

Introduction

As a leader in the building materials industry with a presence in more than 50 countries, CEMEX is committed to influence and collaborate in the advancement of pressing global issues that will shape the future of humanity. In particular, our company is committed to reduce its CO₂ footprint, respect human rights, empower people, and participate in the growth and positive development of its host communities.

CEMEX understands that our business' sustainability is directly related to the well-being and development of our stakeholders and our surrounding communities. Our mission is to become and be perceived as a proactive and positive neighbor. Thus, wherever we operate, we strive to build mutually beneficial relationships with our communities. Our relationships are underpinned by an ongoing dialogue, transparency, and trust. We also build partnerships with key stakeholders such as academia, non-governmental organizations, and other corporations to enhance our ability to empower our communities.

As a global business that understands the differentiated priorities and needs of our local communities, CEMEX aims to add public value by leveraging our business capabilities and above all, our people.

Our Approach

To contribute effectively to the creation of shared value with society, our contributions are achieved through our core business activities, making the most of our employees' expertise and capabilities.

CEMEX interacts openly and directly with our communities to build trust, understand their needs, and address their concerns. At the end of 2012, 97% of our sites had implemented a formal community engagement plan and many have established community engagement committees that hold periodic meetings with community members and stakeholders to discuss the development of programs. By working at a country level to identify main stakeholders and their concerns, CEMEX has developed a **Stakeholder Outreach Program** that focuses on community activities that match the needs of specific locations.

CEMEX has defined four areas where we can add the most value and where we should focus our energy and resources. These main areas are: responsible site operation, employee volunteering, education and self-employment, and access to high-quality affordable housing.

1. Responsible Operation

Our company is focused on achieving a high standard of environmental performance at all of our sites. We systematically control and effectively manage the impact of our activities, products, and services, and aim to make efficient use of our natural resources. Our efforts center on strict measures to control air emissions, water management, waste reduction, and biodiversity conservation. We have implemented a global Environmental Management System (EMS) to track CEMEX's performance in these key environmental areas.

As part of a carbon-intensive industry, CEMEX has designed an aggressive strategy to reduce the carbon footprint of our operations. The key components of our strategy are the use of low-carbon alternative fuels to replace fossil fuels, the reduction of the clinker content in our cement, greater use of renewable sources of electricity, and continuous efficiency improvement in all of our operations. In 2010, CEMEX developed a **Carbon Footprint Tool** to help us quantify the amount of CO₂ emitted during the manufacture of our products. This information can be shared with our customers.

Additionally, CEMEX employees are charged with the implementation of the highest standards of safety, health, noise control, and responsible traffic practices, as well as a profound respect for the place in which we conduct our business. Therefore, we are implementing a global Health and Safety Management System (HSMS) in all of our sites.

2. Employee Volunteering

Volunteering time and human resources to support biodiversity conservation programs, recycling initiatives, health campaigns, or even blood drives are highly valued by our communities. In the first quarter of 2013 alone, CEMEX USA has organized more than 140 community engagement events. By participating in these types of activities, CEMEX strengthens our relationship with our host communities.

Moreover, through our ***Lend a Hand*** volunteering program in the UK, every employee is encouraged to take a paid day off to volunteer in their local community. This program is implemented across all operations and at all levels, including senior management.

In addition to the US and UK, we have a diverse portfolio of volunteering programs in Costa Rica, Poland, Israel, and Mexico.

3. Education and Employment

We recognize that empowerment and the creation of self-employment opportunities are the most durable forms of community support, and are more effective than charitable donations. Accordingly, we have developed tools and local programs to accelerate skill development, increase self-sufficiency, and encourage entrepreneurship among participants.

In many countries, CEMEX partners with academia, non-governmental organizations, governments, multilateral organizations, and other corporations to build curricula addressing such topics as the need for job creation and self-employment, entrepreneurship, and environmental awareness. In numerous cases, our facilities serve as training centers, where we organize workshops and classes ranging from self-construction, financial education, and project development to an introduction to sustainability and environmental awareness.

For instance, CEMEX has partnered with Citigroup's Banamex, one of Mexico's largest banks, to develop financial education workshops across our company's community centers. In the US, we are working with the Wildlife Habitat Council in its Corporate Lands for Learning program to develop educational programs on sustainability at our sites. Finally, in Poland, our community program targets neighboring youth—our communities' future leaders. Through presentations, tours, and competitions, participants learn about cement's role in society and sustainable development.

We are extending our high-impact social programs, originated in our operations in Mexico, to more countries and local communities. For example, we have expanded the ***Productive Centers of Self-employment*** program (Centros Productivos de Autoempleo) to Colombia, Nicaragua, and Costa Rica. In these centers, individuals manufacture concrete blocks and other precast forms, keeping half of their production for personal construction purposes. The other half is sold by the center to state and municipal governments in order to make the center a self-sustained entity. This benefits the community by enhancing its capabilities and providing a collaborative environment in which to

work. Ultimately, the program helps participants to improve their quality of life and realize additional income, fostering social cohesion and reducing poverty.

4. High-Quality Affordable Housing

As a global building materials company, the best way for CEMEX to contribute to the overall well-being of society is by increasing disadvantaged groups' access to our building materials and services, empowering new generations of construction professionals, and promoting home ownership.



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Almost two years after the launch of our **Affordable Housing** initiative, alongside many partners in emerging countries, we have contributed to the construction of approximately 8,000 affordable homes. We are working with governments and financial institutions to increase this number by further developing financing schemes that allow families without access to formal credit to gain access to durable and dignified housing.

Since 1998, our flagship **Patrimonio Hoy** initiative has been dedicated to helping low-income families reach their self-construction goals. This program combines the global presence of CEMEX distribution centers with the power of microcredit to offer financial and technical assistance to families for the construction of their homes. As of 2012, the *Patrimonio Hoy* program benefited 1.9 million individuals in Latin America.

Looking Forward

CEMEX's mission is to become our stakeholders' partner of choice and an effective leader in the sustainable and positive development of our communities. We will maintain an open dialogue with our constituencies to identify opportunities and seek innovative propositions to increase and share value.

We aim to establish additional alliances to enhance the solutions we offer, and we will work to expand our flagship programs to countries where they can have a high impact. Additionally, we will raise the profile of our **Stakeholder Outreach Program** within the organization, positioning it to become the common denominator for our business operations worldwide. This will increase employee participation in companywide volunteering activities, helping us leverage their skills and expertise to achieve our goals. By monitoring the results of our programs and volunteering activities, we will ensure that we are allocating our resources adequately. Finally, we will continue to innovate and develop our portfolio of products, services, and solutions to serve the needs of our customers and address the challenges that global urbanization trends present.