



MOCTEZUMA[®]

INTEGRATED
ANNUAL REPORT **2024**

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OUR NEW IMAGE

For 80 years we have undergone a journey of continuous transformation and ongoing innovation. We have been a cradle of growth and development, a benchmark for profitability, a pioneer for adopting technologies and creating initiatives with high social value. Today, during this historic moment for our company, we have decided to revitalize our image to reflect the evolution undergone during recent decades, reiterating our commitment to sustainability and the aim to build a better future.

The new graphic identity lies in the heart of our history, in the challenges overcome, in the ties created, and in the dreams built together. We have grown hand-in-hand with our communities, customers, and employees. With a new image, we reiterate our promise to continue generating solutions that go beyond our company and which make a difference in the lives of those around us.

Therefore, the visual identity of Moctezuma has evolved to prevail and update its legacy, thus serving as a bridge to the Mexico of tomorrow. Moctezuma is the face of the future.



GRI 2-1, 2-2, 2-3

ABOUT OUR REPORT

It is a pleasure to present our 2024 Integrated Annual Report for Corporación Moctezuma, S. A. B. de C. V. (hereinafter, “Moctezuma”), detailing the results obtained from our financial, economic, social, and governance activities, for the period of January 1 to December 31, 2024.

This report has been prepared in accordance with GRI Standards, complying with reporting requirements set forth by the Global Reporting Initiative. It also adheres to the IFRS (International Financial Reporting Standards) emitted by the IASB (International Accounting Standards Board), mandatory for all companies who quote on the MSE (Mexican Stock Exchange). Also followed are the guidelines of the ISSB (International Sustainability Standards Board), which has incorporated into the IFRS S1 and S2 the recommendations made by the TCFD (Task Force on Climate-Related Financial Disclosures) and the standards set by the SASB (Sustainability Accounting Standards Board). We continue consolidating information to comply with requirements for these standards for our 2025 Integrated Annual Report to be published in 2026.

The structure of the report is divided into 10 chapters and contains the pillars of our Sustainability Strategy, known as Roadmap 2030. The first four chapters include messages from our leaders, the profile of our organization, and financial and governance performance results. As of chapter five is a description of our initiatives and the results for each pillar: Health and Safety, Energy and Climate Change, Social Responsibility, Environment and Biodiversity, and Circular Economy. Lastly, chapter 10 contains the Attachments, covering the standards used in preparing this Report.

Also mentioned is the progress made during this reporting period for certain capitalism metrics for the stakeholders of the WEF (World Economic Forum) as part of the guidelines followed to create eco-



omic, social, and governance values for all important players and for society as a whole.

Moctezuma contributes to the SDGs (Sustainable Development Goals) set by the United Nations under their Agenda 2030. It is through strategic alliances that we pursue contributing to prosperity and peace with specific actions aligned with our Sustainability Strategy: Roadmap 2030.

Key performance indicators defined by the GCCA (Global Cement and Concrete Association) have been adopted in line with our ongoing commitment to sustainable development and key relations with key stakeholders. The progress achieved with their implementation is presented throughout this Report.

Data related to methodologies, standards, and structures mentioned previously are located on the title page of each section.

All monetary amounts are given in Mexican Pesos (MX Ps), unless another currency is mentioned.



MILESTONES FOR 2024

Financial Performance

\$19.797

billion pesos in income

\$8.817

billion pesos in EBITDA

\$4.279

billion pesos in dividend payments to Shareholders

Health and Safety

+33%

in hours of training in health and safety vs. 2023



-28.6%

in accidents per million of kilometers traveled vs. 2023

Energy and Climate Change

-12%

in net emissions of CO₂ from 2020-2024

-2.3%

in net emissions of kg of CO₂ /metric ton of cement vs. 2023

5.8%

in substitution rates of alternate fuel

-1.8%

in kWh/metric ton of cement vs. 2023



Circular Economy

+71.4%

in metric tons of coprocessed waste vs. 2023

Social Responsibility

+4,200

attendees for two Open-Door Days

+\$9.7


million pesos for social assistance for communities

+43.9%

in training hours vs. 2023



Environment and Biodiversity



-13.5%

in L of water/metric ton of cement vs. 2023

+250

hectares of protected and restored habitats

GRI 2-11, 2-22, 2-23

MESSAGE FROM OUR LEADERS

To our stakeholders:

It is a pleasure to present our 2024 Integrated Annual Report for Moctezuma, a reflection of the ongoing commitment and efforts of the company in striving for a more sustainable and innovative future, committed to the well-being of communities and the environment.

During the first half of 2024 the dynamics for the economy and industry was maintained and fostered by investments in different infrastructure projects by the federal government, and by an increased influx of remittances, where it is estimated that 20% was for self-construction. These factors contributed greatly to a greater demand for cement and concrete, thus consolidating our role as one of the principal players in the industry. By the end of the year, however, while the new Administration assumed its duties in governing the country and investments in infrastructure resumed, public resources were not forthcoming, affecting in this way the performance of construction and product demand.

Our company continued with solid results in terms of revenues, EBITDA, and margins. This sustained growth has been possible due to strict cost and expenditure controls, and by making use of market opportunities and a customer-centric approach.



Moctezuma is one of the more profitable companies in the Mexican Stock Exchange, largely due to a sound management model, prudence and efficiency and without resorting to speculative practices. Optimization in the control of costs and expenditures, together with the absence of debt enables us to maintain a sound financial position and optimum cash flows. This in turn gives us the capability to fund our operations, modernize our facilities with state-of-the-art technology, and invest in innovative projects. In 2024 we began

making investments to broaden our cement milling capacities for the Tepetzingo Plant; greater demand will be served, with enhanced energy efficiency and less environmental impact as a result of the new mill to be installed in 2025.

The strengthening of process standardization, our corporate governance, and the senior management team is the product of continued progress in the ERP system (Enterprise Resource Planning) in the

aim to have a positive impact in all departments companywide. In addition, the creation of the Chief Internal Control Office led to further reinforcement of risk management.

Moctezuma’s commitment to sustainability has existed since the creation of the company. It is currently the backbone of our transformation and business strategy.

We have reiterated our commitment to sustainability, which has been and shall continue to be the backbone for Moctezuma’s transformation and business strategy. It goes beyond mere legal compliance: it is a responsibility we assume with seriousness and determination.

Efforts were multiplied to adopt the best practices and contribute towards the global sustainable development goals, making significant inroads with all the pillars of our Sustainability Strategy: Roadmap 2030.

A culture of comprehensive Health and Safety in our plants and that is of great importance to our communities, the family members of our personnel, transporters, and business allies was maintained to guarantee a safer workplace for one and all.

We faced the urgent need to reduce our carbon footprint and protect natural resources. In this context and in keeping with the goal set by the GCCA (Global Cement and Concrete Association) to reach carbon neutrality by 2030, led us to stipulate our own goal of reducing net carbon dioxide emissions 20% by 2030. In the last four years we

\$19.79 billion pesos
in revenue; +0.7% vs. 2023



have achieved a 12% reduction; that is, we are more than halfway towards accomplishing our established goal.

Net CO₂ emissions from 2020-2024 have been reduced by 12%

Relative to the pillar of a Circular Economy, we are convinced that Moctezuma is the best ally for governments and communities regarding the coprocessing of waste, preventing thousands of metric tons from ending up in sanitary landfills or in open-sky dump sites, thus reaffirming our leadership in conscientious resource management.

In the subject of Environment and Biodiversity, alliances with several educational institutions have enabled us to move forward in conducting diagnostics and conservation programs. The Payment Agreement for Environmental Services CONAFOR-Apazapan Ejido-Moctezuma was resumed, benefiting both the environment as well as local communities for the coming five years.

Added to these achievements are our Social Responsibility initiatives. We continue working closely with neighboring communities to foster education and health and well-being, making sure the economic development benefits are broadly distributed.

None of this would have been achievable without the extraordinary dedication and commitment of all our employees. Their talent, creativity, and tireless efforts are the basis for overcoming challenges and meeting ambitious goals. From the implementation of technological projects to the execution of sustainable practices, they are veritable agents for change. At every level of the organization, these men and women have exhibited a true and undeniable commitment to excellence, safety, and innovation. It is they, through their efforts, who open the road to consolidation as one of the most profitable companies and industry leaders, while we also reiterate our social and environmental responsibility.

Renovation is a fundamental part in the lifecycle of companies. For us, it is of paramount importance to keep our brand relevant, alive, and competitive in a world with constant changes.

We express our sincerest appreciation for all who walk this road with us, and who are key to the success of Moctezuma: our employees, shareholders, customers, and suppliers. May we continue moving forward together towards a 2025 full of opportunities, where we continue making a difference and building a sustainable future for everyone.

José María Barroso Ramírez
CEO Moctezuma

Enrico Buzzi
Chairman of the Board of Directors



Moctezuma is more than just cement: **we are the face of the future.**



WE ARE MOCTEZUMA

- 

8 DECENT WORK AND ECONOMIC GROWTH
- 

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 

11 SUSTAINABLE CITIES AND COMMUNITIES
- 

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 

13 CLIMATE ACTION

BUSINESS MODEL

We are Moctezuma, a world-class company with a long history of prestige and sound finances, committed to the building of a better Mexico. We specialize in the production, distribution, and commercialization of top-quality cement, concrete, and aggregates.

<div>30</div> <div>distribution centers</div>	<div>27</div> <div>concrete plants and 1 for aggregates</div>	<div>3</div> <div>cement plants, equipped with state-of-the-art technology, and 2 production lines in each plant</div>	<div>8 MILLION</div> <div>metric tons of annual installed capacity for cement</div>
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WHAT MAKES US DIFFERENT

Moctezuma bets on the future and is fully convinced that the creation of a better Mexico can be possible by providing long-term value for our employees, customers, shareholders, investors, suppliers, and the communities neighboring our operations. We therefore implement innovative strategies and make proper use of the qualities that make us different from the rest.

Our Sustainability Strategy: Roadmap to 2030 is one of our primary competitive advantages; **it guides us and allows us to focus our efforts and be increasingly efficient.**



- Market
- Strategically located cement and concrete plants.
 - Distributed throughout 95% of the country.
 - Technological innovation and operating efficiency.
 - Consistent and top-quality products and services.
 - A reinforced value chain.
 - A broad and solid distribution network.
 - Customer-centricity.
 - Optimization of customer service processes.
 - Commercial team experience and training.
 - Anticipation and response capabilities for market demands.
 - Extensive market share of construction materials.
 - Sound market strategies.
 - Specialized and tailor-made service.
 - Technical support and assistance.

- Financial Factors
- Financial discipline, soundness, and stability with efficient cost management.
 - One of the most profitable companies quoting on the MSE.
 - Reinvestment in assets for improvements and efficiency.
 - Distributor loyalty achieved through trust-based relationships.
 - Prudent and conservative financial approach.
 - Minimized credit risk.
 - Free of cost-producing debt.
 - Cash dividends paid to shareholders.
 - Satisfactory operating margins.
 - Strategic investments with environmental and social benefits.
 - A sound and profitable company committed to all its stakeholders.

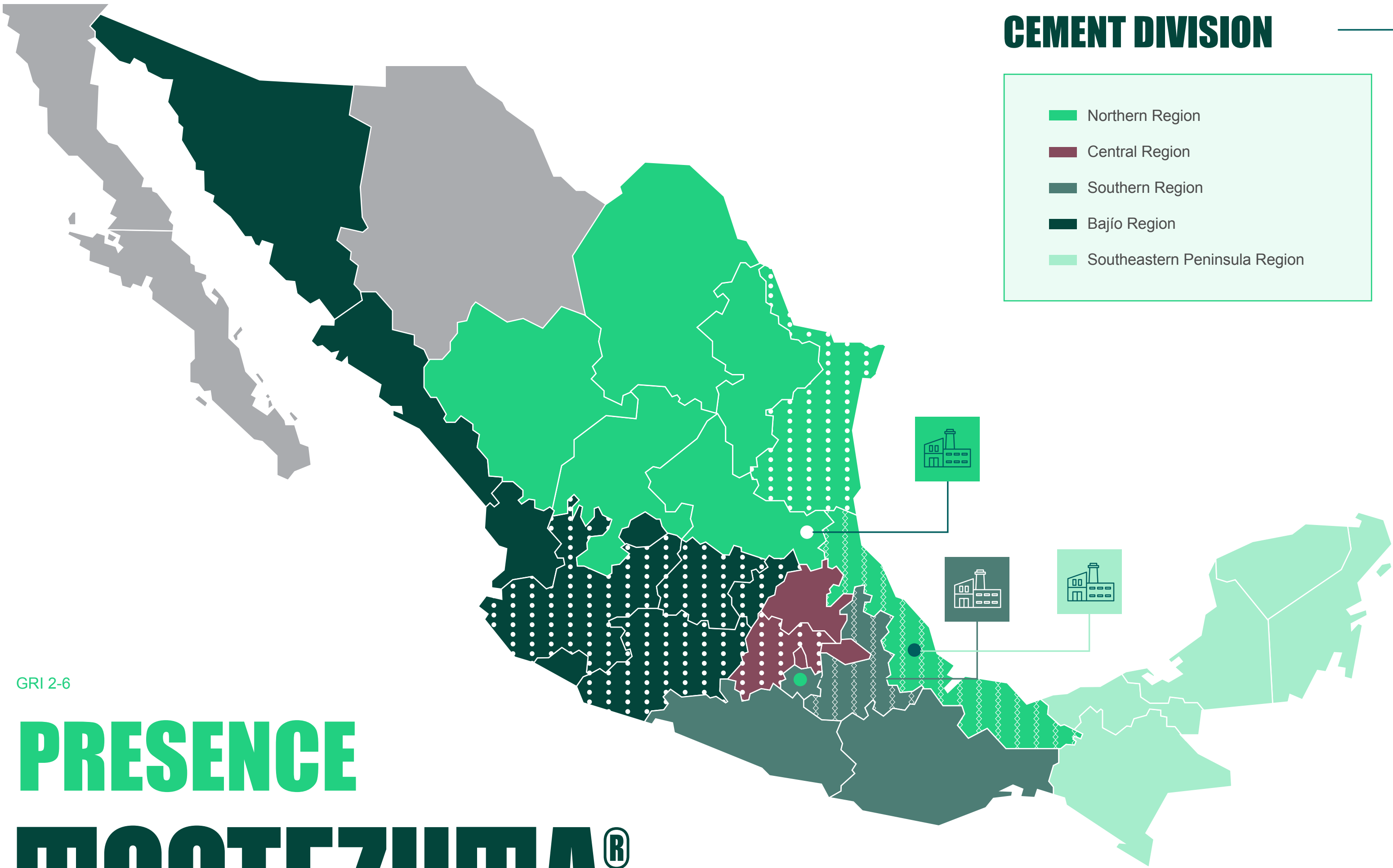


- Governance
- Over 80 years of history and experience.
 - A focus on sustainability.
 - Solid and committed corporate governance.
 - Reinforcement of risk management and internal control processes.
 - The trust of our shareholders and board members.
 - Strengthening of our organizational culture.
- Moctezuma’s primary qualities include the efforts and commitment displayed by our people. Thanks to this, we have met our organizational goals.

- Environmental Factors
- Responsible operations with a long-term vision.
 - Leadership in energy efficiency.
 - Plants equipped with state-of-the-art technology.
 - Clean production with minimum environmental impact.
 - Comprehensive Management System-based accreditations and certifications.
 - High operating efficiency.
 - Substitution of raw materials so as to enhance the clinker-cement ratio.
 - Ongoing search for the best solutions that reduce our carbon footprint.
 - Performance transparency through EPDs (Environmental Product Declarations) on cement and concrete.



We are the strategic ally for building a sustainable future.



CEMENT DIVISION

- Northern Region
- Central Region
- Southern Region
- Bajío Region
- Southeastern Peninsula Region

OUR PLANTS



Tepetzingo

Installed capacity: +2.50 million metric tons per year
Products: CPC 30 R RS, CPC 40 RS, and mortar



Cerritos

Installed capacity: +2.75 million metric tons per year
Products: CPC 30 R, CPC 40, and mortar



Apazapan

Installed capacity: +2.75 million metric tons per year
Products: CPC 30 R RS, CPC 40 RS, and mortar

CONCRETE DIVISION

- Center-South Region
- Bajío-Pacific Region

We produce over **+580 types of concrete**, including conventional, structural and specialty designs to meet the specific needs of our customers.

GRI 2-6

PRESENCE
MOCTEZUMA®

OUR PHILOSOPHY

We created Moctezuma Life, in keeping with our long-term strategy, which is a project in which we have declared the set of values, beliefs, behaviors, and purpose that make us the company we are and that we want to be.



The change in graphic identity for Moctezuma symbolizes our evolution; expresses the permanence of our fundamental values; and remains true to our principles: in what we believe, what inspires us, what guides us, and what moves us.

OUR PURPOSE

We are building a **better Mexico for all families and future generations**, committed to the environment.



OUR VALUES



VALUING LIFE

We protect the health and safety of our people by guaranteeing a safe work environment in our operations.



HONESTY AND INTEGRITY

We do the right thing, always acting with the highest of ethical standards and in full compliance with the law. **We are consistent** in what we think, decide, and do.



RESPECT AND INCLUSION

We are a family. Plurality is supported **and diversity enriches us, valuing every individual** and their contribution to the company.



CARING FOR OUR PLANET

We manage and operate responsibly and sustainably, always minimizing and mitigating the environmental impact of our activities to protect our planet.



PASSION FOR EXCELLENCE

We are leaders. **We are a team who truly lives for continuous improvement**, consistently providing value in everything we do.

SOLIDITY

FINANCIAL PERFORMANCE



The background image shows a modern, multi-story building with a light-colored, textured facade. The building has large, rectangular windows and a prominent overhang. It is surrounded by lush greenery, including tall trees and various plants. A paved walkway leads towards the building, and the overall scene is bright and sunny.

“OUR SUSTAINABILITY STRATEGY: THE ROADMAP TO 2030

is our line of business and we follow that route. Our commitment is to continuously deliver top-quality products responsibly and with environmental awareness. This entails doing good business.”

Alaitz Irizar Oña
Chief Administration and Finance Officer

GRI 3-3, 201-1, 203-2

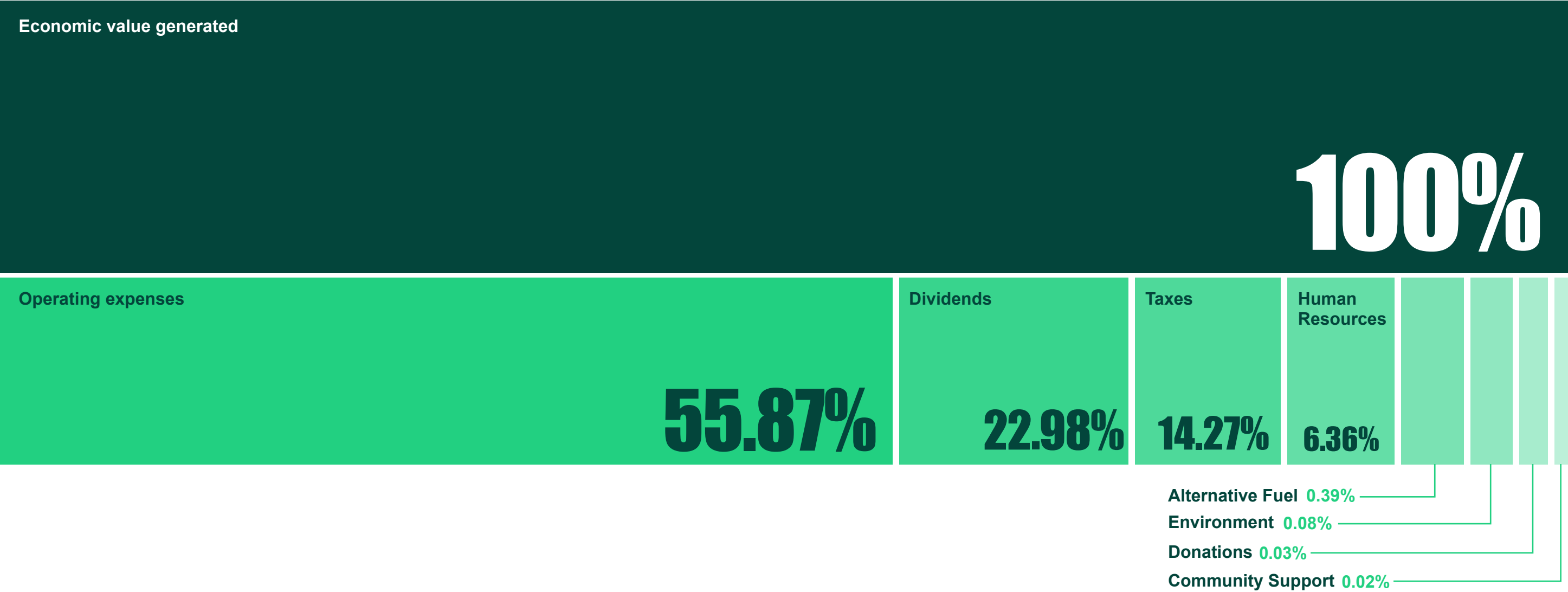
Financial Results*

INDICATOR	2023	2024	CHANGE (%)
Total Assets	\$17,132	\$18,868	10.1%
Total Liabilities	\$3,707	\$3,488	-5.9%
Total Net Equity	\$13,425	\$15,380	14.6%
Net Sales	\$19,662	\$19,797	0.7%
Gross Profit	\$12,742	\$12,788	0.4%
Gross Margin	64.8%	64.6%	
Operating Income	\$8,291	\$8,099	-2.3%
Operating Margin	42.2%	40.9%	
EBITDA	\$8,928	\$8,817	-1.2%
EBITDA Margin	45.4%	44.5%	
Consolidated Net Income	\$6,166	\$6,521	5.8%
Consolidated Net Margin	31.4%	32.9%	-
Consolidated Comprehensive Profits	\$6,167	\$6,516	5.7%
Comprehensive Consolidated Margin	31.4%	32.9%	-
Dividend per Share	\$4.00	\$5.00	-

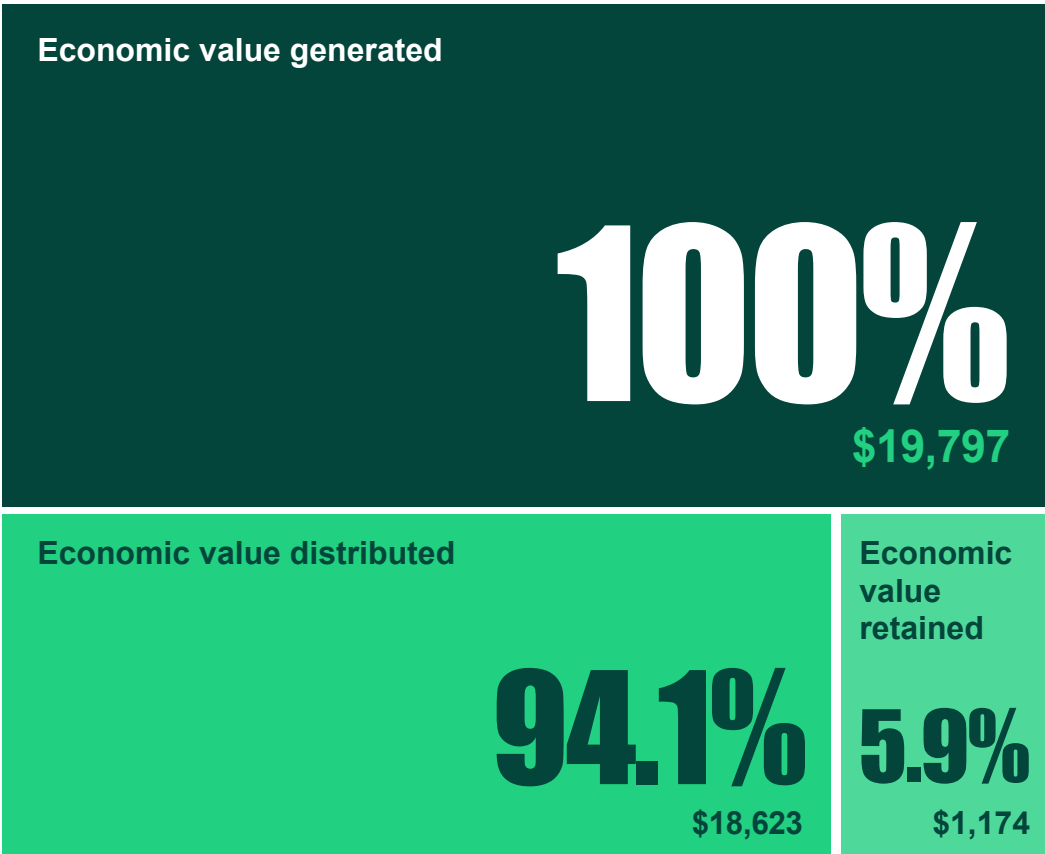
* Amounts expressed in millions of pesos



Economic Value Distributed



Economic Value Generated, Distributed, and Retained *



* Amounts expressed in millions of pesos

During the first semester of 2024, construction was the driving force for the economy, largely due to public investment earmarked for the completion of major federal administration projects, as compared to less investment in private sector projects and self-construction. However, during the second half of the year, production activity underwent a slowdown because, as was the case in other presidential administrations, public expenditure in infrastructure was interrupted during the transition from one administration to another and while the new government defined projects to be undertaken.

One of Moctezuma's distinguishing factors is financial prudence; we manage resources responsibly. Our comprehensive cost control allows us to maintain highly sustainable margins, implementing new control processes that pinpoint areas of improvement. This has led to us to remain as one of the most profitable companies in the MSE (Mexican Stock Exchange) despite any contextual complexities that could arise.

The confidence of our shareholders is rewarded through the consistent payment of dividends, despite any contextual complexities.

Moctezuma focuses on profitability, regardless of economic cycles. The company is free of cost-generating liabilities because we finance our operations and investments with our own resources. This represents a considerable competitive advantage in an atmosphere with high interest rates, in addition to posting high profit margins.

Investment is a necessary step, not only to remain in line with market expectations, but also to successfully overcome the prevailing challenges and to honor our commitment to sustainability.



Throughout 2024, we continued investing in long-term projects that contribute greatly to our increased efficiency and also allow us to make inroads in our Sustainability Strategy: Roadmap 2030, with the purpose of achieving sustainable profitability for our shareholders and a positive impact for the planet. Some 92% of the amount invested went to improve and modernize the cement manufacturing process; greater use of alternative fuels; enhanced infrastructure for railroad loading and unloading logistics; the building of new bagging lines for 25-kilo sacks; and maintenance for facilities and equipment. An additional 4% was used to acquire transportation equipment; modernizing and improving infrastructure; and a telemetry system for mixers in the Concrete Division. The remaining 4% was employed to renew computer equipment and information systems, and to purchase transportation equipment.

These actions will be further supported through the implementation of an ERP (Enterprise Resource Planning) system. Investment in this will enable cost management, substantial improvements to information flows, optimum decision-making, and agile administrative processes.

Moctezuma has a lean organizational structure, thus making us highly competitive. Should a complex market situation arise, we have the capability to respond properly and efficiently to the challenges and maintain our market share.

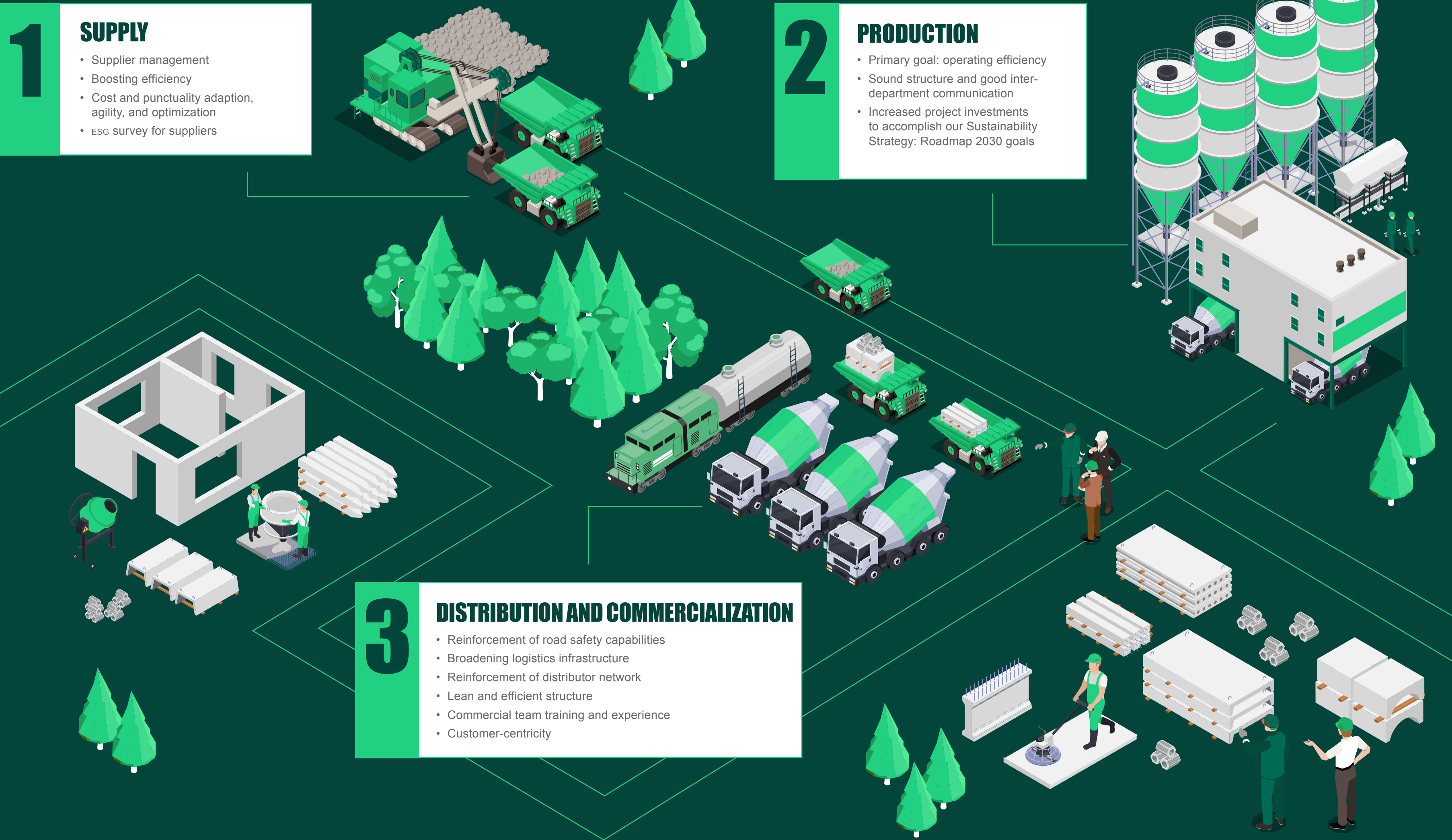
Moctezuma solidity is a clear reflection of the commitment of our work team; a commercial development strategy anchored to the local environment; superior profitability; and an excellent financial structure. These enable the company to maintain its position despite macroeconomic changes that lead to the slowdown of the country's economic situation.

VALUE CHAIN

GRI 2-6

All at Moctezuma are convinced that a positive impact by the company can be amplified by **reinforcing the value chain as part of its business system.**

Moctezuma reinforces the value chain so that together we may continue generating positive impacts, facing challenges, and maintain our market standing.



1 SUPPLY

Strengthening the supply chain is key to being prepared and efficiently responding to any risk during any phase of our processes. One of the primary lines of action to achieve this is to continuously monitor the regulatory environment so as to ensure full compliance with any and all regulations applicable to procurement processes.

Stemming from rules and regulations aimed at reducing ergonomic risk factors, in 2024 we completed the transition of packing cement in 25-kg sacks instead of 50 kgs. This change brought about several challenges for supply because we concentrated on finding sack options, conducting tests, and verifying the quality of raw materials.

In addition, throughout the year there were several increases in the demand for international logistics services, thereby causing delays in raw-material delivery times. A plan was designed so users and Maintenance could make early requests for needed materials, thereby avoiding negative effects for operations.

The mapping and development of suppliers continued, who through their supply capacity, helped to meet our objective of increasing the rate of fossil fuel substitution for alternative fuel sources. Our purpose is to identify the best options and develop selected suppliers.

Safety is a priority for Moctezuma, and as a result we strive to convey our principle of Valuing Life to the supply chain, motivating our suppliers to be paragons of safety, both in our organization as well as in the companies they represent. With this in mind, we set out to familiarize each of them with our safety principles and culture through quarterly assessment and feedback meetings. Moreover, our agreements and internal regulations were changed, including sanctions for non-compliance with Moctezuma safety regulations.

During 2024, surveys were continuously applied to suppliers regarding subjects concerning environmental, social, and governance (ESG) matters. Based on survey results, a plan was designed to include indicators on traceability, and progress throughout the entire supply chain, in addition to the creation of annual supplier certification. Different subjects are assessed, such as safety, labor practices, sustainability, and environmental, social and governance performance.

“AT MOCTEZUMA WE ARE TRULY COMMITTED TO SUSTAINABILITY.

Our Sustainability Strategy: Roadmap to 2030 provides the model for improving environmental and social performance, as well as governance. We have the duty to build a sustainable future and ensure business continuity, which will be possible thanks to the efforts and work by our people. Suppliers contribute enormously to the progress made along this path, and therefor we invite them to learn about our objectives and replicate the best practices.”

José Alejandro Salinas Támez
Chief Procurement Officer



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GRI 3-3, 416-1

PRODUCTION

“OPERATION SUSTAINABILITY

is our primary objective. Our Roadmap to 2030 traces the path we must follow to be successful, with specific goals set year after year.

The use of this roadmap has enabled us to strategically meet our objectives and focus our efforts on areas where we are far from meeting established goals, minimizing environmental impacts, and maximizing the social benefits of our operations.”

Carlos Domenech Jorda
Chief Operations Officer

The organization we have is structured with extensive experience, which has allowed for adjusting production to meet market demands, achieving greater efficiency in diverse processes, maintaining top quality standards that serve the needs of our customers and, at the same time, implementing a significant amount of investment projects and technological innovation in line with established objectives.

+\$1.2 billion pesos
invested in 14 active projects throughout 2024

Achieving operating excellence is a priority for Moctezuma. We focus on improving processes and yields, thus becoming ever more efficient and competitive.

One of the primary differentiators on this journey is the state-of-the-art technology we have in all our plants. Said technology helps produce high efficiency in our processes and guarantees products with quality that surpasses Mexican standards.

Some examples include:



A new cement mill installed in the Tepetzingo Plant to increase milling capacity and cement production, thereby meeting increased demand with high energy efficiency and reduced environmental impact levels.



Upgrading the clinker cooler and replacing the electro-filter with a filtering sleeve in a kiln at the Tepetzingo Plant, all in keeping with the best available technologies for manufacturing clinker. This will facilitate clean production, reduced energy and water consumption, as well as air quality improvements.



Installing facilities for the intake and metering of alternative fuels in the Tepetzingo Plant.

During project development we created strong synergy with our shareholders, allowing us to have a robust and experienced team that is also familiarized with the best global practices.

Comprehensive process improvement is our primary focus. One of the most important initiatives entailed approving an AI implementation project to monitor a kiln in the Cerritos Plant; a mill in Tepetzingo; and another one in the Apazapan Plant. Moreover, technical enhancements were performed on equipment and instruments to stabilize production processes, ensuring they meet the highest quality standards and regulatory requirements, in addition to product specifications. Different tests were therefore performed during different stages of the production process.

Our cements are certified by ONNCCE (National Organization of Standardization and Certification for Construction and Building), complying with applicable requirements set forth under NMX-C-414-ONNCCE-2017, whereas our mortar complies with that set forth under NMX-C-021-ONNCCE-2015.

100% of our cement and concrete plants have a Quality Management System certified under ISO 9001.

Our technical team is highly experienced in designing specialty concretes based on the specific needs of customers who will undertake major structural projects.

Some of our labs specializing in cement and concrete have been **accredited under ISO 17025**.

Our technical team is involved in representing Moctezuma in monthly committee meetings organized by CANACEM (the Mexican Chamber of Cement) and ONNCCE, with the purpose of sharing industry best practices, learning of market requirements, and being ready for any changes in product specifications.

The proper application of maintenance plans is fundamental to achieving operating efficiency. Therefore, in 2024 we improved the planning process in order to have efficient execution periods and to



“I AM CONVINCED THAT AT MOCTEZUMA

we provide responsible support and great awareness of the importance of sustainability. It is reflected in the behavior of our colleagues, work teams, executives, and throughout the entire organization. This focus on sustainability is truly perceived because we do not remain static, but rather we are always moving in a forward direction.”

Mirco Buscaldi
Chief Engineering and Projects Officer

ensure optimum use of resources that guarantee proper operation of our equipment.

We are pioneers in transitioning from the use of 50 kg sacks to 25 kgs in all our production lines, thus fully complying with regulations. This entailed a series major investments and engineering projects, all possible thanks to close coordination among different departments, gradually managing production capacities and supply for the ensuing demand.

The results achieved have produced satisfactory energy efficiency by working on process optimization. We continued making progress in the use of alternative energy sources and the use of alternative raw materials that minimize the need for non-renewable resources, reducing CO₂ emissions.

3 DISTRIBUTION AND COMMERCIALIZATION

Moctezuma has a comprehensive program aimed at reinforcing the distributor network, with the purpose of fostering its professionalization, extending the capacity for market service, and boosting business competitiveness. The ultimate goal is to guarantee our permanence and sustainability in our markets. To accomplish this, we offer consultancy, mentorship, and tools designed to optimize processes for logistics, supply, and business management, thus fostering loyalty, trust, and sound relationships with this network.

Thanks to training and experience in business consultancy, our commercial team performs a key role in the ongoing and sustained growth of the business. Support provided by this team allows our distributors to make informed, strategic, and timely decisions. Moreover, the team conducts detailed and constant monitoring of different market dynamics, in the aim to adapt planning programs tailored to the specific needs of each region.

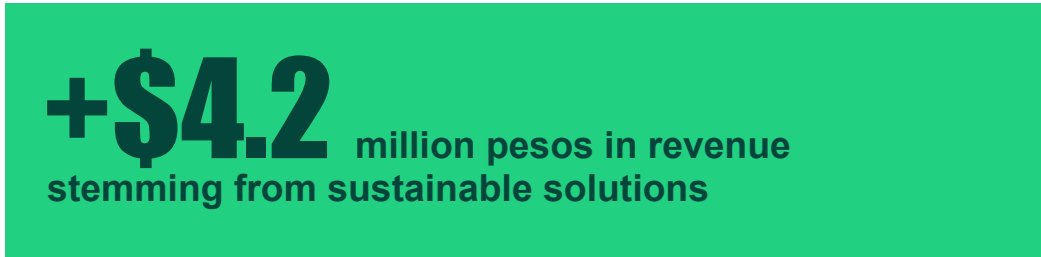
With a customer-centric approach, we highlighted the advantages gained from the use of 25-kg cement sacks, a product which is ergonomic and easier to handle. This has reinforced our brand, ensuring that our distributors and end-customers perceive the greater value of our product offering.

Our organizational structure allows Moctezuma to respond in an agile manner to market demands. Robust controls have been implemented, guaranteeing greater efficiency, competitiveness, and a value offering that is consistent throughout time.

An important milestone was accomplished in 2024 for the Cement Division. We conducted a comprehensive review of our contact points and administrative processes, which led to improvements in response times and the guarantee of more efficient customer service.



On the other hand, the Concrete Division posted an outstanding market recovery, surpassing expectations established at the beginning of the year, bolstered by the increase in revenue amounts achieved through sustainable solutions. This performance has consolidated the Division as a strategic channel that maximizes organizational profitability, and which contributes to accomplishing Moctezuma goals and objectives.



These results confirm our commitment to sustainable growth in both divisions for 2025 and in the medium term, reinforcing Moctezuma's market position and its capacity to generate value for all allies and customers.

“THE FACT THAT OUR DISTRIBUTORS

both understand and are committed to our strategy, boosts their confidence in our brand, which in turn drives greater interest in actively contributing to the established plan. An important element in the program has been ongoing communication with our commercial partners, highlighting that Moctezuma keeps its word and consistently seeks new ways to accumulate efforts and extend the positive impact on society and the environment.”

Miguel Ángel Gómez Anaya
Chief Commercial Officer, Cement Division

RESPONSIBILITY

Our system of governance **enables the assurance of generating timely value for all our stakeholders**, through policies and procedures promoting transparency, integrity, and respect. These principles not only guide our everyday actions, but also influence strategic decisions and **produce an environment of collective trust and responsibility.**

GOVERNANCE

-  5 GENDER EQUALITY
-  11 SUSTAINABLE CITIES AND COMMUNITIES
-  16 PEACE, JUSTICE AND STRONG INSTITUTIONS
-  17 PARTNERSHIPS FOR THE GOALS

GRI 2-9, 2-11, 2-12, 2-17

CORPORATE GOVERNANCE

Transparency and responsibility during decision-making processes are a priority for Moctezuma. Through sound corporate governance, efficient leadership and supervision over company operations are made possible, promoting optimized use of resources and improving overall yield for the company. Corporate governance actions allow for ethical and responsible management, thus producing confidence in our shareholders, reinforcing our financial stability, and increasing the company's capability to adapt to challenges that may arise in the sector.

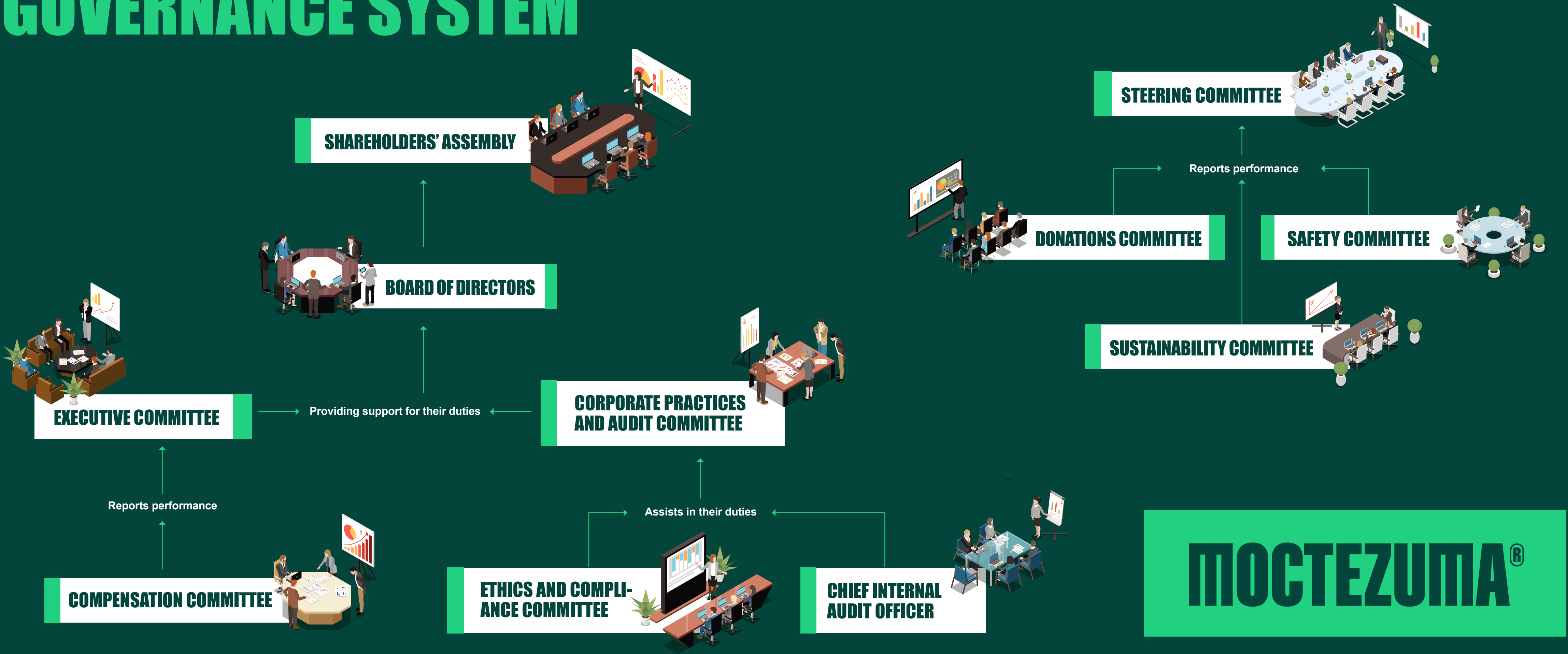
Additionally, our corporate governance bodies are in charge of promoting fundamental and ethical practices, such as accountability and alignment of all organizational interests with our stakeholders. These actions are essential to building lasting relationships and increasing the trust of our shareholders, customers, and other stakeholders.

Best practices are put into effect to ensure a sound corporate governance system.



GRI 2-9, 2-17

GOVERNANCE SYSTEM



GRI 2-9, 2-11

BOARD OF DIRECTORS

The Board of Directors reports to the Shareholders’ Assembly and acts as the primary governance body, in charge of company management and oversight.

Consisting of
8 MEMBERS

50% of the members
are independent



STATUTORY DIRECTORS	ALTERNATE DIRECTORS
Enrico Buzzi (Chairman)	Luigi Buzzi
Marcos Cela Rey	Ignacio Manuel Machimbarrena Gutiérrez
Pietro Buzzi	Benedetta Buzzi
Salvador Fernández Capo	Jorge Bonnin Bioslada
Roberto Cannizzo Consiglio*	Adrián Enrique García Huerta
Antonio Cosío Ariño*	Antonio Cosío Pando
Guillermo Simón Miguel*	
Carlo Bartolomeo Cannizzo Reniú*	Stefano Amato Cannizzo
Marco Cannizzo Saetta** (Secretary)	

* Independent Director
** Not a member of the Board of Directors

In the aim to fully comply with applicable laws on companies, our Board of Directors has eight statutory members, 4 of them –that is, 50%– are independent, thus surpassing the required minimum. Said members ratify their independence each year, and represent that they have no conflicts of interest with the company.

The inclusion of independent members within our Board is an essential practice that generates long-term value, as it ensures impartial decision-making and provides a valuable diversity of expertise.

GRI 2-10

EXPERIENCE

The Board of Directors is comprised of members who have broad knowledge and considerable experience in different industrial sectors, with a special focus placed on the field of construction materials. This set of skills and knowledge has proven fundamental to achieving outstanding performance in the company. The primary fields of expertise for our directors include:



Note. The above data represents the percentage of the Board Directors having the corresponding expertise listed.



GRI 2-12, 2-18

COMMITTEES

There are two committees that assist the Board of Directors in performing its duties, primarily focusing on specialty areas that ensure efficient governance, assertive resolution of any matters brought up, and the reinforcement of the organization’s capability to sustainably generate value.

Corporate Practices and Audit Committee

Its primary obligation is to support the Board of Directors during the implementation of key internal controls, assuring the best performance for the organization. Additionally, the Committee reports and actively advises on the status of internal control, the most significant risks faced by the company, and any matters related to audits and compliance with corporate regulations stipulated under Securities Market Law.

The Chief Internal Audit Officer also cooperates with the Corporate Practices and Audit Committee by conducting an ongoing assessment of the internal control system. The purpose is to safeguard company assets and optimize process efficiency.

This Committee meets at least four times per year, and consists of three independent members.

CORPORATE PRACTICES AND AUDIT COMMITTEE	
Roberto Cannizzo Consiglio	President
Guillermo Simón Miguel	Member
Carlo Bartolomeo Cannizzo Reniú	Member



Executive Committee

Its primary obligation is to supervise company operations, and guarantee full compliance with the strategy set by the Board of Directors, thus leading to sustainable growth and competitiveness for Moctezuma.

It consists of Board members and the CEO. The Committee meets four times a year, each time before the Board holds its own quarterly meeting.

EXECUTIVE COMMITTEE	
Enrico Buzzi*	Chairman of the Board
Marcos Cela Rey*	Director
Salvador Fernández Capo*	Director
Pietro Buzzi*	Director
Jorge Bonnin Bioslada**	Director
Luigi Buzzi**	Director
Benedetta Buzzi**	Director
Ignacio Manuel Machimbarrena Gutiérrez**	Director
José María Barroso Ramírez***	Company Officer

* Statutory Director ** Alternate Director *** CEO




GRI 2-10, 2-13, 405-1

TOP MANAGEMENT TEAM

Their obligation is to efficiently lead and manage the operating, finance, commercial, economic, social, and environmental areas, supervising accomplishment of the strategic objectives of the organization, in keeping with corporate values and our commitment to sustainability.



12.5% women



87.5% men

NAME	AREA
José María Barroso Ramírez	Chief Executive Officer
Alaitz Irizar Oña*	Chief Finance and Administrative Officer
Miguel Ángel Gómez Anaya	Chief Commercial Officer, Cement
Manuel Rivera Gutiérrez	Chief Concrete Officer
Carlos Domenech Jorda	Chief Operating Officer
Gerardo Gabriel González Salinas	Chief Human Resources and Industrial Relations Officer
Fortino Delgado Carrillo**	General Counsel
Juan Carlos Gutiérrez Robledo	Chief Logistics Officer
José Alejandro Salinas Támez	Chief Procurement Officer
Luis María Ovando	Chief Internal Audit Officer
Marco Grugnetti***	Chief Internal Control Officer
Maribel Leyte Jiménez	Chief Sustainability, Environment and Continuous Improvement Officer
Mirco Buscaldi	Chief Engineering and Project Officer
Damaso Contreras Martínez****	General Manager, Apazapan Plant
Rocco de Canio	General Manager, Tepetzingo Plant
Miguel Ángel Medina Pérez	General Manager, Cerritos Plant

* As of Oct. 2, 2024, assumed the position of CFAO, replacing Juan Mozo Gómez.
** As of July 1, 2024, assumed the position of General Counsel, replacing Belén Molins Benavent.
*** As of May 20, 2024, assumed the position of Internal Control, a newly-created position.
**** As of Dec. 1, 2024, fills the position of General Manager for the Apazapan Plant, replacing David Rodríguez Casarrubios.

COMPENSATION POLICIES

GRI 2-19, 2-20

The Board of Directors is supported by the Compensation Committee, in charge of supervising appointment and compensation policies regarding the company's Top Management; review policies on the appointment and compensation of other key executives; and evaluate and establish corresponding compensation packages.

The Committee meets once a year and consists of Statutory Directors, Independent Directors, the CEO, and the Chief Human Resources and Industrial Relations Officer. It should be noted that Board Directors receive no payment whatsoever for performing their duties.

The compensation package includes variable compensation linked to previously-established performance goals, which include honoring sustainability commitments.



GRI 2-24, 3-3, 206-1

BUSINESS ETHICS

CODE OF ETHICAL CONDUCT

We are firmly convinced that the success of our company lies in operating with the highest leadership, ethics, and legal standards, thus creating sustainable value for all our stakeholders.

The primary approach followed is to build solid and lasting ties sustained by values such as honesty and respect, with the purpose of guaranteeing mutual benefits. Therefore, our Code of Ethical Conduct defines the guiding principles for decision-making and actions by those who are part of this company, promoting transparent and responsible dealings with our stakeholders.

This Code is presented to, and applied by, all our employees during their initial onboarding. It is reinforced and continuously mentioned through different corporate activities and is constantly being reviewed and updated, as well as shared with our customers, suppliers, and shareholders.

The subjects covered by our Code of Ethical Conduct:

 SOCIAL RESPONSIBILITY	 ECOLOGY AND THE ENVIRONMENT	 HEALTH AND SAFETY	 PROPER USE OF ASSETS AND IDEAS	 CONFIDENTIALITY
 ANTICORRUPTION	 ANTI-MONOPOLY AND FAIR COMPETITION	 RESPECT FOR HUMAN RIGHTS AND NON-DISCRIMINATION	 PREVENTION OF CONFLICTS OF INTEREST	 PERSONAL DATA PROTECTION



GRI 2-15, 2-17, 2-23, 2-24, 3-3, 205-1, 205-2

CORPORATE POLICIES

Corporate integrity is an essential pillar and a distinction that allows us to always create value. This approach strengthens the trust of our stakeholders, attracts and retains talent, mitigates risks, and positions us as a sustainable and resilient organization.

Our Code of Ethical Conduct -a pillar in our Integrity Policy- establishes how we work and act ethically in our operations and which we extend throughout the entire value chain. To ensure compliance, it is published on our website, and we also disseminate the Integrity Policy included in legal statements contained in all emails we send. Likewise, our customers, suppliers and trade partners are required to express knowledge of our policies by signing a document of acceptance.

For greater information on our corporate policies, please visit:
<https://www.moctezuma.com.mx/nosotros/inversionistas/gobierno-corporativo>.

100% of all personnel have received training in our Anticorruption Policy

1,153 employees trained in the subject of Conflicts of Interest

844 hours of training in ethics, human rights, and the prevention of corruption

100% of our suppliers signed acceptance in 2024 of our Code of Ethical Conduct

100% of our agreements include an anticorruption clause



GRI 2-16, 2-23, 2-25, 2-26

ALZA LA VOZ HOTLINE

We urge everyone to engage in our culture of respect for Human Rights and to practice our values of respect, integrity, and transparency in all interactions and commercial activities. We therefore adamantly reject behavior based on discrimination, prejudice, bad faith, and/or which violates the law or our Code of Ethical Conduct.

To fully honor this commitment, we have a communication channel known as the *Alza la Voz* Hotline, accessible to all stakeholders and which purpose is to allow them to anonymously report any action that violates the principles of our Code of Ethical Conduct and/or our Integrity Policy.

This channel is operated by an independent third party specialized in professionally receiving, analyzing, and addressing grievances and reports. The information collected allows us to actively work on a plan of action aimed at reinforcing a culture of ethical compliance and identifying and correcting any practices not in line with our principles and values.

9 complaints received and addressed through the *Alza la Voz* Hotline

www.alzalavozmoctezuma.com

alzalavozmoctezuma@resguarda.com

800 123 3312 and 800 444 0597

55 8526 1700



GRI 2-24, 2-25

ETHICS AND COMPLIANCE COMMITTEE

Under the leadership of the General Counsel, and comprised by the Chief Officers for Human Resources, Internal Audit, and Legal Affairs, this Committee provides strategic orientation and direction on matters of ethics through the following actions:

- Providing legal advice on ethical conduct.
- Overseeing implementation of the Integrity Program, which is based on the Code of Ethical Behavior and the Anticorruption Policy.
- Preparing an annual training plan regarding aspects contained in the Integrity Policy.
- Addressing grievances received through the *Alza la Voz* Hotline, conducting the corresponding investigations, and issuing any ensuing recommendations.
- Holding regular meetings to address complaints received and prepare a quarterly report to be sent to the Corporate Practices and Audit Committee.



GRI 2-27

REGULATORY COMPLIANCE

We have a strong institutional culture of compliance to adapt and effectively respond to regulatory changes. This is accomplished through consistent monitoring of federal and state legislation that may directly or indirectly affect our operations.

This approach keeps us ready for any new requirements, ensuring full compliance with all current legislation, and making sure we have an organizational environment that operates within the bounds of ethical and integrity considerations. This mitigates financial risks and ensures compliance with all applicable regulations and laws in force. In addition to following the highest ethical standards, our procedures serve to provide ongoing service and follow-up for corresponding matters and find complete and satisfactory legal solutions.

A fundamental part of our strategy of regulatory compliance is the priority for accountability with our stakeholders, accomplished through published reports and the implementation of communication programs. Certainty on the transparent performance of the company stems from these initiatives, thus maintaining the confidence of our stakeholders.

In parallel, real-time monitoring was performed on the regulatory compliance of our operations, analyzing the regulatory framework and identifying any areas of opportunity and best practices that would help us adjust to new legal requirements.

We also developed a procedure for criminal legal compliance, including a matrix and crime control to guarantee compliance with regulations in force.

“SUSTAINABILITY IS ONE OF THE CORE SUBJECTS IN THE COMPANY.”

We view it as a major driving force and a firm step towards the future.

Economic growth for the areas where we operate is something we foster with responsibility, operating with a strict approach of full compliance and by creating formal jobs.”

Fortino Delgado Carrillo
General Counsel

GRI 2-28


SECTORIAL PARTICIPATION

Moctezuma promotes collaboration and the exchange of industry know-how through our membership in sectorial chambers and associations. These interactions are fundamental to creating long-term value because it helps establish strategic alliances and make use of collaboration opportunities in different fields of endeavor.


Our participation covers a wide range of subjects, such as sustainability, atmospheric emissions, legislative changes, safety, and railway security. Throughout 2024 we actively participated in different forums devoted to the implementation of environmental policies and the promotion of fair competition in the industry, among others. We worked in collaboration with INEGI (the National Institute on Statistics and Geography), compiling data and indicators that openly convey the contribution of the cement industry to the Mexican economy.

Our involvement with these chambers and associations helps keep Moctezuma abreast of trends, regulations, and best practices in the sector, which in turn allow us to share our experience and voice our opinions on regulatory, economic, and environmental challenges faced by our industry. This involvement also extends our influence and actively contributes to the creation of public policies that favor our sector’s development.


On March 6, 2024, Mr. José María Barroso, our CEO, was appointed the new president of CANACEM (the Mexican Chamber of Cement) for the 2024-2025 period, whereby Mr. Barroso will continue fostering industry development and sustainability.




MSE (Mexican Stock Exchange)




CANADEVI (Mexican Chamber of Housing Development and Promotion Industry)




CANACO CDMX (Mexican Chamber of Commerce -Mexico City)




COPARMEX (Employers' Confederation of Mexico)




FICEM (Interamerican Federation of Cement)




CANACEM (Mexican Chamber of Cement)



GCCA (Global Cement and Concrete Association)




CANACINTRA (Mexican Chamber of the Transformation Industry)




FIDE (Electricity Savings Trust)




CONCAMIN (Confederation of US-Mexico Chambers of Industry)



IMCYC (Mexican Institute of Cement and Concrete)



AMIC (Mexican Association of the Pre-mix Concrete Industry)



AMCI (Mexican Association of Concrete Manufacturers)



GRI 2-25

RISK MANAGEMENT

Throughout 2024, we continued with the modernization process for our risk management system, adopting a more agile approach centered on prevention and the incorporation of technology. It extends across all levels of the company and is an independent and objective process coordinated by Internal Audit.

This new approach helps to quickly identify potential deficiencies and the primary risks that stem from our three strategic pillars: business profitability, long-term continuity, and sustainability. It provides important information in an objective and effective manner. The data obtained gives greater visibility on key issues to be addressed, favoring the implementation of corrective measures and mitigation, which in turn focuses on solving any problems detected.

In moving forward, **our priority is to implement new technologies and drive innovation** in the Auditing department, focusing mainly on risk prevention.

To supplement and reinforce our internal processes, throughout 2024 we also designed an Internal Control Policy, aimed at regulating conduct in all departments should changes in policies and procedures take place. This will be further boosted by the ERP system as a complement to our automated and preventive control model.



“SUSTAINABILITY IS A LIVING FEATURE AT ALL TIMES IN MOCTEZUMA.

It is present not only in the minds and actions of our executives, but also our employees companywide. The concept has permeated all levels.”

Luis María Ovando
Chief Internal Audit Officer

“SUSTAINABILITY IS AN OBJECTIVE

established by the CEO and has permeated all levels of the organization. It is experienced as a very great challenge because we have many opportunities in this matter. At the macro level it entails our energy situation; at the local level, it means working hand-in-hand with the communities neighboring our plants.”

Marco Grugnetti
Chief Internal Control Officer

TRENDS AND EMERGING RISKS

Internal Control and Internal Audit conduct ongoing supervision of the risks and trends that could potentially affect our performance. This oversight is to guarantee operation effectiveness and continuity. By being proactive, change is anticipated and proper management is adopted through the implementation of different actions. The following trends were identified in 2024:

Cybersecurity

Digital transformation has considerably increased exposure to cyber threats for companies everywhere, putting them at risk regarding information security and organizational operations. Given the magnitude of these risks, cybersecurity continues to be a priority for all companies, including cyber-attacks, fraud due to theft, or identity theft.

Our company has continuously worked to guarantee information security through the implementation of policies, procedures and protocols aimed at information protection and fraud prevention.

Training was offered in 2024 as well as campaigns on phishing for all our personnel. Simulations of fraud via phishing techniques were emailed to assess the reactions of our employees, analyze the results obtained, and reinforce our prevention strategies. There are also several controls and platforms to protect our data, including a cloud-based firewall, control points for admission to the network, and double authentication for the VPN. In this manner our employees remain informed and updated, thereby enabling the minimization of cybersecurity risks.



Climate Change



This represents one of the greatest challenges currently faced worldwide. Its effects not only impact ecosystems and society as a whole, but it also constitutes a considerable risk for all businesses. Consequently, we have a comprehensive risk program that covers all factors that could affect compliance and goal-accomplishment in matters pertaining to the environment and sustainability for the 2030-2050 period.

As part of our commitment to sustainability we consistently monitor and focus all our work according to the goals of the Sustainability Strategy: Roadmap 2030. The major challenges identified include the legal and regulatory environment where we face changing regulations and increasingly demanding situations regarding the filing of reports.

Stemming from these challenges, our efforts are aimed at efficiently compiling and managing data, as well as adopting new regulatory frameworks for filing the required reports. This approach strengthens our capability to respond to internal and external demands, thus fully accomplishing sustainability goals in the long term.

To obtain further information, [click here](#).

Environmental, Social and Governance (ESG) Criteria



The incorporation of ESG criteria in investment decisions and in our business management has gained growing importance during recent years. We therefore established a roadmap that considers actions aimed at reinforcing an ESG approach in our operations. What is more, work has been done to increase the scope of Internal Auditing duties by focusing more on operating and financial risks, which includes monitoring environmental, social, and governance-related factors.

Moreover, further strengthening and updating of our Corporate Policies has taken place, including the Code of Ethical Conduct, Anticorruption Policy, and the communication channel known as the *Alza la Voz* Hotline, helping us to anticipate any possible risks.

Regarding social issues, risk analysis is used to identify any situation involving society as a whole, and which could affect our operation.

GRI 2-13, 2-14, 3-3

SUSTAINABLE MANAGEMENT

Moctezuma is firmly committed to natural resource conservation and to implementing sustainable practices companywide and throughout our entire value chain. It is our firm conviction that a sustainable future approach not only helps reduce any environmental impact, but also boosts our position as a highly competitive and resilient company.

This strategic approach enables us to adapt to new trends and regulations driven by different sectorial associations and by the authorities. Thus, we can effectively respond to market and stakeholder demands.

The aim is to favor a business environment that facilitates transitioning to sustainable management models. By adopting and following these practices, we continue generating value for our stakeholders and consolidating our vision of responsible growth.

SUSTAINABILITY COMMITTEE

This is a multidisciplinary team that meets quarters with top leaders from nine areas; eight corporate managers; and the CEO.

The Committee plays an essential role in consolidating our Sustainability Strategy: Roadmap 2030, and in accomplishing established ESG objectives. It also guarantees that this vision is fully adopted, put into effect, and effectively disseminated to all organizational levels and departments.

The following activities were designated priorities during 2024:

Follow-up and monitoring our
Sustainability Strategy: Roadmap 2030.

Improvements to relationships with stakeholders, especially authorities and communities, **so as to mitigate any negative impacts, maximize positive ones, and create synergies.**

Assess impact of ESG-related regulatory changes, such as state environmental taxes, and follow up on Emissions System.

Data analysis and verifying accomplishment status of long-term objectives, **using different environmental and social KPIs.**



Sustainability Committee Membership

CEO	Chief Commercial Officer	Corporate Marketing and Communication Manager
Chief Sustainability, Environment and Continuous Improvement Officer	Chief Concrete Officer	Corporate Industrial Safety Manager
Chief Operating Officer	General Counsel	Corporate Processes Manager
Chief Human Resources and Industrial Relations Officer	Chief Engineering and Projects Officer	Corporate Environmental Manager
Chief Logistics Officer	Chief Procurement Officer	Corporate Sustainability Manager
		Corporate Quality Manager
		Corporate Quarries Manager
		Corporate Industrial Relations and Communications Manager

GRI 2-29, 3-1, 3-2

MATERIALITY

An update of our double materiality study was conducted in 2021, and in 2022 its scope was extended by incorporating stakeholder opinions. The results obtained are found in the materiality matrix.



Economic Dimension
 Social Dimension
 Environmental Dimension

High Importance

Medium Importance

Low Importance

Sector maturity + Sector risk + Social risk



Moctezuma + Stakeholders

Subjects defined as priorities by our stakeholder were included in the materiality matrix, despite being ranked as medium importance.

- Corporate Social Responsibility (CSR) Management/Sustainability/ ESG aspects
- Climate change and other atmospheric emissions
- Waste Management
- Social Impact



Environmental, Social, Governance, and Economic Matters; Sustainability Strategy Pillars; and Material Topics

GRI 3-2

ESG Matters	Pillars of the Sustainability Strategy: Roadmap 2030	Material Topics for 2022
ENVIRONMENTAL	• Energy and climate change	• Environmental policies/environmental management system • Energy ecoefficiency • Climate change and other atmospheric emissions ¹
	• Environment and biodiversity	• Water management • Biodiversity
	• Circular economy	• Materials • Waste management
SOCIAL	• Health and safety	• Occupational health and safety
	• Social responsibility	• Social impact • Diversity and equal opportunities
GOVERNANCE		• Corporate Social Responsibility (CSR) Management/ Sustainability/ ESG aspects • Ethics and integrity • Corruption, bribery, and transparency
ECONOMIC		• Operations • Product and service development/ Product liability • Operating efficiency

¹ Although classified as medium importance, climate change and other atmospheric emissions represents a top priority for Moctezuma. In keeping with our commitment to amend its classification to high priority, several actions have been undertaken to make our stakeholders aware of its importance.

GRI 2-29

VALUE CREATION MODEL

We are firmly committed to building sustainable and inclusive societies, and therefore we work to create value for all our stakeholders.

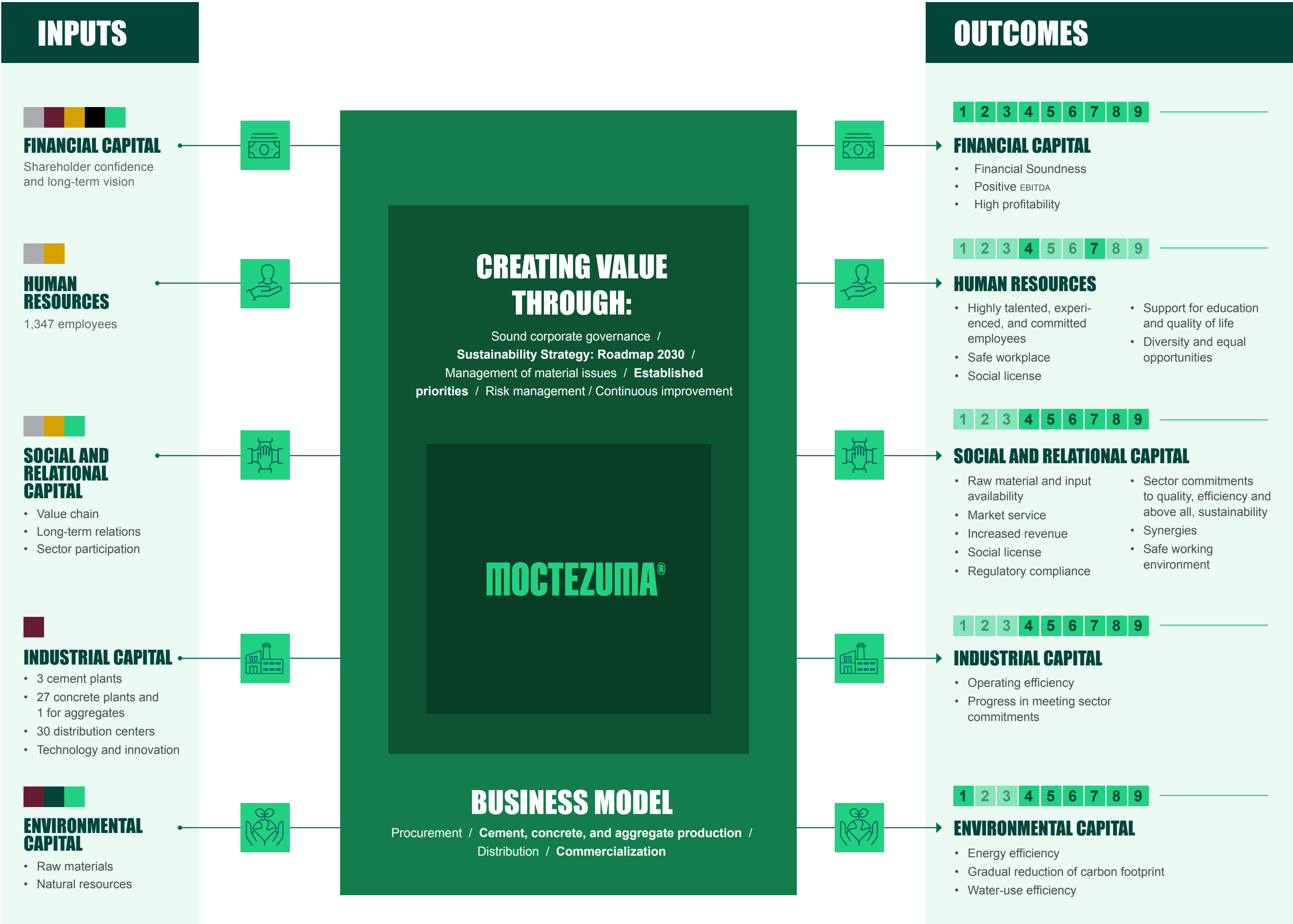
This value creation model is a mechanism for deep analysis of our resources and processes, enabling and creating positive impacts for key players with which we interact throughout our operation phases. It also permits the proper identification of risks and opportunities that our organization faces.

Sustainability Strategy Pillars

- Health and safety
- Energy and climate change
- Social responsibility
- Environment and biodiversity
- Circular economy

Stakeholders

- | | |
|------------------------------|--|
| 1 Shareholders and investors | 6 Customers |
| 2 Board members | 7 Communities |
| 3 Senior management team | 8 Authorities |
| 4 Employees | 9 Chambers and professional associations |
| 5 Suppliers | |



GRI 2-22, 2-23, 2-24, 3-3

SUSTAINABILITY STRATEGY: ROADMAP 2030

Our main driving force is our Sustainability Strategy: Roadmap 2030, a plan where we established ambitious goals divided among five pillars. This strategy is aimed at the continued materialization of long-term plans and programs that develop tools to meet our objectives and consolidate enduring results.



HEALTH AND SAFETY

Our priority.



ENERGY AND CLIMATE CHANGE

Consistent pursuit of operating efficiency.



SOCIAL RESPONSIBILITY

Generating positive impacts on the lives of groups with which we interact.



ENVIRONMENT AND BIODIVERSITY

Our environmental culture is based on prevention, continuous improvement, compliance, and well-being, attributes which support sustainable development.

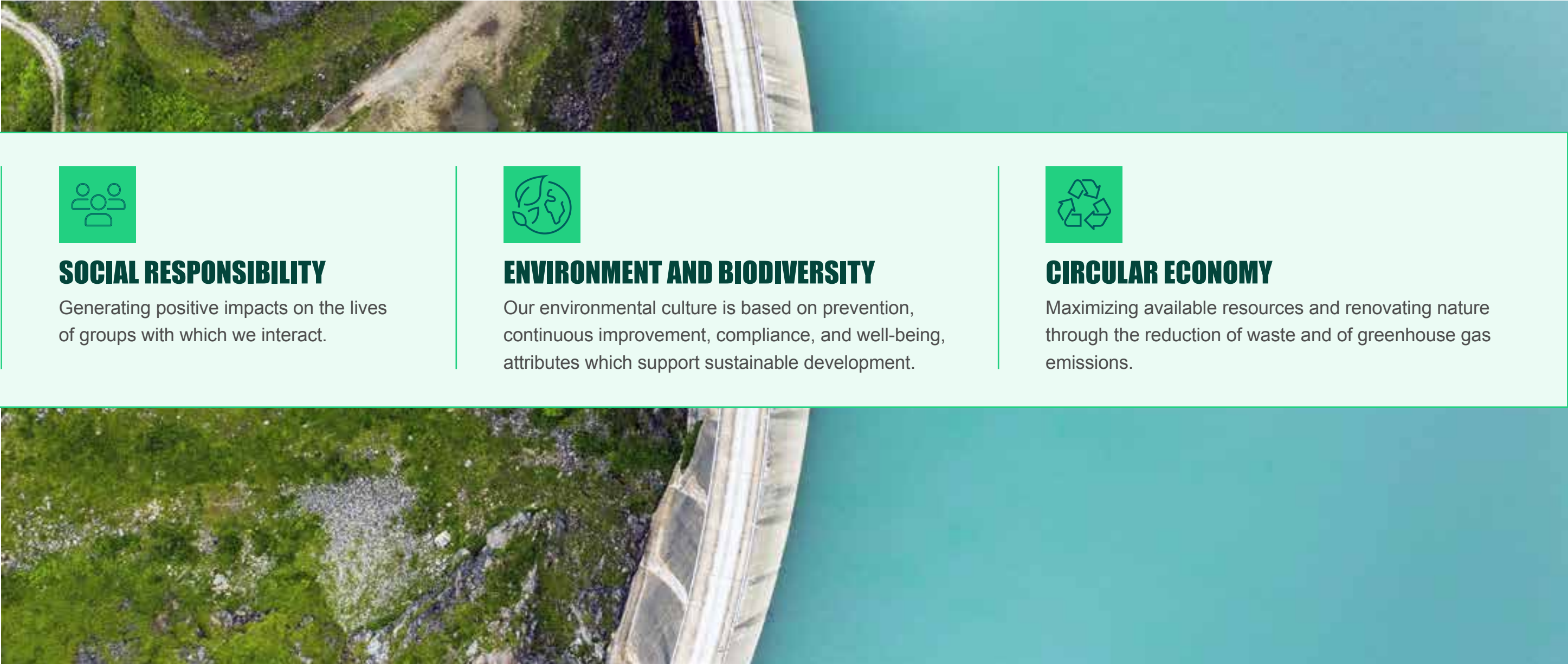


CIRCULAR ECONOMY

Maximizing available resources and renovating nature through the reduction of waste and of greenhouse gas emissions.

Through the use of our roadmap, we strive to restrict global warming to less than 2 °C, as compared to pre-industrial levels; and to produce carbon-neutral concrete by 2050. Moreover, we have addressed some global issues that will lead to meeting the Sustainable Development Goals (SDGs) developed by the United Nations.

Our commitment to, and management of, priority issues have been reinforced by linking variable compensation when the corresponding objectives are met by those in charge of compliance with these pillars.





“HAVING THE SUSTAINABILITY STRATEGY: ROADMAP 2030

has created a positive impact for our company because it awakens great enthusiasm among our employees, driving their creativity, innovation, and instills in them an interest in becoming familiar with the best practices used by our industry worldwide.

Our Roadmap produces greater clarity on the long-term path to be followed, and it enables us to leverage actions in terms of investments and of the implementation of new projects that will lead to accomplishing the goals set for 2030 and for 2050.”

Maribel Leyte Jiménez

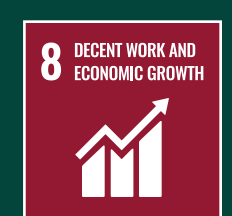
Chief Sustainability, Environment, and Continuous Improvement Officer



The health and safety of all our personnel **is a top priority for our company.**



HEALTH AND SAFETY



GRI 2-25, 3-3, 403-1, 403-2, 403-8, 403-9, 403-10

GOALS FOR 2030	2024 RESULTS
Achieve zero mortality rates for our personnel and contractors	1
Reduce incapacitating injuries to a rate below 0.7	0.88
Reduce incapacitating injury severity to below 0.02	1.15

The actions conducted are directed and executed with a prevention approach, in keeping with the Value for Life principle and the first pillar of the Sustainability Strategy: Roadmap 2030.

The plans and programs to strengthen a culture of safety cross all cement and concrete operations, including raw material and product distribution, with the purpose of minimizing occupational hazards for employees, specialized-service personnel, and third parties.

Outstanding results in road safety when distributing cement and raw materials, and in concrete operations were achieved in 2024, closing the year without any incapacitating injuries due to accidents.

During recent years, our cement operations achieved a favorable trend in incident reductions; however, during kiln overhaul maintenance in 2024, an unfortunate fatality occurred with one of the specialized-service workers. This triggered immediate identification of root causes and the ensuing reinforcement of occupational health and safety plans and programs in effect, giving maximum priority to follow-up by the Corporate Safety Committee.

In light of safety results for 2024, we have undertaken close and detailed analysis of causes, with the implementation of specific actions. The commitment to areas of opportunity, the reinforced aptitudes of our leaders, and the continued improvement in health and safety results have been underscored and reiterated.

Disciplinary measures are applied to any personnel found in non-compliance with safety and environmental guidelines, which has also impacted contractors, who have replicated this procedure in their own companies.

A culture of safety is the first barrier to risk exposure, and in line with the Value for Life. An interdependent culture is fostered, wherein employees exhibit and foster safe-life behaviors among all work teams.

For Moctezuma, **visible leadership in health and safety is key to the effective reinforcement of a culture of prevention.**

In keeping with our commitment to continuous improvement, we have a Comprehensive Occupational Health and Safety Management System, certified under ISO 45001, in our three cement plants.



GRI 403-3, 403-4, 403-5, 403-6, 403-7

PROJECT FOR TRANSFORMING OUR CULTURE OF SAFETY

As part of the Project to Transform the Culture of Safety, a safety model based on behavior was implemented. The purpose is to improve the culture of safety and foster individual awareness of our employees regarding conditions that can lead to an accident.

The model is based on the tenet that in the majority of cases accidental injuries are caused by the actions of individuals, despite the situation in which they are found. Said situations stem from involuntary human error that also has a direct influence on the mental or physical state of the person at the moment of the incident in question, thus facilitating the identification of risk patterns.

Our program provides an efficient set of simple techniques for identifying unsafe conditions, and avoiding the risk pattern from producing its effects; reducing the amount of risky behaviors and involuntary errors; and instilling a real change in habits in everyday activities.



HEALTH AND SAFETY TRAINING

With the purpose of boosting procedures for actions during emergencies, and work performed at heights and in confined spaces, training in occupational health and industrial safety was offered in 2024. The training was for employees who, due to occupational activities, are exposed to risks or hazards; are part of the Safety Commission; or the first-aid, evacuation, and firefighting brigades.



27,551 hours
in health and safety training;
+33% vs. 2023



1,091 employees
completed training



25.3 hours
in training, per employee

HEALTH AND SAFETY PROMOTION CAMPAIGNS

Several campaigns were designed to familiarize employees, suppliers and specialized-service renderers of the best practices, recommendations, and updates in the field of health and safety.

Emails were sent with videos, in addition to being uploaded on the corporate portal, and during live chats with the work teams. Included among the videos produced in 2024 were *Pedestrian Barriers*, and *Following Safe Habits*.

During the same year, we held the annual Family Safety campaign, which purpose is to generate awareness in health and safety in the home.



577 participants
in the Family Safety Campaign for 2024

GRI 403-2

EQUIPMENT INSTAL- LATION AND UPGRADE

In order to protect the safety of our people and avoid risk conditions, specific action plans were designed for each workcenter, thus creating safe working conditions. The actions implemented include:



Cement plants

- Guardrails installed on conveyor belts.
- Automatic incendiary-prevention systems implemented against coke fires.
- Installment of automatic tarping machines activated via wireless control.
- Lifelines set up in distribution centers.



Concrete plants

- Fall-prevention system installed to conduct cement and aggregate tanker inspection activities.
- Pedestrian barriers defined and implemented.
- Ship ladders replaced with standard ones, and the use of harnesses and anchor points.



SAFETY BEST PRACTICES



PASST (Self-Management Program in Occupational Health and Safety). An initiative of the STPS (Secretary of Labor and Social Welfare) with the purpose of motivating companies to voluntarily implement occupational health and safety management systems that are based on national and international standards. STPS evaluates each company's degree of compliance with the management system's regulations and operation, receiving Safe Company recognition to those meeting all criteria. In 2024, the Apazapan Plant was designated Safe Company, Level I.



Recognition for Health and Safety Innovation Projects. During the Annual Congress for Occupational Health and Safety, organized by CANACEM (Mexican Chamber of the Cement Industry), our organization was the recipient of nine recognitions for health and safety innovation projects.



Recognition for Years Without Accidents. In permeating the strategic importance of health and safety companywide, we also recognize plants and areas that have achieved a full year with zero accidents. In 2024, the area headed by the Chief Concrete Officer was given recognition for two years of zero accidents in all its concrete plants.

GRI 403-2, 403-3, 403-6, 403-7, 403-9

ROAD SAFETY

Stemming from our distribution operations of cement and concrete, we assume responsibility and undertake accident-prevention measures. We foster activities that ensure mixer operators and transportation companies who work with us always comply with road regulations and improve their road-safety performance levels.

The control tower oversees cement and raw material transportation, which in turn provides centralized visibility of operations, objective performance measurement of the units and transportation services for continuous improvement, as well as real-time information on equity protection. Artificial intelligence tools are used to manage data and thereby prioritize, estimate, and make projections for the future. In other words, based on displayed behaviors, we are better able to generate algorithms, identify preventable situations, and obtain better results.

Moctezuma has noteworthy performance in road safety, based on the **use of technology and centralized information management**.

-28.6% in accidents
per million kilometers traveled vs. 2023

“THROUGHOUT MOCTEZUMA, SUSTAINABILITY

is possible through specific actions, doing things, and commitment by the entire team.

The fact that a company places safety first on its scale of values means that it is a company with high ethical standards. There is nothing more important than the lives of the people who work with us, and those who surround us.”

Juan Carlos Gutiérrez Robledo
Chief Logistics Officer

We have installed GPS (Global Positioning System) technology on each mixer unit in the Concreate Division, enabling us to monitor the driving habits of the operators. Moreover, scores and dashboards have been developed to process and analyze data obtained, thus allowing for better decisions.

+\$51.8 million pesos
earmarked for health and safety



OCCUPATIONAL HEALTH

The culture of health care is a priority. We are jointly responsible for ensuring healthy conditions for our employees so they may safely perform their activities.

Healthcare and prevention are addressed through different initiatives such as:

- Annual medical checkups according to employee risk exposure.
- General checkups for all personnel.
- Specific campaigns displayed throughout the year, such as those related to the prevention of different types of cancer: breast, uterine, prostate, and testicular.
- Vaccination campaigns.
- Insurance for major medical expenses.
- Eye protection and prescription eyeglasses.
- Psychological assistance.

1,260 employees
benefitted from preventive
medicine measures

EFFICIENT CY

From 2020 to 2024 **we have**
reduced our net CO₂ emissions
by 12%.

ENERGY AND CLIMATE CHANGE

- 

7 AFFORDABLE AND
CLEAN ENERGY
- 

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE
- 

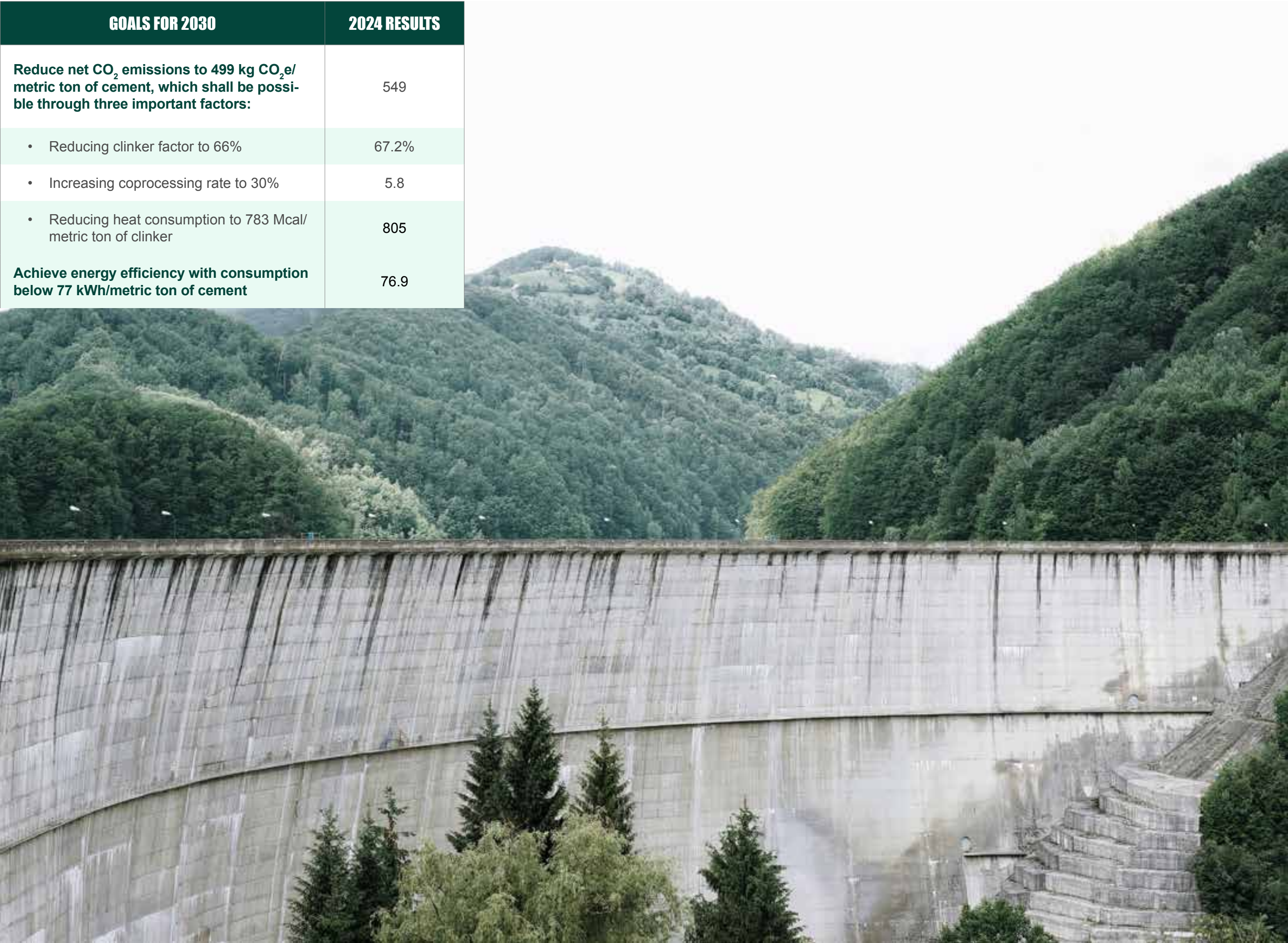
11 SUSTAINABLE CITIES
AND COMMUNITIES
- 

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION
- 

13 CLIMATE
ACTION

GRI 2-25, 3-3, 305-1, 305-4, 305-5
EM-CM-110a.1, EM-CM-110a.2

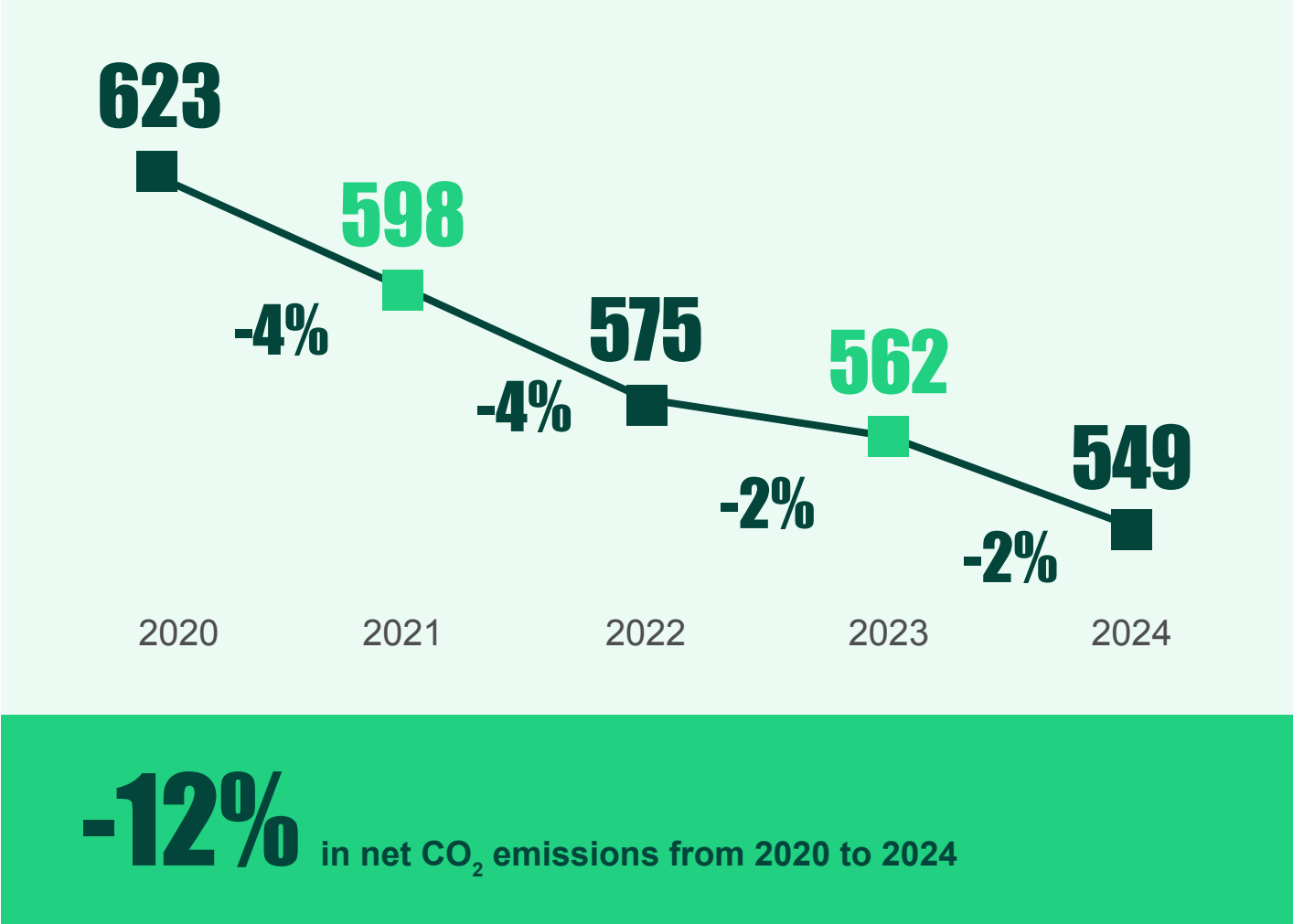
GOALS FOR 2030	2024 RESULTS
Reduce net CO ₂ emissions to 499 kg CO ₂ e/metric ton of cement, which shall be possible through three important factors:	549
• Reducing clinker factor to 66%	67.2%
• Increasing coprocessing rate to 30%	5.8
• Reducing heat consumption to 783 Mcal/metric ton of clinker	805
Achieve energy efficiency with consumption below 77 kWh/metric ton of cement	76.9



With the goal of achieving carbon neutrality by 2050, we strive to reduce our carbon footprint by implementing plans and technologies that favor thermal and electric efficiency in our processes; the use of clean and/or renewable energy sources; the replacement of fossil fuels with alternative fuels; and the reduction of the clinker factor.

The goal established in the Moctezuma Roadmap is 499 kg CO₂/metric ton of equivalent cement by 2030.

Moctezuma
CO₂ emissions
kg CO₂e/net metric tons of cement



“SUSTAINABILITY IS AN ESSENTIAL PRINCIPLE AT MOCTEZUMA.

We are firmly committed to building a sustainable future and the vision of being a key player in Mexico through the production of top-quality cement and the implementation of responsible practices that minimize environmental and social impacts.

We live by sustainability with great awareness, seriousness, and responsibility. All priority issues have been identified, which require the work and support of the top management team. In our plants we perform all the tasks that lead to full compliance with the plans set forth in the Sustainability Strategy: Roadmap 2030.”

Rocco de Canio
Tepetzingo Plant General Manager

GCCA GUIDELINES COMMITMENT AND COMPLIANCE

Our commitment to the GCCA was ratified in 2024 and we continue moving forward with the implementation and compliance with the corresponding guidelines, and monitoring the indicators defined to align efforts in the cement industry.

We continue working on identifying all risks to which Moctezuma may be exposed, with the purpose of executing timely actions regarding the impact of climate change.

Physical Risks

- Impacts on the supply chain.
- Possible delays in responding to the market, due to product delivery routes being affected.

Transition Risks

- Industry risks**
 - Commitments acquired industrywide for 2030 and 2050.
- Political and legal risks**
 - Regulatory changes.
 - The appearance of new information-dissemination standards.
 - Price increases resulting from CO₂ emissions due to:
 - Mexican Emissions Trading System, where we have actively participated, complying with the corresponding assignment of duties during the test phase.
 - Changes to the excise tax (IEPS).

- ◇ Taxes on extraction and CO₂ emissions in the states where our cement plants are located.

- Market Risks**

- » Changes in customer consumption patterns, demanding sustainable products.
- » Increase in the cost of raw materials.
- » Increase in fuel costs due to the international geopolitical context, including alternative fuels.
- » Positioning of low-carbon cement and concrete products in Mexico.

- Technological Risks**

- » Fixing of carbon prices may limit investment in technology.
- » Failure to search enough in advance for new materials and technologies, such as reserves and infrastructure for baked or calcined clay.

- Reputational Risks**

- » Being considered a large emitter of carbon and therefore less attractive to our stakeholders.

We are committed to further reinforcing controls and data analysis, with the aim to generate quality data that better communicates the risks and opportunities that could affect the company regarding sustainability in the short term.



CLINKER OPTIMIZATION

Alternatives that help to enhance product quality are being continuously pursued. Several measures have been conducted to significantly reduce the clinker factor per ton of cement, thus leading to better operating indicator results as well as greatly reducing carbon emissions. These alternative actions include:

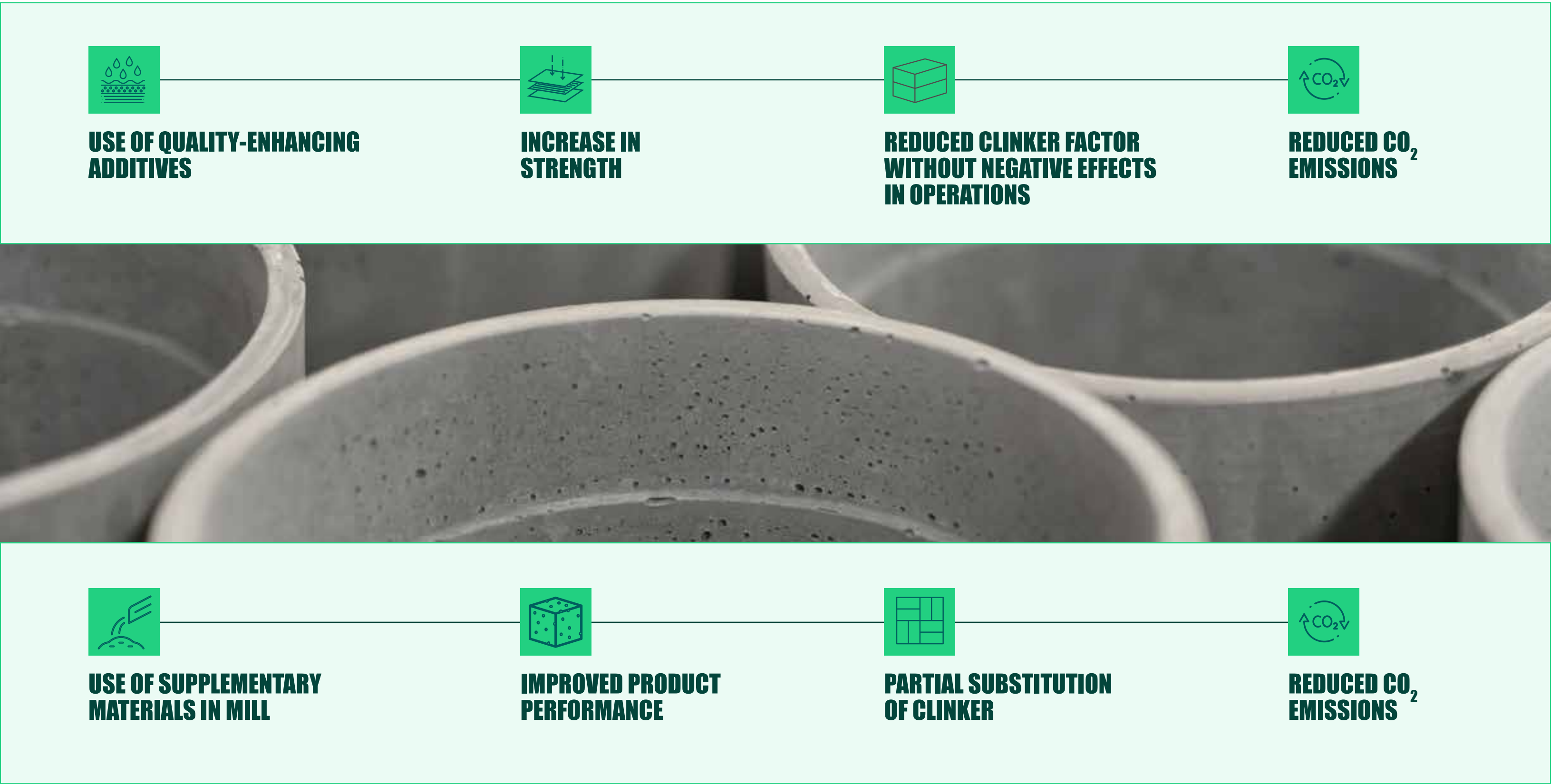
- Material dosages that improve the hydraulic activity of cement.
- Reactive material dosages in the mortar mix.
- Using additives to improve cement strength.
- Applying air-entraining additives to mortar.
- Partial incorporation of supplementary cementitious materials, such as bagasse ash.
- Modernizing our equipment.
- Industrial testing with additives for different cement products.
- Implementing microscopy analysis to improve clinker reaction.

Net emissions of

549

kg CO₂/metric tons equivalent cement; -2.3% vs. 2023

The proper identification and implementation of these initiatives has relied considerably on crucial work done in technical areas regarding market research and monitoring. The primary goal is to make dosage of cement in concrete more efficient, as it is the principal factor in providing carbon dioxide.



GRI 302-1, 302-3, 302-4, 302-5
EM-CM-130a.1

THERMAL AND ELECTRIC EFFICIENCY

Thermal and electric energy consumption have been reduced, therefore enabling a reduction in emissions. The following actions were performed to achieve these results and become more efficient:

- Monitoring of calcination process, as well as finding alternatives to maintain stability in clinker production, with the purpose of reducing thermal energy consumption.
- Using clean or renewable energy sources, for which a project is underway at the Cerritos Plant.
- The use of solar panels, such as the El Salto warehouse in Guadalajara; and a concrete plant and some wells in the Tepetzingo and Cerritos plants.

76.9 kWh/t metric ton of cement

+444,000 kWh of solar energy generated, which is equivalent to preventing 210.9 metric tons in CO₂ emissions

In addition to our commitment to efficiency, initiatives have been developed to improve environmental performance throughout the value chain, such as:

- Using railroads to be closer to our customers, reducing costs, mitigating environmental impact from our operations, and reducing carbon dioxide emissions during transportation.
- Increasing loads per trip in the Concrete Division, which in turn reduces the use of diesel.



FICEM CO₂ CALCULATION

Together with FICEM (Inter-American Cement Federation) we developed this tool based on scientific and statistical principles resulting in a system for measuring, reporting, and verifying the carbon footprint during product lifecycles. Results allow us to define strategies and lines of action, provide products with low carbon content, and follow through on our goal of reaching carbon-neutral concrete by 2050.

During 2024 we incorporated different improvements to the CO₂ calculator, such as:

- Comparisons of CO₂ emissions for cement and concrete products in different plants.
- CO₂ emissions by plant and by type of concrete, taking into account different dosages of additives, water, and aggregates.



GRI 3-3, 416-1, 417-1

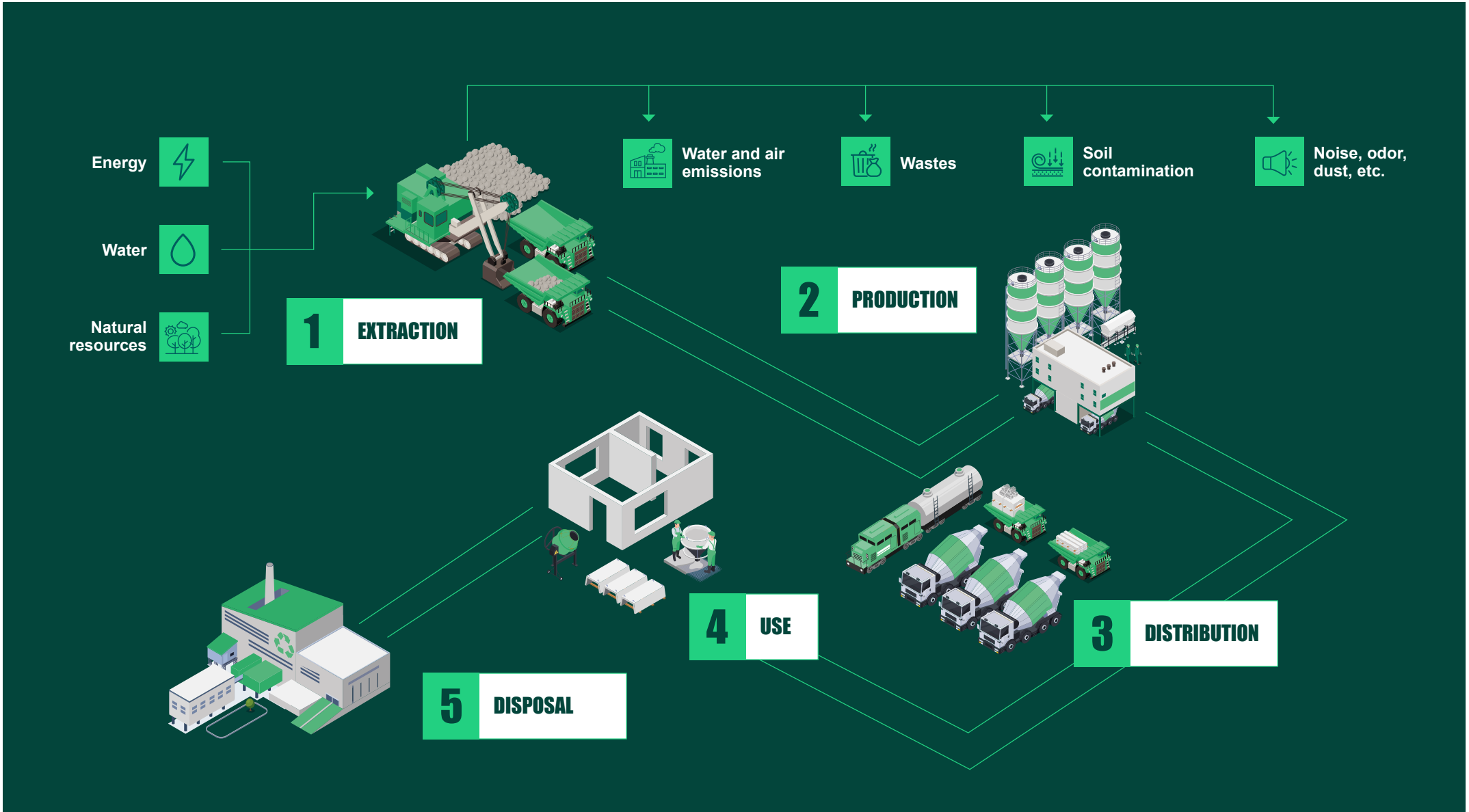
ENVIRONMENTAL PRODUCT DECLARATIONS (EPD)

Currently there is an increasing number of customers wanting a lifecycle assessment of the environmental footprint of cement and concrete products; an accurate assessment of the sustainability of their constructions; and pursuing LEED (Leadership in Energy and Environmental Design) certification for buildings.

Therefore, with the purpose of meeting the requirements of our commercial partners, the Concrete Division has continued working on improving environmental performance as per this approach. We are committed to producing EPDs (Environmental Product Declarations) for our products.

Said declarations are verified documents that supply transparent information on the environmental impact that product and service life-cycles may create, from extraction and use of natural resources to final disposal; the carbon footprint is one of the principal indicators. For published EPDs, the stages included are:

- A1: Raw material extraction and processing.
- A2: Raw materials transported to the manufacturing plant.
- A3: Product manufacturing, including the providing of materials, energy, and packaging.



One of our goals for 2024 was to produce EPDs for the two cement plants and a couple of concrete products. However, due to the importance of concrete as an essential raw material, we made a special effort to create EPDs for the 27 concrete plants nationwide, with 142 of the most common pre-mixes on the market, and three EPDs for CPC 40 cement in each of the plants.

We were able to obtain EPDs for cement and concrete.

This achievement reinforces our value offering, competitiveness, and market positioning.



“AT MOCTEZUMA WE SEE CONCRETE

as a critical element for sustainability in Mexico.
That is why we are part of the solution.

Sustainability Strategy: Roadmap 2030 is a
beacon that guides our efforts towards a sus-
tainable future.”

Manuel Rivera Gutiérrez
Chief Concrete Officer

GRI 301-2

USE OF WASTE-GENERATED ALTERNATIVE FUEL

In order to make further progress with the goals set under the pillar of Circular Economy, in 2024 we increased the use of alternative fuels by 74%, as compared to the previous year. As a result, the substitution rate of fossil fuel for alternative sources was doubled -going from 2.9% in 2023 to 5.8% in 2024. In addition, we have reduced carbon dioxide emissions per ton of equivalent cement.

To accomplish this, we have utilized waste products, which were selected and transformed into fuel sources employed in our calcination processes. Had they not been used in this manner, these waste products would have been sent to sanitary landfills, generating methane emissions, which is a greenhouse-effect gas with greater potential for causing global warming than carbon dioxide.

The installation of a warehouse for alternative fuels was completed for the Cerritos Plant, which began operating in late 2024. Likewise, coprocessing of alternative fuel in this plant underwent considerable increases, with 14.3% substitution of fossil fuel for alternative fuel in both kilns.

Cerritos Plant

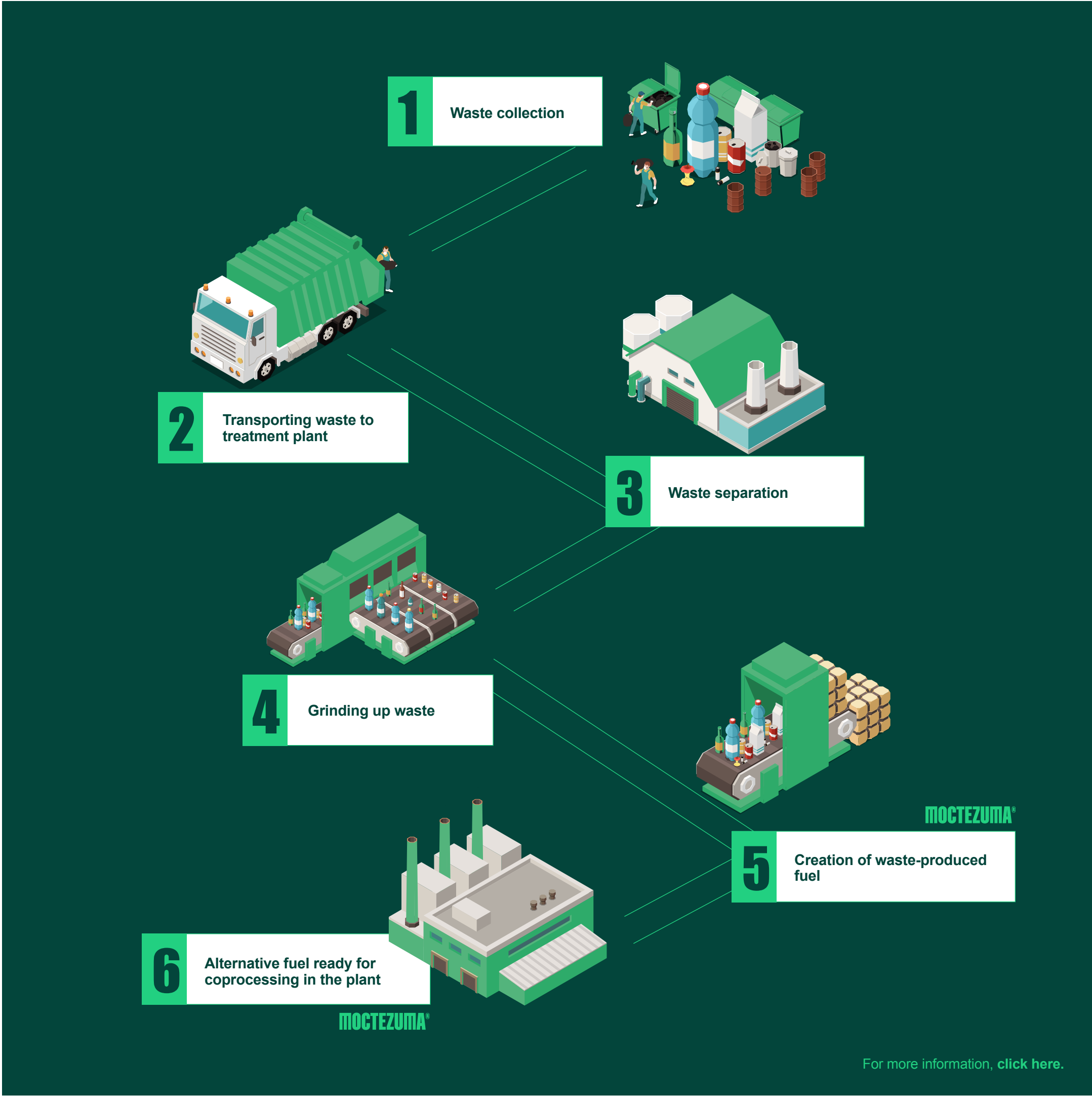
19,076 metric tons of solid alternative fuel and biomass was received; 18,863 metric tons of complete tires and rubber were shredded.

In the aim to continue using alternative fuel sources in the Tepetzingo Plant, by late 2024 we used over 12 million usd in investment to install a dosage system of different types of alternative fuel for the two calcination lines.

Coprocessing of tires has continued at the Tepetzingo and Apazapan plants as part of the synergies with neighboring municipalities to promote the cleanup of common areas; avoid environmental contamination; and prevent fire or sanitary risks like the propagation of harmful fauna, such as mosquitos, which transmit dengue.

+36,000 metric tons of waste were used as alternative fuel sources in 2024, +74% vs. 2023.

Substitution in favor of alternative fuels doubled, reaching 5.8% in 2024, vs. 2.9% in 2023.





We drive development in the communities where we operate because of our strong sense of social responsibility.

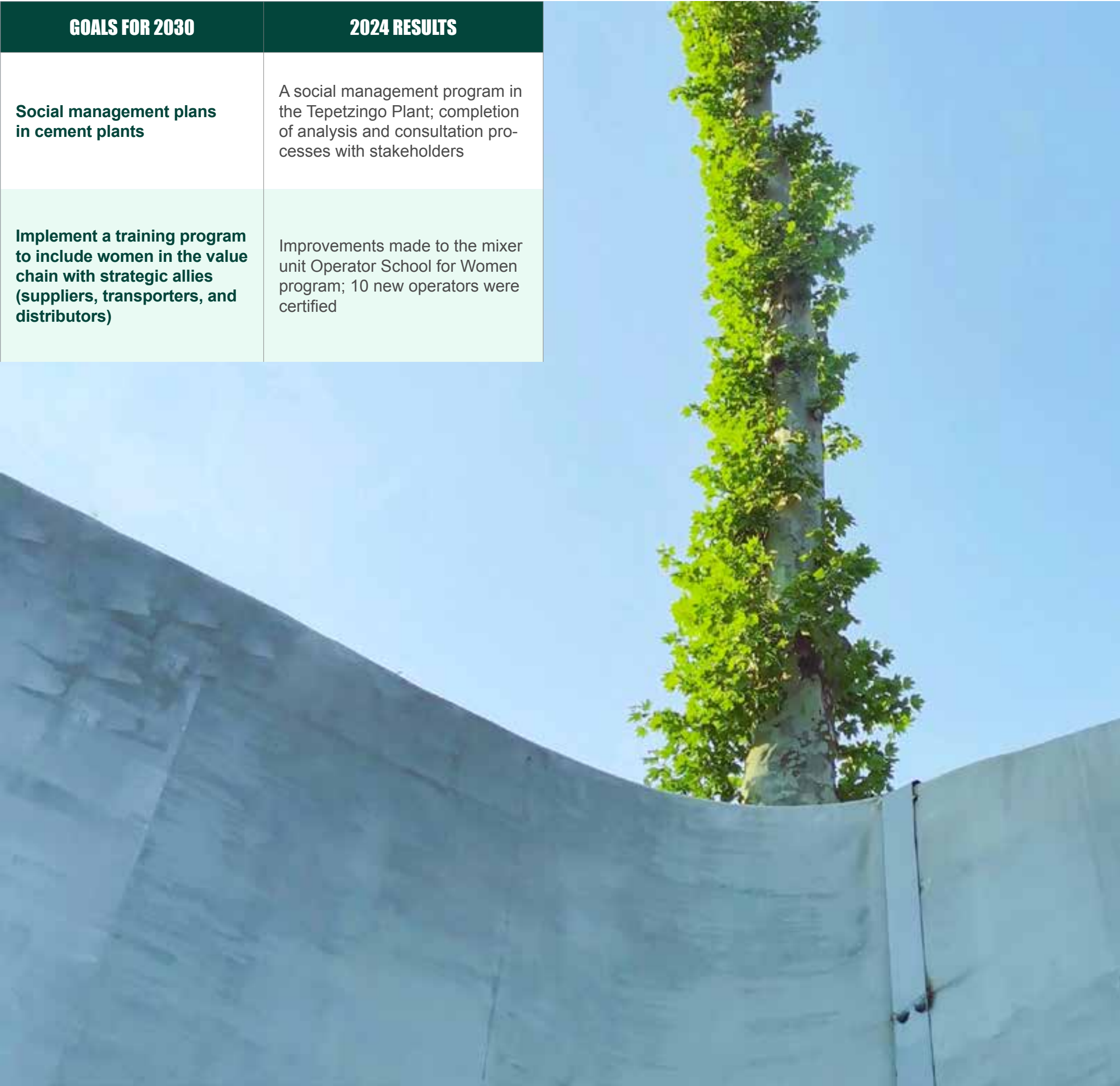


SOCIAL RESPONSIBILITY

- 1 NO POVERTY
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES

GRI 2-23, 2-24, 2-25, 3-3, 413-2

GOALS FOR 2030	2024 RESULTS
Social management plans in cement plants	A social management program in the Tepetzingo Plant; completion of analysis and consultation processes with stakeholders
Implement a training program to include women in the value chain with strategic allies (suppliers, transporters, and distributors)	Improvements made to the mixer unit Operator School for Women program; 10 new operators were certified



Our goal is to strengthen relationships and dialogue with our stakeholders; promote social management projects with the communities; and develop programs for gender inclusion and equality in all work segments, as well as plans and initiatives aimed at improving health, education, employment opportunities, and quality of life in the communities neighboring our operations.

We are a source of honest work, and we contribute to local economic growth, in addition to providing employment and education opportunities for our neighbors.

Our commitment to the principles established under the International Bill of Human Rights and to the development of Mexico was ratified. Therefore, we maximize the positive effects of our activities and minimize the negative impacts, promoting relationships of trust and engaging in ongoing constructive dialogue with our stakeholders.

To guarantee the proper management of social responsibility, all legal reforms and regulatory changes are monitored and heeded to ensure full compliance with labor and social legislation, as well as to implement best practices.

Moreover, community development, close ties with the communities, collaborating with their economic activation, and organizational development are all important to us and constitute processes that enable us to attract, hire, retain, and lead employees throughout their lifecycle with the use of education and training and development programs for their skills and abilities.



GRI 203-1, 203-2, 413-1

COMMUNITY DEVELOPMENT

Moctezuma is an agent for change, and we are convinced that dialogue and active listening with the community, communal farms, and the authorities are key actions for raising awareness that it is our responsibility to work together towards the improvement of the environment and societal conditions.



COMMUNITY SUPPORT

We continue reinforcing our ties with the communities neighboring our plants, thus having a positive impact on the scope of social responsibility programs and events; the number activities conducted and the attendees have increased.

Our Donations Committee –with the participation of the CEO, the Chief Human Resources and Industrial Relations Officer, the Chief Legal Officer, and the Chief Sustainability Officer– receives requests from communities through an institutionalized process. The Committee meets periodically to evaluate the positive impact of investments and specific support mechanisms conducted in the communities. The areas where we want to have a positive impact include:

- **Education.** As we are convinced that education is a critical path towards improving the quality of life for all, we promote quality education for students of basic education levels in our neighboring communities; we continue offering scholarships, school supplies, and support to improve the infrastructure of the different educational institutions. In the case of schools being closest to our facilities, tours of the cement plant are organized so they may view the production processes.
- **Health.** We cooperate annually with the authorities to provide free medical services to community members. These include uterine and breast cancer prevention services; prevention and monitoring of chronic-degenerative illnesses; visual, mouth, and nutritional health; healthy lifestyles; physical activity; and the prevention of muscular-skeletal injuries, among others.

+22,000 children benefited
from our school supplies program

+2,250 attendees to 3 Health Fairs
in 2024, 1 held in each cement plant

+\$9.7 million pesos invested
in social assistance for communities

In 2024, an analysis was conducted regarding the social management plan in the Tepetzingo Plant. The results will constitute the input for designing a social management plan.

IMPACT CASE: SCHOLARSHIP PROGRAM

In keeping with our commitment to education in Mexico and in communities neighboring our facilities, economic support has been provided to students of elementary, middle school, and high school level levels in locations neighboring the Apazapan, Tepetzingo, and Cerritos plants. Some 300 scholarships were awarded in 2024, to prevent and reduce dropping out of school, and to encourage continuation with their education.

300 beneficiaries;
100 students received scholarships in each plant

This program has the valuable support of the Fundación Comunitaria Morelense (Community Foundation of Morelos). It is a strategic ally that facilitates direct contact with the beneficiaries, promoting their academic development, and motivating them to continue in school. Constant communication with the beneficiaries is maintained to evaluate the scope and proper use of scholarships granted.

The positive effect of this program is tangible given the contribution by Moctezuma to community well-being and to motivation given to students to exceed their goals. We are very proud of the employees who at one point were beneficiaries of this scholarship program, or someone in their family who received this support.



“EDUCATION IS VERY IMPORTANT

because through it we can grow in different areas. When in grade school, I learned about the Moctezuma Scholarship program, and I was selected due to my overall grade average. The program has been of great importance to me because it allowed me to continue with my education, such as the middle school where I am now enrolled.”

Ximena Ocampo
Student of Telesecundaria Modesto Rangel

“I FEEL VERY GOOD ABOUT HAVING COMPLETED THE MOCTEZUMA SCHOLARSHIP PROGRAM,

because as graduates we convey the example to future generations. I have a younger sister who is currently enrolled in middle school and she is part of this project.”

Martha Soriano
Moctezuma HR Assistant

SOCCER PROGRAM

Some 25 years ago we began an initiative that comprehensively promotes the fields of education and health. It entails a soccer training school for boys aged 10 to 18, and who are residents of the communities neighboring Tepetzingo Plant.

Through this initiative, different support is provided to its students, including uniforms, enrollment in tournaments, and training free of cost that takes place 3 days per week.

The importance of this initiative lies in promoting healthy lifestyles and promoting values such as teamwork, discipline, and dedication among our young people. In this manner they are shown they can improve the quality of their life and grow healthy, thus having a positive impact on the well-being of their communities.

60 children and teenagers benefited from the Soccer Program each year

OPEN-DOOR ACTIVITY DAY

In 2024 ties with communities neighboring our cement and concrete plants, with the authorities, suppliers, specialized service providers, and employees' families were further reinforced.

Two Open-Door Days were held, where we invited stakeholders to visit our plant and see firsthand the best practices applied in our production process, and the initiatives we have to manage different matters, such as social responsibility, Pink Hardhat, quarries and biodiversity, water conservation, circular economy, alternative fuels, quality, logistics, and road safety. During the tour of our facilities, our visitors were taken to the nursery, the control room, and the laboratory.

2 Open-Door Activity Days
1 at the Apazapan Plant, and 1 at the Zapopan Plant, Concrete Division

+4,200 participants

During the session at the Apazapan Plant there were representatives from different agencies and institutions, such as from SEDEDENA (the Secretary of National Defense); Civil Force; SEMAR (the Secretary of the Navy); Hospital Español; and CEPREVIDE (State Center for the Prevention of Violence and Crime Through Civic Participation).



INCLUSION OF WOMEN IN THE VALUE CHAIN

Moctezuma is an inclusive company, which makes us highly competitive; we are greatly committed to promoting the presence of women in an industry that is traditionally associated with men. Our personnel policies (wages, hiring, and promotion) do not allow gender discrimination nor for any other reason whatsoever. This enables us to recruit the best talent in the market.

There are different initiatives underway to promote gender equality and the empowerment of women. In honor of International Women's Day, and consistent with our values of Respect and Inclusion, our Women in Moctezuma event was organized for all female employees in the Company so they could hear different speakers and attend roundtable discussions.

PINK HARDHAT

In recognition of women in the construction industry, this initiative serves to highlight the importance of their participation both in the company and in the value chain.

+290,000
women in jobs related to the construction industry in Mexico*

+180 female employees

+120 women in our distributor network

20 in operations in our cement plants

26 female operators of mixer units in the Concrete Division

1 female shift supervisor in the production department of the cement plant

2 female plant supervisors for concrete production

49 women in operations positions; 27 in the Concrete Division; and 22 in the Cement Division

“I’VE ALWAYS WANTED TO BE IN PRODUCTION,

performing the activities of a shift supervisor. The company gave me the opportunity to make my dream come true, and I am truly grateful for that.”

Mayela Hernández
Shift Supervisor, Cerritos Plant

“MOCTEZUMA HAS BEEN AN OPPORTUNITY

for me to grow; just like me, so have many other women. I truly believe women can continue growing in this industry.”

Martha Martínez
Distributor

* Source: Secretary of the Economy, Mexico Data, 2024-Q3.

IMPACT CASE: OPERATOR SCHOOL FOR WOMEN

In line with the goals of our Sustainability Strategy: Roadmap 2030 regarding the implementation of a training program for the inclusion of women in the value chain with strategic allies –suppliers, transporters, and distributors– in 2024 we continued running our School for Female Operators, the purpose of which is to train women to operate mixer units with high standards of competency and commitment to the organization.

The program teaches women to operate a mixer unit, after having met profile requirements. Upon completion of the training program, they must pass all theoretical-practical evaluations so as to receive their certificates and obtain an opportunity to work in one of our concrete plants.

The program seeks to have women committed to the organization, possessing extensive knowledge in our processes and being able to operate this equipment with the highest standards in quality, safety, and efficiency.

Stemming from our company's commitment to continuous improvement and talent development, we reinforced the program so the second graduating class could rely on an optimized cycle during 2024.



OBJECTIVE

Contribute to gender equality and the development of women in positions traditionally performed by men.



PROGRAM IMPROVEMENT CYCLE

1ST GRADUATING CLASS

- Areas of opportunity and lessons learned

2ND GRADUATING CLASS

- Increased duration from 3 to 5 months
- Reinforcement of theoretical-practical subjects to guarantee that those who complete the course may meet expected performance criteria.



This project helps us boost gender equality by incorporating more women into the industry, creating development opportunities, and providing honorable work.

10 new operators completed training by close of 2024

18 operators graduated since the beginning of the program, which is equivalent to 12% of our operators

“BEING A GRADUATE OF THE OPERATOR SCHOOL

is a source of personal satisfaction and a great achievement for me because it shows that our company believes in Mexican women and gives us the chance to grow, to progress in life.

At the beginning I had my fears and doubts. I even thought I would be unable, but my fellow colleagues who completed the course during the first graduating class, and also my teammates, all motivated me and made me believe in myself and understand that I could do it.

When you're told you will take your first trip alone, it is so exciting, a unique experience that I will never forget.

I appreciate the company and my workmates because we are all a single unit. Walking into the Moctezuma plant each day is motivation to say, “Yes, I can! And yes, I did!” That's how I accomplished it all. To all the female employees who want to be part of the Operator School, I tell them not to give up on achieving their dreams, because anything is possible.”

Polette Atena Trejo Vallejo
Mixer Operator, who is a member of the second graduating class

GRI 2-7, 2-8, 2-30, 3-3, 405-1

HUMAN RESOURCE MANAGEMENT

“WE EXPERIENCE SUSTAINABILITY

through our culture, our purpose, our values, and our competencies; all these elements are aligned to make our company a great place to work and to attract talent.”

Gerardo Gabriel González Salinas
Chief Human Resources and Industrial Relations Officer

Employees are the driving force of the organization, and thanks to them it is possible to implement new projects, making Moctezuma a successful company that is able to achieve the objectives it sets. We therefore ratify our commitment to our people. We work on creating the conditions needed to have a positive impact on the quality of life of our personnel, fostering our culture, values, competencies, training, development, and improving processes through technologies, among other things.

We rely on a long-term strategy that ensures the sustainability of the organization: our Culture. By cascading the set of values, behaviors, beliefs, and attitudes to our employees through training and its effectiveness every day, we promote different principles that contribute to operating efficiency, teamwork, productivity, optimum decision-making, and resilience. In 2024 we continued supporting our Culture

program –Moctezuma Life– by conducting workshops, and activities that promote living by our values and skills among individual contributors and leaders.

As part of the cultural transformation being experienced in the organization, in 2024 we continued implementing the best practices in the Comprehensive Human Resource System: My Life in Moctezuma, whose modules are going through continuous improvement and updates to guarantee that our company is always at the cutting edge.

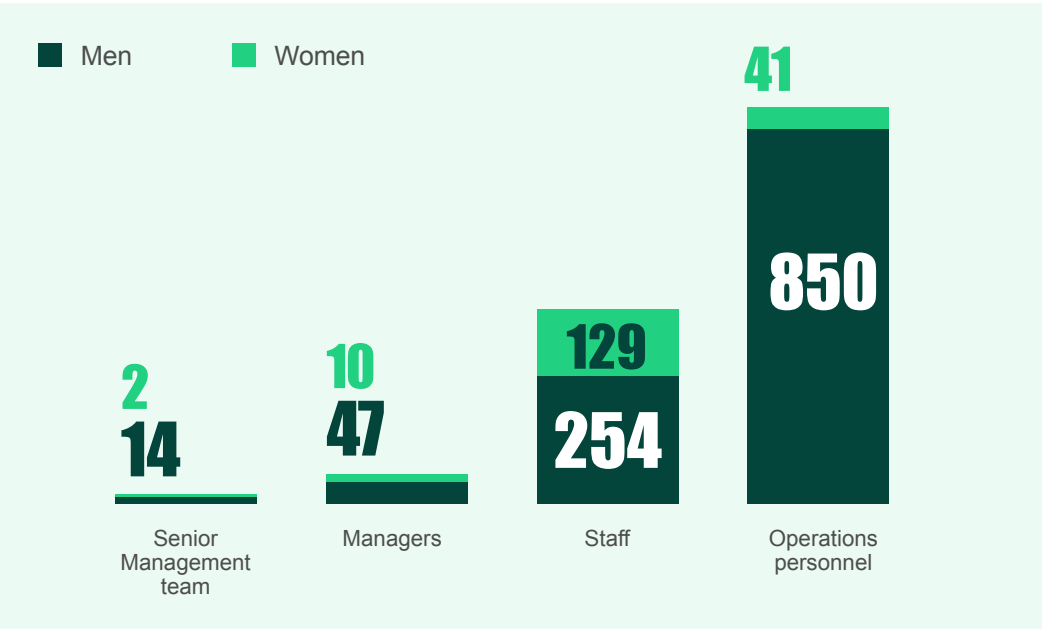
This tool rigorously applies human resource management methodologies, increasing the efficiency and effectiveness of the processes, favoring information transparency, tracking, predictability, and auditing.

1,347 employees²
employed; +3.4% vs. 2023

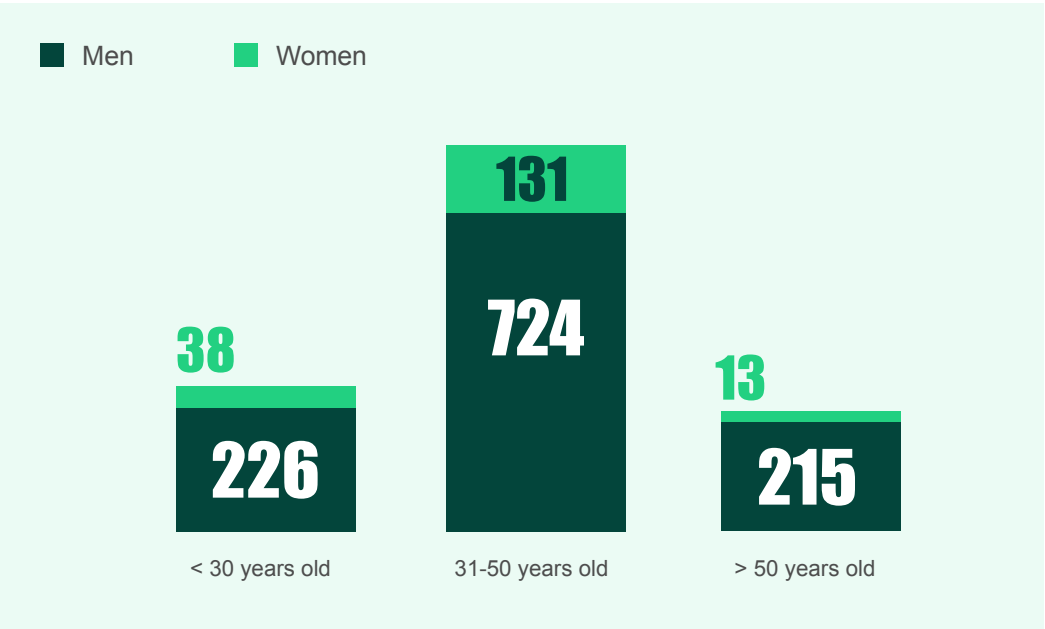
1,165 men

182 women

Headcount by occupational category



Headcount by gender and age group



46.9% of employees are unionized

The right to unionize and collective bargaining is respected, always maintaining constructive interaction and collaboration with labor unions. Representation in our cement plants has full legitimacy, with agreements reviewed and established via consensus.

² Employees with direct, permanent, full-time employment contract.

GRI 3-3, 405-2

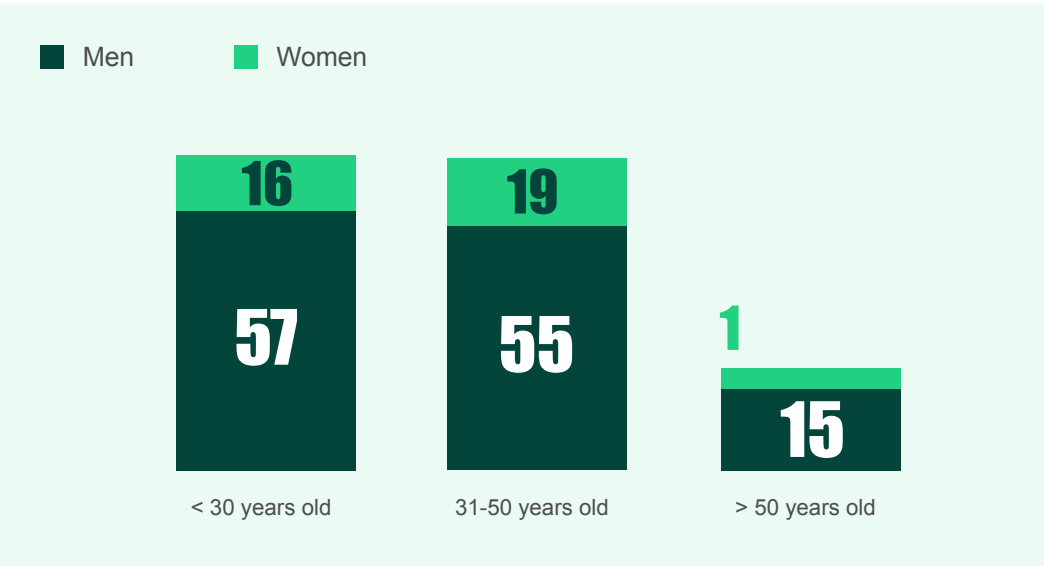
ATTRACTION AND RETENTION

Moctezuma always strives to attract the best talent available, thus we foster diversity and inclusion and reject any manner of discrimination resulting from age, gender, marital status, ethnic origin, nationality, sexual orientation, language, culture, or any other reason that violates human dignity.

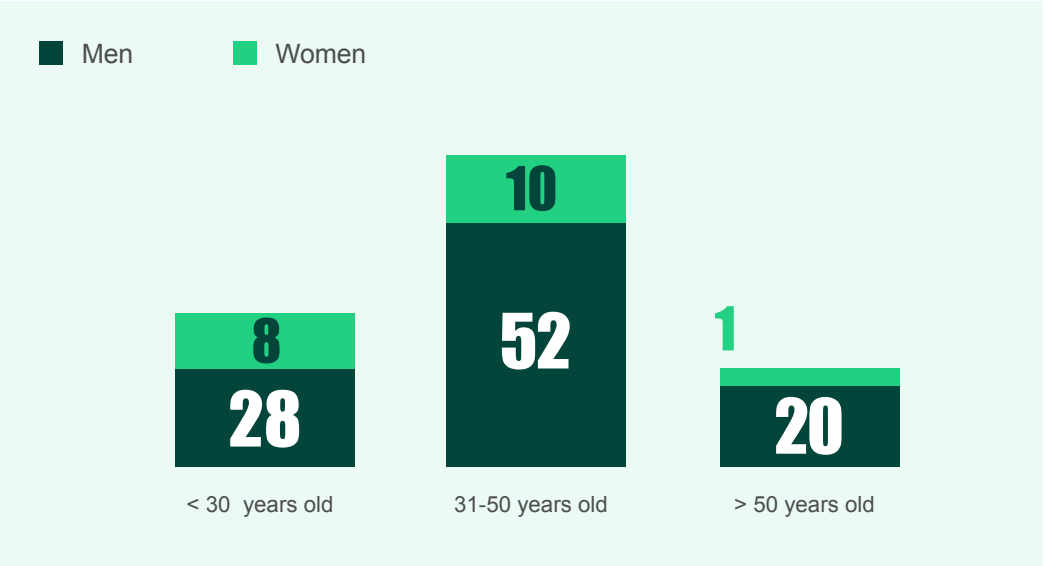
Environments that are healthy, safe, and respectful of inclusion and equal opportunities are guaranteed. We ensure recruitment and selection processes include equality among male and female candidates.

Tasks regarding the mapping of talent have continued such that when a position needs to be filled, we foster promotions for employees identified during succession planning. In the case of needing to cover a critical position and the specialty is not found within succession candidates, the company then resorts to hiring outside talent.

Hires by gender and by age group



Deletions by gender and by age group



163 new hires; 22% women

8.8% turnover rate



TRAINING AND DEVELOPMENT

Personnel training and development are priorities in achieving high efficiency levels. Each year, we produce an Annual Training Plan that focuses on bolstering skills and competencies, both individual and collective, to promote teamwork and the effective meeting of objectives.

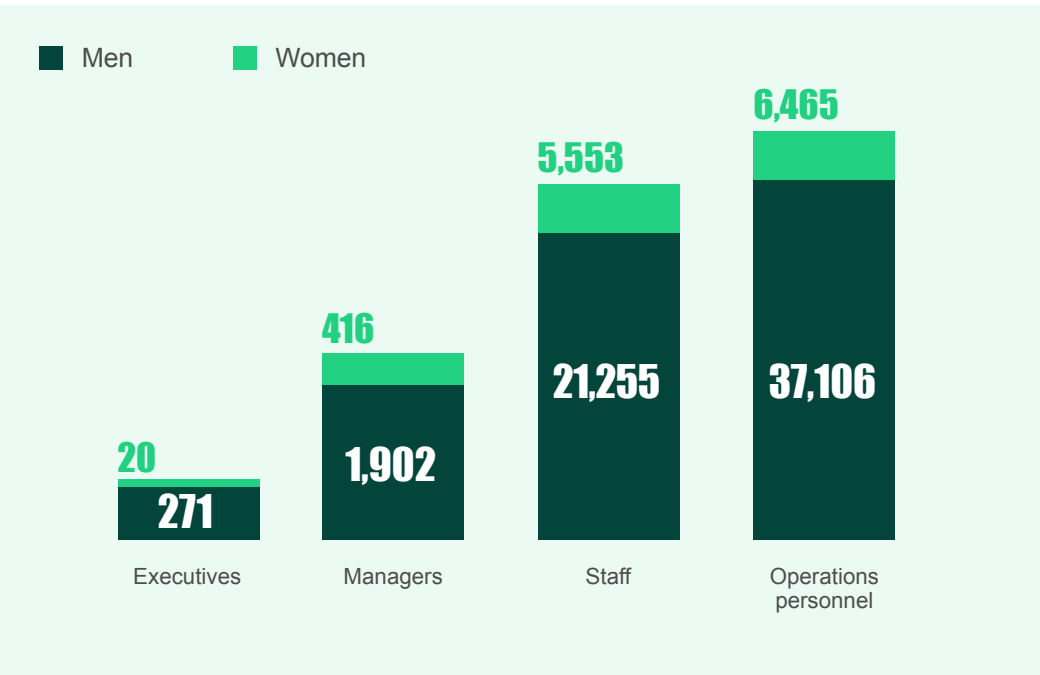
We are convinced that developing our personnel creates a positive effect and a sense of belonging and commitment to our organization. Not only do we provide technical tools, and regulatory and institutional training for better performance, but we also provide instruction on competencies, soft skills, behaviors, and values that are in line with our Culture, as well as ongoing education and support for their professional careers.

18

employees received scholarships for college-level education

Moreover, we believe in Mexico and in Mexican talent. We trust all those willing to receive training to achieve better opportunities, and in Moctezuma we make this possible. As a result, investments are made in the growth of young people, women, and community members who become part of our team.

Training hours by gender and by occupational category



72,987

hours of training; +43.9% vs. 2023

54.5

average hours of training per employee



“BEING PART OF THIS COMPANY

instills pride and a sense of belonging because we are a family; by working together as a team we have achieved many things to date.”

Sergio García Bahena
Environmental Coordinator

+\$19.2

million pesos invested in employee training

GRI 3-3, 405-2



YOUNG TALENT

This program promotes the development of young people with outstanding academic achievement from the leading public and private universities of Mexico and who have high potential to meet future demands for talent in key positions throughout our value chain.

This project was envisioned with the purpose of developing future leaders in the different operating areas of the company. For two years the young people participate in specific and specialized development plans to obtain critical know-how in different key areas. These include Safety and the Environment, Production, Maintenance, Quality, Packaging, Logistics, Commercial Projects, and Concrete.

The young people in each area learn from our technical experts, managers, and senior executives, and, at the same time, collaborate on important projects for the plants to which they were assigned. One of our executives serves as a mentor, accompanies them in their training, and helps them adapt to the organization and develop skills.

After the two years of initial training, the stage of incorporation and specialization begins. Here the young people will be evaluated in their strengths, competencies, and projects, and then receive feedback. They will later be assigned to positions in the area where each has demonstrated the greatest skill, maintaining a differentiated development program and creating collaboration teams with experts in the organization.

In 2024, the first graduating class continued with the training process in the cement plants. Two members are about to graduate; one of them will continue with a professional career in Projects, and the other in Production.

8 Young Talent;
50% are women

PERFORMANCE EVALUATION

The performance evaluation of our employees has continued through the program of My Objectives, where leaders define goals together with the employees and determine progress during follow-up sessions and conclude the process with an annual evaluation, both at an individual and an organizational level.

As part of the implementation of the Comprehensive Human Resources System –My Life in Moctezuma– the evaluation module was supplemented in 2024. Leaders were given the responsibility of providing both mid-year and annual feedback to the employees they supervise. This serves to motivate recognition of our people and improve areas of opportunity.

100% of non-unionized personnel
were evaluated with My Objectives program,
and all received feedback

WELL-BEING

Our commitment to the comprehensive development of all employees is essential. There are different initiatives that help foster their well-being.

In the aim to create the conditions needed to retain our team and foster their growth, we offer competitive wages and fringe benefits. Compensation is determined according to wage guidelines per position, which are wholly equal and analyzed with a standard methodology.

Healthy lifestyles are also promoted. In 2024 we held a soccer tournament for our employees. It took place on the field located at the Tepetzingo Plant, with the participation of six teams: two from the concrete plants, three from the cement plants, and one made up of personnel from the corporate offices in Mexico City. The purpose of these tournaments is to motivate teamwork, enhance communication, increase motivation, foster inclusion and diversity, and strengthen our organizational Culture.

72 employees
participated in the 2024 Soccer Tournament



RESPONSIBILITY

We continue with firm footing along the path of **solid environmental conservation planning.**

ENVIRONMENT AND BIODIVERSITY

- 

6 CLEAN WATER AND SANITATION
- 

13 CLIMATE ACTION
- 

14 LIFE BELOW WATER
- 

15 LIFE ON LAND

GRI 2-25, 3-3

Moctezuma remains in line with guidelines established by industry organizations, such as FICEM, which issued a roadmap for carbon neutrality by 2050. One of the pillars towards accomplishing this objective includes creating nature-based solutions. With this goal in mind, we seek to strengthen programs related to biodiversity conservation.

Our efforts have been focused on the efficient use of natural resources, protecting and conserving biodiversity, responsible water

use, and developing initiatives that lead to the reduction of atmospheric emissions, all with the purpose of improving interactions with the environment and minimizing the impact of our operations.

The work of our people and the high commitment of the cement and concrete plants to environmental care have been recognized outside of Moctezuma. In 2024, our Apazapan Plant was awarded certification as a Green and Responsible Company, by the Environmental Protection Office of the State of Veracruz.

**“AT MOCTEZUMA, WE EXPERIENCE
SUSTAINABILITY IN A NATURAL WAY;**

it is part of our DNA. Our Sustainability Strategy: Roadmap 2030 is a driving force towards innovation. As a result, we all understand that we must contribute to the process of doing things in a different way.”

Damaso Contreras Martínez
Apazapan Plant Director



GRI 101-1, 101-2, 101-4, 101-5, 101-6, 101-7, 303-1, 303-2, 303-5
EM-CM-140a.1, EM-CM-160a.1, EM-CM-160a.2
GCCA Water

WATER MANAGEMENT

By working to accomplish the objectives of our roadmap, honoring our commitment to sustainability, and understanding local, regional, and natural realities concerning water scarcity, we are constantly striving to minimize the water footprint of our products. Some of the actions conducted include:

- Ongoing monitoring of equipment to eliminate any water leaks.
- Replacing electric filters with more efficient technology, as part of the production-increase project developed in the Tepetzingo Plant, thus reducing water consumption rates.
- Reutilizing water from the equipment-cooling system, sending and using it in the cement mills.
- Reutilizing water from the treatment plant to irrigate roads and reduce dust emissions.

The importance of these initiatives entails preventing greater consumption of water; this resource can have better uses in the production process; will remain in the water table, available for other uses; and/or allow for other projects to take place, such as hydrolysis to generate hydrogen as a fuel source.

109 L of water/metric ton
of cement; -13.5% vs. 2023

The Concrete Division consumed a volume of 241 L of water/m³ of concrete.



BIODIVERSITY MANAGEMENT

Through our comprehensive approach for flora and fauna conservation, we strive to mitigate the impact of our organization's activities by continuously working to establish management plans for the quarries with high biodiversity value; and restoration actions on our own properties, with a medium and long-term focus. These current initiatives include:

- Designing management plans that entail diagnostics and analysis of biodiversity levels in regions having cement plants; this is done in conjunction with different education institutions such as UASLP (the Autonomous University of San Luis Potosí); UV (the University of Veracruz), and UAEM (the Autonomous University of the State of Morelos).
- Conserving and protecting habitats for the royal eagle, and prairie dogs; and providing ecosystem services in the semi-desert region of northern Zacatecas and the state of San Luis Potosí. We executed an agreement for this purpose, as well as making a donation at the close of 2024.
- Protecting biodiversity through diagnostics that established properties for use as conservation areas and not for operational activities.

- Restoring the structure and use of ecosystems affected by our operations, by restoring, maintaining, and tracking quarries annually.

+250 hectares
of protected and/or restored habitats

- Maintaining and improving nurseries and environmental improvement units, to ensure conditions needed for species reproduction and protection, optimizing spaces and making them examples for environmental training.
- Developing pollination gardens in the nursery area.
- Performing hydroseeding activities.
- Relocating fauna to conservation areas.
- Keeping wild fauna in their habitat by supplying water and monthly tracking; installing watering holes that mimic the natural environment in sighting areas.

- Provide training for personnel regarding procedures and guidelines to be followed in the quarry.
- Develop recreational and didactic material on the value of biodiversity for the “Learn to Conserve” campaign.
- Celebrate Environmental and Sustainability Week, within the context of World Environment Day, where different activities in environmental education took place, such as:
 - » Presenting our Sustainability Strategy: Roadmap 2030 and its corresponding pillars.
 - » Lectures to raise awareness among employees on environmental protection and conservation, fauna management, waste management, and on the sustainable approach followed by the company in producing cement and concrete. SEMARNAT (the Secretary of the Environment and Natural Resources), and PROFEPA (the Secretary of Environmental Protection) participated by giving presentations on different environmental issues.
 - » Reinforcing the culture of recycling with the creative transformation of 10 tires into artistic pieces.
 - » Five Sessions of Reforestation with the Family:
 - ◇ Three were organized by our cement plant:
 - * One by the Cerritos Plant, in three schools.
 - * One by the Apazapan Plant, on a piece of property neighboring the facilities and to which a group of students were invited.
 - * One by the Tepetzingo Plant, at a clay bank.
 - ◇ Two were organized by the Concrete Division:
 - * One at a school.
 - * One at the Centinela Forest, jointly with Urbano Forest, in Jalisco.



Environment and Sustainability Week 2024

641 attendees
to lectures given; +66.5% vs. 2023



+500 hours in training

+1,500 attendees
to lectures and workshops



+1,000 participants
to Reforestation with the Family; +94.7% vs. 2023



+1,000 trees planted
from native species in each region

- Fostering environmental protection through interactivity with different internal and external stakeholders:
 - » Outdoor restoration, relocation of species, gardens created, and trees donated.
 - » Photography and drawing contests, depicting environmental protection; 141 participants, with prizes for three winning categories.
 - » “Adopt a Tree”, campaign conducted within the context of International Earth Day, and oriented towards native flora protection in those regions where we operate, by “adopting” trees.
 - » Monthly campaign of “A Clean Place is a Safe Place”, whose purpose is to motivate all to keep spaces clean and free of waste. Different areas in the plants and contractor companies participated.
- » “I Make a Difference by Recycling PET”, a campaign whose purpose is to encourage the reclassification and recycling of single-use plastic bottles and prevent them from ending up in bodies of water, and to recover their energy value by reprocessing them in our cement plants. Some 0.905 metric tons of PET material were collected, which is equivalent to preventing incorrect disposal of 48,000 bottles.
- » Company participation in CIMMA 2024 (Children’s Summit for the Environment of the State of Morelos) that was organized by the Morelos Secretary of Sustainable Development. Best practices by the company were presented through a play and an expo that was set up.

GRI 101-3, 101-5, 101-6, 101-7, 101-8

IMPACT CASE: CONAFOR AGREEMENT - APAZAPAN EJIDO-MOCTEZUMA

In 2024, continuity was given to the collaboration agreement with the Apazapan Ejido regarding the payment of environmental services by CONAFOR (the National Forestry Commission) for the conservation of ecosystems close to the Apazapan Plant. Part of the money is earmarked for promoting the value of conservation as a source of revenue for the community; another part is to execute improvement or maintenance activities.

The project seeks to foster greater appreciation for the value of environmental services provided by forestry and agroforestry ecosystems and natural resources. The University of Veracruz continued with diagnostic activities and working with the Apazapan Ejido.

The Ejido has important forestry resources, comprising +40 species of flora, including, among others:



NATURAL WOOD PLANTATIONS

- Cedar
- Oak
- Mahogany



FRUIT PLANTATIONS

- Mango
- Nanche
- Chicozapote
- Soursop
- Lime

On the ejido, some 50 species of fauna have been identified, such as:



MAMMALS

- Deer
- Badgers
- Foxes



REPTILES

- Toads
- Coral snake
- Lizards



INSECTS

- Spiders
- Beetles
- Butterflies




BIRDS

- Blackbirds
- Eagles
- Herons

This was the 2024 winning project for the call for submissions by CONAFOR, thus to be developed during the coming five years provided the Ejido complies with all the agreement characteristics. This will enable materialization of the results and indicator traceability so CONAFOR may efficiently assign the resources furnished by Moctezuma for the Apazapan Ejido and conservation activities may then be conducted on communal (ejido) lands.



Parameters

1 

Moctezuma provides monetary contribution to CONAFOR

2 

CONAFOR delivers resources to Apazapan Ejido owners

3 

Resources to be used for:

- Conservation incentive as a source of revenue for the community
- Making improvements or conducting maintenance activities

The commitments acquired by the Ejido under this agreement:

- Avoiding a change in zoning.
- Conservation of forestry ecosystem and its biodiversity.
- Posting and maintaining signs on the program.
- Creating and equipping at least one brigade for forestry protection and surveillance to prevent and fight fires.
- Avoid excessive grazing.
- Completing the annual training course on environmental services or other related interests.
- Fencing the property to create proper boundaries and prevent the entry of cattle or clandestine hunting.
- Digging and upkeep of fire-containment ditches to prevent the spreading of any possible fires.
- Conserve and maintain roads.
- Monitor the presence of pests or disease in forestry ecosystems.

In addition a water purification plant will be installed in 2025, a production project having the primary goals of diversifying and boosting economic activity for the Ejido; offering communities purified water with top quality standards and in keeping with all applicable legislation; and providing a top-tier service with low production costs so the price to the public may be as affordable and competitive as possible. It is estimated that the water purification plant will cover an annual demand of over 119,000 liters during its first year of operation.

The importance of this agreement lies in the economic, environmental, social, and cultural benefits to be derived from protecting biodiversity, social conservation, sequestering carbon dioxide, generating jobs and income for the ejido owners and their families, as well as raising community awareness of the value of the natural environment.



“THE PROGRESS MADE THIS YEAR

with the project allowed us to establish a baseline to understand more about the environment and focus our efforts on the right path to follow for the coming five years.”

Juan Antonio Ulloa Nieto
Corporate Manager for the Environment

+1,000 hectares of communal use

+\$1.7 million pesos donated
by Moctezuma to CONAFOR and to the Apazapan
Ejido under the framework of this agreement

“THIS SUPPORT SIGNIFIES THE POSSIBILITY OF IMPROVING

conditions for the Apazapan Ejido by creating jobs for the communities, and by implementing new projects such as the firefighting brigade.

Fortunately, our community has experienced neither the spreading of pests nor of fires, but ongoing monitoring and prevention efforts are always essential.

For 2025 we have planned the use of a water purification plant, with which we seek to furnish the community with quality water.

It is necessary and mandatory for all companies to actively thwart any negative effects that might appear from the activities they conduct. We are truly grateful to Moctezuma for the alternatives they have undertaken to mitigate their impacts. We ask that they continue to work with our municipality in all possibilities to intervene and raise community awareness, and to continue contributing to environmental care.”

Delfino Herrera Colorado
President of the Apazapan Ejido Commission

IMPACT CASE: REEF BALLS

In a world that faces growing environmental challenges, protecting our environment is no longer a choice, but rather an obligation. Moctezuma is adamantly committed to preserving our natural habitats.

Off the coasts of Yucatán, we continue working with an initiative that encompasses innovation and environmental responsibility. It entails manufacturing, installing, and monitoring 500 artificial reefs- known as reef balls- of differing sizes and weights to help restore marine ecosystems in Mexico; preserve their biodiversity; and engage in the sustainable management of the oceans.

This project is part of our Sustainability Strategy and is aligned with the Sustainable Development Goals of the UN. It contributes toward SDG 14, Life Below Water, and SDG 13, Climate Action.

The reef balls are designed to mimic the structure and purpose of natural reefs. Their duration on the seabed is estimated to last 500 years and they are environmentally-friendly because they are made from non-polluting concrete (cement, aggregates, and specialty additives) with alkalinity levels (pH) similar to that of seawater, and with the potential for becoming homes and shelters for different species such as fish, crustaceans, and sponges.

The reef balls have proven beneficial for multiple reasons: they reduce the pressure on overexploited natural reefs; they favor restoration of coral species, estuaries and oyster reefs; they protect coasts and beaches from erosion and hurricanes; and they are a food source for people who depend on the sea, among many others.

For full execution of this project, we collaborated with Reef Ball Mexico, an international not-for-profit organization that specializes in their design and construction, and which has successfully installed over 30,000 artificial reefs in seas around the country.

Placement of these 500 reef balls will create approximately 1,584 m² of new surface area for marine life, enabling repopulation of the area with native flora and fauna such as soft and hard coral, sponges, and algae with high biological value. It will also sequester about 2,225 kg of CO₂ per year through the coral and algae.

What is more, the reef balls are an effective and safe way to create sustainable marine habitats.

Taking into account that the average life expectancy for reef balls is 500 years, the capacity to sequester CO₂ would be a total of 1,112,500 kg.

+19,000 kg of Moctezuma cement used during its construction

Project Stages



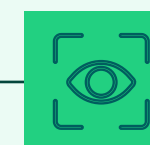
MANUFACTURING



**GROUND
TRANSPORTATION**



**SEA TRANSPORTATION
AND PLACEMENT**



TRACKING



GRI 305-7
EM-CM-120a.1
GCCA Emissions

EMISSIONS

As per all applicable regulations, we monitor particle emissions, sulfur dioxide, and nitrogen oxide in the three cement plants, specifically milling and crusher equipment, as well as in the kilns.

In 2024 we invested considerably in the Tepetzingo Plant to replace the last electro-filter still in operation, with a sleeve filter to substantially reduce the environmental impact of suspended particles. Results for this indicator experienced a major reduction.

Work has continued in the Concrete Division to increase environmental standards nationwide, pursuant to NADF-021-AMBT-2011, by constantly monitoring different indicators in all our facilities; these include suspended particles, perimeter noise, and atmospheric emissions.

POLLUTANT	SPECIFIC EMISSION	ABSOLUTE EMISSION
PM	5 g/metric ton of clinker	26 metric ton/year
NOx	1,908 g/metric ton of clinker	9,526 metric ton/year
SOx	32 g/metric ton of clinker	160 metric ton/year





Circular economy principles are applied
to maximize the value of all materials
available to us.



CIRCULAR ECONOMY

- 

6 CLEAN WATER AND SANITATION
- 

11 SUSTAINABLE CITIES AND COMMUNITIES
- 

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 

13 CLIMATE ACTION
- 

17 PARTNERSHIPS FOR THE GOALS

GOAL FOR 2030	2024 RESULTS
Replace 30% of fossil fuel used with alternative fuels	5.8%
Install the infrastructure needed to recycle and reuse water in 100% of our concrete plants	85%

A photograph of a modern building with white walls and a dark, cantilevered section, partially obscured by a large, leafy green tree in the foreground. The sky is clear blue.

Within the context of our Sustainability Strategy, a circular economy is actively promoted by reducing, reusing and recycling materials to maximize its valuation and to reuse waste. By coprocessing alternative fuels from waste material, we strive to transform these materials into energy sources, thereby reducing dependence on natural resources.

Initiatives such as these enable not only a reduction in waste generated, but also the mitigation of carbon dioxide emissions to create positive environmental impacts. In this way natural resources are regenerated and the adoption of responsible and innovative practices is boosted.

GRI 301-1, 301-2

MATERIALS

In the desire to foster a circular economy, close attention is paid to the efficient optimization of our processes, especially regarding the use of raw materials. One of our priorities is to maximize the value of available raw materials and convert waste into reusable resources. In 2024, the most important materials in our operations included:

+45,000 metric tons
of non-natural raw materials*

+11.5 million metric tons
of natural raw materials

+17,000 metric tons
of packaging material

+17,000 metric tons
of renewable materials

+37,000 metric tons
of recycled materials



IMPACT CASE: RECYCLING OF TIRES

Mexico has an environmental and health problem related to tires no longer being used. Unfortunately, it is quite common for these items to end up in illegal dump sites and bodies of water. The excessive accumulation becomes a source of fires that emit toxic substances and, in turn, it is a factor leading to the reproduction of harmful fauna such as mosquitos that cause dengue, a severe risk for human health.

In light of this situation, our company has created synergies with the authorities and with the private sector so as to be part of the solution. In keeping with the principles of a circular economy, unused tires are co-processed under controlled conditions. These initiatives include:

- Investments made to change the infrastructure in the three cement plants.
- Alliances and/or agreements with the environmental agencies in the states where we operate: Veracruz (Secretary of the Environment); Morelos (Secretary of Sustainable Development);

and San Luis Potosí (Secretary of Ecology and Environmental Management). In the specific case of the state of Morelos, work is coordinated with 14 municipalities to collect and treat truck tires.

- Alliances created with suppliers who specialize in collecting and shredding unused tires in the states of Nuevo León, Guanajuato, and San Luis Potosí.

These practices produced positive results for circular economy goals because over 16,000 metric tons of unused tires were collected in 2024.

In 2024 we co-processed **+1.2** million tires

For further information, **click here**.

* The difference in the weight of non-natural raw materials used in 2024, as compared to 2023, is due to an adjustment in criteria used for the calculation.

GRI 303-1, 303-2, 303-4
EM-CM-140a.1

ZERO WASTE TO SANITARY LANDFILLS

We have the ambitious goal of sending zero waste to landfills. This goal is of great value not only environmentally, but also in social and economic terms. In addition to preventing waste from being sent to landfills, ending up in the ocean, causing pollution, or creating greenhouse gases, we are making a positive contribution to overall public health.

To make progress in this endeavor, an indicator was created based on the amount of waste generated and its final destination. This initiative is supplemented by:



1

Improving waste management

2

Prioritizing internal coprocessing

3

Finding destinations where revenue or reduced-cost removal can be obtained

4

Reducing the amount of waste outsourced for coprocessing

WATER REUSE

One of the objectives established in our Sustainability Strategy: Roadmap 2030 is the priority of obtaining the necessary infrastructure to recover water from different processes in all our plants, and to reutilize an increasingly higher proportion of this water in our concrete operations.

The primary challenge we face is to determine the right dosage of recycled water; the greater the technical specification for concrete performance, the lower the percentage we can use of this reutilized or recycled water. However, we are permanently seeking the best possible solutions. As a result, in 2024 we achieved the highest concrete strength in the history of our company, and at the same time we were able to reduce our water consumption levels.

The following actions were also conducted to increase the use of recycled water:

- Increasing installed capacity.
- Using water in specialty concretes.
- Incorporating water from other industries (jointly managed with several industries).

+91,000 m³

of recycled water used in the Cement Division; +3.4% vs. 2023

+5,000 m³

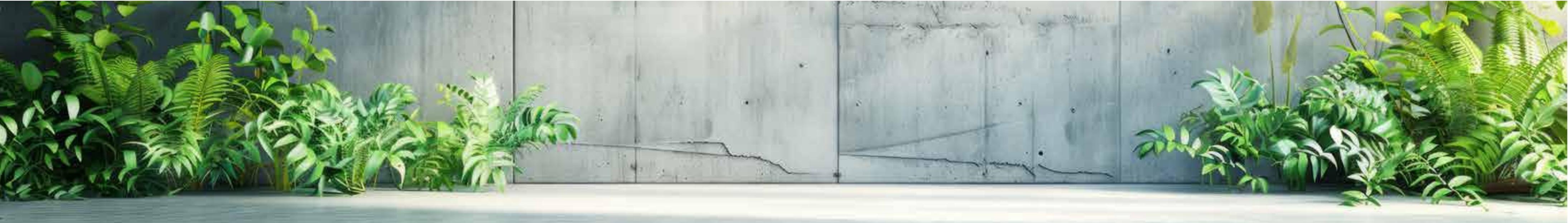
of water recycled for use in the Concrete Division; +25% vs. 2023

85%

of concrete plants have the infrastructure needed for recycled water use, exceeding goals set for 2024 and 2025

4.7%

of all water used per each m³ of concrete is recycled



ATTACHMENTS



ESG SUMMARY

SUMMARY OF ESG DATA	2023	2024	VARIATION
Environmental Indicators			
Energy Efficiency			
Clinker factor	67.9%	67.2%	-1.0%
Thermal consumption (Mcal/metric ton of clinker)	807	805	-0.2%
Consumption of energy from renewable sources (%)	0%	0.001%	-
Energy consumption (kWh/metric ton of cement)	78.3	76.9	-1.8%
Coprocessing rate (%)	2.9%	5.8%	100%
Weight of waste used as alternative fuels (t)	21,000	36,000	71.4%
Emissions			
Net CO ₂ emissions (kg CO ₂ /metric ton of cement)	562	549	-2.3%
Intensity of moving particle emissions (g/metric ton of clinker)	50	5	-90.0%
Intensity of NOx emissions (g/metric ton of clinker)	1,261	1,908	51.3%
Intensity of SOx emissions (g/metric ton of clinker)	3	32	966.7%
Water			
Water intensity, cement (L of water/metric ton of cement)	126	109	-13.5%
Water intensity, concrete (L of water/m3 of concrete)	241	241	0%
Concrete plants having the infrastructure to use recycled water (%)	69.2%	85.0%	22.8%
Water reused in cement (m³)	88,000	91,000	3.4%
Water reused in concrete (m³)	4,000	5,000	25.0%
Biodiversity			
Habitats protected and/or restored (ha)	250	250	0%
Social Indicators			
Human Resource Management			
No. of employees	1,303	1,347	3.4%
Women	165	182	10.3%



SUMMARY OF ESG DATA	2023	2024	VARIATION
Men	1,138	1,165	2.4%
Unionized employees (%)	47.3%	46.9%	-0.8%
New Hires	189	163	-13.8%
New hires, women	38	36	-5.3%
New hires, men	151	127	-15.9%
Turnover rate	8.5%	8.8%	3.5%
Employees benefitting from academic education scholarships for college-level studies	18	18	0.0%
Hours of training	50,724	72,987	43.9%
Average training hours per employee	39	54.5	39.7%
Amount invested in employee training (Millions of Ps)	\$11.0	\$19.2	74.5%
Non-union employees who received performance evaluation	100%	100%	0.0%
Graduates who completed the Operating School for Women	8	10	25.0%
Hours of training in Health and Safety	20,720	27,551	33.0%
Employees trained in Health and Safety	1,151	1,091	-5.2%
Average training hours per employee, in Health and Safety	18	25.3	40.6%
Reduction in accidents per every million kms traveled	-36.0%	-28.6%	-20.6%
Amount invested in Health and Safety (Millions of Ps)	\$53.7	\$51.8	-3.5%
Fatalities	0	1	-
Frequency rate for incapacitating accidents	0.58	0.88	51.7%
Severity rate for incapacitating accidents	0.07	1.15	1542.9%
Community Development			
Beneficiaries of school supplies assistance program	22,585	22,500	-0.4%
Health Fairs	1	3	200%
Health Fair attendees	700	2,250	221.4%
Amount invested in social community support (Millions of Ps)	\$6.9	\$9.7	40.6%
Beneficiaries of scholarship program	300	300	0%
Beneficiaries of Soccer School program	60	60	0%



SUMMARY OF ESG DATA	2023	2024	VARIATION
Open-Door Days	4	2	-50.0%
Participants for Open-Door Days	6,600	4,200	-36.4%
Governance Indicators			
Independence of the Board of Directors (%)	50%	50%	0%
Men in Senior Management (%)	87%	87.5%	0.6%
Women in Senior Management (%)	13%	12.5%	-3.8%
Employees having received training in the Anticorruption Policy (%)	100%	100%	0%
Employees having received training in Conflicts of Interest	N/D	1,153	-
Hours of training in Ethics, Human Rights, and Corruption Prevention	2,888	844	-70.8%
Suppliers having signed the Code of Ethical Conduct (%)	100%	100%	0%
Agreements that include an Anticorruption Clause	100%	100%	0%
Complaints filed through the <i>Alza la Voz</i> Hotline	14	9	-35.7%
Amount invested in sustainability (Millions of Ps)	\$11.9	\$11.9	0%

N/A means Not Available



GRI CONTENT INDEX

STATEMENT OF USE	Corporación Moctezuma, S. A. B. de C. V. (Moctezuma) have reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
GRI 1 Foundation 2021				
GRI 2 General Disclosures 2021				
GRI 2 General Disclosures 2021	2-1	Organizational details	4	
	2-2	Entities included in the organization's sustainability reporting	4	
	2-3	Reporting period, frequency and contact point	4, 138	
	2-4	Restatements of information	The report herein has no restatement of any information.	
	2-5	External assurance	The information reported is reviewed internally, and therefore was not verified by any outside party.	
	2-6	Activities, value chain and other business relationships	11, 17	
	2-7	Employees	66	
	2-8	Workers who are not employees	66	
	2-9	Governance structure and composition	23, 24, 25	Quality of Governing Body
	2-10	Nomination and selection of the highest governance body	26, 28	
	2-11	Chair of the highest governance body	6, 23, 25	
	2-12	Role of the highest governance body in overseeing the management of impacts	23, 27	Governing Purpose Risk and Opportunity Oversight
	2-13	Delegation of responsibility for managing impacts	28, 37	Governing Purpose Risk and Opportunity Oversight



GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
GRI 2 General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	37	Governing Purpose
	2-15	Conflicts of interest	30 See our Code of Ethical Conduct.	
	2-16	Communication of critical concerns	30	Stakeholder Engagement
	2-17	Collective knowledge of the highest governance body	23, 24, 30	
	2-18	Evaluation of the performance of the highest governance body	27	
	2-19	Remuneration policies	See Audited Financial Statements.	Quality of Governing Body
	2-20	Process to determine remuneration	See Audited Financial Statements.	
	2-21	Annual total compensation ratio	Confidential Information. For security reasons it is not possible to report this data.	Dignity and equality
	2-22	Statement on sustainable development strategy	6, 41	Risk and Opportunity Oversight
	2-23	Policy commitments	6, 30, 41, 58	
	2-24	Embedding policy commitments	29, 30, 31, 41, 58	
	2-25	Processes to remediate negative impacts	30, 31, 34, 44, 49, 58, 71, 80	Risk and Opportunity Oversight
	2-26	Mechanisms for seeking advice and raising concerns	30	Ethical Behaviour
	2-27	Compliance with laws and regulations	31 In 2024 we received two monetary sanctions, but there were no non-monetary sanctions.	
	2-28	Membership associations	33	
	2-29	Approach to stakeholder engagement	38, 40	Stakeholder Engagement
	2-30	Collective bargaining agreements	66	
GRI 3 Material topics 2021				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	38	
	3-2	List of material topics	38, 39	Stakeholder Engagement
CSR / Sustainability / ESG Topics Management Social Impact				
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 37, 41, 58	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	59	Employment and wealth generation
	203-2	Significant indirect economic impacts	15, 59	Employment and wealth generation



GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	59	Stakeholder Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	58	
Please refer to GRI Standards 2-22, 2-23, 2-24 and 2-28				
Ethics and integrity Corruption, Bribery and Transparency				
GRI 3: Material Topics 2021	3-3	Management of material topics	29, 30	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	30	
	205-2	Communication and training about anti-corruption policies and procedures	30	Ethical Behaviour
	205-3	Confirmed incidents of corruption and actions taken	There were no cases of corruption during the reporting period.	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	29 There were no cases of unfair trade practices or monopoly practices during the reporting period.	
GRI 415: Public Policy 2016	415-1	Political contributions	Moctezuma makes no contributions to political parties and/or political representatives.	Ethical Behaviour
Please refer to GRI Standard 2-25				
Operations Operational Efficiency				
GRI 3: Material Topics 2021	3-3	Management of material topics	15	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	15	Employment and wealth generation Innovation in better products and services Community and social vitality
Please refer to GRI Standard 2-6				
Products and Services Development / Product Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topics	19, 54	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	19, 54	Innovation in better products and services
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There was no non-compliance whatsoever regarding the impact of our products on customer health and safety during the reporting period.	



GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	54 To obtain further information on compliance requirements regarding the labeling of our products, see: https://www.moctezuma.com.mx/cemento .	
	417-2	Incidents of non-compliance concerning product and service information and labeling	There was no case of non-compliance regarding product information during the reporting period.	
	417-3	Incidents of non-compliance concerning marketing communications	There was no case of non-compliance regarding marketing communication during the reporting period.	
Please refer to GRI Standards 2-25 and 2-27				
Environmental Policies / Environmental Management System				
GRI 3: Material Topics 2021	3-3	Management of material topics	49	
Please refer to GRI Standards 2-24, 2-25 and 2-27				
Materials Waste management				
GRI 3: Material Topics 2021	3-3	Management of material topics	80	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	81	Resource availability
	301-2	Recycled input materials used	56, 81	Resource availability
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	80	
	306-2	Management of significant waste-related impacts	80	Solid waste Resource availability
	306-3	Waste generated	SASB Index	
		Waste diverted from disposal	SASB Index	
	306-5	Waste directed to disposal	SASB Index	
Energy Eco-efficiency				
GRI 3: Material Topics 2021	3-3	Management of material topics	49	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	53	
	302-3	Energy intensity	53	
		Reduction of energy consumption	53	
	302-5	Reductions in energy requirements of products and services	53	
Water Resources Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	72	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	72, 82	Fresh water availability
	303-2	Management of water discharge-related impacts	72, 82	Fresh water availability

GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
	303-3	Water withdrawal	Water consumed comes from groundwater sources.	
	303-4	Water discharge	82 GCCA Metrics	Water pollution
	303-5	Water consumption	72	
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topics	71	
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	72	
	101-2	Management of biodiversity impacts	72	Nature loss
	101-3	Access and benefit-sharing	74	
	101-4	Identification of biodiversity impacts	72	
	101-5	Locations with biodiversity impacts	72, 74	Nature loss
	101-6	Direct drivers of biodiversity loss	72, 74	
		Changes to the state of biodiversity	72, 74	Nature loss
	101-8	Ecosystem services	74	
Climate Change and Other Atmospheric Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	49	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	49	Climate change
	305-4	GHG emissions intensity	49	
	305-5	Reduction of GHG emissions	49	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	78	Air pollution
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics	66, 67, 69	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	28, 66	Quality of Governing Body Dignity and equality
	405-2	Ratio of basic salary and remuneration of women to men	67, 69	Dignity and equality
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.	Dignity and equality
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	44	

GRI STANDARD	DISCLOSURE		PAGE, DIRECT RESPONSE OR REASON FOR OMISSION	STAKEHOLDER CAPITALISM METRICS (WEF)
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	44	
	403-2	Hazard identification, risk assessment, and incident investigation	44, 46, 47	Health & wellbeing
	403-3	Occupational health services	45, 47	
	403-4	Worker participation, consultation, and communication on occupational health and safety	45	
	403-5	Worker training on occupational health and safety	45	
	403-6	Promotion of worker health	45, 47	Health & wellbeing
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47	
	403-8	Workers covered by an occupational health and safety management system	44	
	403-9	Work-related injuries	44, 47	Health & wellbeing
	403-10	Work-related ill health	44	Health & wellbeing



SASB INDEX

Extractives & Minerals Processing Sector: Construction Materials

Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ e, Percentage (%)	EM-CM-110a.1	pg. 49
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	EM-CM-110a.2	pg. 49
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Metric tons (t)	EM-CM-120a.1	pg. 78
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1	pg. 53
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	EM-CM-140a.1	pp. 72, 82
Waste Management	Amount of waste generated, percentage hazardous, percentage recycled	Metric tons (t), Percentage (%)	EM-CM-150a.1	32,856.8 metric tons of waste generated in Cement Division: <ul style="list-style-type: none">Non-hazardous waste = 2.7% reused; 9.5% recycled; 0.5% recovered; 87% sent to landfill and 0.3% composted.Hazardous waste = 14.3% recycled; 80% recovered; 4.4% incinerated and 2.4% stored on-site. 44,972 metric tons of waste generated in Concrete Division: <ul style="list-style-type: none">Non-hazardous waste = 2.7% recycled; 0.4% sent to landfill; and 96.9% corresponds to rubble.Hazardous waste = 9.8% recycled and 90.2% was managed by authorized third parties.



TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR LOCATION
Biodiversity Impacts	Description of environmental management policies and practices for active sites	N/A	EM-CM-160a.1	pg. 72
	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	EM-CM-160a.2	pg. 72
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	Rate	EM-CM-320a.1	Information not available.
	Number of reported cases of silicosis	Number	EM-CM-320a.2	There were no cases of silicosis detected or reported.
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Percentage (%) by annual sales revenue	EM-CM-410a.1	Information not available.
	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	Mexican pesos (MXN), Percentage (%)	EM-CM-410a.2	Information not available.
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Mexican pesos (MXN)	EM-CM-520a.1	Because of our close observance of the Policy on Economic Competition Compliance, there were no monetary losses relating to this type of proceedings.

ACTIVITY METRICS

ACTIVITY METRIC	UNIT OF MEASURE	CODE	DIRECT RESPONSE / PAGE OR LOCATION
Production by major product line	Metric tons (t)	EM-CM-000.A	+7 million metric tons of cement produced and +800 thousand cubic meters of ready-mix concrete produced.

TCFD RECOMMENDATIONS

RECOMMENDATIONS	REFERENCE PAGE
Governance Organizational governance around climate-related risks ans opportunities	
Board oversight of climate-related risks and opportunities	Sustainable management
Management’s role in assessing and managing climate-related risks and opportunities	
Strategy Current and potential impacts of climate-related risks and opportunities on the organizations business, strategy, and financial planning	
Climate-related risks and opportunities the organization has identified in the short, medium, and long term	Energy and climate change Our strategic resilience is based on the guidelines of the GCCA and the risks that may affect our company’s capital, including ESG risks.
Impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	
Resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario (IPCC)	
Risk management How the organization identifies, assesses, and manages climate-related risks	
Organization’s processes for identifying and assessing climate-related risks	Risk management Energy and climate change
Organization’s processes for managing climate-related risk	
How the processes for identifying, assessing, and managing climaterelated risks are integrated into the overall risk management of the organization	
Metrics and objectives Used to assess and manage relevant climate-related risks and opportunities	
Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Energy and climate change
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
Targets used by the organization to manage climate and performance-related risks and opportunities compared to objectives	



GCCA METRICS

TOPIC	INDICATOR	LOCATION / DIRECT RESPONSE
Emissions	Emissions data	Emissions
	Coverage rate	Emissions
CO ₂ Emissions	Total direct CO ₂ emissions – gross	4,137,006
	Total direct CO ₂ emissions – net	4,075,403
	Specific CO ₂ emissions – gross	557
	Specific CO ₂ emissions – net	549
Co-processing	Alternative fuel rate (kiln fuels)	4.5%
	Biomass fuel rate (kiln fuels)	1.3%
	Specific heat consumption for clinker production (MJ/t)	3,366
	Alternative Raw Materials rate (% ARM)	1.1%*
	Clinker/cement (equivalent) factor	67.2%

* The difference in the alternative raw material rate (% ARM) in 2024 versus 2023 is due to an adjustment in the natural raw materials considered in the calculation.

TOPIC	INDICATOR	LOCATION / DIRECT RESPONSE
Water	Total water withdrawal – water discharge = water consumption (m³/year)	805,169
	Amount of water consumption per unit of product	Water management
Biodiversity	Percentage (%) of quarries with high biodiversity value where biodiversity management	In process of determination
	Percentage (%) of quarries where the rehabilitation plan is being implemented	0.33%
Safety	Fatality rate, directly employed	0
	Number of fatalities (directly employed, contractors / sub-contractors, third parties)	1
	LTI frequency rate, directly employed	1.17
	LTI frequency rate, contractors and sub-contractors (on site)	0.66
	LTI severity rate, directly employed	53

**Corporación Moctezuma, S. A. B. de C. V. and
subsidiary**

Consolidated Financial Statements
December 31, 2024 and 2023

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Index

December 31, 2024 and 2023

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Independent Auditors' Report

To the stockholders and Board of Directors of
Corporación Moctezuma, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Corporación Moctezuma, S. A. B. de C. V. and its subsidiary (the Company), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of comprehensive income, of changes in stockholder's equity and of cash flows for the year then ended and notes to the consolidated financial statements, comprising the material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants that are relevant to our audit of the financial statements in Mexico. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are not key audit matters for the current period that have to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the annual report presented to CNBV, which is expected to be made available to us after the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.



Our opinion on the consolidated financial statements does not cover the other information and we will not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business unit within the group to form an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is stated below.

PricewaterhouseCoopers, S. C.


José Luis Guzmán Ortiz
Audit Partner

Mexico City, February 11, 2025

Corporación Moctezuma, S. A. B. de C. V. and subsidiary
Consolidated Statements of Financial Position
December 31, 2024 and 2023

(Thousands of Mexican pesos)

	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4	\$ 7,591,645	\$ 7,059,640
Accounts receivable - Net	5	835,591	878,206
Other accounts receivable	6	106,918	119,773
Inventories - Net	7	1,355,424	1,343,367
Prepayments		160,617	129,516
Total current assets		10,050,195	9,530,502
Non-current assets			
Equity investments	1	-	7,742
Property, plant and equipment - Net	8	8,099,168	7,028,554
Deferred income tax asset	18	58,914	67,457
Intangibles - Net	10	72,563	72,722
Assets available for sale	11	228,047	252,504
Right-of-use assets - Net	9	348,029	163,547
Other assets		11,239	9,174
Total non-current assets		8,817,960	7,601,700
Total assets		\$ 18,868,155	\$ 17,132,202
Liabilities			
Current liabilities			
Accounts payable to suppliers	12	\$ 843,461	\$ 998,401
Other accounts payable and accrued liabilities	12	540,576	366,426
Contract liabilities	5	1,082,857	1,315,924
Other taxes payable		214,838	245,156
Income tax payable		127,504	340,702
Lease liabilities	9	91,040	55,627
Employee benefits	14	133,485	121,474
Other short-term provisions		40,665	19,167
Total current liabilities		3,074,426	3,462,877
Non-current liabilities			
Employee benefits	14	42,227	29,794
Lease liabilities	9	266,529	114,149
Other long-term provisions	13	104,703	100,451
Total non-current liabilities		413,459	244,394
Total liabilities		3,487,885	3,707,271
Equity			
Capital stock	19	607,480	607,480
Paid-in capital		215,215	215,215
Reserve for repurchase of shares	19	1,360,378	619,684
Retained earnings		13,197,197	11,982,552
Total equity		15,380,270	13,424,931
Total liabilities and equity		\$ 18,868,155	\$ 17,132,202

The accompanying notes are integral part of these consolidated financial statements.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary
Consolidated Statements of Comprehensive Income
For the years ended on December 31, 2024 and 2023

*(Thousands of Mexican pesos, except earnings per share,
which are expressed in pesos)*

	Note	2024	2023
Net sales		\$ 19,797,282	\$ 19,662,251
Cost of sales	20	<u>7,009,756</u>	<u>6,919,884</u>
Gross profit		12,787,526	12,742,367
Administrative expenses	20	530,973	421,145
Selling expenses	20	4,186,533	4,021,563
Other operating income - Net	20	<u>(28,550)</u>	<u>8,703</u>
Total operating expenses		4,688,956	4,451,411
Operating income		8,098,570	8,290,956
Interest expense		32,764	22,751
Exchange loss		<u>181,350</u>	<u>386,250</u>
Financial costs		214,114	409,001
Interest income		655,371	531,392
Exchange profit		<u>599,016</u>	<u>210,573</u>
Financial income		1,254,387	741,965
Equity in the results of associates	1	<u>-</u>	<u>(2,890)</u>
Income before income tax		9,138,843	8,621,030
Income tax	18	<u>2,617,416</u>	<u>2,455,254</u>
Consolidated net income		6,521,427	6,165,776
Other comprehensive income, net of income tax:			
Items not to be subsequently reclassified to income			
Remeasurements of post-employment obligations	14	<u>(5,798)</u>	<u>1,650</u>
Consolidated comprehensive income		\$ 6,515,629	\$ 6,167,426
Basic and diluted earnings per share (pesos)	19	\$ 7.62	\$ 7.17
Weighted average number of outstanding shares (thousands of shares)	19	855,856	859,792

The accompanying notes are integral part of these consolidated financial statements.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary
Consolidated Statements of Changes in Stockholder's Equity
For the years ended on December 31, 2024 and 2023

(Thousands of Mexican pesos)

	Note	Contributed capital		Earned capital		Other comprehensive income	Total equity
		Capital stock	Paid-in capital	Reserve for repurchase of shares	Retained earnings		
Balances at January 1, 2023		\$ 607,480	\$ 215,215	\$ 379,351	\$ 9,996,908	\$ 1,351	\$ 11,200,305
Comprehensive Income:							
Consolidated net income					6,165,776		6,165,776
Other consolidated comprehensive income	14					1,650	1,650
Transactions with owners:							
Increase (decrease) in reserve for repurchase of shares				746,288	(746,288)		-
Repurchase of shares	19			(505,955)			(505,955)
Dividends paid	19				(3,436,845)		(3,436,845)
Balance at December 31, 2023		607,480	215,215	619,684	11,979,551	3,001	13,424,931
Comprehensive Income:							
Consolidated net income					6,521,427		6,521,427
Other consolidated comprehensive income	14					(5,798)	(5,798)
Transactions with owners:							
Increase (decrease) in reserve for repurchase of shares				1,022,437	(1,022,437)		-
Repurchase of shares	19			(281,743)			(281,743)
Dividends paid	19				(4,278,547)		(4,278,547)
Balance at December 31, 2024		\$ 607,480	\$ 215,215	\$ 1,360,378	\$ 13,199,994	\$ (2,797)	\$ 15,380,270

The accompanying notes are integral part of these consolidated financial statements.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary
Consolidated Statements of Cash Flows
For the years ended on December 31, 2024 and 2023

(Thousands of Mexican pesos)

	Note	2024	2023
Cash flows from operating activities			
Consolidated net income		\$ 6,521,427	\$ 6,165,776
Adjustments for:			
Foreign exchange (gain) loss on cash and cash equivalents		(482,087)	215,236
Income tax recognized in the income statement	18	2,617,416	2,455,254
Depreciation and amortization		718,872	636,601
Loss on sale of property, plant and equipment		3,636	14,831
Loss (gain) on sale of other assets		1,009	(950)
Equity in the results of associates		-	2,890
Interest income		(655,371)	(531,392)
Interest expense		32,764	22,751
		<u>8,757,666</u>	<u>8,980,997</u>
Changes in working capital:			
(Increase)/decrease in:			
Accounts receivable		42,615	(152,756)
Inventories		(12,057)	(185,903)
Prepaid expenses		(31,101)	(34,323)
Other assets		14,108	(74,773)
Increase (decrease) in:			
Accounts payable to suppliers		(154,940)	109,009
Other accounts payable and accrued liabilities		104,481	12,114
Deferred income		(233,067)	243,310
Taxes payable		(2,780,235)	(2,188,304)
Employee profit sharing and other employee liabilities		16,161	18,081
Other provisions		25,750	36,790
Net cash flows from operating activities		<u>5,749,381</u>	<u>6,764,242</u>
Cash flows from investing activities			
Sale of Maquinaria y Canteras del Centro		7,742	-
Acquisition of property, plant and equipment		(1,677,532)	(1,086,068)
Sale of property, plant and equipment		6,345	86,516
Purchase of other assets		(4,914)	(3,964)
Sale of other assets		1,000	7,589
Interest earned		655,371	531,392
Net cash flows used in investing activities		<u>(1,011,988)</u>	<u>(464,535)</u>
Cash flows from financing activities			
Dividends paid	19	(4,278,547)	(3,436,845)
Interest paid		(16,679)	(15,076)
Repurchase of shares	19	(281,743)	(505,955)
Interest payments on leases	9	(16,084)	(7,675)
Payment of leases	9	(94,422)	(72,197)
Net cash flows used in financing activities		<u>(4,687,475)</u>	<u>(4,037,748)</u>
Net increase in cash and cash equivalents		49,918	2,261,959
Cash and cash equivalents at beginning of year		7,059,640	5,012,917
Net foreign exchange differences on cash and cash equivalents		482,087	(215,236)
Cash and cash equivalents at end of year		<u>\$ 7,591,645</u>	<u>\$ 7,059,640</u>

The accompanying notes are integral part of these consolidated financial statements.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

(Thousands of Mexican pesos, unless otherwise stated)

Note 1 - Main activity

Corporación Moctezuma, S. A. B. de C. V. holds a 100% of the shares of Cementos Moctezuma, S. A. de C. V. ("subsidiary").

Corporación Moctezuma and its subsidiary (the Company), participate in the construction sector in selling cement (both in bags and in bulk), concrete and aggregates, produce, sell and distribute Portland cement, mortar, white cement, ready mixed concrete and aggregates. The Company operates 3 cement plants located in Tepetzingo, Morelos, Cerritos, San Luis Potosí, y Apazapan, Veracruz, as well as 27 concrete plants located in several cities throughout Mexico. The Company commercializes and distributes the majority of cement and concrete in Mexico and exports a small amount of cement to other Latin American countries.

The Company is controlled by Fresit, B.V. and Presa International, B.V., a joint investment that owns 66.67% of the Company and its last holding companies are the Italian group Buzzi and the Spanish group Molins. The remaining 33.33% is traded in the Mexican Stock Exchange and is under the custody of S.D. Indeval Institucion para el depósito de Valores, S. A. de C. V.

The Company's headquarters are located at Monte Elbruz 134 PH, Lomas de Chapultepec, Miguel Hidalgo 11000, Mexico City, Mexico.

Maquinaria y Canteras del Centro

On October 29, 2024, the subsidiary entered into a contract with Maquinaria y Canteras, S.A. de C.V. to sell all the shares of its associate Maquinaria y Canteras del Centro, whose main activity is the extraction and processing of stone materials that are marketed as gravel and sand. The total amount received for the sale was \$100.

The value of the investment in Maquinaria y Canteras del Centro was not material and did not qualify as a discontinued operation. The net loss generated by this transaction amounted to \$7,641 and was recorded under as (expenses) income in the accompanying consolidated statement of comprehensive income.

Following is a summary of the effects of the sale of shares of Maquinaria y Canteras del Centro at the transaction date:

	Amount
Sales price of disposal	\$ 100
Book value of investment in associates	<u>7,741</u>
Loss on sale of Maquinaria y Canteras del Centro	<u>\$ (7,641)</u>

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Policies

The accounting policies have been applied consistently in all the years presented, unless otherwise indicated. The main accounting policies applied in the preparation of the consolidated financial statements are detailed below:

a. Basis of preparation

The accompanying consolidated financial statements of the Company have been prepared in accordance with Accounting Standards IFRS (International Financial Reporting Standards) and the Interpretations issued by the International Accounting Standards Board (IASB). In accordance with the modifications to the rules for public companies and other participants in the Mexican securities market, issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using as an accounting regulatory framework IFRS.

The consolidated financial statements of the Company have been prepared on a historical - cost basis, except for the available for sale assets which are measured at the lower of carrying value and the fair value less costs of disposal.

New and amended standards and interpretations adopted by the Company.

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments to IAS 7 and IFRS 7, the group provided new disclosures for liabilities under supplier finance arrangements as well as the associated cash flows. (See Note 2 I and 12)

The amendments listed above did not have any material impact on the amounts recognised in prior periods, nor in the current period and are not expected to significantly affect future periods.

Standards and interpretations published but not effective.

Certain amendments to accounting standards have been published that are not mandatory for the December 31, 2024 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

The Company will adopt these standards, if applicable, when they become effective.

Certain reclassifications have been made in the 2023 financial statements and related notes to conform them to the 2024 presentation.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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b. Going concern

The Company meets its working capital needs by reinvesting part of the profits generated annually. During 2024 and 2024, the Company has operated with great liquidity, allowing it to allocate part of the cash flow to the expansion and modernization of its facilities and distribution of dividends to its stockholders. Historically, the Company has funded its growth with resources from operations, maintaining a healthy financial position, practically without liabilities with cost.

Management has a reasonable expectation that the Company has sufficient resources to continue operating as a going concern for the foreseeable future. Consequently, the Company considered the going concern basis to prepare its consolidated financial statements.

c. Basis of consolidation of financial statements

The consolidated financial statements include those of Corporación Moctezuma, S. A. B. de C. V. and its subsidiary Cementos Moctezuma, S. A. de C. V. over which it has control, and is exposed or it has rights to variable returns from its involvement with the investee. The subsidiary is consolidated entirely since the control was transferred to Corporación Moctezuma.

All intercompany balances and transactions have been eliminated in the consolidation process. When necessary, adjustments are made to the financial statements of Cementos Moctezuma to bring its accounting policies into line with the Corporación Moctezuma's accounting policies.

d. Segment information

The segment information is presented in a manner consistent with the reports provided to the Executive Committee that is responsible for operational decision making, assign resources and evaluate the performance of operating segments. See Note 21.

e. Financial Instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are measured initially at fair value. At initial recognition, the Company measures financial assets or financial liabilities at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

f. Financial assets

Classification

The Company only has financial assets that are measured at amortized cost. The classification depends on the Company's business model for the management of financial assets and the contractual terms of cash flows.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Measurement

Assets held for the collection of contractual cash flows when such cash flows represent only payments of principal and interest are measured at amortized cost. The income received from these financial assets is included in results using the effective interest rate method. Any gain or loss arising from derecognition is recognized directly in results. Impairment losses are presented as a separate item in the income statement.

Impairment of financial assets

The Company prospectively evaluates the expected credit losses associated with its financial assets at amortized cost, considering the results of the evaluation of the behavior of accounts receivable and objective evidence of impairment. Increases to this provision are recorded in selling expenses within the income statement.

g. Inventories and cost of sales

Inventories are valued at the lower of cost and net realizable value. The cost of inventories includes the costs of acquisition and production incurred and are valued as follows:

- Raw materials: at cost of acquisition using the average cost method.
- Finished goods and production in process: at cost of acquisition, labor, overhead and direct costs, both fixed and variable.
- Spare parts: at the average cost.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to realize the asset.

Expenditures for spare parts that are consumed in the production process whose value does not exceed the limit established by the Company, are classified within the inventory. Expenditures that do not meet these characteristics are classified under property, plant and equipment.

Advances to suppliers of inventories are presented in other current assets.

h. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purposes are stated in the consolidated statement of financial position at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Likewise, when a major repair is performed, its cost is recognized in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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Land is not depreciated. Depreciation is recognized within cost of sales and operating expenses and is calculated following the straight-line method to distribute the cost of property, plant and equipment less their residual values over their estimated useful lives, as shown below:

	Years of useful life
Buildings	41 years
Machinery and equipment	20 years
Transportation equipment and vehicles	4 years
Computer equipment	4 years
Office furniture and equipment	10 years

The Company allocates the amount initially recognized for an item of property, plant and equipment into its different significant parts (components) and depreciates each of these components separately.

Properties during construction for production, supply and administrative purposes are carried at cost. Cost includes professional fees and other directly attributable costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive income as other income (expenses).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed and retrospectively adjusted at each financial year-end.

i. **Impairment of non-financial assets**

Non-financial assets that are subject to depreciation require impairment testing when there are events or changes in circumstances that indicate that the carrying amount may be recoverable. Impairment losses correspond to the amount by which the book value of the asset exceeds its recovery value. The recovery value of assets is the greater of the fair value of the asset less the costs incurred for its sale and its value in use. For impairment assessment purposes, assets are grouped at the smallest levels at which they generate identifiable cash flows (cash generating units). Non-financial assets that are subject to impairment write-offs are evaluated at each reporting date to identify possible reversals of said impairment.

j. **Cash and cash equivalents**

Cash and cash equivalents include bank deposits in checking accounts, demand deposits, and highly liquid investments with maturities of less than three months that are easily convertible into cash and are subject to minor risks of changes in value. See Note 4. Cash equivalents are represented by fixed rate investments in government instruments, which are recognized at cost plus accrued interest. Interest earned is included in the income statement as part of financial income.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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k. Accounts payable to suppliers

Accounts payable are obligations to pay for goods or services purchased from suppliers in the normal course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Accounts payable are initially recognized at fair value and subsequently remeasured at amortized cost using the effective interest rate method.

l. Liabilities under supplier finance arrangement

The Company has implemented a supplier financing agreement (SFA) with BBVA. This agreement allows suppliers to sell their receivables invoices (which are the Company's payment obligations to its suppliers) to BBVA, without recourse. This enables suppliers to receive their payments earlier than the Company's payment terms, but it is solely at the discretion of the suppliers. The Company does not participate in the suppliers' decision to adhere to these agreements, and it has no effect on payment terms, amounts payable, or its liquidity. The Company has no financial interest in the suppliers' decision to participate and does not provide any guarantee in relation to the agreements.

The Company pays BBVA within the period originally specified on the invoices, and the costs arising from these agreements are absorbed by the suppliers. Therefore, from the Company's perspective, there is no extension of payment terms or changes in the original conditions of the liabilities (amount, nature, function, and maturity). Consequently, these are not substantially different from accounts payable to suppliers. The balances resulting from these agreements are reflected under "Accounts payable to suppliers and Other accounts payable and accrued liabilities" in the statement of financial position. When settled, they will also be reflected in the net cash generated by operating activities in the statements of cash flows. See Note 12.

m. Taxes

Income tax expense is the aggregate amount of year tax and deferred tax.

Current income tax

Current tax is the Company's income tax expense for the year, and it is recognized in the consolidated income statement.

Deferred income tax

Deferred taxes are recognized on all temporary differences between financial reporting and tax values of assets and liabilities based on tax rates that have been enacted at the reporting date and where applicable, they include unused tax losses and certain unused tax credits.

The Company recognizes deferred tax assets for all deductible temporary differences and unapplied deductions to the extent that the Company will have taxable profit in future years against which it may carryforward its deductible temporary differences.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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The Company recognizes deferred tax liabilities for all taxable temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, but only to the extent that the Company is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future. Deferred tax assets arising from temporary differences associated with investments in these investments and interests are recognized only to the extent that it is probable that sufficient taxable profit will be available to allow that deferred tax asset to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company under IAS12 offsets deferred tax assets with deferred tax liabilities if, and only if:

- a) Has the legal right to set off, current assets for taxes against current liabilities for taxes; and
- b) Deferred tax assets and deferred tax liabilities are derived from income tax corresponding to the same tax authority, which fall on:
 - i. The same Company or taxable person; or
 - ii. Different entities or subject to tax purposes that intend, either to liquidate current tax assets and liabilities for their net amount, or to realize the assets and pay the liabilities simultaneously, in each of the future periods in which it is expected to liquidate or recover significant amounts of assets or liabilities for deferred taxes.

Current and deferred taxes are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

Management periodically evaluates the position assumed in relation to tax refunds regarding situations in which tax laws are subject to interpretation; according to this evaluation, as of December 31, 2024 and 2023, there are no uncertain tax positions.

n. Revenue recognition

Revenue from cement sales is recognized at a point in time when control of the goods has been transferred to the customers, this being the moment when the goods are delivered to the carrier in accordance with the conditions of sale or have been transported to the client's location. Revenue is recognized at the agreed prices, before sales taxes, and is reduced by any discounts, rebates or volume refunds granted on the sale.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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The income described above meets the conditions described in IFRS 15 for the recognition of income and the following is met:

- The Company transferred to the buyer the significant risks and rewards arising from ownership of the goods;
- The Company has no ongoing involvement, nor does it retain effective control over the assets.
- Income can be reliably measured;
- Economic benefits are likely to flow to the Company.
- Costs incurred or to be incurred can be reliably measured.

Payments for advances received from customers are recognized as short-term or long-term customer advances, as appropriate.

The Company records contract liabilities for transactions in which it receives cash advances from customers, but the conditions for revenue recognition have not been met. Contract liabilities are presented separately in the consolidated statement of financial position.

o. Transactions in foreign currency

- Functional currency and presentation currency

The items included in the consolidated financial statements and those of the subsidiary are expressed in Mexican pesos. The currency in which the Company's consolidated financial statements are presented is the Mexican peso, which in turn is also the functional currency.

- Transactions and balances

Foreign currency transactions are converted to the functional currency using the exchange rates prevailing on the transaction or valuation dates when the items are revalued. Gains and losses from exchange differences resulting from such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized as exchange gain or loss in the consolidated statement of income.

p. Reserve for repurchase of shares

The Company carries out the procedure for the purchase or sale of its own shares with a charge to the reserve for repurchase of shares. The purchase of treasury shares is recorded as a reduction in the Company's stockholders' equity until such shares are canceled or resold. When such shares are resold, the consideration received is recorded in the Company's stockholders' equity. Any attributable incremental costs (net of income tax) are also deducted from equity.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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Note 3 - Significant accounting judgments, estimates and assumptions

On applying the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and related assumptions are based on experience and other factors that are considered relevant. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are recognized in the period of the change and future periods if the change affects both.

The Company considers that none of its estimates require the application of critical judgments, nor are they subject to a high degree of uncertainty for their determination, so there is no significant risk of adjustment in the book values of assets and liabilities.

Note 4 - Cash and cash equivalents

The Company maintains its cash and cash equivalents in Mexican pesos as well as in euros and US dollars invested in Mexico, the United States of America and Spain; and are integrated as follows:

	2024	2023
Cash and cash in banks	\$ 1,593,416	\$ 206,815
Investments	5,998,229	6,852,825
Total	\$ 7,591,645	\$ 7,059,640

Note 5 - Accounts receivable - Net

Accounts receivable in Mexican pesos and foreign currency are integrated as follows:

	2024	2023
Trade receivables	\$ 855,764	\$ 905,578
Expected credit losses	(20,173)	(27,372)
Accounts receivable, net	\$ 835,591	\$ 878,206

a. Aging of trade receivables that are past-due

The balance of accounts receivable past due as of December 31 are:

	2024	2023
1-30 days	\$ 16,767	\$ 23,682
31-60 days	9,322	4,451
61-180 days	28,402	24,637
181-360 days	23,730	4,254
More than 360 days	6,739	16,472
Total	\$ 84,960	\$ 73,496

Corporación Moctezuma, S. A. B. de C. V. and subsidiary
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b. Movement in the expected credit loss

	2024	2023
Balance at beginning of year	\$ 27,372	\$ 27,409
Uncollectible amounts during the year	227	(37)
Expected credit loss reversal	(7,426)	-
Balance at end of year	\$ 20,173	\$ 27,372

c. Deferred revenue

	2024	2023
Balance at beginning of year	\$ 1,315,924	\$ 1,072,614
Applications to the statement of comprehensive income	(7,983,883)	(7,273,916)
Advances received in the year	7,750,816	7,517,226
Balance at end of year	\$ 1,082,857	\$ 1,315,924

Note 6 - Other short-term accounts receivable

Other accounts receivable at December 31 are as follows:

	2024	2023
Related parties receivables	\$ 1,669	\$ 12,095
Sundry debtors	73,254	73,384
Security deposits	4,488	3,891
Other accounts receivable	27,507	30,403
Total	\$ 106,918	\$ 119,773

Note 7 - Inventories

The inventories as of December 31 are as follows:

	2024	2023
Finished products	\$ 160,759	\$ 138,296
Production in process	266,518	243,274
Raw materials	111,012	106,321
Spare parts and operating materials	507,045	502,433
Fuel	250,478	298,882
	1,295,812	1,289,206
Inventory in transit	59,612	54,161
Total	\$ 1,355,424	\$ 1,343,367

The amount of inventories that was recognized in the cost of sales in 2024 and 2023 was in the amount of \$5,063,589 and \$5,215,983, respectively.

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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Note 8 - Property, Plant and Equipment - Net

Property, plant and equipment are as follows:

	Balance as of 1 January 2024	Additions	Disposals	Capitalizations	Reclassifications	Balance as of 31 December 2024
Cost:						
Plants and buildings	\$ 3,122,241	\$ -	\$ -	\$ 142,061	\$ -	\$ 3,264,302
Machinery and equipment	10,233,125	17,768	(64,161)	515,979	(5,802)	10,696,909
Transportation equipment and vehicles	582,703	3,623	(15,678)	30,324	-	600,972
Computer equipment	98,510	-	(8,069)	49,693	3,705	143,839
Office furniture and equipment	37,196	-	-	2,819	485	40,500
Construction in process	1,031,871	1,656,142	-	(746,008)	(1,739)	1,940,266
Land	1,037,749	-	-	5,132	(1)	1,042,880
Total	\$ 16,143,395	\$ 1,677,533	\$ (87,908)	\$ -	\$ (3,352)	\$ 17,729,668
Depreciation:						
Plants and buildings	\$ (1,983,241)	\$ (41,528)	\$ -	\$ -	\$ -	\$ (2,024,769)
Machinery and equipment	(6,626,425)	(498,771)	56,275	-	-	(7,068,921)
Automotive equipment	(385,049)	(38,939)	13,672	-	-	(410,316)
Computer equipment	(85,202)	(13,493)	7,979	-	-	(90,716)
Office furniture and equipment	(34,924)	(854)	-	-	-	(35,778)
Total	\$ (9,114,841)	\$ (593,585)	\$ 77,926	\$ -	\$ -	\$ (9,630,500)
Property, plant and equipment, net	\$ 7,028,554	\$ 1,083,948	\$ (9,982)	\$ -	\$ (3,352)	\$ 8,099,168
	Balance as of 1 January 2023	Additions	Disposals	Capitalizations	Reclassifications	Balance as of 31 December 2023
Cost:						
Plants and buildings	\$ 2,870,348	\$ -	\$ (8,735)	\$ 260,628	\$ -	\$ 3,122,241
Machinery and equipment	9,962,182	3,732	(76,745)	347,634	(3,678)	10,233,125
Transportation equipment and vehicles	567,713	2,357	(6,195)	18,828	-	582,703
Computer equipment	94,121	-	(689)	5,078	-	98,510
Office furniture and equipment	37,196	-	-	-	-	37,196
Construction in process	584,122	1,079,979	-	(635,140)	2,910	1,031,871
Land	1,115,019	-	(84,442)	2,972	4,200	1,037,749
Total	\$ 15,230,701	\$ 1,086,068	\$ (176,806)	\$ -	\$ 3,432	\$ 16,143,395
Depreciation:						
Plants and buildings	\$ (1,953,081)	\$ (33,478)	\$ 3,318	\$ -	\$ -	\$ (1,983,241)
Machinery and equipment	(6,222,221)	(469,859)	65,655	-	-	(6,626,425)
Automotive equipment	(353,150)	(37,701)	5,802	-	-	(385,049)
Computer equipment	(79,492)	(6,393)	683	-	-	(85,202)
Office furniture and equipment	(34,061)	(863)	-	-	-	(34,924)
Total	\$ (8,642,005)	\$ (548,294)	\$ 75,458	\$ -	\$ -	\$ (9,114,841)
Property, plant and equipment, net	\$ 6,588,696	\$ 537,774	\$ (101,348)	\$ -	\$ 3,432	\$ 7,028,554

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

Notes to Consolidated Financial Statements

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Note 9 - Leases

This note provides information for leases in which the Company is the lessee.

- i. Amounts recognized in the statement of financial position.

The consolidated statement of financial position shows the following values as of December 31.

The carrying values at the beginning and end of fiscal years 2024 and 2023 of the rights of use are as follows.

	Balance as of 1 January 2024	Additions	Disposals	Balance as of 31 December 2024
Right-of-use assets:				
Buildings	\$ 28,867	\$ 50,372	\$ (32,291)	\$ 46,948
Transport and vehicle equipment	181,630	217,545	(5,008)	394,167
Machinery and equipment	15,596	5,394	(9,033)	11,957
Land	12,390	16,650	(11,065)	17,975
Total	\$ 238,483	\$ 289,961	\$ (57,397)	\$ 471,047

	Balance as of 1 January 2024	Additions	Disposals	Balance as of 31 December 2024
Depreciation:				
Buildings	\$ (16,319)	\$ (20,306)	\$ 28,923	\$ (7,702)
Transport and vehicle equipment	(45,042)	(63,075)	4,936	(103,181)
Machinery and equipment	(9,053)	(5,890)	9,033	(5,910)
Land	(4,522)	(8,461)	6,758	(6,225)
Total	\$ (74,936)	\$ (97,732)	\$ 49,650	\$ (123,018)
Right-of-use assets, net	\$ 163,547	\$ 192,229	\$ (7,747)	\$ 348,029

	Balance as of 1 January 2023	Additions	Disposals	Balance as of 31 December 2023
Right-of-use assets:				
Buildings	\$ 20,102	\$ 22,418	\$ (13,653)	\$ 28,867
Transport and vehicle equipment	133,195	75,615	(27,180)	181,630
Machinery and equipment	41,895	9,499	(35,798)	15,596
Land	9,145	10,215	(6,970)	12,390
Total	\$ 204,337	\$ 117,747	\$ (83,601)	\$ 238,483

	Balance as of 1 January 2023	Additions	Disposals	Balance as of 31 December 2023
Depreciation:				
Buildings	\$ (10,253)	\$ (19,673)	\$ 13,607	\$ (16,319)
Transport and vehicle equipment	(37,419)	(34,254)	26,631	(45,042)
Machinery and equipment	(35,850)	(9,001)	35,798	(9,053)
Land	(4,291)	(7,110)	6,879	(4,522)
Total	\$ (87,813)	\$ (70,038)	\$ 82,915	\$ (74,936)
Right-of-use assets, net	\$ 116,524	\$ 47,709	\$ (686)	\$ 163,547

Corporación Moctezuma, S. A. B. de C. V. and subsidiary

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Lease liabilities as of December 31 are as follows:

	2024	2023
Lease liability		
Current	\$ 91,040	\$ 55,627
Non current	266,529	114,149
Total	\$ 357,569	\$ 169,776

- ii. Amounts recognized in the consolidated statements of comprehensive income

The consolidated statement of income shows the following amounts related to leases:

	2024	2023
Charge for depreciation of right-of-use assets:		
Buildings	\$ 20,306	\$ 19,673
Machinery and equipment	5,890	9,001
Automotive equipment	63,075	34,254
Land	8,461	7,110
	\$ 97,732	\$ 70,038
Interest expense (included in financial costs)	\$ 16,084	\$ 7,675
Expenses related to short-term leases (included in cost of sales and administrative expenses)	21,551	19,289
Expenses related to leasing low-value assets not shown above as short-term leases (included in administrative expenses)	2,800	1,709
Expenses related to variable lease payments not included in lease liabilities (included in cost of sales and administrative expenses)	9,248	34,816

Total lease cash flow in 2024 and 2023 was \$110,506 and \$79,872, respectively.

- iii. Leasing activities of the Company and how they are accounted for

The Company rents real estate, vehicles, machinery and equipment. Rental contracts are usually made for fixed periods of 1 to 7 years but may have term extension options as described in subsection v. below.

The contracts do not contain lease and non-lease components.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leasing contracts do not impose any covenant other than guaranty on the leased assets that are held by the lessor. Leased assets cannot be used as collateral for lending purposes.

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iv. Variable lease payments

Pumping equipment leases contain variable payment terms that are linked to the sales generated at a job. For on-site pumping, up to 100% of lease payments are based on variable payment terms depending on the cubic meters pumped. Variable lease payments that depend on sales and are recognized in results in the period in which the condition that triggers said payments occurs.

v. Extension and Termination Option

Extension and termination options are included in some Company-wide property, furniture and equipment leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Most extension and termination options are held by the Company and not by the lessor.

The reconciliation of the lease liability required by IAS 7 "Statement of cash flows" is presented below:

	2024	2023
Initial balance of lease liabilities	\$ 169,776	\$ 124,913
Additions	289,961	117,746
Disposals	(7,746)	(686)
Accrued interest	16,084	7,675
Principal payment	(94,422)	(72,197)
Interest paid	(16,084)	(7,675)
Ending balance of lease liabilities	\$ 357,569	\$ 169,776

The Company has the obligation to pay penalties in case of non-compliance with any of the obligations established in the lease contracts, which will be determined in accordance with the terms and conditions established in said contracts. As of December 31, 2024 and 2023, the Company's Management complies with the payment obligations established in said contracts.

Note 10 - Intangibles - Net

The carrying values at the beginning and end of fiscal years 2024 and 2023 of intangible assets with a defined life are as follows:

	Balance as of January 1, 2024	Investments	Disposals	Balance as of December 31, 2024
Cost:				
Expenses to amortize	\$ 95,843	\$ -	\$ -	\$ 95,843
Licenses and software	92,767	4,914	975	98,656
Other expenses	50,443	-	-	50,443
Total	\$ 239,053	\$ 4,914	\$ 975	\$ 244,942

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	Balance as of January 1, 2024	Investments	Disposals	Balance as of December 31, 2024
Amortization:				
Amortization of expenses	\$ (31,319)	\$ (2,528)	\$ -	\$ (33,847)
Amortization licenses and software	(84,569)	(3,522)	-	(88,091)
Amortization of other expenses	(50,443)	2	-	(50,441)
Total	\$ (166,331)	\$ (6,048)	\$ -	\$ (172,379)
Intangibles, net	\$ 72,722	\$ (1,134)	\$ 975	\$ 72,563
	Balance as of January 1, 2023	Investments	Disposals	Balance as of December 31, 2023
Cost:				
Expenses to amortize	\$ 95,843	\$ -	\$ -	\$ 95,843
Licenses and software	90,360	2,407	-	92,767
Other expenses	50,442	1	-	50,443
Total	\$ 236,645	\$ 2,408	\$ -	\$ 239,053
	Balance as of January 1, 2023	Investments	Disposals	Balance as of December 31, 2023
Cost:				
Expenses to amortize	\$ 95,843	\$ -	\$ -	\$ 95,843
Licenses and software	90,360	2,407	-	92,767
Other expenses	50,442	1	-	50,443
Total	\$ 236,645	\$ 2,408	\$ -	\$ 239,053

Note 11 - Assets available for sale

The Company has properties (buildings and land) classified as available for sale since its book value will be recoverable through a sale transaction and not through its continuous use. Management has an ongoing real estate management program for the realization or sale of properties and is committed to their sale; however, as management continues to pursue sales efforts, those assets continue to be presented as available-for-sale.

These assets are valued at the lower of their book value and the fair value, less the costs to sell.

The book values at the beginning and end of fiscal year 2024 and 2023 of the assets available for sale are as follows:

	Balance as of January 1, 2024	Additions	Disposals	(Impairment) value value	Other movements	Balance as of December 31, 2024
Cost:						
Buildings	\$ 129,509	\$ -	\$ (2,009)	\$ (22,448)	\$ -	\$ 105,052
Land	122,995	-	-	-	-	122,995
Total	\$ 252,504	\$ -	\$ (2,009)	\$ (22,448)	\$ -	\$ 228,047

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	Balance as of January 1, 2023	Additions	Disposals	(Impairment) value value	Other movements	Balance as of December 31, 2023
Cost:						
Buildings	\$ 125,819	\$ 1,556	\$ (2,068)	\$ 623	\$ 3,579	\$ 129,509
Land	135,184	-	(4,571)	-	(7,618)	122,995
Total	\$ 261,003	\$ 1,556	\$ (6,639)	\$ 623	\$ (4,039)	\$ 252,504

Note 12 - Liabilities under supplier finance arrangement

On August 14, 2017, the Company entered into an indefinite supplier financing agreement. Under this agreement, BBVA acquires the rights to certain accounts receivable from the supplier, and there are two lines of credit: one for the cement business for 350 million pesos and another for the concrete business for 100 million pesos. The terms and conditions of the agreement do not change with respect to the accounts payable to this supplier.

	Days after invoice date	
	2024	2023
Range of payment due dates		
Liabilities under supplier finance arrangement	15-60	15-60
Comparable trade payables that are not part of the supplier finance arrangement	8-120	8-120
	2024	2023
Balances of SFA presented within the "Suppliers" balances in the CSFP.		
Liabilities under supplier finance arrangement	\$ 104,358	\$ 144,792
of which the supplier has received payment from BBVA	\$ 46,315	\$ 23,655
	2024	2023
Balances of SFA presented within the "Other accounts payable" balances in the CSFP		
Liabilities under supplier finance arrangement	\$ 99,333	\$ 159,418
of which the supplier has received payment from BBVA	\$ 18,398	\$ 39,976

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

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Note 13 - Provisions

The provisions included in the statement of financial position as of December 31, 2024 and 2023 are the following:

	Environmental provision	Plant disassembly provision	Total
As of January 1, 2023	\$ 55,897	\$ 5,041	\$ 60,938
Charge to results	36,365	5,735	42,100
Used in the year	(2,587)	-	(2,587)
As of December 31, 2023	89,675	10,776	100,451
Charge to results	4,370	740	5,110
Used in the year	(117)	(741)	(858)
As of December 31, 2024	\$ 93,928	\$ 10,775	\$ 104,703

The Company records a provision to recognize the cost of reforesting the new affected areas, including planting, irrigation, and maintenance necessary to reestablish the conditions prior to exploitation, based on a study prepared annually by an independent specialist. As of the date of the financial statements, there is no legal or assumed obligation or legislation that requires the Company to remove its long-lived assets from the land where the quarries it owns are located.

Note 14 - Employee Benefits

- a. Short-term employee benefits.

	PTU payable	Paid absences	Other provisions ⁽¹⁾	Total
As of January 1, 2023	\$ 76,649	\$ 16,351	\$ 14,541	\$ 107,541
Charge to results	83,708	28,738	656,068	768,514
Used in the year	(74,208)	(23,898)	(656,475)	(754,581)
As of December 31, 2023	86,149	21,191	14,134	121,474
Charge to results	94,463	32,211	720,263	846,937
Used in the year	(82,590)	(33,655)	(718,681)	(834,926)
As of December 31, 2024	\$ 98,022	\$ 19,747	\$ 15,716	\$ 133,485

⁽¹⁾ Other provisions mainly include bonuses and salaries to personnel.

- b. Long-term employee benefits.

The Company has a provision that covers seniority premiums as of December 31, 2024 and 2023, which consists of a single payment of 12 days for each year worked based on the last salary, limited to double the minimum wage established by federal labor law. The related liability and annual benefit cost are calculated by an independent actuary using the projected unit credit method.

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The main assumptions used for actuarial valuation purposes are the following:

Financial assumptions

	2024	2023
Discount rate	10.65%	10.55%
Salary increase rate	5.50%	5.50%
Rates of increase to minimum wage	12.00%	23.60%

Demographic assumptions

	2024	2023
Mortality in active employees	EMSSA 2009	EMSSA 2009
Mortality in retired employees	EMSSA 2009	EMSSA 2009
Disability in active employees	EISS 1997	EISS 1997
Rotation	Winklevoss	Winklevoss
Dismissal Factor	20%	20%
Retirement age	60	60

The amounts recognized in the consolidated income statement for the seniority premium provision in 2024 and 2023 are:

	2024	2023
Current year service cost	\$ 2,519	\$ 2,411
Interest cost	3,060	2,811
Net cost of the period	\$ 5,579	\$ 5,222

The amounts recognized in the other comprehensive results for actuarial gains (losses) on the seniority premium provision for 2024 and 2023 are:

	2024	2023
Actuarial losses (gains) on the obligation	\$ 8,283	\$ (2,358)
Deferred income tax	2,485	(708)
Defined benefit cost items in other items	\$ 5,798	\$ (1,650)

The amount recognized in the consolidated statement of financial position in respect of the Company's obligation regarding the seniority premiums as of December 31, 2024 and 2023 is as follows:

	2024	2023
Present value of defined benefit obligation for seniority premiums	\$ 42,227	\$ 29,794
Net liability generated by seniority premium	\$ 42,227	\$ 29,794

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Changes in the present value of the seniority premium provision as of December 31, 2024 and 2023 is as follows:

	2024	2023
Opening balance of defined benefit obligation	\$ 29,794	\$ 28,003
Current year service cost	2,519	2,411
Interest cost	3,060	2,811
Actuarial losses (gains)	8,283	(2,358)
Benefits paid	(1,429)	(1,073)
Ending balance of defined benefit obligation	\$ 42,227	\$ 29,794

The sensitivity analysis described below consider reasonable potential changes in the respective assumptions at the end of the reporting period, with all other assumptions remaining constant.

2024 sensitivity analysis

If the discount rate had increased by 0.5% and all other variables had remained constant, net stockholders' equity and consolidated comprehensive income as of December 31, 2024 would have been positively affected by \$159.

A decrease of 0.5% under the same circumstances described would have negatively affected net stockholders' equity and consolidated comprehensive income in \$172.

If the salary increase rate had increased by 0.5% and all other variables had remained constant, net stockholders' equity and consolidated comprehensive income as of December 31, 2024 would have been negatively affected by \$178.

A decrease of 0.5% under the same circumstances described would have positively affected net stockholders' equity and consolidated comprehensive income in \$166.

2023 sensitivity analysis

If the discount rate had increased by 0.5% and all other variables had remained constant, net stockholders' equity and consolidated comprehensive income as of December 31, 2023 would have been positively affected by \$107.

A decrease of 0.5% under the same circumstances described would have negatively affected net stockholders' equity and consolidated comprehensive income in \$115.

If the salary increase rate had increased by 0.5% and all other variables had remained constant, net stockholders' equity and consolidated comprehensive income as of December 31, 2023 would have been negatively affected by \$122.

A decrease of 0.5% under the same circumstances described would have positively affected net stockholders' equity and consolidated comprehensive income in \$114.

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Note 15 - Related parties balances and transactions

a. Transactions and balances with related parties

Transactions carried out with related parties in the current period of the Company's operations are as follows:

	Relationship	2024	2023
Buzzi Unicem USA	Controlling Group	\$ -	\$ 135
Sales of fixed assets, spare parts, etc.		\$ -	\$ 135
Cementos Molins S.A.	Controlling Group	\$ 1,139	\$ -
Lone Star Industries, Inc.	Controlling Group Subsidiary	134	-
Service and expense recovery		\$ 1,273	\$ -
Maquinaria y Canteras del Centro S. A. de C. V.	Associate	\$ -	\$ 944
Interest income		\$ -	\$ 944
Buzzi S.p.A.	Controlling Group	\$ (7,143)	\$ (5,994)
Buzzi Unicem S.p.A.	Controlling Group	(3,195)	(2,630)
Cementos Molins, S. A.	Controlling Group	(2,486)	(2,491)
Technical services expenses		\$ (12,824)	\$ (11,115)
Maquinaria y Canteras del Centro, S. A. de C. V.	Associate	\$ -	\$ (36,597)
Purchase of raw materials		\$ -	\$ (36,597)
Total operations		\$ (11,551)	\$ (46,633)

Balances receivable and payable with related parties as of 31 December 2024 and 2023, include accounts derived from the operation of the business itself as well as loans granted.

As of December 31, 2024 and 2023, the Company has granted loans to its associate and management key personnel at rates that are comparable to market interest rates.

Accounts receivable and payable balances were reported as part of other accounts receivable and other accounts payable within the statement of financial position and are as follows:

	Relationship	Transaction	2024	2023
Receivables:				
Cementos Molins, S. A.	Controlling Group	Operation	\$ 634	\$ -
Lone Star Industries, Inc.	Controlling Group Subsidiary	Operation	137	-
Maquinaria y Canteras del Centro, S. A. de C. V.	Associate	Inventory	-	1,248
Maquinaria y Canteras del Centro, S. A. de C. V. ¹	Associate	Loan	-	9,737
Key personnel ²	Executive	Loan	1,716	2,291
Total			\$ 2,487	\$ 13,276

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	Relationship	Transaction	2024	2023
Payables:				
Buzzi S.p.A. ³	Controlling Group	Cash Reimbursements	\$ 3,936	\$ 3,742
Cementos Molins, S. A. ³	Controlling Group	Cash Reimbursements	764	738
Buzzi Unicem S.R.L. ³	Controlling Group	Cash Reimbursements	-	2,613
Maquinaria y Canteras del Centro, S. A. de C. V.	Associate	Inventory	-	2,549
Total			\$ 4,700	\$ 9,642

- 1) The loan was agreed with an average CETES rate of 28 days plus 0.5% with an indefinite term. On October 29, 2024, the subsidiary and Maquinaria y Canteras del Centro, S.A. de C.V. entered into an agreement for debt acknowledgment and payment in kind to settle the outstanding balance of the loan.
- 2) Mortgage loans that were agreed at a rate of 6% with a variable term and other miscellaneous loans are included.
- 3) These services were contracted using market conditions.

b. Compensation to key management personnel

Compensation paid to the Company's directors and other senior executives during the period of 2024 and 2023 that includes perceptions and benefits is as follows:

	2024	2023
Short-term benefits	\$ 99,530	\$ 74,729
Total	\$ 99,530	\$ 74,729

The compensation paid to the Company's directors and senior executives is determined by the Remuneration Committee based on the individual performance of each executive and on current market trends. At December 31, 2024 and 2023 there are not compensations payable to key personnel.

Note 16 - Risk management

a. Objectives of financial risk management

The Company's treasury function is to manage financial resources, control financial risks related to operations through internal risk reports, which analyze exposures by degree and magnitude. These risks include market risk (exchange rates and prices), credit risk and liquidity risk.

The Company minimizes the potential negative effects of the aforementioned risks on its financial performance through different strategies. The Company's By-laws, a prohibition on contracting financing is established. Internal auditors periodically review compliance with policies and exposure limits. The Company does not subscribe or negotiate financial instruments for speculative or hedging purposes.

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b. Capital risk management

The Company manages its capital to ensure that it will continue as a going concern and has a policy of not contracting long-term financial liabilities, except for certain leases that are not representative of its financial position. The Company is not subject to any type of externally imposed restrictions regarding its capital management.

Company's management periodically reviews the Company's capital structure at the time it presents the financial projections included in its business plan to the Company's Board of Directors and shareholders.

c. Foreign exchange risk management

The Company is exposed to foreign exchange risks mainly due to the acquisition of supplies and spare parts for its operation quoted in foreign currency (US dollars and euros), which generate accounts payable denominated in these currencies. On the other hand, the Company has pre-established investment policies that determine the amounts of cash and cash equivalents to be maintained in each type of currency, achieving natural coverage of this risk.

If the exchange rate between peso and dollar had increased by 10% and all other variables had remained constant, net stockholders' equity and profit after taxes as of December 31, 2024 and 2023 would have been positively affected in \$247,505 and \$188,967, respectively. A 10% decrease under the same circumstances described would have negatively affected net stockholders' equity and profit after taxes by the same amount.

If the exchange rate between peso and euro had increased by 10% and all other variables had remained constant, net stockholders' equity and profit after taxes as of December 31, 2024 and 2023 would have been negatively affected in \$2,904 and \$6,345 respectively. A 10% decrease under the same circumstances described would have positively affected net stockholders' equity and profit after taxes by the same amount.

The monetary position in foreign currency as of December 31, 2024 and 2023, is integrated as follows:

	2024	2023
Thousands of U.S. dollars:		
Monetary assets	USD 134,992	USD 123,988
Monetary liabilities	(14,319)	(12,130)
Long position	USD 120,674	USD 111,858
Thousands of euros:		
Monetary assets	€ 1,126	€ 657
Monetary liabilities	(2,494)	(4,056)
Short position	€ (1,367)	€ (3,399)

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In the years ended as at 31 December 2024 and 2023, the Company performed the following transactions in foreign currency that were translated and stated in Mexican pesos using the prevailing exchange rate at the date of each transaction:

	2024		2023	
	(In thousands of U.S. dollars)			
Interest income	USD	6,952	USD	4,891
Purchases	USD	(88,561)	USD	(132,690)
	(In thousands of euros)			
Purchases	€	(10,674)	€	(18,512)

The exchange rates as of 31 December 2024, 2023 and at the date of issuance of the financial statements were as follows:

	2024		2023		February 11, 2025
U.S. dollar	\$	20.51	\$	16.89	\$ 20.51
Euro	\$	21.24	\$	18.66	\$ 21.33

d. Interest rate risk management

The Company does not have financing and maintains its investments in fixed income instruments. The lease of certain assets is agreed at a fixed rate. Therefore, the Company does not have a significant exposure to interest rate risk.

e. Price risk management

One of the Company's main fuels utilized in the production process is coke (petcoke), which is subject to variations in its value in the market. The Company does not have contracted any hedge to cover possible increases caused by the variability of the prices of this fuel in the market.

f. Liquidity risk management

The Company does not have significant long-term financial liabilities and maintains relevant balances of cash and cash equivalents, as shown in Note 4. The Company has available short-term lines of credit for approximately \$1,500,000. The table shown on the following page details the contractual maturities of its financial liabilities according to the maturity periods. This information has been prepared considering undiscounted cash flows, from the first date on which the Company may be obligated to pay and includes contractual interest and main cash flows.

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	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
December 31, 2024			
Suppliers	\$ 843,461	\$ -	\$ -
Creditors and accounts payable	540,576	-	-
Lease liability	108,602	263,067	42,350
	\$ 1,492,639	\$ 263,067	\$ 42,350
December 31, 2023			
Suppliers	\$ 998,401	\$ -	\$ -
Creditors and accounts payable	366,426	-	-
Lease liability	61,984	116,557	8,827
	\$ 1,316,543	\$ 116,557	\$ 8,827

At December 31, 2024 and 2023 the Company has concentrated \$203,691 and \$304,210 of its accounts payable to suppliers under the SFA with BBVA. If BBVA were to withdraw the agreement, such withdrawal would not affect the Company's ability to settle liabilities at their maturity.

g. Credit risk management

Credit risk is that which arises when one of the parties fails to comply with its contractual obligations, resulting in a financial loss for the Company. As mentioned in Note 5, the Company has adopted a policy of only engaging with solvent parties and obtaining sufficient collateral where appropriate, as a way to mitigate the risk of financial loss caused by defaults.

Regarding the investments that are classified as cash equivalents, as indicated in Note 4, they are found in Mexico, Spain and the United States. The credit risk in these instruments is affected by the risk of the economies of the countries in which they are invested.

h. Managing risks associated with climate change

The Company's risk management processes consider those aspects that could have a financial or reputational impact on the organization.

Due to the nature of its activity, the cement industry emits CO₂ in the manufacturing process, mainly during the calcination reaction of limestone, as well as due to the use of fossil fuels in kilns. The Company has outlined medium and long-term initiatives aimed at significantly reducing its CO₂ emissions. The Company aligns with the industry's global ambition to achieve carbon neutrality by 2050. In accordance with this goal, the Company has developed its sustainability strategy reflected in its roadmap, Roadmap 2030, with objectives and goals supported by the following pillars; Safety and Health, Energy and Climate Change, Social Responsibility, Environment and Biodiversity, and Circular Economy committing to climate action and promoting sustainability in the industry, along with mitigation and adaptation measures to climate change. These actions allow, among others, to increase furnace and energy efficiency, Clinker replacement and production efficiency.

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To accelerate the reduction of CO₂, the Company considers it crucial to implement the following actions and initiatives in the medium and long term: a) increased Clinker substitution; b) reduction of fossil fuels and increase in the use of alternative fuels; c) improving efficiency in the design of concrete projects, as well as its use during construction; d) the use of clean energy sources, e) investment in technology and innovation; study and development of nature-based solutions (SBN)

As of the date of the financial statements, the Company has not identified risks associated with climate change that could negatively and materially affect its financial situation and the plans described above do not have an impact on the financial situation or results of operations, for which reason there was no significant effect on the judgments and estimates used to prepare the financial statements. There are no indicators of impairment in accounts receivable or in tangible and intangible assets, nor changes in the useful lives of property, plant and equipment due to climate change. While management continually evaluates the impact of climate-related issues and attempts to anticipate them, the effects of climate change could have an impact on the Company's future performance and financial condition.

Note 17 - Fair Value of Financial Instruments

Management believes that the book values of financial assets and liabilities recognized at amortized cost in the consolidated financial statements approximate their fair value, because the amortization period is short-term.

When estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability, whether market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Additionally, for financial reporting purposes, fair value measurements are classified as Level 1, 2, or 3 based on the degree to which observable inputs are included in the measurements and their importance in determining fair value as a whole. entirety, which are described as follows:

- Level 1 - Quoted prices in an active market for identical assets or liabilities are considered;
- Level 2 - Observable inputs other than Level 1 quote prices, whether directly or indirectly,
- Level 3 - Considers unobservable input data.

Note 18 - Income taxes

The Company is subject to Income Tax (ISR). The ISR is calculated by applying the rate of 30% on the taxable income. Income taxes as of December 31 are shown below:

- a. The income tax recognized in the consolidated income statement is as follows:

	2024	2023
Income tax caused	\$ 2,606,388	\$ 2,549,515
Deferred income tax	11,028	(94,261)
Total	\$ 2,617,416	\$ 2,455,254

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b. The movement of the deferred tax is as follows:

	2024	2023
As of January 1	\$ 67,457	\$ (26,096)
Effect on the income statement	(11,028)	94,261
Effect on other comprehensive income	2,485	(708)
At December 31	\$ 58,914	\$ 67,457

The balance as of December 31 of the deferred tax is as follows:

	2024	2023
Deferred income tax asset:		
Contract liabilities	\$ 324,935	\$ 394,855
Provision and others	258,972	255,201
Lease liabilities	107,271	50,933
Total deferred income tax asset	691,178	700,989
Deferred income tax liability:		
Spare parts inventories	132,485	133,545
Property, plant and equipment, and intangible assets	355,448	419,547
Right-of-use assets	104,409	49,064
Advance payments	39,922	31,376
Total deferred income tax liability	632,264	633,532
Total deferred income tax asset, net	\$ 58,914	\$ 67,457

c. The net movement of deferred tax assets and liabilities during the year is explained below:

	2024		2023	
	Income statement	Other comprehensive income	Income statement	Other comprehensive income
As of January 1	\$ 68,744	\$ (1,287)	\$ (25,517)	\$ (579)
Asset reserves and estimates	(884)		11,843	
Spare parts inventories	1,060		(29,272)	
Property, plant and equipment and intangibles	64,098		46,635	
Contract liabilities	(69,920)		72,993	
Provisions and other	2,171	2,485	12,913	(708)
Advance payments	(8,546)		(6,837)	
Tax loss	-		(15,883)	
Lease liabilities	56,338		50,933	
Right-of-use assets	(55,345)		(49,064)	
Movement of the year	(11,028)	2,485	94,261	(708)
At December 31	\$ 57,716	\$ 1,198	\$ 68,744	\$ (1,287)

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As of December 31, 2024 and 2023, the Company has no tax losses to be amortized for ISR purposes.

To determine deferred income tax as of December 31, 2024 and 2023, the Company applied the applicable rates to temporary differences according to their estimated reversal date (30%).

d. Effective tax rate

As of December 31, the reconciliation of the legal ISR rate and the effective rate expressed as a percentage of profit before income taxes, is as follows:

	2024	2023
Profit before taxes	\$ 9,138,843	\$ 8,621,030
Legal rate	30%	30%
Income tax at statutory rate	\$ 2,741,653	\$ 2,586,309
Plus (minus) tax effect of the following items:		
Annual adjustment for inflation deductible	(91,373)	(82,085)
Non- deductibles	29,704	11,041
Property, plant and equipment	(59,516)	(55,868)
Others	(3,052)	(4,143)
Income tax recognized in results	\$ 2,617,416	\$ 2,455,254
Effective Income tax rate	28.64%	28.48%

Note 19 - Stockholders' equity:

a. Capital stock

The share capital as of December 31, 2024 and 2023 is as follows:

	2024		2023	
	Shares	Amount	Shares	Amount
Fixed				
Common nominative shares of the single series (with no par value)	80,454,608	\$ 15,582	80,454,608	\$ 15,582
Variable				
Common nominative shares of the single series (with no par value)	804,432,688	155,795	804,432,688	155,795
Total shares	884,887,296	171,377	884,887,296	171,377
Treasury shares	(30,571,044)	-	(26,748,702)	-
Outstanding shares	854,316,252	171,377	858,138,594	171,377
Update of share capital		436,103		436,103
Total share capital	854,316,252	\$ 607,480	858,138,594	\$ 607,480

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In accordance with IAS 29 "Hyperinflation" a Company must recognize the effects of inflation in financial information when an economy has 100% inflation accumulated in 3 years. Mexico was a hyperinflationary economy until 1997, so the Company recognized all the effects of inflation accumulated up to said year.

The shareholders mentioned below comprise 100% of the Company's capital stock as of December 31.

	Shares	
	2024	2023
Shareholders		
Fresit, B. V.	455,794,944	455,794,944
Presa International, B. V.	134,129,920	134,129,920
Public investors	264,361,388	268,183,730
Bruno Johann Aerne	30,000	30,000
Total	854,316,252	858,138,594

b. Dividends declared

At the Annual Ordinary General Shareholders' Meeting held on April 9, 2024, it was approved to declare dividends of \$2,568,576, which were paid on April 18, 2024.

At the Ordinary General Shareholders' Meeting held on December 3, 2024, it was approved to declare dividends of \$1,709,971, which were paid on December 16, 2024.

At the Annual Ordinary General Shareholders' Meeting held on March 31, 2023, it was approved to declare dividends of \$1,720,566, which were paid on April 17, 2023.

At the Ordinary General Shareholders' Meeting held on December 4, 2023, it was approved to declare dividends of \$1,716,279, which were paid on December 13, 2023.

c. Capital reserves

Capital reserves as of December 31 are made up as follows:

	2024	2023
Legal reserve	\$ 130,024	\$ 130,024
Legal reserve inflation effect	22,884	22,884
Reserve for share repurchase, net	1,360,378	619,684
Total	\$ 1,513,286	\$ 772,592

The movements of the share repurchase reserve in 2024 and 2023 were as follows:

- i. In 2024, the Company acquired 3,822,342 own shares in the market at prices ranging between \$72.00 and \$75.00, the total purchase amounted to \$281,743.

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- ii. At the Annual Ordinary General Shareholders' Meeting held on April 9, 2024, it was agreed that the maximum amount of resources that may be allocated to the purchase of own shares for this fiscal year would amount to \$1,500,000.
- iii. In 2024, the Company acquired 8,703,673 own shares in the market at prices ranging between \$56.00 and \$75.00, the total purchase amounted to \$505,955.
- iv. At the Annual Ordinary General Shareholders' Meeting held on March 31, 2023, it was agreed that the maximum amount of resources that may be allocated to the purchase of own shares for this fiscal year would amount to \$750,000.

d. Balances of the fiscal accounts of the stockholders' equity

Dividends paid will be free of ISR if they come from CUFIN. Dividends that exceed the CUFIN will cause a tax equivalent to 42.86%. The tax incurred will be paid by the Company and may be credited against the ISR incurred for the year or in which it is paid. The remaining amount may be credited in the two immediately following fiscal years against the tax for the fiscal year or against provisional payments. Dividends paid that come from profits previously taxed by the ISR will not be subject to additional taxes. Starting in 2014, dividends distributed to individuals and legal entities residing abroad will be subject to a withholding of 10% (ten percent), however, in the latter case, treaty benefits are applied to avoid double taxation. The Income Tax Law (LISR) establishes the obligation to maintain the CUFIN with the profits generated until December 31, 2013 and start another CUFIN with the profits generated after January 1, 2014.

The balances of the net stockholders' equity tax accounts as of December 31 are as follows:

	2024	2023
Consolidated contributed capital account	\$ 3,070,979	\$ 2,943,730
Consolidated net taxed profits account	4,953,990	3,910,782
Total	\$ 8,024,969	\$ 6,854,512

e. Earnings per share

The earnings and the weighted average number of common shares used in the calculation of basic earnings per share are as follows:

	2024	2023
Consolidated net income	\$ 6,521,427	\$ 6,165,776
Weighted average number of outstanding shares (in thousands of shares)	855,856	859,792
Basic and diluted earnings per common share	\$ 7.62	\$ 7.17

Diluted earnings per-share are the same, since the Company does not have potentially dilutive instruments that affect the basic shares.

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Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 20 - Costs and expenses based on their nature:

- a. The cost of sales recognized in the consolidated statements of comprehensive Income is as follows:

	2024	2023
Raw materials and fuel	\$ 4,144,316	\$ 4,464,792
Maintenance	858,375	624,520
Depreciation and amortization	575,986	550,919
Wages and benefits	717,037	639,197
Fees	28,082	25,726
Other costs	685,960	614,730
Total	\$ 7,009,756	\$ 6,919,884

- b. The selling and administrative expenses are as follows:

	2024	2023
Freight costs of finished products	\$ 3,318,000	\$ 3,297,807
Commissions	148,940	149,453
Wages and benefits	457,481	409,125
Fees	127,253	64,247
Depreciation and amortization	120,438	86,305
Maintenance	61,765	56,648
Other expenses	483,629	379,123
Total	\$ 4,717,506	\$ 4,442,708

- c. The other operating (income) expenses are as follows:

	2024	2023
Loss on sale of fixed assets and other assets	\$ 4,986	\$ 13,881
Impairment (recovery of value) of assets available for sale	22,107	(623)
Insurance recovery	(7,698)	(621)
Write of wages, other benefits and fees	(4,706)	(361)
Reversal of reserve for credit losses	(13,081)	(2,958)
Loss on sale of Maquinaria y Canteras del Centro	7,641	-
Other	(37,799)	(615)
Total	\$ (28,550)	\$ 8,703

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Notes to Consolidated Financial Statements

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Note 21 - Segment information:

The Company's Executive Committee is responsible for reviewing results and making strategic decisions. The consolidated financial information that management reports to the Executive Committee to allocate resources, make decisions and to evaluate business performance includes a single reportable operating segment and a single geographic segment in Mexico, since it considers cement and concrete within the same distribution channel as they are vertically integrated. The Company does not have a concentration of clients since it has a diversified base within the industry in which it operates. The Executive Committee does not require evidence of separate assets, liabilities or results for its decision-making process.

Note 22 - Contingencies and commitments:

The Company is involved in several lawsuits and claims arising from the normal course of its operations; however, none of these cases are expected to have a significant impact on its financial situation and future operating results.

Note 23 - Authorization of the issuance of the Consolidated Financial Statements:

The consolidated financial statements were authorized for issuance on February 11, 2025 by the Company's Finance Direction and are subject to approval by the Shareholders' Meeting.

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