

Environmental and Social Review Summary (ESRS) CEFAS (Calidra) – Argentina

Original language of the document: English
Issuance date: March 2025

1. General Information of the Project and Overview of Scope of IDB Invest's Review

With more than 100 years of experience, Grupo Calidra, S.A. de C.V. ("Calidra" or the "Company") has positioned itself as the leading company in the production of lime, ready mixes, and carbonates in Latin America, operating in Mexico, Honduras, Colombia, Peru, Argentina, and Chile. At the end of 2023, Calidra's operations consisted of 14 plants, 22 distribution centers, and 3 offices in Mexico; 4 plants and 3 distribution centers in Honduras, Colombia, and Peru, as well as offices in the Dominican Republic and Ecuador (its Central America and the Caribbean region); and 5 plants and 3 offices in Argentina and Chile (its Southern Cone region). Calidra's plants include calciner, hydration, crushing, dry mix, precipitated calcium carbonate, milling and oxide transfer, and calcium sulfate plants.

CEFAS S.A. ("CEFAS" or the "Client"), an Argentinian subsidiary of Calidra, is seeking capital investments and permanent working capital for its existing plants in Argentina, to finance: i) the construction of a dolomite oxide handling plant at its La Laja plant; ii) the potential acquisition and startup of a new Maerz lime kiln at its La Laja plant; and iii) other expansion, maintenance, and improvement works related to its La Laja, Padre Bueno, and Los Berros plants, which are all located in San Juan, Argentina (the "Project").

Calidra is an existing client of IDB Invest. In 2022, IDB Invest provided initial financing for the construction of an efficient lime kiln at its La Laja plant in San Juan, Argentina. This kiln is now in operation. The financing was later increased to finance capital expenditures at the La Laja plant as well as the Padre Bueno plant. Calidra is complying with all environmental and social requirements under the existing loan agreement, including all actions in its corresponding Environmental and Social Action Plan ("ESAP").

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest's Environmental and Social Sustainability Policy¹, since it will likely generate, among others, the following impacts: i) air emissions; ii) water consumption; iii) wastewater; iv) soil alteration; v) waste; and vi) occupational health and safety impacts. These impacts are deemed to be of medium intensity and

¹ According to IDB Invest's Sustainability Policy, Category A projects could result in potentially significant environmental and/or social risks and impacts; Category B projects have potential environmental and/or social impacts and risks that are less adverse than those of Category A; and Category C projects are those that are likely to result in very limited or no adverse environmental or social impacts or risks.

are generally limited to the Project sites, are largely reversible, and can be managed via measures that are readily available and feasible to implement in the context of the operation.

The Performance Standards (“PS”) triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety and Security.

3. Environmental and Social Context

3.1 General Characteristics of the Project’s Site

The La Laja Plant is in the Department of Albardón, Province of San Juan, Argentina. It is located on the southern slopes of the Sierra de Villicún, in a desert area with minimal vegetation. The nearest settlements are Gruta de la Virgen de Lourdes, approximately 3 km to the southeast, and the Aguas Termales de la Laja, approximately 3.5 km to the southeast. The plant is approximately 6.5 km northwest of the northern outskirts of San Juan (Las Lomitas) and approximately 25 km north of the city center.

The Padre Bueno Plant is in the Department of Cienaguita, Province of San Juan. It is located on the eastern slopes of Cerro Pedernal, in a desert area with minimal vegetation. The nearest towns are Divisadero (population of approximately 400), approximately 4.5 km to the north, and Cienaguita (population of approximately 350), approximately 2 km to the southeast. An adjacent lime plant to the north is owned and operated by a separate company.

The Los Berros Plant is in the Department of Los Berros, Province of San Juan. It is located on the eastern slopes of Cerro del Medio, in a desert area with minimal vegetation. The nearest town is Los Berros (population of approximately 4500), which is across the street and to the northeast of the plant. The plant is approximately 5 km north of Divisadero and 10 km west of Cañada Honda (population of approximately 350).

3.2 Contextual Risks

Contextual risks are deemed to be low in Argentina. The highest risk factors for the country, however, are: i) access to finance; ii) macroeconomic stability; and iii) employment.

An ESG reputational risk assessment of Calidra identified three risk incidents, all in Mexico. The two most recent, from 2022 and 2016, were related to water consumption, and the third, from 2010, was related to dust pollution. An assessment of CEFAS identified one risk incident, which was a furnace explosion that occurred at their Quilpo facility in the Province of Córdoba in 2014. There were no incidents at any of their facilities in San Juan.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

Calidra has a Sustainability Model that guides the Company's approach to environmental and social management. The model consists of the following: i) Business Integrity, which comprises Corporate Governance, Ethical Culture and Compliance, Supply Chain Management, and Risk Management sub-elements; ii) Employee Growth, which includes Safeguarding Health and Safety, Career Opportunities, and Diversity sub-elements; iii) Community Relations, which is composed of Social Investment and Development and Environmental Impact Prevention and Mitigation sub-elements; iv) Operational Efficiency, which comprises Environmental Management Integration, Energy Management, and Circular Operations sub-elements; and v) Sustainable Products and Models, which includes Sustainable Use of Lime, Development of Production Lines, and Quality sub-elements. The Company has assigned a person responsible and has key performance indicators (KPIs) for each sub-element.

Calidra has a Policy and Procedures Manual (*Políticas y Procedimientos de Desarrollo Sustentable*) that lists the Company's policies associated with the following topics: i) generalities; ii) health, safety, and environment; iii) health and safety commission; iv) preventive occupational health and safety services; v) contractors; vi) incidents; vii) safe enterprise; viii) hazardous and special management waste; ix) explosive warehouse; x) plant nursery; xi) process safety management; and xii) water treatment plant. The manual also lists the Company's procedures associated with certifications and its annual work plan.

The CEFAS plants in Argentina have integrated management systems that are certified compliant with International Organization for Standardization ("ISO") 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), and ISO 45001 (Occupational Health and Safety Management Systems).

4.1.b Policy

In addition to the policies included in the Policy and Procedures Manual, Calidra has several standalone environmental, social, and human resource policies. The broadest of these is the Sustainability Policy (*Política de Sostenibilidad*), which includes several general declarations, followed by statements organized according to the five elements and various sub-elements of the Company's Sustainability Model.

Additional environmental and social ("E&S") policies include an Environmental and Climate Change Policy (*Política Ambiental y de Cambio Climático*) and a Community Relations and Social Investment Policy (*Política de Relacionamento Comunitario e Inversión Social*). Human resources policies include a Code of Ethics (*Código de Ética*), Diversity Policy (*Política de Diversidad*), Personnel Recruitment, Selection, and Contracting Policy (*Reclutamiento, Selección y Contratación de Personal*), and a Retrenchment Policy (*Retiro de Personal*).

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and indirect impacts and risks

Argentinian laws and regulations do not require environmental and social impact assessments for any of the foreseen upgrades to the three CEFAS plants (i.e., the Project), as these are all existing facilities. Environmental and social impact assessments (“ESIA”) were conducted for the construction of all three plants, however, and are periodically updated in compliance with Argentinian laws and regulations, to obtain and maintain the necessary environmental licenses.

The environmental license for the La Laja Industrial Complex was issued in 1998², and its ESIA (*Informe de Impacto Ambiental*, or “IIA”) was last updated in 2021³. The IIA identifies and presents measures to manage the following impacts: i) air quality (dust and emissions); ii) water quantity (consumption); iii) water quality (effluents); iv) geomorphology; v) soils; vi) terrestrial fauna; vii) terrestrial flora; viii) landscape; ix) local economy (positive); x) regional economy (positive); and xi) local population (positive).

The environmental license (*Declaración de Impacto Ambiental*, or “DIA”) for the Padre Bueno Plant was issued in 2001⁴. Its IIA, last updated in 2021⁵, identifies and presents measures to manage the following impacts: i) air quality (dust and emissions); ii) water quality (consumption and effluents); iii) geomorphology and soils; iv) terrestrial fauna; v) terrestrial flora; vi) landscape; vii) local economy (positive); viii) regional economy (positive); and ix) local population (positive).

The DIA for the Los Berros Plant was issued in 2008⁶. Its IIA, last updated in 2022⁷, identifies and presents measures to manage the following impacts: i) air quality (dust and emissions); ii) water quantity (consumption); iii) water quality (effluents); iv) geomorphology; v) landscape; vi) soils; vii) terrestrial fauna; viii) terrestrial flora; ix) local economy (positive); x) regional economy (positive); and xi) local population (positive).

For all three plants, Calidra maintains environmental and social impact matrices that include the result of the assessment of both positive and negative impacts (based on their intensity, extent, occurrence, persistence, reversibility, recoverability, synergy, accumulation, effect, and periodicity), as well as measures to manage them.

4.1.c.ii Analysis of alternatives

Since the Project does not involve the construction of a new facility, but rather the maintenance and improvement of existing facilities and operations, no alternatives analysis was conducted.

² Resolución No. 627-98.

³ Actualización Informe de Impacto Ambiental, Complejo Industrial La Laja, marzo de 2021.

⁴ Resolución No. 452-HCM-2001.

⁵ Segunda Actualización, Informe de Impacto Ambiental, Complejo Industrial CEFAS, Planta Industrial Padre Bueno, septiembre de 2021.

⁶ Resolución No. 168-2008.

⁷ Cuarta Actualización, Informe de Impacto Ambiental, Planta Los Berros, mayo de 2022.

4.1.c.iii Cumulative impact analysis

Since the Project does not involve the construction of a new facility, but rather the maintenance and improvement of existing facilities and operations, no cumulative impact assessment was conducted.

4.1.c.iv Gender risks

There is a significant gender gap, defined as the differential and unequal access to economic, political participation, educational, and occupational opportunities based on sex or gender, in Latin America and the Caribbean (“LAC”). This gap, reinforced by pervasive cultural norms regarding acceptable roles for men and women and exacerbated by weak legal protections and/or inadequate social response, leads to gender discrimination, unequal access to public services, educational differentials, pay and labor gaps, and lagging political participation rates. The gender gap for Argentina is 0.75, which is seventh best among 21 countries in Latin America and the Caribbean⁸.

Gender-based violence and harassment (“GBVH”) is also a significant problem in LAC, which has the highest rate of any region in the world. Brazil, Mexico, Argentina, Peru, El Salvador, and Bolivia represent 81% of global cases. Twelve women are murdered every day in the region. In Central America, two out of every three women killed is because of their gender (i.e., femicide), and the perpetrator is a partner or former partner in half of these cases. There were 232 reported femicides in Argentina in 2022, which was the fourth highest among 20 countries in LAC, although significantly lower than in Brazil (1,437) and Mexico (976)⁹.

No specific gender risks were identified in the IIAs for the three plants, and no such risks have been identified in the plants’ impact matrices. Calidra is aware of the regional gender risks and has addressed them through strong policies of non-discrimination, equal opportunity, and intolerance for GBVH, as well as worker training on these topics and GBVH awareness campaigns.

4.1.c.v Climate change exposure

The La Laja, Padre Bueno, and Los Berros plants, which are all located in San Juan, currently face a high risk of water scarcity and earthquakes. This risk could be exacerbated by climate change, leading to a moderate risk of droughts.

Since limestone industry projects are likely to have significant Scope 1, 2, and 3 greenhouse gas (“GHG”) emissions¹⁰, the Project’s exposure to transition risk is considered medium to high and is exposed to carbon legislation and technological advancements in low-emission substitutes. Calidra has taken these risks into account and, as stated in its Environmental and Climate Change Policy (*Política Ambiental y de Cambio Climático*), is committed to implement measures to reduce its

⁸ [Gender gap index in Latin America 2021 | Statista.](#)

⁹ [Number of femicides in Latin America by country 2019 | Statista.](#)

¹⁰ Scope 1 emissions are direct emissions from company-owned and controlled resources, Scope 2 emissions are indirect emissions from the generation of purchased energy, and Scope 3 emissions are indirect emissions that occur in the company’s value chain (both upstream and downstream).

contribution to climate change and to “increase resilience to possible impacts” by: i) assessing and monitoring potential physical risks of climate change; ii) incorporating engineering and architectural improvements to address these risks; iii) developing and implementing plans for each facility to respond to extreme events; and iv) identifying and mitigating transition risks of climate change.

Calidra planted 54,295 trees in 2023 as part of its reforestation initiative. It also calculated its carbon footprint and verified its GHG inventories in Mexico. The Company has reaffirmed its goal to achieve carbon neutrality by 2050 by utilizing cleaner fuels for its calcination process, which is the main process of its operations, as well as through its reforestation campaigns and potential participation in a Mexican emissions trade system.

4.1.d Management Programs

Calidra’s Sustainability Policy requires that each of its facilities has an Environmental Management Plan (*Plan de Manejo Ambiental*, or “PMA”) and to regularly monitor their implementation.

The PMAs for the La Laja, Padre Bueno, and Los Berros plants are part of the most recent updates of their IIAs and include the following: i) environmental monitoring plan (air, noise, and water quality); ii) waste management plan and/or procedures; iii) mitigation measures (air quality); and iv) conceptual closing plan. Each of the updated IIAs also includes an Environmental Emergency Response Plan (*Plan de Respuesta a Emergencias Ambientales*).

4.1.e Organizational Capacity and Competency

Environmental and social risks and impacts are managed by Calidra/CEFAS at both the corporate and facility levels. At the corporate level, Calidra’s Sustainable Development Manager (Gerente de Desarrollo Sostenible) reports directly to Calidra’s Director for the Southern Cone (Director Cono Sur). Four Sustainability Coordinators, four Sustainability Administrators, and a Security Coordinator report to the Sustainable Development Manager. At the facility level, each plant has a Sustainable Development Coordinator and Supervisor that report to the corporate Sustainable Development team.

4.1.f Emergency Preparedness and Response

The most recent update of the IIA for each of the plants includes an Environmental Emergency Response Plan. These plans include sections on: i) acquisition of chemicals; ii) control of chemicals; iii) anti-spill teams; iv) control of waste from chemical spills; v) transportation; vi) contingencies; vii) use of anti-spill equipment; viii) identification of critical areas; ix) environmental inspections; x) environmental incident reports; xi) communications in the event of an environmental emergency; xii) regulations for the transportation and use of hazardous materials; xiii) response to chemical spills; and xiv) response to hydrocarbon spills.

Calidra also has an Emergency Preparedness and Response Procedure for the Southern Cone (*Procedimiento Preparación y Respuesta Ante Emergencias*) that requires each facility to: i) identify and evaluate emergency risks; ii) develop an individual Emergency Response Plan; iii) establish evacuation routes; iv) train emergency brigades; v) train plant personnel; vi) conduct simulations;

and vii) periodically evaluate and update the Emergency Response Plan. The document also includes general procedures for: i) emergency responses; ii) post-emergency return to work; iii) evaluation of emergency responses; and iv) incident investigations.

The Emergency Response Plan for the La Laja Plant has basic procedures (flowcharts) for the following types of emergencies: i) fires; ii) explosions; iii) spills and leaks; iv) grave accidents; and v) earthquakes. It also provides a list of external and internal contacts in the case of an emergency. CEFAS will develop similar plans for the Padre Bueno and Los Berros Plants.

4.1.g Monitoring and Review

Calidra has developed a series of key performance indicators (KPIs) to monitor its environmental and social performance. The social (and labor) KPIs include: i) number of permanent full-time workers; ii) lost day incidents; iii) accident rate; iv) severity rate; v) incidents reported and investigated; vi) fatalities; vii) fines due to legal non-compliance; viii) days lost due to strikes; ix) percentage of employees with health plan and retirement plan coverage; x) formal complaints from communities; xi) investment in projects with a social impact; xii) investment in safety; and xiii) investment in health. The environmental KPIs include: i) electricity consumption; ii) clean energy consumption; iii) energy intensity; iv) GHG emissions; v) carbon production intensity; vi) water consumption; vii) intensity of water consumption; viii) percentage of plants certified in clean industry; ix) reforested areas; x) generation of special management waste; xi) generation of hazardous waste; xii) fines due to environmental non-compliance; and xiii) investment in the environment.

4.1.h Stakeholder Engagement

Calidra's Community Relations and Social Investment Policy (*Política de Relacionamento Comunitario e Inversión Social*) lists requirements for the following topics: i) cross cutting issues; ii) community management; iii) selection and identification of community leaders; iv) channels of communication and dialogue; v) selection of strategic allies; and vi) accountability.

Calidra recently conducted a Materiality Study (*Estudio de Materialidad*) that identifies potentially relevant themes that fall into the following four groups: i) governance, compliance, and ethics; ii) environment; iii) operation; and iv) social management (collaborators and community). The study prioritizes these themes based on worker questionnaires, interviews with clients and people responsible for community relations at each plant, and supplier questionnaires and interviews.

According to Calidra's most recent Annual Sustainability Report (2023), the Company's social responsibility programs include activities to support local employment (in 2023, 51% of the Company's workers were members of the community where they worked) and investments on social programs for local communities¹¹.

¹¹ About \$400,000 were invested in 2023 in such programs, of which 50% was for infrastructure and services (e.g., road improvements and water supply services), 46% for education, cultural events, and sports, and 4% for development and entrepreneurship (i.e., support for local small businesses).

The La Laja plant supported the construction of a playground, donated education toys to children, provided 20 computer monitors to a local military school, supported improvements to a local police station, and supported the installation of a bathroom in a sport club in 2024. The Los Berros Plant supported local small businesses, donated cleaning supplies, constructed a playground, and invited school children to visit and learn about the plant in 2024.

Calidra has a Stakeholder Engagement Plan (*Plan de Relacionamento Comunitario*) for the La Laja Plant, developed as a requirement by IDB Invest's previous transaction with the Company. CEFAS will develop similar Stakeholder Engagement Plan for the Padre Bueno and Los Berros plants.

4.1.h.i Disclosure of information

Calidra discloses information to the public by means of its Annual Sustainability Report and corporate website.¹² The most recent Annual Sustainability Report (2023)¹³ contains chapters on each of the five axes of its Sustainability Model, namely: i) Business Integrity, including sections on the company, corporate governance, ethics and compliance, and responsible supply chain; ii) Employee Growth and Welfare, including sections on training, health and safety, and worker welfare; iii) Community Relations, including sections on education, development, and services; iv) Operational Efficiency, including sections on regulatory compliance, environmental management, energy efficiency, water consumption, emissions management, and biodiversity; and v) Sustainable Products and Models, including sections on its products, quality, and integrated management systems.

Calidra also has a YouTube channel¹⁴ and a Facebook page¹⁵ to share information with the public.

4.1.h.ii Informed Consultation and Participation

Calidra's Sustainability Policy states the Company's commitment to favor constant dialogue with communities near its operations to provide them with information, consult with them, and receive information from them about their expectations.

CEFAS will include consultation meetings with local communities regarding the Project (i.e., improvements at the three plants) in its Stakeholder Engagement Plans.

4.1.h.iii Indigenous Peoples

The CEFAS plants in San Juan are not located near any Indigenous communities and, therefore, will generate no adverse effects on any Indigenous Peoples.

¹² The website includes the following information: i) details of the Company; ii) the location of its plants, distribution centers, and offices; iii) a description of its social responsibility programs; iv) job opportunities and how to apply for them; v) products and supported industries; vi) the Company's Sustainability Model; vii) links to its three most recent Annual Sustainability Reports; and viii) a web-based form, a set of toll-free phone numbers, and an e-mail to communicate directly with the Company (see <https://calidra.com>).

¹³ <https://www.calidra.com/wp-content/uploads/Anual-Sustainability-Report-Grupo-Calidra-2023-english.pdf>.

¹⁴ https://www.youtube.com/channel/UCRHcxTzgqFtRuiSLUy_Qnw.

¹⁵ <https://www.facebook.com/CalidraMexico>.

4.1.h.iv Private sector responsibilities under government-led stakeholder engagement

Stakeholder engagement is the sole responsibility of CEFAS. No government-led stakeholder engagement has taken place or is envisioned to take place.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External communication

Calidra communicates with the public through their Annual Sustainability Report, corporate website, YouTube channel, and Facebook page. Calidra also has a Communications Plan, which is implemented by the Company's marketing team and therefore focuses on commercial aspects.

4.1.i.ii Community grievance mechanism

As required by IDB Invest's previous transaction with the Company, Calidra has adopted a Requests, Grievances, Claims, and Suggestions Procedure (*Procedimiento PQRS – Peticiones, Quejas, Reclamos, y Sugerencias*). Grievances can be received via the Company's website, social media networks, email, a toll-free telephone number, or physical boxes at the security stations at plant entrances. The mechanism applies to all Calidra operations in the Southern Cone, including the three CEFAS plants in San Juan.

4.1.i.iii Provisions for addressing vulnerable groups' grievances

Calidra's PQRS Procedure for the Southern Cone includes provisions for receiving and addressing the grievances of vulnerable groups.

4.1.j Ongoing Reporting to Affected Communities

At a corporate level, Calidra communicates with the public through its Annual Sustainability Report, corporate website, YouTube channel, and Facebook page.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

As of March 2025, Calidra had 630 employees in the Southern Cone, of which 11% were women. Calidra Southern Cone also employed one person with disabilities.

4.2.a.i Human resources policies and procedures

Calidra's Sustainability Policy includes a section on worker development (*Desarrollo del Colaborador*), which includes subsections on health and safety, professional opportunities, and diversity. Calidra also has a standalone Diversity Policy, Code of Ethics, Personnel Recruitment, Selection, and Contracting policy, and Personnel Retrenchment policy.

4.2.a.ii Working conditions and terms of employment

Calidra's Personnel Recruitment, Selection, and Contracting policy requires the Company to provide all employment candidates with the following information: i) job position; ii) salary; iii) benefits; iv) characteristics of the contract to be signed; v) specific contract conditions; and vi) date and time to report to work. The contracts are always signed by the employee and the Company's legal representative before the employee can begin work. Employees are hired under their respective local regulations.

4.2.a.iii Workers' organizations

Calidra's Code of Ethics reaffirms the Company's respect for the independence of trade union associations and commitment to seek relations with them to benefit both the Company and workers.

4.2.a.iv Non-discrimination and equal opportunity

Calidra's Sustainability Policy safeguards fairness and equity regardless of "sex, religion, political or sexual preference, or any other aspect of diversity in the remuneration of employees" and reaffirms the Company's "zero tolerance towards cases of discrimination, protecting the integrity of its workers."

Calidra's Diversity Policy reaffirms the Company's respect for diversity and prohibits any form of sexual harassment, violence, and intolerance, as well as any type of discrimination based on "political and/or religious affiliation, physical appearance, social and/or economic status, health status, disability, age, marital status, gender, nationality and/or ethnic origin, sexual orientation, family status, sex and/or sexual identity." The policy provides procedures to ensure non-discrimination in: i) selection and recruitment; ii) remuneration; iii) conciliation; iv) performance and promotions; v) operation; vi) appointment of the management team; vii) evaluation and monitoring; and viii) reporting and processing.

Calidra's Code of Ethics extends its non-discrimination, equal opportunity, and sexual harassment policies to contractors and suppliers.

4.2.a.v Retrenchment

Calidra's Personnel Retrenchment policy contains provisions for voluntary resignations, retirements, and termination of employment by the Company based on: i) organizational restructuring¹⁶; ii) low performance of the employee; iii) non-compliance of the worker with the Code of Ethics; and iv) non-compliance with federal labor law.

¹⁶ In which case, the worker must be liquidated in accordance with local applicable labor regulations.

4.2.a.vi Grievance mechanism

Calidra's Code of Ethics describes a mechanism for workers, known as "*Honestidad Calidra*," to report violations of the code. Grievances, received, investigated, and responded to by an Ethics Committee, are treated with confidentiality during and after their investigation. The code, which provides phone numbers for Mexico and Honduras, as well as a web page, e-mail, and postal address that can receive grievances from anywhere, specifically states that people who report a non-compliance with the code "should not be subject to retaliation, as such retaliation itself represents a breach of this document."

As required by IDB Invest's previous transaction with the Company, Calidra has developed and implemented a worker grievance mechanism (*Procedimiento de Prevención y Atención de Reclamos Laborales*), which can be accessed via a toll-free phone number (with separate numbers for each country in which the Company operates, including Argentina), email, website, or a mobile application. The mechanism has procedures for receiving and addressing confidential and anonymous complaints.

4.2.b Protecting the Workforce

4.2.b.i Child labor

Following the guidelines issued by the International Labor Organization ("ILO"), Calidra does not employ anyone under 18 years of age.

4.2.b.ii Forced labor

Calidra's Code of Ethics, which applies to its contractors and suppliers, prohibits human trafficking, modern slavery, and forced labor as defined by the ILO.

4.2.c Occupational Health and Safety

Calidra's Sustainability Policy includes a section on occupational health and safety that states that the Company: i) guarantees the health and safety of its employees, providing appropriate working conditions and personal protective equipment; ii) believes in the responsibility and individual capacity of each of its employees, promoting autonomous and interdependent performance; iii) cares about the well-being, quality of life, and mental and physical health of its employees, providing support programs and favoring internal communication; and iv) promotes the active participation of employees in the development and implementation of safety, health, and well-being measures. There is also a section on occupational health and safety in Calidra's Code of Ethics.

In 2019, Calidra developed and began implementing an Integrated Health and Safety Information System (*Sistema de Información de Salud y Seguridad Integral*), an electronic platform utilized to administer, analyze, and standardize occupational health and safety procedures at its plants. In addition, Calidra has developed and is implementing a Process Safety Management (*Administración de la Seguridad de los Procesos*, or "ASP") system composed of the following elements: i) process technology; ii) process risk analysis; iii) safe operating procedures and practices; iv) management of

technology changes; v) quality assurance; vi) pre-start security reviews; vii) mechanical integrity; viii) installation management of change; ix) training and performance; x) contractors; xi) incident investigation; xii) administration of personnel changes; xiii) emergency planning and response; and xiv) audits.

Calidra has several programs to promote worker health, including an influenza vaccination campaign that was utilized by 710 employees and 31,589 virtual training courses and 57,884 virtual training hours on occupational health and safety provided to its employees in 2023. The Company's most recent Annual Sustainability Report (2023) reports 0 fatalities, 0 occupational diseases, 43 minor injuries, and 1,277 days lost to injuries in 2023, for an accident rate of 0.82. Calidra contractors reported 0 fatalities, 0 occupational diseases, 14 disabling accidents, 17 minor injuries, and 700 days lost to injuries in 2023.

At the facility level, each Calidra plant (including the three CEFAS plants) has its own occupational health and safety plan and procedures to incorporate local conditions, activities, and legal requirements into Calidra's corporate policies, plans, and procedures.

4.2.d Provisions for People with Disabilities

Calidra's Diversity Policy and Code of Ethics explicitly prohibit discrimination based on disabilities, defined by the former as any situation leading to activity limitations (i.e., difficulties in executing actions or tasks) and/or participation restrictions (i.e., problems participating in specific activities). The policy reaffirms the Company's understanding of the different needs of each individual and offers appropriate instructions for the development of professional activity.

The Company promotes accessibility in its plants and corporate facilities, including the relevant infrastructure to avoid sex biases and/or physical or mental disability.

4.2.e Workers Engaged by Third Parties

Calidra's Code of Ethics, which encompasses all Company employees, contractors, clients, and suppliers, affirms their responsibility to know, understand, and always apply it.

In addition, Calidra has a general Contractor Control Procedure (*Procedimiento de Control de Contratistas*) and a specific contractor procedure for COVID-19 (*Requisitos de Ingreso para Contratistas por Contingencia COVID-19*). It also has a Contractor Safety and Environmental Regulation (*Reglamento de Seguridad y Medio Ambiente para Contratistas*), which lists requirements for contractors on the following topics: i) general requirements; ii) general safety standards; iii) identification of contractor personnel; iv) access and exit control; v) transit at the plant; vi) order and cleanliness; vii) work outside normal hours; viii) training; ix) high-risk work; x) emergency prevention and response; xi) environmental protection; and xii) audits. The document also describes the Company's procedures for conducting audits, inspections, and verifications to ensure contractor compliance with these requirements.

4.2.f Supply Chain

Calidra's Code of Ethics, which prohibits child labor and forced labor, applies to suppliers.

4.3 Resource Efficiency and Pollution Prevention

Calidra's Sustainability Policy includes sections on the prevention and mitigation of environmental impacts (*Prevención y Mitigación de Impactos en el Entorno*) and operational efficiency (*Eficiencia Operacional*), which includes subsections on: i) environmental management integration; ii) energy and emissions (GHG and particulates) management; and iii) operational circularity.

4.3.a Resource Efficiency

4.3.a.i Greenhouse Gases

Calidra's Sustainability Policy states the Company's commitment to: i) reduce or mitigate its GHG emissions; ii) reduce its emissions through energy (electricity and/or fuels) efficiency and use of renewable energy sources (own and/or third-party); and iii) evaluate the implementation of compensation schemes with its own and/or third-party removal projects for residual GHG emissions.

Calidra's Environmental and Climate Change Policy conveys the Company's commitment to combating climate change by: i) reducing GHG emissions that are generated directly and indirectly from its operations and production processes; ii) conducting inventories (Scope 1, 2, and 3) of GHG emissions in accordance with international best practices and national legislation; iii) transitioning from fuels to less GHG-emitting alternatives, as well as the use of biofuels in the calcination process, and being carbon neutral in this process within its plants by 2050; and iv) defining objectives for reducing GHG emissions in the medium and long term.

Calidra has a goal to achieve carbon neutrality by 2050 and conduct annual GHG emissions inventories in accordance with international protocols such as the Global Reporting Initiative ("GRI") and GHG Protocol. In 2023, Calidra reported 3,270,206 tons of Scope 1 (direct) and 46,305 tons of Scope 2 (electricity consumption) carbon dioxide equivalent ("CO₂e") emissions. This was a 9% reduction from the previous year. The CO₂e emissions per ton of calcium oxide decreased from 1.11 in 2021 to 1.05 in 2023.

Calidra has developed several initiatives to reduce its energy consumption, including: i) replacement of blowers with high pressure fans; ii) increased consumption of natural gas instead of petroleum coke; and iii) use of renewable energy sources. Over half of Calidra's energy consumption came from renewable sources in 2023, including wind (90%), solar (5%), and hydropower (5%). Most of the electricity utilized by Calidra's plants in San Juan is produced by wind turbines.

Regarding the CEFAS plants, the La Laja Plant produced 305,412 metric tons (1.0 per ton of dolomite and calcium oxide), the Padre Bueno Plant produced 259,978 metric tons (0.99), and the Los Berros Plant produced 33,623 metric tons (1.24) of CO₂e emissions in 2024. Including two smaller facilities, Calidra's total CO₂e emissions for the Southern Cone was 603,998 metric tons in 2024.

4.3.a.ii Water Consumption

Calidra's Environmental and Climate Change Policy states that the Company is committed to reducing water consumption in its operations and in the lime hydration process, and to working on greater efficiency in its consumption and reuse/recycling. To make water consumption more efficient, the Company incorporates cutting-edge technology into its processes that allow the recirculation of the resource and its maximum use.

Calidra consumed 1,247,715 m³ of water in 2023, from the following sources: i) well water (1,103,518 m³); ii) surface water (2,925 m³); iii) municipal water (6,537 m³); iv) treated municipal water (62,840 m³); v) pipes (47,219 m³); vi) treated water pipes (500 m³); vii) rainwater harvesting (6,806 m³); and viii) hydration vapor recovery (17,370 m³).

The Company has several initiatives to reduce its water consumption, including: i) installation of flow meters with automatic measurement and data transmission systems in wells; ii) rainwater harvesting; iii) recovery of evaporated water from its hydration process (which results in the recovery of 46% of the water utilized in the lime hydration process); iv) treatment of potable water through wastewater treatment systems (6.8 million liters of wastewater treated in 2023); v) use of treated water from wastewater treatment plans to irrigate roads and for landscaping (over 54% of total water discharges in 2023); and vi) implementation of a grease and oil separation system that reuses water from washing mobile equipment.

In 2024, the La Laja Plant consumed 9,229 m³, the Padre Bueno Plant 73,648 m³, and the Los Berros Plant 32,825 m³ of water.

4.3.b Pollution Prevention

In addition to GHG emissions, Calidra tracks and manages other air emissions and noise. Measures to reduce air emissions include: i) engineering standards for the design of stone and lime handling systems, which reduce dust emissions; ii) extraction systems, filters, and dust collectors to control atmospheric emissions in each chimney; iii) wet dust collection systems that reduce the emission of solid particles into the environment; iv) water-based dust suppression systems (dry mist), to prevent dust emissions in stone handling systems; and v) equipment and processes that are self-contained to prevent fugitive emissions. Calidra has an annual atmospheric emissions monitoring program utilizing accredited laboratories to measure its compliance with national and international standards.

Calidra also has a noise monitoring program that includes perimeter and occupational noise monitoring. CEFAS developed and adopted a Noise Management and Monitoring Plan for the La Laja Plant as a requirement by IDB Invest's previous transaction with the Company and has recently developed similar plans for its Padre Bueno and Los Berros plants.

4.3.b.i Wastes

Calidra's Environmental and Climate Change Policy reaffirms the Company's commitment to reduce waste by classifying it and recycling when possible, and to provide employees with the infrastructure

and training necessary for the separation of hazardous waste and its differentiated management. The policy supports the use of third parties to maximize waste reuse and/or recycling. The Company also ensures strict compliance with local legislation regarding waste management. It works to promote the use of biodegradable packaging in its products, as well as their recovery to increase their useful life.

According to Calidra's most recent Annual Sustainability Report (2023), the Company recycled 42.5% of its non-hazardous waste in 2023. Non-recycled waste consisted of scrap metal (67.21%), municipal solid waste (25.03%), belts and tires (4.66%), and broken sacks (3.1%). The Company also recycled 15% of its hazardous waste.

Calidra does not discharge any wastewater into the environment. In 2023, it treated and utilized 54.81% of its wastewater for the watering of roads and landscaping, discharged 42.75% to municipal networks, and sent 2.45% for external treatment.

In addition to corporate policies and procedures, each CEFAS plant has its own waste management plan that is included in its PMA. The plans cover non-hazardous and hazardous solid waste as well as effluents.

4.3.b.ii Hazardous Materials Management

Calidra has a corporate procedure for the Management of Hazardous Materials (2015), as well as a corporate instructive for the Management of Chemical Substances, including Oxide and Hydroxide, which includes procedures for the transportation, storage, use, and management of chemical substances. Calidra Southern Cone also has a procedure for the Final Disposal of Laboratory Containers (2022) and a Procedure for the Management and Treatment of Expired Chemical Substances (2024), which apply to all three of the San Juan plants.

4.3.b.iii Pesticide Use and Management

Calidra does not directly utilize pesticides in any of its operations. It does hire certified contractors, however, to conduct disinfections and fumigations at their plants. Each plant has a procedure for this activity.

4.4 Community Health, Safety, and Security

4.4.a Community Health and Safety

4.4.a.i Infrastructure and equipment design and safety

The Project's upgrades at the three CEFAS plants will be confined to existing facilities and are therefore not anticipated to adversely impact community health and safety.

4.4.a.ii Hazardous materials management and safety

Calidra's procedures for managing hazardous materials are designed to prevent any adverse impacts to local communities as well as to Calidra's workforce.

4.4.a.iii Ecosystem services

The Project's upgrades at the three CEFAS plants will be confined to existing facilities. These activities are therefore not anticipated to have any adverse impacts on ecosystem services.

4.4.a.iv Community exposure to disease

Each of Calidra's plants utilizes certified contractors to disinfect and fumigate their plants to prevent the spread of communicable diseases.

4.4.a.v Emergency preparedness and response

Each of the Project's plants has its own emergency plan. Although these plans include procedures to notify local communities in the event of an emergency, they do not include procedures to provide local communities with information about their emergency plans. Calidra will therefore develop a Stakeholder Engagement Plan for each plant to include such procedures.

4.4.b Security Personnel

Calidra's Security Policies and Procedures (*Políticas y Procedimientos de Vigilancia*) include provisions on the following: i) security and protection plans; ii) procurement of security services; iii) security reports; iv) entry of external staff, visitors, suppliers, and service providers to the plants; and v) security and hygiene. It also includes control procedures for: i) contractors; ii) suppliers; iii) visitors; iv) exit of sold products; v) trucks for lime loading; vi) donor departures; vii) Company vehicles; and viii) workers. The section on Security and Protection Plans requires that each Calidra facility have such a plan that aligns with corporate policy and is approved by the Company's corporate security manager.

Calidra developed and implemented a Security Management Plan (*Seguridad Patrimonial*) for the La Laja Plant as a requirement by IDB Invest's previous transaction with the Company, which includes procedures on the use of force and requires that security guards be vetted for past human rights abuses and be trained in human rights. CEFAS will develop similar plans for the Padre Bueno and Los Berros plants.

4.5 Land Acquisition and Involuntary Resettlement

The Project's activities at the three plants will be confined to existing facilities. As a result, no land acquisition or involuntary resettlement will be required.

4.6 Biodiversity Conservation and Natural Habitats

4.6.a General

Calidra has a reforestation program to offset its impacts to biodiversity and has planted large areas of trees since 2015, which range from 18,298 hectares (“ha”) in 2016 to 212,741 ha in 2018. According to its most recent Annual Sustainability Report (2023), the Company reforested 45,779 ha in 2020.

4.6.b Protection and Conservation of Biodiversity

Calidra’s Environmental and Climate Change Policy requires the Company to prevent significant impacts on flora and fauna, comply with applicable regulations, and promote the conservation of biodiversity.

Although the Company’s plants conduct biodiversity surveys and monitoring¹⁷ to comply with local regulations, the upgrades of the three CEFAS plants (which will take place at existing facilities) will not adversely impact biodiversity.

4.6.b.i Modified Habitat

The CEFAS plant upgrades will take place at existing facilities, which are highly intervened and developed.

4.6.b.ii Natural and Critical Habitat

The Project is not anticipated to impact any natural or critical habitat.

4.6.b.iii Legally protected areas and internationally recognized areas

None of the Project’s activities will take place in legally protected or internationally recognized areas. The CEFAS plant upgrades will take place at existing facilities, which are modified habitat.

4.6.b.iv Invasive alien species

The Project’s activities at the three CEFAS plants are not anticipated to introduce any invasive alien species.

4.6.c Management of Ecosystem Services

The Project will be confined to existing facilities and its activities are therefore not anticipated to have any adverse impacts on ecosystem services.

¹⁷ The most recent IIA for the La Laja Plant, for example, presents the results of biodiversity surveys for both flora and fauna (arthropods, herpetofauna, birds, and mammals).

4.6.d Sustainable Management of Living Natural Resources

The Project will not involve the primary production of living natural resources.

4.6.d.i Supply chain

Calidra's Environmental and Climate Change Policy promotes a culture of care and preservation of biodiversity by each of its collaborators, including suppliers. In addition, its Code of Ethics, which applies to its contractors and suppliers, commits to protecting natural and critical habitat.

4.7 Indigenous Peoples

The three CEFAS plants in San Juan are not located near any indigenous communities and therefore will not generate any adverse impacts on Indigenous Peoples.

4.8 Cultural Heritage

The Project will be confined to existing facilities and its activities are therefore not anticipated to impact any physical cultural heritage.

5. Local Access of Project Documentation

Calidra's most recent Annual Sustainability Report can be accessed at the following website: <https://www.calidra.com/wp-content/uploads/Anual-Sustainability-Report-Grupo-Calidra-2023-english.pdf>.