><input checked="" type="checkbox"/> Other, please specify :GCCA Charter indicators</div>

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ Data not available

**(11.4.2) Comment**

*GCC is responsible to comply with laws and regulations.*

### **UNESCO World Heritage sites**

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ No

**(11.4.2) Comment**

*Any of our plants are near to a reserve.*

### **UNESCO Man and the Biosphere Reserves**

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ No

**(11.4.2) Comment**

*Any of our plants are near to a reserve.*

## Ramsar sites

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ Yes

**(11.4.2) Comment**

*The company identify the following areas near one of our plants: Rio San Pedro, Manantiales Geotermiales de Julimes, and Sand Lake National Wildlife Refuge.*

## Key Biodiversity Areas

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ Not assessed

**(11.4.2) Comment**

*Evaluation has not been assessed due to lack of tools.*

## Other areas important for biodiversity

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

☒ Yes

**(11.4.2) Comment**



*GCC work with areas on which our activities might left an impact or that are important for the community.*

*[Fixed row]*

### **(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.**

#### **Row 1**

#### **(11.4.1.2) Types of area important for biodiversity**

*Select all that apply*

☒ Other areas important for biodiversity

#### **(11.4.1.4) Country/area**

*Select from:*

☒ United States of America

#### **(11.4.1.5) Name of the area important for biodiversity**

*Quarry 1 (Tijeras' old quarry)*

#### **(11.4.1.6) Proximity**

*Select from:*

☒ Adjacent

#### **(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area**

*GCC's activities in the reporting year located in "Quarry 1" were about vegetation monitoring and verify the success of the plant life.*

#### **(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity**

Select from:

☒ Yes, but mitigation measures have been implemented

#### **(11.4.1.10) Mitigation measures implemented within the selected area**

Select all that apply

☒ Site selection

☒ Project design

☒ Restoration

☒ Biodiversity offsets

#### **(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

*One of the company's activities is the extraction of its resources from quarries that is negatively impacting the biodiversity of the land. Yet, as a responsible cement and concrete producer, we assess the gravity of our footprint and work in conducting rehabilitation projects on the areas we have affected.*

*[Add row]*

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

- ☒ Carbon removals
- ☒ Fuel consumption
- ☒ Product footprint

- ☒ Renewable fuel consumption
- ☒ Target-setting methodology
- ☒ Emissions breakdown by country/area

- ☒ Base year emissions
- ☒ Progress against targets
- ☒ Emissions breakdown by business division
- ☒ Electricity/Steam/Heat/Cooling generation
- ☒ Electricity/Steam/Heat/Cooling consumption
- ☒ Emissions reduction initiatives/activities
- ☒ Renewable Electricity/Steam/Heat/Cooling generation

- ☒ Allocation of emissions to customers
- ☒ Energy attribute certificates (EACs)
- ☒ Year on year change in absolute emissions (Scope 3)
- ☒ Renewable Electricity/Steam/Heat/Cooling consumption
- ☒ Year on year change in absolute emissions (Scope 1 and 2)
- ☒ Year on year change in emissions intensity (Scope 1 and 2)

### (13.1.1.3) Verification/assurance standard

#### General standards

- ☒ ISAE 3000

### (13.1.1.4) Further details of the third-party verification/assurance process

*GCC underwent third-party verification for the second time by an external provider, KMPG.*

### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf*

## Row 2

### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

- ☒ Water

### (13.1.1.2) Disclosure module and data verified and/or assured

#### Environmental performance – Water security

- ☒ Water consumption– total volume

- ☒ Water discharges– total volumes
- ☒ Water withdrawals– total volumes

#### (13.1.1.3) Verification/assurance standard

##### General standards

- ☒ ISAE 3000

#### (13.1.1.4) Further details of the third-party verification/assurance process

*GCC underwent third-party verification for the second time by an external provider, KMPG.*

#### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf*

### Row 3

#### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

- ☒ Biodiversity

#### (13.1.1.2) Disclosure module and data verified and/or assured

##### Environmental performance – Consolidation approach

- ☒ Other data point in module 6, please specify

#### (13.1.1.3) Verification/assurance standard

##### General standards

- ☒ ISAE 3000

#### (13.1.1.4) Further details of the third-party verification/assurance process

*GCC underwent third-party verification for the second time by an external provider, KMPG.*

#### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*202310283210011\_Dig\_SustainabilityLimitedAssuranceReportGCC2023VDPP.pdf*

*[Add row]*

**(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

	Additional information
	No additional Information

*[Fixed row]*

**(13.3) Provide the following information for the person that has signed off (approved) your CDP response.**

#### (13.3.1) Job title

*Chief Sustainability & Innovation Officer*

#### (13.3.2) Corresponding job category

*Select from:*

☒ Chief Sustainability Officer (CSO)

*[Fixed row]*

**(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

*Select from:*

☒ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

