



PERIODIC REPORT FOR THE END OF THE FINANCIAL YEAR 2023

WE BUILD A SUSTAINABLE PRESENT

2023 SUSTAINABILITY REPORT

[CONCRETO.COM](https://concreto.com)

Carrera 43A No. 18 sur - 135. Sao Paulo Plaza.
Medellín, Antioquia.





▲ Valentina Marín, Valentina Mesa and Claudia Echavarría of the Training area.

→ Concreto's current securities issuances are ordinary shares whose trading system is a public stock market listed on the BVC (Colombian Stock Exchange).

Constructora Concreto S.A. has carried out the following issuances of shares:

A

Issue No. 1:

The amount of the issue was 72,000,000 shares in reserve not subject to preemptive rights.

B

Issue No. 2:

The amount of the issue was 180,000,000 shares in reserve.

C

Issue No. 3:

The amount of the issuance was 226,850,988 common shares of the Company, which represented 20% of the capital subscribed to date, for a value of COP 1,276 per share, for a total of COP 289,461,860,688.

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▲ Group 8 Project, Bogotá.

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REPORT PROFILE

We at Constructora Conconcreto S.A. present the 2023 Periodic Report. Here you will find complete information on our economic, social and environmental performance **from January 1 to December 31, 2023.**

The document delivered is formally reviewed and approved by the Management Team and the Board of Directors of the Company. This does not have external verification and is published annually.

The Report is structured according to the Company's strategy, based on the concept of "Value Engineering," including certain GRI and SASB indicators and items.

This latter have been voluntarily adopted, which places the business strategy in the context of the higher purpose: Inspiring a Sustainable Future.

If you have any doubts, suggestions or comments about this report, we have made a channel available to communicate with the Investor Relations Area by e-mail at ir@conconcreto.com or by telephone at **018000512333.**



▲ María Camila Páez, Francisco Posada and Amelia Martínez of Double C Design.



conconcreto.com

Our Social Networks





COMPANY PROFILE

At Constructora Concreto S.A. we design, build and manage highly complex projects of infrastructure and buildings, with high quality and efficiency standards that enable us to execute projects under the concept of Value Engineering.

The economic information on the activity of the subsidiaries of Constructora Concreto S.A.

is published in Note 1 of the attached Consolidated Financial Statements.

We are a public company listed on the Colombian Securities Exchange (Conconcret) that continuously seeks to generate greater profitability for its shareholders and to thereby assure its permanence over the long term. All the above under the principles of sustainability and innovation.



▲ Myriam Moreno and David Moscoso of the Housing area.

01

CEO REPORT

MESSAGE FROM THE CEO



To the Shareholders:

With mixed emotions, I submit to the shareholders my last Management Report, after 23 years as CEO and leader of this marvelous Organization, at which I always worked on capitalizing and harvesting opportunities in a thriving country, with an economic environment, for the most part, of optimism, and also facing certain challenges that provided lessons and developed resilience at all levels of the Company.

During these 23 years, each cycle produced different emotions, such as happiness, pride, satisfaction and gratefulness, but other more complex cycles produced fear, uncertainty, frustration and commitment.



“After 63 years of history, I am proud to say that we are a **recognized and respected brand in Colombia.**”.

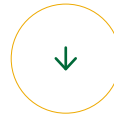
◀
Juan Luis Aristizábal Vélez
CEO of Concreto

In preparing this report, I must obviously make a recount of my performance as CEO of the Company, **seeking a balance between the most significant achievements for you and all our stakeholders.**

In general, my perception is positive, because unlike many of you, I have detailed knowledge of the business variables and the exogenous impacts that influenced each year's results. However, just as most human beings, I will always feel uneasy about not having done better, of having a greater impact on the environment and delivering you better results. Rather than reviewing the past to consider how we could have done things differently, my reflection is based on presenting the performance of Concreto based on the figures of the Company's macro results.

Here I highlight certain aspects, so that all of us (employees, Board of Directors, suppliers, customers and regulators) can understand the path taken by the Company over this period of over 20 years of the history of Concreto.

The year I was appointed as CEO of Concreto, **the Company's equity totaled COP 57,005 million, and during my term in office it increased to COP 1,451,848 million**, which represents growth in 2023 of 2,447% in current pesos and of 822% in constant pesos.



“The last 23 years have been full of challenges and opportunities for Concreto. After 63 years of history, I am proud to say that we are a recognized and respected brand in Colombia thanks to our technical capacity, the fulfillment of our obligations and our capacity to adapt to change by evolving the business model and adjusting the strategy.”

Additionally, equity grew by 1,809% in dollar terms at December 31, 2023. The Company paid shareholders (in stock and cash) COP 171,367 million. Additionally, it obtained investors who leveraged its growth in 2010, 2012 and 2015, in a total amount of COP 628,000 million, **which have enabled it to overcome challenges and position it as one of the largest companies in the industry in Colombia.**

Over the 23 years I led Conconcreto,

I would like to highlight some achievements that fill me with pride, and the challenges we overcame and through which we achieved the sustainability of the Company:

- ↓

We created and managed one of the three most important real estate funds in Colombia, which today has close to COP 3.8 trillion under management, equivalent to over 900,000 m² of rental area.
- ↓

We participated in the largest construction project in the history of Colombia, and we successfully faced off the largest construction project disaster in the world.
- ↓

We obtained investments in the Company's capital and investment vehicles for COP 2.5 trillion.
- ↓

We faced an investigation that caused reputational impairment and the postponement of one of the Company's largest projects, which produced major losses and stagnation from 2017 to 2022.
- ↓

We led the digital transformation and culture at Conconcreto to incorporate the BIM methodology and the use of productivity tools that enable us to create greater value, both for the projects in which the Company has investments and for our customers.
- ↓

We created a Value Engineering area to integrate designs and improve productivity during project execution.
- ↓

We raised awareness on the three components of sustainability (social, environmental and economic) and a commitment to the United Nations' Sustainable Development Goals (SDGs).
- ↓

We ventured into the business of Technical Designs, Construction, Real Estate Asset Management and Investment in southern Florida, United States, consolidating our position as a recognized player in the development of housing for sale and lease.
- ↓

We overcame the greatest financial crisis of recent years in 2020 and the Covid health emergency faced recently by humanity, which had an impact on all the economies worldwide.
- ↓

We refocused and adapted to changes and challenges to preserve a leadership position in the industry and to expand into new markets.

At the end of my term, it is my duty to present the results for 2023, a year with a complex macroeconomic environment, marked by a context of high interest rates all over the world and exorbitant interest rates in our country.

In the local economy, this context of high interest rates and unbridled inflation, especially in the construction sector, which, at the same time, combined with political uncertainty and

a reduction of investment in infrastructure, posed major challenges for the sector and for real estate development.

However, we duly anticipated some of the macroeconomic changes and were prepared to address these challenges, and in 2022 we realigned to focus on our strengths and on re-directing our strategy towards opportunities in the market where we are winners.



▲ Progress of the Group 5 Project, Avenida 68, Bogotá.



RELEVANT EVENTS 2023

During the year, we consolidated the materialization of the strategy we set out jointly with the Board of Directors, which has enabled us to evolve in each of our business lines, finding market niches where we are important, and leveraging our Value Engineering and construction execution skills, using the BIM methodology and modern digital tools for the integration of designs and monitoring of execution.

This also gave us the possibility of broadening the scope of our internationalization strategy and innovating in new products, both in existing businesses and in new needs and markets.

However, this was no easy task, because 2023 put us to the test, as all companies in the different economic sectors. We closed the year with inflation of 9.28% and high interest rates that reached up to 20% for certain loans for specific projects.

We had to sort out the effects of volatility in supplies and global logistics issues affecting construction materials. The exchange rate volatility affected equipment, supplies and services, and did not allow mitigating or transferring these risks.

In an environment of large price shifts, and additionally the disappearance of advance payments for large contracts, which are instead remunerated by the achievement of milestones, our liquidity was tight, which had an impact on normal business operations. This was compounded by restricted sources of financing caused by difficulties among the main players of the sector, which raised alerts at the financial institutions and increased their risk perception.

Despite all the above, and convinced that our strategy adds value to our customers, we focused on the following business lines to capitalize on business opportunities. As proof of our well-suited strategic adjustment, in 2023 we achieved awarded contracts in the amount of COP 1.74 trillion, which produced the greatest backlog in the Company's history, reaching up to COP 3.9 trillion.

Our portfolio was structured in three lines where the central business continues to be the provision of Infrastructure and Specialized Construction services: →→

→ 01 CONSTRUCTION SERVICES
IN TWO KEY NICHES:



» **Infrastructure and Specialized Construction**, through which we offer construction services for highly complex civil works, both to government and private sector customers, with Value Engineering and controlled execution that enables increasing margins that have been squeezed over the years.

TRANSMILENIO GROUP 5



TRANSMILENIO GROUP 8



- » **Integrated Designs, in all the disciplines**, through which we deliver local and international customers design services executed with constructor DNA and Value Engineering, generating time and cost efficiencies through a design consulting process.

To penetrate the international market, **Double C Designs stepped up from being an internal capability to become a consulting company** for internal customers and third parties, which enabled closing the year with growth of 200% in secured projects in this service category.

BOSA EXCHANGE



LAGOS DE TORCA



→ **02** HOUSING:



» **We focus on a brand strategy targeted at the upper-middle class market niche in only three cities: Bogotá, Medellín and Barranquilla,** achieving high quality standards and processes with sustainable construction certification. Additionally, all our projects have BIM models and we always search for efficiencies and productivity during the execution stage.

PORTO ROSSO ▾



ILLUSTRATIVE IMAGE OF THE TREEBAL PROJECT ▾



→ 03 INVESTMENTS:



» **We focus on investment portfolios in real estate, concessions and companies related to the Company’s business**, in which we prioritize the development, construction, operation, stabilization and sale of assets, aimed at generating the highest profitability to our investors through their administration and management.

In southern Florida (United States), which is a key market for the Company’s international focus, this strategy is being materialized through the Century Asset Management company. All the above hand-in-hand with our local partner Century HomeBuilders Group.

CENTURY TOWN CENTER I



→ 2023 IN FIGURES

Income from ordinary activities

Separated: COP 731,412 million	Consolidated: COP 1,222,338 million
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Gross profit

Separated: COP 128,774 million	Consolidated: COP 115,257 million
---	--

EBITDA

Separated: COP 155,969 million	Consolidated: COP 149,378 million
---	--

Consolidated backlog:
COP 3.8
trillion

Net Profit

Separated: COP 17,374 million	Consolidated: COP 1.022 million
--	--

Assets

Separated: COP 2,697,411 million	Consolidated: COP 2,906,247 million
---	--



▲ Tatiana Otero and Juan David Díaz of the Legal area.

Liabilities

Separated: COP 1,245,563 million	Consolidated: COP 1,509,229 million
---	--

Equity

Separated: COP 1,451,849 million	Consolidated: COP 1,397,018 million
---	--

A MESSAGE OF GRATITUDE



During these 23 years as CEO and over three decades at the Company, **I had the privilege of leading and assisting in the evolution of Concreto in different positions, and under the tutelage of great teachers and stakeholders of the construction industry who I also must acknowledge:**

- » **J. Mario Aristizábal**, the entrepreneur who had the vision and courage to create a great brand, a company recognized nationally for its technical capacity and commitment to the public and private sector in the execution of major infrastructure and construction projects.
- » **Esteban Restrepo**, who with his ingenuity and common sense was always able to find a value proposition for customers and overcome obstacles, with high decision-making capacity and technical proposals that make him one of the best engineers in the industry.
- » **Juan Guillermo Saldarriaga, Ana Sofía Tobón and Jorge Hernán Jiménez**, who with their in-depth knowledge of the business had the patience to support and help me fill technical and business voids when I was first appointed CEO.
- » **Nora Cecilia Aristizábal**, who accompanied and advised me in my growth at the Organization and later on the Board of Directors.
- » **All the members of the Board of Directors during these 23 years**, who were my bosses, for their wise advise and their definition of the direction of the business.
- » **The bankers and insurance company executives**, for trusting in my leadership and in the Company to climb out of the crisis and for leveraging growth.
- » **The investors** who believed in Concreto and contributed capital for its development.

- » **The financial and legal advisors** who assisted us in structuring projects, legal proceedings, raising capital and large contract negotiations.
- » **All the employees who have passed through the Company in the last 30 years**, who have always exceeded their commitment to the Organization and with whom we have built a future with a human sense and inspired a sustainable future.

I must also highlight some projects that I will always carry in my memory, some with a bittersweet taste, but which marked my way of facing challenges in the sector:

Porce II, Porce III, Túnel Misael Pastrana Borrero, Hidroituango, Puerto Aguadulce, Interceptores Río Bogotá, Relleno Sanitario Doña Juana, Tanque Suba, Puente Binacional, Puente Yondó, Concesión Devimed, Planta de Cemento Columbus, Túnel Piloto de La Línea, Concesión Bogotá-Girardot, Puerto Brisa, Edificio Venecia, the shopping centers Gran Plaza and Bodegas San Francisco.

PUERTO INDUSTRIAL AGUADULCE



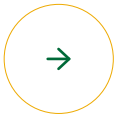
**HIDROITUANGO** ↗

I also have great memories of all the partners who accompanied us in several projects through consortia, concessions or vertical integration companies.

I can assure you with great pride that we continue to enjoy tremendous recognition in the execution of large construction projects for our impeccable execution, always delivering the works on schedule and within budget, taking into consideration the changes and adjustments accepted by the parties.

I have had the support of a team committed to innovation, sustainability and adaptation to changes in the economic, political and socio-environmental environment both locally and globally.

The only valid premise in the business world today is change, and the greatest challenge we face is the speed of that change. Only organizations that adapt to change and search for opportunities will be capable of surviving and contributing to the country's development.



“Today I hand over to my successor an Organization that is an industry leader, with a clear business and growth strategy, with a team that adapts to the challenges of the environment and with the capacity to face change.”

I am proud to pass on the baton to Nicolás Jaramillo Restrepo, who I have known for 18 years, and to his management team, in whom I recognize their capacity for leadership, industry knowledge and experience, commitment to the customer and stakeholders, and results orientation to create value for our shareholders.

This Management Report is particularly nostalgic for me, because besides presenting the results of the materialization of the new strategy in 2023, it is the last report I will present as CEO of Concreto. I must declare my gratitude to my wife, María Clara Gutiérrez, and my daughters Juliana, Laura and Sofía, for their permanent company and support; to my mother, Inés Vélez, and my brothers; to my founding partners, the Aristizábal Mesa, Aristizábal López and Restrepo Mora families; to Xavier Huillard, CEO of Vinci, and the executives who have accompanied us since 2000. I also regret that my father, Darío Aristizábal, one of the founders of Concreto, has not witnessed my performance at the Company he admired so much.

Lastly, all I have is gratitude, admiration, respect and camaraderie with all those who have crossed paths with me over these 30 years of professional challenges. Some of them contributed to building my character as business leader, others were my teachers in leadership, a few had the patience to accompany me in my training in construction and others were great advisors in times of crisis. I have received great teachings and lessons from all of them and I will treasure them all my life, and I hope to share them to contribute to the community in order to build a better country and a more equitable and sustainable world.



FISCAL YEAR PURSUANT TO LAW

» INTERNAL CONTROL

The general architecture and control system is the mechanism by which the Organization groups the internal and external control processes, guaranteeing the coherence and consistency of the different administrative and managerial processes.

The internal control processes include all verification, monitoring and control mechanisms carried out by agents that are part of the different spheres of the Company. These strategies include self-control, monitoring plans, periodic review of strategic risks, financial results and relevant business information that are made available to the audit committee of the board of directors, facilitating the achievement of strategic objectives and guaranteeing continuous improvement of society.

On the other hand, the external control processes are headed by the Statutory Auditor third-party audits and the certifying entities of the quality management system. These entities verify compliance with legal, regulatory, contractual and organizational guidelines in accordance with national and international standards.

» AUDIT

The annual program of internal audits for the management system is governed by the ISO 9001:2015, 14001:2015, 45001:2018 and NORSOK S-WA-006:2020 standards. These are applied to nine (9) infrastructure projects, seven (7) design projects, four (4) construction projects, fifteen (15) strategic and support processes and one (1) laboratory for the quality control of construction materials construction in soils, concrete, stone aggregates and asphalt mixes. As a result of the 2023 internal audits, action plans were applied in search of continuous improvement to optimize the Company's processes, contribute to the effectiveness of the operation and the fulfillment of strategic objectives.



▲ Juliee Katherine Aldana of the Group 8 project.



▲ Diana Patricia Posada of the Administrative area.

» MONEY LAUNDERING

A top priority for the Company is to ensure compliance with the regulations, instructions and standards that must be taken into account to avoid the materialization of the risks associated with corruption, fraud, bribery, money laundering and financing of terrorism (ML/FT). For this reason, we have in place a procedure for the validation and control of results of inquiries in sanctions lists and reports in public information sources, with the purpose of protecting the business from possible risks related to unusual or suspicious transactions aimed at serving as instruments to conceal, handle, invest or use, in any way, money or assets derived from illegal activities.

Concreto has procedures and activities for the control and prevention of money laundering that allow strengthening the different processes and reacting in advance, in order to prevent operations and/or transactions that generate income from resources that adversely compromise the Company.

» TRANSACTIONS CARRIED OUT WITH RELATED PARTIES AND MANAGERS

In fulfilling the corporate purpose, throughout 2023, a series of transactions were performed at market price among the companies of the Corporate Group and other related companies, all in line with the main or related corporate purpose pertaining to each of said companies. All this information appears on the notes to the Financial Statements.

» CONFLICTS OF INTEREST

The Company kept its Policy on conflict of interest in force, and reported that during 2023 there were no situations related to this matter among the administrators. Concreto S.A. continues to be committed to promoting among its employees the ethical and moral values that must govern each action.

» INTELLECTUAL PROPERTY

According to the provisions of Law 603/2000, Constructora Concreto S.A. certifies that in the course of its business activity, it has complied with the regulations in force regarding intellectual property and copyrights. The Company is committed to the compliance and full application of legal guidelines relating to intellectual property, copyright and policies for the use of software. For this reason, the licenses, their validity and the equipment available to the employees are periodically reviewed to verify that everything is in accordance with the law, to prevent the use of programs or services not obtained with the legal requirements.

» SOCIAL SECURITY AND OTHER PAYROLL CHARGES

Constructora Concreto S.A. certifies that in 2023 the social security and parafiscal payments were made properly and within the legal term, without any irregularity. In addition, current tax regulations were complied with to make payments to individual contractors.

» COMPLIANCE WITH ARTICLES 46 AND 47 OF LAW 964/2005

Constructora Concreto S.A. certifies that, as at December 31, 2023, the Financial Statements and the other reports presented in the Annual Management Report do not contain flaws, inaccuracies, or errors that prevent knowing the true financial situation or the operations of the Company.

Furthermore, certifies that the financial information has been properly presented according to the disclosure and information control systems implemented by the following means: Audit Committee, Board of Directors and Executive Committees.

» IMPORTANT EVENTS AFTER DECEMBER 31, 2023

On January 31, 2024, the Company published the Report on the Implementation of Best Corporate Practices –Código País– for fiscal year 2023, indicating the dynamics of the corporate governance rules that have been implemented by the Company. The survey was published on the Company's website at the link <https://concreto.com/gobierno-corporativo/#id-centro-descargas>, where it may be viewed by investors and which forms part of this Management Report. The Administration will continue working on the development of policies and guidelines that allow adjusting its corporate governance model to the recommendations of the Código País.

Also, on February 16, 2024, the public market was informed that Dr. Ana Karina Quessep Alcové submitted her resignation to the position of member of the Board of Directors of the Company, and that on the meeting on said date, the Board of Directors issued the following decisions:

- A.** It instructed the CEO of the Company to call the ordinary General Meeting of Shareholders to be held on March 22, 2024.
- B.** It approved the Management Report on Sustainability, the Financial Statements and their attachments, the Corporate Governance Report and the profit distribution proposal to be put to the consideration of the ordinary General Meeting of Shareholders.
- C.** It appointed as CEO of the Company Mr. Nicolás Jaramillo Restrepo, to replace Juan Luis Aristizábal Vélez starting on March 31, 2024.
- D.** It appointed as First Alternate of the Registered Agent Mr. Alejandro Villegas Cañas, to replace Mr. Nicolás Jaramillo Restrepo starting on March 31, 2024.
- E.** It appointed as Fourth Alternate of the Registered Agent Mr. Jorge Libardo Duarte Ballesteros, to replace Mr. Ricardo Rodríguez Garavito.

It also published the draft Profit or Loss to be submitted to the General Meeting and the notice of compliance with Public Notice 029/2014, which establishes measures to ensure the effective participation and the exercise of the political rights of the shareholders.

On February 20, 2024, it was reported that on the same date the Company published in the newspaper La República the notice calling the ordinary General Meeting of Shareholders of the Company. It turn, it was reported that all required procedures and authorizations had been issued to carry out the call to the meeting.

» **CORPORATE GOVERNANCE**

Regarding corporate governance, the ordinary General Meeting of Shareholders of the Company was held on March 31, 2023, under the mixed meeting mechanism, face-to-face at Carrera 43 B No. 1 A sur - 70, Edificio Buró, Milla de Oro, Auditorium - floor 5, Medellín, Antioquia; and virtually through the digital platform named Comprehensive System for Management of General Meetings, managed by the Central Securities Depository of Colombia (DECEVAL S.A.). The meeting approved the Management Report on Sustainability, the Corporate Governance Report, the Financial Statements of the Company at December 31, 2021, restated, and the Financial Statements of the Company at December 31, 2022. The meeting also appointed the Board of Directors for the period from April 2023 to March 2025.

» INVOICE REPORT

Constructora Conconcreto S.A. makes a record of not hindering the free flow of invoices issued by vendors or suppliers in accordance with Article 87 of Law 1676/2013.

» CORPORATE GROUP REPORT

In compliance with Article 29 of Law 222/1995, the Constructora Conconcreto S.A. Corporate Group hereby informs:

The most significant transactions carried out during 2023, directly or indirectly, between the parent company and its affiliates or between subsidiaries and controlled companies were between Constructora Conconcreto S.A. and its affiliate Industrial Conconcreto S.A.S., in which it received in lieu of payment the subordinated debt of Vía 40 Express S.A.S. in the amount of COP 244,176 million, partially repaying the existing debt between the companies. During the year, interest and UVR adjustments were generated in the amount of COP 19,027 million, and it is noted that at the end of the year a balance pending collection remained consisting of principal and interest equivalent to COP 24,740 million.

During the course of the year, other transactions were carried out between the parent company and its subsidiaries, for smaller amounts, which are listed in detail in the notes to the Financial Statements, always complying with the



▲ Hans López of the Avenida 68 - Primero de Mayo project in Bogotá.

guidelines requiring that the transactions be carried out at market prices.

It is reported that in 2023 there were no significant operations concluded during the respective fiscal year between the controlled company and other entities due to the influence or interests of the parent, as well as significant operations concluded during the respective fiscal year between the controlling company and other entities in the interests of the subsidiary.

It is also reported that during the year 2023 there were no important decisions that the controlled companies have made or failed to make due to the influence or in the interests of the controlling company, as well as any important decisions that the controlling company may have made or did not make in the interest of the controlled companies.



→ **Juan Luis Aristizábal Vélez**

CEO of Concreto

MEMBERS OF THE BOARD OF DIRECTORS

→ **Nora Cecilia Aristizábal López**

Chair of the Board of Directors

→ **Carlos Eduardo Restrepo Mora**

→ **José Alejandro Gómez Mesa**

→ **Luis Fernando Restrepo Echavarría**

→ **Álvaro Enrique Jaramillo Buitrago**

→ **Carolina Angarita Barrientos**

→ **Ana Karina Quessep Alcové**

→ **Orlando Enrique Cabrales Segovia**

→ **Christophe Pelissie du Rausas**

→ **Patrick Sulliot**



▲ **Gentil Bonilla, employee of the Patio Portal El Vínculo project.**



MESSAGE OF THE BOARD OF DIRECTORS ON THE OCCASION OF THE RETIREMENT OF JUAN LUIS ARISTIZÁBAL

The Board of Directors makes a special recognition to Juan Luis Aristizábal for his over three decades of work committed to Concreto, during which he has decidedly contributed to the Company's growth, particularly during the last 20 years in his capacity of CEO.

For over three decades, Juan Luis has been a central pillar for the development and growth of Concreto. **His visionary leadership, untiring dedication and resilience have left an indelible mark at our Company.**

Over the last 23 years, as CEO, Juan Luis has guided Concreto towards a future of success and prosperity. Thanks to his strategic vision and leadership in the process of internationalization and strengthening of the portfolio, today we are a company that manages real estate businesses, concessions and investments, with presence in Colombia, Central America and southern Florida.

Juan Luis has been a passionate defender of innovation and sustainability, driving Concreto to the leading edge of market trends. **His commitment to excellence and his focus on the implementation of new technologies have been essential for our sustainable growth.**

Under his leadership, we have carried out emblematic projects that have contributed to the economic development of Colombia and the region, consolidating Concreto as a key player in the business field.

At this time of farewells, we wish to express our most sincere gratitude to Juan Luis for his dedication and exemplary leadership. We wish him all the best success in this new stage of his life and we trust that his legacy will endure in the history of Concreto.

We thank Juan Luis for his commitment, vision and passion, and for making Concreto a leading and sustainable company. **His positive influence will continue to inspire us in the future.**


With deep gratitude and best wishes,



Board of Directors of Concreto
Medellín, March 22, 2024



2023 ACCUMULATED EXPERIENCE

During 2023, we executed 25 projects in 15 Colombian cities: 17 infrastructure, 5 housing, 1 industry (Concreto Proyectos) and 2 retail projects. All these added valuable experience to the Company. 

→ 183 kilometers
of tunnels

→ 4,435 MW
of thermal power stations

→ 220 kilometers
of roads and viaducts

→ 1,437,819 m²
of institutional buildings

→ 1,712,038 m²
of warehouses and
distribution centers

→ 1,770,661 m²
of shopping centers
and stores

→ 1,192,437 m²
of hotels and offices

→ 4,197,619 m²
of housing



CHAPTER

02



OUR BUSINESS

- CONSTRUCTION SERVICES
- HOUSING
- INVESTMENTS

CONSTRUCTION SERVICES

→ *In 2023, we focused on continuing to build the country, identifying opportunities in highly complex projects, applying good construction practices and Value Engineering, understood as improvements in productivity, efficiency, performance and sustainability. It has become a cross-cutting element in all our processes. **In this way, we move forward in the following two business lines:***



▲ **Xiomara Andrea León of Occupational Health and Safety at the Group 5 project.**

» INFRASTRUCTURE AND SPECIALIZED CONSTRUCTION

In line with our strategic guidelines, during the year **we focused on offering construction services for highly complex civil works, with Value Engineering, which enabled us to increase margins**, both for public and private customers.

During the year, in Colombia we continued to work with government entities on the construction of large urban infrastructure projects, such as those we are currently working on in the country's capital with the Institute for Urban Development (IDU, for the Spanish original).

This is the case of the Avenida 68 project, an important avenue that is 17 km long, which is expected to house a new lane for TransMilenio, with zero-emissions buses, to meet the commuting needs of over 1,193,000 residents of 10 local districts: Engativá, Fontibón, Kennedy, Tunjuelito, Puente Aranda, Teusaquillo, Barrios Unidos, Suba, Usaquén and Chapinero. It will also feed passengers to the first line of the Bogotá Metro.

In this project, we were awarded two of the nine sections under construction:

→ GROUP 5:

Located at Avenida 68 with Calle 26, it is an important intersection with Avenida El Dorado, because it serves users traveling to and from the airport of the capital.

The main focus of our intervention is to build the vehicle bridge over Calle 26, which is 99% complete, and the vehicle connection between Avenida 68 and Calle 26.

This section also includes the construction of 1.04 km of new roads and an underpass for bicycles.



Construction of this section is 47.91% complete, and it is the section with the highest completion rate of the project.

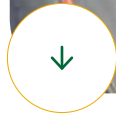


→ GROUP 8:

This section includes the intersection between two TransMilenio lanes and the point that expands Avenida 68 to Calle 100.

In 2023, we made progress in the construction of the bridge at Suba and Avenida 68 and continued with the excavation of the rest of the road, **for a completion rate of 17.71%.**

Our challenge is to create efficiencies in the construction process to complete the project in the first half of 2025, one year ahead of plan.



This section involves the construction of an underpass, a vehicle bridge, two TransMilenio stations and one bicycle parking lot.



We are also working jointly with IDU on the Calle 13 project, another important road, 14 km long, that is expected to house a new TransMilenio lane, with zero-emissions buses, to serve the commuting needs of over 2 million residents, not only from the main districts in western Bogotá, such as Puente Aranda, Engativá, Fontibón and Kennedy, but also towns such as Funza, Mosquera, Madrid and Facatativá. This project will also feed passengers to the first line of the Bogotá Metro.

We are completing the pre-construction stage of the first two sections, which involve the construction of a three-level intersection in the area called Puente Aranda, as well as adaptation of the TransMilenio system with 4 km of roads, located between Carrera 50 and Avenida Boyacá, which includes: adapting the lanes and public spaces; construction of pedestrian overpasses, bicycle routes, stations and ticket booths, as well as the construction of two vehicle bridges at the crossings with Avenida Constitución and Avenida 68.

We also signed the contract to reshape the third section of Corredor Verde, which includes adapting Carrera 7 for the TransMilenio system from Calle 183 to Calle 200 (Avenida El Polo). This project includes a large yard-workshop, with infrastructure for the direct recharging of electric buses and for receiving passengers from the northern neighborhoods of Bogotá.



CALLE 116 BIKE PATH ↗

We also signed the contract to build the zone yard El Gaco, located at Avenida José Celestino Mutis, next to the northern runway of the El Dorado Airport, which will serve as parking lot for the zone system of the integrated public transportation system of Bogotá.

In Bogotá, we also worked with the company **Metro Línea**, which is in charge of building the Bogotá Metro, for which we built the Wagon School, in order for the community to see how the wagons look inside and how they should use them, to begin to develop a Metro culture. We also made **progress in the construction of several pedestrian overpasses and we plan to participate in additional works with this customer.**

In 2023 we continued to work with the Office of the Governor of Cundinamarca, through Empresa Férrea Regional (EFR): **Section 2 is now**

90% complete, which is the extension of the NQS highway to the municipality of Soacha, and which includes the works of Patio Portal El Vínculo (TransMilenio Soacha). At the end of the year, this contract was extended to perform water drainage works in Soacha, which we will begin in 2024 and is scheduled for delivery in the first half of 2025.

With private-sector customers we worked on projects such as **Lagos de Torca, which awarded us two contracts, one to build Avenida Guaymaral,** which connects Avenida Boyacá with Autopista Norte, and another to build the firefighting station and EBAR waste collector.

These works are part of the Lagos de Torca project, a major multi-SEL housing development between Bogotá and Chía, which will have the size of cities such as Pereira, Manizales or Montería, and where we see numerous opportunities for new projects.

Additionally, thanks to our experience in infrastructure works, with AES Colombia, an international company that invests in and operates electric power generation assets, **we signed a contract to rehabilitate the tunnels of the Chivor II hydroelectric plant, a four-year project. During 2023, we moved forward to the pre-construction phase.**

COURTYARD PORTAL EL VÍNCULO





P

2024 CHALLENGES

01

Maintain project execution within the established time frames, fulfill expectations in the reduction of construction times.

02

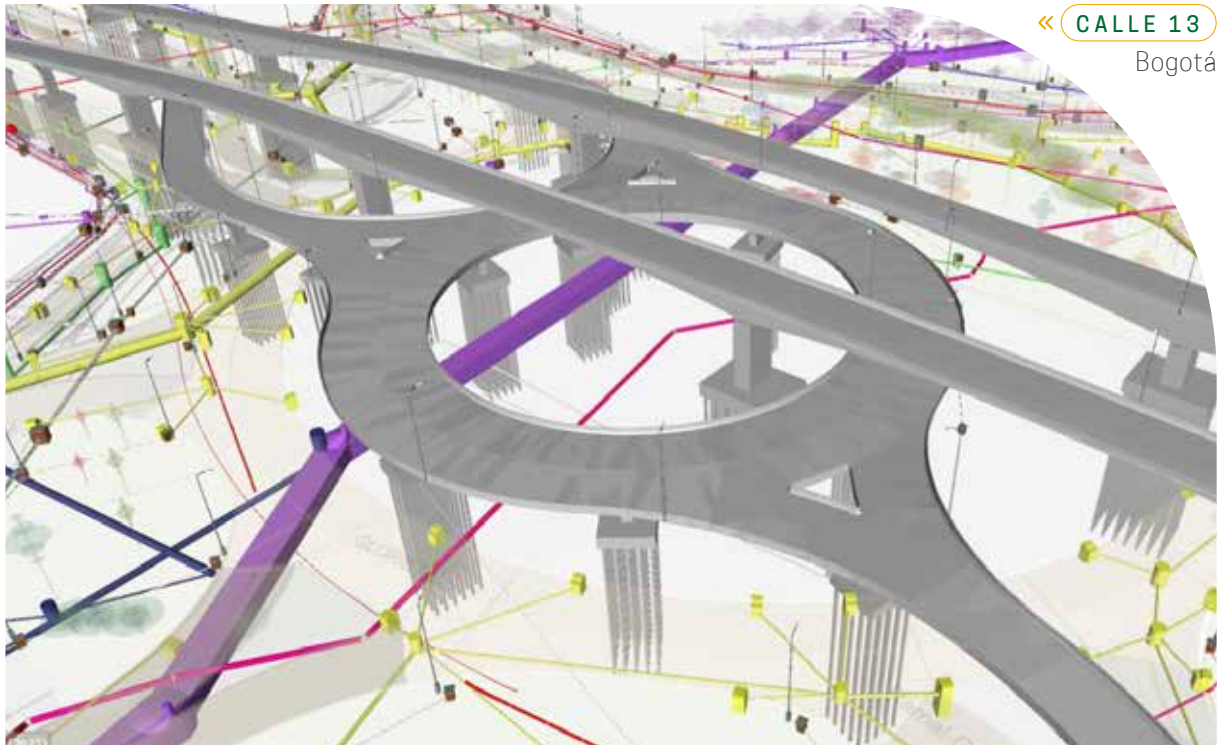
Articulate financial solutions that continue to make the projects viable, both projects currently in execution and new ones, not only with Company resources, but also with funding from the financial sector.

03

Initiate projects that require financing models for their execution.



» DOUBLE C DESIGNS



« CALLE 13

Bogotá

In 2023, we positioned ourselves in the market as an integrated international design brand, supported by the BIM methodology, creating value for customers based on our construction knowledge and experience. We continue to work on expanding our services in southern Florida, Panama, Dominican Republic, Guyana and Costa Rica, by creating strategic partnerships in each of these areas.

Also, as part of this exercise of defining our business strategy, we focused on identifying where we are profitable and competitive, and where we create value for the Company. Based on these definitions, **we transformed our focus on production to be more assertive in our business, while at the same time offering cost and time efficiencies to our customers, to increase our competitiveness in the market.** At Double C Designs, we are always open to innovation, sustainability and the search for efficiencies through the use of technology.

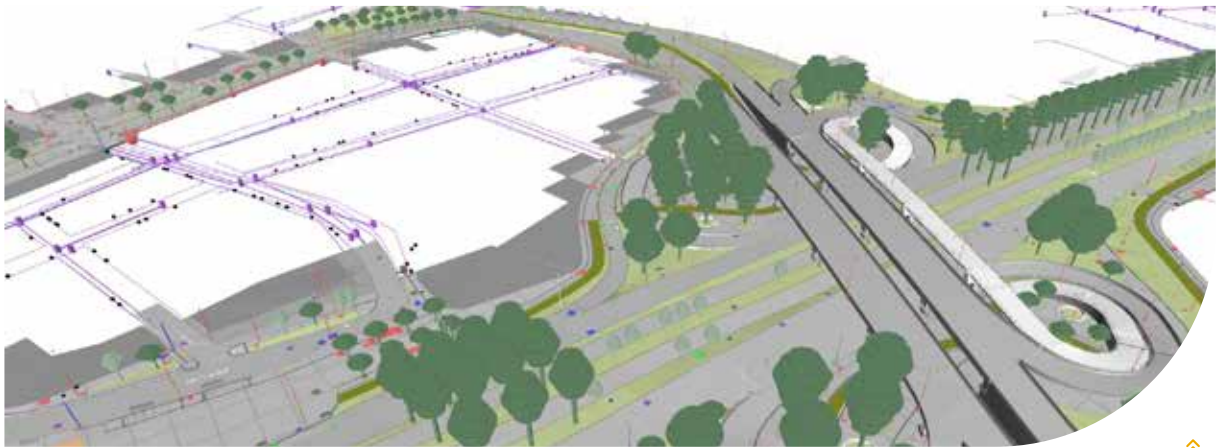


→ **The following are some of the relevant events related to our performance in 2023:**

- » **We evolved from an internal capability of the Company to become consultants for external customers and third parties, which enabled us to close the year with growth of 200% in secured projects.** We achieved this by transforming our growth vision and focusing on new market niches in sectors such as the financial, industrial, infrastructure and airport industries, as well as government customers. Another key factor was the growth of our team, both in capabilities and experience.
- » **We increased gross profits by 307% compared to 2022,** thanks to the timely interaction between disciplines during the various design stages, cutting reprocessing, improving the profitability of the awarded projects and enhancing our competitiveness to achieve greater assertiveness in the presentation of value propositions to our customers.
- » **We managed to consolidate the business thanks to new projects awarded in** Dominican Republic, Costa Rica, Guyana and Panama, which represent 8% of our backlog.
- » We contribute Value Engineering during the bidding stage to be awarded new infrastructure projects, **optimizing direct construction costs by up to 6%.**

» LAGOS DE TORCA PROJECT





BOSA HIGHWAY INTERCHANGE

Cundinamarca

- » **In collaboration with our partner Autodesk, we moved forward in the BIM evolution to create and generate construction and design information throughout the projects' life cycle.** During the year, we trained our team, implemented and tested new tools, especially those based on artificial intelligence, which enabled us to achieve cost and time efficiencies, especially avoiding reprocessing.
- » **We established task groups with Autodesk Colombia, MCAD (the most important software wholesaler of Autodesk in Colombia) and the Urban Development Institute (IDU),** with which we are developing the process on how a city like Bogotá should address BIM for urban infrastructure. Other public utilities companies have also joined this initiative, including Enel, Vanti, Claro, Movistar and Acueducto de Bogotá.
- » **We consolidated the business unit for third parties, duplicating our backlog (237% compared to 2022) with strategic projects for customers such as Banco de la República and Hospital Universitario Javeriana, as well as other projects with the financial sector and airport buildings.** We also developed a second project for our customer Jerónimo Martins, as well as the Arena Primavera project for the entertainment industry, through which we continue consolidating our experience in this industry.



2024 CHALLENGES

01

Duplicate the volume of projects in our backlog, focusing especially on growth with external customers, which should account for 70% of the backlog.

02

Generate new capabilities and business models to consolidate our position through framework agreements with large customers, **which will enable us to maintain business stability and sustainable growth.**

03

Consolidate our position in the southern Florida market in the United States, to become a strategic partner for local engineering firms and developers, offering services under the model of one stop design (provide customers a comprehensive solution for all their needs in a single place).

04

Strengthen relationships with strategic partners, such as local and international construction companies, that will contribute capacity for our exponential growth.

05

Continue exploring technological tools, especially those based on artificial intelligence (AI) for comprehensive project management.

06

Continue to consolidate our team with the best talent available, implementing strategies of projection and growth.



HOUSING

→ *Housing construction is a business we believe in and where we have found great growth opportunities.*

2023 was a challenging year for the construction industry, given the contraction of sales figures in terms of new housing units. According to the annual report of Galería Inmobiliaria, the VIS segment dropped by 54% and the non-VIS segment decreased by 18%. This result was worsened by a substantial number of desisting customers, which Camacol calculated at 27% of total national sales. This tough situation was compounded by external factors, such as the increase in interest rates due to high inflation, which in 2023 closed at 13.12%. Additionally, during the year there were supply chain issues caused by international conflicts and instability.

In this scenario, and despite the unfavorable situation for the construction industry, **at Concreto we demonstrated our commitment and we strengthened our growth strat-**

egy in the housing construction and sales line, achieving significant figures during 2023, such as deeds issued in the amount of COP 200,000 million, a historical figure for the Company in this business line. We also achieved sales for COP 204,000 million and we strengthened our relationships of trust with the financial entities, which approved 3 new construction credit lines for an approximate amount of COP 121,000 million, in which Concreto acts in the capacity of guarantor.

Housing construction is a business we believe in and where we have found great growth opportunities. In the materialization of the strategy, we focused on the development and sale of housing projects for the upper-middle class in capital cities such as Bogotá, Medellín and Barranquilla, fulfilling our quality standards.

For this reason, in 2023, we worked on:

- **Strengthening the sales and marketing process** through the acquisition of tools and expert advisory.
- **We improved commercialization strategies and increased sales in the main channels.** We also ventured into the US market through real estate trade events. We highlight the launches of projects such as Tower 2 of Contree Palmas, Treebal in Medellín, and Tower 5 of Puerto Azul in Ricaurte, Cundinamarca.
- **Despite challenges with suppliers that delayed five works in 2023, our team managed to overcome them:** we delivered the homes in the same year, and at the Zanetti - Tower 4 project in Medellín we reduced execution time by six months, which will have a positive impact on income in 2024.
- **We enhanced the municipal infrastructure surrounding our projects:** We made important agreements with local mayors for works such as a road in Sabaneta and the construction of a wastewater network in Itagüí. These works were delivered to satisfaction and form part of an advance payment for the assignment of the projects in these municipalities. We additionally carried our repair work on the rainwater drainage network from Ricaurte, Cundinamarca to the Magdalena River, as a contribution of the Puerto Azul project.
- **We implemented a call center and a tool to manage customer complaints** to improve the timeliness of service and attention, providing timely answers and adequate solutions for each need.



ILLUSTRATIVE IMAGE OF THE FACADE
OF CONTREE CASTROPOL

Medellín

→ **01** **CONTREE PALMAS TOWER 1:**
PROJECT 100% BY CONCRETO



- **Municipality:**
Medellín
- **Units:**
79
- **Estimated project sales:**
COP 93,923 million
- **Progress:**
Issuance of deeds and delivery of 73% of Tower 1. Launch of sales in Tower 2

→ **02** **CONTREE CASTROPOL**
PROJECT 100% BY CONCRETO



- **Municipality:**
Medellín
- **Units:**
53
- **Estimated project sales:**
COP 78,600 million
- **Progress:**
Sales break-even point, construction license granted, approval of construction loan and initiation of works

→ 03

ZANETTI

PROJECT 100% BY CONCRETO



- **Municipality:**
Itagüí, Antioquia
- **Units:** 192
- **Estimated project sales:**
COP 75,164 million
- **Progress:**
Financing of Tower 4

→ 04

CIUDAD DEL BOSQUE

IN PARTNERSHIP WITH ARQUITECTURA Y CONCRETO



- **Municipality:** Sabaneta
- **Units:** 136 in Tower 4 and 155 in Tower 5 (Menta)
- **Estimated project sales:**
COP 50,176 million in Tower 4 and COP 87,274 million in Tower 5 (Menta)
- **Progress:** In Tower 4, works were completed, progress was made in issuing deeds, and 79% were delivered. In Tower 5, the sales break-even point was reached, the construction loan was approved and works were initiated

→ 05 SUNSET BOULEVARD

PROJECT 100% BY CONCRETO



- **Municipality:**
Puerto Colombia, Atlántico
- **Units:**
94
- **Estimated project sales:**
COP 54,483 million
- **Progress:**
Completed construction of Tower 2 and the deed issuance process is 85% complete

→ 06 PORTOROSSO

PROJECT 100% BY CONCRETO



- **Municipality:**
Puerto Colombia, Atlántico
- **Units:** 160
- **Estimated project sales:**
COP 94,766 million
- **Progress:** In Tower 1, works were completed and the deed issuance process is 79% complete. In Tower 2, the construction loan was approved and works were initiated.

→ 07 PUERTO AZUL

PROJECT 100% BY CONCRETO



- **Municipality:**
Ricaurte, Cundinamarca
- **Units:**
96 in Tower 5 and 96 in Tower 8
- **Estimated project sales:**
Tower 5: COP 32.549 billion.
Tower 8: COP 19,245 million
- **Progress:** In Tower 8, the works were completed and the deed issuance and delivery process is 67% complete. In Tower 5 (Acqua), sales were launched

→ 08 PRIMAVERA VERDE

PROJECT 100% BY CONCRETO



- **Municipality:**
Neiva
- **Units:**
96
- **Progress:**
The works were completed

**SOCIAL INTEREST HOUSING
PROJECT (VIS)**

→ **09** **RUA 19**
PROJECT 100% BY CONCRETO



- **Municipality:**
Envigado
- **Units:**
56
- **Estimated project sales:**
COP 71,648 million
- **Progress:**
In pre-sales process, 52% sold

→ **10** **NUEVO POBLADO**
PROJECT 100% BY CONCRETO



- **Municipality:**
Itagüí
- **Units:**
726 (total planned units)
- **Estimated project sales:**
COP 315,385 million
(total planned units)
- **Progress:**
Pre-sales stage Baena Tower:
176 units, 35.80% sold.
Presti Tower: 132 units,
45.45% sold

NEW PROJECTS

→ 11

TREEBAL

IN PARTNERSHIP WITH UNO PUNTO SEIS



→ Municipality:

Medellín

→ Units:

39

→ Estimated project sales:

COP 82,915 million

→ Progress:

Acquisition of land and construction of the sales showroom

→ 13

BOSSCATTA

PROJECT 100% BY CONCRETO



→ Municipality:

Suba, Cundinamarca

→ Units:

192 units in 4 towers

→ Estimated sales of the project: Stage 1: COP 34.137 billion. Estimated sales future stages: COP 128,883 million

→ Progress:

Sales to begin in 2024



→ P 2024 CHALLENGES

01

Consolidate our position as a niche player in the markets of Bogotá, Medellín and Barranquilla, identifying growth opportunities high-demand middle and upper class areas.

02

Enable new projects through the articulation of investors and land-contributing investors.

03

Fulfill specific sustainability goals, such as the reduction of carbon emissions, the use of sustainable materials and the implementation of green technologies in all housing projects.

04

Continue to execute the various projects overcoming the challenges of the industry, such as high interest rates and the slow-down of sales.

↓ INVESTMENTS

→ *We focus on investment portfolios in real estate, concessions and companies related to the Company's business, in which we prioritize the development, construction, operation, stabilization and sale of assets, aimed at generating the highest profitability for our investors.*

2023 was a challenging year. In Colombia and the United States, there was a sharp increase in interest rates and inflation, compounded by the impacts produced by international conflicts on the markets.

During the year, we focused on managing the investment portfolios in real estate, concessions and companies related to the Company's business. **We achieved this through the development, construction, operation, stabilization and sale of assets, aimed at generating the highest profitability for our investors through their administration and management.**

Pactia maintained its stabilization course, achieving average occupancy (excluding hotels) of 95% and NOI of COP 309,397 million. Vía 40 Express achieved the financial closing of long-term debt in the amount of COP 2.6 trillion and a first disbursement of COP 1.2 trillion. With this closing, Vía 40 has secured the funds it requires to complete the works of the third lane between Bogotá–Girardot.

Through the Century Asset Management company and hand-in-hand with our local partners Century Homebuilders Group, **we are materi-**

alizing the Company's internationalization strategy in southern Florida, United States.

We are convinced that this is a strategic market for our future in view of the presence of potential investors. **We highlight the closing of the capital raised in our first fund of homes for sale Century Oasis Fund for USD 5.8 million for three projects of 87 houses:** Royal, Oasis and Oasis Estates. We also produced returns on capital for the investors in this fund.

In terms of projects, we began pre-construction of Gables Living, located in Coral Gables, southern Florida. **We also achieved completion of 96% at Century Town Center 1,** a project with 326 apartment units for lease and over 30,000 ft² of retail space. The project is located in Doral, southern Florida.

→ **USD 1,350 million is the amount at the end of 2023** of the projects for future developments, which assures the work flow until 2027.

For the development of these projects we count on key partners for design and construction, enabling us to optimize resources and mitigate risks through the implementation of the BIM methodology, **which includes artifi-**

cial intelligence (AI) tools. A clear example of this is the digitalization of inspections we achieved in the Century Town Center 1 works.

We achieved progress in our projects during 2023:

→ 01 CENTURY TOWN CENTER 1



→ **City:**
Doral

→ **Units:**
In phase 1, 326 apartments for lease and over 30,000 ft² of retail space. In phase 2, 408 apartments and 27,000 ft² of retail space.

→ **Progress:**
In phase 1, 96% completion rate, NGBS sustainable construction certification, and contracting of the operator that will begin to lease the units in 2024. In phase 2, the pre-construction process was carried out, and the permits were approved to begin construction in 2024, once financial closing is achieved between April and May.

→ 02 GABLES LIVING



→ **City:**
Coral Gables

→ **Units:**
97 housing units, 8,000 ft² of retail space and 13,000 ft² of office space.

→ **Progress:**
Pre-construction. Construction is expected to begin in 2024, once financial closing is achieved between March and April.

→ 03 CENTURY ROYAL HOMES



→ **City:**
Homestead

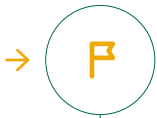
→ **Units:**
37 houses

→ **Progress:**
Loan financing was closed and the first 17 homes were delivered.



Other results of the investments in southern Florida were the approval of the TOD of Florida Town Center, a project in Florida City with 1,736 housing units and 200,000 ft² of retail-

ing space, as well as the purchase of the Krome plot of land in Florida City and refinancing of the Crystal plot of land.



2024 CHALLENGES

01

Increase the profitability of the assets in Fondo de Capital Privado Pactia, to increase cash distributions to investors.

02

Move forward in the works of the Third Lane Bogotá - Girardot, as well as assure the operation and service levels to meet the expected traffic levels at the different concessions.

03

Consolidate the financial closing of the projects in progress in the United States to ensure their execution, in order to continue generating profitability for investors.

04

Continue with the expansion strategy in southern Florida, identifying business opportunities that create value.



▲ Century Park Square, Florida.



CHAPTER

03

▲ Juan David Yepes, Ana Cecilia Roldán and Maribel Berruecos of the Financial area.

≪
CORPORATE MANAGEMENT

- CORPORATE GOVERNANCE
- RISK, ETHICS AND TRANSPARENCY MANAGEMENT
- ECONOMIC PERFORMANCE
- STOCK MARKET PERFORMANCE

CORPORATE GOVERNANCE



▲ Maribel Berruecos of the Financial area.

The highest corporate governance body of Conconcreto is the General Meeting of Shareholders, which is comprised of all the shareholders of the Company and which makes the most important decisions for its operation.

The highest management body of the Company is the Board of Directors, on which the General Meeting delegates powers to manage the Company. The Board is in charge of issuing strategic and important decisions, which include authorizations to enter into contracts or relevant businesses, and decisions that will generate greater value for Conconcreto and its different stakeholders.

The Board has three committees:

- **Corporate Governance**, in charge of overseeing the conduct and good corporate practices within the Company.
- **Human Talent**, in charge of defining strategic positions, compensation and profiles of the members of Senior Management and the Board of Directors.
- **Audit**, in charge of ensuring that the Financial Statements reflect the economic reality of the Company, and of reviewing and managing the risks that arise at the Company during the period.

Additionally, the Board of Directors of the Company approved a Succession Policy for the members of this body, which sets the parameters that should be followed to appoint its members.



**Click here to read
the Succession Policy.**

Finally, the Board of Directors delegates the ordinary course of business to Conconcreto's Senior Management, which is comprised of the Company CEO and Vice Presidents, who are in charge of ensuring the Company's operation and executing the decisions of the highest corporate authorities.

» GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest corporate body of the Company and is comprised of every one of its shareholders and/or their proxies registered in the shareholder registry. Each shareholder has as many votes as the number of shares it holds, with no restriction whatsoever.

Each year, an ordinary General Meeting is held to review the situation of the Company, appoint the managers and other employees elected by this body, set the economic guidelines for the Company, review the accounts and balance sheet of the latest year, decide on the distri-

bution of profits, and agree on any resolutions aimed at ensuring fulfillment of the corporate purpose.

The General Meeting may be called to extraordinary meetings at any time, whenever it is deemed necessary by the Board of Directors, the CEO, the Statutory Auditor, or when requested by a number of shareholders representing at least one-fourth of subscribed shares.

» BOARD OF DIRECTORS

Constructora Conconcreto S.A. has a Board of Directors in which the broadest power to manage the Company is understood to be delegated and, therefore, it will have sufficient powers to order the enter into or execution of any act or contract included within the corporate purpose and to adopt the necessary determinations in order for the Company to fulfill its purposes. In general, the Board of Directors delegates the ordinary course of business to the Senior Management team, concentrating its activity on the general functions of strategy, supervision, governance and control.

According to the bylaws, the Company's Board of Directors has 10 members appointed by the General Meeting of Shareholders, based on recommendations and profiles deemed necessary and convenient by the Board's Human Talent Committee. The General Meeting appoints the Board members based on criteria of professional qualifications, suitability and recognized moral solvency, and in all cases, as a minimum

thirty percent (30%) of them shall be independent members.

The parameters for the selection of Board members are defined in the Company Bylaws and in the Succession Policy of the Board of Directors, which are published on the website of Conconcreto.

During 2023, the ordinary General Meeting of Shareholders held on March 31 appointed the Board of Directors for the two-year period from April 2023 to March 2025. To this effect, the Company published the profiles of the proposed Board members on a micro-site enabled by Conconcreto within the corporate website, in which the shareholders and other stakeholders can review information of interest for the ordinary General Meeting.



**Read the Board of Directors'
Rules of Procedure.
Click here.**



▲ Andrés Felipe Correa of the Housing area.

→ **Currently, the Board of Directors is made up of the following people:**



**Nora
Cecilia
Aristizábal
López**



Shareholder appointed member and Chair of the Board of Directors

▪ **Appointment:**
March 26, 2010

Born on September 29, 1955. Graduated in Architecture from the Universidad Pontificia Bolivariana and has a Master's degree in Urban Design from the Massachusetts Institute of Technology (MIT). Work experience in different positions includes, Head of the Design Workshop at Condiseño Ltda., Director of the Department of District Planning and of the technical formulation of the Bogotá Land Management Plan. Currently works as Urban Context Manager.



**Carlos
Eduardo
Restrepo
Mora**



Shareholder appointed and executive of the Board of Directors

▪ **Appointment:**
March 30, 2011

Born on November 25, 1963. Graduated as a civil engineer from the Escuela de Ingeniería de Antioquia (EIA) and with a master's degree in Construction Engineering and Management from the Georgia Institute of Technology (GaTech) University. Has held several positions at Constructora Concreto since joining the Company over 28 years ago. Is currently the Advisor to the CEO and Manager of the Bogotá branch. Has been a member of the Board of Directors of Concreto for several intermittent periods, and is currently a member of the board of Administración de Recursos y Oportunidades S.A.



**Luis
Fernando
Restrepo
Echavarría**



Independent member of the Board of Directors

▪ **Appointment:**
March 31, 2004

Born on April 21, 1958. Graduate of Industrial Management from the Georgia Institute of Technology (GaTech), with an MBA from the University of Chicago. Professional experience includes working for eight years at The Marmon Group (Chicago), then at Crystal S.A.S. He has held different positions such as International Vice President, Executive Vice President and, from 2004 to the present, CEO. Also participates in boards of directors such as Bancolombia S.A., Etiflex S.A., MAS S.A.S., ANDI Antioquia section and ANDI General Directorate.



**Álvaro
Enrique
Jaramillo
Buitrago**



**Independent member
of the Board of Directors**

▪ **Appointment:**
March 22, 2013

Born on January 30, 1952. Business administrator from Universidad del Norte (Barranquilla). His professional career began at the Philadelphia National Bank reaching the position of Vice President, later holding the position of CEO at Invercrédito and later at Banco de Colombia. Founder of IQ Outsourcing in 1997. Later held the position of CEO of Avianca Holdings, and is currently a member of its Board of Directors. In addition, participates in other boards such as PetroWorks, Tribeca Asset Management and Grupo Daabon.



**José
Alejandro
Gómez
Mesa**



**Shareholder appointed member
of the Board of Directors**

▪ **Appointment:**
March 22, 2013

Born on February 1, 1964. Civil engineer from the University of Texas at Austin and a Specialist in Corporate Finance from Universidad Eafit. Founding partner and Director of the company SBI Banca de Inversión S.A. for more than 20 years. Since 2009, part of the Board of Directors of Inversiones Concreto and later joined the Board of Constructora Concreto S.A. when the merger between the two companies took place. Belongs to other boards of directors such as those of West Química S.A., and Inmel S.A.S.



**Carolina
Angarita
Barrientos**



**Independent member
of the Board of Directors**

▪ **Appointment:**
May 26, 2020

Born on September 19, 1971. Graduated in Social Communication-Journalism from the Universidad Javeriana, she has a Master's degree in International Journalism from the University of Westminster and studies in Leading Innovative Change at Berkeley University. Was Vice-president of Programming and Marketing at RCN TV and Vice-president of Colombia & Digital Lead Latinoamérica of Discovery INC. Member of the Board of Directors of AIESEC Colombia, of the Advisory Committee of Latino Impact Summit and of the Advisory Board of MET Community.



**Orlando
Enrique
Cabrales
Segovia**



**Independent member
of the Board of Directors**

▪ **Appointment:**
May 26, 2020

Born on September 28, 1969. Lawyer from Pontificia Universidad Javeriana with a Master's degree in Philosophy from Boston College. He worked for 16 years at British Petroleum and in this company he served as legal Vice President for Latin America. Also served as Vice Minister of Energy and CEO of the National Hydrocarbons Agency. To date, he serves as CEO of Frontera Energy and participates in the Isagen Board of Directors.



**Ana
Karina
Quessep
Alcové**



**Independent member
of the Board of Directors**

▪ **Appointment:**
March 31, 2022

Born on January 21, 1971. Graduated in Business Administration from the Universidad Externado de Colombia, with a specialization in Marketing Management from Universidad Externado de Colombia. Her work experience includes different positions such as: Executive President of the Colombian BPO Association, manager of corporate clients, sales and distribution, and customer service at Comcel-Claro. Currently a member of some organizations such as: founding member -of Mujeres TIC, WIC - Women in Connection Colombia, Global Impact Sourcing Coalition - GISC.



**Christophe
Pélissié
du Rausas**



**Shareholder appointed member
of the Board of Directors**

▪ **Appointment:**
December 09, 2019

Born on August 11, 1958. Holds degrees from the École Polytechnique and the École Nationale des Ponts et Chaussées (France), and a postgraduate degree in Finance from the University of Paris-Dauphine. Began his career at the Ministère de l'Équipement and then joined the Spie Batignolles group. Joined the VINCI Group in 1997 as Director of Concessions at Campenon Bernard (1997-1998) and currently serves as VINCI's Vice President of Business Development since March 2017.


**Patrick
Sulliot**

**Shareholder appointed member
of the Board of Directors**

▪ Appointment:
March 31, 2022

Born on October 30, 1959. A registered engineer of the École Nationale des Arts et Métiers of France, with more than 30 years of experience in project management and business unit management for the EUROVIA Group; is currently President and CEO for the Americas and Oceania for EUROVIA Canada. Board member at companies based in Canada, United States of America, Chile, Australia and New Zealand.

» REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the members of the Company's Board of Directors is established by the General Meeting of Shareholders, taking into consideration objective business criteria. This remuneration is transparent, and with this purpose, the amount is reported in the annual information provided to Company shareholders. The Company has a Remuneration Policy for the Board of Directors approved by the General Shareholders' Meeting.

For the period between April 2023 and March 2024, the General Meeting of Shareholders at its ordinary meeting held on March 31, 2023, approved as remuneration to the members of the Board of Directors a fixed sum of COP 7,500,000 (seven million five hundred thousand Colombian pesos) per meeting attended.



**Learn about the
Remuneration Policy
for the Board of
Directors approved
by the General
Shareholders' Meeting.
Click here.**



▲ **Andrea González of the Design team
at Double C Design USA.**



Board of Directors Committees

The Company has three permanent committees within the Board of Directors that address specific matters:

→ 01 AUDIT COMMITTEE

Its members are Álvaro Enrique Jaramillo Buitrago, Luis Fernando Restrepo Echavarría and Orlando Enrique Cabrales Segovia. The Statutory Auditor and the Vice President of Corporate Affairs of the Company, who acts as Secretary of the Committee, attend the meetings of the Audit Committee with voice but without vote.

The main task of the Audit Committee is to assist the Board of Directors in its role of supervision of the Internal Control System, through the evaluation of accounting procedures, the relationship with the Statutory Auditor and, in general, the review of the control environment of the Company, including the audit of the Risk Management System implemented by the Company.

The Committee orders and monitors that the procedures of the Internal Control System conform to the needs, objectives, goals and strategies determined by the Company, and that said procedures are framed within the objectives of internal control, such as: efficiency and effectiveness in operations, sufficiency and reliability of financial information.

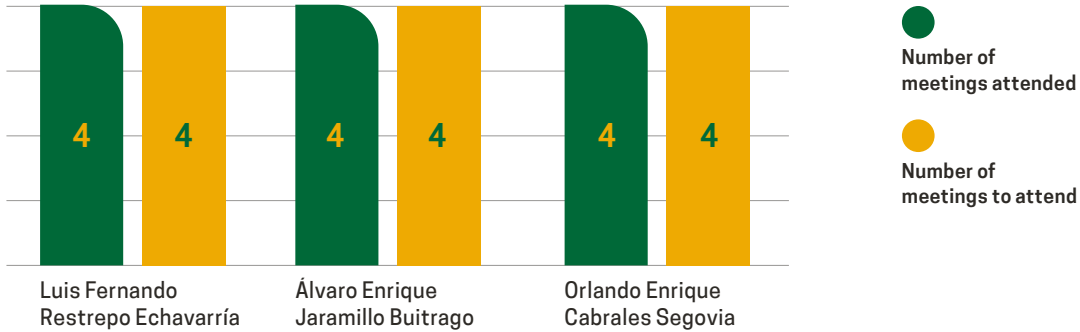
The Audit Committee of Constructora Concreto, in compliance with its functions, met during 2023 on four occasions to carry out a review and detailed monitoring of the financial results of the operation, risk management and relevant business situations. In addition, the new developments in the controls of Asset Laundering and Financing of Terrorism and the recommendations and requests of the Statutory Auditor were reviewed.

During 2023, all Audit Committee meetings were held virtually and the following was the attendance by the members:



▲ María Isabel Galvis and Laura Corrales of the Design area.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS



→ **02 HUMAN TALENT COMMITTEE**

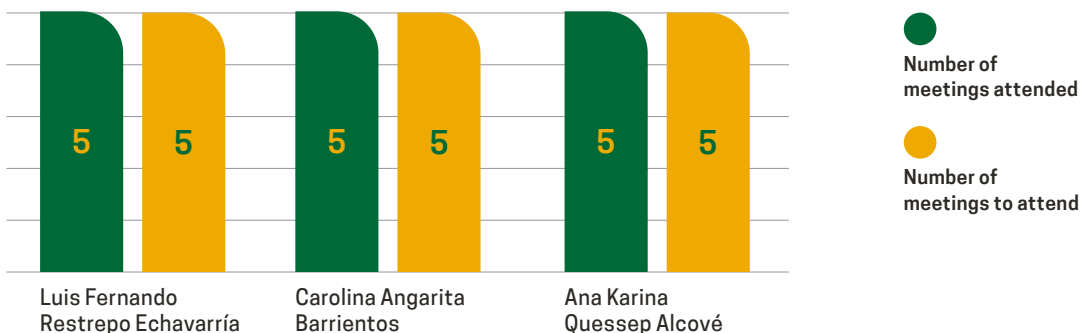
Comprising Carolina Angarita Barrientos, Luis Fernando Restrepo Echavarría and Ana Karina Quessep Alcové. The Corporate Affairs Vice President of the Company, who acts as Secretary of the Committee, attends the meetings of the Human Talent Committee with voice but without vote. The main objective of the Human Talent Committee is to support the Board of Directors in the exercise of its decision-making or advisory functions associated with matters

of appointments and remuneration of the members of the Board of Directors and Senior Management.

During 2023, the Human Talent Committee held five meetings, during which it discussed topics related to the succession of the CEO of the Company, and reviewed the Variable Remuneration Policy, the Company’s structure and the salaries of Senior Management.

During the year, all meetings of the Human Talent Committee of the Board of Directors Committee were held virtually and the following was the attendance by the members:

ATTENDANCE AT HUMAN TALENT COMMITTEE MEETINGS



→ 03 CORPORATE GOVERNANCE COMMITTEE

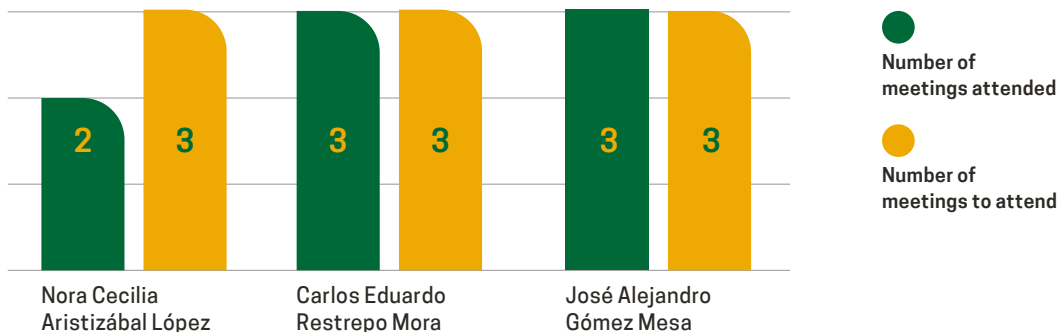
Comprising Carlos Eduardo Restrepo Mora, José Alejandro Gómez Mesa and Nora Cecilia Aristizábal López. The Corporate Affairs Vice President of the Company, who acts as Secretary of the Committee, attends the meetings of the Corporate Governance Committee with voice but without vote.

The main task of the Corporate Governance Committee is to assist the Board of Directors in its functions of proposing and supervising the Corporate Governance measures adopted by the Company, as well as monitor compliance with the Corporate Governance rules, periodically reviewing their compliance, recommendations and principles.

During 2023, three meetings of the Corporate Governance Committee were held, in which the work plan of the Committee for the year was defined, the work proposal for the external evaluation of the Board was reviewed, and an analysis was carried out on the documents regulations and the internal regulations of the Committees and the Board of Directors.

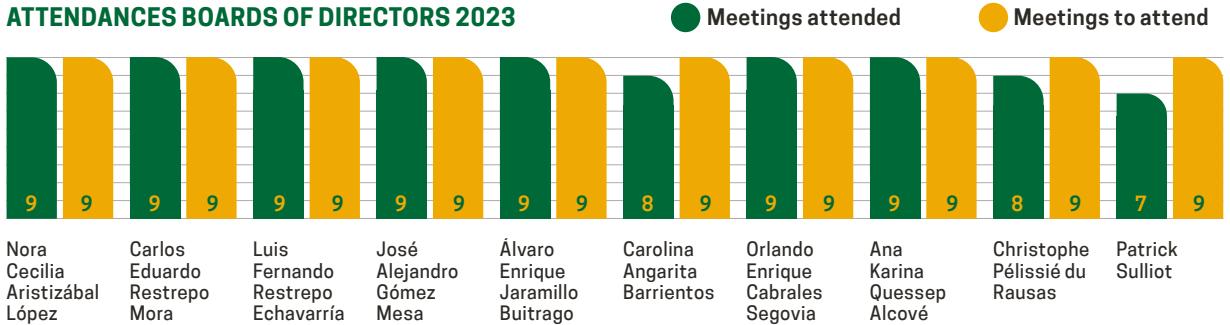
During the year, the Corporate Governance Committee held three meetings. Of these meetings, two were held virtually and one was held face-to-face. The following was the attendance by the members:

ATTENDANCE AT CORPORATE GOVERNANCE COMMITTEE MEETINGS

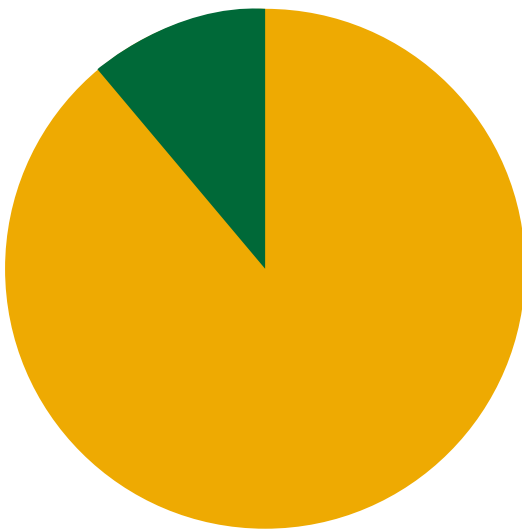


QUORUM AND ATTENDANCE DATA OF THE MEETINGS OF THE BOARD OF DIRECTORS AND ITS SUPPORT BODIES WITH RESPECT TO THE REPORTED FINANCIAL YEAR:

ATTENDANCES BOARDS OF DIRECTORS 2023



2023 BOARD MEETINGS



● Teleconference
11%
1 meeting

● Mixed
89%
8 meetings

» INDEPENDENCE CRITERIA ADOPTED BY CONCRETO FOR THE APPOINTMENT OF DIRECTORS AND MEMBERS OF THE SUPPORT COMMITTEES

Concreto has adopted the independence requirements set forth in the Law 964/2005 and additionally requires candidates for Independent Member of the Board of Directors of the Company a double declaration of independence: (i) that of the candidate with respect to the Company, its shareholders and members of Senior Management, implemented through their Letter of Acceptance, and (ii) that of the Board of Directors, regarding the independence of the candidate. Additionally, independent members are required to inform the Company of any circumstance that may affect their condition as independents.

» EVALUATION OF THE BOARD OF DIRECTORS AND ITS SUPPORT BODIES

The Board of Directors of Constructora Concreto S.A. has an evaluation system for its management, alternating the technique of internal self-evaluation with external evaluation carried out by independent assessors.

It is specified that the self-evaluation system includes peer evaluation, as well as a study of the reasonableness of its rules and the dedication and performance of its members, proposing, in each case, the modifications to the Organization and operation that are deemed relevant.

During the year, the Board of Directors underwent an external assessment, the results of which are published by the Company in the Annual Corporate Governance Report.



Senior Management

The Senior Management of the Company comprises the CEO and Vice Presidents. The people who currently hold these positions are:



**Juan
Luis
Aristizábal
Vélez**

→ CEO

Born on April 20, 1959. He has held the position of CEO of Concreto for more than 20 years, a leading company in the construction and structuring of projects (USD 2.5 billion) in Colombia, Panama and the United States. He is a Systems Engineer and specialist in marketing from Universidad EAFIT. He has a MS in Computer Science from Iowa State University and completed a special program on Strategic Management at Universidad Javeriana.

Part of the Investment Committee of the Pactia Private Capital Fund, the largest real estate fund in Colombia. Member of several boards of directors in renowned companies such as: Pactia S.A.S., Grupo Heroica S.A.S., Tuya S.A., Vía 40 Express S.A.S., Devimed S.A. and Doble Calzada Oriente S.A.S.

The main duties of the position are:

→ **Plan, lead, establish and direct** the Company's business strategy in the short, medium and long term according to organizational guidelines, in order to ensure the identification and development of business opportunities to guarantee the operating, commercial and financial results. Develop and structure strategic partnerships long-term and expansion strategies in order to guarantee the presence, sustainability and growth of the Company in the market.

→ **Ensure compliance** with the decisions and actions defined by the Board of Directors of the Company.

→ **Participate and lead** in the submission of performance reports before the boards of directors, committees and shareholders.

→ **Plan, define and align strategic policies and guidelines** of the Company in the medium and long term to achieve volume and margin results, in accordance with the budget approved by the Board of Directors of the Company.



**Nicolás
Jaramillo
Restrepo**

→ **Executive
Vice President**

Born on July 06, 1978. Civil Engineer from the Escuela de Ingeniería de Antioquia and a Specialist in Corporate Finance from the same university. Professional experience includes 14 years at Concreto. Has held the position of Executive Vice-president since 2023. He has held management positions for the companies Industrias CENO S.A., Suramérica de Seguros S.A. and Pactia S.A.S. He has more than 15 years of experience in the structuring, administration and operation of the real estate business. Was the CEO of Fondo de Capital Privado Pactia for 5 years, and is currently a member of the boards of directors of organizations such as Grupo Heroica S.A.S., Doble Calzada Oriente S.A.S., Azimut Energía S.A.S., Consalfa-IMI S.A.S. and Pactia S.A.S.

The main duties of the position are:

- **Supervise, control and direct** the projects and the investment plan of the Company, from structuring to completion of execution, in accordance with the objectives and policies defined by the Organization and its Board of Directors.
- **Following up** on the approved investment to meet or improve the standards with which they were approved by the Board of Directors.
- **Define strategies** that facilitate reaching the customers, in line with the type of sector or project, for the optimization of the projects.
- **Structuring projects** aligned with the Company's strategic objectives for approval by the Board of Directors.

→ **Guarantee the resources** (human, legal, monetary, physical, among others) necessary for the implementation of the projects.



**Candelaria
Rodríguez
Jaramillo**

→ **Vice President
of Corporate Affairs**

Born on October 26, 1979. She is a graduate of Law and Political Science and a Specialist in Environmental Law from the Universidad Pontificia Bolivariana. Her work experience includes three years in the company Enfoque Jurídico S.A. and four years in Suma Legal S.A.S.; where she worked as a lawyer. For five years, she served as Director of Corporate Affairs at Concreto and is currently Vice President of Corporate Affairs. She participates in boards of directors of organizations such as CAS Mobiliario S.A., Consalfa-IMI S.A.S. and Doble Calzada Oriente S.A.S.

The main duties of the position are:

- **Direct, manage and control** legal aspects, comprehensive risk management and insurance of goods and assets, the Company's communications and corporate relations, in order to provide adequate supporting information to the control authorities, the General Meeting of Shareholders, the Board of Directors, the Vice Presidents and stakeholders; as well as, in general, to assure and oversee compliance with regulations and the bylaws that govern the entity, and their protection in the event of claim events or adverse situations that compromise the Organization's property; as well as provide effective communications.

→ **Address and/or process**, through external lawyers, proceedings involving the Company, either as plaintiff or defendant, to address in an adequate and timely manner the proceedings or lawsuits filed or to be filed.

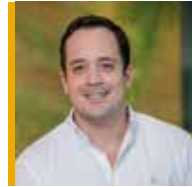
→ **Coordinate and integrate the communications strategy** of the other companies of the Organization and support their marketing plans to obtain overall results taking advantage of synergies, as well as define institutional communications policies focused on public relations and recognition; and support market actions and the promotion of the projects and businesses. As well as the internal communications strategy to strengthen the workplace environment.

→ **Direct the processes, structuring and application of the human resource management policies** in order to assure the development, internal fairness and competitiveness of the Company in the market.

→ **Direct the placement of all the insurance policies** covering the goods, assets and projects in execution, to ensure that they are issued in a timely manner and with valid terms, to thereby assure processing of claim events with the insurers in order for the affected parties to receive the indemnities.

→ **Ensure that the information in the Management Report**, books, minutes and investments of the companies are updated.

→ **Oversee strict compliance with the Company Bylaws**, providing guidance and informing parties on their function and abundance.



**Alejandro
Villegas
Cañas**

→ **Vice President
of Finance**

Born on October 22, 1987. An Economist from the University of North Carolina, in Charlotte, and also a specialist in Corporate Finance from the Escuela de Ingeniería de Antioquia (EIA); B.S in Finance with an emphasis in Accounting and B.S.A.B.A. in Economics with an emphasis in Business Administration from the University of North Carolina. Professional experience of more than 10 years has been earned in Medellín in companies such as Exponencial Banca de Inversión S.A., Inversiones Medellín and Concreto where he has worked as Project Structure Analyst, Structuring Analyst, Director of Investment Projects, Director of Corporate Finance and currently as Vice President of Finance.

Member of the boards of directors of CAS Mobiliario S.A., Azimut Energía S.A.S., Vía Pacífico S.A. (en liquidación), Doble Calzada Oriente S.A.S. and Consalfa-IMI S.A.S.

The main duties of the position are:

→ **Plan, direct, control and monitor the Company's financial strategy**, from formulation to completion of execution, in accordance with the objectives and policies defined by the Organization and its Board of Directors.

→ **Obtain access to financial resources** to fund the Company’s business plans (loans, guarantees, investors, partners). This includes the development and management of relations with the financial market.

→ **Draft the financial model** to enable the CEO and the Board of Directors to define the Company’s financial plan and strategy, establishing the controls required to monitor the financial strategy of the Company and ensure that it fulfills the guidelines approved by the Organi-

zation and its Board of Directors. This includes monitoring financial indicators and metrics that the Company requires, and managing the capital structure.

→ **Maintain ongoing communications with the management team, the Board of Directors and investors** to ensure that they are informed of the financial situation of the Company, of its results and the business plans defined in the strategy. This includes the Investor Relations (IR) process.



▲ Juan Sebastián Parra and Shiara Trujillo of Human Resources.

» EVALUATION AND REMUNERATION OF MEMBERS OF SENIOR MANAGEMENT

Among the functions of the Human Talent Committee are: annually lead the performance evaluation of the CEO of the Company and know the evaluations of the other members of Senior Management, set their remuneration and carry out a periodic review of it, as established in Article 5 of the Internal Regulations of the Human Talent Committee.

In 2023, the Board of Directors of the Company approved the Variable Remuneration Policy, which indicates that the target population of this Policy is the CEO, the Vice Presidents, managers and directors of the Company.

It should be noted that the entry key or enabler for receiving variable remuneration in a given period is EBITDA, and once it is determined that the enabler is fulfilled, the target bonus is based on the level of achievement of the targets established in each position's dashboard.

During the year, the Company did not achieve the EBITDA required to trigger the entry key for payment of the variable remuneration.

» CONFLICTS OF INTEREST

The Corporate Governance Code of Constructora Concreto S.A. defines conflict of interest as the situation in which the Company's interests are in opposition to the personal interests of employees or their relatives, such that they lead the employee to act under parameters other than those established to ensure the real and ethical compliance of their responsibilities with the Company.

It also provides that the members of the Board of Directors, Legal Representatives, members of Senior Management and other Company managers shall periodically report to the Board of Directors regarding the direct or indirect relations between them, or with other entities or structures that belong to the Corporate Group, or with suppliers, customers or any other stakeholder (where the latter is understood as any person that may have an interest in the Company due to his/her involvement therewith.)

These include the general public, shareholders, employees, customers, users, the economic and tax authorities, and the official supervisor. Situations of conflict of interest or influence may be derived from such stakeholders that may influence the direction of their opinions or votes.

If the Company, its administrators, managers or other employees are faced with a situation that generates a conflict of interest, the following procedures will be followed, depending on whether the conflict is sporadic or permanent:

→ If the conflict is sporadic, it will be mandatory, in the first place, for the person directly interested to inform the Board of Directors or his/her supervisor, as the case may be, of the situation that is giving rise to the conflict, and obtain their consent to begin or carry on with the transaction. This mechanism may not solve the conflict of interest, but it will maintain the transparency of the transaction. On the contrary, if the conflict of interest is permanent and

affects all of the Company's operations, this situation will constitute grounds for mandatory resignation by the affected party, since they are unable to hold the position.

→ In the case of members of management, the provisions contained in item 7 of article 23 of Law 222/1995, and its Regulatory Decree No. 1925/2009, shall apply. In this regard, authorization must be obtained from the General Meeting of Shareholders for signing any contracts or submitting business offers in which the manager has any interest directly or indirectly through a third party.

The Company has a Conflict of Interest Policy approved by the Board of Directors that is applied at all levels of the Organization and seeks consistency between corporate values and the actions of its employees. This policy has been extensively disclosed within the Company and is published on its website.

» OPERATIONS WITH RELATED PARTIES

The Company has mechanisms for carrying out operations with related parties that are adjusted to the provisions of Colombian legislation for this purpose, and the recognition and disclosure of the same are adequate to the provisions of IAS 24. These mechanisms are described in the notes to the Financial Statements.

The details of the operations with Related Parties are disclosed in detail in the notes to the Financial Statements, as well as in the Business Group Report, which are part of this Report.

» REMUNERATION OF THE STATUTORY AUDITOR

The fees of the Statutory Auditor are approved annually by the General Meeting of Shareholders of Constructora Concreto at its regular meeting. For the period covered by this Report, the General Meeting of Shareholders, at its meeting on March 31, 2023, approved an allocation of COP 194,946,881, which corresponded to an increase in the CPI (13.12%) in relation to the previous year.

» INTERNAL CONTROL

The general architecture and control system is the mechanism by which the Organization groups the internal and external control processes, guaranteeing the coherence and consistency of the different administrative and managerial processes.

The internal control processes include all verification, monitoring and control mechanisms carried out by agents that are part of the different spheres of the Company. These strategies include self-control, monitoring plans, periodic review of strategic risks, financial results and relevant business information that is made available to the audit committee of the board of directors, facilitating the achievement of strategic objectives and guaranteeing sus-

tainability and continuous improvement of the Company.

On the other hand, the external control processes are led by the Statutory Auditor, third-party audits and the certifying entities of the Quality Management System. These entities verify compliance with legal, regulatory, contractual and organizational guidelines in accordance with national and international standards.

» INVESTOR RELATIONS MECHANISMS

The Code of Good Corporate Governance adopted by Constructora Conconcreto SA, has defined a procedure that establishes the mechanisms available to the Company to interact with its shareholders, **in matters such as:**

→ **Access to information:** all the shareholders of Constructora Conconcreto SA will have the same right to access the Company's information, enshrining in their favor the right to equal treatment in exercise of the same. The Company will ensure that all its shareholders are fully and timely informed about the ordinary course of business, disclosing timely and truthfully the financial and non-financial information of the Company, allowing shareholders to have detailed and complete knowledge of its progress.

→ **Resolution of requests for information:** By virtue of the right to access Company information, Conconcreto has permanently open communication channels through which shareholders can express their concerns and receive

answers to them, as long as this does not imply the disclosure of confidential or relating to industrial secrets, or whose disclosure may be used to the detriment of the Company.

The Conconcreto website has an exclusive space for investor service, where a series of frequently asked questions are listed with their respective answers and where you can leave the message you want to convey to the Company. In addition, the Company has an Investor Relations office, where there is a person attentive to answer shareholders' requirements and an email ready to receive these messages.

Company Communication Channels with Shareholders



Website <https://conconcreto.com/inversionistas/>

- **Quarterly teleconferences through a web page**, where the most relevant news of the period is exposed and the financial information and results of the period are presented.
- E-mail ir@conconcreto.com
- By telephone **+57 (604) 204 3707**
- Through **press** notices.
- **Social networks.**
- **Page of the Financial Superintendence of Colombia**, in the relevant information link.

» INTERACTION BETWEEN THE SHAREHOLDERS AND THE COMPANY, ITS BOARD OF DIRECTORS AND MANAGEMENT

The interaction between the shareholders and the Company occurs mainly in the Ordinary Shareholders' Meeting, or in the extraordinary general meetings. However, if a shareholder submits to the Company a request for information addressed to the Board of Directors or to any administrator specifically, these will be channeled through the Investor Relations office, which after the consultation with the participation of the Vice President of Corporate Affairs, will respond promptly to the shareholder.



▲ Jorge Duarte of the Infrastructure area.



RISK MANAGEMENT, ETHICS AND TRANSPARENCY

At Concreto, risk management focuses on periodic activities aimed at updating the strategic and operating risks that could affect project execution and the achievement of the Company's objectives. This process is important because it enables the identification, measurement, monitoring and control of the risks, reducing their probability of occurrence and the financial impairment derived from their materialization. This strengthens stakeholder trust and ensures operational efficiency, sustainability, and fulfillment of all obligations of the Organization.

The Company has a general control architecture and system, which is the mechanism by which the internal and external control processes are grouped, guaranteeing the coherence and consistency of the different processes. This initiative focuses on self-control and internal monitoring by each leader of the processes under his/her responsibility, to fulfill the indicators of the specific projects. The Company's strategic risks are continuously controlled and monitored. The methodology for measuring the impact and probability of occurrence of each risk facilitates the timely reaction to situations

that may arise during the ordinary course of business and the relevant closing of the risks.

Based on the above, the risks derived from strategic processes for Concreto are subject to quarterly updates and reviews by the Audit Committee of the Board of Directors. The risks are classified based on the analysis of their severity and frequency on a scale from 1 to 4, as low, medium, high and very high, taking into consideration their probability of occurrence and actual impact on the strategy and the fulfillment of the Company's objectives.

The following were the main risks managed by Concreto in 2023:

- **Liquidity of the Company.**
- **Increase in interest rates.**

Below we describe these and other relevant financial and market risks managed by the Organization:

» MARKET RISK

Price Risk

The companies of the Group are exposed to the price risk of the goods and services that are acquired for the development of their operations. To identify this risk, all projects carry out budgetary control of their activities and verify if there are increases in the prices of materials and services required. To mitigate this risk, purchase contract negotiations are carried out to ensure a continuous supply and, in some cases, at fixed prices.

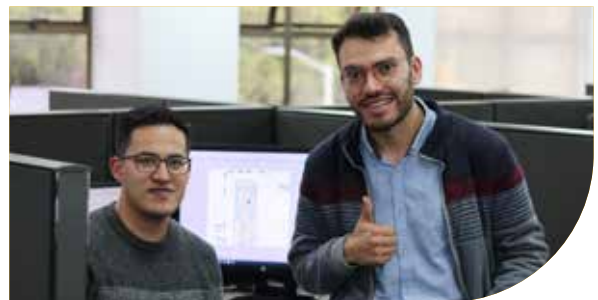
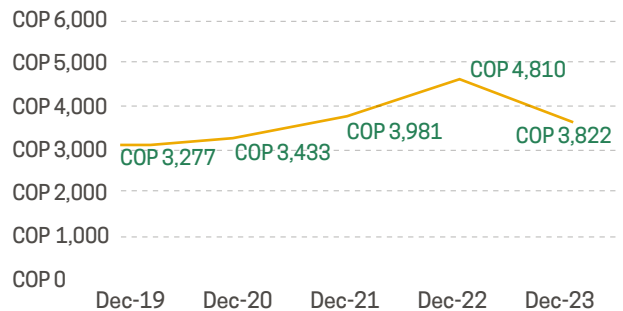
Risk associated with the Company's instruments and investments

Construction Concreto S.A. does not have instruments or investments in the stock market.

Foreign Exchange Risk

At Concreto, all the transactions carried out in a currency other than the operating currency of the contracts are identified and recognized; financial products are usually contracted to minimize the effect of changes in the price of a currency against the local currency or that of the contract. This risk is mitigated through natural hedges or with financial hedging products that allow, at a minimum, to maintain the budgeted margin conditions. All hedging operations, in addition to mitigating risk, facilitate financial planning.

TRM 2020-2023

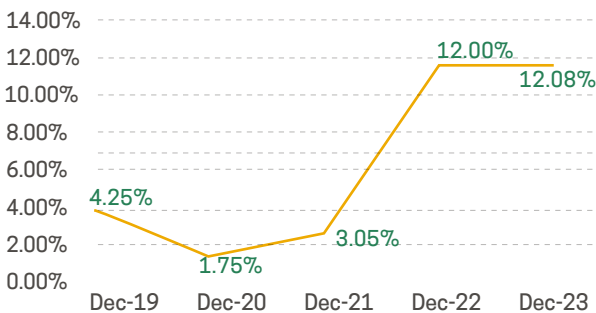


▲ **Juan Camilo Guevara and Óscar Garzón of the Design team.**

Risk Due to Exposure to Variable Interest Rates

This risk refers to the exposure of the Company's debt to macroeconomic variables or debt update rates. It represents a risk to the extent that the cost of debt increases uncorrelated with income, causing an unwanted economic effect on the Company's results. The Company assesses and measures its degree of exposure to this risk by means of periodic forecasts of the financial costs of the projects, and mitigates it by seeking alternatives sources of finance, renegotiating contractual conditions, limiting investments, and divesting non-strategic assets.

IBR E.A. 2020-2023



» FINANCIAL RISKS

Credit Risk

The credit risk derived from financial assets, which implies the risk of counterparty default, is mitigated through the evaluations and valuations of clients with exposure or who require credit.

The following activities are carried out in the assessment and valuation of customers:

- **Validate the client in risk centers** where their payment behavior in the real and financial sector, their payment culture, their rating, arrears, their global indebtedness, among others, are evaluated.
- **Evaluate the judicial processes** that the client has against and filed.
- **Consult the client on national and international lists such as:** SDNT List, Interpol, UN, National Police, Comptroller, General Accounting of the Nation. Additionally, validate the documentation provided by the customer through institutions such as: Ruaf, Fosyga, DIAN, Chamber of Commerce, among others.
- **Assess the borrowing capacity of the client according to the supports presented in their Financial Statements and income statements.** According to the results of the evaluation described, the assignment of a credit quota is approved or not.

Liquidity Risk Management

This risk is associated with the Company's ability to meet its obligations. Concretely measures its exposure to this risk and mitigates its materialization by means of thorough financial planning, weekly monitoring of invoicing forecasts, the continuous search for new financing alternatives, and management with the financial sector to obtain new credit lines, according to the Organization's needs.

Operational Risk Management

At Concreto, the risk of (financial) fraud is associated with the possibility of losing money due to the degradation of processes or the willingness of employees to satisfy private interests that are outside the Organization's duty. The impersonation of purchase or transfer instructions, the diversion of funds or resources with personal interest, alteration of documents, the simulation of activities, among others, continue to be classified. The Company has active controls in place such as training, audits and internal communications aimed at the prevention of acts of this type, and it also has employee infidelity and financial risk insurance that covers direct losses of money, securities or other properties arising from any infidelity or fraud by employees of the Organization.

In addition to the above, during 2023 the Company began the identification and prioritization of physical and transition risks, in order to clearly assess the impacts of climate change, meteorological events, business reputation, market changes, technological developments and new regulations on the Company.

This initial exercise was carried out with all the strategic areas of the Organization, reaffirming its commitment to sustainability and caring for the environment. Certain opportunities were also identified regarding adaptation to climate change, based on the analysis and implementation of sustainability attributes, ranging from understanding climate to simulations of comfort, energy and water use efficiency, to enable assessing the passive strategies in de-

sign that have a positive influence on the execution of new projects.

» MATERIALIZATION OF RISKS DURING THE PERIOD

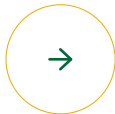
No new risks materialized during the period.



▲ Luisa Fernanda Álvarez of the Financial area.

» ANTI-CORRUPTION POLICIES AND PROCEDURES

During the year, 3,685 members of corporate governance bodies, employees and partners received communications on the anti-corruption procedures and policies, **as follows:**



CITY/EMPLOYEE PROFILE	PEOPLE
MEDELLÍN - ADMINISTRATIVE	542
MEDELLÍN - OPERATIONS	530
BOGOTÁ - ADMINISTRATIVE	457
BOGOTÁ - OPERATIONS	1,788
BARRANQUILLA - ADMINISTRATIVE	17
BARRANQUILLA - OPERATIONS	27
CALI - ADMINISTRATIVE	17
CALI - OPERATIONS	64
CARTAGENA - OPERATIONS	3
NEIVA - ADMINISTRATIVE	5
NEIVA - OPERATIONS	3
PLANETA RICA - ADMINISTRATIVE	8
PLANETA RICA - OPERATIONS	139
PUERTO COLOMBIA - ADMINISTRATIVE	7
PUERTO COLOMBIA - OPERATIONS	28
RICAURTE - ADMINISTRATIVE	9
RICAURTE - OPERATIONS	2
RIONEGRO - ADMINISTRATIVE	7
RIONEGRO - OPERATIONS	11
TENJO - ADMINISTRATIVE	2
TENJO - OPERATIONS	19
TOTAL	3,685

Additionally, the Company offers training to employees on the prevention of the risks of ML / FT, FPADM, ST and C.

Concreto has a Business Conduct and Ethics Manual that compiles the rules and duties. It states the philosophy and principles of behavior that should inspire the actions of Group employees, both internally and with the customers, suppliers, the community and the general public.

It also has a Manual on the Prevention of Money Laundering that contains the rules, instructions and parameters to be taken into consideration to manage the comprehensive system for the prevention of money laundering, which guide the Company on the procedures to be followed in events where, according to internal controls, transactions are detected that may be considered suspicious.

Additionally, Concreto has in place a Protocol on the Risk of Fraud and Corruption, which establishes general guidelines for handling the risks of fraud, corruption and illegal or improper acts, on matters related to taxes, the environment, contracts and labor law.



These documents are published on the Company's website, where they can be viewed by all stakeholders. Click here.



▲ César Fabián Sánchez and Nicole Duarte of Double C Colombia.

» JUDICIAL AND ADMINISTRATIVE PROCESSES

Currently, there are no judicial or administrative processes of a civil, commercial, labor, real estate, environmental, or tax nature to which Constructora Conconcreto S.A. and its subsidiaries are a party, that have the capacity to materially affect their operation or financial situation.

Details of the relevant processes for the Company can be consulted in the notes to the Financial Statements.

Cases Reported to the Ethics Line During 2023



WORK-RELATED AND EMPLOYEE RELATIONS	42
QUALITY AND POST-SALES	5
OMISSION OF CONTROL IN CONSTRUCTION PROCESSES	0
INFORMATION AND ADVISING ON PROCEDURES	1
MISREPORTING	1
CONFLICTS OF INTEREST	1
LEGAL ASSESSMENT	1
CORPORATE IMAGE	1
TOTAL	52



▲ Alba Luz Aguilar and Juan Alberto Berrío of Double C USA.



ECONOMIC PERFORMANCE

Financial Information

» MATERIAL VARIATIONS OF THE RESULT OF THE OPERATION

The most material variation in the separate and consolidated results of the Company's operation between the years 2023 and 2022 is broken down as follows:

» MATERIAL VARIATIONS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Despite the challenges of the current macroeconomic environment, characterized by uncertainty in inflation and high interest rates, **the Company has managed to maintain the execution of its projects and achieve pre-tax income of COP 23,494 million, and consolidated net income of COP 1,022 million.**

→ **Revenues:** Compared to the same period the previous year, revenues were affected by -3.9%. This is mainly due to the reduction of the interest held in the concession Vía 40 Express, which decreased from 50 to 15%, which led to lower revenues on the subordinated loans compared to the previous year.

→ **Operating profit:** In 2022, profits were COP 117,966 greater compared to 2023, mainly arising from the negotiation established in the transaction for Ruta/Vía 40. It should be noted that this agreement was made between Grupo Vinci and Concreto, in order to ensure the continuity of the project and limit Concreto's exposure to the inherent risk of the construction contract.

→ **Net income:** The main impact on results was the increase in interest rates, which increased the Company's financial cost by 45% in 2023 compared to 2022.

→ **Assets and liabilities:** The main change is related to the exit from Consorcio Ruta 40. All other changes are related to the ordinary course of the business.

→ **Equity:** The change in equity was -2.5%. This is mainly due to the impact of currency exchange adjustments on the investments in the United States (OCI Method), arising from the revaluation of the Colombian peso against the US dollar during 2023.

SEPARATE EEFF (FIGURES IN MILLIONS OF COLOMBIAN PESOS)	2023	2022	VARIATION	
			COP	%
INCOME	731,412	1,007,921	276,509	27.4
OPERATING PROFIT	118,350	225,771	107,421	47.6
EQUITY	1,451,849	1,474,623	22,774	1.5
CASH AND CASH EQUIVALENT	82,842	119,576	36,734	30.7



In the Separate Financial Statements, Concreto reported pre-tax income of COP 34,539 million and net income of COP 17,373 million.

» MATERIAL CHANGES RELATED TO THE COMPANY'S LIQUIDITY AND SOLVENCY

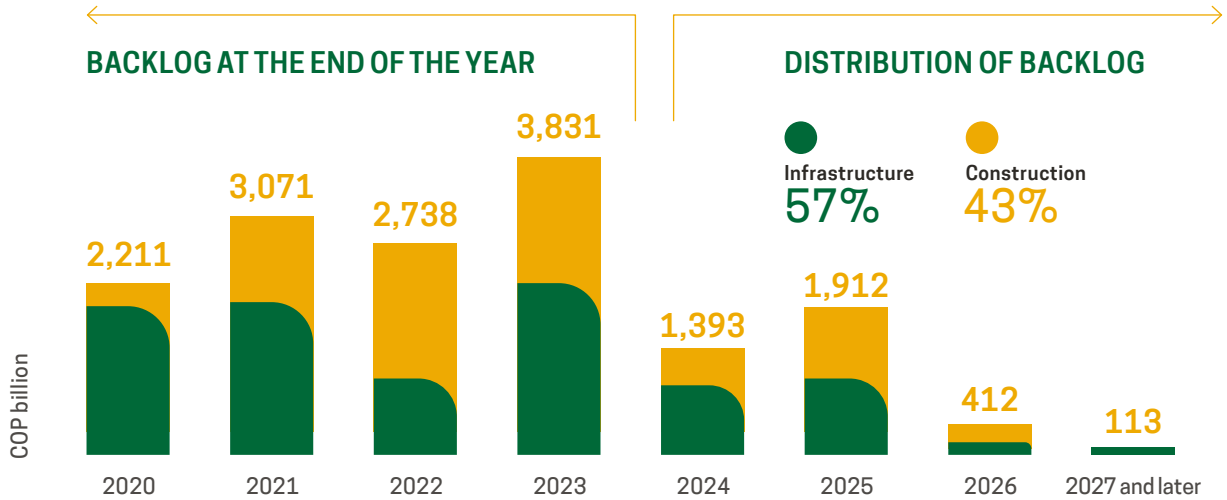
The increase in interest rates and inflation has affected project costs, leading to adjustments in margins and liquidity requirements.

As an action plan to mitigate the impact, the Company is implementing action plans, among which stand out: the plan for the divestment

of non-strategic assets, and the reduction and control of expenses.

» EVOLUTION OF THE BUSINESS PLAN

Concreto started the year with a backlog of COP 2.7 trillion, and over the year it completed the execution of projects in the amount of COP 0.87 trillion, both in Colombia and the United States. Despite strong economic pressures, such as inflation and high interest rates, the Company managed to acquire projects for over COP 1.9 trillion, thereby ending the year with a backlog of COP 3.8 trillion. This solid increase in the backlog assures the continuity of the Company's work in upcoming years.



Of these figures, we highlight the following:

- 53% of the backlog is in construction projects that are currently in execution, and the remaining 47% represents projects in the pre-construction stage.
- 62% of the backlog is in Colombia, and the remaining 39% is in the United States.

» MATERIAL CHANGES IN THE COMPANY'S FINANCIAL STATEMENTS BETWEEN THE REPORTING DATE AND THE DATE OF APPROVAL FOR PUBLICATION

There were no material changes in the Financial Statements of Constructora Concreto S.A. between December 31, 2023 and March 22, 2024.

» TRENDS, EVENTS OR UNCERTAINTIES CAPABLE OF MATERIALLY IMPACTING THE OPERATIONS OF THE COMPANY

The current macroeconomic and political situation imposes important challenges on construction companies, not only in Colombia, but worldwide, since the increase in inflation, interest rates and market instability, in addition to the economic slowdown, force the Company to have extensive knowledge of the environment in which business is carried out. This is why, in 2023 the Company materialized its strategy to prepare for the future, making its businesses profitable, finding market foci where it generates value and concentrating on three businesses: specialized infrastructure and construction, engineering and design, and operation and rental of assets.

Additionally, it is mentioned that Concreto Construcción is not involved in any situation that could affect the continuity of its business.

» OFF-BALANCE SHEET OPERATIONS THAT MAY MATERIALLY IMPACT THE COMPANY'S OPERATIONS, ITS FINANCIAL SITUATION OR CHANGES IN ITS FINANCIAL SITUATION

Constructora Conconcreto S.A. has no off-balance sheet operations that could impact the financial situation of the Company.

» LIST OF OPERATIONS AND MATERIAL TRANSACTIONS CARRIED OUT WITH ITS RELATED PARTIES

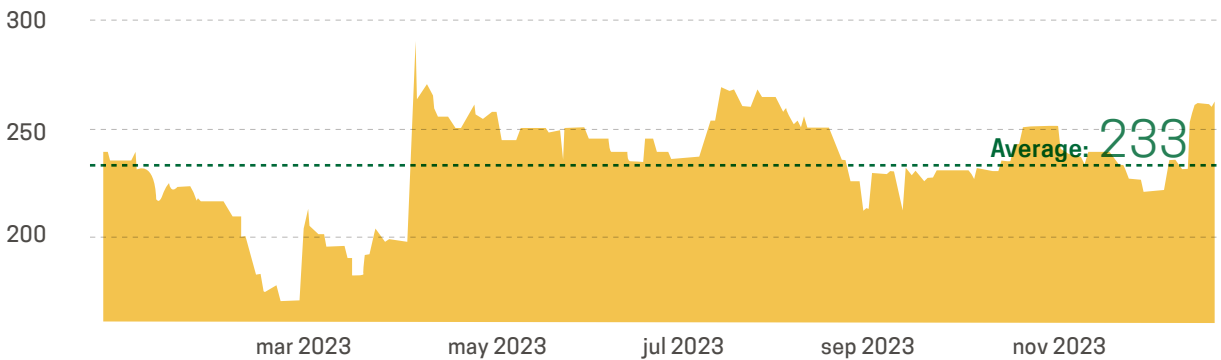
Material operations and transactions carried out with related parties are contained in Notes 7.3 and 7.35 of the Financial Statements, which are part of this Report.



STOCK MARKET PERFORMANCE

Share Performance

Closing price per share date Concreto



Maximum price

290



Closing price

262



Minimum price

170



Ultimate Market Cap

COP 348,216 mill.



Abs Variation

9.17%



Annualized Variation

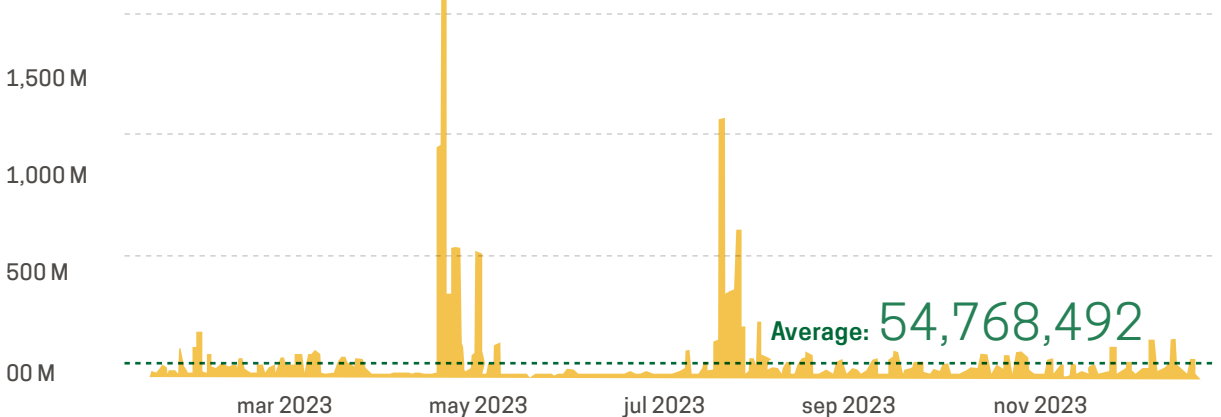
14.12%



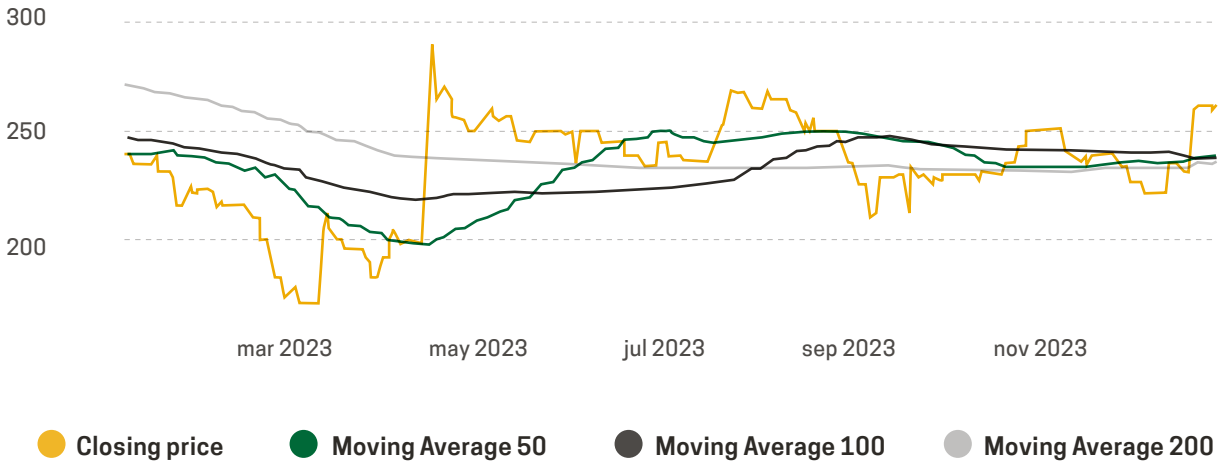
Ultimate volume

COP 118 mill.

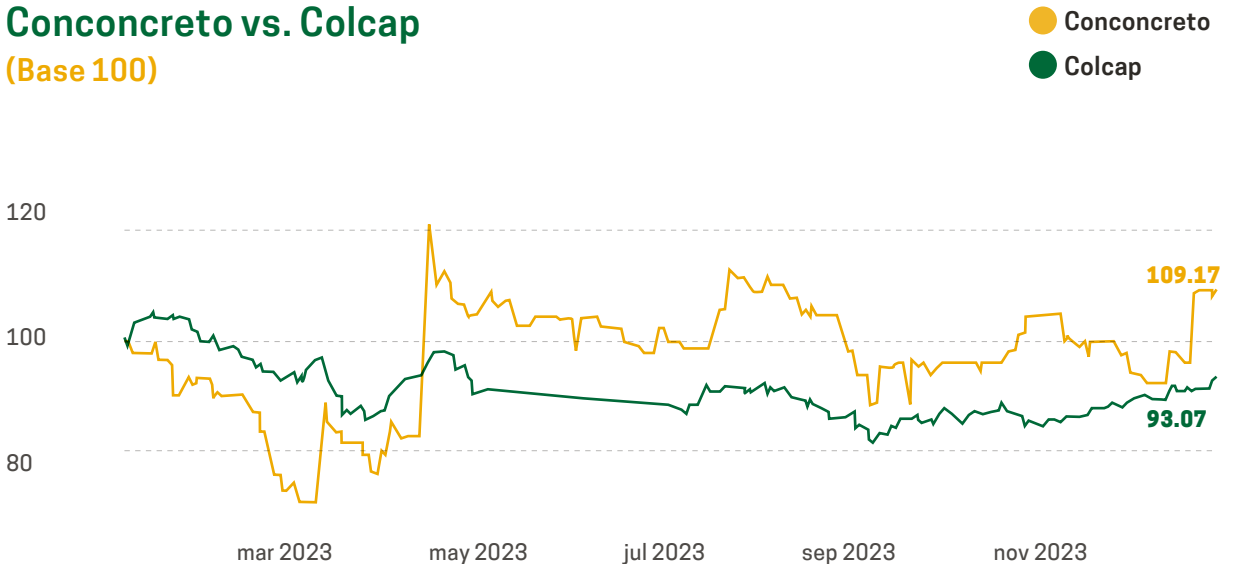
Volume per share date Concreto



Technical behavior Concreto share (Business days)



Performance Concreto vs. Colcap (Base 100)



» **EQUITY INTEREST IN THE CAPITAL OF THE COMPANY AND OTHER MATERIAL MATTERS RELATED TO ITS OWNERSHIP STRUCTURE OF THE CAPITAL AND THE SECURITIES ISSUED**

As of December 31, 2023, the capital subscribed by the shareholders of Constructora Concreto S.A. was one hundred sixteen thousand eight hundred twenty-eight million two hundred fifty-eight thousand seven hundred and seventeen pesos (COP 116,828,258,717), equivalent to one thousand one hundred thirty-four million two hundred and fifty and four thousand nine hundred and thirty-nine (1,134,254,939) shares with a nominal unit value of one hundred and three pesos (COP 103).

During 2023, the average price of the Company's stock was COP 233/share, starting the year at COP 240/share and ending the year at COP 262/share. This behavior reflects a positive change of COP 22. The maximum closing price as of April 13 was COP 290/share and the minimum closing price between February 28 and March 6 was COP 170/share.

Trading volume averaged 54,768,492, starting the year with a volume of 7,148,555,80 and ending the year at 61,247,468, with maximum volume of 1,557,471,350.90.

→ **TYPE OF SECURITY:**

Common shares

→ **TRADING SYSTEM**

Public market trading

→ **SECURITIES MARKETS WHERE THE SECURITIES ARE LISTED**

BVC (Colombian stock exchange.)

→ **ISSUANCE AMOUNT:**

Constructora Concreto S.A. has carried out the following issuances of shares:

A.

ISSUANCE NO. 1

The amount of the issue was **72,000,000 shares** in reserve not subject to preemptive rights.

B.

ISSUANCE NO. 2

The amount of the issue was **180,000,000 shares** in reserve.

C.

ISSUANCE NO. 3

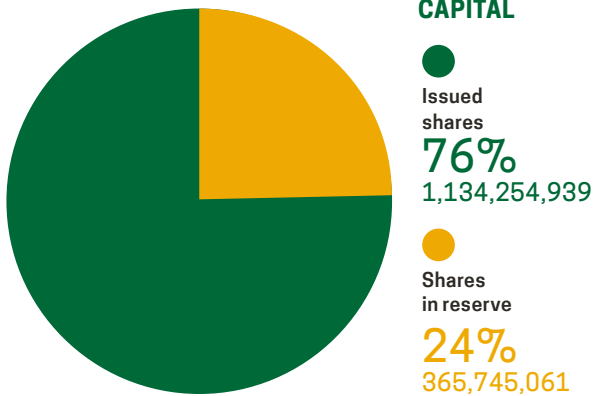
The amount of the issuance was **226,850,988 common shares** of the Company, which represented 20% of the capital subscribed to date, for a value of COP 1,276 per share, **for a total of COP 289,461,860,688.**



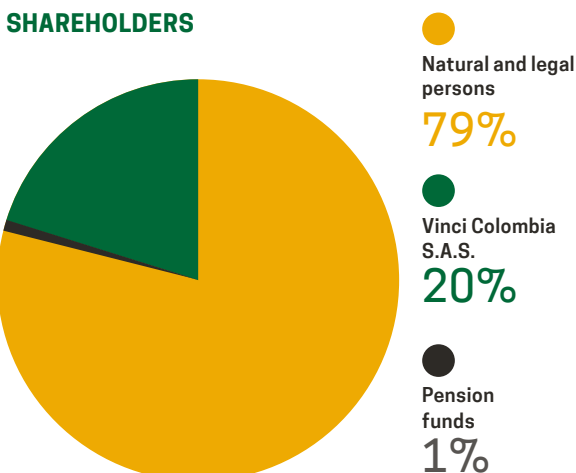
→ **BALANCE PENDING PLACEMENT:**

365,745,061 common shares

Taking into account that the authorized capital of the Company is one thousand five hundred million (1,500,000,000) shares, there are currently three hundred sixty-five million seven hundred forty-five thousand and sixty-one (365,745,061) shares in reserve, **according to the following breakdown:**



Additionally, it is mentioned that the ownership structure of Constructora Concreto S.A. as at December 31, 2023 was as follows:



Likewise, it is reported that, as at December 31, 2023, none of the shareholders of Constructora Concreto S.A. were direct owners of a stake of greater than 25% of the capital stock.

» DIVIDENDS

The General Meeting of Shareholders, at a regular meeting on March 31, 2022, approved the payment of COP 15,000,000,000 on the 1,134,254,939 outstanding shares, at a rate of COP 4.40818 per share.

To this end, three equal payments were established (COP 5,000,000,000 each), as follows:

- SEPTEMBER 1, 2022
- DECEMBER 1, 2022
- MARCH 1, 2023



DISTRIBUTION OF SHARE CAPITAL BY CLASS OF SHARES	SHARE CLASS 1
OUTSTANDING SHARE CLASSES OF THE ISSUER	Ordinary
NUMBER OF SHAREHOLDERS	5,601
PERCENTAGE OF EQUITY IN THE CAPITAL STOCK	100%



CHAPTER

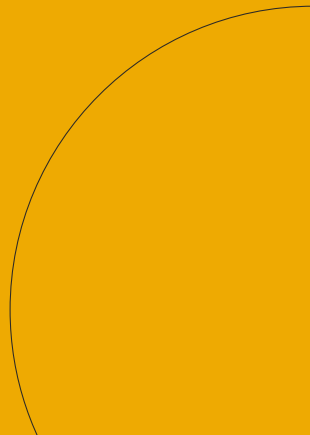
04

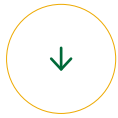
▲ Sara Lozada, Sandra Medina and Leidy Maleny Barrantes of the Housing area.



SOCIO-ENVIRONMENTAL IMPACT

- MATERIALITY
- ALIGNED WITH THE SDGS
- SOCIAL MANAGEMENT
- ENVIRONMENTAL MANAGEMENT





MATERIALITY

In a world where we are witnessing the havoc caused by climate change, and in a year marked by exponential increases both of interest rates and economic uncertainty at the local and global level, at Concreto we are fully committed to inspiring a sustainable future, and we believe this task should begin by taking decisive actions that impact the communities in the short, medium and long term. For this reason, the title of our 2023 Management Report is “We Build a Sustainable Present,” because we wish to inspire our stakeholders to: think about new mechanisms to mitigate, starting in the early stages and through the life cycle of the projects, impacts they may produce on the environment and the Company in our day-to-day activities; and to seek the sustainability of their investments, minimizing the effects that endogenous and exogenous factors may produce.

Based on the above, at Concreto we address sustainability in three dimensions:

→ **In the economic dimension, we ensure that the design and construction of the projects are profitable and sustainable over time** for our customers, shareholders and stakeholders, thanks to productivity – delivering on time and within budget – and in-

novations in efficient and standardized construction systems.

→ **In the economic dimension, assuring and creating jobs for over 3,400 direct and indirect employees**, by working on the implementation of social programs with communities, and strengthening activities through Fundación Concreto, as social responsibility and contribution.

→ **In the environmental dimension, we seek to implement sustainability attributes in all the stages of a project’s cycle**, as well as the principles of circularity, responsible consumption, waste management and handling of natural resources to contribute to the mitigation of climate change, given that this dimension is one of the strategic focus areas of the Organization.

It should be noted that since 2019, Concreto publishes in its annual report a sustainability report that presents the figures, relevant events and challenges of the economic, social and environmental dimensions, based on materiality. The effort is directed towards the fulfillment of the Sustainable Development Goals and monitoring and fulfillment of the Comprehensive Management System, the GRI indicators and the inclusion of SASB, which we begin to report in 2023.



▲ Maryori Zuluaga and Sofía Roldán
of the Customer Service and Sales area.

The efforts of Concreto are centered around the strategic focus areas that direct the Organization's actions: **productivity, industrialization, digital transformation and sustainability**. Each year, the Company's management specifies the material topics based on the strategic focus areas, which set the outline of the report we submit to our stakeholders. The number of material topics may change each year, depending on the management and relevance of each topic for stakeholders and Senior Management.

The material topics of the sustainability report are identified by the Company's Sustainability Committee, whose members include the Vice president of Corporate Affairs, the Environmental Area, the Internal Communications Area and the Sustainability Area. This Committee is in charge of defining, structuring and presenting the sustainability report, and its duties include the identification, segmentation and assessment of the material topics. **The material topics are reviewed each year towards the end of the last quarter, using as reference the material topics of the previous year from the reporting period.**

Once the strategic focus areas have been identified and consolidated, the Committee submits to the Company's Senior Management the possible material topics, based on: **the efforts made during the reporting period, interactions with stakeholders, the requirements of control entities, and the relevance they have for the Organization.**

A member of the Organization is assigned responsibility for each material topic. The person responsible is in charge of describing in a clear and concise manner the relevant events and the challenges for the upcoming year. This information is published on an on-line platform that enables tracking the information year by year.

Taking into consideration our higher purpose, “*Inspiring a Sustainable Future*,” and that during 2023 the Company focused on materializing its strategy, the Committee structured the Sustainability Report in four major chapters: “CEO Report,” “Our businesses,” “Corporate management” and “Socio-environmental impact.”

Based on the structure defined by the Committee and approved by Senior Management, we aim to show our stakeholders the performance achieved by the Company during the period, the development of the business lines after having defined the strategy; information on governance, risks, the financial performance of the Company and the socio-environmental management of Concreto, using to this effect international standards such as GRI, SASB and the Sustainable Development Goals. Based on the defined materiality, through this report the Company aims to assure the communications of topics of interest to our stakeholders, in compliance with public notices 012/2022 and 031/2021 of the Financial Su-

perintendencia of Colombia, in connection with the preparation of the end-of-year periodic reports and the disclosure of social and environmental topics, including climate-related matters.

Based on the above, we present the most noteworthy aspects of the Company’s socio-environmental management during the period.



▲ Dayhana Gómez of the Sales area.

04

SOCIO-ENVIRONMENTAL IMPACT

ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS

→ In the three areas of sustainability (economic, social and environmental), at Concreto, we join the fulfillment of the SDGs by 2030, with a special focus on 14 of them.

SDG 1

**No
Poverty**



- › **COP 195 million invested** in social programs in the mine.
- › **257 participants, including women and diverse populations, in the *Más con Equidad* project**, aimed at creating new opportunities for their financial independence.

SDG 3

**Good Health
and
Well-being**



- › **0 work accidents** related to critical tasks.
- › **100% fulfillment** of the requirements of the Occupational Health and Safety Management System.
- › **5.53% reduction in the accident rate** compared to 2022, thanks to the campaign *Empoderate: inspeccionando ando*.

SDG 4

**Quality
Education**



- › **38,051 hours** of training and education for our employees.
- › **10.34 hours** of training on average per year per employee.
- › **741 courses available on the Campus**, our on-line business knowledge platform, through which we trained 342 employees.

SDG 6

Clean Water and Sanitation



- > **2.29 m³ per person was the total water consumption in building projects**, down 7% compared to 2022 because finishing works were completed and the apartments were delivered.
- > **0.64 m³ per person was the total water consumption in infrastructure projects**, very similar to 2022 (0.72 m³ per person), as several projects closed down activities and new urbanization projects began.

SDG 7

Affordable and Clean Energy



- > **75.5 kWh per person was total electricity consumption** in building projects, up 58% compared to 2022, because some apartments are temporarily provided electric power.
- > **3.13 kWh per person was total electricity consumption** in infrastructure projects, down 5% compared to 2022.

SDG 8

Decent Work and Economic Growth



- > **0 penalties** from the Labor Ministry.
- > **3,481 jobs created:** 2,005 direct and 1,476 indirect jobs.
- > **45% of employees** are covered by collective bargaining agreements (union).

SDG 9

Industry, Innovation and Infrastructure



- > **31st place in the ANDI innovation ranking:** In the construction sector, we are the most innovative company in Colombia.
- > **21 projects executed** under the innovation and digital transformation action plan.
- > **COP 3,901 million** invested in innovation.

SDG 10

Reduced Inequalities



- > **3,192 boys and girls strengthened their skills for life** in projects carried out in partnership with Fundación Concreto, in areas such as sports, music, science, art and recreation, in game-based laboratories, *Semilleros de Paz*, *Goles de Paz* and other initiatives of extra-curricular school activities.
- > **149 employees are security officers**, 100% of them are trained in specific human rights policies or procedures.

SDG 11
**Sustainable
Cities and
Communities**


- › **1st place in the Excellence in Sustainable Architecture Award** with the project Contree Palmas SCA and CCCS.
- › **FIABCI Sustainable Project of the Year Award** for real estate excellence with the project Contree Palmas.
- › **Preliminary EDGE Advanced Certification for the project CEDI Crystal Marinilla** (energy 68%, water 74% and materials 64% - Camacol).
- › **Preliminary EDGE Advanced Certification** for the project Four Point by Sheraton in Guyana (energy 46%, water 41% and materials 51% - SGS and Sintali).

SDG 12
**Responsible
Consumption
and Production**


- › **COP 274,364,997,139** paid to suppliers in 2023.
- › **65.44% of all suppliers** were assessed, equivalent to 267.
- › **Over 1,800 suppliers registered** throughout the supply chain, in over 15 cities in Colombia.

SDG 13
**Climate
Action**


- › **86% of architectural design projects** incorporate sustainability features: bio-climatic, energy efficiency, water efficiency, among others.
- › **35,548 t of RCD reused**, 34.77% reused in works.
- › **Carbon footprint measurement**, mainly scope 1 (3,082 CO₂eq) and scope 2 (178,9 CO₂eq), according to the GHG Protocol, and development of the reduction plan.

SDG 15
**Life
on Land**


- › **30 animals rescued**, including frogs, snakes and birds, which are assessed and delivered to the corresponding environmental authority.
- › **401 tree specimens planted**, 1,433 trees preserved and 25 with comprehensive treatment.
- › **11,799.24 square meters of grass planted** in 32 green areas of the Portal El Vínculo yard, which benefit the communities and animals in the area.

SDG 16

Peace, Justice and Strong Institutions



- › **0 public legal cases** filed against the Company for corruption.
- › **3,685 employees trained** in anti-corruption policies and procedures.

SDG 17

Partnerships for the Goals



- › **We participated as speakers at the Autodesk University in Las Vegas**, to talk about the digital transformation, the BIM methodology and sustainability.
- › **1 publication with the University of Miami** on the digitalization of inspections and sustainability in construction.
- › **We participated in the first Think Tank** with Broadway Malyan in Miami.



▲ José Alfredo Torres, contractor of GMG Construcciones.

04

SOCIAL MANAGEMENT

COMMITTED TO THE DEVELOPMENT OF PEOPLE AND THEIR SOCIAL ENVIRONMENTS

→ *The well-being of our employees and of the communities we impact through our business is a top priority. We care about their balance, growth, safety and productivity, which generate progress in the territories and, at the same time, brings us closer to achieving our goals.*

Human Resource Management and Retention

In order to materialize our strategy in our three business lines, and to achieve our goals as a Company, it is essential to have in place our pillars for the attraction, development and building of loyalty of our human talent. **We do this because we are convinced that our employees are the ambassadors of the Concreto culture and are the ones who materialize the fulfillment of our purpose.**



▲ David Perilla and Diana Cubillos of the Housing area.

To this end, we execute the following action lines:

01

Attraction: We attract the ideal human resources and create an employing brand.

02

Training: We make sure this process addresses the Company's needs, and promotes both technical knowledge and corporate skills, to encourage our employees' development and growth.

03

Development: We implement tools that enable the assessment of critical and key positions, and the internal talent required to cover those position requirements, to promote opportunities and development within the Company and leverage the sustainability of the business.

04

Corporate Culture Management: We impact and transform the behavior of employees through our cultural axes: Sustainability, Productivity, Culture of Innovation, Digital Transformation and Service.

05

Compensation: We aim for internal fairness and external competitiveness. We manage strategies with our employees to ensure, on the one hand, that salaries are fair and competitive, and on the other hand, to mitigate the risk of flight of knowledge and reduce personnel turnover, in view of the difficulties we encounter in finding specialized talent.

06

Occupational Health and Safety: We generate safe and reliable work environments, guaranteeing the integrity of our employees.

07

Quality of life: We promote the well-being of our employees through a life-work balance, and we propitiate a good workplace environment.



▲ **Yiver Manuel Riveros, contractor of GMG Construcciones.**

To achieve the above, during 2023 we focused on the following activities:

→ We established a **Compensation Committee** to assure the efficient and strategic management of remuneration.

→ We structured and segmented the **positions**, and we implemented actions to develop the career paths and plans.

→ We digitalized the social and archaeological information in the **Mero platform** to facilitate the traceability and measurement of the indicators.

→ We strengthened workplace well-being processes as follows:

- **Ticket book:** a partner for you and your family.
- **Society and habitat:** Support for vulnerable employee populations for home improvements.
- **Physical connection:** healthy lifestyles.
- **Emotional connection:** support during important moments in the life of employees.
- **Financial management:** advisory on managing personal finances, agreements and discounts.

→ We carried out a study to assure **internal fairness and external competitiveness**, regarding growth, development and fair and competitive salaries.



▲ Paola Palacio and Melissa Barrientos of the A&L area.

→  **Our people in figures**

2,005 direct employees

→ 1,572
men

→ 433
women

→  **Employees
by age - men**

	2022	2023
UNDER 30 YEARS	437	319
BETWEEN 30 AND 50 YEARS	1,018	949
OVER 50 YEARS	303	304
TOTAL	1,758	1,572

→  **Employees
by age - women**

	2022	2023
UNDER 30 YEARS	128	123
BETWEEN 30 AND 50 YEARS	287	281
OVER 50 YEARS	27	29
TOTAL	442	433

At the end of 2023, the Company had 3,481 employees, of which 2,005 were direct, which represented a decrease of -8.9% in relation to 2022 (2,200), this is 195 fewer direct employees compared to the previous year. Regarding indirect employees, at the end of 2023 the Company had 1,476, which represented an decrease of -28.1% compared to 2022 (2,052), i.e., 576 less indirect employees compared to the previous year.

→ **1,409**
employees participated in periodic performance evaluations.

→ **100**
employees of key and security teams were trained in Human Rights.

→ **38,051**
hours of training to improve the technical skills of employees.

→ **0**
cases of discrimination.

→ **10.34**
hours of training on average per year per employee.

→ **741**
courses available in the Campus, our on-line business knowledge platform, through which we trained 342 employees.

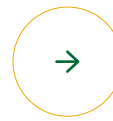
→ 98
employees trained in the Resident School, a training space on good construction practices and safe and healthy work.

→ 116
construction professionals trained in the Training and Mentoring School, where they learned administrative processes to strengthen administrative operations in the construction process.

→ 28
salespeople were trained in the Housing Management Sales School, a learning space with hands-on PNL tools and coaching to develop skills related to the shared sales goals.

→ 45
leaders trained in coaching to develop growth and empowerment skills, in order to inspire the attainment of goals.

→ 36
leaders trained in the English School, a language program aimed at developing the skills required for a global business world.



At Concreto, we promote a culture of learning based on four focus themes: **technical skills, administrative skills, talent for innovation and technology, and human development.**



2024 CHALLENGES

01

Continue with the implementation of the Resident Schools, Contractor School and Seniority Program with OHS leaders to leverage their capabilities, knowledge, competencies and soft skills.

02

Comply with the frequency and severity index defined by the Company.

03

Promote the well-being of our employees and their work-personal life balance.

04

Attract and maintain suitable talent for the Company.



Occupational Health and Safety

Occupational Health and Safety (OHS) assures that both our employees, contractors and suppliers implement and supervise the adequate performance of activities in connection with the risks that our teams are naturally exposed to.

For this reason, we continuously supervise compliance with applicable regulations related to OHS in the territories where our projects and workers are present. **We have a certified Comprehensive Management System (quality, environment, safety) under ISO 9001, ISO 14001, ISO 45001 and Norsok S-006 (with a compliance rating of 93.08%).**

The following are some of the major achievements attained in 2023:

→ **We reduced the accident rate by 5.35% compared to 2022**, thanks to the implementation of the campaign “*Empoderate: inspeccionando ando*”, which reported 10,345 findings on conditions and behaviors, which were intervened and closed.

→ **We fulfilled 100% of the requirements of the Occupational Health and Safety Management System** according to the minimum standards of Resolution 0312/2019 of the Ministry of Labor.



▲ Neidy Salomé Agudelo, social professional of the Group 8 project

→  **Occupational Health and Safety, in figures**

- The Company's accident rate was 4.95% in 2023, which is 23.84% below the rate of the construction industry at the national level. **This represents an improvement compared to 2022, when we were 18.28% below the rate of the construction industry.**
- The implementation of the *Empodérate* campaign achieved coverage of 100% of the **population of direct employees and contractors.**

→ **5,760,551
hours worked
by direct employees.**

→ **4,632,622
hours worked
by contractors.**

↓
 **2024
CHALLENGES**

01 **Maintain the current certifications** and implement the Unified Contractor Registry (RUC, for the Spanish original).

02 **Strengthen the *Empodérate* campaign,** based on self-care and the involvement of families, which has a direct effect on the reduction of accidents.



▲ Aura Soler, Álvaro Palmezano, Jairo Olachica, Jorge Duarte, Luis Alejandro Aragón, Roselay Serrano and Xiomara León.



Social Management

As a Company, we are convinced that we must go beyond the contractual obligations, and we endeavor to produce positive impacts through activities of shared responsibility with the communities that live in the territories where we develop our projects and concessions.

We relate with them through citizen care, which creates closer bonds and enables us to act as mediators between public entities and the communities. We do this through two channels: through Fundación Concreto and the social professionals who are members of our teams in the territories.

During 2023, we worked on achieving the following goals:

→ **3,192 girls and boys strengthened their skills for life** through extracurricular activities (in non-school hours) that enabled them to connect with their interests and passion for sports, music, science, art and recreation, through Games-based Laboratories, *Semilleros de Paz*, *Goles de Paz* and other initiatives designed for them.

→ **158 adolescents participated in the events of Jóvenes con Propósito (youth with a purpose) to connect with their goals**, strengthen their skills, or become in-

involved in training for job and entrepreneurship opportunities. 100% of the youth who wished to become employable fulfilled their dreams.

→ **6 youth were trained in BIM by Concreto and they all had job opportunities.**

This project managed to involve over 15 partners, including companies, business foundations, academic institutions, and resources from USAID and Acdi/Voca.

→ **257 people participated in the project *Más con Equidad* (more with equality)** carried out in Medellín and Bogotá, who received training on economic independence and strengthening of skills for life, to contribute to their individual and family development.

This project promotes gender equality and seeks the prevention of gender-based violence, focused on the construction industry. The participants had the opportunity to apply for a job at Concreto and other construction companies.

→ **2 initiatives implemented to promote the mental health of children and youth.**

We offered them tools of handle and control their emotions, and we reflected on the importance of caring for our mental health.

F

2024 CHALLENGES

01

Continue with the social projects in progress, such as:

Games-based Laboratory, *Goles de Paz*, *Jóvenes con Propósito*, *Más con Equidad*, *Conectar-SER* and Volunteer work *Lo Bien que se Siente Ayudar*.

02

Develop more training and employability opportunities for youth through the implementation of different activities in cooperation with schools, including student internship programs, professional practices and technical training.

03

Consolidate a methodology for gender-based projects that promote inclusion and equality in the construction sector.

04

Strengthen the presence of Fundación Concreto in Bogotá.

05

Engage in partnerships within the Business Group to carry out projects focused on social management of the different companies: Concreto, Industrial Concreto, Pactia and Azimut.

06

Strengthen the volunteer work initiatives, the godfather plan and circular economy campaigns.



▲ Work session of the program “*Jóvenes con Propósito*.”

04

ENVIRONMENTAL MANAGEMENT

WE TAKE CARE OF THE PLANET, ITS ECOSYSTEMS **AND THE** **PEOPLE WHO INHABIT IT**

→ *At Concreto, we are committed to efficiently use natural resources, climate change, and compliance with the legal, regulatory and contractual requirements. In this way, we ensure adequate management, prevention, mitigation, adaptation, and offsetting of environmental impacts.*

Managing the Company's environmental performance is a top priority. For this reason, at Senior Management we follow up on strategies, goals and results to continuously improve our environmental performance. In addition, we have a manifesto and comprehensive policy based on our ISO 14001:2015 certification.

We perform monitoring and assessments every month through feedback from the environmental reports for the projects. We do so every quarter in the generation of indicators for management's review of the Management System, through internal and external audits planned by the Company.



We strive for the implementation of good environmental practices in the execution of our projects: adequate waste management, air quality, efficient use of water and energy, signage, protection of fauna and flora, among others.

→ Relevant Facts

- **We are committed to transparency and to reporting to our stakeholders**, with technical and digital evidence of our good socio-environmental practices. We achieve this through the MERO management platform, which maintains traceability for tracking of information.
- **We achieved the Multicompany Certification** with the recertification in ISO 14001:2015 for 3 more years.
- **For the second year in a row we held the “Environmental July” campaign** with over 300 employees who actively participated in the activities: planting workshops, environmental fairs and circular fashion strategies.
- **We continue with the campaign *Botellitas de Amor***, a program that encourages our employees to recycle plastic and metallic paper.
- **We continue to assure the goal of using and recycling RCD**, with a minimum set at 25%, in accordance with Resolution 1257/2021.

→ Material Consumption

- 3,476 t
of steel
- 451,882 t
of blocks and bricks
- 3,178 t
of cement
- 39,304 gal
of fuel
- 128,846 m³
of beach materials
- 46,746 m³
concrete mixtures
- 9,494 t
of prefabricated materials
- 17,269 t
of wood

ASSESSED SUPPLIERS	UNIT OF MEASURE	2020	2021	2022	2023
TOTAL SUPPLIERS	#	418	457	425	408
TOTAL OF EVALUATED SUPPLIERS	#	262	290	270	267
PERCENTAGE OF EVALUATED SUPPLIERS	%	62.67	63.45	63.53	65.44

Waste Management

Our main challenges are related to the disposal of solid waste, both at the offices and the projects.

At our offices we have ecological points where we perform adequate waste classification, which enables separation at the source to reduce the amount of waste sent to landfills, as well as to reuse recyclable waste.

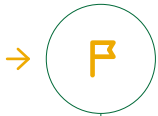
At the projects we have locations for waste collection, where waste is classified by type: special, RCD, hazardous, recyclable, ordinary and for reuse in works. **Adequate final disposal is assured, and strategic partnerships are in place with environmental managers, through which the aim is to achieve a circular economy.**

In 2023, we reused in the works 35,548 t of RCD, equivalent to 34.77% of total RCD generated, and we reused 27% of all the waste generated by Conconcreto.

WASTE	TONS	PERCENTAGE OF GENERATION
EXCAVATION	325,717	75.66%
RCD	102,254	23.75%
SPECIAL	689	0.16%
RECYCLABLE	399	0.09%
HAZARDOUS	316	0.07%
ORDINARY	1,126	0.26%
TOTAL WASTE 2023	430,501	

FINAL DISPOSAL	TONS	PERCENTAGE
RCD	4,858	
EXCAVATION	309,513	
ORDINARY	1,126	
TOTAL	315,497	73%

WEEE	
WASTE FROM ELECTRICAL AND ELECTRONIC EQUIPMENT	0.7315



2024 CHALLENGES

01

Establish the Environmental, Circular Economy and Climate Change policies, which will be implemented in the Company's strategic projects.

02

Design a course to promote the environmental and sustainable culture in the Digital University of Concreto, to encourage responsible environmental management, adequate waste management, and the efficient and rational use of resources.

03

Establish the Circular Economy Plan with specific targets by the end of 2024 for the strategic projects, in terms of water and energy savings.

04

Surpass by 10% the percentage established by law to achieve better reuse and recycling of the RCD generated at the works.

05

Implement the circular economy model in the projects and reduce the amount of waste sent to final disposal sites.



▲ Jairo Olachica, Álvaro Palmezano and Daniel Giraldo of Group 5 project.



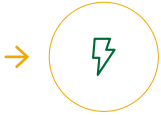
Consumption management by source

In order to monitor changes in water and energy consumption, we use the variables source, typology, causes and action plans due to higher or lower consumption compared to each reported month.

To this end, we use an index that relates the monthly number of employees involved in the project and the phase of the project, to find kWh/person (energy) and m³/person (water).



▲ Team of Azimut Energía.



» ENERGY CONSUMPTION

TOTAL ENERGY CONSUMPTION	UNIT OF MEASURE	2022	2023
PROJECTS IN EXECUTION - BUILDINGS	kWh/ average per employee	31.96	75.50
PROJECTS IN EXECUTION - INFRASTRUCTURE	kWh/ average per employee	3.30	3.13
OFFICES	kWh/ average per employee	89.91	83.07



» WATER CONSUMPTION

TOTAL WATER CONSUMPTION	UNIT OF MEASURE	2022	2023
PROJECTS IN EXECUTION - BUILDINGS	m ³ / person	3.39	2.29
PROJECTS IN EXECUTION - INFRASTRUCTURE	m ³ / person	0.52	0.64
OFFICES	m ³ / person	2.95	2.36

In 2023, we reported monthly energy consumption at 18 construction and infrastructure projects, at which we found that:

→ The greatest consumption is during finishing and outdoor urbanization works, related to artificial lighting.

→ The type of project with highest energy consumption was Housing, because temporary support is provided for electricity consumption until the real estate condominium bylaws are formalized and the property is delivered to the owner.

In 2023, we reported monthly water consumption at 18 construction and infrastructure projects, at which we found that:

→ Greatest consumption arises from structural work (concrete pouring) and outdoors urbanization during cleaning.

→ The project type with greatest water consumption was Housing, followed by Infrastructure.

→ Substantial consumption arises from the use of tanker trucks in infrastructure projects to supply specific activities, a larger number of personnel and some leaks not identified in a timely manner.



2024 CHALLENGES

→ WATER CONSUMPTION

01

Develop an action plan using rain water to optimize and improve the use of potable water in cleaning and washing activities.

02

Increased monthly monitoring and follow-up on consumption to identify possible leaks in a timely manner.

→ ENERGY CONSUMPTION

01

Optimize the use of artificial lighting for outdoor lighting.

02

Identify and implement strategic actions that enable us to expedite the publication of condominium bylaws.

03

Continue with good practices for the rational use of energy in works, covering lighting, reviews of equipment efficiency and their rational use.

04

Expand the potential of solar power at the different properties where Azimut currently actively participates by 20%.



Azimut, Our Partner in Energy Efficiency

With our partner Azimut Energía, we achieved energy savings at the different companies of Grupo Concreto, in the following work areas:

→ **Adequate electricity purchases:** through negotiations we managed to reduce the unit cost of electricity at 16 real estate properties of Pactia. We also identified opportunities to reduce consumption at certain properties, and lastly, through the implementation of projects to mitigate charges for reactive energy, which reduced the amount invoiced in public utility bills, achieving savings of over COP 600 million per year.

→ **Consumption management:** We managed to identify potential savings of over COP 400 million per year by making certain changes in the operation of certain properties, reducing electricity consumption by up to 15%. This was achieved with over 250 metering points at the different properties where we monitor energy consumption, the critical variables for business continuity with the product (SCADA) and water consumption at constructions such as Zanetti and Contree.

→ **Distributed generation:** in projects on roof for Pactia and Contree, and on ground for the solar farm at the mine of Industrial Concreto in Girardota, we reduced 970 CO²eq, making a positive contribution to eco-efficiency goals.

→ **Technological substitution:** We achieved savings for over COP 300 million per year through the implementation of reactive energy compensation systems and the improvement of lighting systems. Additionally, one of the challenges of greatest impact in 2023 and which continues at the cut-off date has been the renewal of the air conditioning systems at two assets of Pactia, which has improved thermal comfort conditions.




COP 4,000 million was our reduction in energy payments between 2018 and 2023, the equivalent of turning off 603,100 light bulbs during one year, planting 32,100 trees and generating energy for consumption by 6,400 households.

→ Greenhouse Gas (GHG) emissions

Aligned with the De-carbonization Plan by 2025, the Comprehensive Air Quality Management Policy and the Climate Change Management Plan, **we carried out activities that reduce the carbon footprint at the local and regional level.** In this way we mitigate the effects and consequences of global warming on the health of people, improve the balance of ecosystems and life in balance on the planet.

As a Company, we stand out as a major player in the construction industry, which is no stranger to the global and local challenges and goals for the well-being of future generations. **We are committed to finding and implementing strategies that mitigate climate change over the life cycle of our projects, as follows:**

↓

We calculate the carbon footprint according to the GHG Protocol, considering the emissions factors of the UPME and EPA.

1.

IN DESIGN:

With attributes of sustainability, aimed at efficiency in the use of energy, water and materials with a lesser carbon footprint.

2.

IN CONSTRUCTION:

Conservation of the territories, care for the air, good construction practices, waste management, the circular economy and adequate liquid waste disposal.

3.

IN OPERATIONS:

Preventive maintenance of the system, energetic rehabilitation and substitution.



▲ Jessica Priscila Sierra of Industrial Concreto.

GHG EMISSIONS	UNIT OF MEASURE	2022	2023
SCOPE 1 EMISSIONS	CO ₂ eq	19,838	3,082
SCOPE 2 EMISSIONS	CO ₂ eq	136.8	178.9
SCOPE 3 EMISSIONS	CO ₂ eq	553.2	5.5

*Data only for Constructora Concreto.



2024 CHALLENGES

01

Reduce the carbon footprint in scope 1 and 2, according to the Circular Economy and Climate Change Policy, which is under development.

02

Promote and continue to implement good environmental practices, in line with the Company's commitments regarding climate change.



The following were the GHG emissions:



Due to fuel consumption, mainly diesel fuel and ACPM, in infrastructure projects; and the use of equipment during construction and outdoors urbanization phases, earth movement and metal structures.

Due to greater energy consumption during finishing and outdoor urbanization works, related to artificial lighting.

The emissions are insignificant (0.2%) and arise from paper consumption.



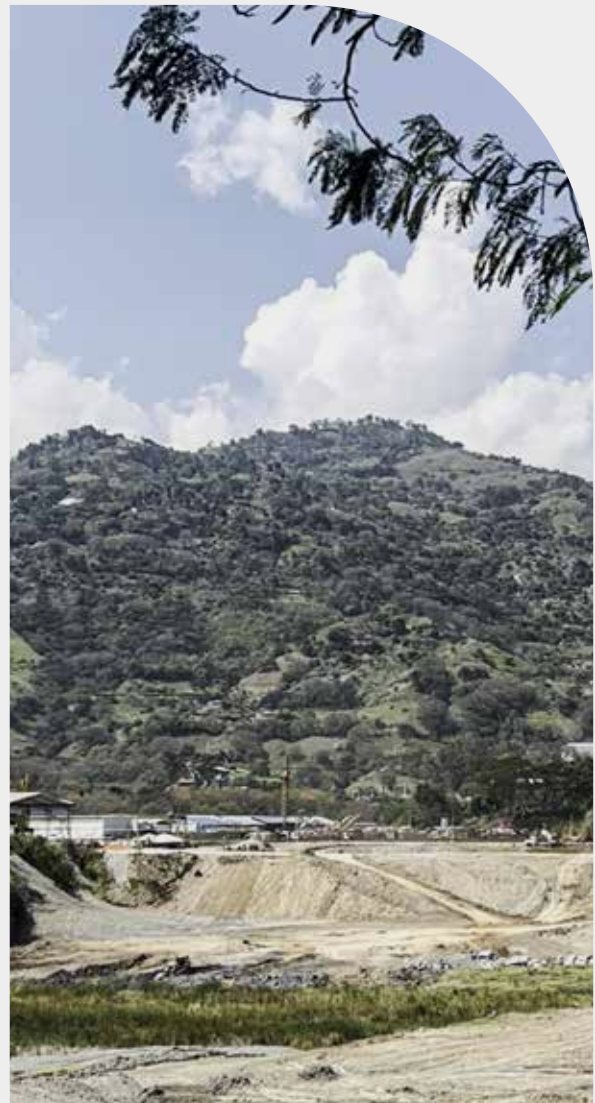
ENVIRONMENTAL MANAGEMENT INDUSTRIAL CONCRETO

Responsible mining management is essential for the fulfillment of the strategy and the higher purpose of the Company, because it is indispensable for mitigating environmental impacts, safeguarding community rights, ensuring economic sustainability and regulatory compliance. This assures long-term viability and operating efficiency, minimizes environmental and social risks, promotes technological innovation and the optimization of resource use.

This practice also develops trust and support for mining operations, enabling us to promote harmonious relations with the environment, with social acceptance and well-being in the communities in the area of influence.



660
solar panels
of the solar farm will cover
25% of demand at the
aggregates mine, enabling
**a total reduction of 102 t
of CO₂/year.**



In 2023, our mining operation faced challenges such as maintaining the active participation of the communities in the area of influence, the political changes that affect perceptions about the mining industry, and changes in environmental regulations with new environmental licensing procedures. **In this scenario, we highlight the following achievements:**

- **We modernized the yellow machinery.** Based on the implementation of extraction control systems and quarrying cycles, the installation of weighing sensors to improve yields, and machinery that consumes 15% less diesel fuel or that uses alternative fuels such as urea, which reduces harmful diesel emissions.
- **We improved the fleet administration processes to identify,** control and monitor variables in real time.
- **We reused water in the mining processes** and recirculated over one million cubic meters of water (1,171,857 m³).



Industrial Concreto Sustainability Report.



Environmental product declaration.

- **We installed and started up the second phase of the solar plant,** with 366 new modules to generate 302,868.4 kWh/year.
- **We reused and revalued all the waste sludge from the stone aggregates plant,** which reduced water losses by 1,300 m³/month.
- **We advanced in the circular economy project** that reuses material from filtration and other sources, based on the permit for the use of RCD.
- **We created new business opportunities with our environmental product declaration.**

↓
2024 CHALLENGES

P

Update the life cycle analysis of the product (LCA) and the environmental product declaration (EPD).

- 02** Enhance the efficiency of energy solutions and the use of renewable energy sources.
- 03** Continue to modernize the yellow machinery.
- 04** Reuse more water in the mining processes.

- 05** Implement the second stage of the rainwater use project.
- 06** Continue with the objective of becoming Carbon Neutral.
- 07** Reduce our GHG emissions.



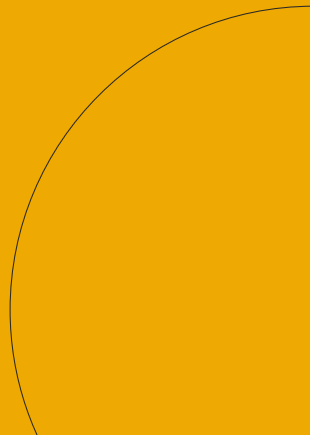
CHAPTER

05



ANNEXES

- GLOSSARY



GLOSSARY

A

- **AI:** Artificial Intelligence.
It refers to systems or machines that imitate human intelligence to perform tasks and which may improve iteratively based on the information they gather.
- **ANDI:** National Business Association of Colombia (ANDI, for the Spanish original) is a non-profit trade association whose objective is to disseminate and propitiate the political, economic and social principles of a healthy free enterprise system.

B

- **BIM:** Building Information Modelling.

C

- **CAM:** Century Asset Management.
- **Circular economy:** It is assumed that the reusable RCD is waste from the construction activity as the generator activity, and therefore should be the raw material for new production processes, in which the waste is revalued and reused in an efficient manner in new processes or products.

- **Climate change:** Climate change is defined as the global change in the Earth's climate due to natural causes, but mainly due to human action, as a result of the retention of heat from the sun in the atmosphere. Its effects include an increase in average temperatures, changes in the patterns of rain and snow, rising sea levels, the reduction of surfaces covered by snow and glaciers, storms and droughts.

E

- **EPA:** United States Environmental Protection Agency.

G

- **GHG Protocol:** Greenhouse Gas Protocol.
- **GRI:** Global Reporting Initiative.

K

- **kWh:** kilowatts/hour.

M

- **m³:** cubic meters.

R

- **Ratio:** Average salary of females in each level, divided by the average salary of males in the same level.
- **RCD:** residues from construction and demolition.
- **Reuse:** A process that involves the reuse, treatment or recycling of the RCD, in order to reincorporate it into the economic cycle. This percentage includes the tons of RCD and excavation waste.

S

- **SASB:** Sustainability Accounting Standards Board.
- **Special wastes:** Residues that because of their physical and chemical characteristics cannot be broken down and cannot be managed by the waste collection companies, and must therefore be subject to special treatment. **Examples:** wood, drywall, cement bags, among others.

T

- **TOD:** Transit-Oriented Development.

U

- **UPME:** Mining-Energy Planning Unit (for the Spanish original).



Concreto