

Concrete Solutions for a Sustainable Future

Sustainable Development Report 2015





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Our Cover:
Mulini Beach in Croatia, a CEMEX Building Awards infrastructure and urbanism construction project.

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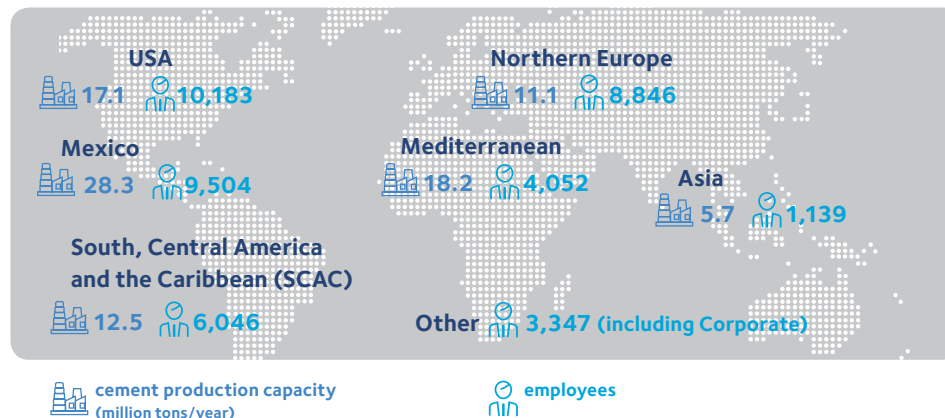
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Company Snapshot

CEMEX is a global building materials company that provides high quality products and reliable service to customers and communities in more than 50 countries. Celebrating its 110th anniversary, CEMEX has a rich history of improving the well-being of those it serves through innovative building solutions, efficiency advancements, and efforts to promote a sustainable future.



Our Sustainability Credentials



CDP Climate Disclosure Leadership Index

Recognized for the 4th consecutive year

as one of the best Latin American companies in terms of Climate Change data disclosure.



Mexican Stock Exchange Sustainability Index

CEMEX has been selected since the Index's inception in 2011.

The assessment includes performance, impact and responses to emerging environmental, social and governance (ESG) issues.

Bloomberg

As of April 2016, CEMEX was scored the highest in ESG disclosure by Bloomberg among the peers in the international cement industry as well as within the constituents of the Mexican Stock Exchange Sustainability Index.



100

UNGC 100 Index

SUSTAINABILITY STOCK INDEX 2015-2016 | powered by Sustainalytics

CEMEX remains the sole Mexico-based company selected

for the UN Global Compact 100, a global stock index that combines sustainability and financial performance.



Fortune's Change the World List

CEMEX ranked 16th in this list recognizing 50 companies that have made a sizable impact on major global social or environmental problems as part of their competitive strategy.

Employees around the world

More than
43,000

Annual cement production capacity

93
million tons

Annual production of ready-mix concrete

53
million cubic meters

Aggregates annual production level

148
million tons

Cement plants

56
+ 12 with minority participation

Ready-mix concrete plants

1,608

Aggregate quarries

305

Land distribution centers

242

Marine terminals

61

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Financial Highlights

(In millions of US dollars¹, except per-ADS data)

	2015 ³	2014 ³	% Variation
Net sales	14,127	15,288	(8%)
Operating earnings before other expenses, net	1,674	1,637	2%
Operating EBITDA	2,636	2,696	(2%)
Controlling interest net income (loss)	75	(507)	115%
Earnings (loss) per ADS ²	0.06	(0.39)	
Earnings (loss) of continued operations per ADS ²	0.02		
Earnings (loss) of discontinuing operations per ADS ²	0.04		
Free cash flow after maintenance capital expenditures	881	401	N/A
Total assets	31,472	34,936	(10%)
Total debt and perpetual notes	15,327	16,291	(6%)
Total controlling stockholders' equity	8,327	8,894	(6%)

Direct Economic Impacts

(In millions of US dollars)

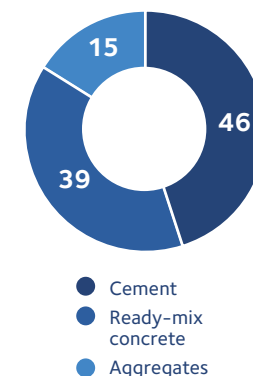
	IFRS		
	2015	2014	2013
Customers: Net sales ¹	14,127	15,288	14,815
Suppliers: Cost of sales and operating expenses ²	9,328	10,312	9,898
Employees and their families: Wages and benefits ³	2,162	2,279	2,314
Investments: CAPEX ⁴ plus working capital	471	704	807
Creditors: Net financial expense	1,151	1,334	1,418
Government: Taxes	486	558	511
Communities: Donations ⁵	(1.73%)	(0.97%)	(0.53%)
Shareholders: Dividends ⁶	0	0	0
Others	(79)	(87)	102
Free cash flow from discontinued operations ⁷	(24)	(23)	(31)
Consolidated free cash flow	628	210	(206)
Net income (loss) before taxes & non controlling interest	215	(137)	(276)

1 For the reader's convenience figures are presented in US dollars. For statements of operations accounts, these figures result from translating the local currency amounts into US dollars at the average exchange rate for the year, which approximates a convenience translation of the Mexican peso results for 2015 and 2014 using the average exchange rates of the year of 15.98 MXN/US\$ and 13.37 MXN/US\$, respectively. For balance sheet accounts, US dollar figures result from translating the local currency amounts into US dollars at the closing exchange rate for the year, which approximates a convenience translation of the Mexican peso amounts at the end of each year using the end-of-year exchange rate of 17.23 MXN/US\$ and 14.74 MXN/US\$, respectively.

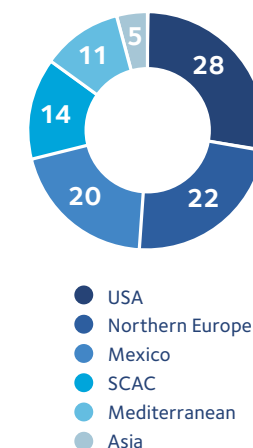
2 Based on an average of 1,353 and 1,256 million American Depositary Shares (ADSs) for 2015 and 2014, respectively.

3 Figures are under IFRS.

Sales by Product (%)



Sales by Region (%)



1 Excludes sales of assets.

2 Excludes depreciation and amortization.

3 Wages and benefits include non-operational and operational employees.

4 Capital expenditures for maintenance and expansion.

5 Donations as percentage of pre-tax income.

6 Dividends paid in cash.

7 Free Cash Flow from Austria, Hungary and Croatia operations.



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Our Offering Portfolio

Products

CEMENT. Gray Ordinary Portland Cement, White Portland Cement, Masonry or Mortar, Oil-well Cement, Blended Cement, and others.

READY-MIX CONCRETE. Made from a mixture of cement, aggregates, water and admixtures, ready-mix concrete is an extremely durable building material that can be cast into many different shapes.

AGGREGATES. Materials such as stone, sand and gravel are the primary ingredients in ready-mix concrete. Others include asphalt and mortar.

OTHER PRODUCTS. Includes granulated blast furnace slag, gypsum, fly ash, asphalt, concrete blocks, roof tiles, architectural products, concrete pipes and other precast products.



Solutions and Services

BUILDING SOLUTIONS. Development of customized energy efficient building solutions and affordable housing solutions such as ICF, EPS panels, monolithic cast in place, and others.

CONCRETE PAVEMENTS. Conventional Concrete Pavement, Short Slabs Pavement, Roller Compacted Concrete, Concrete Overlay/Whitetopping, Cement Treated Base, Soil Cement, and others.

GREEN BUILDING SERVICES. Bioclimatic architecture and engineering, modeling of buildings energy performance, international green building certifications, and others.



BREEAM®



BUILDING SOLUTIONS

Solutions and Services

CONCRETE PAVEMENTS

READY-MIX CONCRETE

CEMENT



Products

AGGREGATES



OTHER PRODUCTS



Solutions and Services

GREEN BUILDING SERVICES





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Concrete Solutions for a Sustainable Future



Dear fellow Stakeholders:

As 2015 drew to a close, the world witnessed 195 countries adopting, for the first time, a legally binding agreement to fight climate change. Also, last year, the UN adopted a set of Sustainable Development Goals (SDGs) focused on ending poverty, protecting the planet, and ensuring prosperity. All of those laudable initiatives can only be realized through collaboration among governments, the private sector and civil society—and that is why CEMEX has made sustainability one of our top corporate priorities.

As a leading global supplier of building materials and solutions, we know we have a responsibility to support society's development needs. In a resource-

constrained world we must optimize our environmental footprint and work to improve the quality of life in the communities in which we operate. In that spirit, we are raising the bar with a goal to positively impact more than 15 million people by 2020. To do so, we have also committed to strengthen our sustainability model, in part by using the UN's SDGs as a guiding template, under the overall leadership of our Board of Directors, who have established a Sustainability Committee to guide and evaluate our efforts.

At CEMEX, we have embedded sustainability in every aspect of our business. Our efforts provide growth opportunities, reduce risks and costs, and strengthen our license to operate, creating value for both our stakeholders and shareholders.

Providing concrete solutions to the challenges of urbanization and climate change involves both building materials and innovative thinking that considers the holistic needs of a community. We provide products, services, solutions and expertise that meet the most demanding standards of construction and sustainability performance. One-third of our ready-mix concrete sales are derived from products with outstanding sustainability attributes.

During 2015, we completed more than 430 resilient infrastructure projects representing more than 7.3 million m² of concrete pavement in 19 countries, including highways, mass transit projects, airport runways and city streets. This is equivalent to a 450 km, four-lane concrete highway.

Our concrete pavement efforts are an attractive business for the company, generating US\$190 million in sales.

We also continue to deliver solutions for affordable housing and energy efficient buildings. In 2015, CEMEX contributed to the construction of 2,400 units in 13 countries, equivalent to more than 147,000 m² of living space.

For more than 15 years, our corporate social programs have created significant value for CEMEX and our stakeholders. Benefiting more than nine million people worldwide, our focus on high impact social initiatives that promote inclusive, resilient, eco-friendly and self-sufficient communities contributes to the ongoing sustainability of our business.



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Rogelio Zambrano
Chairman of the Board

Our highest priority continues to be health and safety and we have a collective personal commitment to achieve ZERO injuries in all of our operations. In 2015, we continued making significant progress, reducing our employee Lost-Time Injury frequency rate by 50% compared to 2014. However, we still have much work to do. Regrettably, there were 19 fatalities involving one employee, ten contractors and eight third-parties. The loss of any individual associated with our operations is completely unacceptable and the only number we will ever celebrate is the achievement of ZERO.

In 2015, we avoided around 7.5 million tons of CO₂ compared to our 1990 baseline –



Fernando A. González
Chief Executive Officer

equivalent to the average yearly emissions of 1.4 million cars – thanks to our alternative fuel usage, clinker factor reduction and additional clean energy efforts. This represents a reduction of approximately 22% in specific net CO₂ emissions. Converting waste to fuel continues to be an important part of our approach. In 2015, 92% of our active cement plants consumed alternative fuels. Overall, alternative fuels represented close to 27% of our fuel mix including biomass, refuse-derived fuels, tires and other materials. This achievement yielded savings of more than US\$100 million. Additionally, our clean energy projects and supply agreements represented more than 16% of our total power consumption in cement operations.

At CEMEX, we endeavor to work with our stakeholders – including universities, governments, NGOs, communities, employees, customers and suppliers – to identify and address opportunities for, and challenges to, sustainable growth. Corporate citizenship is embedded in our organization and in the decisions that guide our business success. The sustainability agenda is a pillar of our business strategy and we are committed to ensuring our success contributes to the health and wellbeing of our communities and ultimately of our planet and its inhabitants.

On behalf of CEMEX's Board of Directors, our management team and our employees, we want to thank our external Advisory

Panel for their valuable contributions. We also want to thank the individuals, organizations and communities we work with on a daily basis, for taking an interest in the sustainable development of our company and in the solutions we provide.

Sincerely,

Rogelio Zambrano
Chairman of the Board

Fernando A. González
Chief Executive Officer





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CEMEX Sustainability Reporting Highlights

- Release of a Sustainable Development Report for **13 consecutive years**
- Has followed the GRI reporting guidelines for 8 consecutive years. From **2008** to **2013** CEMEX met an application level of **A+** using **GRI-G3**. As of **2014** we migrated to the **GRI-G4** guidelines, using the 'in accordance' comprehensive option
- As a signatory of the **UN Global Compact** since **2004** CEMEX aligns its operations and strategies with the **10 UNGC Principles** and annually communicates its progress at the Advanced Level
- This report showcases CEMEX's commitment and contributions to the recently launched **2030 UN Sustainable Development Goals** (SDGs)
- Since 2007, an **independent audit** for our main sustainability KPIs is **yearly conducted**
- As a founding **member of the Cement Sustainability Initiative (CSI)** under the World Business Council for Sustainable Development (WBCSD) we operate in compliance with its guidelines and protocols
- Since **2008**, CEMEX engages an **External Advisory Panel** to provide formal input on our reporting process, helping us continuously improve the quality and comprehensiveness of our information



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Anchoring Sustainability to Our Business



Our Sustainability
Committee assesses the
efforts and challenges to
fully integrate sustainability
in the business strategy



CEMEX applauds the UN
Sustainable Development
Goals and commits
to contribute to their
achievement



We strive to
progress towards our
sustainability core KPIs
2020 targets



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1.1

CEMEX's Sustainability Approach

As our global population rises and urban infrastructure expands, building sustainable cities is both a challenge and a priority. As a global company, we have the power to make a real impact through our innovative services and solutions.

To do this, everyone at CEMEX must be onboard. That's why we make it a top priority to share our sustainability goals, programs and initiatives with all employees, including our Board of Directors. With their support and guidance, we are empowering our communities and promoting well-being for all.



At CEMEX, sustainability starts with our Board of Directors and then is rolled out across the entire organization.



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Reporting directly to the Board of Directors along with the Audit and the Corporate Practices & Finance Committees, our Sustainability Committee is comprised of three board members and one secretary and is supported by our Corporate Sustainability function, who reports to a member of the Executive Committee. To ensure sustainability is embedded into the entire business, we have coordinators representing each of the geographical regions where CEMEX operates. In parallel, under the guidance of Corporate Sustainability, our Global Sustainability Functional Network integrated by employees from all countries and different expertise, work together to implement our core sustainability initiatives at each of our business units. With this integrated approach, we're making sure sustainability reaches all operations and business lines.

The Board-aligned Sustainability Committee is responsible for:

- Embedding sustainability in CEMEX's strategy
- Assisting the Board in its sustainability-related responsibilities to shareholders
- Endorsing CEMEX's Sustainability Model, Priorities and Core KPIs
- Assessing the effectiveness of sustainability initiatives and the progress of implementation
- Guiding the CEO and the Executive Committee on key strategic sustainability decisions

During 2015, the CEMEX Sustainability Committee held quarterly meetings and discussed a range of topics including core KPI performance and benchmarking, sustainability reporting, CO₂ strategy, health and safety, stakeholder engagement, environmental management, human rights, conservation, biodiversity and overall sustainable development.

Our Strategy is supported by four main pillars, being Sustainability one of them.



Sustainability Management Structure ¹





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CEMEX Sustainability Material Issues

Our Sustainability Materiality Matrix allows us to identify issues of highest importance to CEMEX and our stakeholders, define risks, opportunities and KPIs, and report and set targets. That's why it's essential we foster an inclusive dialogue with our worldwide stakeholders including employees, customers, suppliers, investors, universities, government and community leaders to ensure their top priorities are our top priorities. Basing our Sustainability Materiality Matrix on stakeholder analysis ensures we are aligning our time, resources and investment accordingly.

For our latest survey, 11,000 invitations were issued to stakeholders in all geographical regions where CEMEX has presence. This sample was determined based on the total sales of each of these groups. The survey was translated into seven languages and we received approximately 1,500 responses that shaped a new Materiality Matrix.

Surveys were completed by:

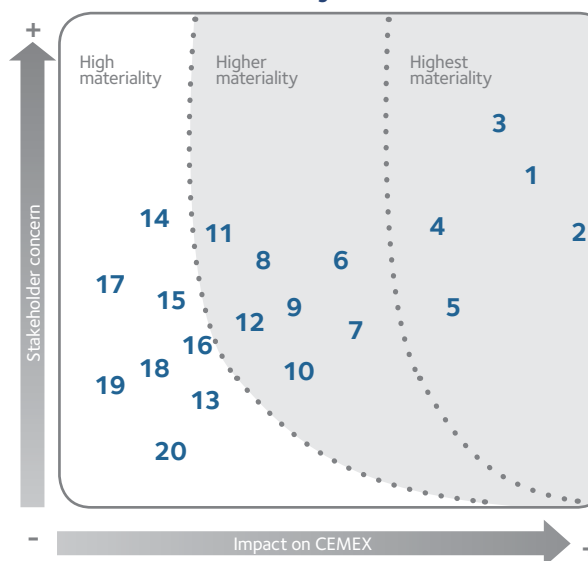
1. Key CEMEX directors/managers
2. Four main stakeholder categories
 - CEMEX Employees
 - CEMEX Clients
 - CEMEX Suppliers
 - Non-market stakeholders (divided in four sub-categories):
 - Community/Communication leaders
 - Analysts/Investors/Shareholders
 - Government/Administrations
 - NGOs/Associations/Foundations/Universities

Results from the four main stakeholder categories – employee, client, supplier and community – were used to construct the vertical axis within the Materiality Matrix weighting them equally (25% each). The results of the CEMEX key directors'/managers' surveys were analyzed as a whole and represented on the horizontal axis of the Matrix.

This analysis facilitated the identification of our 20 most relevant sustainability-related issues, which we have classified into three categories: high, higher and highest materiality. For further details on

the material issues by region please refer to our website. This report focuses on issues of higher and highest materiality and reflects our top priorities based on our comprehensive stakeholder consultation.

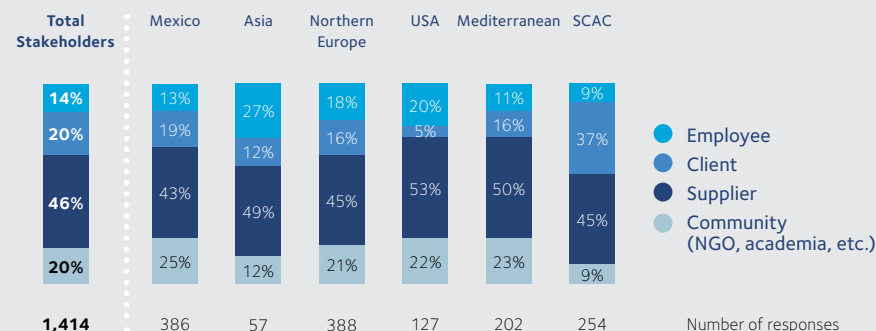
Materiality Matrix



1. Economic value creation
2. Customer engagement and satisfaction
3. Health and safety for our employees, contractors and third parties
4. Climate change and CO₂ emissions management
5. Renewable and alternative energy sourcing
6. Corporate governance and transparency
7. Employee relations and engagement
8. Products, services and solutions to improve lifestyle in cities
9. Air quality management (SO_x, NO_x and other emissions)
10. Human rights and ethics in business
11. Products, services and solutions for high energy efficiency
12. Community engagement and development
13. Risk management
14. Quarry rehabilitation, biodiversity preservation and ecosystems management
15. Responsible and sustainable management of the supply chain
16. Products, services and solutions for low income families
17. Water use and recycling
18. Waste generation, disposal and recycling
19. Transport and logistics optimization
20. Environmental incidents management

CEMEX Sustainability Material Issues Survey

Sample description



In 2016, we will conduct another round of stakeholder surveys and update this matrix accordingly.



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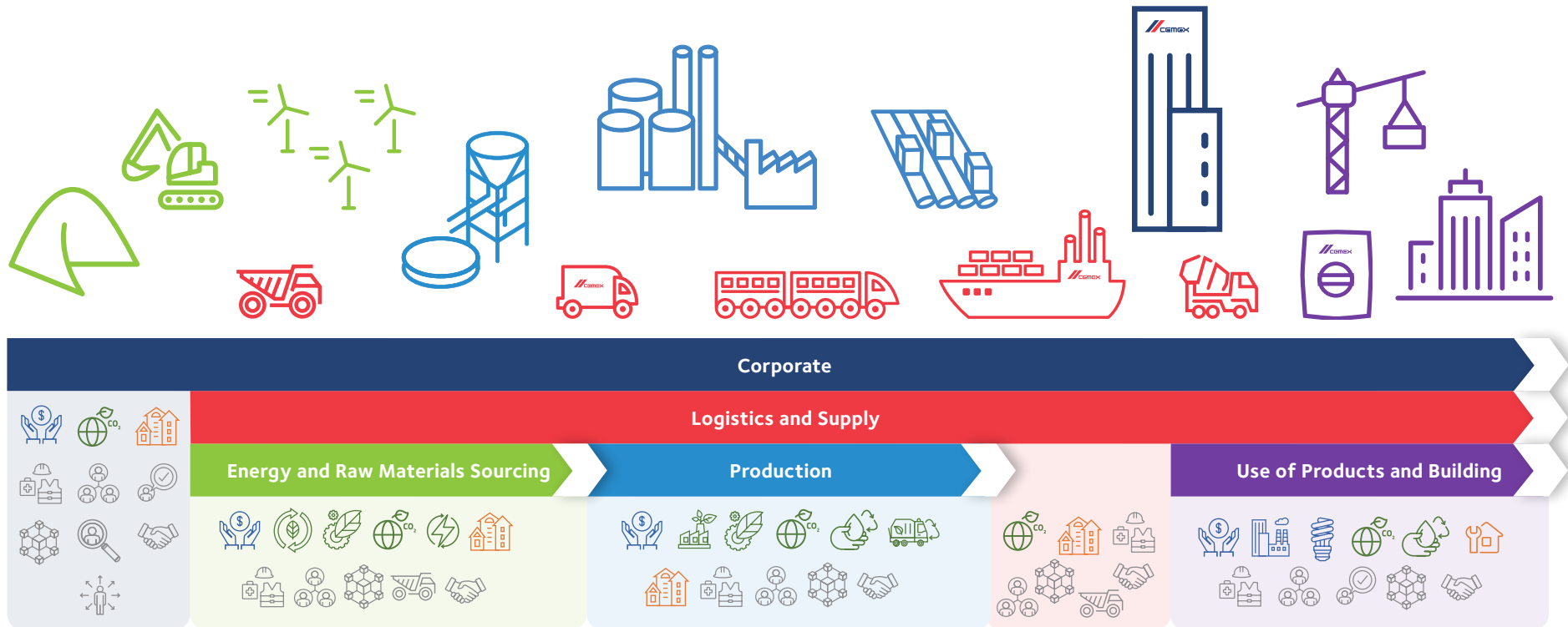
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Sustainability Material Issues Across Our Value Chain



We have integrated our materiality matrix into our business strategy by identifying where the issues of highest importance to our stakeholders have the greatest impact on our value chain. In addition, each of these 20 material issues have been classified under the appropriate sustainability pillar – Economic, Environmental, Social and Governance – to ensure we align our strategy with our sustainability model.

Our materiality issues classified by the sustainability pillars



Economic Value Creation



Products, services and solutions to improve lifestyle in cities



Products, services and solutions for high energy efficiency



Air Quality Management



Quarry rehabilitation, biodiversity preservation and ecosystems management



Environmental Incidents and Management



Climate Change and CO₂ Emissions



Renewable and Alternative Energy Sourcing



Water use and recycling



Waste generation, disposal and recycling



Community engagement and development



Products, services and solutions for low income families



Health & Safety



Employee Relations and Engagement



Customer Engagement and Satisfaction



Responsible and sustainable management of the supply chain



Transport and logistics optimization



Corporate Governance and Transparency



Human rights and ethics in business



Risk management

Blue: Economic
Green: Environmental
Orange: Social
Gray: Governance



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Risks and Opportunities

In 2011, CEMEX created an Enterprise Risk Management (ERM) function under the umbrella of our Strategic Intelligence Unit (SIU). Since then, risk management has become an essential part of how we respond to a global climate full of increasing competitiveness and emerging risks and uncertainty. Through the ERM process, we identify risks and gather timely information, allowing us to implement mitigation, reporting and monitoring measures and assign roles and responsibilities. With these practices in place, we are becoming a more resilient organization.

Due to the increasing importance of sustainability-related risks, we launched a sustainability-specific ERM in 2015 led by both our Corporate ERM and Sustainability Teams. Within this process, global, regional and country-specific risks were identified and classified into 25 categories that aligned with our CEMEX Sustainability Model. These risks were then ranked according to their economic and reputational impact and likelihood of occurrence. From here, we established priorities focusing on those risks most relevant to our operations worldwide.

From this assessment executed in 2015, the sustainability-related risks of greatest impact and likelihood of occurrence resulted:

- Business disruption due to tightening regulations on land use and biodiversity
- Labor activism and unrest, or failure to maintain satisfactory labor relations
- Reputational damage due to increasing social concern surrounding public health issues in the industry
- Increasing costs due to climate change and the increasing impact of natural disasters

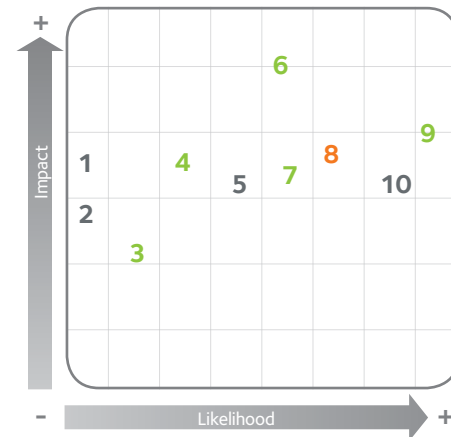
Top 10 risks in terms of **likelihood**

- 1 Business disruption due to tightening regulations on **land use & biodiversity** management
- 2 Labor activism and unrest, or **failure to maintain satisfactory labor relations**
- 3 Reputational damage due to increasing social concern surrounding **public health** issues in our industry
- 4 Increasing **energy costs** due to limited competitive sources
- 5 Fines and reputational damage due to stricter **air quality regulations**
- 6 Reputational damage and increasing costs due to fatalities & LTIs among our employees, contractors and third parties – **health & safety**
- 7 Increasing costs due to new **carbon regulations & taxes** and the unpredictability of **carbon pricing**
- 8 Business disruption and reduced sales due to economic and social instability within our **local communities**
- 9 Increasing costs due to climate change and the increasing impact of **natural disasters**
- 10 Fines and reputational damage due to stricter **noise-related** regulations

Top 10 risks in terms of **impact**

- 1 Fines and reputational damage due to stricter **air quality regulations**
- 2 Business disruption due to tightening regulations on **land use & biodiversity** management
- 3 Increasing costs due to new **carbon regulations & taxes** and the unpredictability of **carbon pricing**
- 4 Increasing **energy costs** due to limited competitive sources
- 5 Potential fines and reputational damage due to human rights, antitrust or bribery negligence – **ethical governance**
- 6 Reputational damage due to increasing social concern surrounding **public health** issues in our industry
- 7 Reputational damage and increasing costs due to fatalities & LTIs among our employees, contractors and third parties – **health & safety**
- 8 Labor activism and unrest, or **failure to maintain satisfactory labor relations**
- 9 Business strategy implementation risk derived from not having broad **stakeholder management** systems
- 10 Increasing costs due to climate change and the increasing impact of **natural disasters**

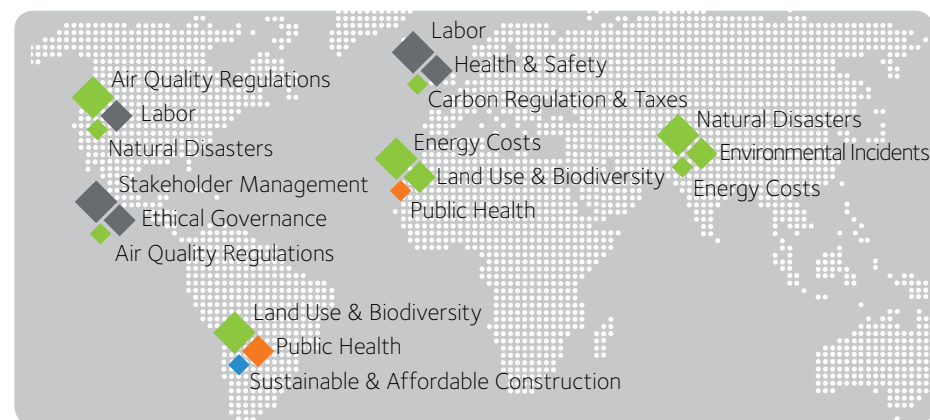
Top 10 Risks Matrix



1. Ethical Governance
2. Stakeholder Management
3. Natural Disasters
4. Carbon Regulation & Taxes
5. Health & Safety
6. Air Quality Regulations
7. Energy Costs
8. Public Health
9. Land Use & Biodiversity
10. Labor

Sustainability Risk Map

A Regional Perspective



- ◆ Economic
- ◆ Environmental
- ◆ Social
- ◆ Governance

- 1st
- 2nd
- 3rd
- Ranking position in each region

At CEMEX, we take a positive perspective when evaluating our risks. Through the ERM process, our Top Management identifies actions to transform some of these risks into business opportunities that help generate greater revenue and reduce costs.



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Our Sustainability Model

An extensive process of both internal and external consultation and a deep analysis of the major global societal challenges where CEMEX can have a significant contribution informed our sustainability model. Anchored by four main objectives under economic, environmental, social and governance, the model is supported by 13 top priorities that ensure sustainability is embedded into our business and value is created for our stakeholders.

Global Societal Challenges

Our Sustainability
Objectives

Our Sustainability Priorities

CEMEX SUSTAINABILITY MODEL

Economic

Relentless Population
Growth and Urbanization

Provide Resilient
Infrastructure and
Energy-Efficient
Building Solutions

- Providing sustainable products and services
- Delivering solutions for affordable and resource/energy efficient buildings
- Implementing resilient and low-impact infrastructure

Environmental

Climate Change,
Resource Scarcity and
Biodiversity Loss

Enable a Low-Carbon
and Resource-Efficient
Industry

- Optimizing our carbon footprint through the use of alternative fuels and raw materials as well as clean energy
- Minimizing air emissions and enhancing our environmental management
- Conserving land, biodiversity and water

Social

Poverty, Income
Inequality, Aging
Population and
Unemployment

Implement a
High-Impact Social
Strategy to Empower
Communities

- Actively participating in the development of sustainable communities
- Creating social and inclusive business opportunities
- Promoting empowerment, diversity and community capacity-building

Governance

Increasing Expectations
for Private Sector
to Act Responsibly
and be Proactive

Embed Our Core
Values into
Every Action

- Placing health & safety first
- Ensuring satisfied customers and responsible suppliers
- Engaging and retaining our talent
- Strengthening business ethics, compliance and transparency





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1.2

Progress and Challenges Towards Our Targets

To keep our sustainability objectives on track, we have set targets for our core KPIs that are strategically aligned to our sustainability model and linked to the material issues identified by the company.

2020 targets were established for our core sustainability indicators except for those requiring to yearly comply with a specific level of performance, for which ambitious annual goals were assigned.



All these targets allow us to track our progress and adjust our plans as needed to ensure we meet our goals.



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Progress Against Our Targets

Economic	2014	2015	2020 Target	Annual Target
Green building projects under certification where CEMEX is involved (million m ²)	7.08	6.42	TBD	
Annual ready-mix sales derived from products with outstanding sustainable attributes (%)	30	33	N/A	≥ 25
Affordable and/or resource-efficient building projects where CEMEX is involved (million m ²)	0.18	0.15	TBD	
Installed concrete pavement area (million m ²)	8.14	7.32	TBD	
Environmental				
Alternative fuel rate (%)	27.7	26.6	35	
Reduction in CO ₂ emissions per ton of cementitious product from 1990 baseline (%)	22.6	21.6	25	
Clinker produced with continuous monitoring of major emissions: dust, NO _x , SO _x (%)	84	84	100	
Annual reduction in dust emissions per ton of clinker from 2005 baseline (%)	55	70	N/A	≥ 50
Annual reduction in NO _x emissions per ton of clinker from 2005 baseline (%)	42	46	N/A	≥ 30
Annual reduction in SO _x emissions per ton of clinker from 2005 baseline (%)	60	57	N/A	≥ 20
Active quarries with high biodiversity where BAPs are actively implemented (%)	55	61	100	
Specific water consumption: Cement (l/ton) Ready-mix (l/m ³) Aggregates (l/ton)	360 185 132	346 207 134	TBD	
Social				
Total number of individuals benefited from our social and inclusive businesses (million)	2.6	2.9	TBD	
Total number of individuals benefited from our social initiatives (million)	6.9	9.7	≥ 15*	
Governance				
Total fatalities (employees, contractors and third parties)	27	19	0	
Lost Time Injury Frequency Rate (LTI FR), employees (per million hours worked)	1.2	0.6	0.3	
Countries that conduct regular customer satisfaction surveys (%)	78	85	≥ 90	
Global procurement spend assessed under the <i>Supplier Sustainability Program</i> (%)	12	13	≥ 55	
Employees that perceive they are enabled to perform their job effectively (%)	79	76	83	
Employees that are engaged to the company (%)	77	76	80	
Executives and employees actively aware of our Code of Ethics (%)	80	80	≥ 90	
Target countries that participated on the <i>Global Compliance Program</i> covering antitrust, anti-bribery and insider trading (%)	90	100	N/A	≥ 90
Ethics and compliance cases reported during the year that were investigated and closed (%)	91	74	N/A	≥ 90

TBD (To Be Defined): For some indicators, we are still benchmarking performance in order to obtain a robust baseline to define sufficiently ambitious 2020 targets.

* Given that our former goal of benefiting ≥10 million people is about to be achieved, a new target for 2020 has been established. The main reasons of the significant increase in the beneficiaries from our social strategy are:

1) Update of our methodology to estimate this figure in order to integrate the individuals benefited from our community infrastructure initiatives

2) Scalability of some of our existing social projects

3) New social initiatives and businesses added to our portfolio



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Challenges Ahead



- Continue to develop innovative technology and solutions that further advance the sustainability of commercial, residential and industrial buildings



- Create stronger, collaborative relationships with experts across the construction value chain to optimize sustainability results

- Generate a greater understanding among building and design professionals as well as the local communities about the value and long-term benefits of sustainable urbanism and resilient infrastructure



- Create strategic partnerships to chase green building challenges such as LEED certifications, and zero energy consumption in buildings



- Improve our operations' Energy Efficiency by:
 - Increasing our alternative fuels consumption rate
 - Decreasing our clinker factor
 - Reducing CO₂ emissions



- Measure and quantify all of our impacts to ensure we reduce our Environmental Footprint



- Preserve the biodiversity in and around our quarries, increase our water efficiency and control our water waste to expand our conservation efforts



- Expand the scope of our programs and further empower our communities



- Remove financing roadblocks that prevent many in our local communities from building and owning their homes



- Preserve and nurture our alliances so we can continue to generate shared value and growth opportunities to our communities



- Extend strategic corporate citizenship efforts including employee volunteering



- Fulfill our Zero4Life commitment



- Keep 100% our suppliers abreast of all relevant sustainability policies

- Provide our employees with all of the support they need to feel encouraged, engaged and set up for success



- Remain committed to our Code of Ethics





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1.3

Contribution to the UN Sustainable Development Goals



Over the past 15 years, the United Nations Millennium Development Goals (MDGs) provided a vital framework and focal point for driving progress against poverty and other development challenges the world's most vulnerable populations are facing.

In 2015, world leaders worked together once again to formally adopt a 2030 Agenda and establish a new set of 17 Sustainable Development Goals (SDGs) and 169 related targets that address the most important economic, social, environmental and governance challenges of our time.



CEMEX recognizes that consistent collaboration among all parties is necessary to support these new goals, and that businesses are vital in the equation for long-term success.



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Setting New Ambitions for Sustainable Development

We are responsible for applying our innovative products, solutions and business models to solve challenges –ranging from climate, environment and energy issues, to poverty, lack of infrastructure and access to quality education– to maximize our positive impact on people and the planet while minimizing any negative impacts.

Helping achieve the SDGs is not only the responsible thing to do, it is also strategically relevant from a risk and growth standpoint. The SDGs foster new business opportunities and build markets and relationships

around the world, all while improving our environment and society's quality life.

As a clear commitment to the achievement of the SDGs, and after reaching more than 9 million beneficiaries through our high-impact social programs, CEMEX has set a target of positively impact more than 15 million people by the year 2020. To achieve this ambitious goal, we are working alongside organizations such as Habitat for Humanity, the Inter-American Development Bank, and the Clinton Global Initiative.

Our social initiatives aim to make cities and communities more inclusive, safe, resilient

and sustainable. By building strong, high-quality infrastructure, undertaking actions to combat climate change, and offering sustainable products and solutions, we contribute to the SDGs and reinforce our commitment to building a better future. CEMEX promotes sustainable development on all levels –economic, social and environmental– and our sustainability framework aims to tackle major challenges and contribute to the SDGs in several ways.

Through our social approach, CEMEX directly contributes to the implementation of several SDGs, as recognized by the

report "Business and the SDGs: Building Blocks for Success at Scale" published in 2015 by the *Harvard Kennedy School CSR Initiative and Business Fight Poverty*.

Since 2008, we have used the Global Reporting Initiative (GRI) guidelines to enhance our reporting, and this year is no exception. In fact this year our GRI Context Index shows a cross check with the UN Global Compact principles and with the UN SDGs. We are also including details on how our initiatives and activities contribute to the achievement of the Global SDG's. ∞



**SUSTAINABLE
DEVELOPMENT GOALS**
17 GOALS TO TRANSFORM OUR WORLD

SDGs	How CEMEX contributes to their achievement
1 NO POVERTY 	<ul style="list-style-type: none"> • Creating jobs in the communities where we operate • Developing high-impact social programs that target low-income families, enabling access to housing through microfinance and promoting self-employment opportunities (e.g. Patrimonio Hoy, Construyo Contigo, etc.)
2 ZERO HUNGER 	<ul style="list-style-type: none"> • Contributing to the UN World Food Program in countries like Egypt • Implementing our Home Gardens initiative that provides vegetable cultivation skills to community members to produce food that enhances their family's nutrition
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> • Declaring health and safety the company's top priority • Promoting community health through educational programs • Thermal mass of concrete is involved into inside comfort of the buildings which has a positive effect on inhabitants health

SDGs	How CEMEX contributes to their achievement
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> • Constructing Community Centers that develop the skills needed to secure employment or start a small business • Participating in New Employment Opportunities (NEO), a program focused on providing youth with opportunities to enhance their employability • Installing CEMEX sports and dance academies for children in vulnerable communities • Offering training and development opportunities to our employees • Integrating disabled people as part of our workforce • Establishing Corporate Lands for Learning program jointly with Wildlife Habitat Council in US
5 GENDER EQUALITY 	<ul style="list-style-type: none"> • Implementing programs to empower women both in our workforce and in the communities (e.g. Todas Somos Esperanza, ANSPAC, CEMEX Women Forum, etc.) • Promoting diversity within our business units through flex-time for mothers, private breastfeeding facilities, salary equality, etc.



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SDGs	How CEMEX contributes to their achievement
6 CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> Tracking our water consumption and implementing sustainable water management practices. 84% of our sites implement water recycling systems Improving communities sanitation and access to safe water through the distribution of green technologies such as dry toilets and the CEMEX eko-stove
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> Sourcing more than 16% of our power in cement operations from sustainable energy CEMEX Energia to develop power projects in Mexico including clean energy (e.g. Ventika Wind Farm)
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> Providing a living wage to all CEMEX employees across the globe while protecting their labor rights in a safe and respectful work environment Generating employment opportunities for local suppliers, who account for 95% of our worldwide purchases Offering training opportunities to community members, especially youth and women, helping them secure employment and improve family income Developing high-impact social programs that promote economic growth and generate employment opportunities
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> Delivering solutions for affordable housing and energy-efficient buildings Implementing resilient concrete pavements R&D dedicated to designing and engineering sustainable products
10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> Creating jobs in the communities where we operate making employment decisions based solely on merit regardless of age, race, ethnicity, religion, disability, political affiliation, marital status or sexual orientation Upholding the fundamental human rights of our people by complying with child and forced labor prohibitions and avoiding any kind of discrimination Collaborating with international organizations supporting human rights, labor, environment and business ethics, such as the UN Global Compact
11 SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> Improving access to affordable housing for low-income families through our social and inclusive businesses Providing vulnerable communities with access to basic services through sustainable initiatives, such as the CEMEX eko-stove Delivering solutions for resilient and energy-efficient infrastructure Partnering with international organizations such as Habitat for Humanity and joining initiatives such as 100 Resilient Cities aiming to upgrade slums and improve people's housing quality and safety

SDGs	How CEMEX contributes to their achievement
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> Designing ready-mix concrete products with superior sustainable qualities, including a lower carbon footprint, water and energy efficiency, noise and temperature reduction, and others Ensuring a sustainable management and efficient use of natural resources is embedded in every phase our business Extending our sustainability approach to our supply chain through initiatives including the Suppliers Sustainability Program Providing consumers with Green Building Services that deliver bioclimatic architecture and engineering, resource-efficient designs and sustainable materials
13 CLIMATE ACTION 	<ul style="list-style-type: none"> Defining a clear Global CO₂ Management strategy including carbon mitigation actions such as usage of alternative fuels, power from clean energy sources and decarbonated raw materials such as fly ash, slag, etc. Creating a robust portfolio of CO₂ reduction projects registered under the UN Clean Development Mechanism (CDM) and the Verified Carbon Standard (VCS)
14 LIFE BELOW WATER 	<ul style="list-style-type: none"> Executing a sustainable management of our marine terminals and minimizing impact on the oceans
15 LIFE ON LAND 	<ul style="list-style-type: none"> Implementing Biodiversity Action Plans (BAPs) and Rehabilitation Plans in our quarries. Currently the progress is 61% and we plan to reach 100% Offsetting our sites impact through <i>El Carmen</i> nature reserve, where there are 8.4 hectares in conservation per each hectare affected by our operations Developing annual conservation books with recognized NGOs in addition to CEMEX Nature website to promote our world's natural diversity
16 PEACE AND JUSTICE 	<ul style="list-style-type: none"> Implementing a Code of Ethics throughout all of our operations to ensure that employees abide by the same high standards of conduct in their daily interactions Encouraging our employees, stakeholders and the general public to submit suggestions, inquiries and report alleged ethics, compliance or governance violations through ETHOS Line, an open and confidential communication channel Establishing Human Rights policy aligned to the UN Global Compact Principles
17 PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"> Building a comprehensive list of strategic global and local partnerships and alliances to multiply our sustainability efforts and move forward towards our targets Participating in forums, coalitions and initiatives to support responsible growth and promote sustainable practices



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2

Creating Resilient and Efficient Infrastructure and Buildings



3 building projects obtained the ecoperating™ certification by demonstrating superior energy performance and a sustainable design



31 million m² of concrete paving installed in the last 4 years



13 countries where we offer affordable housing and energy efficient building solutions



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2.1

Providing Sustainable Products, Solutions and Services

One of CEMEX's main strategies for growth is ensuring that high-end concrete technology is adequately developed and delivered to meet building and design challenges, while advancing the sustainability of structures.

Leveraging years of experience from our experts around the globe, we offer a customer-centric approach to product development that enhances the value of our services through sustainable solutions.



In 2015, CEMEX invested more than US\$41 million in research and development (R&D) efforts for new construction solutions and products that address the challenges of urbanization and climate change.



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Building a Sustainable Future with Emotional Appeal

With an R&D philosophy driven by industrialization, CEMEX's *Materials by Design™* provides a new approach that encompasses the ready-mix production process, making it easy to deliver innovative concrete technologies and construction solutions to our customers. CEMEX product development encompasses a group of specialists and researchers that range from material scientists, to commercial strategists and anthropologists. A mix that allows CEMEX to uniquely introduce additional dimensions to our novel technologies.

CEMEX is engineering and designing technologies for a sustainable future by making sure that the materials, production processes, and performance of products promote an efficient use of resources. This includes using recycled materials and constituents with low CO₂ footprint.

Leveraging years of experience, a worldwide pool of knowledge, and state-of-the-art expertise, we offer a variety of cutting-edge products, services, and solutions that meet the challenges of urbanization. Thanks to its many sustainable attributes, our concrete is a key component in the construction of durable, energy-efficient buildings improving the overall ecological design and symbiosis of cities. Among its benefits, our concrete solutions help improve land use, water management and energy efficiency, mitigate noise pollution and lower buildings' carbon footprint. In 2015, our portfolio of concrete products with outstanding sustainability attributes accounted for approximately 33% of our ready-mix revenues.

Our experts from the CEMEX Research Group AG in Switzerland and the CEMEX Cement and Ready-Mix Technology Center in Mexico design products that fulfill the construction industry's increasingly



demanding performance requirements, while incorporating customer-centered strategies. These strategies focus on creating strong

emotional ties to a material that has long been considered "dull," but is an integral part of sustainable construction.

CEMEX Celebrates Concrete in the City of Lights

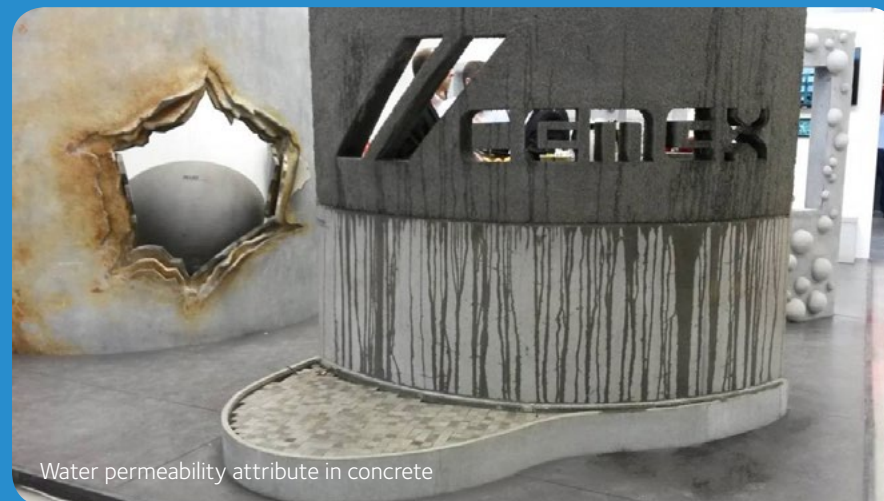
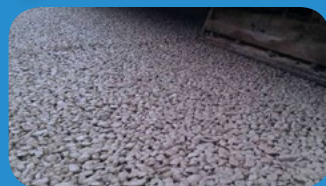
In 2015, CEMEX presented a dynamic exhibition at the *World of Concrete Europe*, held in Paris. Specialty concretes were presented in unexpected ways to show how CEMEX is not only designing advanced materials, but also finding alternative, more sustainable uses and applications. A booth constructed of 100% concrete was assembled, celebrating the material's relationship to the four basic elements: Earth, wind, fire and water.

CEMEX global brands, including *Resilia*, *Pervia* and *Insularis*, were showcased and allowed customers to interact with the technology first-hand.



▼ Pervia

Insularis ▲



Water permeability attribute in concrete



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Highlighted Projects

CEMEX provides technologies that allow customers to connect with concrete in unique physical and emotional ways. Here are some highlights from 2015:

Water Drainage Solutions

We contribute to reduce athlete injuries with our innovative new water management solutions. *Pervia* technology, a sub-base concrete floor, finishes with a polyurethane texture, allowing water to drain from the court while providing a non-slip surface during rainy conditions.

Poroflow Technology Provides Energy Efficiency at Panorama Tower

Poroflow is a cast leveling and insulating mixture-based foam concrete that allows easy and fast heat insulation. It also compensates for any surface irregularities –no matter the size and scope– or installation wiring. Breathable, *Poroflow*

contributes to healthy living as it doesn't support mold formation caused by many normal activities in a home.

Panorama Tower in Bratislava, Slovakia, was constructed using the light-weight thermal insulating floor. *Poroflow* foam concrete served as the filling of the steel deck and was the only technology capable of being pumped to 85 m without losing performance properties.

Insularis Showcases Versatility of Concrete

Lightweight and high performance, CEMEX *Insularis* provided the winning combination for the Ataraxia project in Tour, France. The construction of the prestigious collective building fulfilled thermal regulation RT 2012 while also achieving the architectural finish envisioned in the design.

White *Insularis* technology was also used to create the state-of-the-art Oak House in Barcelona, Spain. While providing the desired aesthetic finish, it also enhanced its thermal insulation.

Hidratium Technology Enhances Innovative Church Design in Colombia

Builders constructing the Santa María de los Caballeros Chapel in Bogota, Colombia, turned to CEMEX's *Hidratium* to achieve the distinctive design elements envisioned by the architect. The innovative technology helps maintain adequate levels of moisture –reducing water evaporation by approximately 80%– while maintaining the color of the concrete, as well as curing and enhancing the finished texture.



Santa María de los Caballeros Chapel | Bogota, Colombia

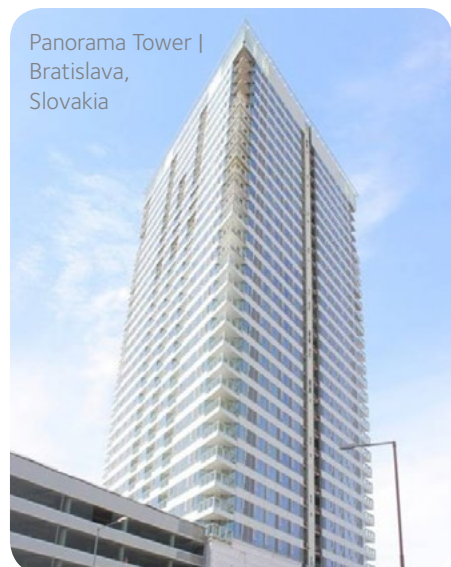
***Hidratium*, our unique, ready-mix concrete with self-curing properties has permeated other markets, including Mexico, France, Czech Rep. and Germany.**

Public Safety Improved with Promptis

Promptis, the rapid hardening and control-set concrete solution manufactured by CEMEX EcoCrete, was selected for a major government repair project in Manila at the Philippines. The rehabilitation of the Ayala Bridge was critical to ensure the safety of public infrastructure that serves as an important path for vehicles traversing Manila's major roads. Unlike conventional ready-mix concrete, *Promptis* technology makes this product an ideal option for any one-day concrete application in public road works.



Ayala Bridge | Manila, Philippines



Panorama Tower | Bratislava, Slovakia



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R&D Efforts with Syracuse University Further Demonstrate Creativity with Concrete

Following a presentation by CEMEX to professors and students at Syracuse University School of Architecture, Professors Julie Larson and Roger Hubeli submitted a proposal to work with CEMEX on two projects:

- The Pavilion project focused on thinness and showcased a pavilion built with *Insularis* and *Resilia*. The lightweight, high-performance properties made it possible to cast the complex shape instead of wood or cardboard. The project clearly demonstrated opportunities to create thinner and lighter designs, while optimizing visual aspects and living areas
- In a project to redefine the spirit of place, a "Tower of Tiles" was constructed using *Resilia*, *Insularis* and *Promptis* technologies. The CEMEX technologies allowed for the construction to take place in an extremely short amount of time (demolding after four hours) and showcased the opportunity to improve productivity in a very complex precast design



Further details at:



Green Building Solutions

At CEMEX, we believe in leading by example. Recently, our CEO signed a new Green Building Management and Certification Policy to mitigate potential negative impacts associated with the design, construction and operation of our buildings, with a special focus on new industrial and office buildings, that are company owned, rented or leased. The new policy mandates that new facilities achieve a green building certification, such as green building programs LEED and BREEAM.

We also work collaboratively across the construction value chain to optimize results and maximize profits as we partner with national and international experts to complement our skills and provide a complete array of specialized services in sustainable construction.

CEMEX is working to ensure a pipeline of Green Building certified projects that represent more than 6.42 million m².

Our Green Building Services offering includes:



Green Building Certifications (LEED, BREEAM, etc.)



Bioclimatic Architecture



Energy Efficient Engineering



Sustainable Materials and Solutions Development



ecoperating™ Building Certification and Product Seal



Urban Development Consultancy

CEMEX Products Assist in Green Building

For years, the perception of green building has been changing in Poland. With the growing interest, CEMEX Poland provides customers with a "green card products" listing for concrete and aggregates. The card contains all the relevant data with respect to LEED and BREEAM certifications to help customers make informed product choices. CEMEX product attributes include reducing CO₂ emissions, minimizing construction waste and enhancing heat stability, allowing for innovative and energy-efficient climate control.



CEMEX product's innovations for sustainable construction also included:

- **Supaflo C**, a new cement-based, self-leveling screed that is easy to pump and significantly improves productivity for contractors. It can be used in areas subject to wet conditions.
- **Pervia** concrete addresses the building and construction need for a structural permeable concrete product that can be used in large areas of surfacing and minimizes water runoff. *Pervia* can help prevent possible flash flooding and pollution of water tables and other water sources.

- **Ready Wallform** is a practical and energy-efficient construction solution suited for all building applications. The insulated concrete system is quick to construct but offers levels of energy performance significantly better than slower, more traditional approaches to building.

For a full list of our products, their outstanding sustainability attributes and safety data sheets, please visit [our webpage](#).



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Expanding ecoperating™

Launched in 2012 to help identify the most sustainable products, services and solutions in construction projects, the visibility of the ecoperating™ seal has continued to grow. By expanding the scope of the seal to buildings, ecoperating™ allows us to acknowledge the efforts of our clients to deliver sustainable projects that go beyond business-as-usual.

ecoperating™ certified buildings demonstrate superior efficiency on energy and water consumption as well as a reduction of the heat island effect.

In 2015, the number of projects grew and 3 more buildings were certified with ecoperating™. To date, the ecoperating™ Building Certification and Product Seal have been rolled out in nine countries on four continents: Mexico, Guatemala, Costa Rica, Panama, the Dominican Republic, Croatia, Egypt, the United Arab Emirates and the Philippines.

ecoperating™ Building Certification System for Residential and Commercial Buildings

Certification Levels

Categories and Requirements



Energy efficiency Mandatory



Energy consumption savings
≥10% Energy consumption reduction against standards ASHRAE 90.1-2010.

Using an energy simulation mode, the project must demonstrate at minimum a 10% energy efficiency against a baseline as defined by US standard ASHRAE 90.1-2010 (American Society of Air Conditioning, Refrigeration and Heating).

Standard ASHRAE 90.1-2010 establishes minimum requirements for the efficient energy design of buildings.

By fulfilling this requirement, the project is simultaneously complying with the official Mexican standard NOM-020-ENER-2011, energy Efficiency in buildings-Building Envelopes for Residential Use.

Sustainable design Elective



Water consumption savings
Percentage of low water consumption and/or waterless sanitary fixtures.
≥ 50% = 1 point | ≥ 75% = 2 points



Local sourcing
Percentage of materials extracted and manufactured within 500 km radius of the project.
≥ 10% = 1 point | ≥ 20% = 2 points



Heat island effect reduction
Percentage of exterior horizontal surfaces with a Solar Reflectance Index [SRI] ≥ 30
≥ 50% = 1 point | ≥ 75% = 2 points



Innovative sustainable solution
Inclusion of an innovative solution [IS] that generates improvements/ additional savings.
1 IS = 1 point | 2 IS = 2 points

Green Building Certification Service - Projects Portfolio in Mexico

Project	Location		Buildable Area	Certification Target
ICA Reserva Escondida	Monterrey, N. L.	Residential	22,584 m ²	LEED Certified
SEMARNAT 223	Mexico City, Mexico	Offices	32,000 m ²	LEED Certified
PEMEX B2	Monterrey, N. L.	Offices	15,000 m ²	LEED Certified
Sofia Residential Tower	San Pedro, Garza Garcia, N. L.	Mixed use	98,600 m ²	LEED Gold
Campus ICA Minería	Mexico City, Mexico	Offices	17,000 m ²	LEED Gold
Esfera Oficinas	Monterrey, N. L.	Offices	7,000 m ²	LEED Gold
Esfera Residencial	Monterrey, N. L.	Residential	75,000 m ²	LEED Gold
Esfera City Center	Monterrey, N. L.	Commercial	276,925 m ²	LEED Platinum
Torre Cosmopolitan	Tijuana, B. C.	Offices	13,950 m ²	LEED Platinum and ecoperating™
Lucena	San Pedro, Garza Garcia, N. L.	Residential	13,950 m ²	ecoperating™ Plus
Casa 199-Sorteo TEC	Monterrey, N. L.	Residential	528 m ²	ecoperating™
Casa 200-Sorteo TEC	Monterrey, N. L.	Residential	500 m ²	ecoperating™
Casa 201-Sorteo TEC	Monterrey, N. L.	Residential	500 m ²	ecoperating™



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CEMEX's Roller Compacted Concrete (RCC) Honored at GAIA Awards

Chosen from more than 280 entries, CEMEX's RCC was honored as a finalist at the Middle East Concrete's GAIA Awards in the "General Construction" category for its advantages and contributions to sustainability in the Middle East and North Africa region. RCC was chosen for a number of benefits, including supporting sustainable development, increasing the durability of a project, providing immunity to low or high temperature extremes, offering savings of up to 30% over traditional pavement construction, and reducing a similar share of CO₂ footprint due to the integration of ground granulated blast furnace slag.

Torre Cosmopolitan Earns ecoperating Plus™ Certification

Located in Tijuana, Mexico, Torre Cosmopolitan combined bioclimatic design, urban planning, innovative construction techniques and materials, as well as advanced engineering to build a new sustainable landmark in the region.

The project's unique features allow it to be more water and energy efficient, contributing to its ecoperating Plus™ accreditation. Project highlights include:

- Decrease in energy consumption by 21%
- Water consumption savings of 49%
- Materials of high solar reflectivity
- Grey water reuse
- Rainwater harvesting
- The use of native vegetation
- Implementation of solar panels
- LED lighting
- Water and energy consumption monitoring systems
- More than 75% of residual materials were recycled during construction

Additionally, Torre Cosmopolitan is in the process of obtaining LEED Platinum certification.



Recognizing Excellence in Sustainable Construction

In 2015, CEMEX held its XXIV Building Awards in Mexico City. A total of 637 projects competed in the national awards across 13 categories, while 36 projects competed across five categories in the international awards. The Building Awards honor architecture and construction projects that use concrete technologies in creative and innovative ways and focus on sustainability and social well-being.

The Cave, located in Mexico's northern border, inside the National Park "Maderas del Carmen" was selected as the winner for the Sustainable Construction Category in the CEMEX XXIV Building Awards.

This architectural project materializes the idea of creating a neutral space, one for socialization and contemplation in harmony with the landscape.

The Cave benefits from local resources to reduce environmental impact and maximize human value for the users. It also promotes conservation of endangered species and helps to disseminate environmental culture among local communities.

Some of its sustainable attributes include wastewater treatment, reuse of materials, reduction of visual impact, free transit for wild life, natural lighting and energy efficiency through passive climate technologies and wind power generators.

Visit www.cemex.com for a full list of projects honored during the XXIV Building Awards.

The Cave | Coahuila, Mexico





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2.2

Implementing Resilient and Low-Impact Infrastructure

Around the globe the need for resilient infrastructure to support growing urban populations is critical, especially as more extreme weather is caused by climate change.

CEMEX supports the development of durable infrastructure to serve the needs of our global society with quality products, construction practices and maintenance that have minimal impact on the environment.



Key sustainable attributes of concrete:

- Strength and durability
- Low maintenance
- Fire-resistance
- Low heat conductivity
- Local production and use
- Less solar heat absorption



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In 2015, CEMEX enabled the installation of more than 7.32 million m² of concrete pavement by supporting the construction of more than 430 infrastructure projects across 19 countries.

Among other sustainability-related benefits, concrete paving reduces vehicles' fuel consumption by around 3% compared to asphalt.

Recycled Concrete for Berlin Humboldt University

CEMEX helped Berlin Humboldt University constructing a new research center and laboratory entirely built from recycled concrete. For this, it incorporated ready-mix concrete produced with aggregates from recycled concrete, a material that requires substantial expertise in concrete technology and chemical admixtures. CEMEX supplied 3,800 m³ of this recycled ready-mix concrete for the four-story building.

The "Cairo Suez," Egypt's first concrete road

The project used 332,000 m² of concrete pavement, 130,000 m³ of ready-mix concrete and 50,000 tons of cement. The new road provides benefits that exceed those of traditional roads: Concrete roads



Cairo, Egypt



San Francisco, USA

have double the tolerance, and triple the permanence of traditional ones. In addition, concrete roads require less periodical maintenance, and offer a higher level of road safety.

Powering French Rail Renovations and Expansions

Dedicated to improving all aspects of infrastructure, CEMEX contributed to the extension and renovation of three urban rail systems in France.

- In Marseille, CEMEX was able to meet both the mechanical and aesthetic challenges of the project by providing 15 different formulas of high-strength, ready-mix concrete for the construction of the new underground metropolitan railway station
- CEMEX also supplied ready-mix concrete in Lyon to fill the bed under 800 m of

the city's tramline extension to serve the football stadium. CEMEX solutions included ready-mix concrete with metal fibers to combat installation challenges around switches

- In Saint-Etienne, CEMEX assisted in the repair of one of the oldest tramlines in France. Ready-made concrete was delivered for the track's foundation and helped expedite the tram's quick return to service

Tailor-Made Solutions for California Mass Transit Systems

San Francisco's Transbay Transit Center was designed to achieve LEED Gold Certification by renowned architect firm, Pelli Architects. CEMEX worked closely with the client to design concrete mixes for all the structures, which included up to

35% supplementary cementitious material. The San Franciscan Transbay Transit Center underground structure required very stringent low permeability and low shrinkage concrete.

Additionally, the Berryessa Rapid Transit System Bay Area extension into Silicon Valley also had sustainable components, including a concrete mix that CEMEX specially designed using recycled material removed from the old rail beds and a concrete mix for the massive foundations that included 50% supplementary cementitious material. CEMEX worked closely with the client to develop, test and deliver 35 tailor-made concrete mix designs to meet the needs of each section of the line.

Torre Reforma: A Beautiful and Sustainable Concrete Giant

An architectural icon in Mexico City, the Torre Reforma was built using CEMEX concrete solutions and designed in gradient shades of grey to accentuate the building's height. Designed by Benjamin Romano of LBR&A Architects, the tower reaches 807 feet with 57 levels and resembles an open book with walls of exposed concrete that are both slim and strong. The properties of the CEMEX *Fortis* concrete allow it to bear the weight of the slabs with the support of the intertwined metallic structure. The flexibility of the concrete, coupled with the wall and window design, dissipates telluric waves and releases energy in the event of an earthquake.

CEMEX also provided the special pumping technology solution needed during construction to allow for a continuous, consistent concrete pour while adhering to strict safety measures and efficiency of cost and labor. The sustainability approach of Torre Reforma is aligned to the highest international standards that allowed it to seek a LEED Platinum certificate from the US Green Building Council.

"In order to build the tower, we seek advice from CEMEX to pump concrete at high altitudes which involves a great level of complexity. We needed to get the same level of quality on the ground floor as in the 50th floor"

Julieta Boy/LRB&A

Further details at  [Torre Reforma](#)



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2.3

Delivering Solutions for Affordable Housing and Efficient Buildings



City planners are constantly challenged to provide ways to efficiently and affordably house rapidly growing urban populations.

CEMEX supports the social and economic development of communities around the globe. Providing unmatched expertise in building efficient homes with tailor-made and adaptable systems, we are delivering housing for all socioeconomic markets.



CEMEX contributed to the construction of 2,400 affordable and/or energy efficiency buildings in 13 countries representing approximately 147,000 m² of livable space.



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Our Housing Solutions Attributes



Flexible design

Easily adapted to construction and design requirements



Resilient

Resilient to natural disaster



Thermal insulation

High thermal mass and insulation



Minimum waste

Less waste at construction site



Fast building

Significant construction time reduction

Our World-Class Wall Systems

Our energy-efficient wall solutions provide multiple benefits that improve the sustainability, speed and economics of housing construction:

- Cast in place form works: The best for mass production and speed
- Wired EPS panels (Expanded Polystyrene System): High flexibility to accommodate design
- ICF (Insulated Concrete Form): Perfect for high performance energy efficiency
- Precast Systems: Most rational and efficient manufacturing process

Our Integrated Housing Solutions

We integrate design, products, and walling systems into housing solutions that are flexible and replicable:

- **Industrialized Housing:** Fast, efficient, and large-scale housing construction
- **Disaster Relief Housing:** The best response for reconstruction after natural disasters
- **Energy Efficient Housing:** Most competitive solution for high performance buildings
- **Affordable Housing:** The lowest possible cost without giving up quality
- **Vertical Housing:** Fast and efficient construction for high-rise & mid-rise residential



New Flooring Plant ISO 9001 Certified

CEMEX UK has opened a new flooring production plant in Rochester, Kent, which could help the government achieve its target of one million new homes by 2020. The new plant has the capacity to manufacture more than 500,000 linear meters of pre-cast concrete T beam flooring a year, equivalent to flooring for approximately 4,000 houses.

CEMEX Joins 100 Resilient Cities

CEMEX joined the Resilient Cities platform to promote sustainable urban construction in the cities where we operate. We offer solutions to help improve infrastructure challenges and expertise to guide resilient infrastructure planning workshops.

In Merida and Guadalajara, Mexico, we facilitated workshops to identify areas



UK T beam production plant

of concern, prioritize issues and develop municipal development plans that foster a sustainable and resilient urban environment. Energy, waste, transportation, communications, housing and infrastructure were all key topics discussed.



Cuexomatitlán Pier | Jalisco, Mexico



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Expanding Opportunities for Those in Extreme Poverty

CEMEX Dominican Republic and TECHO, an NGO that fights extreme poverty in Latin America, have built the first two pilot models of a projected 100 homes. The team poured cement foundations for families living in poverty and in vulnerable areas, improving their health and wellbeing. The foundations can be expanded in stages as the family has access to more resources.



CEMEX Mexico and National Civil Protection Sign Development Agreement

The agreement aims to develop programs that increase cities' resilience to natural disasters. Both parties also pledged to promote civil protection in the national education system to create a greater level of understanding of what to do in the event of a natural disaster.

CEMEX Promotes Program for Underprivileged Colombian Families

Led by the Colombian Government, *Social Interest Housing for Savers program (VIPA)* began construction of 70,000 houses for lower-income families. Of the projects awarded to date, CEMEX has a 14% stake as a facilitator for program development. The company estimates that 5.3 million families in the country are unable to access VIPA, so it is critical that CEMEX works with

developers to ensure all have the access they need. Homes developed with our solutions also provide sustainability benefits, including quality products and higher roofs to offer more comfort and better thermal conditions.

CEMEX and Habitat for Humanity Promote Access to Adequate Housing

CEMEX and Habitat for Humanity signed an agreement for a collaborative partnership to promote access to adequate and affordable housing for disadvantaged social groups. The alliance between CEMEX and Habitat for Humanity will strengthen the sustainable growth of cities and the ecosystem. Priorities of the partnership include:

- Increasing access to adequate and affordable housing
- Developing new markets
- Promoting financial and social inclusion
- Building a volunteer program for creating adequate housing and social infrastructure

CEMEX is currently evaluating and developing three projects with Habitat for Humanity that will impact more than 3,000 people during the first year of the partnership. Pilots are being run in the states of Nuevo Leon, Chiapas, Puebla and Queretaro. Once tested, CEMEX will look to replicate efforts in Mexico and other countries in Latin America and the Caribbean. ∞



"El Cielo" Residential Complex | Tabasco, Mexico



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3

Implementing a High-Impact Social Strategy



+200 worldwide
centers dedicated to
facilitate access to resilient
and affordable housing



+80 volunteering
programs implemented
in more than 70% of
CEMEX's locations



3 million people have
participated in our social
and inclusive businesses



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3.1

Promoting the Development of Sustainable Communities



CEMEX understands that our business' sustainability is directly related to the wellbeing and development of our stakeholders and our surrounding communities.

Our mission is to become and be perceived as a proactive and positive neighbor.

We recognize that empowerment, creation of self-employment opportunities and resilience generation are the most durable forms of community support resulting more effective than just charitable donations.

However, we also believe that through adequate corporate citizenship efforts and strategic philanthropy, companies can bring social and economic goals into alignment improving their long-term business prospects.



More than just a company, we are part of the communities where we live and work, and their success represents our success.



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Recognizing the role of the private sector in implementing the Sustainable Development Goals (SDGs), after reaching more than nine million beneficiaries to-date through our social programs, we're raising the bar with a goal to positively impact more than 15 million people by 2020. The significant increase in the accumulated beneficiaries from our social strategy is due to an update of our methodology to estimate this figure integrating now the individuals benefited from our community infrastructure initiatives, as well as the scalability of some of our existing social projects, and new social initiatives and businesses added to our portfolio.

To achieve this, we are strengthening our sustainability model and developing innovative programs and solutions that nurture economic growth, empower communities to be more inclusive, and position us as a role model for the private sector.

Through our community-involvement efforts across the globe, we have learned that self-sufficiency and the development of practical skills are integral to the long-term prosperity of individuals and communities.

In many of our markets, however, poor access to jobs, skills-training, and education opportunities limit individuals' ability to meet their basic needs.

To address this challenge, CEMEX has developed a number of programs that simultaneously increase communities' access to building materials for their homes, and provide mechanisms to improve training and employment options.



We are generating progress in our communities having as corporate citizenship priorities:

1. Investing in infrastructure development, disaster relief, environment and social innovation
2. Empowering key social groups through education and capacity-building
3. Generating cohesion between the community and the company through different efforts including employee volunteering

deriving in the creation of 28 small and medium enterprises (SMEs), which are currently being developed with the support of the Community Centers' social entrepreneurship team. A new CEMEX Community Center was also inaugurated in Panama, to support impoverished families and those experiencing migration issues.

Community Centers

To improve household income among our neighbors, we have developed CEMEX Community Centers that serve as central locations for courses that teach skills needed to secure employment or start a small business. In 2015, one of our most outstanding examples was having more than 34,000 people participating in 200 workshops in 17 Community Centers in Mexico. Moreover, around 1,300 women from fourteen different communities participated in Productive Projects,

In addition, in the second quarter of 2015, CEMEX inaugurated the first Community and Environmental Education Center in Huichapan, Mexico. The center is expected to benefit 1,500 people annually, offering capacity building workshops that encourage self employment.



Community and Environmental Education Center | Huichapan, Mexico



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Capacity-Building Initiatives

Employment Opportunities for Youth

Aligned with the fourth Sustainable Development Goal that is “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, at CEMEX, we lead numerous initiatives that enhance employment opportunities for youth in the areas where we operate. This effort includes generating the skills and capacities required in the young people in order to be integrated to the workforce in our industry and associated sectors. Some examples of our efforts in the different regions where CEMEX has presence are:

- Launched in 2012 by the Multilateral Investment Fund (MIF), a member of the Inter-American Development Bank (IDB) Group along with the International Youth Foundation, the IDB's Social Sector Department and corporate partners including CEMEX, the New Employment Opportunities for Youth (NEO) program for poor and low-income youth continues to

expand. As a member of NEO, CEMEX has committed to enhance the employability of 32,000 young people in the next 3 years generating equal opportunities for women and men. Of this group, 4,000 graduated in 2015 from a training program focused on building the skills they need to enhance their employability, and nearly 2,500 have already obtained a formal job. In addition, in 2015 CEMEX in the Dominican Republic and the Business Action for Education (EDUCA) signed a three-year agreement as part of the NEO *Quisqueya Believes in You* project, designed to improve the infrastructure of technical colleges in vulnerable areas and provide job opportunities to young people within these communities. This alliance is expected to improve the quality of life and employability of more than 302,000 at risk 15- to 29-year-olds

- In the case of Europe, our CEMEX UK *Driving Apprenticeship Scheme*, a year-long driving certification program for 18- to 24-year-olds, continues to flourish and provide employment opportunities. In 2015, our group of apprentices included the first female logistics apprentice
- Our CEMEX Philippines *Experto Ako* program, a free 30-day masonry skills training course, has certified 200 young masons in the Philippines. In partnership with the Training Education and Skills Development Authority (TESDA), the program helps masons enhance their craft and improve their chances of employment with large construction firms. Through such accreditation, our masons have a competitive edge, increasing their employment opportunities locally and globally
- A clear example in our efforts in the SCAC region can be found in Colombia that since 2013 has provided nearly 2,000 people

with specialized training in a number of areas including construction, heavy machinery handling, industrial electrical maintenance and welding, among others

Developing Sustainable and Resilient Communities

To minimize the impact of natural disasters and create safer, more resilient communities, CEMEX collaborated with the United Nations Office for Disaster Risk Reduction (UNISDR) and the Mexican Civil Protection Agency. Highlights of the team's 2015 efforts include:

- A joint effort between parents, teachers, principals, students and the Red Cross Mexico, preparing more than 5,200 children in 70 schools with the skills they need in case a disaster occurs
- Resilient Community Development Plans outlined for each of the 14 cement plants identifying risks and establishing an action plan for prevention
- More than 2,500 people participated in 17 safety drills

This project represents a clear commitment to contribute to the eleventh Sustainable Development Goal ‘Make cities and human settlements inclusive, safe, resilient and sustainable’.



Contributing to the Reconstruction of Acuña

CEMEX donated building material for the reconstruction and improvement of 100 households that were destroyed by a tornado in Acuña City in Coahuila, Mexico.

In coordination with local authorities a detailed evaluation was executed to identify the most affected families in order to dedicate these resources to building their homes. This support benefited around 500 people in this community.





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3.2

Generating Empowerment, Diversity and Capacity-Building

As a global business, we believe it is our duty to contribute to the top priorities outlined by the UN Sustainable Development Goals.

Leveraging our business capabilities, worldwide network of employees and strategic alliances we can add public value, promote equal opportunity and provide vulnerable groups with numerous opportunities for growth.

FUNDACJA
BUDUJEMY
PRZYSZŁOŚĆ



The values that underpin our relationship with communities are collaboration, citizen participation and co-responsibility.



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In addition to foresee the employment and self-sufficiency of the communities where we operate, CEMEX is committed to bolstering communities' fundamental capacities for long term self-sustenance and upward mobility.

We support communities to improve culture, health, social cohesion, and opportunities for economic advancement.

Our Social Inclusion Programs

Empowering Women

Women's economic equality is good for business. Not only society in general but companies also greatly benefit from increasing leadership opportunities for women. When more women work, economies grow at the time that society moves forward to the fifth Sustainable Development Goal "Achieve gender equality and empower all women and girls".

Several cases demonstrate CEMEX's commitment to facilitate the integration of women in our communities into the labor market by empowering them through targeted skill development. One of these examples was partnering with the Toks Foundation, an underpinning of Toks restaurant chain in Mexico, with the objective to provide women the opportunity to earn an income and help support their families as part of the *CEMEX Todas Somos Esperanza* (We Are All Hope) initiative. In 2015, Toks purchased 18,000 ornaments made by more than 500 women, embellishing 270 of their various locations. Toks also purchased



35,000 purses crafted by more than 400 women with recycled material, which they then distributed at various branches.

We also maintain a strong relationship with ANSPAC, a non-profit organization that provides technical training and guidance to women living near our cement plants. In 2015, more than 6,000 people were benefited from the workshops offered by CEMEX in partnership with ANSPAC.

Empowering Disabled Individuals

At CEMEX, we want everyone to feel included. Through our *UNIDOS* program, we foster relationships between volunteers and those with disabilities to ensure they are actively involved in all CEMEX events and projects. In 2015 the program reached approximately 800 employees.

In addition, our *Congruencia* program recognizes employees' unique talents and skills, regardless of any disability they

may have. This initiative encourages the recruitment of professionals with some level of disability. In 2015, 65 employees with disabilities were members of our workforce, spanning Commercial, HR, Logistics and Operations departments.

Promoting a Green Thumb

Reforestation is one of our main environmental care related efforts due to the direct connection between our business impact and our local community. In 2015, schools, agencies and NGOs in several countries joined forces with our employee volunteers to plant more than 270,000 trees from CEMEX greenhouses.

Aligned to our conservation efforts in Spain, we also celebrated 10 years of our joint environmental campaign, Mallorca Natural, a local environmental NGO, promoting workshops on environmental stewardship for approximately 2,000 students across Spain.

In 2015, we also consolidated our Environmental Education Program to focus on our top cement plants in Mexico. Through this initiative, we train young people to become promoters of environmental best practices within their communities, building awareness and helping restore the region. In 2015, 100 youth joined our effort. With this program in place, we are working to obtain the Wildlife Habitat Council certification.

Another example of our conservation programs, in this case certified by the Wildlife Habitat Council since 2015, is the Balcones Conservation Program in the US. CEMEX Balcones aggregates and cement plant is located in New Braunfels, Texas. The site

encompasses 2,400 acres, 52 of which are used for wildlife habitat. The wildlife team is a dedicated group of site employees that work on projects that encompass a variety of things ranging from birds to plants to education and outreach.

Promoting a Healthy Lifestyle

Whether it's to expand the mind or improve health, the benefits of exercise and cultural activities are undeniable. To ensure this is an integral part of our communities, in Mexico, Colombia and the Dominican Republic we have developed CEMEX athletic and dance academies that provide local children with the facilities, outfits, and coaching they need to practice different activities including football, basketball, baseball, kickball, swimming and dance.

More than 9,000 children annually participate in our academies to promote a healthy lifestyle.





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"HERO"

Our Volunteering Program in the Philippines

CEMEX Philippines' HERO (Help. Engage. Reach Out) program hosts the "Build Volunteerism" project, encouraging employees to invest time and effort in various corporate social responsibility initiatives. The project is an integral part of the company's culture and has led to an increase in the number of employees volunteering their time to disaster relief operations, safety education, community outreach and many other causes.



Expanding our Volunteering Programs

We strongly believe that volunteering has a meaningful, positive impact on communities. Strategic corporate volunteer programs can contribute to increasing employee engagement as well as improving the company's visibility in the community's needs and concerns. Through our numerous volunteer programs, our employees are giving back to their communities.

More than 70% of the countries where we operate have volunteering programs in place.

"Manos a la Obra"

Our Volunteering Program in Latin America

Manos a la Obra ("Hands-on") is a CEMEX program committed to improving the quality of life of our communities and promoting sustainable practices. In 2015, the first Green Day was held in Mexico, Colombia, Dominican Republic and Puerto Rico. CEMEX employees, community members and local organizations

volunteered, planting more than 15,000 native trees across locations, some of which came directly from CEMEX greenhouses. Overall, more than 6,200 individuals donated approximately 16,000 hours of their time to volunteer efforts organized through *Manos a la Obra*, benefiting nearly 80,000 people. This was a special year for CEMEX Colombia in particular, which, after a detailed employee survey to better understand volunteer needs and interests, achieved a considerable increase in volunteers – from 60 in 2014 to 645 in 2015 – participating in a total of 19 events.

"Lend-a-Hand"

Our Volunteering Program in CEMEX UK

Through the UK's *Lend-a-Hand* program, every employee is granted one community service day a year to spend with a charity close to their heart. Many employees choose to volunteer in groups, fostering team building. The types of service vary greatly, from hospice decorating to refurbishing children's playgrounds, and touch every corner of our local community. In 2015, more than 520 UK employees participated in 77 volunteering projects.

As part of the program, in 2015 CEMEX Philippines partnered with the Provincial Government of Rizal to undertake local restoration and sustainability initiatives. Tree planting and river cleanups activities have been scheduled. Key to the success of the HERO program is the support of its employee volunteers and their families.

Volunteering Program for CEMEX Poland Employees

Its goal is to build company employees' involvement in the life of local communities and strengthen our relations with them. We aim to support initiatives, to provide assistance and manage relations with local communities. Since 2011, when the program was launched, we have supported 78 Volunteer groups and we have organized 6 Grant competitions.





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CEMEX Foundations

CEMEX encourages an active participation on the community development through innovative and sustainable solutions that contribute to social mobility. The focus of our social responsibility efforts are education and skills development, empowerment of women and youth, respect and care for the environment as well as community infrastructure. In short, joint projects that generate shared value.

Several business units in CEMEX have established Foundations in order to facilitate a single point of focus for all of the company's charitable, community support and employee engagement activities. This ensures we are using resources most effectively to bring assistance to those in need. Our Foundations are a key part of our CEMEX Sustainability Strategy and are dedicated to increasing environmental awareness among community members and employees and promoting athletics, healthy habits and education.

Country	Foundation Name	Focus Areas						
		Environment	Education	Community Development	Healthy Lifestyle	Health & Safety	Infrastructure & Disaster Relief	Supplier Development
Colombia	Fundación CEMEX Colombia	•	•	•	•		•	•
US	CEMEX Foundation	•	•	•	•	•	•	•
Philippines	CEMEX Philippines Foundation Inc.	•	•	•		•		
Egypt	CEMEX Egypt Foundation	•	•	•	•	•	•	
Spain	Fundación CEMEX España	•	•	•	•	•		
Poland	Building the Future Foundation	•	•	•	•	•	•	•
UK	CEMEX UK Foundation	•	•	•	•	•		
Latvia	CEMEX Opportunity Fund	•	•	•	•	•	•	
Czech Republic	Building the Future Foundation	•	•	•	•	•	•	

Flood Relief for Carlisle

CEMEX UK donated 5,000 £ to the Greystone Community Centre in Carlisle. The community centre was a key point for local families during the recent floods with over 30 people having to sleep in the centre and hundreds of meals provided to local families who were forced out of their homes.

This is only one example of CEMEX's philanthropic contributions, that in 2015 amounted more than US\$5 million.



CEMEX Philippines Participates in the Corporate Social Responsibility Expo



CEMEX was an active participant and sponsor of the Corporate Social Responsibility (CSR) Expo organized by the League of Corporate Foundations (LCF), a premier network of more than 80 operating and grant-making corporate foundations and firms in the Philippines that promote and enhance the strategic practices of CSR.

At the event, CEMEX Philippines highlighted their projects focused on eight clusters of development: Skills and Livelihood, Health and Safety, Environment, Education, Communities, Arts and Culture, Sustainable Partnerships, and Volunteerism. Through these efforts, CEMEX Philippines is helping to improve quality of life and build its nation, block by block.

CEMEX Poland's Building the Future Foundation Supports Zaczytani Campaign

CEMEX Poland's Building the Future Foundation runs a number of projects whose main goal is to help local communities through cooperation with local partners. Through grant competitions, the Foundation encourages non-governmental organizations to engage in activities on behalf of the common good. Within the last six years, the Foundation has awarded 173 grants.



In 2015, the Foundation joined the Great Collection of Books (*Zaczytani*) campaign in Warsaw, Poland. The campaign provides young hospital patients and those in day care centers, family care homes and hospices with books to help nurture their curiosity and take their mind off of stressful circumstances. CEMEX volunteers have been an active part of this effort.



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3.3

Creating Social and Inclusive Business Opportunities



With the creation of the Sustainable Development Goals, the UN invited the private sector to play a key role in addressing our world's challenges.

Across the globe, companies are stepping up to the plate with solutions and resources to help foster sustainable growth and improvement.

To reach these goals, we believe that social and inclusive business opportunities are crucial. That's why we are bringing citizens and local authorities together to participate in programs that foster empowerment and growth.



Providing the tools and skills needed to achieve economic security in today's society, communities are positioned for success – today and for years to come.



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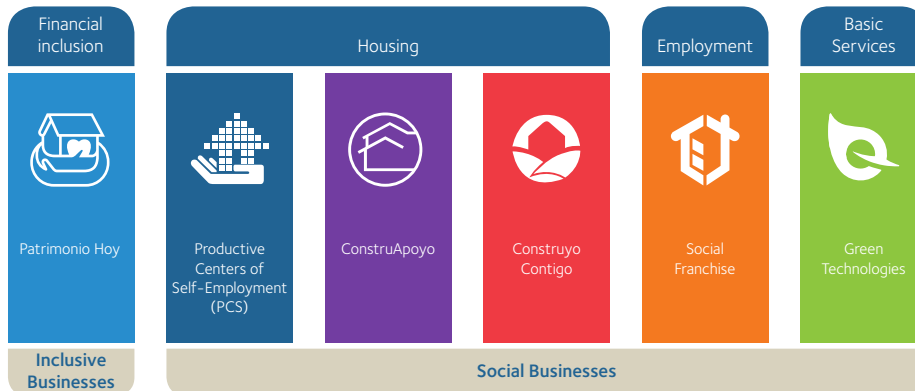
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Growing Platform

As cities continue to expand, urban developers are running out of places to build, resulting in more houses constructed in areas prone to natural disasters. Unfortunately, these homes are often poorly constructed, leaving hundreds of homeowners – many of which are low-income families – in turmoil when a crisis arises.

For more than 16 years, our high-impact social strategies have helped redefine community development. Our *Growing* (“Crecimientos” in Spanish) platform encompasses the inception, development and promotion of social and inclusive business models that work with governments, think tanks, NGOs, low-income communities and social entrepreneurs to help us achieve our goal of improving the quality of life of at least 15 million worldwide by 2020. Working together as partners, consumers and suppliers, our portfolio of programs cover the following:

- Financial Inclusion
- Housing
- Employment
- Basic Services

Our inclusive and social business opportunities go above and beyond self-construction schemes that allow millions of people to put a roof over their heads. They also tackle the many side effects of poverty, providing families with the space and privacy all humans need to live in harmony and foster a peaceful, respectful home environment that provides children with healthy living and learning conditions.

Through these high-impact social models, CEMEX clearly addresses several Sustainable Development Goals (SDGs).





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Fortune Recognizes CEMEX's Positive Impact



Thanks to the *Patrimonio Hoy* program, in 2015 CEMEX was included in *Fortune's Change the World* list, a ranking that recognizes

50 companies worldwide that have made a sizable impact on major global social or environmental problems as part of their strategy. Selected from more than 200 nominees, CEMEX secured 16th place and is the only Latin-American based company on the list and the only organization from the construction materials sector.

Patrimonio Hoy

The lack of affordable housing is a severe problem for low-income families in many countries. *Patrimonio Hoy*, our flagship inclusive business, was founded to provide these families with access to financing, building materials, technical advice and logistical support, allowing them to build or expand their homes more quickly and efficiently. Started in Mexico, *Patrimonio Hoy* has expanded through more than 100 offices across Latin America to Costa Rica, Colombia, the Dominican Republic and Nicaragua.

To date, more than 525,000 families have received support from the program and built homes at one-third of the cost and in one-third of the time. That's 4.1 million m² of livable space acquired through micro-credits exceeding \$300 million.

Productive Centers of Self-Employment (PCS)

Our PCS are another example of our commitment to creating self-sufficient, sustainable communities. At these centers, participants learn how to manufacture concrete blocks and other precast products, half of which they can use to build, repair or expand their homes. The other half is purchased by local governments for infrastructure development, the proceeds of which are reinvested into the centers. These partnerships with the government facilitate job creation and promote self-employment.

We currently operate 125 centers across Nicaragua, Mexico, Colombia and Costa Rica, and the program continues to grow.

In 2015, we confirmed plans to create centers in some other countries including Guatemala, Bangladesh and the Philippines.

ConstruApoyo

When money is tight but homes are in need of repair, our *ConstruApoyo* program steps in. It provides families with a prepaid debit card, creating a transparent process through which aid recipients can purchase the building materials they need to fix damages to their homes due to natural disasters.

To date, more than 33,000 families have benefited from the *ConstruApoyo* program.

Evaluating and Quantifying the Benefits of our Social Initiatives

Internal and external stakeholders want to have more than just a description of our programs, they seek quantification of their positive impacts.

At CEMEX, we have made great progress in the development of an approach that allows us to consistently quantify the benefits of our high-impact social initiatives. The first pilot application of this methodology was conducted with our *Patrimonio Hoy* initiative and indicated that for every dollar that goes into the program, US\$1.50 worth of additional benefits are generated in the communities. In 2015, only in Mexico this resulted in a social positive impact of US\$65 million.





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Construyo Contigo (formerly PiAC)

To empower low-income families and improve their housing, *Construyo Contigo* combines the following four programs and practices:

- **Productive Centers of Self-Employment (PCS)**
- **ConstruApoyo**
- **Housing Construction Technical Assistance & Training**
- **Psychosocial Intervention & Evaluation**



Based on closely coordinated public-private partnerships with governments, non-profit organizations, universities, and communities, this business model offers training, funding and technical assistance to ensure a comprehensive approach to sustainable development.

As of 2015, almost 28,000 people in Mexico and Colombia have resulted beneficiaries from *Construyo Contigo*.

Green Technologies Provide Access to Basic Services

Green technology is a core pillar of our *Growing* platform. To fulfill our goals, we have joined forces with social entrepreneurs to develop innovative solutions that allow more members of our communities to have access to basic services including clean water, waste management and energy.

The CEMEX eko-stove is a clear example of these efforts. Made out of concrete, our unique prototype offers a 40% larger cooking surface, uses a monolithic combustion chamber instead of multiple pieces and features cellular concrete versus pumice stone. The eko-stove also requires less wood, meaning families save money while reducing CO₂ and other harmful emissions.

Overall, the portable model is safer, more durable and requires less installation time and maintenance than both traditional cooking methods and similar stoves on the market.

In 2015, 7,000 cookstoves were installed in Mexico, helping us fulfill our commitments to the Global Alliance for Clean Cookstoves, an initiative that seeks to foster the adoption of clean cookstoves and fuels in 100 million households globally by 2020. ∞

CEMEX Recognized by Harvard for Contribution to UN Sustainable Development Goals

In 2015, the Harvard Kennedy School and the UK Department for International Development (DFID) released the report, *Business and the Sustainable Development Goals – Building Blocks for Success at Scale*, which listed CEMEX as an example of how the private sector can contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

The report recognized CEMEX's *Construyo Contigo* Program and its clear ties to the SDG's eight goal – *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all* – and its eleventh goal – *Make cities and human settlements inclusive, safe, resilient and sustainable*. CEMEX was recognized for its efforts to increase access to safe and affordable housing for low-income families, providing them the skills and materials they need to build their own homes and improve their quality of life, as well as the quality of the entire community.





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4

Pursuing Excellence in Environmental Management



7.5 million tCO₂
avoided vs. 1990
comparable to offsetting
the average yearly emissions
of Bogota's vehicle fleet



+3.1
million tons of waste used
as alternative fuels in our
cement operations



94% of our active
quarries have a rehabilitation
plan in place



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4.1

Optimizing Our Carbon Footprint

CEMEX is committed and well prepared to contributing to the mitigation of climate change and the adaptation to its consequences.

We strive to optimize emission reductions and deliver innovative products that are key for mitigation and adaptation efforts.



Our Carbon Strategy allowed us to deliver 21% more cement in 2015 increasing our absolute CO₂ emissions only by 1% vs. 1990.



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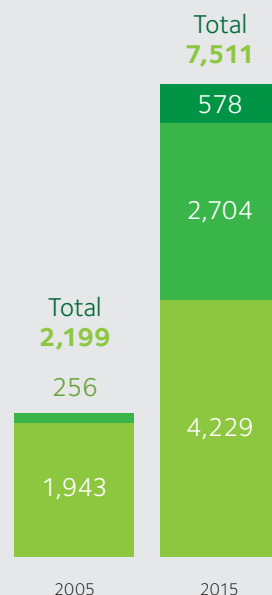
For decades, as part of our carbon emissions reduction strategy we have focused on using low-emission alternatives to traditional fossil fuels, decreasing our clinker factor, promoting clean energy and increasing energy efficiency in our operations.

For this, we have significantly increased our use of low-carbon alternative fuels that in 2015 reached around 27%.

We contribute to a reduction in the CO₂ footprint of our cementitious products by replacing traditional energy-intensive clinker with alternative raw materials such as slag, fly ash and pozzolans. In 2015, our overall clinker factor was 78.6%, around 7 p.p. less than in 1990. Our emissions of CO₂ per ton of cementitious products dropped by 21.6% compared to 1990.



Avoided Direct and Indirect CO₂ Emissions vs. 1990 Baseline Thousand tons



- Through renewable energy
- Through alternative fuels
- Through clinker factor

Overall during the year we avoided more than 7.5 million tons of CO₂ emissions as a result of our initiatives to reduce our clinker factor, increase the use of alternative fuels and reduce our indirect emissions through the consumption of power from clean energy sources.

CEMEX Recognized for Environmental Preservation and Leadership

CEMEX was recognized by the Secretariat of Environment and Natural Resources of Mexico (SEMARNAT), the Federal Attorney for Environmental Protection (PROFEPA) and the State Government of Nuevo Leon for its leadership and performance in environmental preservation, progress in reducing emissions and use of alternative fuels, especially in cement plants Huichapan and Monterrey, that were awarded with the "Environmental Excellence" and the "GHG Mitigation"



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recognitions respectively. The award represents the highest level of environmental performance for a Mexican company.



That is comparable to offsetting the yearly average carbon emissions from 1.4 million passenger vehicles.

CEMEX was ranked second in the Latin American Climate Disclosure Leadership Index, a ranking compiled by CDP that recognizes leading companies in the disclosure of data related to environmental and CO₂ emissions performance. CEMEX scored 99 out of 100 for the transparency and completeness of information provided. This is the fourth consecutive year that CEMEX was included in this ranking.



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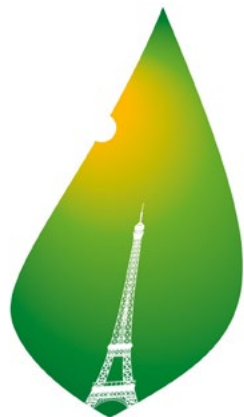
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Paris Agreement Adopted to Combat Climate Change



COP21· CMP11
PARIS 2015
UN CLIMATE CHANGE CONFERENCE

In December 2015, 195 countries adopted the Paris Agreement created to combat climate change. The agreement requires countries to not only monitor and report on GHG emissions, but also to define their own contributions towards a low-carbon economy in the form of Nationally Determined Contributions (NDCs). Although the agreement has drawn some criticism for not being aggressive enough, CEMEX believes this is a large and necessary step in the right direction.

In particular, CEMEX welcomes the prominent role that market mechanisms have in the Paris Agreement. For almost a decade CEMEX has publicly supported carbon markets as a key instrument to combat climate change. Moreover CEMEX is one of the initial members of the Carbon Pricing Leadership Coalition (CPLC), a World Bank-led initiative that

integrates governments, the private sector and civil society in an effort to promote the use of well-designed carbon pricing mechanisms.

In addition, as co-chair of the Cement Sustainability Initiative (CSI), CEMEX has also been a leading contributor to the Low-Carbon Technology Partnership initiative (LCTPi) of the cement sector. At COP21, the cement industry reaffirmed its commitment to help tackle climate change, releasing a set of action plans aimed at reducing CO₂ emissions by 20-25% by 2030, a reduction of 1 Gt compared to business as usual. The LCTPi Cement report identifies a range of actions to reduce emissions of the sector, including, among others, expanding the use of alternative fuels and substitutes for traditional cement clinker, and developing new low-carbon cements.

Quantifying our impacts as a way to better understand and manage them

What is the cost to society of a ton of CO₂ that we emit? A kilogram of dust? An acre of land disturbed to extract minerals for our products? Likewise, what is the value of our high-impact social programs such as *Patrimonio Hoy*? Or the volunteering work that many of our employees do around the world? Answering these questions in a consistent way will allow us to estimate the true net value that we contribute to society, and also significantly enhance our ability to optimize that value creation by focusing on the levers that have the greatest impact.

At CEMEX, we realize the potential of quantifying impacts; apart from our participation in two of the most notable projects in this field, the Natural Capital Coalition and the Social Capital Protocol, we are co-chairing the Cement Sustainability Initiative's corresponding Task Force and have developed our own methodology and tool to account for all our material impacts – environmental and social ones, positive and negative – in a way that is in line with accepted best practices and emerging standards. The tool, which enables better sustainability management choices to be made, has been piloted by our UK operations. While details will be published soon, preliminary calculations indicate that this new approach has helped CEMEX UK reduce their impact per unit of sales year-on-year since the pilot started.

Our Carbon Offsets Projects Portfolio

For more than a decade, CEMEX has been working to identify, document and register projects that mitigate carbon emissions below business-as-usual and generate equivalent offsets. Currently, CEMEX has achieved the approval for 19 CO₂ offset projects registered under the Clean Development Mechanism and four under the Verified Carbon Standard representing a total reduction potential of nearly 3 million tons of CO₂ per year. The initiatives are located in Colombia, Costa Rica, Mexico, Panama, Dominican Republic, Egypt and the United States.





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Seven CEMEX USA Installations Earn ENERGY STAR® EPA Certification

Four CEMEX US cement plants earned the U.S. Environmental Protection Agency ENERGY STAR® certification, ranking among the top 25% of similar US facilities for energy conservation. The recognized installations include: Miami, Florida (fifth consecutive certification), Clinchfield, Georgia (ninth consecutive certification, an achievement realized by only one other cement plant in the US), Fairborn, Ohio, and Victorville, California (each receiving their fourth certifications). Additionally, three of our Texan ready-mix plants, located in La Porte, Mission, and Rosenberg, met the ENERGY STAR challenge by committing to the pre-established goal of reducing energy intensity by 10% within five years or less. Collectively, these recognized ready-mix installations cut energy intensity by an average of 21% through the use of more energy efficient parts and equipment such as dust collectors, conveyor belt pulleys, and lighting.



Expanding Our Clean Energy Share and Capturing Opportunities for Additional Value Creation

Rapid population growth and urbanization will have a dramatic effect on the need for housing, energy, clean water and infrastructure. CEMEX is leveraging our industry-leading technical expertise, skills and technologies to combat the impact of increasing urbanization and related construction that produce greenhouse gas emissions. This strong foundation of solutions provides us with opportunities to further expand our renewable energy portfolio.

To contribute to this objective, CEMEX created CEMEX Energia, a new energy business dedicated to develop a portfolio of power projects in Mexico. For this, CEMEX Energia signed a joint venture with Pattern Development, a partner backed by Riverstone, with strong and proven development expertise that will help to put together a pipeline of renewable energy projects in Mexico and share the development costs, with the objective of creating significant development value.

Riverstone Energy Limited (REL) is a closed-ended investment company that invests exclusively in the global energy industry, with a particular focus on the exploration & production and midstream sectors.

Additionally, in 2015 CEMEX Philippines and SINOMA Energy Conservation Ltd. (SINOMA-EC) inaugurated the US\$20 million Waste-Heat-to-Electricity Facility

at the Solid cement plant in Antipolo City, Philippines. Excess heat captured from the plant will produce up to 6MW of electricity, which is equivalent to 25% of the cement plant's total power requirement.

The facility serves as an example of exemplary energy efficiency and carbon footprint reduction best practices.



Waste-Heat-to-Electricity Facility Inauguration | CEMEX Philippines

During the year more than 16% of our power supply for cement operations came from sustainable energy sources including:

- » 250 MW Eurus wind farm in Mexico
- » 7 MW wind portfolio in California
- » 30 MW waste-to-energy in Rüdersdorf, Germany
- » 1.5 MW solar project in the Dominican Republic
- » 6 MW hydro power portfolio in Colombia
- » 6 MW waste heat recovery in Solid, Philippines
- » All electricity in Panama cement plant supplied by a hydro plant





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4.2

From Waste to Fuel

We are determined to find opportunities to meet the demands of a growing society through effective and secure ways to alleviate the social, economic and environmental issues associated with municipal waste management.

At CEMEX, we lead by example. We are building support around the globe for enactment and enforcement of legislation that promotes co-processing of waste that cannot otherwise be reduced, reused or recycled.



We are increasing our own use of environmentally friendly and economically sound alternative fuels.



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CEMEX has become the prominent advocate and user of alternative fuels in the cement industry, displacing traditional fuels like petcoke and coal by low or even zero-carbon alternatives, such as municipal solid waste, tires, biomass residues, among others.

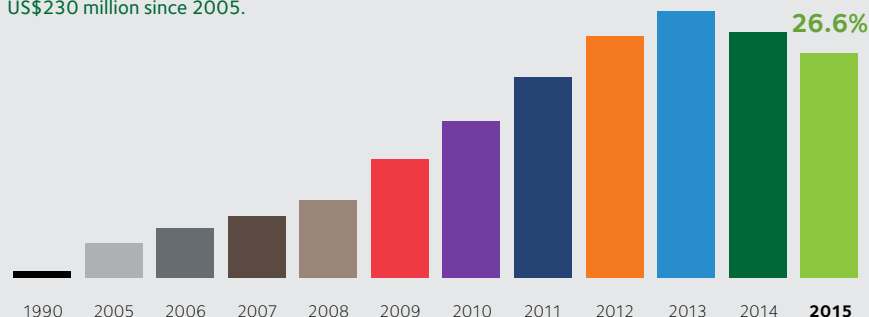
In fact, we have raised our alternative fuels substitution rates aggressively over the past 10 years, from 5.1% in 2005 to 26.6% in 2015. At year-end, 92% of our cement plants burned alternative fuels, avoiding the use of 1.9 million tons of coal. Of our 46 plants burning alternative fuels, eight surpassed this year a 50% substitution rate.

Our top performers in alternative fuel use such as Broceni in Latvia, Chelm in Poland, Clinchfield in the U.S., Prachovice in Czech Republic and Rüdersdorf in Germany, each dispose of 150 to 200 ktons per year of solid fuels in an environmentally friendly manner. Our total alternative fuels usage generated savings of US\$106 million in 2015.

CEMEX has the know-how to source, process, store, and recover energy from alternative fuels in a responsible way. Still, in many countries, our substitution rate is far below its real potential particularly because national and local regulation often does not incentivize modern waste management in the same way as in many European countries; other challenges include current price levels for conventional fossil fuels, market dynamics, permitting issues, or logistics issues, among others. Nonetheless, CEMEX will continue to make efforts to reach the 35% Alternative Fuels Target by 2020.

Alternative Fuel Substitution Rate

To reach the current alternative fuels rate CEMEX has invested companywide around US\$230 million since 2005.



Tepeaca Cement Plant Repurposes Municipal Waste of Mexico City

Rather than pay for the disposal of its municipal waste in landfills, Mexico City government processes 800 tons of residues per day that are used as fuel by the Tepeaca cement plant in the Mexican State of Puebla. With an investment from CEMEX, this co-processing installation will be expanded in 2016 to allocate 1,600 tons of waste every day to the cement kilns.

CEMEX UK Partners to Make Fuel from Waste

SUEZ recycling and CEMEX UK launched a new facility to turn waste into fuel. The new Solid Recovered Fuel (SRF) facility will supply the CEMEX Rugby Cement Plant with a sustainable alternative to fossil fuels for the next 25 years, using nothing but regionally sourced waste from across Warwickshire, Northamptonshire, and the wider Midlands Area.

The fuel, known as Climafuel®, replaces traditional coal as an energy supply and SUEZ will supply CEMEX with up to 240,000 tons of the fuel every year to help meet the significant energy needs of the CEMEX plant and improve its environmental performance.

In 2015, this facility was recognized by the Global CemFuels Awards as CemFuel Project of the year.

An internal shot of Suez's Malpass Farm SRF facility in Rugby



Photo credit: Paul Box



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Advancing towards a Circular Economy

With geographically diverse operations, we dispose of waste generated in our production processes in accordance with local regulations. Cement-kiln dust represents the greatest amount of waste produced. However, we try to reuse it in production and other processes as much as possible. To realize financial and environmental benefits of waste, we seek to monitor, minimize, reuse and recycle all our wastes, whenever possible.

Our disposal efforts include:

- Monitoring of hazardous and non-hazardous waste generated in all of our operations
- Replacing primary aggregates with other discarded materials, including demolished concrete
- Reusing and recycling fresh concrete returned from construction sites



CEMEX Latvia Creates a Valuable by-product from its Process Waste



Increased chlorine input at high alternative fuels use rates requires a Bypass System to ensure a reliable kiln operation. A Bypass System drains a fraction of kiln gases along with calcined meal entering the kiln, which features a high concentration of salts and alkaline compounds that otherwise will create heavy buildups in the kiln and preheater. As part of this extracted material can be recycled into the production process, excess dust needs to be disposed.

Through an applied research-driven project (US \$1.8 million) partially funded by the Latvian Government and the European Union, CEMEX Latvia, in collaboration with CEMEX Research Group AG in Switzerland, developed a solution to properly handle bypass dust with the installation of a unit suitable to process up to 2,800 ton per year, and that separates salts from calcined meal that can be recycled into the cement production process. Extracted salts are of high quality and can in turn be used for several applications, such as for fertilizers and road de-icing, which offers a low-cost alternative to traditional salt derived products. This beneficiation unit features a water-based washing process which separates calcined meal from alkaline compounds, followed by a crystallization unit that extracts salts of different qualities whilst releasing a clean water throughput that can be recycled.

The unit was successfully commissioned in CEMEX Latvia's Broceni cement plant by the end of 2015. This development will help pave the way for added value solutions as part of CEMEX's alternative fuels and waste management strategy.



In 2015, 90% of the waste generated by our production processes was recovered, reused or recycled. The remaining material was sent to disposal sites.

Moreover, the disposal of our non-hazardous waste, the most abundant waste we generate, decreased approximately 4% compared to last year's values, while our hazardous waste disposal lowered 0.6%.



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4.3

Minimizing Air Emissions and Enhancing Our Environmental Management

Reaching environmental excellence for a sustainable growth is one of our main objectives as a company.

In addition to the Board-level Sustainability Committee CEMEX relies on a Global Environmental Council to identify, inform and tackle the key environmental management concerns.



We dedicate significant efforts to reduce our environmental footprint.



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Implementing CEMEX Environmental Management System

We use the CEMEX Environmental Management System (EMS) to evaluate and facilitate consistent, complete implementation of risk-based environmental management tools across our operations. The CEMEX EMS consists of key mechanisms for environmental impact assessment, stakeholder engagement and accident response based upon input from a range of environmental and biodiversity specialists.

CEMEX EMS meets ISO 14001 and EU Eco-Management and Audit Scheme (EMAS) certification and applies to all CEMEX business activities, products and services globally including companies and joint ventures controlled by and/or operated by CEMEX. The requirements in this system are met in addition to all applicable local legislative requirements.

At the end of 2015, 98% of our cement plants, 73% of our ready-mix operations and 88% of our aggregates quarries implemented either the CEMEX EMS or equivalent

programs. As we approach full implementation of our global EMS in 2020, our goal is that all CEMEX facilities be 100% compliant with our internal environmental criteria.

Managing our Air Emissions

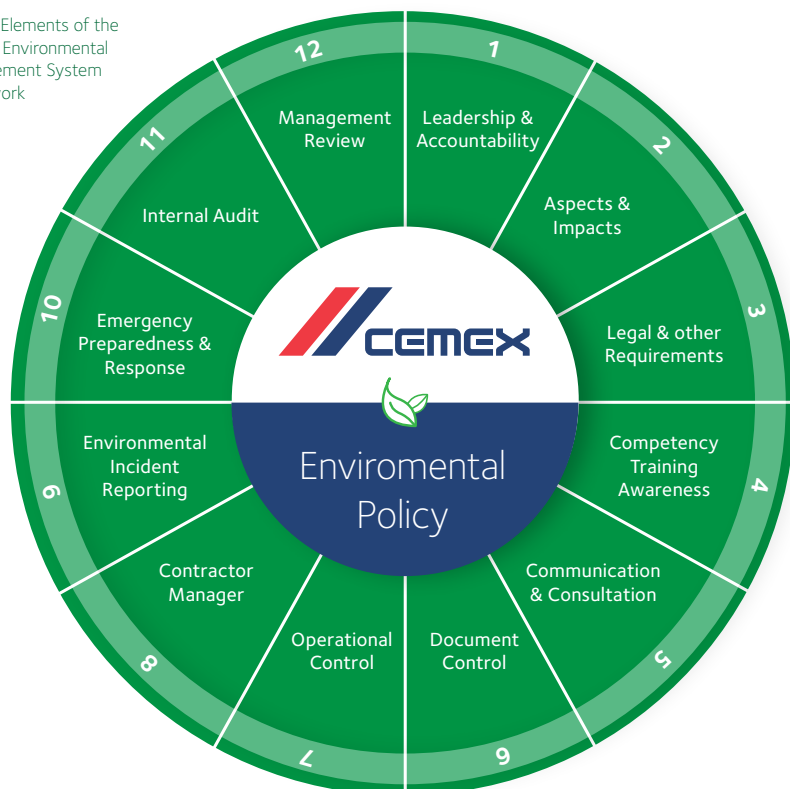
CEMEX is committed to reducing our environmental footprint, striving to:

- Monitor major and minor emissions
- Improve our measurement methods
- Adapt to new and more stringent air emissions regulations, investing accordingly and executing required trainings
- Go beyond local regulations and set ambitious targets for emissions mitigation

major and minor emissions. Our 2020 target is to ensure 100% of our clinker is produced with continuous monitoring of major emissions, a goal that involves an estimated additional investment of US\$7.5 million.

In 2015, we invested US\$86 million in sustainability-related projects at our operations across the globe, including more than 50 initiatives to monitor and reduce our air emissions.

The 12 Elements of the CEMEX Environmental Management System Framework



The release of nitrogen oxides (NO_x), sulfur compounds (SO_x) and dust occurs during cement manufacturing. Other emissions, including dioxins, furans, volatile organic compounds and heavy metals, are released in very small or negligible quantities. To control our stack emissions and remain compliant with local and national regulations, CEMEX has steadily expanded its emissions monitoring efforts at manufacturing operations. In 2015, 84% of our clinker was produced with continuous monitoring of major emissions (dust, NO_x and SO_x), while 80% was produced with monitoring of both

Through our internal Environmental Management System (EMS), we monitor major emissions to ensure we are below local regulation limits. To further improve upon these efforts, we have set minimum performance levels to fulfill every year for major emissions. The targets compare yearly emissions values to a 2005 baseline to determine the reduction percentage for dust, NO_x and SO_x . These yearly goals ensure CEMEX consistently performs below required levels. Additionally, our major emissions indicators are annually audited by an independent party.

Annual Reduction Percentage vs. 2005 Levels

	Yearly Target	2015	2014	2013
Dust emissions per ton of clinker	≥ 50%	70%	55%	58%
NO_x emissions per ton of clinker	≥ 30%	46%	42%	39%
SO_x emissions per ton of clinker	≥ 20%	57%	60%	67%



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CEMEX Environmental Incidents Management

At CEMEX, we strive to minimize our emissions and reduce the likelihood of spills and water contamination. We are prepared to respond to any emergency, natural or manmade, that may pose a potential threat to our operations and local communities.

- We work with our neighbors, law enforcement officials, public agencies and other stakeholders to develop contingency plans at each of our sites, while also contributing to each of our communities' emergency preparedness strategies
- We created Emergency Response Teams that are specifically trained to address environmental incidents and hold annual emergency drills

- We consistently record and report incidents to identify reoccurring root causes and to share corrective actions based on best practices
- We monitor and track incidents at every level of our business. In addition, the Corporate Environment, Health and Safety team identifies trends and areas of opportunity and provides technical support to businesses that complements local action plans

We believe it is important to inform our stakeholders of all environmental incidents. In 2015, two Category 1 incidents occurred in the Philippines and Puerto Rico that impacted our operations. We have analyzed the causes and taken steps to prevent these events from happening again.

- In Puerto Rico, the Environmental Protection Agency determined that CEMEX exceeded its nitrogen oxide (NO_x) emission limits. CEMEX Puerto Rico has agreed to pay the requested fine and will spend an estimated US\$1.7 million on pollution controls that will reduce NO_x emissions, including the installation of a continuous emissions monitoring (CEM) system as well as a selective non-catalytic reduction system (SNCR)
- At our Solid plant in the Philippines, a tank of fuel accidentally exceeded its storage capacity, causing the contents to spill. While the Emergency Response Team was able to contain a significant volume of the fuel, an estimated 2,000 liters ended up in a nearby river. Within the first two days of the clean-up operations, the response teams were able to recover approximately 1,600 liters of fuel, which was sent back to the plant for processing. Within the first week, the Philippine Coast Guard conducted a joint assessment with CEMEX personnel and declared the water 100% clear

CEMEX USA Works Toward NESHA Compliance Goals

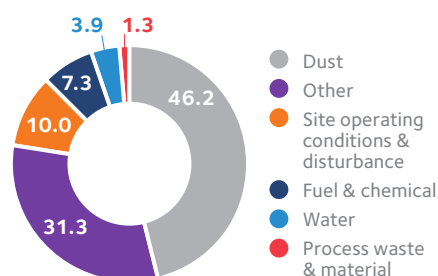
The United States Environmental Protection Agency (US-EPA) is required by the Clean Air Act to regulate hazardous air pollutants (HAP), through the National Emissions Standards for Hazardous Air Pollutants (NESHA) program. In the three years since the US Environmental Protection Agency finalized its NESHA Maximum Achievable Control Technology (MACT) rule for cement plants, CEMEX has installed Continuous Emissions Monitoring Systems, Data Acquisition Systems and other emission control technologies at 11 plants.

The rule imposes limits on emissions of mercury (Hg), total hydrocarbons (THC), particulate matter (PM, i.e. dust), and hydrochloric acid (HCl). It requires installation of CEMS (Continuous Emissions Monitoring Systems) and appropriate control technologies for compliance. For this, the NESHA are some of the strictest emissions standards in the world. To meet these compliance goals required collaboration across CEMEX USA departments and an investment of more than US\$100 million.

- In 2015, our Category 2 incidents increased significantly, from 39 in 2014 to 436. This drastic increase was mainly due to circumstances at our Assiut plant in Egypt that led to the plant exceeding the legal daily average limits for dust, NO_x and sulfur dioxide (SO₂). CEMEX Egypt is currently working to address these issues:
- The increase in NO_x emissions is linked to the plant's change of fuels and is expected to decrease once the fuel combustion process is optimized. If these initial actions do not result in the legal limits, secondary measures such as a NO_x SNCR system will be put into place
- For dust control, a CAPEX has been requested to convert one electrical submersible pump (ESP) bypass filter to a bag filter

At CEMEX, we will maintain open communications to disclose our progress and continue working with governments and community groups that support environmental improvement.

Environmental Incidents by Type (%)



	2013	2014	2015
Category 1 Incidents	0	0	2
Category 2 Incidents	87	39	436
Category 3 Incidents	357	313	227
Complaints	136	81	88
TOTAL	580	433	753





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Preserving Land, Biodiversity and Water

Protecting the natural resources society relies on is an important part of the sustainable development of urban environments.

The preservation of land, biodiversity and water plays a key role in our long-term strategy for resource management.



CEMEX aims to contribute to natural ecosystems conservation by partnering with leading NGOs.



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Managing Water to Minimize Use

Water is critical to CEMEX operations, comprising nearly 25% of concrete mixtures. It is also used during the production process of cement, ready-mix and aggregates, as well as for cleaning plants, trucks and equipment. To protect this natural resource and help our business succeed, we must increase our water efficiency and control our water waste.

In 2015, we continued implementation of our [Corporate Water Policy](#) across operations. This includes standardization of our water measurement based on the Water Protocol developed in coordination with the International Union for Conservation of Nature (IUCN). To date, we have reduced our overall water consumption by 4% compared to 2014.

9% of CEMEX operations are located in officially designated water stressed areas. We provide guidance to our operations through the creation of a holistic water management plan that prioritizes countries and sites where water-related risks are highest and there is

Reducing Track-Out

The CEMEX-Kosmos Facility in Louisville, Kentucky, has implemented a permanent wheel wash system to better prevent the track-out of aggregate, cement, dirt and soil onto local roads and minimize air pollution from truck traffic dust.

The MobyDick Wheelwash System is helping CEMEX meet increasingly strict regulations on air pollution with a 40,000-gallon closed-loop water recycling and solids separation system, manual fire nozzle, hose wash and exit area backwash.

the most significant business impact. Our work will allow us to ultimately set targets that allow more efficient water management.

For more information visit our [website](#).

Implementing Biodiversity Action Plans

Biodiversity Action Plans (BAPs) are the principal tool for CEMEX to achieve a net positive impact on biodiversity. CEMEX and BirdLife International have created a standard for the development of BAPs to ensure individual operations are able to thoroughly

and systematically produce their own BAP, tailored to the particular biodiversity values associated with the operations and challenges they face. This work is guided by our [Corporate Biodiversity Policy](#), which is fully integrated into our business model in all countries and operations, and aligned with the Convention on Biological Diversity (CBD) and its Aichi Biodiversity Targets.

For more information about our work and how our policy aligns with the Aichi Targets, please [click here](#).

CEMEX Dominican Republic Excels in Water Management

Through the continuous reinforcement of water best practices, CEMEX Dominican Republic recovers more than 19 million gallons of water annually at its cement plant in San Pedro de Macoris, offsetting up to 40% of the plant's water consumption. A number of factors go into the plant's water recovery process, including capturing rainwater, utilizing a state-of-the-art wastewater treatment

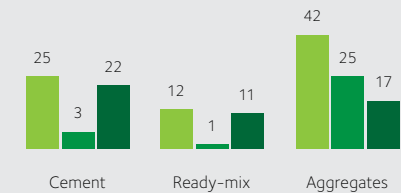
technology, and implementing a closed-loop cooling process. CEMEX has also established a procedure for the management, use, control and disposal of sewage in the plant's operations and administrative areas.

In addition, CEMEX is part of the Multisectoral Coalition for Conservation of the Higuamo River Basin in San Pedro de Macoris. CEMEX works alongside the

Coalition and the Ministry of Environment to clean up the river banks and improve water quality. The company also supports the Provincial Directorate of Environment and the Board Mullen Lagoon in their efforts to safeguard this protected area.

Water Footprint

(million m³)



● Total withdrawals
● Total discharges
● Total consumption

2015 Specific Water Consumption

Cement **346** l/ton
Ready-mix **207** l/m³
Aggregates **134** l/ton

CEMEX and Birdlife International Renew Partnership

CEMEX and Birdlife International have renewed their global partnership for a further three years to continue to promote and restore biodiversity of natural areas where mineral extraction takes place. During the nearly 10 years that BirdLife International has worked with CEMEX on a risk and opportunity scoping study, helped develop a Biodiversity Action Plan Standard and facilitated grassroots partnership in every CEMEX global region to deliver outcomes for priority species and habitats. The scope of the agreement has extended to supporting potentially all CEMEX quarries around the world.



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2015 Biodiversity Management and Quarry Rehabilitation Progress

In 2015, we continued taking action to enhance the biodiversity in and around our quarries located in or close to high biodiversity value areas while starting new BAP projects at other key quarries. We also continued our work to develop quarry rehabilitation plans for all active cement and aggregates quarries.

To date, 94% of our active quarries have a rehabilitation plan in place, and a significant percentage of these plans have a biodiversity-focused end-use, given their proximity to key biodiversity areas. In addition, 61% of our 64 active quarries located within or adjacent to high biodiversity value areas also have a BAP in place besides their rehabilitation plan. Some recent BAP projects include:

- **Preserving habitats for key biodiversity species in Colombia:** Under the umbrella of the BirdLife Partnership, CEMEX Colombia collaborates with the national NGO Calidris to protect four globally threatened bird and plant species, at least one of which triggers the Alliance for Zero Extinction site criteria. Together they are developing a land management plan that will benefit local communities by providing focused areas for livestock grazing as well as address one of the principal threats to the ecosystem – overgrazing. As part of our efforts to enhance the endemic cycad and tree, the area will be re-populated with seeds from a local botanical garden.
- **CEMEX Partnership with the Wildlife Habitat Council (WHC):** Our partnership has provided a valuable opportunity to engage CEMEX employees and local



communities in wildlife enhancement initiatives and foster awareness of how industry and natural habitats can coexist. CEMEX maintains 14 facilities that have earned the WHC Conservation Certification for conservation education programs, superior management of wildlife enhancement and land stewardship initiatives.

- **Enhancing a key biodiversity area in Malaysia:** CEMEX Malaysia's BAP project with the Malaysian Nature Society took a landscape-level approach to identifying sites of conservation importance in recognition of the limited opportunities to restore or enhance habitats at the quarry. They identified the 7,200 hectare 'Teluk Air Tawar-Kuala Muda Coast' Important Bird & Biodiversity Area (IBA) as the most important site in the region to conserve and threatened with development. In 2015, the partnership achieved the following:
 - Developed a concept plan and positively engaged local government to discuss sensitively developing the area for eco-tourism
 - Undertook an assessment to ecosystem services of the IBA and developed a communications strategy to raise the profile of the importance of the IBA, including through recognition as an East Asian-Australasian Flyway Partnership site
- **Saving the Rhinoceros Iguana:** CEMEX Dominican Republic and Grupo Jaragua (one of the most prominent NGOs in the Dominican Republic and the Caribbean) have co-facilitated community workshops to raise awareness of the globally threatened Rhinoceros Iguana. As a result of the workshops, community members have joined the field team, working to manage nurseries, monitor local habitat and identify

and protect areas where the Iguanas may nest and feed.

- **Innovation in restoring quarries and preventing flooding:** CEMEX Spain introduced a Comprehensive Ecological Restoration plan for quarries located in Campredó (Spain). In collaboration with local and regional governments, the restoration plan will create a lush and viable landscape for wildlife habitats and facilitate the recovery of ecosystems. This restoration will provide flood control and climate regulation and allow local species to thrive.
- **CEMEX adds concrete rookeries in aggregates sites:** CEMEX Czech Republic placed concrete islands in two gravel pits to help protect endangered birds that are in the nesting process, thereby increasing offspring. Some species seek out the rookeries because they need gravel surfaces with low-cut vegetation amid ponds for nesting sites. It is estimated that 600 pairs of terns nest in the Czech Republic, approximately 60 of which built nests on the concrete islands.





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Mineral Products Industry Plays Key Role in Building Natural Capital

CEMEX UK was recognized by the Mineral Products Association (MPA) at the 2015 MPA Biodiversity & Restoration Awards, which showcase some of the best examples by member companies in quarry restoration and wildlife conservation. CEMEX MPA Restoration Award winners include:

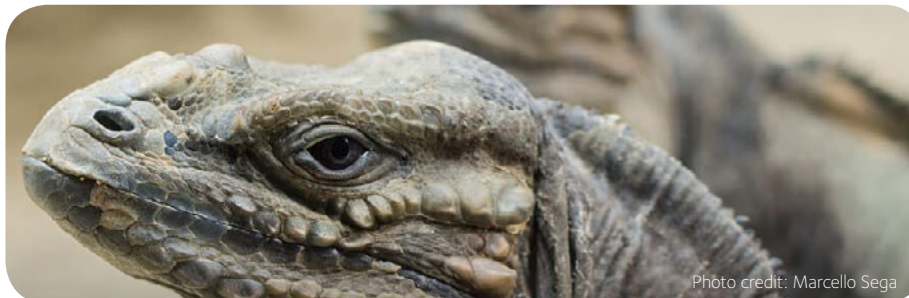


Photo credit: Marcello Segá

Award Name	Award Program	Quarry Location	Award Overview
MPA Biodiversity Award Innovation Winner	Conservation of turtle doves and twite	Derbyshire and Warwickshire	<p>The turtle dove population has declined since 1970 and could be extinct by 2020.</p> <p>The songbird twite faces a similar fate with its population declining more than 90% over the last 20 years. Efforts at the CEMEX UK sites have provided habitat and food sources for the two important bird species.</p>
MPA Restoration Award Winner – Commended	Restored site phase	Willington and Derbyshire	<p>What used to be modest agricultural land now offers considerable wildlife benefits alongside the Trent and Mersey Canal.</p> <p>While the major benefits are for wildlife, the site has also helped the local parish council to define its territory with the planting of a row of black poplars along the village boundary.</p>
MPA Restoration Award Winner – Highly Commended	Partnership with land owner	Powburn and Northumberland	<p>CEMEX UK's restored Powburn quarry is home to swans, ducks, butterflies, foxes and otters, providing a great resource for educational programs. The facilities include a bird hide, interpretation boards, a dipping pond and disabled access. In total, 55 species of birds, 14 mammals, five reptiles and amphibians, and 21 butterflies and damselflies have been recorded. The grassland habitat is maintained by ponies.</p>
MPA Restoration Award Winner – Commended	Blending a limestone quarry	Goddards and Derbyshire	<p>CEMEX has restored Goddards quarry from industrial operation to picturesque grassland complete with habitat for newts, reptiles, rock bees, several species of butterflies and a badger's sett.</p>





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Preserving El Carmen

We will be celebrating the 15th anniversary of continued conservation efforts at El Carmen Nature Reserve in 2016. This private trans-boundary conservation area, located along the border between Mexico and the United States of America, is one of the most important biodiversity hotspots and trans-boundary ecosystems in the world. Through El Carmen we are able to restore habitats and manage wildlife in an area that is 8.4 times larger in size than the total sum of the affected areas by our quarrying activities worldwide.

Its wilderness ecosystem provides numerous opportunities for conservation studies:

- **Science & Education:** In 2015, fifty biology students from Nuevo Leon State University, Mexico, studied the site. With the support of a consultancy firm, deserts shrubs, grasslands and forests' carbon sequestration environmental services were evaluated. Results show that El Carmen has helped to mitigate around 11 million tCO₂
- **Wildlife Management:** El Carmen continues its wildlife management program for the protection and enhancement of wildlife populations, such as desert bighorn sheep, mule deer, pronghorn antelope and many other birds, mammals, reptiles and amphibians
- **Habitat Restoration:** With the support of more than 120 volunteers from CEMEX, the Texas Parks and Wildlife Department and the Texas Bighorn Society, three new wildlife guzzlers were constructed since water sources help support the reintroduction of mule deer and other native wildlife in El Carmen

Measuring the Impact of Our Conservation Efforts

CEMEX supported the work of a Master's in Science thesis¹ focused on determining the economic value of our El Carmen ecosystem. The thesis used the contingent valuation method, the most commonly used method to estimate the value of public goods and services. The dissertation discovered that the social value of the El Carmen biodiversity efforts is worth approximately US\$25.7 to \$58.7 million per year.



Earth's Legacy: Natural World Heritage

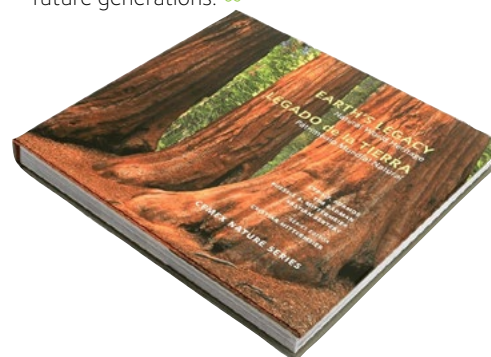
The third edition of the Nature Series Books. This insightful and deeply informative series builds on the more than two-decade tradition of CEMEX's celebrated 20-volume Conservation Book Series. This new book combines splendid photography with expressive prose to enhance the reader's comprehension and concern for the

As a result of extensive conversations with these renowned organizations, CEMEX has reaffirmed its commitment to preserve nature:

As one of the industry's leading companies in areas of environmental protection and land conservation, CEMEX fully recognizes the need to protect the outstanding universal value of World Heritage sites and that these sites should be considered no-go areas and nothing should impinge their settings and buffer zones. As such, CEMEX is committed to building awareness of natural World Heritage sites by helping to promote

and develop a culture of appreciation and respect for nature among its stakeholders and, by extension, the global community; and is also committed to work with the relevant international organizations, responsible local authorities, corresponding statutory bodies and regulators so that the protection of these sites is maintained and, where possible, access and amenity are improved.

conservation of our planet's culturally and naturally diverse World Heritage sites. This year's volume is presented in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Union for Conservation of Nature (IUCN), Conservation International, and the WILD Foundation. Through the World Heritage Convention, UNESCO has successfully promoted international cooperation to protect the exceptional cultural and natural value of World Heritage sites for current and future generations. ∞



CEMEX Nature Site

To further promote a culture of appreciation and respect for nature across the global community, CEMEX is launching the CEMEX Nature Site, using the dynamics of social media channels to reinforce the impact of our published conservation books. The site will go beyond excerpts from the most recent books to include information about CEMEX's other biodiversity and environmental projects, including our commitment to UNESCO World Heritage sites.

For more information, visit www.cemexnature.com and follow us at:



¹ Lucio Contreras N. J. (2014). Valoración de los Servicios Ecosistémicos Provistos por Maderas del Carmen (Master in Science). Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico



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Embedding Our Core Values into Every Action



95% of our
operations were fatality
and Lost-Time Injury free



+2,800
suppliers assessed based
on sustainability criteria



75% employee
participation rate in the
2015 Engagement Survey



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5.1

Placing Health and Safety First



Safety is our top priority. To ensure we're meeting our goals, four core principles guide every decision we make and action we take:

- Ensure nothing comes before the health and safety of our people, contractors and the community
- Make health and safety a personal responsibility; look after yourself and each other
- Strive to create a workplace with zero harm
- Maintain accountability for health and safety practices



To date, we have promoted more than 700 examples of positive health and safety practices through our *Sharing Good Practices* initiative.



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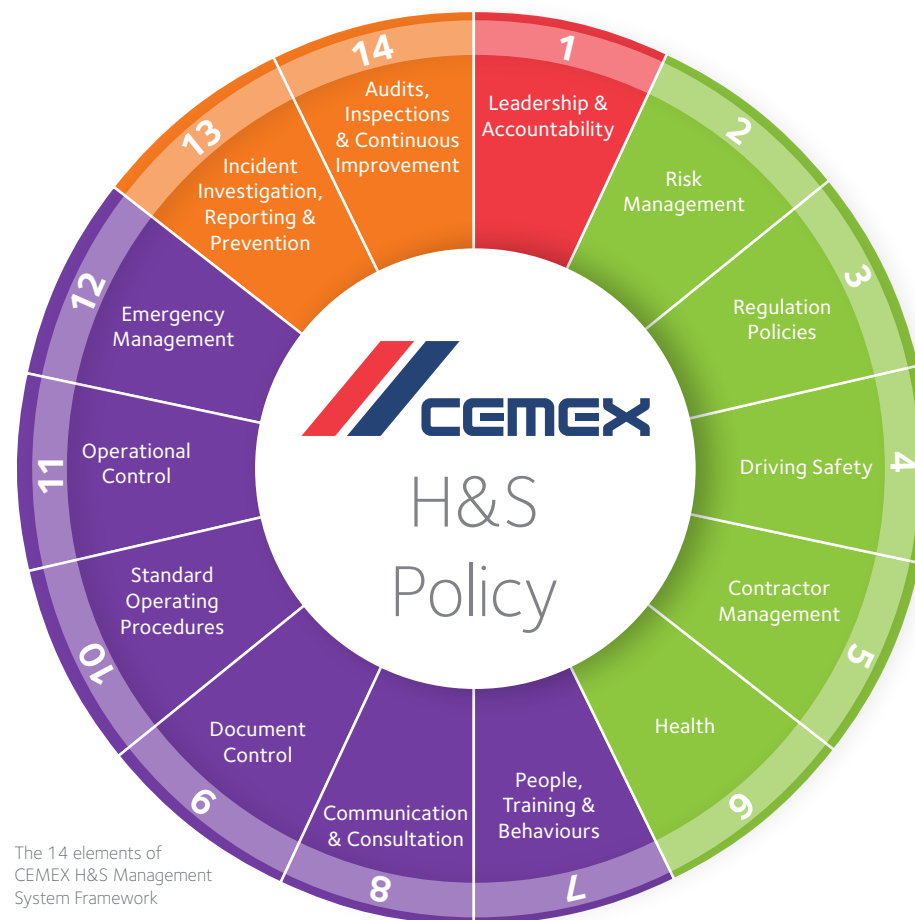
CEMEX is committed to conducting business in a manner that protects the health and safety of our employees, contractors, visitors, customers and the communities in which we operate. This commitment is documented in the CEMEX Health and Safety Policy and is put into practice across all operations through a disciplined management framework called the CEMEX Health and Safety Management System (HSMS) based on the OHSAS 18001:2007 standard.

Our Zero4Life Commitment

We are constantly working towards our ultimate target of zero injuries worldwide – what we call our Zero4Life commitment. In 2015, our Employee Lost-Time Injury Frequency Rate improved 50%, from 1.2 to 0.6, bringing us closer to our goal to reduce the Employee LTI Rate to 0.3 or less by 2020. We are encouraged to see that 95% of our CEMEX operations were fatality and lost-time-injury free for the year. We recognize the remaining 5% is still considerable, however the overall direction is positive and in fact in 2015 time lost to injuries fell to best-in-industry levels.

Also in 2015, the CEMEX Total Recordable Injury (TRI) Frequency Rate continued to decline, reaching 4.5 compared to 5.6 in 2014 and 5.9 in 2013. Five regions and 18 countries reduced their TRI Rates, with nine countries maintaining a rate of zero. In addition, the global Employee Sickness Absence Rate for CEMEX went from 2.2 to 2.1 in 2015.

We are deeply saddened to report that in 2015 there were 19 fatalities – 1 employee, 10 contractors and 8 third parties. This



The 14 elements of
CEMEX H&S Management
System Framework

represented a 30% reduction compared to 2014, but one fatality is one too many and we will not be satisfied until we reach our goal of zero fatalities and injuries. To reach this goal, we are actively working to identify and mitigate risks.

Making H&S Training a Top Focus

At CEMEX, we ensure all of our employees have the correct knowledge, skills and

experience to perform their jobs safely through our investment in programs that provide employees at all levels with health and safety (H&S) training.

As part of our manager training program, we require every executive and supervisor to complete the LEGACY leadership training course. We also offer our senior leaders a Visible Felt Leadership (VFL) training course

that focuses on strategies for communicating H&S commitments and positively influencing employee H&S practices. Moreover, we are currently launching a Health and Safety Academy for all levels of management. The program consists of three modules focusing on our H&S model and overall HSMS. To graduate from this program, attendees must pass a written test.



In addition, all employees must complete E-LEGACY training – the “E” stands for “everyone.” This is a non-technical, interactive program that helps front-line employees assess risks and integrate safe and healthy practices into their day-to-day activities, promoting a strong H&S culture within our organization.

Representing every position in our company, 61% of our employees – workers, line supervisors, managers and union representatives – are a part of H&S committees that meet regularly to discuss employee concerns and review and enforce health and safety practices and programs.



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CEMEX UK Step-In Initiative

In 2015, CEMEX UK's ready-mix plants closed their doors for 90 minutes for *Step-In* training to promote safe workplace practices at the operational level. The training was a success, reaching 600 CEMEX employees and 460 independent hauler contractors.

The *Step-In* team also created a video, "Step in... Save a life!" The first of its kind in the building industry, the video features animated characters interacting with CEMEX employees to send vital H&S messages.

We invite you to watch  [this video](#)



CEMEX All Safe Program Launched

All Safe is a new health and safety program that was developed and launched in 2015 across our operations in Croatia, Egypt, Israel, Spain and the United Arab Emirates. All Safe is designed to promote engagement and teamwork among supervisors and their employees. Together, teams formally assess tasks and responsibilities, determine a list of "Do's and Don'ts" and meet regularly to keep efforts on track. The program, which has significantly helped enhance safety communication and support a culture of accountability, is now being rolled out at CEMEX operations across the globe.

2015 Health and Safety Awards

At CEMEX, we are proud of the work we have done and continue to do to promote a strong H&S culture. We believe it's important to share our successes, keeping all of our employees up-to-date on their global CEMEX colleagues and the most effective programs across our operations.

For this reason, we are pleased to announce the winners of the CEMEX 2015 Global Health & Safety Awards.



Global Health & Safety Awards – 2015 Winners by Country

Business Unit Size	Award Type	1 st Place	2 nd Place	3 rd Place
1-500 Employees	Best Performance	Jamaica	Costa Rica	Nicaragua
	Most Improved	Malaysia	Haiti	Bangladesh
500+ Employees	Most Improved	Germany	Spain	Croatia & Colombia

Promoting a Healthy Work Environment

96%	of operations have an annual preventive health program planned out every year.
95%	of operations have a qualified professional onsite or have access to an external health provider.
88%	of operations are provided with a document that details job-specific health risks and the exams needed to identify early signs of occupational diseases.
96%	of operations provide prevention and counseling information related to significant diseases to assist workforce members, their families and community members.
100%	of operations have a formal process in place to identify, assess and control operational safety risk.

Supporting Breast Cancer Awareness

To ensure the health and safety of our employees, in 2015 we undertook a number of initiatives across our operations to join the battle against breast cancer.

- Employees in Poland aligned with human resources and their Women's Forum to create an informational campaign
- CEMEX Panama hosted speakers at their community development center, sent ANSPAC (National Association for Personal Development) graduates to local hospitals and neighborhoods, and

painted one of their CEMEX ready-mix trucks pink as part of a social media cancer awareness competition

- In the UK, a number of fundraising opportunities were organized, including the Great Pinking employee baking competition
- For one month, CEMEX Egypt covered mammogram fees for all female employees



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Keeping our Drivers and our Streets Safe

We go to great lengths to ensure our trucks are in top condition and fitted with the latest safety features. Examples of our efforts include:

- Equipping several operations' vehicles with a Vision Door that improves near-sided vision
- Promoting the standardization of a number of safety features on vehicles through several worldwide initiatives
- Trialing the new Mercedes-Benz Econic Tipper, an innovative vehicle designed to give drivers an unrivalled field of vision through a low-entry cab and floor-to-ceiling windowed door. You can see more details in our dedicated [video](#) 
- Performing H&S audits of our trucks to ensure all safety features, equipment and documents are in line with local legislation and CEMEX standards
- Continuously promoting and enforcing our 12 CEMEX Safe Driving Essentials

To keep the children and others in our communities out of harm's way, several CEMEX locations have developed road safety programs:

- In the Philippines, the *Listo Tayo!* educational campaign for third- and fourth-grade students features an animated video, informative games and interactive truck tours
- CEMEX Poland organizes *School Pupil, Watch Out for Cars!* meetings at their local Cultural Center, inviting kindergarteners and primary school children to meet with local police and watch a road safety performance
- Our Croatia operation sent letters and flyers to all transport operators and local school districts, reminding them of their close proximity and the need to be safe
- CEMEX UK is developing training programs that teach road safety best practices to drivers of our Large Goods Vehicles to help them avoid mishaps with cyclists



CEMEX Mercedes Benz Econic

CEMEX Poland Performs Truck Audits

CEMEX Poland regularly audits contractor vehicles to ensure the safety of all vehicle operators and CEMEX employees during the loading, transportation and unloading of CEMEX products. Thanks to this program, we have seen a reduction in transport accidents and significant improvements in safe driving practices.

In the 2015 audit, 90% of trucks and drivers received positive results. For those that did not meet expectations, key areas of improvement were identified.



End-to-End Product Safety

Safety is considered in each and every phase of product development, from design to disposal. We abide by all applicable legislation and H&S requirements when designing our products and have developed Material Safety Data Sheets that describe potential hazards and precautions to take when handling each of our products.



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Satisfied Customers and Responsible Suppliers

Like us, our customers are determined to meet sustainability demands and demonstrate their commitment to the UN Sustainable Development Goals (SDGs).

For this reason, besides working to develop enduring relationships with them, we design, develop, and deliver products, services, and solutions that meet their expectations and needs for a responsible growth.



We also take supplier responsibility seriously and that is why we extend our sustainability commitments, practices and beliefs across the supply chain through our *Supplier Sustainability Program*.



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Creating a Customer-Centric Climate

Our goal is to be the most customer-oriented company in our industry. When our customers thrive, we thrive. It's up to us to take the time to listen to our customers and build strong relationships based on trust, understanding and respect. In 2015, we conducted customer service surveys in 85% of the countries in which we operate. With this feedback, we're developing new customer-centric plans and working with supply chain partners on policies and processes that meet their needs.

Thanks to our Global Networks, we have the opportunity to work with and learn from countless organizations. One example of this is the Cement Commercial Network, a group that identifies and shares best practices trending in the industry. Leveraging this information, we strive to better serve our customers.

Focusing on the customer, we are creating sustainable value through industry-leading products and solutions that satisfy the construction needs of our customers around the world. Through our Commercial Academy, we offer a unique approach to prepare our people to make the key choices required to create the best customer experience. Our Commercial Academy's decision-making framework focuses on:

Where to play – Who are the right customers?

How to win – What is important to them?

What to do – How to sell and deliver our products and services?

How to empower – How to enable the organization to better serve our customers?



- » The commercial and business objectives to set the direction for our choices
- » The sets of customers and channels to focus on to achieve our objectives
- » The products, services, and solutions to provide for each customer and channel set
- » The delivery of these products, services and solutions to the market

In 2015, we achieved many of our customer-centric goals:

- Built an Institutional Customer Segmentation Map and Methodology
- Produced an Institutional Catalog of more than 180 value propositions
- Developed a Price Management Framework for our business units
- Standardized commercial management practices
- Completed "Where to Play?" and "What to Do?" modules
- Initiated a Digital Program to identify opportunities for customer experience improvement

The latter listed issue refers to an innovative ecosystem of Digital Solutions designed to create unique customer experiences that scale at a worldwide level, leveraged by disruptive technologies, breakthrough processes and methodologies focused on customers.

We are identifying what transactions are key to our customers and making them easy to use. This approach demands designing processes from the outside (customer) to the inside (company).

Using this model, our software and services become key differentiators and help us deliver greater value and improve our customer experience.

Service Sets CEMEX UK Apart

In the UK, our six service standards help guide our customer-centric approach:

1. Impeccable professional conduct
2. Personable service
3. Results-driven teamwork
4. In-depth customer knowledge
5. Comprehensive product knowledge
6. Accuracy in communication

We have also developed Service Promises that emphasize our commitment to addressing all customer queries and complaints within 24 hours, meeting delivery deadlines and ensuring we are in line with all applicable quality standards, among others.

CEMEX Mexico Recognizes Customer Excellence

In 2015, CEMEX Mexico created the *C-Pro seal*, a certification for customers that demonstrate technical improvement, insurance quality and standardization of production processes in accordance with CEMEX and industry-wide best practices. Through this seal, CEMEX is recognizing companies dedicated to excellence.

Mega Block and Jaguar Ingenieros Constructores are two of the companies that received this certification in 2015.





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Promoting Supplier Sustainability

Our five-year *Global Supplier Sustainability Program* emphasizes the importance of connecting with the entire value chain to communicate and promote sustainable practices. Our goal is to evaluate at least 55% of the Company's procurement and energy spend by 2020.

As part of the program, we strive to reinforce our suppliers' awareness of specific policies that pertain to sustainability, including our [Human Rights Policy](#), [Code of Conduct when Doing Business with Us](#) and [Code of Ethics](#). We also work with third-party sustainability supply management firms that evaluate suppliers in terms of social, environmental, health and safety, ethical, and financial performance and provides individualized reports identifying areas for growth.

Based on the sustainability assessment results, suppliers are expected to develop a plan of action and improve their future performance. Customized scorecards are prepared to track and reward suppliers that demonstrate advanced sustainability practices.



Responsible Sourcing
for a better world!

Supplier Sustainability Program

We want to recognize the following companies for their distinguished performance in our 2015 *Global Supplier Sustainability Program*:

- Repsol
- Goodyear Tire and Rubber Company
- W.W. Grainger, Inc.
- PANalytical B.V.

"By synchronizing sustainability achievements amongst suppliers and peers, the drive for sustainable improvement becomes stronger"

Jan van Rijn, General Manager X-ray Systems, PANalytical B.V.



In 2015, more than 2,800 suppliers were assessed using sustainability criteria, which concluded that 70% of the countries in which we operate use formally recognized sustainability criteria in the selection of suppliers and contractors.

To ensure no area goes underserved, we have included Human Rights, Labor, Antitrust and Sustainability clauses in our contracts and purchase orders.

To date:

- Countries representing 93% of CEMEX's spend check for key subcontractors' compliance with the company's H&S standards
- Countries representing 71% of CEMEX's spend have a formal program in place to train suppliers and contractors on sustainability issues

Taking an Active Leadership Role

Our procurement team is an active member of the UN Global Compact's Advisory Group on Supply Chain Sustainability. We are also part of the Cement Sustainability Initiative's supply chain group, keeping us involved in changes of policies, metrics and practices within the industry.

Sourcing Local Products and Services

CEMEX understands that local sourcing helps to create job opportunities and stimulate

economies near our areas of operation. In 2015, 95% of our purchases were from locally and nationally based suppliers. Our procurement teams participate regularly in regional events to identify new suppliers.

Supply Chain Innovation Workshop

Centro de Competitividad Monterrey and the CEMEX Mexico Procurement department launched a training program to develop the technological capabilities of small and medium sized suppliers. As part of the program, suppliers must use the new skills and techniques they learn to develop a project for CEMEX that improves the supplier-client relationship. In 2015, more than 20 suppliers were invited to participate.

Integrating our Suppliers' Ideas

Through our Suppliers Innovation Program, we developed *Integrate Your Ideas*, a supplier competition that promotes out-of-the-box thinking to improve existing processes.

Out of the 22 international supplier participants, GE Industrial Solutions was selected as the 2015 first place winner. Their idea, "Electrical Products Bundle for Construrama Stores," bundles electrical items such as safety switches, load centers and breakers to provide clients with a complete and integrated offer in one convenient place.

In 2015, we once again showcased a space to promote unique ideas that foster a climate of growth and innovation with our supply chain.



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5.3

Engaging and Retaining Our Talent



Our strategy's first objective is to *Value Our People as Our Main Competitive Advantage*. For this reason we hire the best, and we take care of them.

When employees are supported, the entire company flourishes. For some, that means offering opportunities for growth and leadership development. For others, it's fostering an open environment where dialogue is encouraged. Whatever their needs, we want them to be engaged.



**We have more than
43,000 employees
across the globe.**



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Building a Better Workplace Together

With more than 43,000 employees around the world, it is essential we clearly understand what programs, benefits and work environment matter the most to them. Our Engagement Survey serves as a standardized measurement tool to help us collect feedback from our employees on a number of topics including development, compensation, leadership communication and work-life balance, among others. In 2015, 75% of the 38,000 employees invited to take the survey responded.

The results of this survey, structured around two main themes – engagement

and enablement – are shared with our top management, functional leaders and HR staff to equip them with the knowledge they need to identify areas of improvement and better serve our dedicated team of employees across the globe.

Based on our employees' feedback, in 2015 we developed and implemented 620 initiatives that reached more than 50% of our total staff.



Enabling Continuing Education

When employees feel supported by their company, they are inspired to excel. We help facilitate our employees' career goals through training and development opportunities that teach them new skills in a number of critical areas including health and safety, customer centric capabilities, environmental conservation and awareness, leadership development and stakeholder engagement.

In 2015, CEMEX:

- Invested approximately US\$19.4 million in employee training on a wide range of topics
- Invested more than US\$1.2 million in scholarships for 280 employees

Developing Effective Leaders

It takes sound, strong direction to propel a company our size forward and ensure we meet the needs of our global customers. That's why we invest in development programs for leaders of all levels.

- ACHIEVE is for middle managers. The program reinforces team building and leadership skills, bringing CEMEX leaders from across the globe together to develop ideas focusing on customer centricity. In 2015, 57 participants from all CEMEX regions participated and presented their plans
- Leader-to-Leader is a unique initiative that connects current and future CEMEX leaders. Mentors from this program work with employees throughout the year and are present during ACHIEVE activities to offer support. During 2015, 46 senior management leaders enrolled in this mentoring program

- Our Manager Training Program is present in all CEMEX geographies. In 2015, it provided nearly 780 managers with skills to help them expand their teams
- The Commercial Academy is our internal university focused on commercial excellence and our "Customer Centricity" goal. In 2015, the program covered all CEMEX regions, delivering institutional training to approximately 2,000 executives and customer-facing sales managers and representatives

Our online training catalog includes more than 620 courses, most of which come at no cost to employees, and in 2015 we offered approximately 2,500 instructor-led courses.

In 2015, approximately 25,000 employees dedicated an average of 22 hours each to training including online and led-instructor courses.





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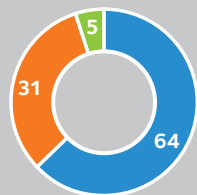
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Fostering Positive, Productive Interactions

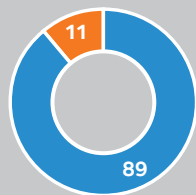
Open communication keeps everyone on the same page and priorities on track. In 2015, around 90% of our employees with access to our online Performance Assessment Tool used it to set goals, evaluate them and have a discussion with their supervisors. Employees without access to a personal computer worked with their supervisor directly to conduct evaluations and receive input. In addition, approximately 1,100 employees worldwide were evaluated through our Talent Review process.

Our 2015 Global Workforce



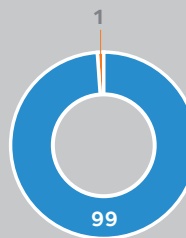
By Level (%)

● Operational positions
● Non-executive positions
● Executive positions



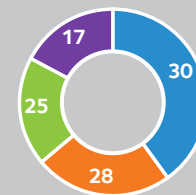
By Gender (%)

● Male
● Female



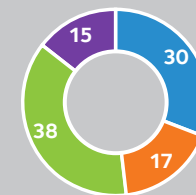
By Type of Contract (%)

● Full-Time
● Part-Time



By Age (%)

● Under 30
● 31-40
● 41-50
● 51 and over



By Seniority (%)

● Less than 1 year
● 1-5 years
● 5-10 years
● Over 10 years



Competitive Compensation Schemes

We know that if our employees have the resources they need to live healthy, fulfilling lives, they'll bring their best to the workplace, and our competitive compensation and employee benefit packages are a key contributor.

More than 86% of our global workforce receives health and insurance benefits beyond those required by local law. In addition, approximately 50% of our global workforce receives pension scheme benefits

above local requirements and more than 30% of our operations receive additional funds for disability than what is required by law.

We regularly communicate these benefits, which span all organizational levels, to our operations to ensure each and every employee is aware of the opportunities available to them.

CEMEX Latvia Receives the Latvian Free Trade Union Partner Award

The Latvian Free Trade Union (LBAS) presented CEMEX Latvia with its "Great Acorns" prize, highlighting the team's dedication to being a socially responsible employer, developing open dialogue, taking care of employee's socioeconomic conditions and improving workplace environment.

This is CEMEX Latvia's third LBAS recognition.





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5.4

Strengthening Business Ethics, Compliance and Transparency



We strive to enhance our reputation as a responsible and sustainable company to help attract and retain employees, customers, suppliers and investors, as well as maintain good relationships in the communities where we operate.

That is why “Act with Integrity” is one of the five core values driving our company forward.



Our Code of Ethics reinforces our values and promotes a culture that builds engagement and drives long-term business success.



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CEMEX's Code of Ethics

We established our [Code of Ethics and Business Conduct](#) to ensure all of our employees abide by the same high standards of conduct. The Code governs our relationships with all of our stakeholders and addresses workplace health and safety, environmental responsibility, confidentiality terms, conflicts of interest, financial controls and records, and preservation of assets.

Through our ethics committees, training programs and secure internal communications channels, we ensure awareness and enforcement of the Code. We periodically evaluate its provisions and update it as needed.

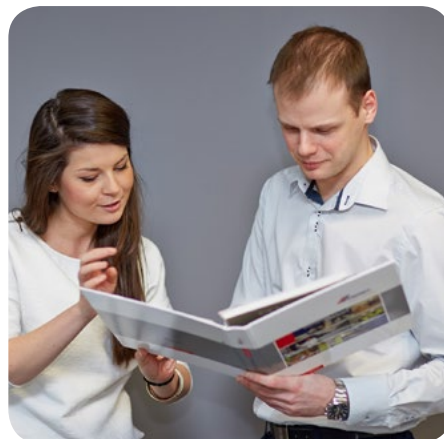
Our Reporting Mechanism – ETHOSline

If there are concerns or suspected violations pertaining to ethics, governance or compliance, it's important that employees and the general public have a trusted place to which they can turn. Managed by a third party, our ETHOSline provides an online portal and phone line for sending comments, requesting advice and submitting complaints about these topics. This secure portal is available 24 hours a day, seven days a week and is open to all.

A total of 380 cases were reported in 2015. 359 were catalogued as potential violations and the remaining as inquiries. From these investigations, 268 have been closed and corrective actions were taken for 180 found true.

Countering Corruption through Transparency

Corruption devastates the reputation of companies, eroding social trust and threatening the business environment. In 2015, CEMEX Czech Republic became a corporate member of the Transparency International Club, a platform for companies who encourage honest behavior and believe that integrity is a powerful tool in the fight against corruption.



Business Ethics Training & Communication

All of our employees are informed of CEMEX business ethics principles in various ways, including via our Code of Ethics, internal communications and displays, face-to-face and on-line legal trainings through our intranet Shift ETHOS Policy Center, legal audits, global compliance policies and other activities. In 2015, more than 260 communications campaigns covering 34 countries, including our corporate

headquarters, were executed to promote expected behaviors and reinforce our institutional reporting mechanisms. Moreover, nearly 6,800 employees dedicated almost 50,000 hours to training on business ethics-related topics including our Code of Ethics and ETHOSline, anti-bribery, antitrust, confidential information, among others. Additionally, during the year 210 executives in 10 targeted business units received training on insider trading and anti-bribery issues for a total of 630 dedicated hours.

Business Ethics-related Training Sessions

Anti-Bribery	2,074
Code of Ethics & Business Conduct and ETHOSline	3,822
Competition and Antitrust	2,069
H&S (including Drug and Alcohol Policy)	10,391
Protecting Confidential Information	1,115
Sarbanes-Oxley	10
Sustainability-Related Matters	1,665
Workplace Harassment	38
Grand Total	21,184

Global Compliance Program

We comply with all applicable laws and policies, without exception. CEMEX abides by fair trade and competition principles and we do not tolerate price-fixing, market allocation, predatory pricing or other illegal market practices. Our [Anti-Bribery/Anti-Corruption Policy](#), [Antitrust Compliance](#)

[Policy](#) and [Insider Trading Policy](#) outline our strict procedures and commitment to global expectations and standards.

To further ensure our employees are acting in a manner consistent with our values, the CEMEX Legal Compliance Department has permanently implemented the *Global Compliance Program* with a focus on the most sensitive countries related to corruption risks in our business systems and processes. Through this program, internal legal audits ("dawn raids") and legal trainings for employees are conducted with a focus on antitrust, anti-bribery and insider trading issues. As part of the program, in 2015 approximately 150 internal legal audits were executed in 15 countries.

Human Rights

We embrace the UN Guiding Principles on Business and Human Rights. As a signatory member of the UN Global Compact, we align our operations and strategies with the 10 Principles established around Human Rights, Labor, Environment and Anti-Corruption. We annually submit an Advanced Communication of Progress (COP) to the Global Compact, demonstrating our strong commitment to the adherence of these principles.

This framework and these principles shaped our updated [Corporate Human Rights Policy](#), which was signed and released by our CEO in 2014.

In addition, employees, stakeholders and other third parties are encouraged to report any potential human rights violation to the Human Resources Department, the Local Ethics Committee or through our ETHOSline.

ETHOSline



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Operating Responsibly in Occupied Territories

CEMEX has three ready-mix concrete plants located in Occupied Palestinian Territories (Mishor Adumim, Mevoh Horon and Atarot). All operate in industrial zones with the permits and licenses required by local laws, and remain committed to the principles outlined by the UN Global Compact. The locations in which the concrete plants are situated, were defined in the interim agreements between Israel and the Palestinian Authority, signed in Oslo in 1993. The agreement states that these areas will be under the administrative responsibility of Israel until a permanent agreement is reached. Therefore, these settlements are legal and compatible with the existing agreement between the cited parties. Moreover, much of the facilities' concrete production is delivered to Jerusalem where it is used for residential and infrastructure projects, meeting the demands of all local communities, regardless of race or faith.

In 2015, as part of our asset sale strategy, we sold our portion of the Yatir quarry and no longer hold a partnership with the third party that manages and operates the quarry, therefore we are not involved in natural resource extractive activities in the West Bank. During the ten years we did own a portion of the quarry, we were never involved in its management. Production, operations, logistics, sales, etc., were managed and operated exclusively by a local partner.

Diversity

We forbid all forms of discrimination including, but not limited to, race, creed, sex, marital status, political affiliation and age, and enforce a strict Diversity and Equality Policy.

As a predominantly male industry, we make it a top priority to create opportunities for women and openly welcome them to our team.

To date, we have initiatives and programs for women in place in approximately 50% of our operating countries.

We are also committed to creating opportunities for those with disabilities, ensuring our communication and

recruitment initiatives reach the members of this community and that our facilities are designed to offer appropriate assistance. Approximately 47% of our operating countries have specific programs designed for the disabled.

Freedom to Associate

CEMEX recognizes, supports and respects the right of its employees to exercise freedom of association within our operations.

Collective agreement clauses vary from country to country depending on the negotiation reached. Basic contracts include labor conditions, compensation and benefits. Other contracts also include notice period, sick pay, overtime pay, maternity leave, retirement, travel expenses and development, among others. Employees are also encouraged to participate in employee councils, company meetings and projects initiated by employee groups.

Approximately 64% of our employees are represented by a union or covered under a collective bargaining agreement.

Encouraging Employee Communication

At CEMEX, we strongly encourage employee participation and provide different avenues for listening to their opinions and involving them in our decision-making processes.

In larger companies such as CEMEX, work councils are often governed by trade unions. Through suggestion boxes, discussion forums, council meetings and engagement surveys – the results of which are prioritized and appropriately acted upon – our employees' voices are heard.

Equal Opportunity and Fair Compensation

Hiring decisions are made without regard to gender, race, color, age, religion, mental or physical disability, sexual orientation, political affiliation or national origin.

CEMEX Poland Joins Ambassadors Equality in Business

Poland created CEMEX Women Forum, a program dedicated to investigating what women need to develop professionally and launch their careers. The team conducted surveys and organized meetings with women in six regions of the country, discussing expectations and ideas that guided the development of a 2015 action plan.

In recognition of these efforts, the country's Ministry of Labour and Social Policy invited CEMEX to join their Ambassadors Equality in Business group, which focuses on the promotion of gender equality in the workforce.

Women in the CEMEX workforce

Having a diverse workforce promotes new ideas. In an industry that remains predominantly male, we are pleased to announce the following milestones in 2015:

- CEMEX UK Logistics Apprenticeship Scheme welcomed its first female apprentice
- The first female Master in the UK Marine Aggregate Dredging Sector completed her first tour of duty aboard a CEMEX unit

More details at  [video](#)





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CEMEX offers a Job Posting Program to give our employees opportunities to apply for open CEMEX positions. In 2015, approximately 31% of new positions were filled with internal candidates.

We also recruit from the neighborhoods that surround our operations. To date, 76% of our senior management positions are held by people from the local community.

CEMEX offers competitive compensation packages based on the responsibility level of each position and designed considering:

- Representation of labor markets in which the business unit competes for talent
- Data from independent, professional, third-party surveys
- Market-based pay and total cash compensation of comparable companies

Comparative Wage Rate 2015

CEMEX entry level vs.
local minimum wage ratio

Colombia	1.24
Croatia	148
Egypt	2.27
France	1.17
Germany	1.00
Israel	1.00
Latvia	2.06
Mexico	1.41
Panama	1.00
Philippines	1.29
Poland	1.02
Spain	1.87
UK	1.01
USA	1.32
Total	1.31



Child Labor

We are strongly committed to the rules regarding child labor in every country where we operate. We do not tolerate the use of child labor by anyone associated with our business, and require official government-issued identification as part of our hiring and selection process.

Forced Labor & Safe Work Environment

At CEMEX no one is forced to perform any task that is hazardous or detrimental to their health or wellbeing. Our operations in every country comply with the local laws and we take measures to prevent workers from falling into debt bondage through company loans. All our employees are free to leave the company anytime and we do not offer any benefit used as a leverage to force labor.

We also have social labor inspectors responsible for following up on workplace environment-related topics. Active social parties (unions, social labor inspectors, employee council) are protected from

seen as overtime and paid according to local law. In all the countries where we operate, we have time attendance systems and a policy regarding overtime. We also comply with local laws governing the maximum amount of overtime allowed and have processes in place in each country to monitor and control overtime hours.

More than 70% of the countries where we operate have initiatives to encourage an appropriate work-life balance.

termination of employment, which assures full independence in relation to the company.

Work-Life Balance

CEMEX abides by the labor laws of each country in which we operate regarding employees' weekly work hours. Working hours exceeding legally stated norms are

Nearly 250 related initiatives were implemented in 2015, reaching half of our total employees. Examples include programs that support child and/or elderly care, allow sabbaticals, and offer parental leave and other flexible benefits. ∞





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6

Enhancing our Engagement with Stakeholders



+100 investors
and bankers attended the
annual CEMEX Day event



Our Stakeholder
Management Model
continues to be rolled out
across our operations



CEMEX's Public Affairs
and Stakeholder
Engagement Policy to be
released this year



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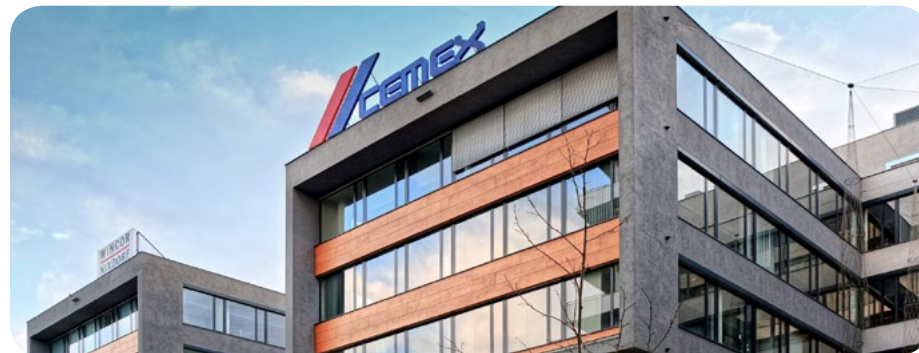


As a company, we understand that in order to solve many of the challenges we face as a community and become truly impactful, we need to tackle issues alongside other stakeholders.

Stakeholders are at the heart of our Sustainability strategy and are directly linked to the most significant issues as described by our materiality assessment. In recent years we have strengthened the

way we work with stakeholders. We have taken steps to become more proactive, communicate better and find more opportunities to collaborate directly.

As stated previously, our global Public Affairs network has established a unified Stakeholder Management Model that in effect identifies the main stakeholders that share common interests and sets an engagement and communication roadmap.



Stakeholder Engagement and Communication Mechanisms

Stakeholders	Key Concerns	Communication Channels and Frequency	Outcomes
Top Managers and Employees	<ul style="list-style-type: none"> Health and safety Company's economic performance in mid and long term Customer engagement and satisfaction Career growth and development 	<ul style="list-style-type: none"> Monthly newsletter Quarterly internal magazines Periodic site visits/dialogue sessions with management Periodic town halls and webcasts Ongoing leadership engagement and communications, Shift (intranet), email, on-site, message boards, and training programs Annual performance appraisal mechanisms and dialogues Engagement survey (biennially) 	<ul style="list-style-type: none"> Worldwide permanent efforts to reach our zero fatalities and zero injuries goal Better understanding of employees needs and professional growth expectations
Clients	<ul style="list-style-type: none"> Customer engagement and satisfaction Company's economic performance in mid and long term Quality products, services and solutions Sustainability management practices 	<ul style="list-style-type: none"> Ongoing customer relationship management through sales representative Annual commercial events Annual customer-satisfaction surveys Customer service centers and help lines 	<ul style="list-style-type: none"> Customer centricity strategy Clear understanding of our customers needs and concerns
Suppliers	<ul style="list-style-type: none"> Health and safety Company's economic performance in mid and long term Fair business conditions Sustainability management practices 	<ul style="list-style-type: none"> Daily procurement interactions Ongoing capacity building programs (i.e. Supplier portal) Supplier sustainability guidance 	<ul style="list-style-type: none"> CEMEX Supplier Sustainability Program Inclusion of human rights, labor, antitrust and sustainability clauses in our contracts and purchase orders Promotion of local suppliers
NGOs and Academic Institutions	<ul style="list-style-type: none"> Quarry rehabilitation, biodiversity preservation and ecosystem management Company's economic performance in mid and long term 	<ul style="list-style-type: none"> Annual sustainable development report and conservation books Project specific and partnership collaboration 	<ul style="list-style-type: none"> Knowledge generation and sharing Strategic partnerships and alliances to multiply our efforts and achieve our goals



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Stakeholders	Key Concerns	Communication Channels and Frequency	Outcomes
Communities	<ul style="list-style-type: none"> Company's economic performance in mid and long term Environmental impact mitigation and management Health and safety Human Rights Quarry rehabilitation, biodiversity preservation and ecosystem management Transparent communication Contribution to community well-being and development Local employment opportunities 	<ul style="list-style-type: none"> Ongoing one to one meetings with community leaders, government officials and organizations Quarterly community advisory panels, dialogue sessions and town hall meetings Annual open house days at operating sites Ongoing educational programs on sustainability and capacity and skills training Participation in local career events Development of community infrastructure, volunteering and social investment initiatives Development of inclusive business programs 	<ul style="list-style-type: none"> Creation of social and inclusive business Generation of empowerment, and capacity-building Improvement to community infrastructure and well-being Development of learning opportunities Open communication and feedback
Analysts, Investors, Shareholders	<ul style="list-style-type: none"> Company's economic performance in mid and long term Corporate Governance Environmental, Social and Governance (ESG) disclosure and performance 	<ul style="list-style-type: none"> Regular meetings, webcasts and conference calls Quarterly financial updates and guidance Annual Financial and sustainable development reports Ongoing website updates and press releases Annual CEMEX Day investor event 	<ul style="list-style-type: none"> Understanding of CEMEX financial position, performance and business perspectives and risks Understanding of management and corporate ESG practices
Local, National and Regional Governments and Regulatory Bodies	<ul style="list-style-type: none"> Environmental impact mitigation and management Company's economic performance in mid and long term Health and safety Climate change and CO₂ emissions policy Infrastructure and housing solutions Local employment opportunities 	<ul style="list-style-type: none"> Annual sustainable development report and conservation books Ongoing public policy discussions Long-term partnerships Periodic meetings and working groups Periodic plant visits Events and conferences 	<ul style="list-style-type: none"> Collaboration and communication with governments and regulatory bodies Successful adaptations to new local, national and regional regulations
Business Associations and Trade Organizations	<ul style="list-style-type: none"> Active engagement and guidance 	<ul style="list-style-type: none"> Periodic Meetings Annual conferences Ongoing working groups Ongoing research studies 	<ul style="list-style-type: none"> Development of coordinated initiatives with trade associations Best practices sharing



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Strengthening Partnerships

With the understanding that by working with others we become more effective, during 2015 we continued our collaboration through partnerships with local and global organizations. These include NGOs, business and trade associations, academic institutions, multilateral organizations and development agencies.

Public Policy

We are promoters of well-designed economic, environmental, energy and commercial regulations that address some of the trends and challenges our society and business environment are facing. We also promote policies that support economic development, community well-being, fair market conditions and take into account

considerations from relevant stakeholders. When we can, we provide independent research and guidance in our areas of expertise to support the creation of sound public policies and regulations.

European Union

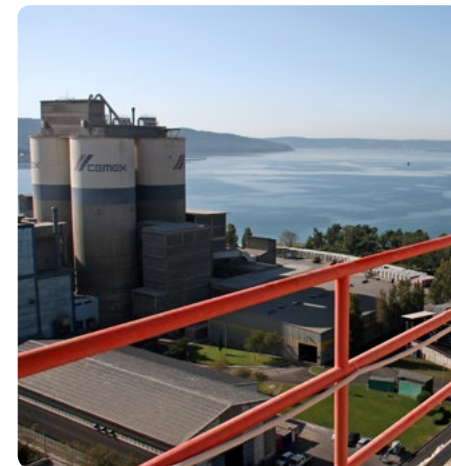
We play an active role in engaging with the institutions of the European Union. In 2015, we actively engaged in a number of policy areas, including the European Union Emissions Trading Scheme (EU ETS), and the Circular Economy scheme. CEMEX also provides members of the European Parliament with a vital industry perspective on climate change and other environmental issues through participation with GLOBE EU and the European Parliament Intergroup on Climate Change, Biodiversity and Sustainable Development.

In addition, as part of our global relationship, CEMEX works with BirdLife Europe and has participated in the review of the EU's Nature Directives (on Birds and Habitats). CEMEX joined forces with the Royal Society for the Protection of Birds (RSPB) to speak directly to the EU Commission on the value of the Directives to industry and nature conservation alike. CEMEX is also working with BirdLife Europe on the 'Flyways' project designed to help the Turtle Dove, one of Europe's most rapidly declining birds.

Finally, in 2015, CEMEX participated in the European collaborative project 'RESTORE', an innovative quarry restoration and best practice sharing project.

USA

CEMEX has long supported carbon pricing as a key policy instrument; consequently,



we joined the Carbon Pricing Leadership Coalition (CPLC), a joint initiative led by the World Bank Group, which includes leaders from government, business and civil society who support the establishment of policy for price on carbon emissions based on global best practices.

Promoting Transparency with Investors

We engage our investors, debt holders and research analysts through a variety of communication channels to ensure they are aware of all CEMEX activity. Our 2015 financial results, corporate strategy and business outlook, as well as an update on our various regional operations, were shared during a CEMEX Day investor event held in New York on March 17. More than 100 analysts, investors and bankers attended the event and almost 700 people followed via webcast to hear what we had to say.

To learn more about **CEMEX Day**, please visit www.cemex.com ∞

Organizations we partnered with in 2015 included:





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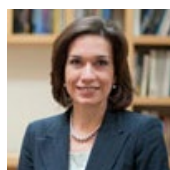
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Advisory Panel Members and Statement



Irma Gómez

Undersecretary for Management,
Mexican Ministry of Public Education



Felipe Pich

Founding Director
Pich-Aguilera Architects



Robert Ruttmann

Investment Office
Director Julius Bär
Head of Competence Center for Sustainability
St. Gallen University



Antonio Vives

Principal Associate, Competere
Consulting Professor, Stanford University,
Civil Engineering Department



Ramón Pérez Gil

Global Counselor, International Union for the Conservation of Nature (IUCN)

We are pleased to note the continued progress and commitment of CEMEX to sustainability and how integral sustainability has become to its business strategy and its willingness to engage with the Advisory Panel and consider its recommendations. We acknowledge the difficulties in incorporating our comments, many of which refer to activities to be undertaken, beyond reporting language and format, and appreciate the efforts to do progressively, given the very large and diverse scope of CEMEX operations.

Scope of our review

As in previous years the Sustainability Reporting Advisory Panel reviewed an advanced draft of the CEMEX 2015 Sustainable Development Report: *Concrete Solutions for a Sustainable Future*. Individually we shared with management our detailed comments and specific suggestions for improvement in reporting and by extension on their activities. Given the nature of the current process, most of our comments are expected to influence the future development of policies, processes, activities and information systems. We appreciate the efforts to include our comments in the current report in spite of the short period of time available. Again, as in previous years, we concentrate here on strategic aspects that will further enhance the company's activities and reporting in the future.

Review process of reporting

During this year's review process the Panel was limited to commenting on the proposed table of contents and on the final draft. The Panel was not able to review the GRI G4 report, only the descriptive part. We are keen to be given the opportunity to review this part of the report

earlier as it is the one that can point out areas of improvement in sustainability at CEMEX. Reviewing the descriptive report constrains the Panel to mostly issues of presentation. CEMEX has committed to a review of the process as soon as the members are appointed or reappointed in order to allow a more active and timely participation. As part of the discussion the Panel would like to agree on its Terms of Reference, outlining objectives, scope and responsibilities and process, before embarking on the next review. We understand this is also CEMEX desire.

Reporting framework, style and improvements

As the components of the sustainability model are being implemented we are pleased to notice the efforts that CEMEX is making to describe in a more integrated and summarized fashion its large contribution to society's wellbeing beyond the description of its individual activities scattered throughout the report. In order to capitalize of this we suggest CEMEX consider the preparation of an integrated report along the lines of the proposed framework of the International Integrated Reporting Council. Even if the effort prove to be too costly, the process will enhance CEMEX integrated thinking and strategy and will enhance its positive impact on society.

The Panel is pleased with the efforts of CEMEX to prepare the report in accordance to the Global Reporting Initiative G4 Guidelines, which will lead the company to concentrate its reporting along the major material aspects, even though the report is not yet fully structured based on the GRI G4. GRI G4 Content index does contribute to appreciate the efforts in addressing the most material aspects.

While maintaining a core structure, the sustainability report has been changing in style through time, in part, we believe, to better reflect the most important issues and in part to reflect feedback received for different readers. We would like to suggest that CEMEX decide on a core style as it has a core structure, and move, progressively, to highlight the risks and challenges that it faces in its sustainability efforts. We believe that given the ubiquity and speed of information, stakeholders are coming to appreciate the recognition of the difficulties faced, which place the progress achieved in a more positive light that just highlighting achievements.

The Panel noted with satisfaction significant improvements in this report, in particular the extensive analysis of CEMEX's actual and expected contribution to the Sustainable Development Goals and look forward to the reporting on yearly achievements. Also particularly commendable is the extensive coverage of the stakeholder engagements mechanism and their outcomes that show CEMEX concern and will serve as a guide to be even more responsive to their expectations. The Panel also commends CEMEX on the statement regarding World Heritage Sites and hopes that in the future it will report on concrete actions beyond being committed to work with international institutions. We are also pleased with its efforts to put a value on its contribution to society and highlighting the key sustainable attributes of concrete.

Sustainability Governance

The Panel notes with great satisfaction the operation of the Sustainability Network and Committee and is looking forward the reporting of

the activities and results of the Committee and the coordination and effectiveness of the Network.

Regarding Ethics and Corruption we are pleased to notice the continuous efforts being made in raising awareness on these issues and the fact that so many ethics and internal human rights cases are brought to the fore. While the number of cases is included in the report, an analysis and reporting of the major causes and trends in the disciplinary actions taken for violation of the code of ethics would be helpful to the readers to assess the severity of the issues and progress made in its avoidance. We are also encouraged by the internal process that CEMEX has established to collect information.

Regarding gender diversity the Panel continues to be concerned at the slow progress being made in the appointment of women in leadership positions and encourage CEMEX to analyze the explicit and implicit obstacles that may be preventing progress and suggest the design and implementation of a women's executive development program. We urge CEMEX to consider the appointment of properly qualified women to the Board of Directors, where currently there are none. We understand the difficulty of the task given the characteristics of the cement industry.

Material aspects

The Panel notes the continued progress being made during 2015 in determining the material aspects with the help of an outside consultant and the inclusion of more than 11,000 stakeholders. Nevertheless while the results, in general, confirm expectations there are some that give us concern that the sample, while



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large, may have not been appropriately selected and weighted. For instance we note the very low importance given both by CEMEX and its stakeholders to some environmental issues and that some social issues are not mentioned (as we comment below). We would suggest the sample be based on an assessment of the sets of stakeholders that are critical for the company (in terms of power, legitimacy and urgency) and then assess the material aspects for each group and decide on the critical ones on the basis of CEMEX priorities. We suggest that the selection of respondents not be left to the vagaries in responding to surveys but be proactively pursued according to the need to obtain a sample that reflects their impact, even if the resulting sample is smaller. We also suggest that the issues posed be limited to social, environmental and governance issues, leaving out commercial and financial issues, which push those other issues backwards.

Benchmarks and indicators

We note with satisfaction that CEMEX continues to update the benchmarks and encourage the company to develop a full set for the year 2020 with a strategic path for their achievement. Nevertheless we would like to reiterate our concern about some inconsistencies in the base year and the definitions of some indicators. We encourage CEMEX to also update all baselines for comparisons as some are rather old and no longer represent an appropriate starting point to measure progress. We understand that some of the base years are dictated by industry associations for comparison purposes, but feel that they do not allow for an assessment of progress. CEMEX should take the opportunity of developing 2020 benchmarks to refine the definitions and bases of the indicators. In this context we suggest the definitions be made as consistent as possible among indicators, preferably reported as an annual increase or decrease over the previous year or average of previous years, some of them as a proportion of an indicator of production, as needed, depending on the goals of the indicators. This would allow for a more clear appreciation of progress.

Furthermore, we would like to suggest adding some indicators related to local economic development, for instance empowerment, capacity building and fostering local/municipal business opportunities, including SME development, and community support even though these are not traditional reporting indicators. This would allow for a better appreciation of the efforts that CEMEX is making in supporting local and community development.

The number of indicators on social issues is not representative of the contribution of CEMEX and gives the impression of low priority and a narrow definition of its social impact. We were pleased to learn that CEMEX will work on consolidating a more robust and standardized methodology to measure its high-impact social programs' impacts across the world and to develop the corresponding KPIs.

Safety

We are encouraged that the Time Lost due to Injuries has decreased, but, as in previous years, we are concerned about the number of fatalities, mostly on contractors and third parties. We note that CEMEX has taken a significant number of preventive actions, but we encourage CEMEX to further assess why some of these measures have not produced the expected results and to take corrective actions on those situation under their control.

Human Rights

The Panel is pleased to learn that CEMEX has developed a Human Rights Policy and expect to read in future reports the measures taken to implement the *Ruggie Principles*, in particular the assessment of the current situation and a plan of action to ensure their application.

Emissions and other environmental issues

We encourage CEMEX to comment, in future reports, on the evolution of actual emissions in recent years using more relevant indicators as mentioned above. The Panel is pleased to note the reduction of dust emissions per unit of production.

The discussion on "avoided" emissions is misleading, as it depends on the chosen alternative to compare. The important figure is emissions reductions per unit of output year after year. We are encouraged by CEMEX commitment to explore alternative measures to convey the message.

We note with concern the significant increase in moderate environmental incidents and environmental noncompliance cases and hope that CEMEX will report on the measures taken to reverse this trends.

Energy and water consumption

We were pleased to learn of the successful efforts to continue the reduction of energy consumption and net water and are encouraged by the increased use of alternative sources of energy, particularly from recycled waste, alternative fuel and renewables (although the progress seems to have peaked for some sources).

Biodiversity

While there has been progress in the number of active sites with high biodiversity value where Biodiversity Action Plans are implemented, there are still 39% of sites that do not do so. This is an important challenge.

Supply Chain monitoring and development

The Panel is very pleased to learn of the efforts to enhance the sustainability of the supply chain, in particular the engagement of a consulting firm to help with the efforts. Nevertheless we note that only 13% of procurement value is assessed using the Supplier Sustainability program, with very little progress over the previous year. We encourage CEMEX to identify the most critical suppliers, not in terms of volume, but in terms of potential risks for CEMEX's sustainability efforts and reputation. We would expect to see the results of the assessment and the actions taken in future reports.

Procurement and the value chain offer new and effective ways to expand, extend, enhance, boost and multiply policies' application, principles, values, views and naturally impact far beyond the

immediate sphere of CEMEX's action, that should be taken advantage of to contribute to local economic development.

Working conditions and social impact

We are also pleased to see the progress achieved by CEMEX in working conditions for their employees. Recognizing the complexity of working in so many countries with very different cultures and standards, we nevertheless would like to see more efforts in enhancing the number of countries where programs for child, dependent and elderly care are available. We notice that 31% of sites do not conduct social impact assessment studies, with no progress from the previous year. This should be a source of concern for CEMEX that has such a large economic, environmental and social footprint.

Building solutions

The Panel considers timely to highlight that the key attributes of cement give it a high potential to contribute to sustainable and green buildings in our built environment. In this sense it is pleased to note that a global company like CEMEX is aware of this and invests in a strategy based on R+D, to search for new cement based products and building systems, that can be used in the market as highly sustainable performance material in terms of energy savings, waste reduction and resource productivity. ∞



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Our Performance in Detail

Lead in sustainable construction	2013	2014	2015 ¹
Production covered with CEMEX CO ₂ Footprint Tool (%)	100	100	100
Cement	100	100	100
Aggregates	100	100	100
Ready-mix	100	100	100
Sites covered with CEMEX CO ₂ Footprint Tool (%)	100	100	100
Cement	100	100	100
Aggregates	100	100	100
Ready-mix	100	100	100
CO ₂ Footprint - Annual Average			
Cement (kg CO ₂ e/ton)	770	769	769
Aggregates (kg CO ₂ e/ton)	5.0	4.7	4.7
Ready-mix (kg CO ₂ e/m ³)	277	265	265

Resilient and efficient building solutions	2013	2014	2015
Affordable and/or resource-efficient buildings where CEMEX is involved (#)	7,513	3,150	2,400
Affordable and/or resource-efficient buildings where CEMEX is involved (million m ²)	0.40	0.18	0.15
Installed concrete pavement area (million m ²)	7.42	8.14	7.32
Green building projects under certification where CEMEX is involved (million m ²)	3.46	7.08	6.42
Annual ready-mix sales derived from products with outstanding sustainable attributes (%)	26.8	29.7	33.0

Carbon strategy	2013	2014	2015
Absolute gross CO ₂ emissions (million ton)	40.3	42.8	43.7
Absolute net CO ₂ emissions (million ton)	37.6	40.1	40.8
Specific gross CO ₂ emissions (kg CO ₂ /ton of cementitious product)	648	653	672
Specific net CO ₂ emissions (kg CO ₂ /ton of cementitious product)	607	613	630
Reduction in CO ₂ emissions per ton of cementitious product from 1990 baseline (%)	23.4	22.6	21.6
Thermal energy efficiency of clinker production (MJ/ton clinker)	3,812	3,854	3,897

Fuel mix (%)	2013	2014	2015
Total alternative fuels rate	28.4	27.7	26.6
Coal	21.8	22.5	23.8
Petroleum coke	37.6	38.2	39.0
Fuel oil	9.1	8.5	7.0
Natural gas	3.1	3.0	3.7

Alternative fuels rate (%)	2013	2014	2015
Alternative fossil fuels rate	16.1	16.3	15.7
Biomass fuels rate	12.3	11.4	10.9

Waste types used as alternative fuels (%)	2013	2014	2015
Industrial and household waste	46.7	49.7	50.3
Tires	10.1	9.0	8.8
Animal meal	3.0	2.5	2.0
Agricultural organic waste	8.5	7.2	7.3
Other biomass	31.7	31.6	31.6

Other carbon strategy indicators	2013	2014	2015
Alternative raw material rate (%) ²	11.6	11.2	6.0
Sustainable raw material rate (%)	14.0	13.6	12.7
Clinker/Cement factor (%)	76.9	76.5	78.6
Indirect energy consumption (GWh)	7,266	7,562	7,643
Specific energy consumption, cement (kWh/ton)	118	116	119
Specific energy consumption, ready-mix (kWh/m ³)	3.4	3.2	3.2
Specific energy consumption, aggregates (kWh/ton)	4.8	4.4	4.6
Direct energy consumption (TJ)	185,261	196,510	202,598

Air quality	2013	2014	2015
Clinker produced with continuous monitoring of major emissions (dust, NO _x and SO _x) (%)	81	84	84
Clinker produced with monitoring of major and minor emissions (dust, NO _x , SO _x , Hg, Cd, Tl, VOC, PCDD/F) (%)	81	81	80
Absolute dust emissions (ton/year)	5,866	6,147	4,095
Specific dust emissions (g/ton clinker)	127	134	90
Absolute NO _x emissions (ton/year)	59,391	59,620	55,318

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Air quality	2013	2014	2015
Specific NO _x emissions (g/ton clinker)	1,261	1,205	1,122
Absolute SO _x emissions (ton/year)	10,127	12,711	13,640
Specific SO _x emissions (g/ton clinker)	215	257	279
Annual reduction in dust emissions per ton of clinker from 2005 baseline (%)	58	55	70
Annual reduction in NO _x emissions per ton of clinker from 2005 baseline (%)	39	42	46
Annual reduction in SO _x emissions per ton of clinker from 2005 baseline (%)	67	60	57

Water management	2013	2014	2015
Total water withdrawals by source (million m ³)	87.9	84.6	79.1
Surface water	28.6	37.3	27.0
Ground water	45.6	35.6	37.9
Municipal water	10.7	8.8	10.0
Rain water	0.8	0.9	0.8
Sea water	0.5	0.2	0.1
Other	1.8	1.8	3.3
Cement (million m ³)	26.9	25.9	25.0
Surface water	11.6	10.9	7.3
Ground water	13.1	13.0	15.5
Municipal water	1.2	1.1	1.4
Rain water	0.3	0.3	0.3
Sea water	0.3	0.0	0.0
Other	0.3	0.6	0.5
Ready-mix (million m ³)	11.1	11.0	12.1
Surface water	0.2	0.3	0.5
Ground water	2.2	3.6	2.0
Municipal water	7.2	5.6	6.6
Rain water	0.1	0.1	0.1
Sea water	0.0	0.0	0.0
Other	1.5	1.3	2.9
Aggregates (million m ³)	49.9	47.8	42.0
Surface water	16.8	26.1	19.2
Ground water	30.2	18.9	20.4
Municipal water	2.3	2.1	1.9
Rain water	0.5	0.5	0.3

Water management	2013	2014	2015
Sea water	0.2	0.2	0.1
Other	0.0	0.0	0.0
Total water discharge by destination (million m ³)	32.7	32.9	29.3
Surface water	21.1	19.2	17.9
Ground water	9.7	11.8	10.0
Municipal water	1.0	0.8	0.8
Sea water	0.2	0.1	0.1
Other	0.8	1.0	0.4
Cement (million m ³)	4.2	3.3	3.2
Surface water	3.3	2.4	2.6
Ground water	0.1	0.0	0.0
Municipal water	0.2	0.3	0.3
Sea water	0.2	0.1	0.1
Other	0.4	0.5	0.2
Ready-mix (million m ³)	0.7	0.7	0.9
Surface water	0.0	0.0	0.3
Ground water	0.2	0.2	0.1
Municipal water	0.6	0.4	0.5
Sea water	0.0	0.0	0.0
Other	0.0	0.1	0.0
Aggregates (million m ³)	27.8	28.9	25.3
Surface water	17.8	16.8	15.1
Ground water	9.4	11.6	9.9
Municipal water	0.2	0.1	0.1
Sea water	0.0	0.0	0.0
Other	0.4	0.4	0.3
Total consumption (million m ³)	55	52	50
Cement	23	23	22
Ready-mix	10	10	11
Aggregates	22	19	17
Specific Water Consumption			
Cement (l/ton)	376	360	346
Ready-mix (l/m ³)	197	185	207
Aggregates (l/ton)	168	132	134
Sites with water recycling systems (%)	86	84	84
Cement	78	80	77
Ready-mix	86	83	83
Aggregates ³	91	89	93



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Waste management	2013	2014	2015
Hazardous waste disposal (ton)	80,065	104,909	104,254
Cement	77,125	102,036	101,811
Ready-mix	2,477	2,348	2,171
Aggregates	325	403	271
Others	138	122	0.35
Non-hazardous waste disposal (ton)	637,145	483,404	464,493
Cement	238,394	130,507	102,504
Ready-mix	386,816	335,402	344,958
Aggregates	3,152	11,325	13,178
Others	8,782	6,171	3,853
Volume of returned ready-mix from total delivered			
%	1.00	1.27	0.98
m ³	525,733	712,152	522,859
Secondary and recycled aggregates used as a direct replacement of primary aggregates			
%	0.21	0.21	0.26
Ton	194,353	221,676	257,761

Biodiversity management	2013	2014	2015
Active sites with quarry rehabilitation plans (%)	92	94	94
Cement	91	86	84
Aggregates	93	96	98
Active quarries within or adjacent to high biodiversity value areas (#)	91	80	64
Cement	11	10	9
Aggregates	80	70	55
Active sites with high biodiversity value where Biodiversity Action Plans are actively implemented (%)	51	55	61
Cement	64	60	89
Aggregates	49	54	56

Environmental management	2013	2014	2015
Sites with CEMEX Environmental Management System (EMS) implemented (%)	68	74	76
Cement	96	97	98
Ready-mix	65	70	73
Aggregates	73	90	88

Environmental management	2013	2014	2015
Sites with ISO 14001 certification (#)	605	690	759
Sites with ISO 14001 certification (%)	32	37	44
Environmental investment (US million)	95	85	86
Major environmental incidents - Category 1 (#)	0	0	2
Moderate environmental incidents - Category 2 (#)	87	39	436
Minor environmental incidents - Category 3 (#)	357	313	227
Environmental non-compliance cases (#)	97	276	453
Associated fines (US million)	0.7	0.5	0.3

Health and Safety	2013	2014	2015
Total fatalities	21	27	19
Employees, total	3	4	1
Cement	1	2	0
Ready-mix	2	1	0
Aggregates	0	0	1
Other businesses	0	1	0
Contractors, total	11	17	10
Cement	5	12	5
Ready-mix	1	3	1
Aggregates	1	0	2
Other businesses	4	2	2
Third-parties, total	7	6	8
Cement	3	2	5
Ready-mix	4	3	2
Aggregates	0	1	1
Other businesses	0	0	0
Fatality rate, employees (per 10,000 employed)	0.7	0.7	0.2
Cement	0.8	1.5	0.0
Ready-mix	1.4	0.4	0.0
Aggregates	0.0	0.0	2.0
Other businesses	0.0	0.8	0.0

Lost Time Injuries (LTIs)	2013	2014	2015
Employees, total	176	124	67
Cement	33	32	23
Ready-mix	111	70	32
Aggregates	13	9	4



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Lost Time Injuries (LTIs)	2013	2014	2015
Other businesses	19	13	8
Contractors, total	90	69	67
Cement	39	27	28
Ready-mix	30	19	9
Aggregates	4	6	10
Other businesses	17	17	20
Lost Time Injury Frequency Rate (LTI FR), employees (per million hours worked)	1.8	1.2	0.6
Cement	1.2	1.0	0.8
Ready-mix	3.1	1.9	0.9
Aggregates	1.3	0.9	0.4
Other businesses	0.7	0.5	0.3
Compliance with CSI Driving Safety Recommended Practices (%)	84	87	89
Compliance with CSI Contractor Safety Recommended Practices (%)	88	88	89
Sites with a Health and Safety Management System implemented (%)	100	99	100
Cement	99	100	100
Ready-mix	100	99	100
Aggregates	99	100	100
Sites certified with OHSAS 18001:2007 (%)	8	9	10
Cement	38	40	61
Ready-mix	7	6	8
Aggregates	11	15	13
Sickness Absence Rate (%)	2.2	2.2	2.1
Sites with health professional onsite or external health provider (%)	93	93	95

Corporate governance	2013	2014	2015
Executives and employees actively aware of our Code of Ethics (%)	80	80	80
Ethics and compliance cases reported during the year that were investigated and closed (%)	96	91	74
Reports of alleged breaches to the Code of Ethics received by local ethics committees (#)	324	394	359
Reports related to employee relations	60	79	69

Corporate governance	2013	2014	2015
Reports related to a form of harassment	42	63	28
Reports related to discrimination	5	7	8
Disciplinary actions taken as a result of reports of non-compliance with the Code of Ethics, other policies or the law (#)	178	177	180
Target countries that participated on the Global Compliance Program including antitrust, anti-bribery and insider trading (%)	93	90	100
Countries with local mechanisms to promote employee awareness of procedures to identify and report incidences of internal fraud, kick-backs, among others (%)	100	100	100
Investigated incidents reported and found to be true related to fraud, kick-backs among others corruption incidents to government officials (#)	0	0	0

Partnership with key stakeholders	2013	2014	2015
Workforce	43,087	44,241	43,117
Mexico	9,597	9,854	9,504
United States	9,432	9,752	10,183
Northern Europe	10,025	10,000	8,846
Mediterranean	3,826	3,815	4,052
Asia	1,178	1,138	1,139
South, Central America and the Caribbean	5,793	6,272	6,046
Others (including Corporate and Neoris)	3,236	3,410	3,347

Breakdown of workforce by type of contract (%)			
Full time	99	99	99
Part time	1	1	1

Breakdown of workforce by level (%)			
Executive positions	5	5	5
Non-executive positions	35	32	31
Operational positions	60	63	64

Breakdown of workforce by age (%)			
Under 30	16	17	17
31-40	31	30	30
41-50	29	29	28
51 and over	24	24	25



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Partnership with key stakeholders	2013	2014	2015
Breakdown of workforce by gender (%)			
Male	89	89	89
Female	11	11	11
Female employees by level (%)			
Executive positions	14	12	13
Non-executive positions	24	26	38
Operational positions	3	3	3
Male to female wage ratio	1.03	1.05	1.07
Employees that perceive they are enabled to perform their job effectively (PEI - Performance Enablement Index) (%)	79	79	76
Employees that are engaged to the company (EEI - Employee Engagement Index) (%)	77	77	76
Participation rate in engagement survey (%)	78	78	75
Employee turnover rate (%) ⁴	5.0	6.9	6.6
Employee represented by an independent union or covered by a collective bargaining agreement (%) ⁵	46	45	45
Notice to employees regarding operational changes (average days)	40	34	36
Countries with practices to promote local hiring (%)	88	90	100
Training provided by operations (average hours)			
Executive positions	26	27	18
Non-executive and operational positions	27	29	15
Online courses through CEMEX Learning Management System (LMS) (#)	832	545	626
Employees with access to CEMEX Learning Management System (LMS) (#)	18,041	10,104	25,656
Sites conducting social impact assessments (%)	68	68	69
Cement	75	75	77
Ready-mix	67	67	69
Aggregates	70	70	69
Sites with community engagement plans (%)	97	98	98
Cement	96	97	97
Aggregates	97	98	98
Sites with employee volunteering programs (%)	67	67	73
Countries that conduct regular customer satisfaction surveys (%)	79	78	85

Partnership with key stakeholders	2013	2014	2015
Purchases sourced from locally-based suppliers (%)	95	95	95
Countries with a process to screen suppliers in relation to social and environmental aspects (%)	72	86	86
Global procurement spend assessed under the Supplier Sustainability Program (%)	10	12	13
Strengthen local communities ⁶			
Families participating in Patrimonio Hoy (#)	426,569	470,749	525,941
Individuals benefited from Patrimonio Hoy (#)	2,063,767	2,274,630	2,536,466
Square meters built by Patrimonio Hoy	3,315,863	3,693,073	4,115,392
Families participating in Construpoyo and PCS (#)	67,211	73,154	77,510
Families participating within our social initiatives (#)	493,780	543,903	627,307
Individuals benefited from our social and inclusive businesses (#)	2,363,867	2,601,157	2,994,453
Individuals benefited from our social initiatives (#)	6,331,396	6,937,176	9,655,198 ⁷

Footnotes:

- 1 Every CEMEX country decides according to their market and customer needs to calculate the carbon footprint at a yearly basis. However, CEMEX is committed to do the complete calculation exercise for 100% of its facilities every 2 years.
- 2 2015 figure reflects current CEMEX operations' portfolio after the assets' transactions during the year.
- 3 Considering sites that use water for aggregates production (including wet screening and aggregate washing).
- 4 Voluntary turnover.
- 5 Total employees including executive and non-executive positions. Considering only operations positions coverage is 64%.
- 6 Accumulated figures since 1998.
- 7 The significant increase in the accumulated beneficiaries from our social strategy is due to an update of our methodology to estimate this figure integrating now the individuals benefited from our community infrastructure initiatives; the scalability of some of our existing social projects as well as new social initiatives and businesses added to our portfolio.



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Independent Assurance Report



Independent limited assurance report on CO₂-, Health and Safety-, Other Emissions- and Environmental Incidents Indicators reported by Cemex from January 1st through December 31st 2015

To the Management Board of CEMEX, S. A. B. de C. V.

Dear Sirs,

We have undertaken a limited assurance engagement in respect of the selected sustainability information listed below (from here on "Identified Sustainability Indicators"), which were drafted by CEMEX S. A. B. de C. V., as per the WBCSD-CSI "The Cement CO₂ and Energy Protocol" (Version 3.1, December 2013), WBCSD-CSI "Safety in the cement industry: Guidelines for measuring and reporting" (Version 4.0, May 2013), WBCSD-CSI "Guidelines for Emissions monitoring and Reporting in the Cement Industry" (Version 2, March 2012) and in accordance with the internal corporate procedure for "Environmental Incident Reporting" as established by CEMEX, respectively.

This engagement was conducted by a multidisciplinary team including assurance practitioners, chemical engineers, industrial engineers, environmental engineers and management professionals.

Identified Sustainability Indicators

The Identified Sustainability Indicators for the year ending December 31st, 2015 are summarized below:

For Cement Operation, CO₂ emissions calculated according to WBCSD-CSI "The Cement CO₂ and Energy Protocol" (version 3.1, December 2013) Scope 1 and Scope 2:

- Absolute gross and net CO₂ emissions.
- Specific gross and net CO₂ emissions.
- Alternative Fuel Indicators (alternative fossil fuels and biomass).
- Total indirect CO₂ emissions.

Safety indicators for cement, ready mix and aggregates, estimated according to the guidelines of WBCSD-CSI "Safety in the cement industry: Guidelines for measuring and reporting" (version 4.0, updated May 2013):

- Lost Time Injury Frequency Rate (LTI FR) for direct employees and contractors
- Lost Time Injury Severity Rate (LTI SR) for directly employed and contractors.
- Fatality Rate for direct employees and contractors



Other emissions indicators (dust, NO_x and SO_x) estimated according to the WBCSD-CSI "Guidelines for Emissions Monitoring and Reporting in the Cement Industry" (version 2, March 2012):

- Overall coverage rate
- Rate of clinker generated with continuous monitoring of dust, NO_x and SO_x
- Absolute and specific emissions data of dust
- Absolute and specific emissions data of NO_x
- Absolute and specific emissions data of SO_x

Environmental Incidents as defined by CEMEX's internal corporate procedure for "Environmental Incident Reporting".

- Number of Category 1 and Category 2 environmental incidents

Our assurance was performed only with respect to the information reported and pertaining the indicators exclusively, for the year ending December 31st, 2015 and we have not performed any other procedure with respect to earlier periods or to any other indicators included in CEMEX's 2015 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by CEMEX, S. A. B. de C. V. to prepare the Identified Sustainability Indicators were set out in the WBCSD-CSI "The Cement CO₂ and Energy Protocol" (Version 3.1, December 2013), WBCSD-CSI "Safety in the cement industry: Guidelines for measuring and reporting" (Version 4.0, updated as of May 2013), WBCSD-CSI "Guidelines for Emissions monitoring and Reporting in the Cement Industry" (Version 2, March 2012) and in accordance with the internal corporate procedure for "Environmental Incident Reporting" as established by CEMEX (from here on "the Criteria")

CEMEX, S. A. B. de C. V.'s Responsibility for the Identified Sustainability Indicators

CEMEX, S. A. B. de C. V. is responsible for the preparation and presentation of the 2015 Sustainability Report, as well as for the preparation of the Identified Sustainability Indicators in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Identified Sustainability Indicators that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.



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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the reviewed version of the International Standard on Assurance Engagements 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, as established by the International Auditing and Assurance Standards Board of the International Federation of Accountants. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement. In addition, for the verification of GHG emission statement of CEMEX's work centers does not contain material misstatements, and has been developed according to the criteria, we have carried out our procedures under the Mexican standard NMX-SSA-14064-3-INMC-2007-Greenhouse Gases-Part 3: Specification with Guidance for the Validation and Verification of Statements on Greenhouse Gases.

In this context, we selected a sample of locations (10 cement plants worldwide that represent 29% of scope 1 and scope 2 CO₂ emissions reported by CEMEX on a global basis) in order to perform site visits and other procedures.

A limited assurance engagement involves assessing CEMEX, S. A. B. de C. V.'s use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to the risk assessment procedures, including the understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with the underlying records.

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Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Identified Sustainability Indicators;
- Understanding of the the process for collecting, consolidating and reporting the Identified Sustainability Indicators.
- Performed limited substantive testing on a selective basis of the Identified Sustainability Indicators to check that data had been appropriately measured, recorded, consolidated and reported; and
- Considered the disclosure and presentation of the Identified Sustainability Indicators.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether CEMEX, S. A. B. de C. V.'s Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that CEMEX, S. A. B. de C. V.'s Identified Sustainability Indicators for the year ending December 31st, 2015 is not prepared, in all material respects, in accordance with the Criteria.

This limited assurance report, including our opinion, has been prepared solely for the use of CEMEX, S. A. B. de C. V., in order to assist them in reporting on sustainable development performance and activities. We authorize the disclosure of this limited assurance report within the 2015 Sustainability Report, to enable the Management Board to demonstrate they have met their governance duty of requiring an independent assurance report in connection with the 2015 Sustainability Report. To the fullest extent permitted by law, we are not liable before any party except for the Management Board and CEMEX, S. A. B. de C. V. based on the agreed upon terms in writing.

PricewaterhouseCoopers, S. C.

C.P.C. Luis Ricardo Guillén García
Mexico City
April 25th, 2016

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Reporting History and Cycle

CEMEX began publishing Environmental, Health, and Safety (EHS) reports in 1996, and has annually published its Sustainable Development Reports since 2003 covering a broad range of issues related to economic, environmental, social and governance performance.

Alignment to Global Reporting Initiative (GRI) Guidelines

In order to enhance our sustainability communication to our stakeholders and comply with internationally agreed disclosures and metrics CEMEX uses the Global Reporting Initiative (GRI) guidelines to prepare its Sustainable Development Reports. From 2008 to 2013 we met an application level of A+ using GRI-G3. As of 2014 we have migrated to the GRI-G4 Guidelines, using the 'in accordance' comprehensive option. Furthermore we have submitted the current report to GRI requesting the Materiality Disclosures Service.

Moreover this year our GRI Content Index is cross referenced to the UNGC principles as well as to the UN Sustainable Development Goals (SDGs). To access the full GRI Content Index, please visit: www.cemex.com/SustainableDevelopment/files/GRIIndex2015.pdf

Boundary and Reporting Period

In preparation for this report, we consolidated information from all our operations and countries. It covers our global cement, ready-mix concrete and aggregates business lines, presenting our sustainability performance, progress, achievements and challenges for the 2015 calendar year, which is also the company's fiscal year. Our materiality analysis guided our reporting process, and the issues included in this report especially match those that CEMEX management and our stakeholders found of the higher and highest importance for our operations, as reflected in our Sustainability Materiality Matrix.

Unless otherwise indicated, the information provided in this report is for the company as a whole. We have included information for the operations in which we have financial and operative control. If a plant is sold, its information is no longer included in our data or considered in our targets. If we have restated certain data sets from previous years because of improvements to our data-collection systems or changes to our business, each case is clearly marked. All monetary amounts are reported in US dollars. All references to 'tons' are to metric tons.

The information in our 2015 Sustainable Development Report came from several sources, including internal management systems and performance databases, as well as sustainability-related surveys applied to all countries where we have operations. Several key global functional areas such as Human Resources and Procurement also participated in the data collection process.

We aim to improve the transparency and completeness of each report that we produce while streamlining our processes and the way in which we provide information. For this, we include a statement from PwC, which verified our data on greenhouse gas emissions, atmospheric emissions, alternative fossil and biomass fuels rates, environmental incidents and safety indicators for our cement, ready-mix and aggregates operations.

In addition, we engaged our External Advisory Panel, which provides feedback on our reporting.

United Nations Global Compact - Communication on Progress

This report also constitutes our Communication on Progress (CoP) toward the commitments of the UN Global Compact (UNGC). As a signatory to the UNGC, we work to align our company's operations and strategies with its ten principles. As demonstrated within the content of this

report we are also committed to helping the world meet the targets of the Kyoto Protocol and contribute to the achievement of the UN Sustainable Development Goals (SDGs).

Data Measurement Techniques

We employ the following protocols and techniques for measuring the key performance indicators (KPI) data that we report:

- **CO₂ Emissions:** CEMEX reports absolute and specific CO₂ emissions following the latest version of the CSI Protocol, denominated: The Cement CO₂ and Energy Protocol, version 3.1, published in May 2011. It considers direct emissions occurring from sources that are owned or controlled by the company excluding those from the combustion of biomass that are reported separately (Scope 1) and indirect emissions from the generation of purchased electricity consumed in the company's owned or controlled equipment (Scope 2). Historical data shall remain unchanged given that the previous protocol is closely aligned with the simple methods for reporting of the calcinations CO₂ emissions. For countries covered by the European Union Emission Trading System (EU ETS), CO₂ data corresponds to the one validated by and independent verifier in accordance with the applicable Accreditation and Verification Regulation.
- **Dust, NO_x and SO_x Emissions:** Absolute and specific figures are calculated based on kiln measurements taken from Continuous Emissions Monitoring Systems (CEMs) (in those sites where kilns are equipped with such technology) or spot analysis. These methods fully comply with the CSI Guidelines for Emissions Monitoring and Reporting. All information is reported to CEMEX databases, processed, calculated and validated to provide a final group value. The values are calculated in Standard for 0°C, 1 atmosphere and 10% Oxygen (O₂) content at measuring point.

Energy: Fuel consumption indicators are reported to internal CEMEX databases in which 'conventional', 'alternative' and 'biomass fuels' are classified according to the CSI Cement CO₂ Protocol spreadsheet. Heat values are obtained from on-site analysis (where applicable), value provided by supplier or standards from the CSI Guidelines for the Selection and Use of Fuels and Raw Materials in the Cement Manufacturing Process.

- **Clinker Factor and Alternative Fuels:** All material consumption is reported to internal CEMEX databases in which 'alternative materials' are defined following the standards from the CSI Guidelines for the Selection and Use of Fuels and Raw Materials in the Cement Manufacturing Process. The 'clinker/cement factor' is calculated using the CSI procedures indicated in The Cement CO₂ and Energy Protocol spreadsheet with information obtained from the databases.
- **Health and Safety:** SISTER, which is an internal database, collects all related health and safety information from each site and automatically provides the appropriate information to calculate the indicators. The database is configured using the CSI definitions.

We welcome your feedback on our sustainability reporting and performance. Please send your comments and suggestions to sd@cemex.com, or write to us at:

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